ANUAL NOTES 2015

emgesa

Grupo Enel

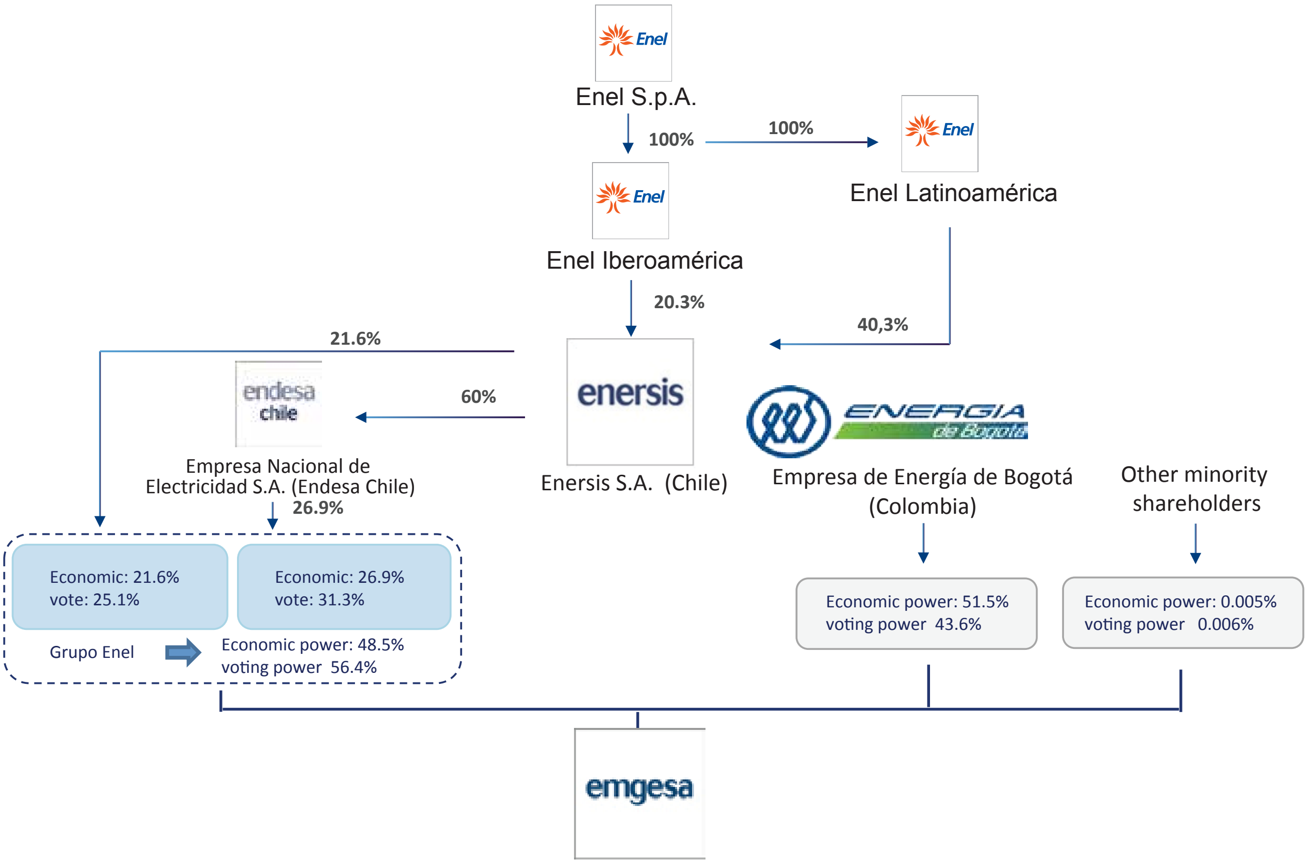
Table of Contents

Emgesa is part of the Enel Group, a global company providing open energy throughout the world. Currently, Enel has operations in more than 30 countries in 4 continents, managing energy generation of more than 89 GW of net installed capacity and distributing electricity and gas through a network covering some 1.9 million km.

The Enel Group provides more reliable and every day more sustainable energy to more than 61 million and users around the world, having the largest client base in the European and Latin American markets. The Enel Group is one of the main electric companies in Europe in terms of installed capacity and reported EBITDA.

The world has changed. More people now have access to more potent energies than ever before. Inasmuch as the supply to everyone improves, energy should allow them to expand its use. For this, EMGESA and the Enel Group companies are committed to providing energy to more people, as well as technology, uses, and associated services.
In a world that is more connected every day, the Enel Group works in shaping the energy future.

Ownership structure



Shareholding composition

Shareholder	Number of shares	Participation
Empresa de Energía de Bogotá S.A. E.S.P.		
Ordinary shares	55.758.250	
Preferential shares	20.952.601	
Total Empresa de Energía de Bogotá S.A. E.S.P.	**76.710.851**	**51,51%**
Empresa Nacional de Electricidad S.A.	40.019.173	26,87%
Enersis S.A.	32.176.823	21,61%
Minority	7.315	0,01%
TOTAL	**148.914.162**	**100,00%**

Board of Directors

Line	Principal	Alternate
First	Bruno Riga	Diana Marcela Jiménez
Second	Lucio Rubio Díaz	Fernando Gutiérrez Medina
Third	José Antonio Vargas Lleras	Aurelio Ricardo Bustilho de Oliveira
Fourth	Ricardo Roa Barragán	Álvaro Torres Macías
Fifth	Ricardo Bonilla González	Vacante
Sixth (Independient)	Vacante	José Alejandro Herrera Lozano
Seventh (Independient)	Luisa Fernanda Lafaurie	Andrés López Valderrama

Manager	Bruno Riga
First alternate to the manager	Lucio Rubio Díaz
Second alternate to the manager	Fernando Gutiérrez Medina

Audit Committee

Principal	Alternate
Lucio Rubio Díaz	Fernando Gutiérrez Medina
Ricardo Roa Barragán	Álvaro Torres Macías
Luisa Fernanda Lafaurie	Andrés López Valderrama
Vacante	José Alejandro Herrera Lozano

Good Governance and Evaluation Committee

Principal	Alternate
Ricardo Roa Barragán	Álvaro Torres Macías
José Antonio Vargas Lleras	Aurelio Ricardo Bustilho de Oliveira
Lucio Rubio Díaz	Fernando Gutiérrez Medina

Corporate object

The company's main object is generation and trading of electric power according to Law 143 of 1994 and norms regulating, adding, changing, or derogating it, as well as all types of activities directly, indirectly, supplementary, or auxiliary related to the fuel gas trading business, taking the necessary steps to protect the environment and the good relations with the community in the area of influence of its projects, performing work, designs, and consultancy services in electrical engineering and trading products in benefit of its clients. The company may perform all activities related to exploration, development, investigation, exploitation, trading, storage, marketing, transportation, and distribution of minerals and rock material, as well as administrative, operational, and technical management related to production of minerals and exploration and exploitation of deposits in the Republic of Colombia, including purchase, sale, lease, distribution, import, and export of raw materials, elements, machinery, and equipment for the mining sector. The company may promote and create establishments or agencies in Colombia and abroad, acquire in any manner all types of real and personal properties, lease and sell them, apply liens to them and use them as collateral; exploit brands, trade names, patents, inventions, or any other intangible good; participate in public and private tenders; execute all types of agreements and acts, either civil, labor, commercial, financial, or of any other nature required, convenient, or adequate in order to achieve its purposes; give or receive from its shareholders, parent companies, subsidiaries, and third parties money under loan; draw, accept, endorse, collect, and pay all types of securities, negotiable instruments, shares, executive titles, and other documents; execute company agreements or acquire shares in companies and participate as a partner in other public utilities companies; spinoff and merge with other companies with similar corporate purposes; assume any corporate association or collaboration form with natural or legal persons, national and foreign, in order to perform activities related or supplementary to its corporate purpose.

Letter to the Shareholders

To the Shareholders:

We are glad to present the Company results and the most relevant facts of its activities during 2015.
The Colombian macroeconomic environment showed good behavior thanks to the commodities boom drop caused by the low Chinese demand, which had lower growth levels during the last 25 years (6.9%). The good results in Colombia reflected mainly in the GNP, which between January and September 2015 grew 3.2% compared to 2014. The unemployment rate was the lowest of the last 15 years, 8.9%. The Colombian GNP had a 3.17% growth during Q3 2015, compared to 2014, higher than in some countries in the region (2.6% in Mexico, 2.27% in Chile, 4.45% in Brazil, and 2.91% in Peru). However, growth forecasts for Colombia have been lowered by the Central Bank technical team (2.7%-3.0%) upon taking into account low price forecasts in the commodities sector.

The Colombian CPI was 6.77% in 2015, 3.11% higher than the 2014 3.66% 2014 inflation. Faced with the 2015 accelerated inflation scenario, the Central Bank Board of Directors in September increased its intervention interest rate, in December setting it at 5.75%.

The internal Producer Price Index (PPI) had a 9.57% variation in 2015, 3.24% higher than in 2014 (6.33%), negatively affecting the price of our electric power purchases under contracts, in accordance with the positive effect of our revenues, considering that part of the rate is although also indexed to this indicator.
At the end of 2015, the peso vs. dollar Market Representative Rate was $3,149.47/US, a nominal 31.6% devaluation with respect to the previous year's rate of exchange ($2,392.46/US). During the second quarter of 2015 the market representative rate showed a clear Colombian peso devaluation tendency, mostly the result of lower expectations of crude dollars entering the Colombian economy. The situation was caused by a reduction of oil export revenues caused by lower crude international crude prices. The WTI reference price for Colombia at the end of the year was USD$37.04, a total price drop of 32.11% for the year.

Another significant recent fact of our macroeconomic environment is the process that will and the armed conflict in Colombia with FARC, which started in Cuba in September 2015. This agreement states that March 23 of 2016 will be the date for the final agreement, disarmament, and demobilization of this group, which according to the National Planning Department could have a positive effect in the country's growth of between 1.1% and 1.9%.

We should mention some of the risks the Colombian economy could be facing in 2016, based on the results of the "Survey on the Perception Existing on the Financial System Risks" made by the Central Bank between November and December 2015 to the financial system institutions, business groups, investigation centers, and universities in the country. The main concerns of this sector include the portfolio deterioration, based on poor growth forecasts for 2016.

The national energy demand in 2015 reached 66,174 GWh, a 4.2% growth compared to 2014, according to the Colombian GNP behavior. In 2015, the power demand peaked in December 2, reaching 10,095 MW and being the highest historical value, 5.7% higher than the 2014 9.551 MW.

In 2015, the electric power offer in Colombia was affected by very low rain conditions, which resulted in the National Interconnected System reservoirs receiving 89% of water inflow compared to the historical average. In 2014, it was 93% compared to the historical average. The situation confirmed the presence of the El Niño phenomenon, which grew stronger in September and caused a significant increase in the pool price, exceeding the scarcity price by 109 days during the year (10 days in May, continuously from September 20 until the end of the year). The average pool price was $378/kWh (68% higher than in 2014, when the average was $224.9/kWh). The pool price reached a maximum of $2,821/kWh in October 5, period 9. This price level resulted in CREG establishing a resource price offer cap (75% of the first electric power rationing level, Res. CREG 172 of 2015).

During 2015, EMGESA saw low water inflows in El Quimbo, Betania, and Betania due to the effects of the strong El Niño phenomenon that started in February 2015. On the contrary, Guavio received above-average water inflows. Despite national water inflows having been low, the high water inflows recorded during 2015 in Guavio were mostly used thanks to good coordination and maintenance work done to the substation, and the operation coordination. The company had an excellent performance in its portfolio, which allowed achieving an annual gross margin of $1,918 million (3% higher than in 2014), the highest in company history, year during which the highest EMGESA monthly historical man margin was achieved in December 2015, $203,000 million.

Total energy sales in 2015 were 16,886 GWh, 7.1% higher than in 2014. Of the 2014 sales, 12,505 GWh corresponded to sales under contracts (9,070 GWh in contracts with wholesale market clients and 3,435 GWh under contrast with non-regulated market clients), 4,381 GWh corresponding to sales to the spot market. As a result of the energy, water, and market environments, in 2015 sales under contracts grew 18.3% compared to 2014, caused by an increase in the contracting level defined in the commercial policy. On the other hand, sales to the spot market dropped 8.8% in 2015 compared to 2014.

The EMGESA entry to the gas trading market in Colombia was consolidated during 2015, making sales for a total of 55 Mm3 and achieving a variable margin of $2,008 millon. Industrial (non-regulated) clients were served in Bogotá and Manizales and at wellhead (secondary market). The long-term supply of gas was ensured until 2020, from the Cusiana-Cupiagua and Clarinete 1 fields, concluding sales agreements with clients for this same period.

The EL Quimbo hydroelectric station was commissioned on December 16, supplying approximately 400 MW and representing 4% of the country's demand. It progressed 12.83% and achieved a 97.8% physical progress as of December 2015. From the commercial and regulatory points of view, for such commissioning activities were carried out with the National Market Operator, according to legal requirements in national operation agreements. With this new capacity, EMGESA has a net installed power capacity of 3,411 MW, 21% of the country's capacity of 15,909 MW, placing it second among energy generators in Colombia.

Regarding results, we are glad to report that operational revenues reached $3,000 million, a 23.8% increase compared to the previous year, thanks mainly to greater generation and the increase of energy prices caused by the low rain levels and the higher PPI.

Sales cost was $ 1,350 million, a 74.74% increase compared to the previous year, mainly the result of greater purchases in the spot market and the greater fuel utilization caused by steam generation increases.
Administrative expenses grew 41.14%, reaching $192,909 million, mainly due to application of the 2015 wealth tax, calculated as a fixed cost in the EBITDA. As a result of having adopted the IFRS, as of December 2015 EMGESA had a $1,700 million EBITDA, 0.31% lower than in 2014.

Company net profits during 2015 were $885,455 million, 12.84% lower than in 2014 as a result of the above effects and the higher income tax and the equity income tax (CREE) applied after the most recent tax reform.
As of December 31 of 2015, total company assets were $8,839,876 million, among which available cash and short-term investments were $299,179 million. Available cash dropped 66.03% compared to the previous year, mainly explained by the use of cash obtained from the 2014 financing activities to respond to the EL Quimbo investment requirements.

Regarding indebtedness, as of December 31 of 2015 EMGESA had a financial debt of $3,981,542 million, 9.53% higher than in 2014.

The indebtedness level increased after the expiration of local bonds for $250,000 million in February. Additionally, short-term loans were obtained from local banks, with a final balance of $266,874 million, as well as loans in Peruvian Soles from Banco de Crédito del Perú, for which a Colombian peso hedging was obtained, resulting in an equivalent debt value of $195,678 million, in addition to a $130,000 million peso-indexed loan from Bank of Tokyo Mitsubishi UFJ These resources were used to fund the El Quimbo investments and provide working capital.

As of December 31 of 2015, the financial debt was distributed among bonds issued in the local capital market for $2,348,340 million, Colombian peso indexed bonds issued in the international market for $736,760 million, and bank loans for $902,519 million.

By the end of the year, EMGESA had kept its entire peso debt, directly or through financial hedging. 87.77% of the financial debt was long-term (maturities in excess of one year). 58.89% of such debt had interests indexed to the CPI, 10.73% to the Reference Banking Indicator, 3.23% in fixed term deposits, and the remaining 27.09% at a fixed rate.

During 2015, for the third consecutive year EMGESA received the Investors Relations Recognition from the Colombian Stock Exchange upon voluntarily rising its information disclosure and relationships with its investors management models above requirements in local norms and upon making available to its investors quarterly and annual information both in English and in Spanish in its webpage.

The long-term national rating of the EMGESA bonds issuance and placement program was confirmed in AAA (Col) by Fitch Ratings Colombia on June 25 of 2015. The EMGESA international rating as issuer of long-term corporate debt in local and foreign currency was ratified by Standard & Poor's in BBB on August 11 of 2015, and by Fitch ratings on May 7 of 2015, with a stable perspective both cases.

In order to conclude the EL Quimbo project, between January and December 2015 resources in homogenous currency (from September 2010) were provided for $1,054 million, achieving the full investment approved for the project of $2.831 million. As requested in September 2015, the balance of the budget approved to capitalize the project costs were reserved, as well as costs related to the environmental license commitments during the operational phase.

As of December 2015, the company payroll had 510 employees, with whom we worked in order to continue consolidating the company as an attractive and competitive employer in the labor market, always in search of generating a feeling of belonging and pride in our collaborators.

We continued working to keep our certification as a familiarly responsible company, granted by the Más Familia Foundation in recognition to our work done in implementing a new social-labor and corporate culture based on flexibility, respect, and commitment to our workers, always looking to provide balance among personal, family, and labor life.

We would like to express our conviction regarding the Colombian economy growth perspectives, the highest quality and commitment of our human resource, and the support afforded by belonging to a multinational company with global coverage, as the Enel Group is, which will allow us to optimistically tackle daily challenges presented by our operations, as well as those we will find in the short, mid, and long-term.

After December 31, there have been no significant company circumstances that could be worth mentioning.

In order to meet conditions in article 47 of Law 222 of 1995 regarding activities carried out with the shareholders and the administrators, we are informing that they were carried out according to applicable legal conditions and are duly contained in the financial statements. EMGESA meets norms on intellectual property and copyrights and declares that all software available in the company has the respective licenses and meets norms on intellectual property and copyrights in Colombia.

In compliance with article 87 of Law 1676 of 2013, we inform that the company has not hindered the free circulation of invoices issued by vendors or providers.

According to the EMGESA corporate bylaws, we now present the following reports to the shareholders:

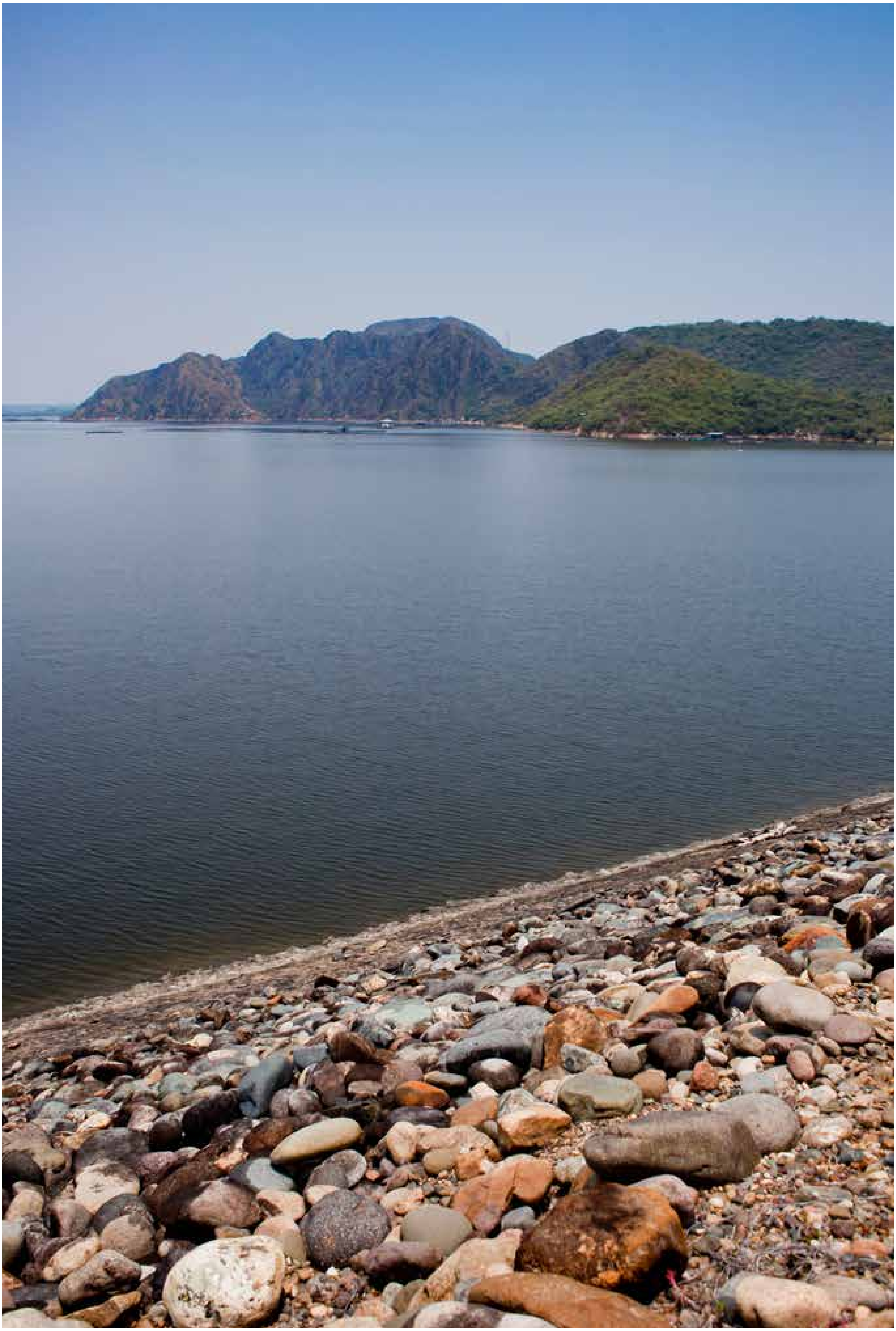
> General Manager's Activities Report corresponding to January 1 - December 31 of 2015, approved by the Board of Directors.
> Ernst & Young Ltda. report, in its condition of Statutory Auditor, on internal control.
> Report according to Article 446 of the Trade Code.
> Special corporate Group Report, according to Article 29 of Law 222 of 1995.

According to item 12 of article 68 of the Corporate Bylaws, we are informing the shareholders that the company has an internal control office watching over compliance with control and management programs. In addition, the management and results external audit is being currently done by Ernst & Young Ltda., whose results will be reported in the Superintendence of Household Public Utilities Information System according to deadlines considered in current norms.
Yours truly,

Lucio Rubio

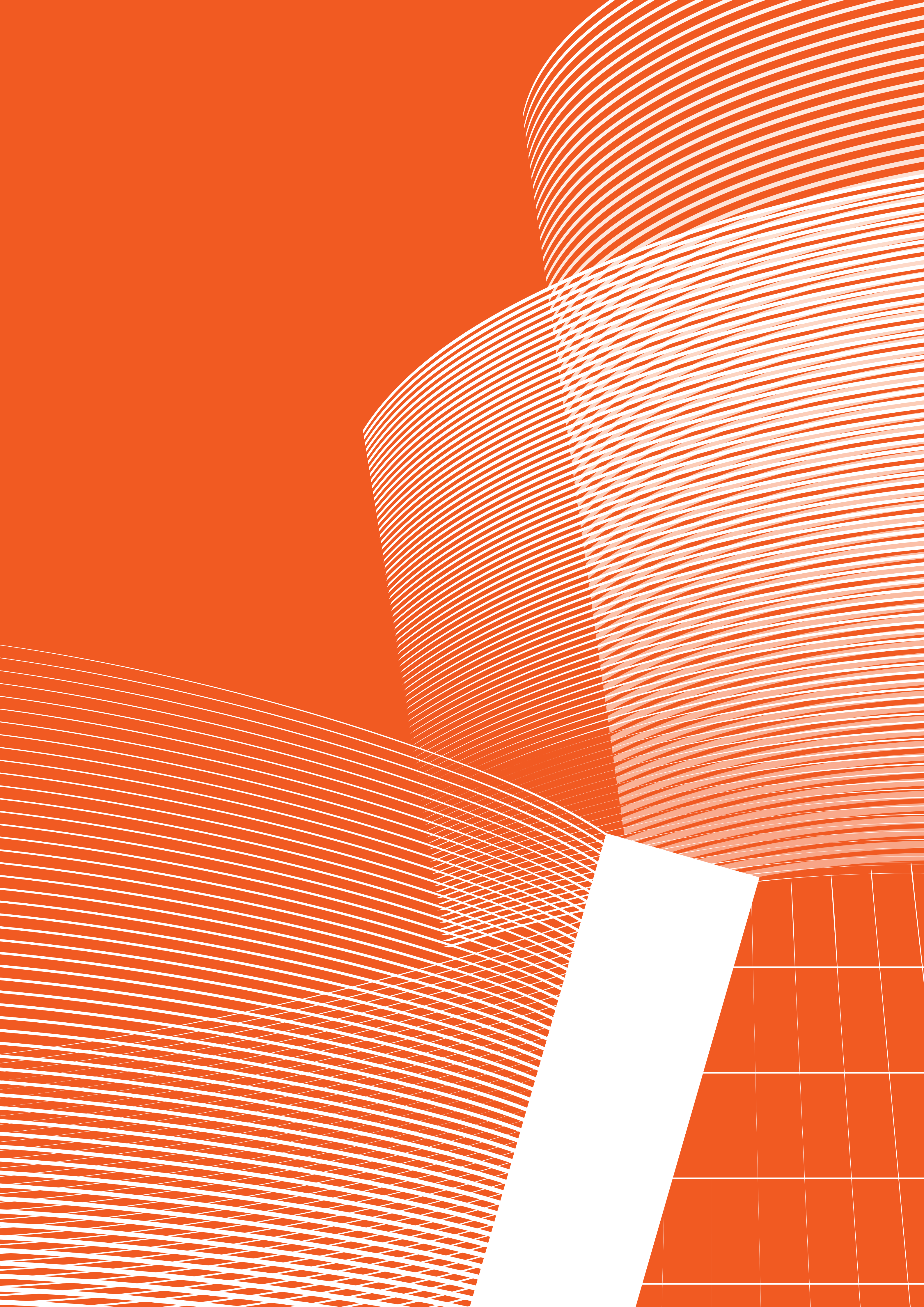
LUCIO RUBIO DÍAZ
Gerente General

JOSÉ ANTONIO VARGAS LLERAS
Presidente Junta Directiva



Embalse Betania

Power Generation



In 2015, the EMGESA energy generation had satisfactory technical results, its plants' optimal performance allowing achieving production goals.

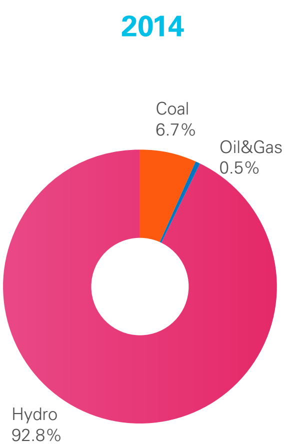
Activities were focused on improving processes and adopting best practices at a global level, which allowed for our projects' efficient development regarding the various generation technologies and achieving optimal operational and economic results.

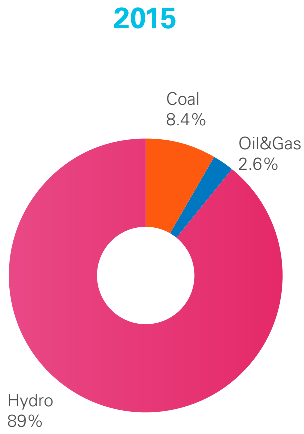
During the year, the 0-accident policy was successful. Regarding this, the 2016 challenges focus on cultural change, analysis of incidents, and timely implementation of preventive and effective actions to guarantee the safety of persons and equipment.

Operation performance

In 2015 the net energy generation reached 13,741 GWh, a 1% increase compared to 2014, thanks to greater steam PARK generation in response to the National Interconnected System requirements. The following graph shows net generation per technology:

The following generation stations broke their historical production records from the start of their operations.



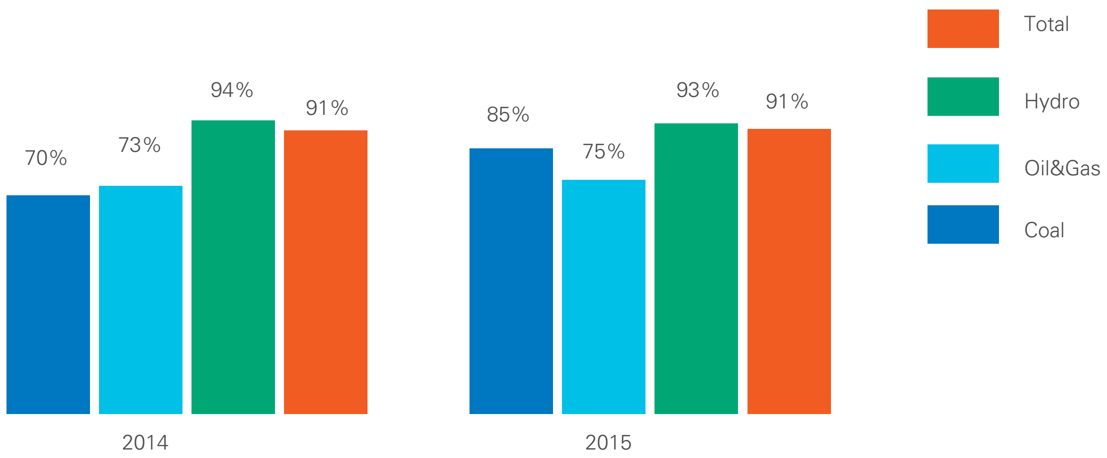


Source: Operational Performance Optimization (OPO) Colombia

- The Guavio station generated 6,603 GWh, 5.8% of additional generation compared to the maximum level reached in 2012. This was possible thanks to various optimization projects that allowed the efficient use of water resources.
- Termozipa generated 1,150 GWh, 15.9% of additional generation compared to the highest level in 1997. This record was possible thanks to the greater availability of the station units.
- > The Cartagena station generated 362 GWh, 50.8% of additional generation compared to the level reached in 2010. Due to the El Niño phenomenon, the planned considerably increased its production.

Central Térmica Cartagena

The EMGESA generation park availability during 2015 was 91.2%, 0.3% higher than in 2014. The following chart shows the generation availability, per technology:

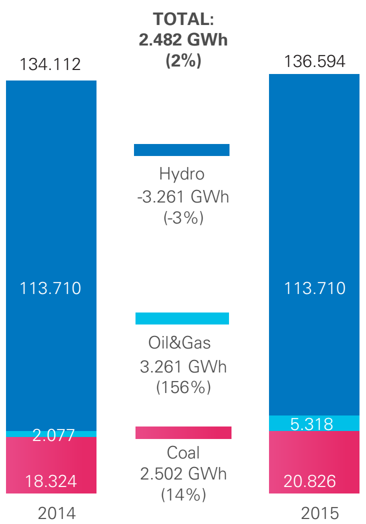


Source: Operational Performance Optimization (OPO) Colombia

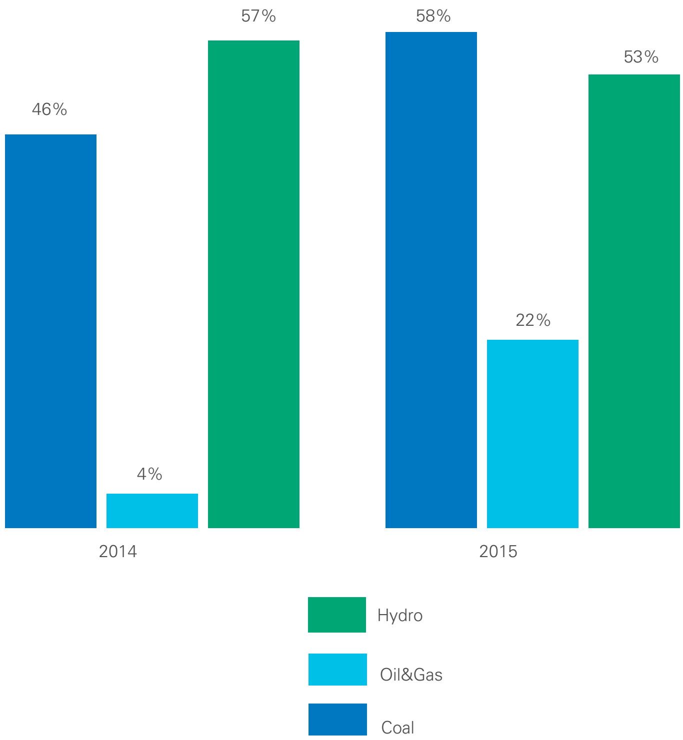
In 2015, the National Interconnected System saw the consequences of the El Niño phenomenon, represented in low water inflow to reservoirs and an increase in steam generation to respond to demand. EMGESA efficiently responded to this requirement with its thermal stations.

In total, 136,594 service hours were recorded for the EMGESA generation units during 2015, 2,482 more than in 2014. The use factor ended at 51.2% compared to 51.9% of 2014. The following graph shows that:

Service hours [h]



Use factor [%]



Source: Operational Performance Optimization (OPO) Colombia

Hydraulic technology

In order to achieve the above optimal operational results, the hydraulic technology stations implemented several investment and maintenance activities previously identified and described below.

> **Guavio hydroelectric station:** maintenance to the 230 kV encapsulated substation and rehabilitation of civil infrastructure such as the Ubalá-dam tunnel.
> **Minor Charquito hydroelectric station:** internal and external maintenance to conduction piping.
> **Minor Tequendama micro hydroelectric station:** maintenance to Maine equipment in unit 3.
> **Betania hydroelectric station:** Unit 3 stator coils replacement, extending the generator service life and guaranteeing its availability during at least the following 30 years. Embankment protection work was concluded at the gates' spillway impact well, preventing the erosion from affecting the structures.
> **Pagua Chain:** modernization of the generator voltage regulators and replacement of power switches of the two La Guaca hydroelectric station units.
> **Pondaje Alicachín:** definition and execution of a new "pondaje" management plan optimizing the use of the water and improving its operational and environmental conditions.

All the above was focused on the safety and reliability of the stations and guaranteeing the equipment service life.

Thermal technology

As already mentioned, the oil&gas and coal stations' performance was particularly good, which allowed the company to respond to energy requirements during severe drought season and respond to the National Interconnected System requirements. The main activities carried out were:

> **Termozipa thermal station:** modernization work of the unit 4 automatic controls was started in order to meet the boiler safety level requirements under international standards. The technological change for the ash handling systems and the unit 4 steam turbine rotor manufacture work was started. The trucks' tarp-removal station was built, which will allow workers to safely perform this activity.

> **Cartagena thermal station:** the work to recover the boiler and the unit 3 boilers system was concluded, improving the operation safety and reliability.

Salud, seguridad, medio ambiente y calidad

The process to integrate the organizational structure and safety management, labor health, environment, and quality was started. Focus is kept on guaranteeing the workers and the subcontractors' life protection, protecting the environment, achieving continuous improvement, ensuring legal compliance, rationally using natural resources, preventing pollution, and guaranteeing the clients' satisfaction.

Muña Pumping station


Charquito Hydroelectric station

Río Municipios del Guavio

Safety and labor health activities focused on reducing accidents through strategies aimed to improving supervision and operational controls, risk control methodologies, and training in legal aspects to key personnel managing contracts and self-care pedagogical strategies. During 2015 there were no serious or mortal accidents, the company having made efforts to avoid them and achieving the 0 accidents goal.

Environmental activities focused on activities contained in environmental management plans approved by the National Environmental Licenses Authority, as well as activities before regional environmental authorities to renew environmental permits. During 2015 a clarification was delivered to Corporación Autónoma Regional de Cundinamarca regarding the Bogotá river water concession amendment and extension in 2011, as well as a proposal for the Termozipa station effluent mix and parameters.

Obligations arising from the decision from the State Council and the Bogotá river popular action were met, including participation in institutional workshops and the Muña reservoir maintenance activities, focused on manually and mechanically removing surface plants, dredging, and monitoring.

Quality activities focused on including a new element, whose purpose was supporting material quality control activities in contracting processes and execution of projects carried out at the stations. General guidelines were defined, participating in contracting processes and in preparation of technical specifications, reviews of quality plans, and validation and follow-up of control and quality assurance activities carried out by the contractors.

Engineering projects

The Salto II, Laguneta, and Darío Valencia stations' automatic control system modernization was concluded, under the SALACO project. This will allow for remote operation from any control center of such stations.

Training and engineering activities were carried out in order to ensure a reliable and safe operation of the EL Quimbo station, which was commissioned in November.

The Muña reservoir volume recuperation was started in order to optimize the Pagua Chain stations' operation.

In Termozipa, work was done to optimize the inlet operation in the Bogotá River in order to improve the pumping systems, the condensers, and the refrigeration towers' performance. This resulted in a reduction in scheduled maintenance and availability problems.

2016 challenges

In order to continue being a leading company in the country's energy sector and contribute with the Enel Group strategic objectives, EMGESA will be facing certain significant challenges, focused on:

Maintaining the plants' reliability

> Modernize the generator speed regulators and the power switches at the Guavio hydroelectric station.
> Change the stator coils of a generation group of the Pagua Chain.
> Perform major maintenance at the Termozipa thermal station, taking into account modernization of control systems, implementation of a dry ash system, and installation of the unit 4 rotor.
> Recover boilers and burner systems of units 1 and 2 of the Cartagena thermal station, benefiting from work done in unit 3 during 2015.
> Continue ensuring the best possible availability of generation plants in response to the El Niño phenomenon, which will continue during the 1st half of 2016.

Continue with environmental management.

> Implement obligations under the operation phase of the EL Quimbo environmental license.
> Obtain the integrated health, safety, environment, and quality management system certification.
> Obtain the ISO 9001 quality certification for minor and run of river stations, starting the EL Quimbo station normalization process.

Perform investment and improvement projects

> Start the Muña III pumping station, the minor Charquito station, and the minor Tequendama station modernization project.
> Increase the declared power in some stations.
> Take the operation of the EL Quimbo station to standardize projects with which the current generation park is being operated.

Limonar hydroelectric station

ENERGY MANAGEMENT

In EMGESA, power generation is focused on trading energy and gas in the Colombian market.

For this, the company manages its generation assets in the spot market and performs wholesale operations by selling energy to nonregulated clients, as well as block energy purchases and sales to other agents in the market.

As a result of the El Niño phenomenon, during 2015 activities focused on meeting energy demand requirements assumed under the reliability charge. Efforts were made to ensure availability and logistics of thermal stations fuels, providing assistance to current and new clients to negotiate energy, ensure energy supply at competitive prices, and long-term sustainability.

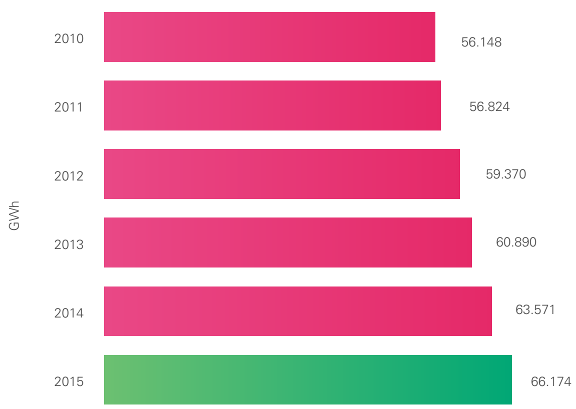
Consolidation and growth in the national gas market will continue during 2016, responding to the needs of large gas consumers and trading it among wholesale agents.

Work will continue in order to achieve the company's energy management and its assets' sustainable growth, i.e. generation stations, as well as growth of energy and gas clients in the Colombian territory.

Demand

The Colombian energy demand during 2015 was 66,174 GWh, 4.2% greater than the previous year. Power demand peaked on December 2 upon reaching 10,095 MW, representing a 5.7% increase compared to the previous year (9,551 MW).

SIN Demand



Wholesale market

Energy purchase-sale operations were carried out among traders and generators, under long-term agreements subject to defined prices and quantities. During 2015 EMGESA sold energy in the wholesale market under contracts and under public or private tenders, as shown below:

GWh	2015	2014	% Variation	
Wholesale market	9.070	7.669	1.401	18%

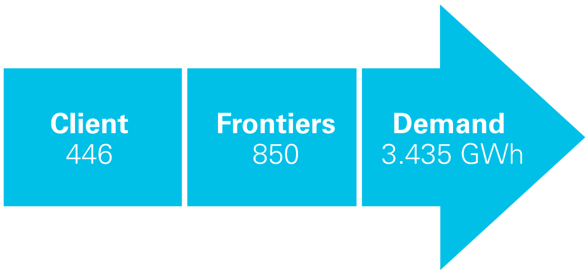
Emgesa participated in 51 tenders to respond to the traders' regulated demand or to back contracts of other generators, being awarded 33 of them by 11 market agents, to which it sold 7,576 GWh, distributed between 2015 and 2024.

Nonregulated market

This market is comprised of end users using over 55 MWh/month or having more than 0.1 MW of installed power. In this market, EMGESA serves clients of the industrial and commercial sector mainly, for which it has specialized means to provide assistance in energy negotiations and offer efficiency-oriented energy solutions.

The commercial demand of the nonregulated market served by EMGESA in 2015 was 3,435 GWh, equivalent to 16% of the entire national demand, making it the 3rd energy provider. During the year, 446 clients (companies) were served in 850 frontiers, i.e. locations in which there are electric meters installed.

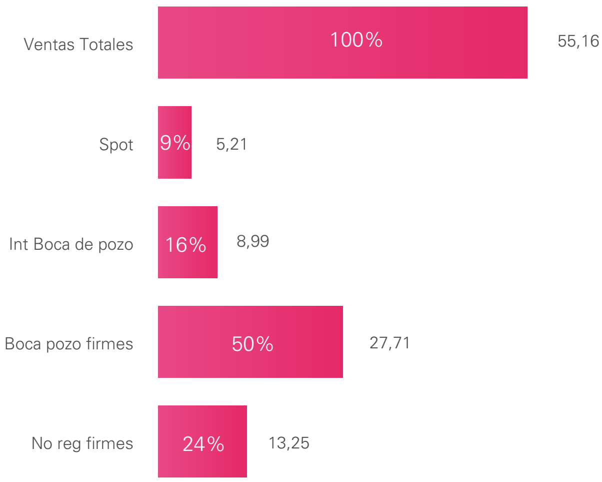
Cifras en GWh	2015	2014
Mercado No Regulado	3.435	3.300



The main regions that saw an increase in energy sales to clients of the nonregulated market, compared to 2014, were the Atlantic Coast (21%), the coffee area (32%), and Valle del Cauca (102%).

Gas trading

Since 2014, EMGESA is actively participating in the gas trading market in Colombia, during 2015 revenues from such market having been consolidated, serving 18 clients with total sales of 2,361 GBtus (55 m3), representing revenues of $30,604 million. Clients belong to the gas spot market and are nonregulated market clients, or free clients, directly trading the wellhead price under firm and uninterruptible contracts from the spot market. 55 Mm3 of gas were sold to them as shown below:



During 2015 the gas sale negotiation was concluded for the industrial nonregulated market of clients from the Atlantic Coast, for 5 years from December 2016.

Invoicing

The following table shows invoicing revenues during 2015, regarding gas and energy sales in the various EMGESA markets:

million pesos	2015	2014	Variación %
Wholesale market	1.353.614	1.083.504	25%
Nonregulated market	914.189	785.684	16%
Gas	30.973	1.707	1.715%
Pool sales	998.757	746.823	34%
Total	3.297.533	2.617.718	26%

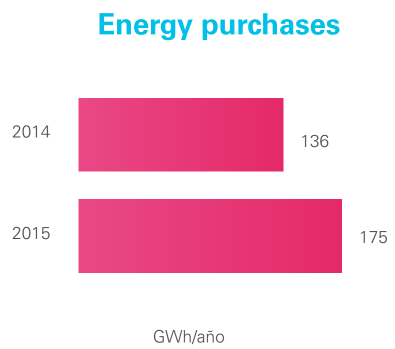
End of process data. Source: internal EMGESA information.

Accounts receivable

Thanks to the preventive collection management program and application of strategies focused on improving client collections, during 2015 delinquent accounts improved 1.8%, 0.2% better than in 2014.

Energy purchases

In order to support energy sales under contracts, EMGESA purchases energies from other agents in the wholesale market, both generators and traders. The following chart shows the 2015 energy purchase levels:



End of year 2015 data. Source: internal EMGESA information.

Purchases during 2015 increased 28.68% compared to the previous year.

Relations with clients

In order to properly communicate with its clients, EMGESA design a plan, through various communication channels:

Sales force

Included in the clients' value proposition, EMGESA has a team of zone commercial traders, highly trained and skilled in the energy market, in energy management, in the quality of the supply, and in the sector regulation, providing assistance and personalized follow-up.

Call center

Clients have available two call centers, one national and the other in Bogotá, available 24/7, responding to doubts and requirements from clients and to claims related to the quality of the supply.

Webpage

At http://clientes.emgesa.com.co, clients have access to their contracts' personalized contents, being able to follow up their energy use and invoices.

Events and training

In order to share information related to the training business with the clients, EMGESA has developed a training plan related to:

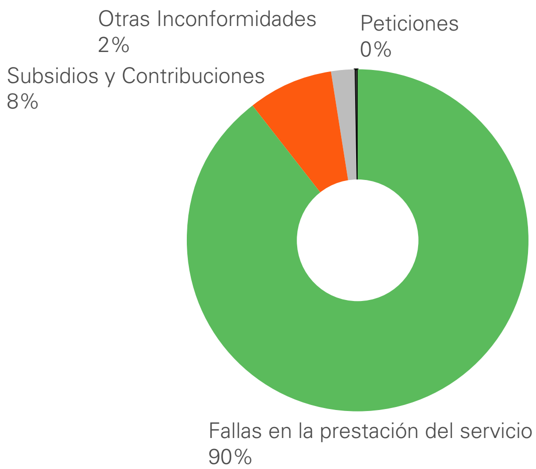
- The energy market
- Regulations and current norms > Efficient use of energy
- Economic perspectives

The company has been developing spaces addressed to strengthening long-term relationships, such as the Energy Explorers program, under which clients visit the generation stations and get to know the production process and social projects developed with communities in the areas of influence.

Petitions, complains

In 2015 EMGESA received 2,504 petitions and complaints, all of them properly handled, of which the greatest percentage related to service provided by the grid operators, which according to regulations are responsible for the quality and continuity of the electric power service.

Number of petitions and complaints



Client satisfaction

The EMGESA client satisfaction survey has been designed to measure the market perception regarding the offer of products and services, focusing efforts and resources on client satisfaction and on anything adding value to the product.

The quality satisfaction index (ISCAL) has been kept at excellent levels during the last few years, thanks to the relationships plan with the clients.

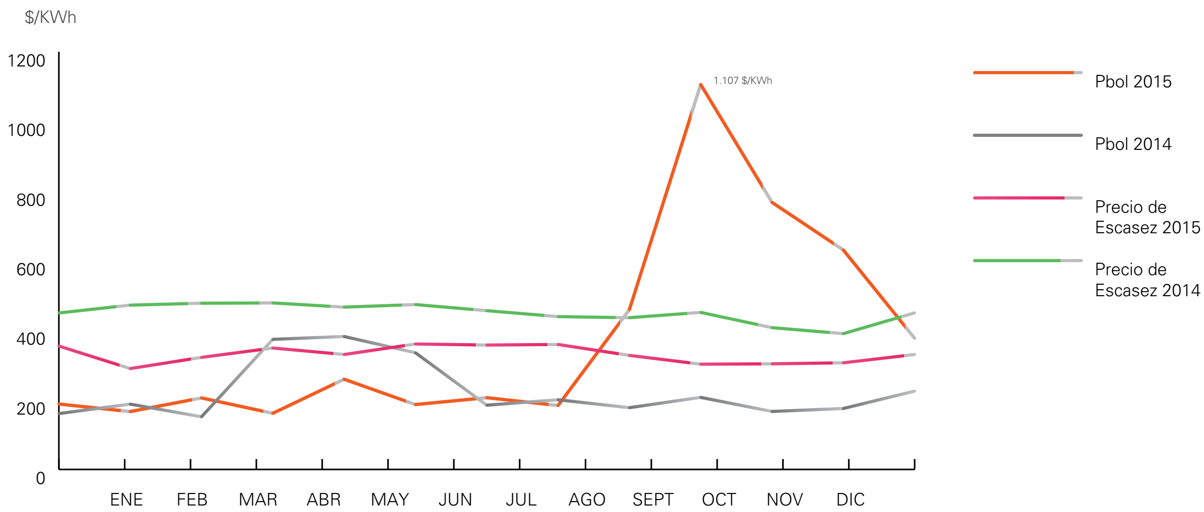
Spot Market

The spot market, or energy pool, is a market in which the sector generating agents and traders negotiate their surpluses and deficits in real time, considering that energy cannot be stored.

2015 had relatively dry conditions, resulting in sufficient levels of water entering The National Interconnected System reservoirs, 89% compared to the historic average (93% in 2014). This, added to the El Niño phenomenon - which became strong in September -, resulted in pool prices exceeding the scarcity price by 109 days during the year (10 days in May and continuously from September 20 until the end of the year).

The scarcity price is a cap price for demand, based on which the Firm Energy Obligations (OEF) apply to agents, obligation among generators that financially affected the sector thermal generators. The Energy and Gas Regulatory Commission (CREG) issued Resolution 178 of 2015, valid during 6 months, giving the option to remunerate up to 470.66 $/kWh OEFs generated with liquid fuels (Resolution in effect since October 28 of 2015).

Average Pool Price versus scarcity price



The year's pool price average was 378 $/kWh, 68% higher than in 2014, mainly influenced by the last 4 months' high prices resulting from low rain levels. The highest pool price was 2,821 $/kWh, (October 5, period 9). This price level led the CREG to set a price cap (75% of the 1st rationing step- Res. CREG 172 of 2015).

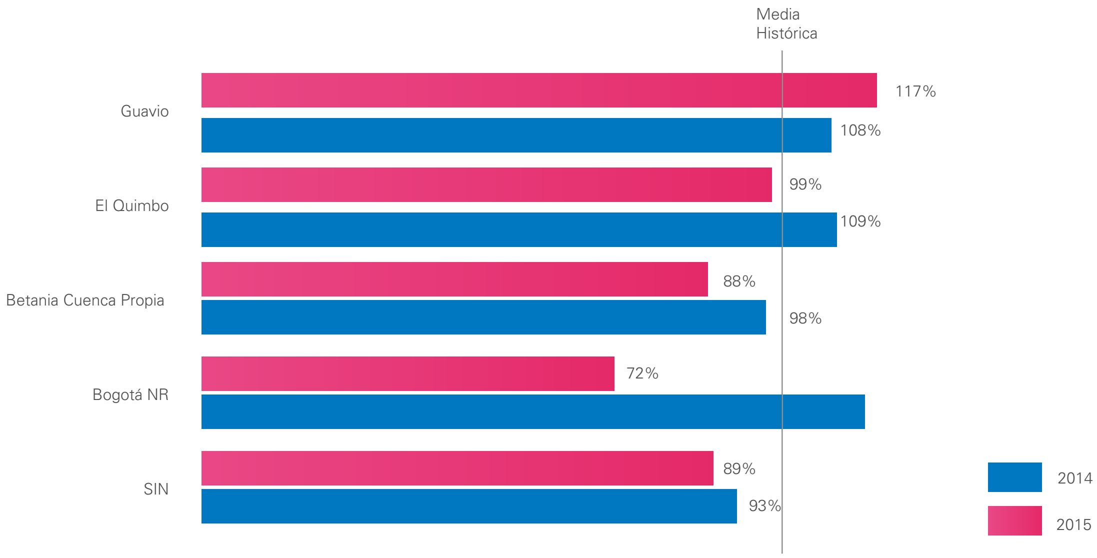
	2 015	2 014		Dif
	$/kWh	$/kWh	$/kWh	%
Pool price	378	225	+ 153	+ 68%
Scarcity price	330	450	- 120	- 27%

Despite the country's energy situation, EMGESA as a whole met the number of days during which the scarcity price was activated, delivering its firm energy obligations to the system and optimally managing its portfolio, which allowed achieving an annual valuable managing (gross margin) of 1,918,000,000,000 COP (3% higher than in 2014).

During 2015 water contribution levels at a national level were less than normal, due to the strong El Niño phenomenon, which started in February of 2015 and became stronger in September.

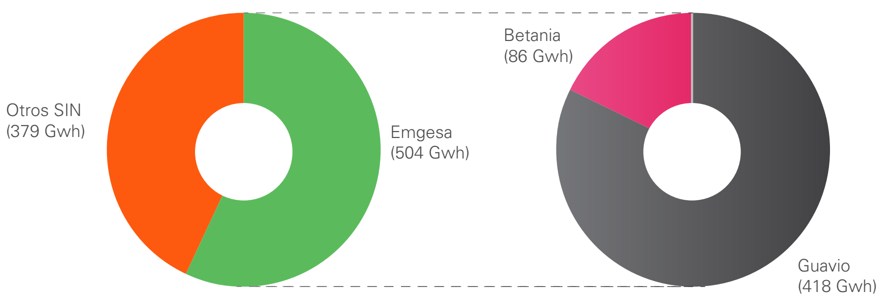
Water contribution levels to basins afferent to El Quimbo, Betania, and Bogota were low. On the contrary, that of Guavio received above average water levels, which were mostly used thanks to coordination work and maintenance work considered for the substation. This allowed for an additional variable margin of $82,000 million.

Water contributions expressed in percentages of historical averages



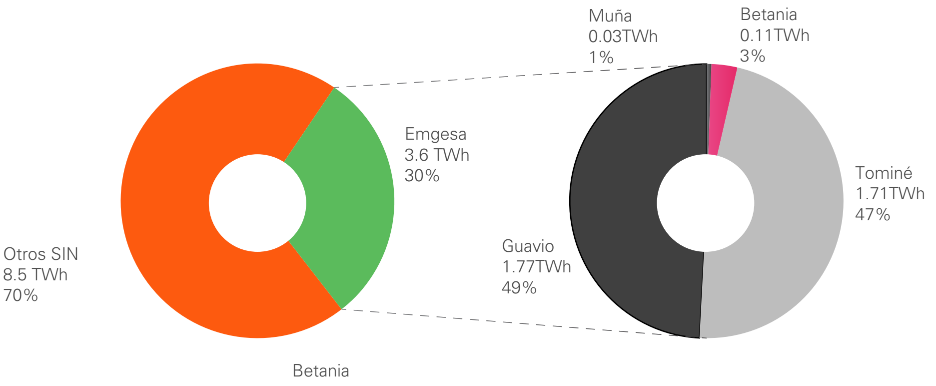
Following are effluents presented by EMGESA (57%) with respect to the entire system

2015 effluents

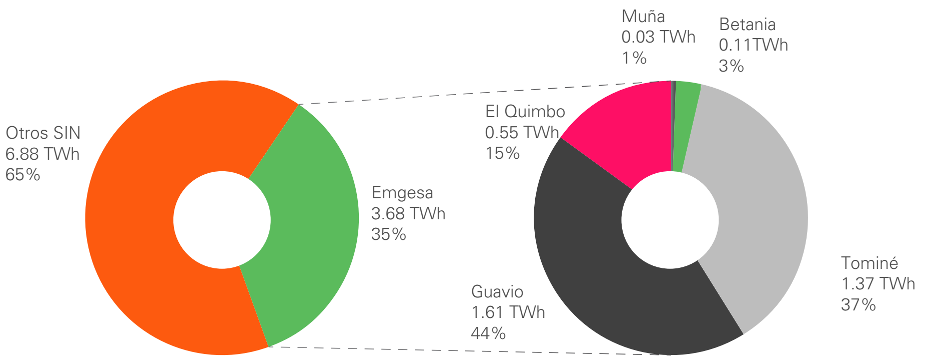


The EMGESA reserves started with 3.63 TWh and ended with 3.68 TWh/day, staying at close to 30% of the SIN throughout the year.

Reserves at the beginning of 2015



Final reserves, 2015



Commercial commissioning of the EL Quimbo station

The EL Quimbo station was commissioned on November 16 of 2015 (396 MW), providing approximately 5% of the country's demand.

From the commercial and regulatory points of view, the following actions were mainly carried out in coordination with the national market operator (XM), according to legal requirements under national operation agreements applicable to this type of station.

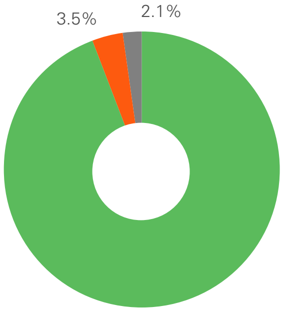
During 2015, EL Quimbo generated a total of 159 GWh, including commissioning tests according to technical requirements.

El Quimbo

Reliability charge and secondary market management

For the December 2014-November 2015 reliability charge period, obligations assigned to the EL Quimbo station - 400 GW hour - were assigned, equivalent to approximately $18,000 million (some US $6.11 million). Deducting this assignment, the assigned reliability charge remuneration was COP $561,000 million (some US $1 87 million), equivalent to 12,244 GWh.

From the acquired firm energy obligations, 97.9% were met with energy resources and with the support of safety rings (instruments created to facilitate responding to demand under critical conditions such as those caused by the El Niño phenomenon the previous year), percentage equal to compliance with the previous charge period.



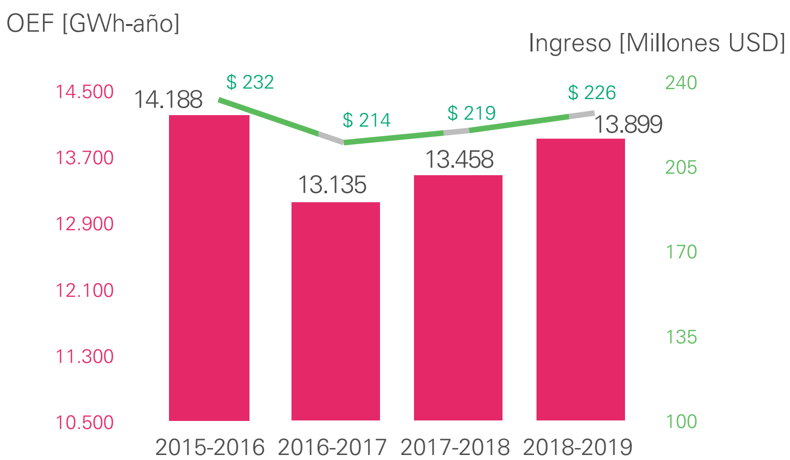
	TOTAL GWh	TOTAL MMUSD
Remuneración asignada	12444	187
Recibida por disponibilidad plantas	11559	176.6
Recibida por respaldos de A.s.	427	6.5

Guavio Reservoir

Assignment of Firm Energy Obligations (OEF)

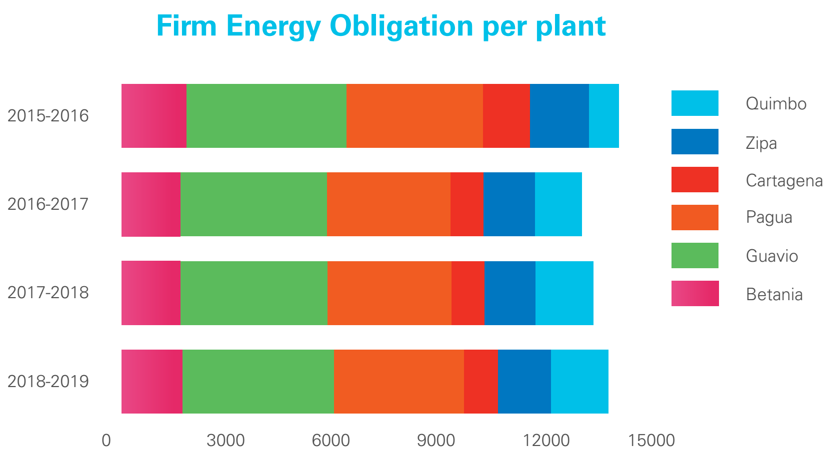
Currently, the Colombian system has assigned Firm Energy Obligations for the periods between December 2015 and November 2019. The charge period between December 2015 and November 2016 was assigned during the 2nd quarter of 2011. Obligations assumed by EMGESA for the period between December 2016 and November 2019 were assigned during the 2nd half of 2015.

The Firm Energy Obligations values and the equivalent revenues (indexed to November 2015) are described following.



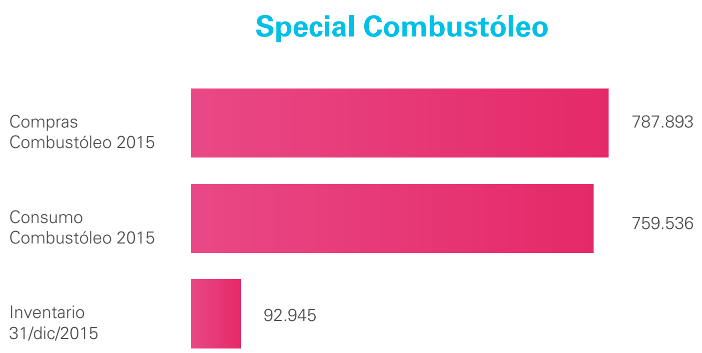
Revenues between December 2015 and November 2019 are calculated applying a rate of 15.7 USD/MWh.

The Firm Energy Obligations assigned for each EMGESA plant are shown below:



The assignment for the period between December 2015 and November 2016 was made applying the auction mechanism, representing a 100% assignment for existing plants. For the remaining periods, a managed assignment was made, prorated at 92%, 92%, and 95%, respectively.

Fuel management

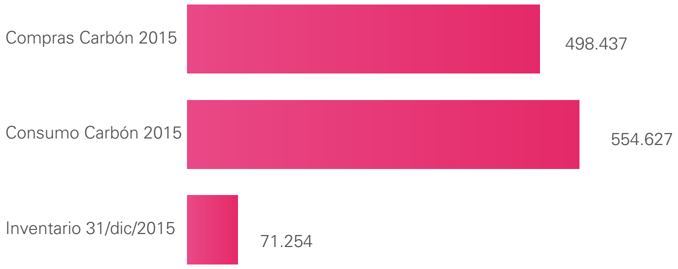


Special combustóleo consumption in 2015 had a 375% increase compared to 2014, due to greater generation delivered by the Cartagena thermal station, an historical record.

Purchases of special combustóleo in 2015 increased 488% compared to 2014. However, the value of purchases in Colombian pesos only increased 281% in 2015, compared to the previous year, due to the price reduction caused by a drop in the market of the fuel oil barrel price (USGC 3%), 49% at the end of the year. Additionally, the value of dollar purchases increased 178% due to the Colombian peso devaluation of 37% between 2015 and 2014.

Inventories as of December 31 of 2015 were 44% higher compared to 2014, since at the end of 2015 the 3 generation units were available, as opposed to 2014 during which only 2 units were available.

Coal



For the Termozipa station, during 2015 coal purchases in excess of 8% were made compared to 2014. However, the value of purchases in Colombian pesos increased 15% due to in 2014 9% of all coal purchased corresponded to coal mixes, as opposed to 2015 during which all purchases corresponded only to coal. The dollar value of coal purchases in 2015 dropped 16% compared to 2014, due to the Colombian peso versus dollar devaluation of 37% between 2014 and 2015.

Coal consumption increased 26%, with a 42% inventory reduction compared to the previous year. 2015 ended with 22 suppliers with long term contracts, valid until December 31 of 2016, supporting the Firm Energy Obligations of the Reliability Charge

Termozipa

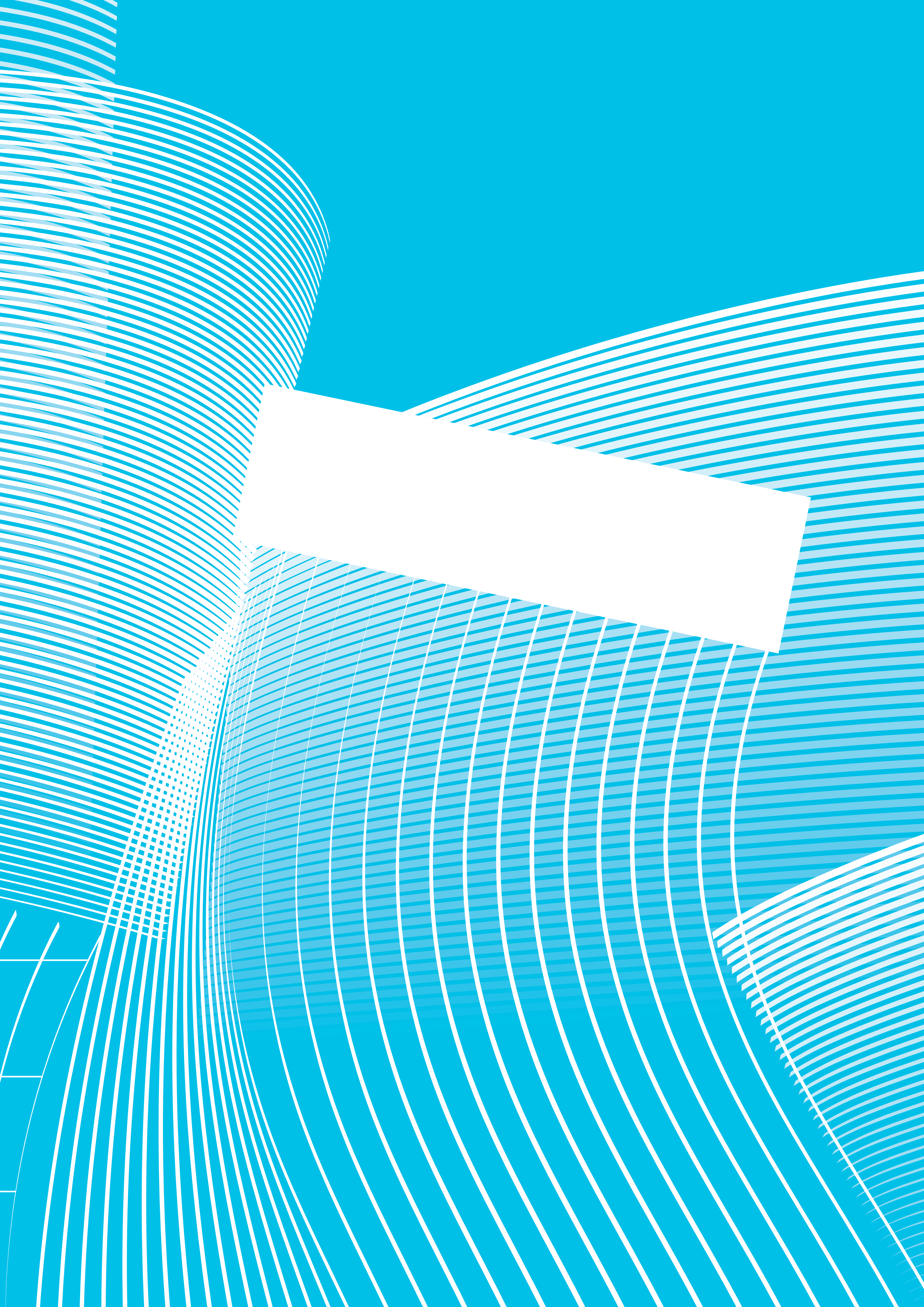
Energy management in figures

The following chart summarizes the results of the main processes:

ENERGY (GWh)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
SIN energy demand																
SIN generation	41,479	43,150	44,841	45,816	47,011	48,829	50,815	52,853	53,871	54,679	56,148	56,739	59,370	60,890	63,571	66,174
Energy exports	41,278	43,048	44,735	46,734	48,562	50,430	52,340	53,626	54,395	55,966	56,888	58,620	59,989	62,197	64,328	66,548
Energy imports	-	24	81	1,129	1,681	1,758	1,609	877	599	1,358	798	1,955	714	1,377	849	461
SIN available energy	77	40	8	69	48	37	28	40	26	21	10	8	7	29	47	45
Not available energy	41,355	43,064	44,662	45,674	46,929	48,709	50,760	52,789	53,821	54,628	56,100	56,674	59,281	60,848	63,526	66,133
Hidro generation	124	86	180	142	82	120	55	64	49	51	48	65	89	43	46	41
Thermal generation	31,074	32,439	34,670	37,197	39,849	40,979	42,558	44,242	46,161	40,837	40,557	48,432	47,582	44,363	44,742	44,682
Fuel oil generation	10,095	10,506	9,957	9,430	8,543	9,288	9,625	9,262	8,128	14,964	16,069	9,831	12,006	17,424	19,044	21,284
Coal generation	-	-	-	-	-	-	1	1	0	276	478	5	144	225	2,925	2,465
Combustóleo	1,880	2,032	1,983	2,632	1,634	2,086	2,591	2,904	2,487	3,697	3,578	1,636	2,865	5,527	5,907	6,523
Gas	408	73	8	7	13	8	10	36	43	362	509	246	226	180	284	633
Other	7,807	8,401	7,967	6,791	6,896	7,198	7,025	6,341	5,631	10,894	11,928	8,090	8,849	11,545	7,838	9,652
Cogeneration	-	-	-	-	-	-	0	-	-	7	3	-	3	3	2,090	2,012
Wind generation	108	103	107	108	120	114	94	73	52	106	223	317	347	352	472	526
Pool transactions	-	-	-	-	51	50	63	50	54	58	39	41	55	58	70	68
Energy losses	15,801	17,711	16,862	17,173	17,145	17,747	17,529	16,692	16,573	18,220	19,005	18,323	17,645	16,147	16,356	17,372
Generation (MBTU)	683	652	775	914	967	967	1,021	981	973	956	937	1,046	1,028	910	957	936
Thermal Gas																
SIN power (MW)	10,295	8,347	8,325	8,240	8,225	8,215	8,215	8,306	8,144	8,211	8,364	8,459	8,472	8,454	10,952	13,331
Net effective capacity																
SIN maximum power demand	12,734	3,160	13,425	13,229	13,427	13,355	13,280	13,414	13,479	13,509	13,303	14,427	14,413	14,559	15,527	16,571
EMGESA portfolio generation (GWh)	7,617	7,783	8,018	8,050	8,332	8,639	8,762	9,093	9,079	9,290	9,100	9,295	9,504	9,383	9,639	10,095
Guavio																
Betania	4,509	5,775	5,868	5,403	6,138	5,723	6,111	5,340	5,409	5,529	4,306	4,522	6,241	5,405	5,603	6,603
Pagua	2,375	1,788	1,829	1,589	1,853	2,100	2,205	2,013	2,360	2,038	1,726	2,603	2,197	1,938	2,286	1,550
El Quimbo	1,963	2,253	2,384	3,466	3,324	3,313	3,307	3,565	4,089	3,786	3,724	3,783	3,674	4,222	4,339	3,476
Cartagena	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159
Termozipa	408	73	8	7	13	8	10	36	31	224	241	206	203	91	74	332
Run of river	8	62	243	180	68	228	321	478	472	747	791	264	394	934	914	1,150
Minor	-	-	-	-	-	-	-	-	-	-	-	-	-	46	322	327
EMGESA traded energy (GWh)	853	302	373	156	484	502	608	496	556	335	517	721	588	179	93	115
Wholesale market																
Nonregulated market										8,979	8,335	7,639	8,682	8,425	7,669	9,061
Firm energy obligations GWh)										2,481	2,611	2,905	3,037	3,145	3,300	3,427
System																
Total Emgesa	-	-	-	-	-	-	4,324	52,780	55,326	54,732	56,535	64,914	68,224	69,866	64,264	68,180
Emgesa - hydraulic	-	-	-	-	-	-	-	3,814	11,209	11,187	11,835	13,301	13,311	13,529	12,095	12,462
Emgesa - thermal	-	-	-	-	-	-	-	3,103	9,068	8,835	9,063	10,143	10,150	10,316	9,252	9,858
TRANSACTIONS (thousand million $)	-	-	-	-	-	-	-	711	2,141	2,351	2,772	3,159	3,161	3,213	2,843	2,604
Reliability charge remuneration																
Pool transactions	-	-	-	-	-	-	125	1,412	1,453	1,620	1,452	1,607	1,691	1,907	1,896	2,475
AGC service	711	935	813	1,138	1,104	1,320	1,275	1,392	1,478	2,547	2,445	1,407	1,960	2,891	3,620	4,019
HIDROLOGY (%) - reservoir (%)	56	203	157	243	222	273	268	183	367	526	504	294	444	709	882	1,627
SIN contribution compared to historical average																
Useful volume	106	84	88	88	101	94	108	105	119	89	107	135	104	91	91	79
Energy contribution	71	83	75	79	81	78	84	79	82	65	78	89	73	69	75	61
Effluents	41,013	34,652	40,684	41,909	48,662	44,934	51,124	49,147	57,389	43,139	52,305	73,699	56,447	49,619	50,242	48,005
Prices and indicators	9,465	1,991	2,526	309	3,245	928	3,030	1,488	4,173	441	3,457	5,911	2,434	151	776	883
National pool price ($/kWh)																
MC ($/kWh)	45	52	49	67	64	74	74	84	88	139	129	75	116	177	225	378
PPI	45	56	65	76	79	76	76	82	93	114	121	132	134	140	144	154
CPI	59	63	69	73	76	78	82	83	90	88	92	97	95	94	100	110
TRM year average ($/USD)	61	66	70	75	79	83	87	91	98	102	104	108	111	113	117	122
TRM Promedio Año ($/USD)	2,105	2,302	2,534	2,875	2,615	2,319	2,364	2,077	1,979	2,180	1,902	1,854	1,799	1,880	2,018	2,772

Note: Available energy = SIN generation + Imports - Exports

Note: Not available energy = SIN energy demand- Available energy



Proyecto Hidroeléctrico El Quimbo

El Quimbo was commissioned on November 16 of 2015. It is capable of providing the National Energy System with close to 5% of its energy requirements. Progress during the year was 12.83%, reaching 97.8% physical progress as of December 2015.

Between January and December 2015, resources for US $524 million were caused, the total investment approved for the country being US $1,231 million. As required in September 2015, the approved budget balance was reserved to capitalize the station costs, also the costs of the environmental license commitments during the operational phase.

Project work

Civil work contract

99.9% of all civil work was concluded in 2015, which allowed filling the reservoir and achieving levels required for tests and commissioning of the generating units. Pending civil work did not prevent operating the station. The dam fill work reached elevation 718, for an approximate volume of 8,632,000 m3. The auxiliary dyke ended with a fill volume of 5,457,000 m3.

Contract progress at the beginning of the year was 91.18%, with a 5.57% deviation, while in December it was 99.9% with a 0.1% deviation.

Electromechanical equipment contract

Assembly of all electromechanical equipment was concluded during 2015, commissioning the generation units. After making tests required by control entities, the units were commercially commissioned on November 16.

Infrastructure work

The alternate project roads were concluded in June, delivered satisfactorily to the corresponding entities. Worth mentioning is the Garzón – El Agrado bridge, today the longest in the country with 1708 m.

The Llanos de La Virgen, Santiago y Palacio, Montea y San José de Belén resettlements were concluded in June, starting delivering houses to the community. 86.03% progress was achieved regarding irrigation district constructions, with a 3.18% deviation resulting mainly from environmental and archaeological restrictions.

Other concluded infrastructure fronts were the moving of electric grids, the Balseadero viaduct lighting, and construction of oxidation ponds for the La Jagua community.

Improvements are being currently made to the bridge over the Suaza river, according to schedule and with a 29.12% progress.

Social and environmental management

According to social compensations carried out by the EL Quimbo project, EMGESA in 2015 built 4 collective resettlements. All affected families were moved, relocating 150 family groups. In addition to houses, resettlements were provided with the necessary infrastructure to reestablish social relationships and improve their quality of life, including the following:

- Marshalling yards.
- Schools for 3 of the 4 resettlements, previously having such service.
- Churches: for 3 of the 4 resettlements, previously having such service.
- Multi-sport complex or soccer field.

- Residual water treatment plant.
- Passive recreation areas.

Each house has a net constructed area of 100 m^2, plus a 17.6 m^2 shed, located in 500 m^2 lots and having the necessary finishes and characteristics to ensure resistance and durability. Most houses have a living room-dining room, kitchen, bathroom, 4 bedrooms, bedroom halls, washed areas, and sheds.

In addition to the houses and in order to establish their productive activity and improve their quality of life, in 2015 all benefiting families agreed on agricultural production plans, which have gravity irrigation districts and will be implemented in productive areas of 5 ha each.

With these plans, the 150 families will reach income levels in excess of 2 minimum current legal monthly salaries. As of December 31 of 2015, 31 PPA's had been implemented, of which 14 achieved the indicated revenues and are self-sustainable.

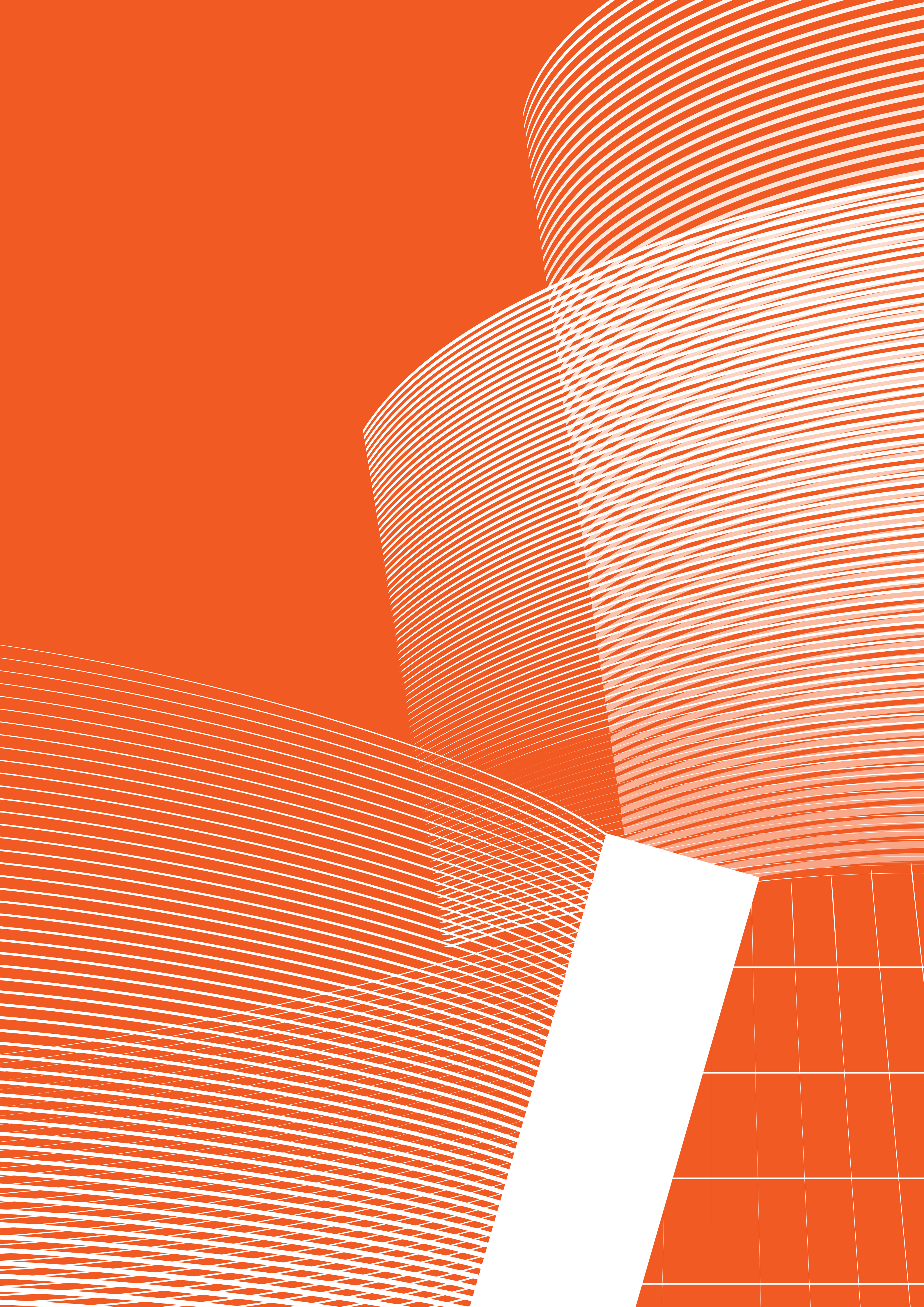
1,931 persons identified as non-owner non-resident and resident persons have been compensated with a seed capital to initiate new undertakings, after a 6-month training process with the national learning service. In addition, more than 60 training courses were given to over 1,850 people. This strategy was called Emprendedores con Energía. 85% of all beneficiaries have already made investments with such capital delivered by EMGESA, in:

- Housing: 36%
- Agricultural projects: 28%
- Transportation vehicles: 27%
- Livestock projects: 11%

Communications Management, El Quimbo Hydroelectric Project

Internal and external strategies were developed to report progress and commitments and make social, environmental, and infrastructure benefits a tangible for the region and the country.
A campaign with the Huila media was carried out, as well as with some national media. Information material was developed for the region, with ongoing distribution, providing first-hand information, mitigating disinformation promoted by opposers, and managing critical situations arising during the project's final phase. Periodical communications were kept internally regarding project milestones so that the workers would become an accurate source of information.
Several project communication channels were updated, focused on sharing progress in social, environmental, and technical work with the public of interest. They mainly focused on the digital bulletin, a radio program, a TV program, a newspaper, social networks, website, and guided tours program.

Business development management



During 2015, generation business development actions focused on the long- and mid-term expansion strategic planning and on development of new generation projects guaranteeing environmental and social sustainability and the company growth.
The following stand out among the above.

Development of generation projects

Hydroelectric projects

El Paso Hydroelectric project - 160 MW:

- Located in the departments of Tolima and Cundinamarca, developed forest inventories, censuses, and socialization of the environmental impact study before the communities, the regional authorities, and the environmental authorities, according to citizen participation mechanisms considered for the early project phases.
- The environmental impact study will start the environmental license process before The National Environmental Licenses Authority in January 2016

Guaicaramo hydroelectric project - 467 MW:

- Located in the departments of Boyaca, Cundinamarca, and Meta, having progressed in the early social and environmental management program, in all dimensions contained in it.
- > During 2015 project optimization processes were carried out. The project environmental impact study will be developed in 2016, currently being contracted, according to citizen participation mechanisms.

Campohermoso hydroelectric project - 168 MW:

- > Located in the Department of Boyaca. The first environmental diagnosis of alternatives has been concluded, having checked various locations for the dam applying technical, environmental, and social elements.
- > Important geotechnical investigation work was done, to be continued during 2016

Thermal projects

- **Thermal expansion:** three locations for a possible installation of a coal station were checked in the departments of Boyaca, Norte de Santander, and Cesar.
- **Existing stations:** e technical and environmental studies of existing plants were made, looking for a possible expansion or repotentiation.

Wind prospecting

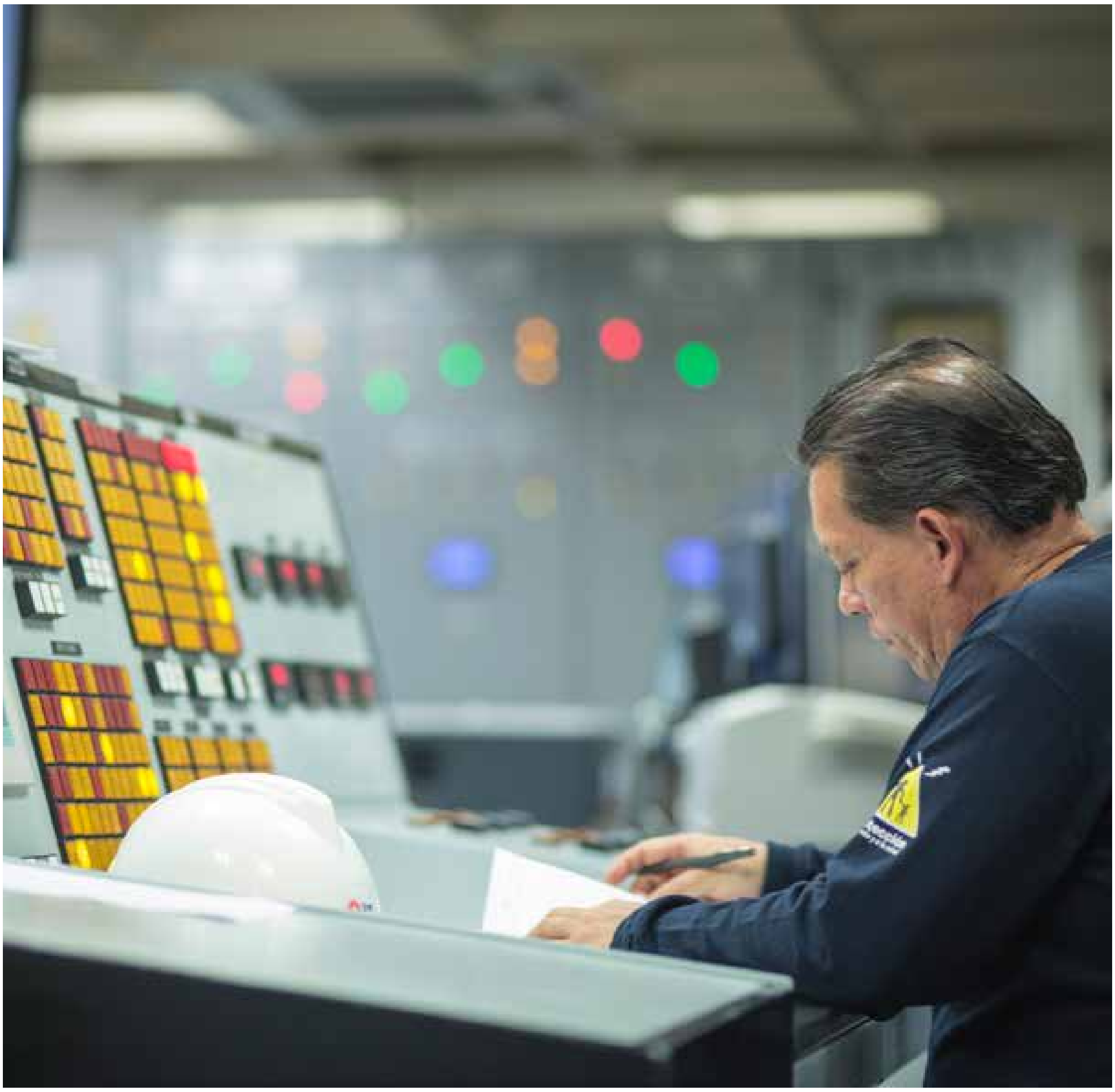
Wind potential measurements had been made up to October 2015 in 12 locations along the national territory.

Wind assets were transferred to Enel Green Power in November.

Project portfolio

A strategic analysis was made of the expansion and the existing portfolio, taking into account strategic company focuses prioritizing, among others, projects with low environmental impact and proper acceptance by the communities.

Swift developments are being looked for that will allow growing in the near future, considering several work fronts involving the search of new hydroelectric projects, the review of third-party projects, and development of new own projects.



La Guaca hydroelectric station

Creation of corporate shared value

As part of the Enel Group social and environmental strategy, tools were developed providing the necessary elements for implementing value generating initiatives, as well as value for the company and for the community. Electric generation projects are being considered for this purpose. This program is built by implementing social and environmental innovating corporate practices aimed to generating value and close relationships with the economic, social, and environmental reality of the communities.

Actively involving the community in all a project's early development phases is an essential part of this initiative, building trust and allowing including the economic, environmental, and social growth concept as a whole, identifying undertakings and needs found as possible shared value generation elements.

This methodology is currently being implemented, especially for the El Paso project.

Sustainability Management

For the company, sustainability is a strategy integrated into corporate management, growth, and development that looks to create mid- and long-term value for the company and all its groups of interest.

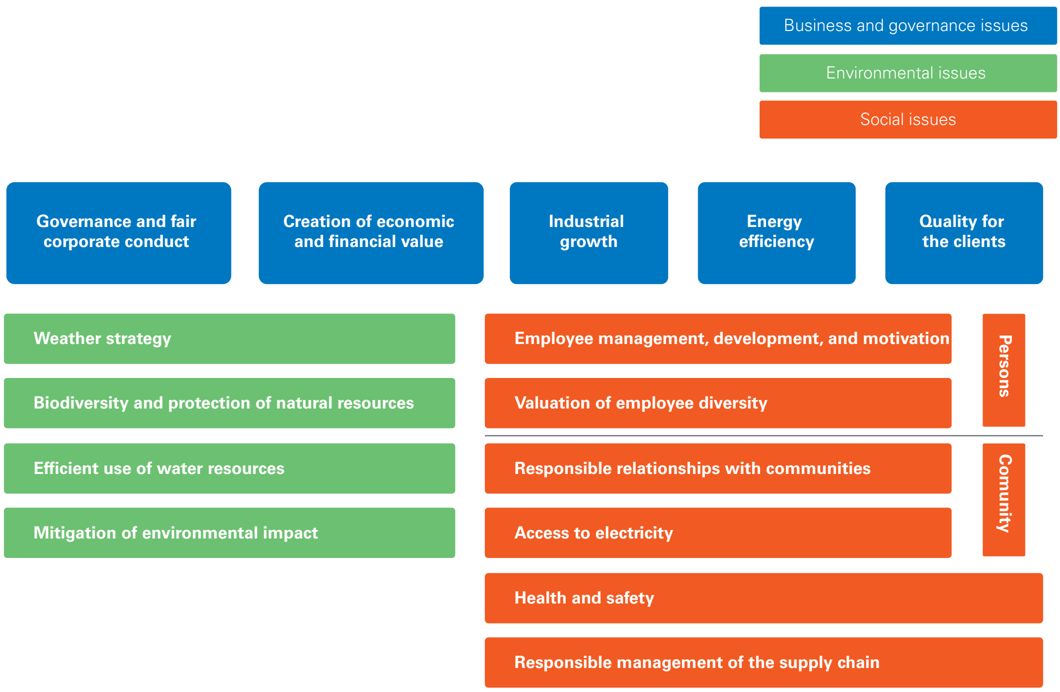
Included in its commitment with transparency, in 2015 the Enel Group shared this behavior regarding sustainability, according to the Dow Jones Sustainability Index. Thanks to this, the group was among the 317 companies accepted, from 3470 companies invited. On that same year it received the Gold Class Sustainability Recognition in the 2015 annual publication prepared by RobecoSAM. The publication, which reached its 20th edition, evaluated sustainability behaviors of the largest companies at a global level.

In 2015 the group received the highest rating in the Carbon Disclosure Project, 100/100, on account of its transparency in communications. This index accredits at a global level the excellency of companies as suppliers of products and services based on low carbon emissions business models.

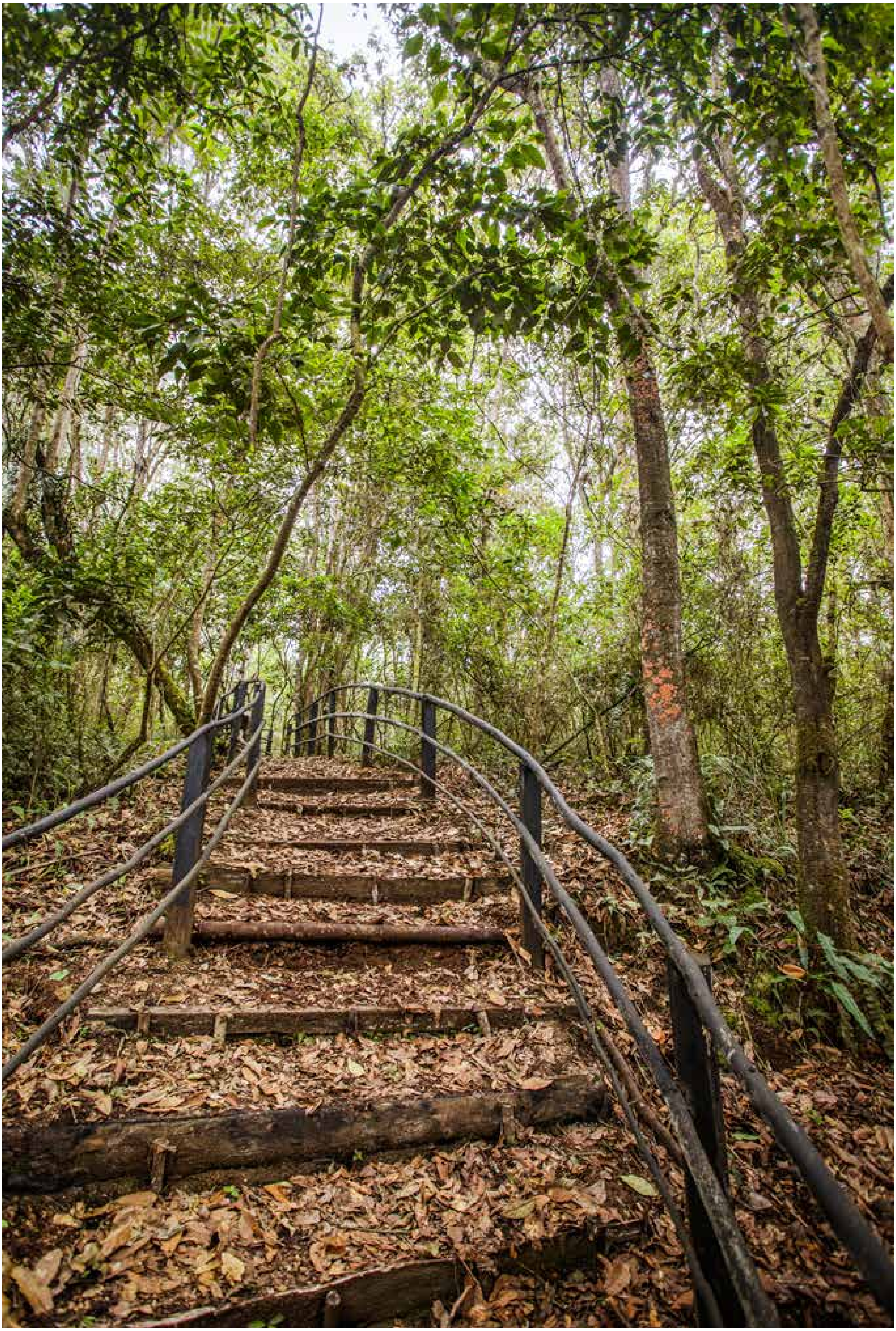
At Holding level, an innovation and sustainability function was created, reporting directly to the Group's delegate advisor, in each country a sustainability manager's office having been created, specifically in Colombia reporting to the Enel Group General Director.

2015-2019 Sustainability Plan

In 2015 the Enel Group defined the 2015-2019 Sustainability Plan guidelines, focused on social, environmental, business, and governance issues, as shown below.



EMGESA will manage and measure the strategy performance with an integrated and standardized system. It will also exchange best practices, for this applying value parameters shared in all sustainability activities.



Bosque Renace reserva natural

Sustainability initiatives

During 2015 EMGESA worked in programs improving the quality of life of groups of interest and implemented initiatives that favorably affected the environment, innovation, technological development, and operational efficiency, including the following:

2014 Sustainability Report

Sustainability Report No. 11 was published, completing a decade of transparent and responsible accounts rendition exercises before its groups of interest. The report was prepared according to Guide GRI 4: Exhaustive Option of the Global Reporting Initiative and the specific sectorial supplement for the electric sector. The document was checked by Ernst & Young Audit SAS.

The report achieved the "Advanced GC" in communications regarding the Global Pact progress, complying with the 10 principles the company has been following since 2004.

Bosque Renace - EMGESA-Codensa natural reserve

This was born as a sustainability initiative focused on protecting 690 ha of high Andean forest. It is located in the municipality of Soacha, Cundinamarca and aids recovery and connectivity of ecosystems located in the intermediate and low basis of the Bogotá river. Between 2012 and 2015, close to 25,000 trees have been planted, offsetting the companies' activities.

Sustainable mobility

Included in the Sustainable Mobility Corporate Plan, the company in November carried out the 3rd Week of Shared Cars, which contributes to each city's mobility, employees pooling cars on their way to work.

Sustainable strategy

Integration of sustainability with company strategies and operation lead the change and show its concern for the environment, social development, and economic sustainability.

Considering the nature of the business, the object is working to develop the communities it operates in, identifying shared value creation opportunities. In response to community needs, EMGESA focused its initiatives and sustainability projects according to education and local development lines. The most relevant activities include:

- The company benefited 300 persons by building two bus stops in Paraíso and Marsella in the municipality of El Colegio.
- It supported renovation of the main park of the municipality of Campoalegre in Huila, building a roof for the main platform and improving conditions for the community recreation.
- Under an alliance with the municipalities of Gachalá and Ubalá and community action boards, the quality of life of 23 families was improved with the construction of bathrooms, kitchen improvements, and construction of prefab houses.
- As a corporate citizen, the company participated in the Guavio nautical festival and in the peasants' day celebrations of municipalities in the area of influence of the Guavio hydroelectric station.
- As a result of the alliance created with 5 fire brigades of the municipalities of Cacheta, Gachalá, Sibaté, El Colegio, and San Antonio de Tequendama, 8 joint fire prevention brigades were created, delivering communications equipment, uniforms, and other elements required.
- Social activities related to new generation projects focused on implementing liaison strategies with various actors located in the areas of influence, which allowed identifying shared value creation opportunities.
- Under the Early Social and Environmental Management Program, the rural waterworks of Buenos Aires, municipality of Icononzo, was repaired, affected by the early part of the year rainy season. 208 persons benefited from this project.

Luces para Aprender, Guajira Colombia

Educational line

Lights for learning

26 solar energy systems were installed in Riohacha, benefiting more than 1000 students from ethnic communities, who had the chance to access information technologies.

Casa Italia solar energy

Installation of solar panels benefited 150 children from the Casa Italia school in the city of Cartagena.

Dance pilot center

In Cartagena, 90 children attended workshops supplementing their basic education focused on the proper use of their free time and mitigating some psychosocial risks they face. 25 youngsters improved the quality of their technical education with pedagogical practice spaces.

Scholarships bank

12 teenager mothers in vulnerable conditions were supported in the city of Cartagena, improving their and their children's quality of life, thanks to information in various areas for the work.

Environmental education

The environmental education program benefited 120 persons from schools in the ten municipalities of the El Paso, Campohermoso, and Guaicaramo projects, implementing recreational and pedagogical tools and characterizing the schools' environmental projects.

The school infrastructure improvement project benefited 330 persons from schools in the municipalities of the El Paso hydroelectric project in area of influence, as well as a municipality in the area of influence of the Guaicaramo hydroelectric project, customizing bathrooms and classroom equipment.

Local development line

Together for the Boards

We supported participation of 85 community action boards in formulation of projects, participation mechanisms, and sustainable integral development, delivering seed capital to another 15 boards in order to strengthen their community action plans.

Coffee productive chain

In an area of 2000 m², since 2010 10 million coffee plants Additional were planted, benefiting 800 users. During this time, productivity increased from 400 to 1200 kg/ha. New revenues were generated for the various families.

A social-corporate strengthening process was carried out with 17 producer associations and 8 departmental cooperatives regarding coffee trading and services to the producer. In education, 51 producers received a certification from Universidad Minuto de Dios and the Formemos Foundation in bartendering and coffee tasting.

Cocoa productive chain

The purpose of this program is strengthening the cocoa productive chain, encouraging long productive life crops, cooperative work, and generation of public-private alliances. 113 families improved their life conditions thanks to the optimization of their production processes.

Voluntary work

Adopt an Angel

Some 500 company employees participated in collecting gifts for the Christmas season. 596 gifts were given to children and the elderly in 11 foundations in Bogotá, Soacha, Neiva, El Colegio, and Ubalá.

Good energy for your school

More than 40 workers participated in the work done to improve the infrastructure in 7 schools, benefiting almost 4000 children and youngsters.

Generation of conventional waste in administrative and commercial facilities

Thanks to the company employees' cooperation, more than 13,000 kg of recyclable products were collected, such as paper, cardboard, and newspapers, in addition to plastic caps. This material was delivered to the Sanar Foundation, which with such resources worked with cancer-affected children and with their families in the diagnosis, care, and fight against the disease.

Purchasing and Supplies Management

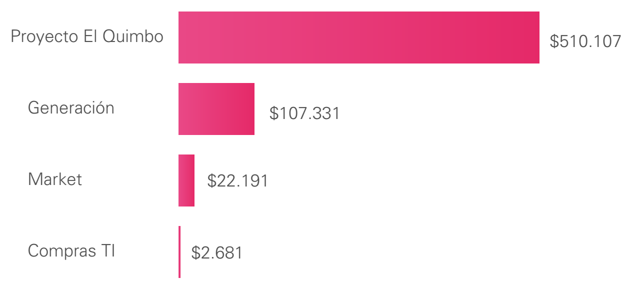
The Supplies function is included in the goods and services supply chain, its purpose being making sure that external resources the company requires for its objectives will be available.

It includes activities that start whenever the company requires materials, work, and/or services, up to formalization of the legal relationship created upon an agreement being executed, or a purchase order upon a mercantile of her being accepted.

Main indicators

During 2015 awards were made for COP $642,310 million, mainly associated to the El Quimbo project.

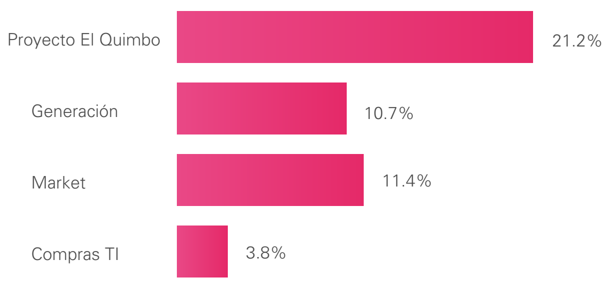
Award volumes per area



Source: awards approved during 2015.

19.3% savings were achieved in these purchases, 4.4% higher than in 2014, obtaining better prices. Such savings are distributed by purchasing portfolios, as shown below.

Savings management



Source: awards approved during 2015.

Some achievements during 2015

- Implemented and consolidated. It allows analyzing the provision of service performance in the company. In work and services, quality, timeliness, safety, and compliance with legal labor aspects are evaluated. Every 3 months, some 52 vendors, 65 contracts, and 41 families are evaluated. A model measuring the categories of safety and compliance with legal and labor aspects was updated, approving a global model for the company.
- Phase III of the Portal One Corporate Portal was implemented, which provides greater autonomy and simplicity for handling the vendors' availability for the Enel Group purchasing processes. It result in a greater number of providers participating and goods and services' contracting processes. This will be reflected in the 2ONE process, to be the new purchasing system for the Enel Group.
- Development and implementation of the e-tenders continued, using the SAGA7 tool and allowing our suppliers to participate in tenders that will guarantee equal opportunities, more efficient purchasing processes, and availability of electronic information.
- 9 foreign trade operations were carried out during 2015 for $202,416,749.45, an 81% increase compared to 2014.
- In order to allow for greater participation of new suppliers in the company contracting processes, activities were carried out to reduce extensions of current contracts and orders, resulting in an 11.3% reduction compared to 2014, excluding the El Quimbo project).
- The "Value Chain With Suppliers" project continued, optimizing the supply chain from planning of needs up to the vendors' performance evaluation, highlighting ethics as an Enel Group value and its importance in all our acts.

Tequendama hydroelectric station

Purchasing activities

Purchase of materials and contracting of work and services

Following are some relevant 2015 contracted processes:

- Martin del Corral coal patio operations service tender for a total of $10,051,005,733 and a 2-year term, with the possibility of extending it for an additional year.
- Tender for the supply, erection, testing, and commissioning of 3 electronic speed regulator's for a Pelton turbine with 5 injectors for the Guavio station, for $1,010,005,773 and a 3-year term.
- Tender for recovery of the internal surface of a Charquito station piping for $1,013,000,000 and a 90-day term.

Purchasing of systems and ITs

The 2015 contracts included the supply, installation, configuration, and maintenance of Cisco telecommunications equipment for $527,924,310 and a savings of 9.7%. The purpose of this is covering company communications requirements and improving the data networks and telephony availability and reliability levels.

Activities with suppliers

The company continues with its efforts to have qualified, experienced, and high-performance suppliers, during 2015 having carried out the following activities related to its suppliers' rating:

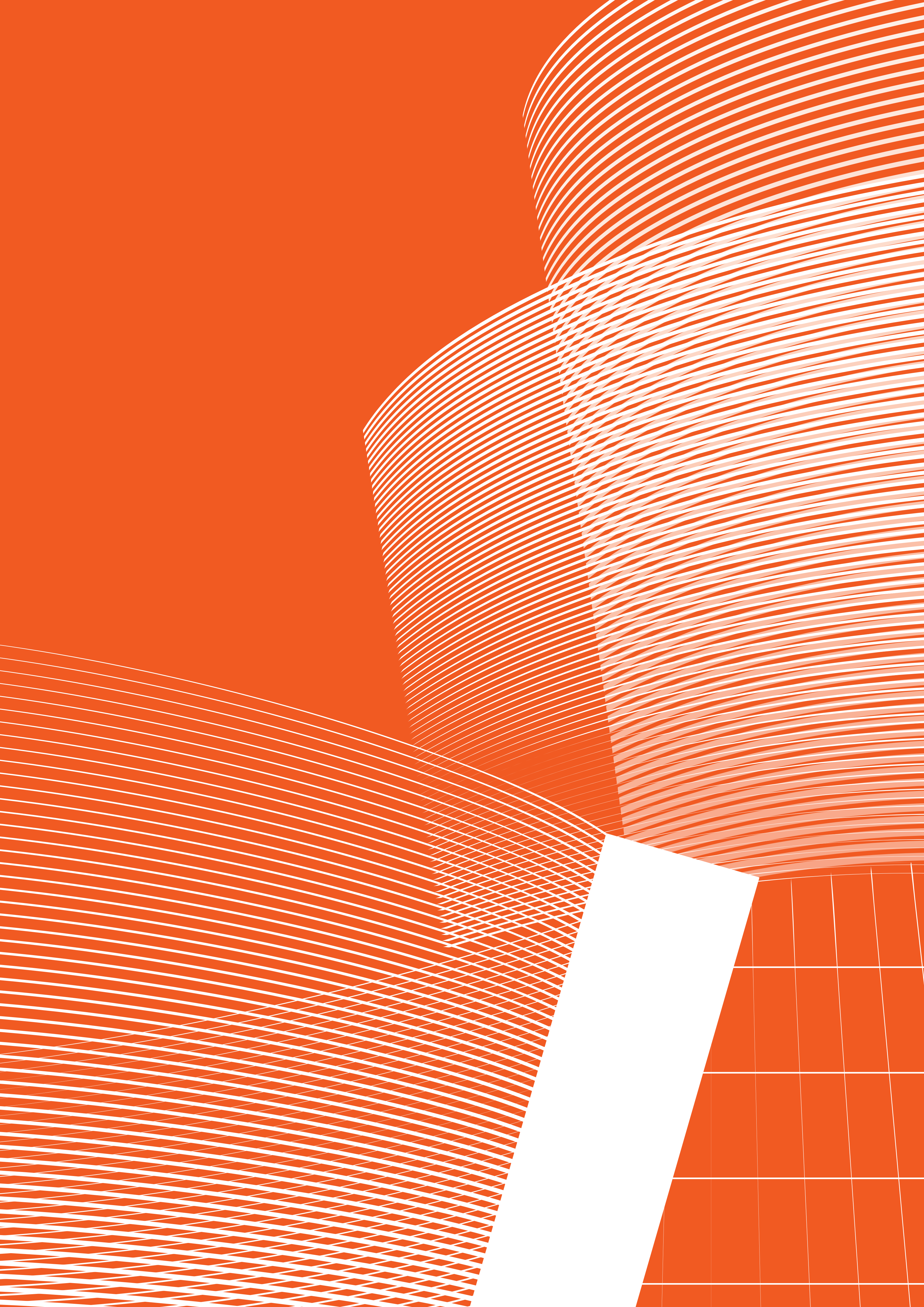
> The Corporate Rating Model was consolidated, its purpose being evaluating legal, economic, and financial aspects of potential suppliers of services or goods before a tender process. During 2015, 150 Colombian suppliers were rated, for a total of 218.

> In 2015 seven service families were included, meeting the necessary technical requirements required by the technical rating model.

> 48 vendors were rated during 2015, using the safety and work health rating model that allows confirming whether vendors meet requirements established by the Enel Group pertaining to safety and work health, before a tender process. Currently, 171 vendors have this rating.

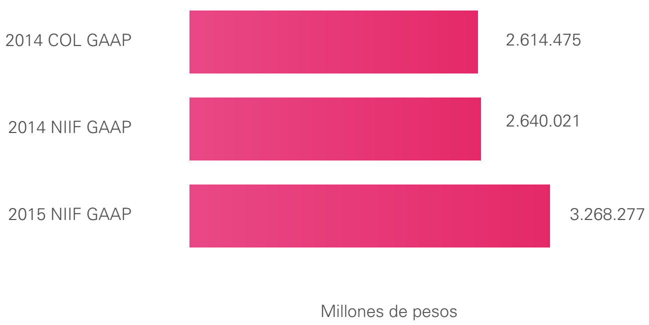
Guavio hydroelectric station

Financial Activities



 The EMGESA operational revenues in 2015 reached $3,268,277 million, a 23.8% increase compared to 2014, mainly the result of greater energy generation, a higher sale price in contracts caused by the PPI increase to which a significant percentage of energy sale contracts in the wholesale market is indexed, and the increase of the energy pool sale price resulting from lower rain levels.

Ingresos operacionales



PSale costs increased to $1,349,939 million, 74.74% higher than the previous year's, mainly the result of greater purchases in the spot market and greater use of fuels resulting from higher thermal generation.

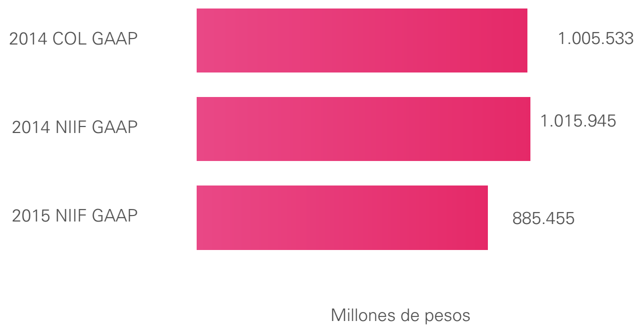
Administrative expenses increased 41.14%, reaching $192,909 million, result of recognizing the wealth tax applicable to 2015, calculated as a fixed cost in the EBITDA as a result of adopting the IFRS norm in 2015.

The greater growth in revenues, in sale costs, and in administrative expenses explained above resulted in a EBITDA of $1,725,429 million, a 0.31% reduction compared to 2014 and an EBITDA margin of 52.79% on operational revenues.

Net financial expenses increased to $167,333 million, 38.08% higher than in 2014, due to the increase in average interest rates caused by the CPI and the suspension of interest capitalizations associated to the debt obtained to finance the EL Quimbo project from its commissioning in mid November 2015.

The company net profits during 2015 were $885,455 million, a 12.85% reduction compared to the previous year, mainly the result of greater net financial expenses and greater income and CREE taxes after the last tax reform. This result represented a 27.09% margin on operational revenues.

Net profits evolution



As of December 31 of 2015, total company assets were $8,839,876 million, in which available cash and short-term investments were $299,179 million. Available cash dropped 66.03% with respect to balances of the previous year, mainly explained by the use of cash obtained from the 2014 financing to respond to the EL Quimbo investment requirements.

In December 31, the company indebtedness included a financial debt of $3,981,542 million, 9.53% higher than in 2014.

Indebtedness levels increased after the expiration of local bonds for $250,000 million in February.

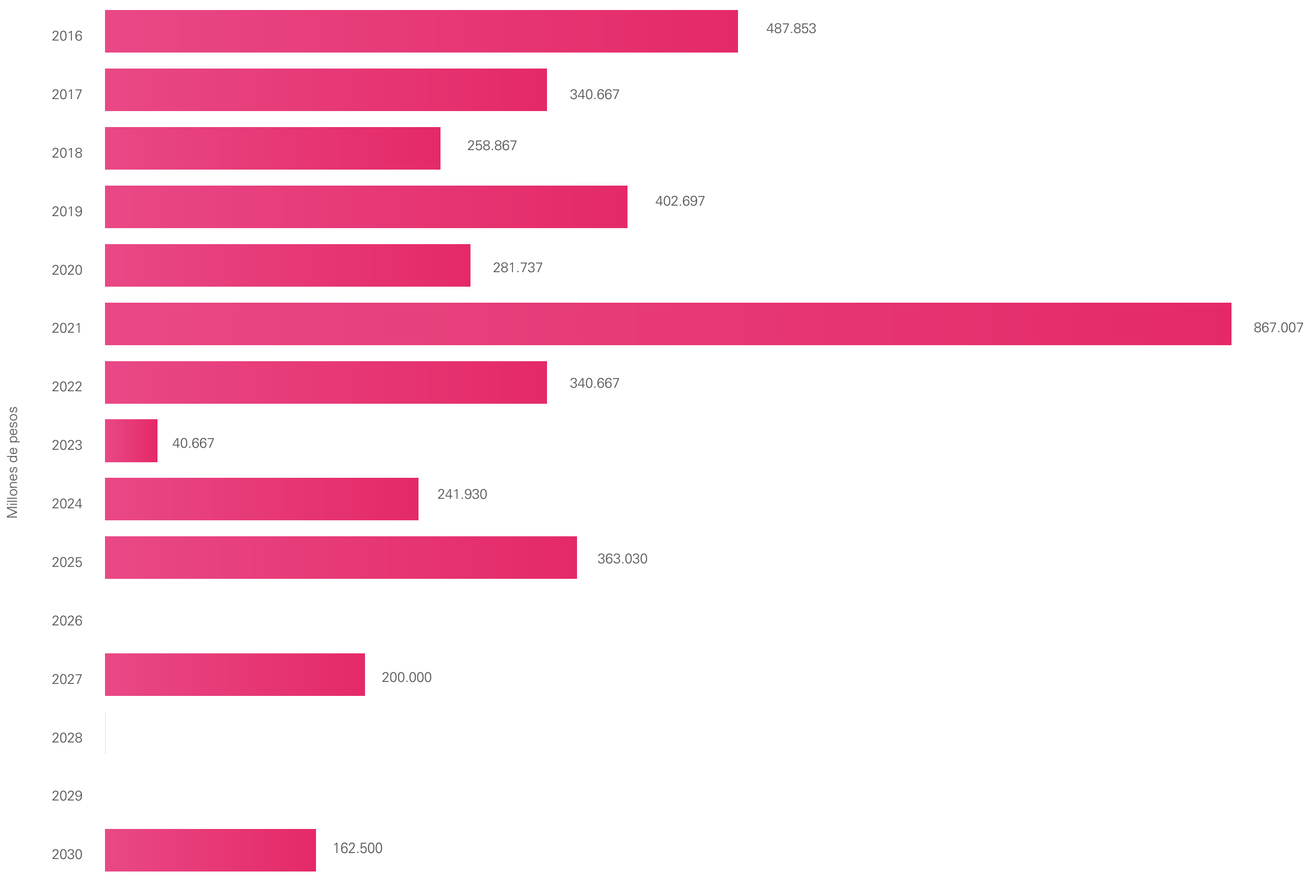
Additionally, short-term credits were obtained from local banks, with a final balance of $266,874 million, together with loans in Peruvian Soles from Banco de Crédito del Perú, for which Colombian peso hedging was obtained, resulting in an equivalent debt balance of $195,678 million. These resources were used to fund El Quimbo investments and cover working capital requirements.

As of December 31 of 2015, the financial debt was divided among bonds issued in the local capital markets for $2,348,340 million, bonds indexed to Colombian pesos issued in the international market for $736,760 million, and bank loans for $902,519 million.

By the end of 2015, EMGESA had kept its entire peso debt, directly or through financial hedging. 87.77% of its financial debt was long-term (maturities in excess of one year), 58.89% of the debt had interest rates indexed to the CPI, 10.73% to the IBR, 3.23% in DTF, and 27.09% to fixed rates.

Following are the EMGESA maturities as of December 31 of 2015:

Maturities



Company equity had increased to $3.558.112 million as of the end of 2015.

Dividends

In March 25 of 2015, the General Shareholders Assembly during its ordinary session approved distribution of profits from the September-December 2014 period, net of the accelerated depreciation reserves (article 130 of the Tax Code), for a total of $286,222 million.

In 2015 EMGESA paid a total of $1,045,672 million in dividends to its shareholders, corresponding to the last payment (37.5%) of dividends on the 2013 net profits and to the first two payments (79.29%) of dividends on the 2014 net profits.

The financing activities

CIn order to reduce the company financial expenses, during 2015 various financing instruments were used, which allowed using resources at specific times and keeping financial efficiency.

By the end of 2015, the balance of credits from local banks was $266,874 million, as follows:

Bank	Payment date	Fecha de vencimiento	Plazo (Años)	Monto Vigente	Tasa Cupón	Base
Banco AV Villas	18-ago-15	16-feb-16	0.5	49.000	DTF+ 1,08% E.A	DTF
BBVA Colombia	11-jun-15	10-oct-16	1.3	12.874	IBR EA + 1,20%	IBR
BBVA Colombia	17-jun-15	10-oct-16	1.3	110.000	IBR EA + 1,20%	IBR
Banco Davivienda	31-ago-15	24-feb-16	0.5	13.000	6,30%	Fija
Citibank	28-ago-15	24-feb-16	0.5	23.000	DTF+ 1,61% TA	DTF
Banco de Bogotá	01-sept-15	24-feb-16	0.5	59.000	DTF+ 1,61% TA	DTF

In October and November 2015 loans were obtained from Banco de Crédito del Perú, under 3 synthetic PEN/COP loans (loans in Peruvian Soles plus a swap in Peruvian soles to Colombian pesos) for a total (after the swap) of $200,646 million, as follows:

Bank	**Payment date**	**Maturity, years**		**Current value**	**Coupon rate**	**Base**
Banco de Crédito del Perú	01-oct-15	05-oct-16	1,0	92.917	4,29%	Fija
Banco de Crédito del Perú	06-oct-15	13-oct-16	1,0	61.162	4,87%	Fija
Banco de Crédito del Perú	23-nov-15	30-nov-16	1,0	46.568	5,35%	Fija

In December $130,000 million were obtained under a COP-indexed loan with Bank of Tokyo Mitsubishi UFG and an 18-month term, with a cost of 6.90% NASV (7.02% E.A.).

Such multiple sources evidence the good practices implemented in the process of financing EMGESA during 2015. Competitive levels were achieved without incurring in exchange rate risks, despite using international resources, amidst market conditions seen throughout the year.

Current ratings

The EMGESA long-term bond Issuance and Placement Program was ratified in AAA (col) by Fitch Ratings Colombia on June 25 of 2015.

The EMGESA international rating as issuer of long-term corporate debt in local and foreign currency was ratified by Standard & Poor's in BBB on August 11 of 2015, and by Fitch ratings on May 7 of 2015, with stable perspective both cases.

In the Fitch Ratings case, the decision was based on the company solid business profile, supported by the diversification of its generation assets and its strong competitive position. The firm indicated that the company keeps a solid operational cash flow generation, which suggests that it will be able to maintain moderate leveraging amidst its strong capital investments program. It also highlighted that the ratings include the positive effect of cash generation once El Quimbo is commissioned in 2015, as well as the EMGESA strategic importance for its shareholders. Standard & Poor's highlighted that the company continues benefiting from healthy credit metrics, from the growth of the energy demand, from low generation costs, and from favorable energy prices in Colombia.

Investor Relations Recognition

For the third consecutive year, in August 2015 EMGESA received the Investor Relations recognition from the Colombian Stock Exchange upon voluntarily raising its information disclosure policy and its relationships with investors model above requirements contained in local norms and making available to the investors quarterly and annual information, both in English and in Spanish, in its webpage.

La Guaca hydroelectric station

Quality certification to the Treasury Assistant Manager's Office

Since 2010 and 2011, respectively, the Company Payment Management Processes and Liquidity Surplus Processes have obtained the ISO 9001 certification from Bureau Veritas.

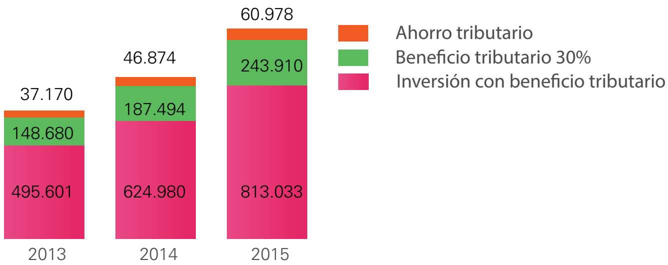
Tax management

The following 2015 tax activities are emphasized:

> An opinion, with no remarks, was obtained from the external auditor regarding compliance with obligations under the legal stability agreement, which allowed keeping the special deduction regarding real income-producing fixed assets for the El Quimbo project.

During the last 3 years, this deduction has resulted in lower income taxes for the company, as follows:

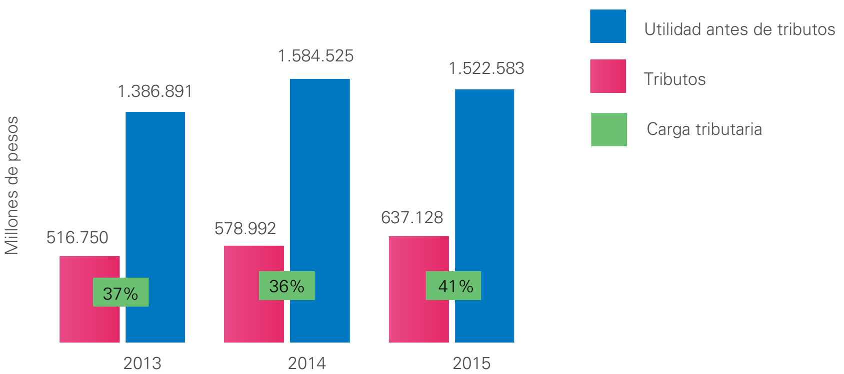
El Quimbo tax benefits



> A final decision was issued under the process against the municipality of Yaguará, related to the sanction applied for not filing the industry and trade tax return for 2003, for a total of $31,418 million.

> As a result of activities carried out by the company since 2012, involving the defense of the constitutionality of article 181 of Law 1 607 of 2012, the State Council accepted that energy trading by the generating company represents the final phase of the generation activity and not an independent activity, according to which it would be subject to the ICA according to Law 56 of 1981. Consequently, a favorable decision was obtained in three ICA processes for a total of $5,451 million.

Following is the company's tax burden for the last 3 years:



Administrative activities

Internal control

During 2015, the Internal Control Division coordinated the evaluation of the financial information internal control model in compliance with Law 262 Italian and Sarbanes Oxley (SOX).

Internal and external audit evaluated relevant company processes by making design and operational tests to controls, as a result of which improvement opportunities were identified for which action plans were prepared. No significant issues were reported by the auditors regarding the financial information internal control model.

The financial information internal control model was redesigned according to the Enel Group guidelines, focused on documenting processes, identifying risks, and controlling the main business cycles, looking to achieve efficiency under a cross-sectional model, improving and optimizing the internal control model, and prioritizing key controls and risks. The new internal control model will be self evaluated by the administration during 2016.

Implementation of IFRS norms

According to Law 1314 of 2009 and Decree 2784 of 2012, the company started implementing, transitioning to, and closing the transition process regarding the IFRS norms.

According to Resolution 2014130003379 5 of July 30 of 2014, on August 29 of 2014 the company reported to the Public Household Utility Superintendence the opening financial situation statement, equity conciliation, disclosures, and policies as of January 1 of 2014.

Continuing with the IFRS convergence process, the Public Household Utility Superintendence issued Resolution SSPD 20151300028355 on August 19 of 2015, containing information requirements for the transition period closing. For this, on September 30 of 2013 delivered the financial information required as of December 31 of 2014, according to the above resolution.

For the purpose of intermediate information reporting, as an entity issuing securities and registered in the National Securities and Issuers Registry, the company reported to the Colombian Financial Superintendence intermediate financial information for the quarters March, June, and September 2015, using the XBRL language, according to parameters required in external circulars 7 of April 2015 and 11 of May 2015.

Dated September 2015, the company made a special-purpose closing, issuing financial statements prepared according to financial information and accounting norms and principles generally accepted in Colombia, including International Financial Information Norms-IFRS, International Accounting Norms-NIC, SIC interpretations, CINIIF interpretation, and the conceptual framework for financial information, applicable, issued, and approved by the International Accounting Standards Board.

New Administration Managers Office structure

The Administration Managers Office was created as part of the new company organizational structure, reporting directly to the AFC Colombia Manager's office.

Its main responsibilities include, according to the Enel Group principles and policies, managing the company accounting, consolidating and preparing financial statements, effective monitoring of internal control and Accounts Payable.

It has been working in integrating new processes, alternatively reassigning the team responsibilities, to efficiently the consolidated without affecting the daily business operations.

Internal Audit Activities

During 2015, audit activities were mainly focus on strengthening and updating internal audit practices and methodologies, corporate governance, compliance and risk assurance.
The company's internal control was strengthened in order to improve quality, transparency, service, competition, and leadership in the country and in the sector.

Following are some of the main activities performed during 2015:

Corporate conduct

In 2015, the companies executed the Electric Sector Companies' Transparency and Ethics Commitment, result of a collective action promoted with another 11 companies of the sector and with governmental entities.

Its purpose is encouraging fair competition, reliability, and sustainability of the companies and of the sector, considering global best practices and guidelines regarding transparency, anticorruption, and performance.

An Internal Compliance Committee was also created, responsible for following up implementation and customization of compliance programs. Its purpose is making sure that programs will be executed according to control tools, protocols, and systems ensuring and requiring from employees and groups of interest transparent, honest, fair, and ethical behaviors in their work or in their relationships with the company.

Muña Pumping Station

Included in programs and protocols the company has, according to which during 2015 activities were carried out to strengthen ethics and transparency, the following stand out:

- Code of ethics.
- 0 corruption tolerance plan.
- Guidelines 2 31 and criminal risk prevention model.
- Protocol related to offering and accepting gifts and favors.
- Protocol related to treatment of officials, control entities, and authorities.
- Conflicts of interest norm.
- Antitrust Manual.

Follow up was made to the various communication channels the company has, as report mechanisms (ethics channel, mail, and calls, among others). Those making reports were protected against retaliation or discrimination, protecting their identity and making a proper analysis of reported facts.

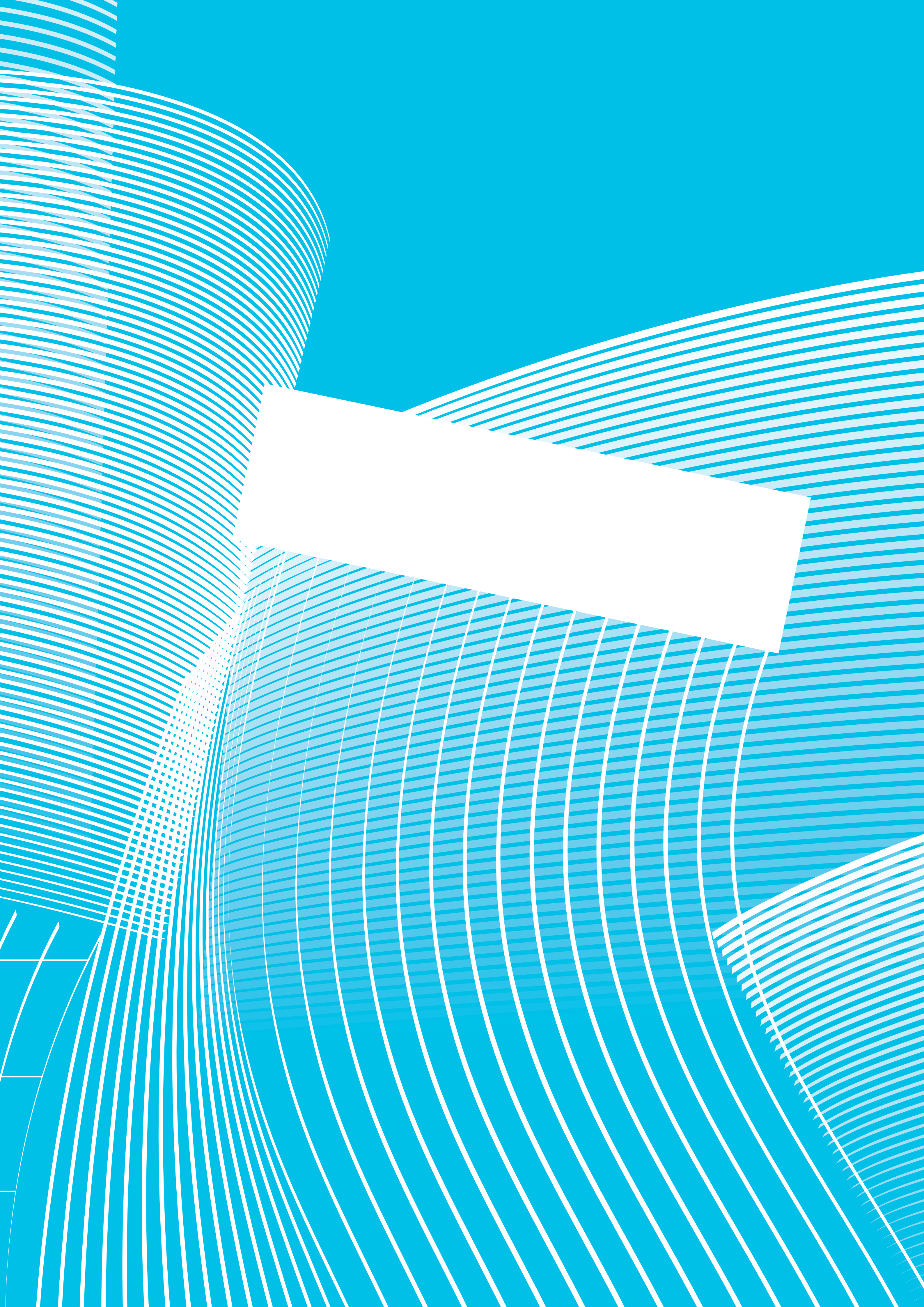
Future challenges include continuing with the update and implementation of best practices and being a reference in the country regarding corporate governance, ethics, transparency, and crime and corruption prevention.
Included in these challenges is participating in the EACA seal (Active Companies in Anticorruption Compliance), granted by the Colombian Presidency's Secretary of Transparency.

Audit and risk assurance function

The audit function guidelines and manuals were updated during 2015 in order to align them with best practices. The function evaluated by an external party to recertify compliance with norms and standards related to internal auditing and standards for the professional exercise of internal auditing and the code of ethics from the Internal Auditors Institute. In December 2015 a notification was obtained regarding the successful certification, with the highest rating, considered by international auditing standards.

The annual audit plan was fully executed, which included 3 audits. The control architecture, compliance with internal procedures and external legislation, and risk management in key company processes were reviewed as a corporate social responsibility, environmental management in generation stations, contractor management, purchasing and supply management, sales to large clients, HR management, and vendor payment management.

Follow up was made to progress and compliance with action plans resulting from previous audits, in order to solve weaknesses and improve the company internal processes.



Legal Activities

During 2015, the company legal activities focused on supporting structuring and development of generation expansion projects, trading of electric power and natural gas, concluding the EL Quimbo project, and in general supporting and providing legal security to its corporate object.

The necessary legal assistance was provided for the continuous improvement of activities, operations, and global functions in the new company organizational structure.

From the regulatory point of view, active work was done in structuring new deals related to trading of electric power and natural gas, as well as to the analysis of regulatory propositions from the Energy and Gas Regulatory Commission, also following up legislative initiatives affecting the company activities. Timely replies were provided to requirements from various surveillance and control entities.

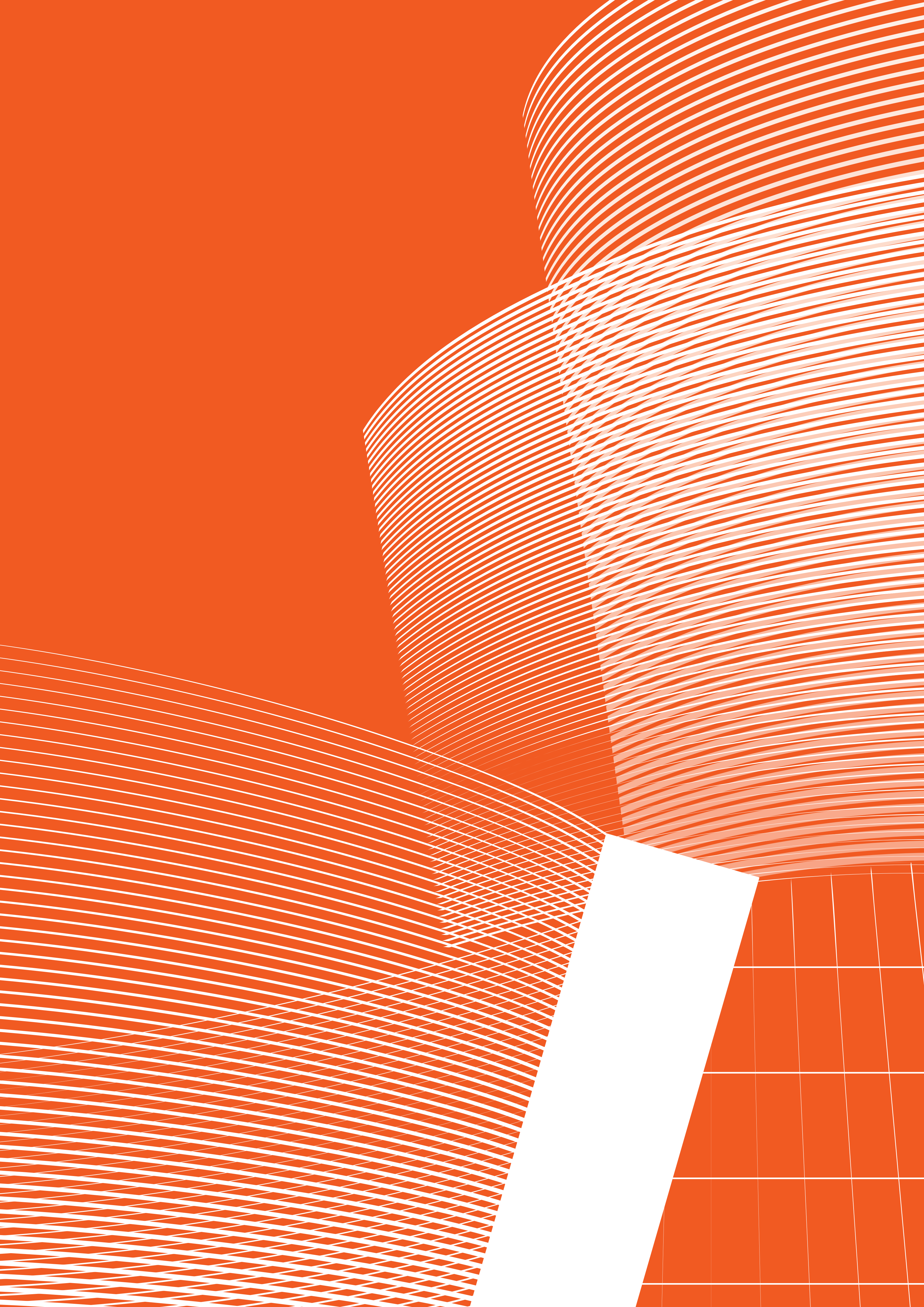
22 final decisions were received during 2015, of which 17 were favorable, representing a 77.27% acquittal.

Below is the conformation of the Board of Directors, the Auditing and Good Governance and Evaluation committees, and the company's shareholding composition as of the end of 2015.

Darío Valencia station operation

El Paraiso hydroelectric station

Regulatory, Institutional Liaison, and Environmental Activities



The company constantly works in creating and maintaining a transparent relationship with its institutional audiences, aiding the operation and proper management of regulatory and institutional risks.

Regulatory activities regarding generation

Regulatory activities focused on following up the electric market norms, development of the natural gas trading market, and the impact and measures taken on account of the El Niño phenomenon.
During 2015, relations with the electric market focus on the following activities:

i) Change to participation conditions of minor plants under the reliability charge scheme.
ii) Proposals to change the generation expansion mechanisms by including efficiency criteria.
iii) Assignment of firm energy obligations for 2016-2017, 2017-2018, and 2018-2019.
iv) Implementation of Law 1715 of 2014 promoting generation with nonconventional energy sources and efficient management of energy.
v) Proposals to change the Automatic Generation Control service remuneration.

The Government took steps to respond to the 2015-2016 El Niño phenomenon, through the Ministry of Mines and Energy, regulated by the Energy and Gas Regulatory Commission, according to Decree 2 108 of 2015 issued by such ministry. The following stand out:

- Creating of an energy pool price cap.
- Incentives to increase energy production of minor plants, self-generators, and co-generators.
- Definition of an option to relieve the financial stress of plants operating with liquid fuels, among others.
- Notifications to the regulation on liquidation of the system's negative reconciliations.
- Financing mechanisms for the value of restrictions to be paid on account of demand.
- Revision of the scarcity price calculation assumed by demand as the maximum price in its energy pool transactions.

Regulatory activities regarding natural gas

Regarding the natural gas regulations, activities focused on:
i) Implementation and positioning of the natural gas market manager and its transactions.
ii) Evaluation by the trading processes agents for 2013 and 2014, allowing CREG to decide and implement adjustments to transportation capacity negotiation processes.
iii) Sending signals associated to reliability and supply of natural gas.
iv) Declaration of production and formation of the 2015 natural gas balance.
v) Definition of direct negotiations, as a gas trading mechanism.
vi) Implementation of a final scheme to index process of natural gas supply agreements, options for existing agreements and for new agreements.

Regulatory activities regarding environmental issues

Regarding environmental regulations, trade group activities carried out by the company within the following regulatory processes stand out:

1. Issuance of the Environment and Sustainable Development Sector Regulatory Decree, compiling all environmental regulations existing in the country.
2. Regulation of article 51 of Law 1753 of 2015 regarding environmental licenses and permits for National and Strategic Interests Projects.
3. Update of parameters and maximum values allowed in specific effluents spilling water onto surface water bodies and public sewage systems.

Guavio reservoir

4. Modification of Resolution 909/2008 to allow the use of waste and/or nonhazardous waste in thermal stations. Definition of emission reduction goals for the weather change summit.

Follow up continued during 2015 regarding implementation of the Integral Water Resource Management Policy, norm related to effluents and environmental flows. Regarding licensing, the National Environmental Licenses Authority granted licenses to the Porvenir 2 hydroelectric project and to the El Cayao liquefying plant.

Institutional liaison

Worth mentioning is the creation of the EMGESA Institutional Liaison Division and its contribution to regulatory, corporate, and legislative issues, establishing the following objectives:

> Accompany, assist, and define guidelines for the institutional management of the Enel Group and its companies in Colombia, according to the Constitution and the Colombian law and the Enel Group guidelines regarding institutional issues, transparency, and fight against corruption.
> Advise and strategically manage the company agenda regarding public and institutional issues, aiding its sustainability and achievement of corporate goals.
> Achieve strategic placement of the Enel Group and its companies in Colombia, among institutional audiences and providing reputation.
> Analyze, identify, and manage risks in the political, economic, and social environment of the company.
> Worth mentioning are groups of interest identified, as well as construction and definition of the liaison plan to manage the following issues:
> El Niño phenomenon and the electric sector situation.
> EL Quimbo operation.
> Legislative follow-up and management.

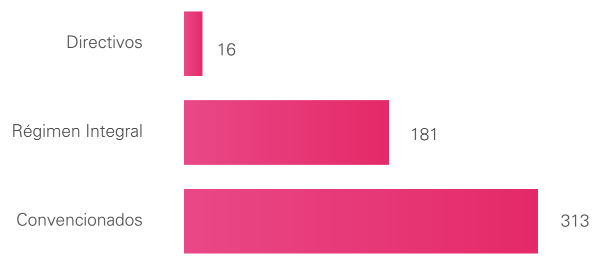
Personnel Management

EMGESA manages its human resource by executing several processes, as indicated below.

Personnel management

By the end of 2015, EMGESA had 510 direct workers, 13.4% less than the previous year. 93.1% of workers had indefinite term contracts, classified as follows:

Worker classification



Additionally, EMGESA had 22 apprentices from SENA and 2 university interns by the end of 2015.

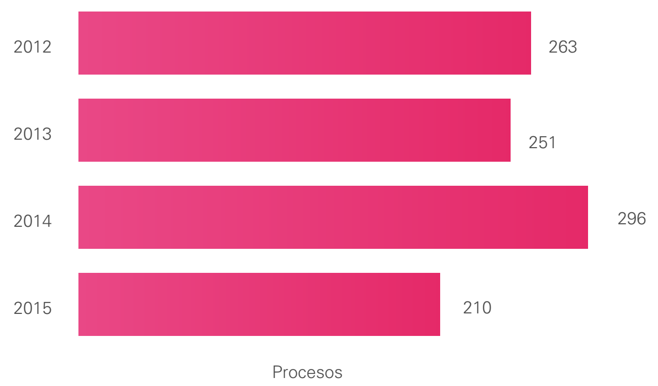
Salaries

According to the company salary policy and looking to improve its salary competitiveness, integral equity, and personnel withholding, 269 salary adjustments were made, 223 for unionized personnel and 46 for integral system personnel.

Selection process

98% effectiveness was achieved in selection processes as of August 2015, maintaining the 2014 indicator.
The following graph shows the number of selection processes carried out during 2015, compared to previous years.

EMGESA selection process



E-bike to work

La Guaca hydroelectric station

Number of selection processes

Emgesa	Types of contracts		
	Direct	Students/apprentices	Temps
2012	151	211	218
2013	150	148	267
2014	173	225	355
2015	34	73	103

Internal opportunities

The Group employees were given growth opportunities, filling 41% of vacancies internally.

Emgesa	Vacancies filled	
	Internal	External
2012	4	51
2013	26	78
2014	21	50
2015	14	20

In order to motivate company personnel, 15 persons were promoted to higher positions, making 14 personnel promotions through internal selection processes. The personalized feedback process continued to be applied to all internal applicants in order to make them aware of their strengths and opportunities for improvement, this way strengthening transparency.

Employer brand

Construction of the employer brand concept was started for the company in order to hold and attract talent. Training, development, selection, compensation, and quality of life initiatives were developed.

The company placed 55 in the Merco Talento ranking, which measures the capacity companies have to attract and hold human talent. This study was developed by the National Consultancy Center and was applied to some 16,000 employees of the most important companies in the country.

Personnel development and training

The TRAINING and development plan included activities focused on strengthening technical competences, prevention in occupational health and industrial safety, languages, special projects, management systems, organizational culture, innovation as a competitiveness element, business knowledge, and others.

Investment in training was $534 million, 0.3% lower than in 2014. 22,308 hours of training were given, 29% less than the previous year. 1,545 persons participated this year in training.
The average of training hours per person was 45, a 21% reduction, the average cost per person being $1,083,367, 2% more than the previous year.

According to results from perception evaluations made to participants, the training was rated 4.4/5.0, showing a quality improvement of 2% regarding facilitators, contents, and logistics.

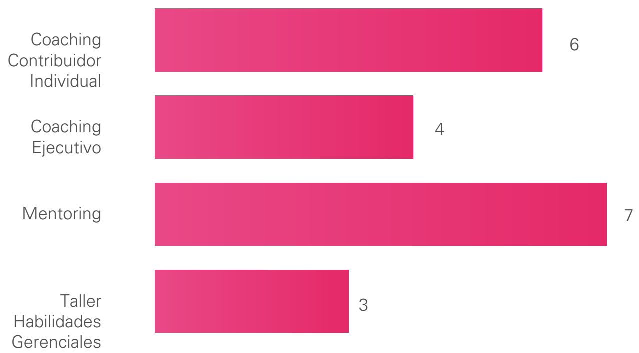
During 2015, 8 workers participated in the professionalizing program that allows receiving a professional degree in industrial engineering. Regarding formal education, the technology in network supervision program continued, in which 9 workers participated.

In general, 2015 actions focused on development of workshops for the workers' professional and personal realization, cultural and work environment strengthening, and performance evaluation and recognition y means of a short international stay program.

Development methodologies

Work continued with development methodologies during 2015, such as coaching and mentoring. Workshops were carried out to strengthen the workers' management abilities. The following graph shows the number of workers participating in such activities.

Development methodologies



The internal tutors program continued, in which work was mainly done regarding impacting behaviors and influence, assuming risks and responsibilities, and communication. The program will continue during 2016, with 5 tutors and pupils participating in it. Gestión del clima organizacional.

Organizational environment

Considering the results from the 2014 Great Place to Work survey, in 2014 several steps were taken to strengthen the company organizational environment.

Outdoors

In order to encourage greater synergy in the teams and promote teamwork and integration, 3 outdoors were held in which 37 workers participated.

Good practice discussion sessions

Three discussion sessions were held with various company leaders in order to share good practices strengthening the organizational environment. 26 leaders participated.

Muña pumping station maintenance

Benchmarking

Considering the 2014 Great Place to Work survey ranking, visits were made to 3 of the best ranking companies in Colombia, Movistar, DHL, and Aseguradora Solidaria de Colombia, in order to know their good practices.

13 leadership principles

Information was provided regarding basic principles any leader in the organization should include in his daily activities. Campaigns were carried out, delivering to 92 leaders the basic guideline explaining how to implement such principles.

Talent management

The performance evaluation model continued to be applied in 2015, evaluating 564 workers. Its purpose is identifying strengths and opportunities for improvement that will allow for an effective individual development plan, in accordance with each worker's development needs.

A new local tool was designed for this, improving the operation and allowing the employee to be involved with its goals' development. Objectives were consolidated and individual development plans build with this system.

In order to update the evaluation of potential, a local methodology was designed to integrally evaluate the workers, considering the following: 1) potential, including evaluating personality, motivation, and cognitive resources, 2) performance, covering the evaluation of competences and experience. In 2012 a pilot of this evaluation methodology will be developed.

Recognition

A process was designed in 2015 to access the international short stay program, which provides recognition to workers that stand out in their work and have good performance, so that they will exchange their technical and cultural knowledge with the various companies of the Enel Group. A pilot will be implemented during 2016.

Quality of life

DAs a Familiarly Responsible Company, during 2015 and according to the management model aimed to positively affecting the quality of life of its workers and promoting balance between personal, family, and work life, EMGESA developed programs and initiatives oriented to strengthening labor equity, flexibility for the workers, recreation spaces for the worker and his families, among others, promoting equality and equity.

Flexibility measures

According to programs developed in 2015, the use of flexibility measures in EMGESA was 594, a 9.8% increase compared to the 541 cases of 2014.

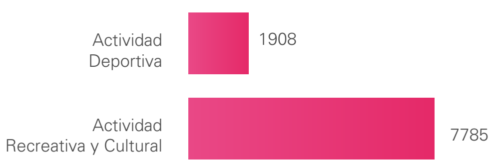
Flexibility measure	Emgesa
Assistance to ill relatives	21
Birthdays	73
Balance day	375
Voluntary day and balance	4
Flexible shift	64
Compressed Christmas day	7
Postnatal fathers	
1st day of school	11
Gradual postnatal return mothers	2
Telework	37
Total general	**594**

Olympics

Participation in sporting, recreational, and cultural activities

9,693 workers participated, among workers and families, in the various sporting activities (karts, bowling, soccer, volleyball, and tennis, among others), recreational and cultural activities (cultural breakfasts, wine tastings, ecologic walks, children parties, corporate novenas, etc.

Workers and their families’ participation



Activity	Participation
Sporting activity	1908
Recreational and cultural activity	7785

Assessment of quality of life activities and the flexibilization program

Every year, the company makes a perception survey in order to check how the workers are receiving programs offered with respect to quality of light, as a tool for new projects, inventions, and other actions balancing work, personal, and family life among the workers and their relatives. In 2015, 53% of the workers participated in this survey, with the following results:

96% of all workers believe that the quality of life portfolio helps strengthening the balance between labor and family life.

Balance day	**98%**	Children party	**95.3%**
Assistance to ill relatives	**97.9%**	Walk	**93.2%**
Birthday	**95%**	Children party/bowling	**92.4%**
Postnatal return mothers	**94.7%**	sporting activities	**92.3%**
1st day of school/ postnatal return fathers	**92%**	Cultural breakfasts/special celebrations (Fathers Day, Mother's Day, and women's day).	**89.2%**
flexible shift	**90.7%**		

Economic benefits

During 2015 the company provided economic loan resources for a total of $6,045 million, granted to 439 EMGESA workers, as follows:

Certifications

Type of loan	No. of loans	Value
Unionized worker housing	28	2.122.151.994
Integral housing	12	1.579.150.805
Training loan	5	32.747.412
Vehicle loan	19	603.758.443
Higher study loan	93	488.016.042
Domestic incident loan		
Appliance loan	166	626.289.236
Dentist loan		
Guaranteed University loan		
Vacation loan		
Free investment loan	115	562.700.000
Free investment loan with mortgage collateral		30.000.000
TOTAL	**439**	**6.044.813.932**

EMGESA received 99/100 points and obtained the Equipares Labor Equity Seal. This recognition is the result of top management's commitment to promote an equity culture in the company and compliance with phases contained in the Pilo program from the Ministry of Work, the High Presidential Counselor for Women's Equity, and the United Nations Program for Development. The program covers 8 dimensions (recruiting and selection of personnel, promotion, professional development, training-performance, remuneration and salary, conciliation of family and labor life, sexual and labor harassment, labor environment, health, and non-sexist communication).

The labor and sexual harassment area highlights the work done by the Labor Relations and Information Divisions in designing an innovative sensitizing and disclosure strategy regarding the company position of not tolerating harassment, which included guidelines to be followed in such cases.

The following activities were carried out:

> Design of a labor and sexual harassment protocol.
> Launch of the "Get in contact with tact" campaign.
> Two standup comedies were held, exclusively addressed to bosses.
> A virtual animated course was designed and implemented regarding these issues.
> A labor harassment and claim report form was designed, allowing making suggestions to the labor coexistence committee.
> Sensitizing training was provided on labor harassment and gender equity, supported by the Ministry of Work and the United Nations.
> Lectures were given to bosses and leaders of company areas in subjects called "Critical RHO processes".
> A pamphlet with relevant information on the subject was delivered.

Familiarly Responsible Company (EFR)

The audit made by the Colombia auditing company received a satisfactory recommendation upon during 3 consecutive years having obtained the EMGESA certification of Familiarly Responsible Company granted by Fundación + Familia. The purpose of this audit was confirming actions required to implement a balanced culture between labor, personal, and family life by designing and implementing familiarly responsible practices for personnel, objective that was achieved.

New quality of life initiatives

New benefits were defined in order to promote a positive labor environment improving the quality of life of company employees. New benefits include flexibility in times available to share with children, psychological company to children, possibility of extending unpaid maternity leaves by 3 additional months, among others.

Labor relations

2015 – 2018 collective negotiation

Emgesa and Sindicato de Trabajadores de la Energía de Colombia (SINTRAELECOL) carried out a collective negotiation related to the 2015-2018 collective workers labor agreement, which will govern relationships with unionized workers, according to international and internal norms and respect for collective rights.

The main aspects of the agreement were:
Salary increases:

> 2015: CPI plus 3%.
> 2016: CPI plus 2%.
> 2017: CPI plus 1.5%.
> 2018: CPI plus 1%.
> Bonus for $1,800,000.

Increases in aid, benefits, and loans:
> Transportation subsidy.
> Daycare centers, preschool, high school, and special education.
> Education subsidy for university studies and technical and intermediate careers.
> Position structure commission

New benefits:
> An energy bonus.
> Free investment loan.
> Savings incentive.
> Unified Guavio location bonus.

Conflicts of interest reports

The norm containing the definitions of conflicts of interest was prepared in order to clarify policies contained in the Coat of Ethics. Reports, analyses, and definitions of situations possibly resulting in conflicts of interest were regulated, establishing the workers' obligation to report them.

The purpose of the above is that upon processing conflicts of interest, principles of transparency, accuracy, opportunity and updated reports will be taken into account.

This norm will be informed Q1 2016.
HACER (DO) is an initiative whose purpose is consolidating an ethical culture in order to prevent faults by workers, developing face-to-face workshops in each branch and station. They are focused on encouraging compliance with functions (doing), within an ethical behavior (acting), including knowledge of applicable norms (knowing), analysis of specific cases (examining), and effective consultation with superiors (reporting).

17 workshops were held during 2015, participated by 203 workers who praised the dynamic manner in which they were taught and the benefits achieved both in the personal and in the labor areas. This will continue during 2016.

Human resource management

Online assistance to workers

New products have been available since October for the workers, through the Nostrum Portal - Employee Self-Service. The purpose of this tool is responding to frequent online requests from the workers and optimizing IT tools supporting processes.

Payroll process

For the period January-December 2015. The payroll process quality and opportunity metric closed at 115%, meaning that the efficiency and effectiveness of payroll processes and compliance with legal and conventional, tax, and social security obligations were met for 1,033 persons, including active and retired workers, for a total of $70,923 million.

Employee portfolio management

The active and retired personnel loan portfolio as of December 31 of 2015 was de $18,635 million. During 2015, 439 loans were made for a total of $6,045 million.

Communications Management

EMGESA develops integrated communication strategies to report its activities and vision among its various groups of interest and cooperating in strengthening its good reputation and liaison with those affecting or being affected by company activities.

In general, during 2015 communication strategies focused on informing about its sustainable activities, as well as actions and initiatives evidencing its strength and development regarding innovation.

Activities with the media

In this area, worth mentioning is the Company's social and environmental commitment, its responsibility and the care with which it opens the gates at the Betania reservoir, and the most relevant financial results.

Betania hydroelectric station

We should note that, included in the strategy to strengthen relations with journalists and improve knowledge on the Enel Group, the main means of communication were invited to the launch of the 2015 and 2016 business plans, in London and Milan, respectively, as well as to Expo Milán 2015, where they had the chance to closely see the elements of an intelligent city.

Annual 2015 meeting with workers

Activities related to sponsorships and participation in public acts

> The company was present in more than 40 visibility and public impact events, during which it shared its experiences, good practices, and achievements in projects, making it a leader or a point of reference in issues such as innovation, electric mobility, sustainability, and gender equality. The following stand out:
> Colombian Investor Forum 2015: operations, risks, and best alternatives to in investment projects in Colombia.
> First companies' Colombia Community Forum regarding gender equality.
> Propositions to provide feasibility to an integral development of projects of the electric sector
> Andesco environmental seminar.
> Solar Decathlon Latin América & Caribbean 2015
> Innovation Summit

Digital communication

Social networks were a vehicle to inform of relevant issues, increase Company knowledge, and generate better interaction with the community. Actions were carried out to position the webpage, the number of visits per month increasing by 28%, the number of users by 12.6%, and the time of blessed by 273% compared to the previous year.
Some sections were updated based on their relevance for the clients, such as the energy and businesses section, the pool price, contributions, and reservoir reserves.

Internal communication

Work was done mainly to promote a safety culture, innovation, good service to the internal client, and quality through campaigns. Issues such as the benefits of life quality stand out, special emphasis been given to positioning the interest the company has in being a company that promotes labor equity through the "IgualES" campaign. The external auditors praised this initiative in order to obtain the Equipares equity seal on account of the messages' assertiveness and the diversity of communications channels.

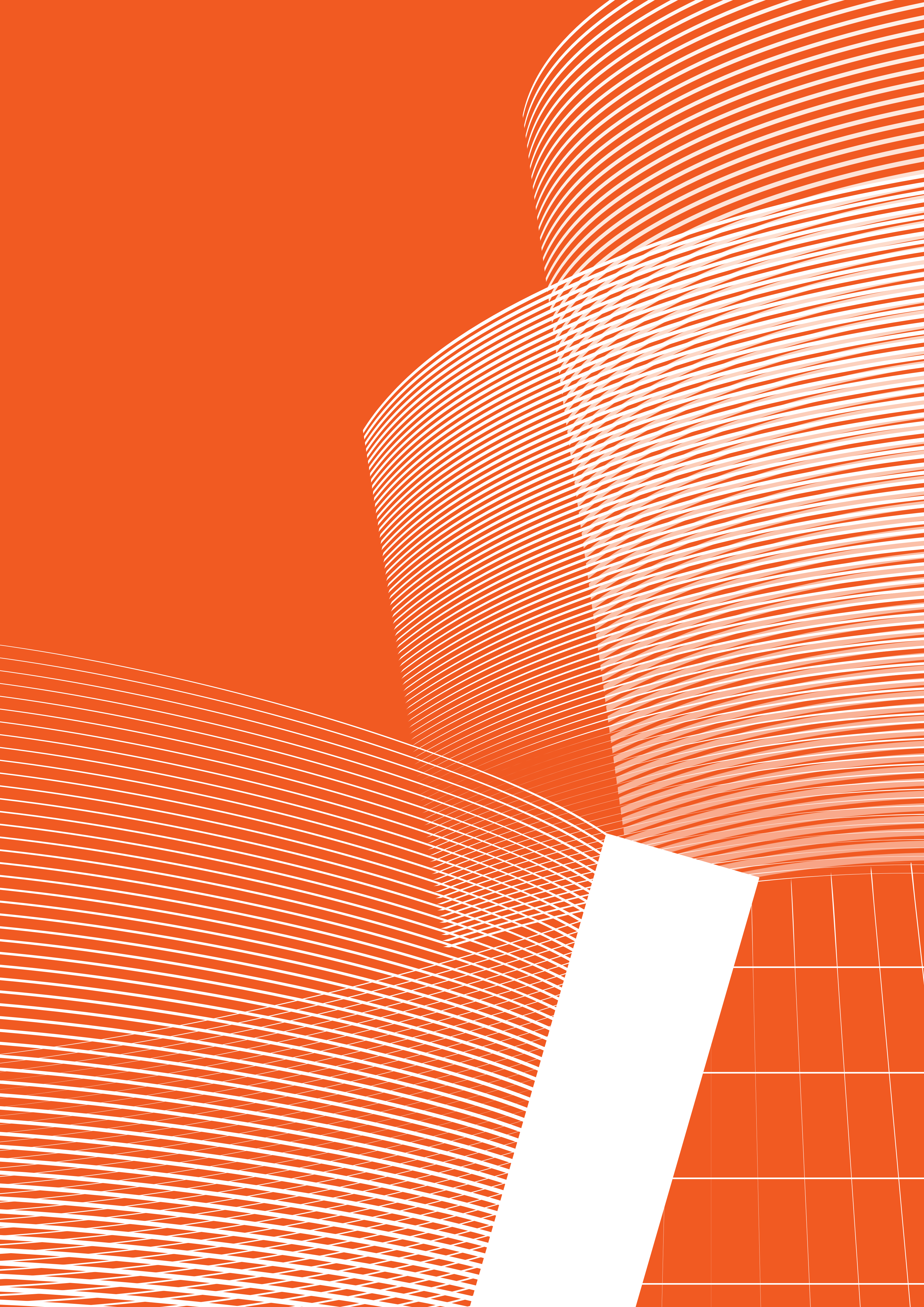
Regarding the internal media, "En Direc-to" should be mentioned, a virtual meeting of the general country director with all personnel, whose purpose is providing current, first-hand information, and responding to the workers' concerns. 9 encounters were held during 2015, more than 100 questions were received and answered. This had a 91% acceptance by the workers.

Challenges for 2016

For 2016, communication strategies will be structured based on the principle of being a company creating energy solutions for the future and aiding persons, communities, companies, the cities, and the countries in tackling the most important challenges.

Communications activities will be focused on showing a company that is more human, open to people and to technology.

IT and Telecommunications Activities



The most important activities during 2015 regarding IT and telecommunications focused on developing IT projects to support the strategies and initiatives related to generation, energy management, and management of support areas. Following is a summary of the main projects developed.

Energy management projects

- **Evolution of energy management systems:** This project was developed to improve the performance and reliability of energy and trading management systems and to include strategic business changes and current Colombian legislations. Benefits provided to the business relate to optimizing the commercial strategy, improving the quality of client information, and generating long-term projections regarding energy contracting.
- **Icoms Upgrade 2015:** The ICOMS commercial information system was updated in order to include and unify the Enel Group practices and update processes.
- **Energetic licenses - energy management:** Its purpose was acquiring, updating, controlling, centralizing, and efficiently exploiting software licenses required to support the energy and trading management processes. During 2015, progress was made in obtaining high-capacity equipment and customizing all specialized software programs.
- **Assessment Trading Project:** Its purpose is identifying information technology requirements for the trading and energy management business lines and creating a 2016-2022 long-term IT plan. For Colombia, information was obtained and global trading and trading Colombia needs identified.
- **NEOL Project:** The commercial portal platform was commissioned in order to provide clients with a virtual channel that will allow them to expedite processes with the company. This allows account executives not to have to make personal trips, reducing the number of calls to call centers. It generates savings and productivity for customer service processes.

Generation business projects

- **SCADA Optimization:** A number of diagrams and field signal integration were included and updated in the SCADA Spectrum 3.10 system, starting monitoring the generation plants in Colombia with the system.
- **Portal to generate organizational performance optimization reports:** Its purpose is having a dynamic and friendly tool that will allow efficiently and effectively exploiting management reports from the control center in a multiuser, and current platform in the cloud, replacing the current manual files and processes.

Projects for the support areas' management

- Archibus real estate and assets management project: A specialized information system was implemented in order to manage the EMGESA real and personal properties, which allows storing all the assets' detailed information, with their respective characteristics and images, and generate full reports in an itemized and efficient manner.
- **Digitizing of Board of Directors reports:** to support the environmental policy, a tool was developed to electronically access all documents from Board of Directors' meetings.
- GP 2ONE Project: Its purpose is standardizing all purchasing processes and defining procedures and manners in which to work, supported by common applications.
- **Modernization of the Invoice system:** Allowed improvements to the information reception and loading process for invoices submitted by vendors, optimizing the operational process times and invoicing accounting.
- **NIIF Colombia Phase II project:** The process related to adopting the IFRS norms continued in order to meet regulations established by government entities regarding accounting and fiscal issues.
- **Personnel cost planning project:** the SAP PCP (personnel cost planning) module was configured and implemented. Such implementation supported HR by automating the storage, calculation, simulation, and analysis of planning processes related to personnel costs, optimizing functions.
- **Technological security project:** Developed in order to keep the Company security platform updated, support new functionalities, and keep protected all critical services against intrusions or possible cybernetic attacks. The project was fully implemented.
- **Director Telecommunications Plan (PDT):** Its purpose is achieving the highest possible performance and optimal use of telecommunication networks, based on the analysis of current and future needs of each business area, defining a 5-year investment plan. As part of this plan, technological renewal initiatives were developed in the Guaca-Paraíso link, at the Bogotá River, and at the Cartagena station plants.

Administrative Services and Safety Management

During 2015, service and safety activities focused on identifying more innovative and functional solutions in the provision of administrative services, safety, real property management, and contractor control.

The Administrative Services Service Center was commissioned in June. A number of advisors respond to questions, complaints, and suggestions by telephone, chat, and the web portal. Some 2955 monthly requests were received regarding general services and safety, the challenge for 2016 being responding to service requests related to real property management processes and contractor management.

Along the main processes and activities implemented the following are worth mentioning:

General and maintenance services

Under the road safety strategic plan, activities focused on ensuring the safety of persons using this service stand out. Thanks to these measures, serious road accidents were fully prevented.

The provision of cleaning, cafeteria, and maintenance services for buildings, equipment, and infrastructure was integrated into a single process, achieving synergies in the operation, planning, and coordination processes.

In the various generation stations, traditional air-conditioning systems were replaced with environmentally friendly equipment.

The equipment and the infrastructure was modernized in four station mess halls to provide comfort to workers, implementing a self-care awareness campaign with contractors, which resulted in zero accidents during 2015.

The Online Booking Travel tool was implemented, which allows employees to make reserves and buy tickets and accommodations for work trips, through the Internet, optimizing the request and approval process and the ticket issuance process compared to the previous procedure.

Security services

Special investigations

Eight reports related to criminal activities against the company interests and properties were received and handled. One criminal activity was started before the competent legal authorities.

Information security

During the last year, the Company has been developing actions in order to comply with Law 1581 of 2012 "General system for the protection of personal information", which among others requires the following:

> The existence of an administrator structure proportional to the corporate structure and size, supporting implementation of the law.
> Establishment of internal mechanisms to implement related policies, including implementation, training, and education tools.
> Implementation of processes to respond to questions, petitions, and claims, regarding any aspect related to personal information handling.
> Registration of databases before the Industry and Trade Superintendence.

According to external circular No. 2 of November 3 of 2015 from the Industry and Trade Superintendence, EMGESA will register its databases before the National Database Registry in May 2016.

Activities related to real properties

The land property tax databases were debugged at the Guavio station, encouraging commodatums with municipal administrations for the use of nonproductive company assets in projects for promotion of tourism in the region and assignment of other properties for development of basic sanitation projects.

Work was done on the Betania reservoir in order to formalize artisan fisherman and activities and activities of those living near the reservoir, donating some 97 ha to the Vereda Lagos community in the municipality of Palermo, Department of Huila, for development of projects for the community, with the support of the municipal Mayor's office.

A complete review of properties comprising the Bogotá river generation chains was made at the Bogotá river stations, obtaining information and structuring it.

Contractor control

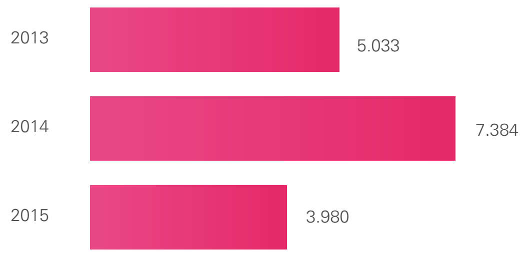
The Colabora system was consolidated as an information management tool for contractors, also being used as a documentary management tool during contract execution. The system allows for detailed control of the contractor's performance, providing for responsible management of the supply chain.
The vendor's follow-up system application was developed to manage contracts as the result of identifying possible risks during contract execution. The system allowed for early identification of the contractors' financial problems.

An annual encounter was held with contractors, attended by some 300 persons and making awards to the best projects and initiatives related to continuous improvement and innovation presented. 38 projects were received regarding safety, technical, and environmental issues. The contractors were informed of the 2015 strategies and challenges, as well as issues related to health, safety, training and development programs, and client service issues.

A vendor rating evaluation was made in order to ensure proper management of the supply chain, whose purpose is achieving continuous improvement of processes and contractors providing services to the company. 98 contracts were evaluated each quarter in the legal-labor obligations compliance module.

Statistics – Information management

Workers evolution

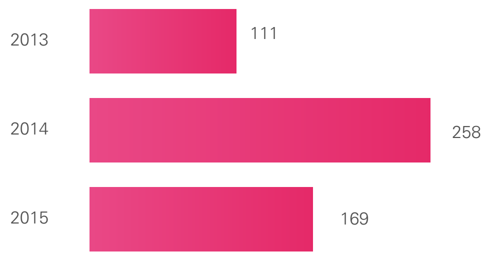


Contractor workers assigned to contracts

Contractor man-hours

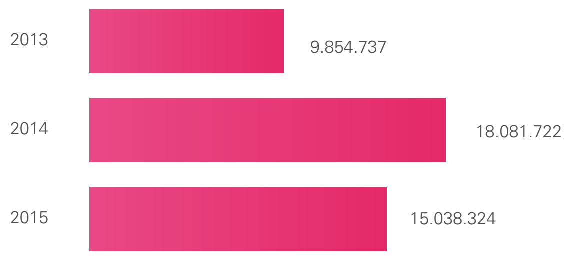
Mes	Gx - Año 2013	Gx – Año 2014	Gx – Año 2015
Jan	526.511	1.114.998	1.592.526
Feb	520.029	1.271.417	1.546.979
Mar	507.437	1.458.576	1.606.854
Apr	680.705	1.253.978	1.783.783
May	812.552	1.617.280	1.500.473
Jun	744.596	1.466.594	1.236.623
Jul	935.255	1.530.653	1.211.426
Aug	941.688	1.885.089	1.055.949
Sept	950.784	1.496.667	999.668
Oct	1.003.121	1.618.639	1.019.281
Nov	1.091.016	1.923.375	796.252
Dec	1.141.043	1.444.455	688.510
TOTAL	**9.854.737**	**18.081.722**	**15.038.324**

Evolution of collaborator companies

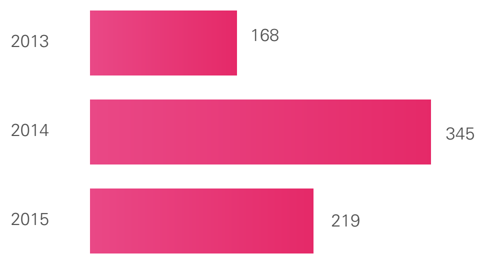


Number of contractors provifind services

HHT's



Evolution service contracts



Number of contracts in execution

The increase in workers, contracts, and companies is mainly the result of the EL Quimbo project, which concludes in the first half of 2016.

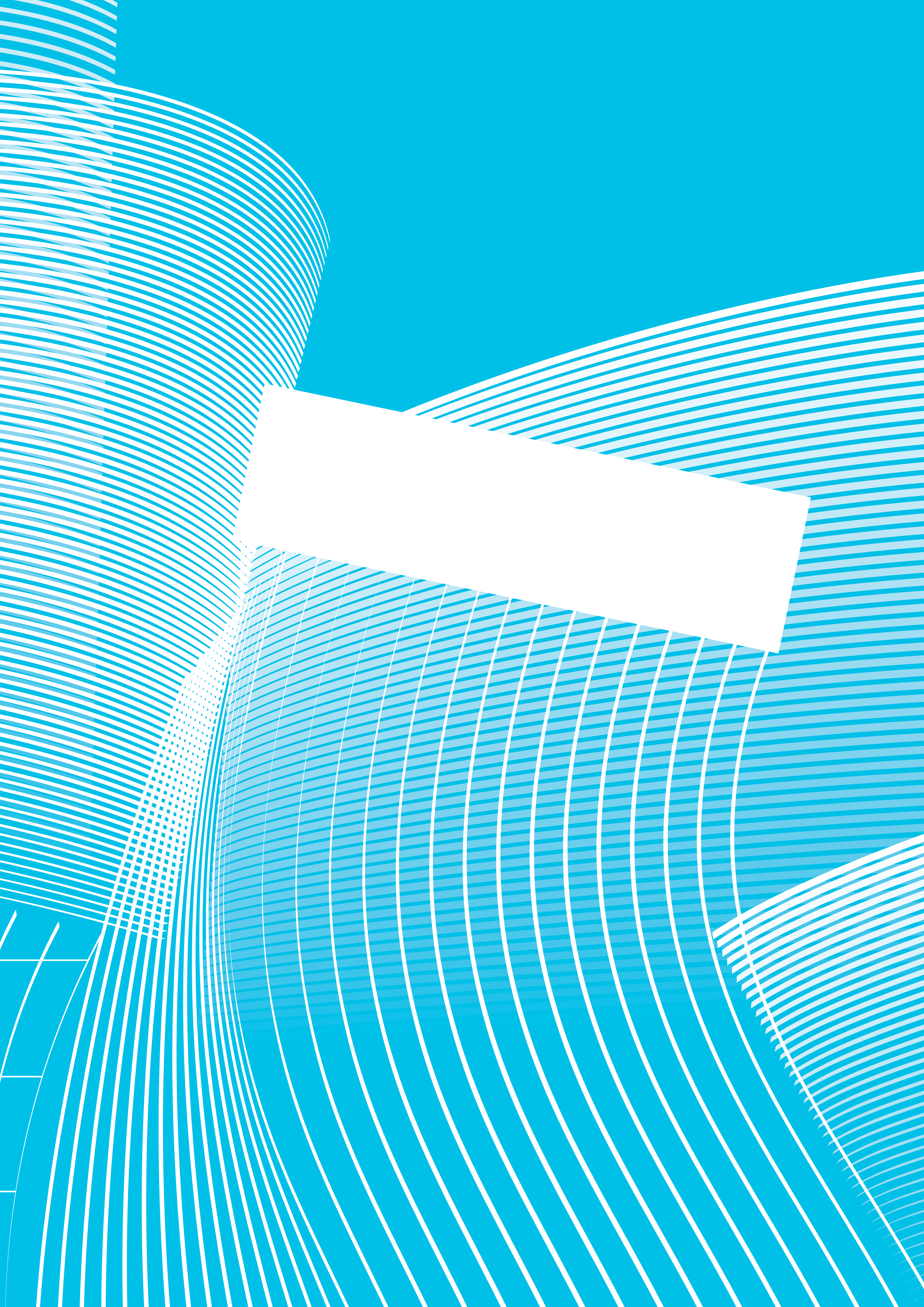
During 2014 and 2015 there is a significant increase in man hours worked, from development of the EL Quimbo project, which in 2015 is already dropping.

Labor control activities to ensure compliance

Integral audits	11
Audit findings	16
Labor inspections	40

Challenges for 2016

- *Consolidate the client service model, anticipating internal client needs and improving response times.*
- *Analyze the possibility of improving services in order to make them cost and time efficient.*
- *Implement the action plan to comply with Resolution 8934 of 2015, structuring file management.*
- *Ensure proper and timely control taking of services provided at the EL Quimbo station, without affecting its normal operation.*
- *Implementation of a land property operation model for the EL Quimbo reservoir.*
- *Organize the land properties of the Bogotá river stations.*
- *Implementation of information systems: geographical and land property management.*
- *Manage the contract lifecycle management project, whose purpose is guiding the contracting process from planning to evaluation.*



Financial Statements

Emgesa S.A. E.S.P.

To the Emgesa S.A. E.S.P.
shareholders:

I have audited the attached Emgesa S.A. E.S.P. separated financial statements including the separate financial statement as of December 31 of 2015 and the respective separated and integral income statements, equity change statements and cash flow statements for the year ending on such date, and the summary of significant accounting policies and other explanatory notes.

The administration is responsible for preparation and proper presentation of separate financial statements according to accounting and financial information norms accepted in Colombia, for designing, implementing, and keeping relevant internal control measures for proper preparation and submittal of financial statements free of material errors, either for fraud or errors, and for selecting and applying adequate accounting practices and establishing reasonable accounting estimates according to the circumstances.

My responsibility is that of expressing an opinion on such separate financial statements, based on my audit. I obtained the necessary information to meet my responsibilities and made an examination according to auditing norms generally accepted in Colombia, which require me to follow ethical requirements and plan and perform my audit in order to obtain reasonable assurance regarding whether such financial statements are free of material errors.

An audit includes developing procedures to obtain auditing evidence supporting figures and disclosures contained in the separate financial statements. The selected procedures depend on the auditor, including the evaluation of a risk of material errors existing in such separate financial statements. In the process of evaluating such risks, the auditor considers relevant internal controls for preparation and presentation of separate financial statements, in order to design audit procedures that will be adequate according to the circumstances. It also includes an evaluation of accounting policies adopted and of significant estimates made by the administration, and their presentation as a whole. I believe my audit provides a reasonable basis for my opinion.

In my opinion, the attached separate financial statements, accurately taken from the accounting books, reasonably present, in all significant aspects, the company financial situation as of December 31 of 2015, the results of its operations, and cash flows for the year ending in such date, according to accounting and financial information norms accepted in Colombia.

Based on the scope of my audit, I am not aware of situations suggesting not having met the following company obligations: 1) keeping minutes and shareholder books, according to legal norms and the accounting technique; 2) developing the operations according to the bylaws and the decisions of the Shareholders Assembly and the Board of Directors, also according to norms related to integral social security; 3) keeping correspondence and account vouchers; and 4) having internal control and taking conservation and protection measures for company goods or goods of third parties it may have in its possession. Additionally, there is agreement between the attached financial statements and the accounting information included in the management REPORT prepared by the company administration, which includes a confirmation from the administration regarding the free circulation of endorsed invoices issued by sellers or vendors.

Yuliana Vargas
Statutory auditor
Professional card 163663-T
Appointed by Ernst & Young Audit S.A.S. TR-530

Bogotá, Colombia
February 26, 2016

Emgesa S.A. E.S.P.

Separate Financial Situation Statements

	Note		As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014
					(In thousand pesos)		
ASSETS							
Current assets:							
Cash and cash equivalents	4	$	299.178.512	$	880.729.362	$	837.263.866
Other current financial assets	5		13.385.123		89.994.484		9.000.667
Other current nonfinancial assets	6		65.346.385		33.298.979		26.163.313
Commercial accounts receivable and other accounts receivable	7		327.623.902		209.589.604		199.055.103
Accounts receivable from related companies, current	9		33.292.945		31.204.489		50.543.305
Inventories	10		34.562.875		48.417.669		58.236.632
Total current assets			**773.389.742**		**1.293.234.587**		**1.180.262.886**
Noncurrent assets:							
Other noncurrent financial assets	5		2.740.235		4.593.316		4.632.678
Other noncurrent nonfinancial assets	6		4.864.712		4.220.180		4.302.859
Other commercial accounts receivable and other noncurrent accounts receivable	7		8.686.009		8.542.695		8.599.436
Accounts receivable from related entities, noncurrent	9		1.005.483		939.996		1.116.574
Investments in subsidiaries, joint deals, and associated companies.	8		52.079		52.079		23.488
Intangible assets other than value added	11		89.619.113		89.384.257		90.262.476
Properties, plant, and equipment	12		7.878.232.087		6.698.351.513		5.948.129.148
Assets from deferred taxes	13		81.286.227		185.959.545		164.168.857
Total noncurrent assets			**8.066.485.945**		**6.992.043.581**		**6.221.235.516**
Total assets		**$**	**8.839.875.687**	**$**	**8.285.278.168**	**$**	**7.401.498.402**
Liabilities and equity							
Current liabilities:							
Other current financial liabilities	14	$	606.511.273	$	356.559.115	$	241.758.027
Commercial accounts payable and other current accounts payable	15		283.625.592		216.696.027		211.154.575
Accounts Payable to related entities, current	9		200.534.242		1.055.175.463		205.613.813
Other current reserves	16		323.186.623		94.427.899		18.079.493
Liabilities from current taxes	18		127.741.635		217.051.723		118.847.857
Reserves for employee benefits, current	17		28.797.528		27.088.083		25.197.884
Other nonfinancial liabilities, current	19		3.824.724		2.096.059		2.410.213
Total current liabilities			**1.574.221.617**		**1.969.094.369**		**823.061.862**
Noncurrent liabilities:							
Other noncurrent financial liabilities	14	$	3.495.312.860	$	3.384.846.660	$	3.045.327.807
Other noncurrent reserves	16		146.118.742		2.125.192		29.561.595
Reserves for employee benefits, noncurrent	17		66.110.357		67.550.495		69.239.834
Total noncurrent liabilities			**3.707.541.959**		**3.454.522.347**		**3.144.129.236**
Total liabilities		**$**	**5.281.763.576**	**$**	**5.423.616.716**	**$**	**3.967.191.098**

Emgesa S.A. E.S.P.

Separate Financial Situation Statements

	Note		As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014
					(In thousand pesos)		
Equity							
Issued capital	20	$	655.222.313	$	655.222.313	$	655.222.313
Issuance premiums			113.255.816		113.255.816		113.255.816
Other reserves	20		426.091.925		327.789.284		327.789.284
Other integral results (ORI)			(5.001.313)		(3.916.250)		(4.779.979)
Year profits			885.455.396		1.015.944.575		-
Dividends paid in advance			-		(719.310.264)		-
Withheld profits			10.409.214		(2.782)		870.141.110
Profits from the effect to conversion to IFRS			1.472.678.760		1.472.678.760		1.472.678.760
Accumulated gains			2.368.543.370		1.769.310.289		2.342.819.870
Total equity			3.558.112.111		2.861.661.452		3.434.307.304
Total liabilities and equity		$	8.839.875.687	$	8.285.278.168	$	7.401.498.402

See attached notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statements contained in these financial statements and that they have been accurately taken from the Company accounting books. The opening financial statements as of January 1 of 2014 and the transition financial statements as of December 31 of 2014 include conversion adjustments made according to guidelines contained in Note 2.1 "Accounting Principles" regarding the first adoption of accounting and financial information norms accepted in Colombia.

Lucio Rubio Díaz
Representante Legal

Alba Lucía Salcedo Rueda
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Tarjeta Profesional 40562–T

Yuliana Carolina Vargas Santiago
Revisor Fiscal
Tarjeta Profesional 163663–T
Designada por Ernst & Young Audit S.A.S. TR–530
(Véase mi informe del 26 de febrero de 2016)

Emgesa S.A. E.S.P.
Income Statements, by Nature - Separate

	Note	12-month period from January 1 to December 31 of 2015	12-month period from January 1 to December 31 of 2014
		(In thousand pesos, except for gains per share)	
Revenues from ordinary activities		3.229.679.875	2.607.574.794
Other exploitation revenues	21	38.597.227	32.446.070
Total revenues from ordinary activities and other exploitation revenues		3.268.277.102	2.640.020.864
Reserves and services	22	(1.349.939.012)	(772.538.492)
Contribution margin		**1.918.338.090**	**1.867.482.372**
Work for the unmobilized		22.430.427	20.195.741
Personnel expenses	23	(87.474.568)	(71.360.851)
Other fixed exploitation expenses	24	(127.864.488)	(85.514.964)
Gross exploitation result		**1.725.429.461**	**1.730.802.298**
Depreciation and amortization	25	(164.128.497)	(152.669.338)
Impairment losses (reversions)	25	(457.493)	(2.760.070)
Exploitation result		**1.560.843.471**	**1.575.372.890**
Financial revenues	26	13.938.751	20.368.500
Financial Expenses	26	(353.990.870)	(297.450.436)
Capitalized financial expense	26	168.974.389	159.720.402
Exchange differences	26	3.745.330	(3.821.132)
Financial result		**(167.332.400)**	**(121.182.666)**
Result of other investments			
Result from the sale of assets		(463.031)	259.953
Result before taxes		**1.393.048.040**	**1.454.450.177**
Expense from tax on gains	27	(507.592.644)	(438.505.602)
Year profits		**885.455.396**	**1.015.944.575**

Emgesa S.A. E.S.P.

Income Statements, by Nature - Separate

	Note	12-month period from January 1 to December 31 of 2015	12-month period from January 1 to December 31 of 2014
		(In thousand pesos, except for gains per share)	
Gain per basic share			
Gain per basic share in continued operations (*)	28	5.897	6.785
Weighted average number of ordinary outstanding shares		148.914.162	148.914.162
Diluted gains por share			
Diluted gains per basic share in continued operations (*)		5.897	6.785
Weighted average number of ordinary outstanding shares		148.914.162	148.914.162

See attached notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statements contained in these financial statements and that they have been accurately taken from the Company accounting books. The opening financial statements as of January 1 of 2014 and the transition financial statements as of December 31 of 2014 include conversion adjustments made according to guidelines contained in Note 2.1 "Accounting Principles" regarding the first adoption of accounting and financial information norms accepted in Colombia.

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Emgesa S.A. E.S.P.

Integral Revenue Statements-Separate

(in thousand pesos)

	Note	12-month period from January 1-December 31 of 2015	12-month period from January 1-December 31of 2014
		(In thousand pesos)	
Year profits		$ **885.455.396**	$ **1.015.944.575**
Components of other integral results not classified to the year's result, before taxes	29	(1.853.059)	-
(Losses) of the new measurements of financials instruments, measured at resemble value with changes in the ORI	29	2.567.882	(2.437.843)
Gains (losses) from the measurements of defined benefit plans	29	(697.458)	3.704.305
Other integral results not reclassified to the year results, before taxes		17.365	1.266.462
Taxes on gains related to components of other integral results not reclassified to the year results		(1.024.152)	819.688
Gains (losses) from new measurements of defined benefit plans Tax on gains related to cash flow hedgings of other integral results	29	(78.276)	(1.222.421)
Tax on gains related to components from other integral results not reclassified to the year result		(1.102.428)	(402.733)
Other integral results		**(1.085.063)**	**863.729**
Total integral result		**884.370.333**	**1.016.808.304**

See attached notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statements contained in these financial statements and that they have been accurately taken from the Company accounting books. The opening financial statements as of January 1 of 2014 and the transition financial statements as of December 31 of 2014 include conversion adjustments made according to guidelines contained in Note 2.1 "Accounting Principles" regarding the first adoption of accounting and financial information norms accepted in

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Emgesa S.A. E.S.P.
Changes to Equity - Separate

(thousand pesos)

	Not4	Issued capital	Otras reservas: Issuance premium	Otras reservas: Legal reserve	Otras reservas: Regulatory reserve	Otras reservas: Occasional reserves	Otro resultado Integral: Gains and losses from new measurements of financial instruments measured at reasonable value	Otro resultado Integral: Gains and losses from benefit plans defined	Accumulated gains	Total equit
Initial equity as of January 1 of 2014		$ 655.222.313	$113.255.816	5327.611.157	$ 178.127	S	$ 3.646.659	5 (8.425.638)	$ 2,342.819.870	$3.434.307.3
integral result										
year profits							-	-	1.015.944.575	1.015.944.575
other integral results	29						2.481.885	(1.618.156)		863.7
Integral result							2.481.885	(1.618.156)	1.015.944.575	1.016.808.3
Declared dividends									(1.589.451.374)	(1.589.451.3
Increases (reductions) from other changes, equity									(2.782)	(2.7
Total increase (reduction) in equity		•	•	•			**2.481.885**	**2.618.156)**	**(573.509.581)**	**(572.645.852)**
Initial equity as of December 31 of 2014		**$ 655.222.313**	**$113.255.816**	**$327.611.157**	**$ 178.127**		**$ 6.128.544**	**(10.044.794)**	**$ 1.769.310.289**	**$ 2.861.661.4**
Changes in equity										
Integral result										
year profits							-		885.455.396	885.455.396
other integral results							(2.628.792)	1.543.729		(1.085.0
Integral result							(2528.792)	1.543.729	885.455.396	884.370.3
Dividends recognized as distributions to owners									(187.919.674)	(187.919.674)
Increases (reductions) from other changes, equity						98 302,641			(98.302.641)	
Total increase (reduction) in equity					•	**98.302.641**	(2.628.792)	**1.543.729**	**599.233.081**	**696.450.659**
Initial equity as of December 31 of 2015		**$ 655.222.313**	**$113.255.816**	**$327.611.157**	**$ 178.127**	**$98.302.641**	$ 3.499.752	**S (8.501.065)**	**$ 2.368.543.370**	**$3.558.112.111**

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Emgesa S.A. E.S.P.
Cash flow statements, direct method
(in thousand pesos)

		12-month period from January 1 to December 31 of 2015		12-month period from January 1 to December 31 of 2014
Cash flows from (used in) operation activities				
Classes of charges per operation activity				
Charges from the sale of goods and provision of services	$	3.084.972.462	$	2.633.433.130
Charges from royalties, quotas, commissions, and other revenues from ordinary activities		16.222.603	$	13.145.537
Charges from bonuses, benefits, and other benefits from subscribed policies		7.438.563		2.553.641
Classes of payments in cash from operation activities:				
Payments to vendors for the supply of goods and services		(1.285.961.168)		(794.042.402)
Payments and/or on account of employees		(82.971.047)		(74.150.377)
Payments from bonuses and benefits, and anualities, and other obligations from subscribed policies		(18.354.007)		(15.710.834)
Net cash flows from the operation		**1.721.347.406**		**1.765.228.695**
Taxes on gains, paid		(483.353.006)		(351.080.431)
Other cash expenditures		(145.053.431)		(144.494.716)
Net cash flows from the operation		**1.092.940.969**		**1.269.653.548**
Cash flows from (used in) investment activities:				
Cash flows used to obtain control of subsidiaries or other businesses		-		(28.591)
Other charges from the sale of equity or debt instruments from other entities		77.464.998		312.478.900
Other payments to acquire equity or debt instruments from other entities		-		(389.943.898)
Purchase of properties, plant, and equipment		(683.289.953)		(541.630.573)
Cash advances and loans to 3rd parties		(69.682.020)		(101.381.075)
Payments from future contracts, term contracts, options, and financial swaps.		7.597.498		1.533.845
Interests received		21.267.716		33.303.391
Other cash revenue		-		28.275.615
Net cash flow used in investment activities		**(646.641.761)**		**(657.392.386)**
Cash flows from (used in) financing activities:				
Revenues from loan		1.185.148.413		590.000.000
Loan payments		(837.628.999)		(141.660.000)
Dividends paid		(1.045.671.911)		(739.667.883)
Interests paid		(319.088.632)		(266.951.405)
Payment of liabilities on account of financial leases		(114.520)		(21.969)
Other cash expenditures		(10.494.409)		(10.494.409)
Net cash flows used in financing activities		**(1.027.850.058)**		**(568.795.666)**

Emgesa S.A. E.S.P.

Cash flow statements, direct method

(in thousand pesos)

	12-month period from January 1 to December 31 of 2015	12-month period from January 1 to December 31 of 2014
Net cash increase (reduction) and cash equivalents, before the effect of changes to the exchange rate	**(581.550.850)**	**43.465.496**
Net increase (reduction, of cash and cash equivalents	**(581.550.850)**	**43.465.496**
Cash and cash equivalents at the beginning of the year	880.729.362	837.263.866
Cash and cash equivalents at the end of the year	**$ 299.178.512**	**$ 880.729.362**

See attached notes.

The undersigned Legal Representative and Accountant certify that we have previously verified statements contained in these financial statements and that they have been accurately taken from the Company accounting books. The opening financial statements as of January 1 of 2014 and the transition financial statements as of December 31 of 2014 include conversion adjustments made according to guidelines contained in Note 2.1 "Accounting Principles" regarding the first adoption of accounting and financial information norms accepted in Colombia.

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(in thousand pesos)

1. General information

Economic entity

Emgesa S.A. E.S.P. (hereinafter the "Company") is a commercial stock company established according to the Colombian laws as a public utility services company, regulated by Law 142 of 1994.

The company was established on October 23 of 1997 and registered before the Chamber of Commerce on August 17 of 2007 with registration number 115-1755, with the contribution of generation assets from Empresa de Energía de Bogotá S.A. E.S.P. with 51.51% of ordinary and preferential shares and cash contributions from other investors with 48.49% of shares.

It is a Colombian company headquartered in 11 No. 82-76, Bogotá D.C.

Emgesa S.A. E.S.P. is an Enersis S.A. affiliate, the latter being an affiliate of Enel Iberoamérica S.R.L, an entity controlled by Enel, S.P.A. (hereinafter Enel).

Corporate Object - The company's main object is generation and trading of electrical power according to Laws 142 and 143 of 1994 and norms regulating, adding, amending, or derogating them. In development of its main object, the Company may acquire generation plants and project, build, operate, maintain, and commercially exploit electric generation stations, taking the necessary steps to protect the environment and the good relations with the community in the area of influence of its projects, performing work, designs, and consultancy services on electrical engineering and trading products in benefit of its clients. The company may execute all activities related to exploration, development, investigation, exploitation, trading, storage, marketing, transportation, and distribution of minerals and rock materials. The company may also develop all types of activities related directly or indirectly to the fuel gas trading business. Its term is indefinite.

The company has 11 hydraulic generation stations and 2 thermal stations, located in the departments of Cundinamarca, Huila and Bolívar:

Station	Technology	Installed capacity
Guavio	Hydraulic	1.213,0 MW
Betania	Hydraulic	540,0 MW
El Quimbo	Hydraulic	400,0 MW
Guaca	Hydraulic	324,6 MW
Paraíso	Hydraulic	276 MW
Charquito	Hydraulic	19,5 MW
Tequendama	Hydraulic	19,5 MW
Limonar	Hydraulic	19,5 MW
La Tinta	Hydraulic	19,5 MW
San Antonio	Hydraulic	19,5 MW
La Junca	Hydraulic	19,5 MW
Martín del Corral	Thermal	240,0 MW
Cartagena	Thermal	208,0 MW

"El Quimbo" hydroelectric station

The EL Quimbo hydroelectric project was approved with Resolution 899 of May 15 of 2009 and 1628 of August 21 of 2009. It is located in Huila, some 350 km southeast of Bogotá. It is supplied by the Magdalena River and its area of influence covers the municipalities of Gigante, Garzón, Altamira, El Agrado, Paicol and Tesalia. It has an 8,250 ha reservoir, 55 km long, and a 3,200 cubic hectometer storage capacity, which makes it one of the largest in the country, with a damn 151 m high, an auxiliary 66 m high dyke, and a 4-gate spillway. Its installed capacity is 400 MW, able to generate de 2,216 GWh/yr,, equivalent to 4% of the national demand, together with Betania forming a chain providing 8% of the national demand.

Prior to the reservoir filling, the Company customized the group of reservoirs, consisting in forest use, removal of wood and biomass, and handling of macrophites, among others. In total, the company removed over 530,000 m^3 of wood and biomass before starting filling the reservoir in June 2015, after prior work required and had been done and the Magdalena river hydrological conditions being those required to guarantee safe activities.

Unit 1 was successfully synchronized on October 11 of 2015, on October 18 the unit having reached technical conditions. Unit 2 was synchronized on October 29 of 2015, after which the last tests were made, on November 16 of 2015 El Quimbo starting operating and generating the first 378 MW required

The station was ready for operation in November 2015. However, minor work is still pending, not relevant for the station commissioning, so that its effective construction progress as of December 31 of 2015 was 97.80%. The EL Quimbo construction has involved investments on infrastructure, the environment, and communities in Huila. Included in the project infrastructure work, already delivered, is the following:

- The longest viaduct in the country, 1.7 km long, connecting the municipality of Garzón with El Agrado.
- 11 km of roads built according to technical mobility specifications.
- 12.5 km of new electric and telecommunications lines.
- 5 residual water treatment plants.
- 6 shipping imports for the reservoir.

Regarding social aspects, investments directly benefited the communities' and the region's agricultural development. These investments have allowed building resettlement areas with modern community infrastructure, development of employment restitution programs through new productive projects, and contributions for local development projects in the municipalities of the area of influence.

During 2015, construction of populated centers for resettlements located in Llano de la Virgen, Santiago & Palacios, La Galda and Montea was concluded. In December 2015, families were already living in their new homes, with public utilities and infrastructure. The centers have 3 schools, 3 chapels, 3 marshalling yards, and 5 recreation and sporting areas. Such new resettlements are a significant improvement in their quality of life, as well as better opportunities to implement productive and job generation projects.

Construction of irrigation districts will continue in 2016, which will allow for agriculture productive projects to be developed in more than 1000 ha and will allow the resettled families to have proper income levels. Included is the "energy entrepreneurs" program, which consists in establishing sustainable productive project initiatives and delivering to the population educational subsidies guaranteeing participation and attendance. At the end of 2015, more than 2000 persons had been trained at SENA in administration and production issues, contributing with their projects' sustainability.

Regarding environmental issues, 110,79 hectares were purchased for the most important ecologic restoration plan developed in Colombia in a tropical dry forest, including studies of wildlife, vegetation, and fish resources and the rescue of over 26,000 animals and 45,000 fish in the phase prior to the filling.

Precautionary measure: in February 2015, on occasion of a popular action demand filed by fishermen of the the Huila Huila region, the Administrative Court issued a precautionary measure against the Company, ordering it to suspend the EL Quimbo reservoir filling until an optimum water flow was available, avoiding damages to fishing activities in Betania. The company was able to have the measure changed, adjusting minimal flows according to requirements From the National Aquaculture and Fishing Authority, starting filling the reservoir on June 29 of 2015.

On October 6 of 2015, the National Government issued Legislative Decree 1979 authorizing the Company to start generating energy on November 16 of 2015, without prejudice to the constitutionality control the Constitutional Court was at the time exercising.

On December 15 of 2015, after knowing official communiqué No. 56, the Constitutional Court declared Decree 1979 inconstitutional, so that the company made the decision to suspend generating energy as of 00:00 of December 16 of 2015, requesting the Huila Administrative Court to temporary lift the measure.

On December 24, the Neiva Third Criminal Court admitted a writ for the protection of constitutional rights against the Huila Administrative Court, filed by the Ministry of Mines and Energy and the National Aquaculture and Fishing Authority, requesting temporary suspension of precautionary measures until such writ was decided. On December 28, the Court rejected the request related to reactivation of El Quimbo generation, requesting from CAM and ANLA additional information in order to make a decision.

On January 8 of 2016, the Neiva Third Criminal Court issued a favorable decision regarding the writ filed by the Ministry of Mines and Energy and the National Aquaculture and Fishing Authority, ordering generation to be immediately started in order to avoid environmental consequences. Faced with this decision, the company restarted generation on January 10 of 2016.

Gas trading

Entry of the company into the Colombian gas trading market was consolidated in 2015, making sales for a total of 55 Mm3, achieving a variable margin of 0.6 MUSD, and serving 9 non-regulated industrial clients in Bogotá and Manizales and 13 in wellhead (secondary market). The long-term supply of gas was guaranteed until 2020 for the Cusiana-Cupiagua and Clarinte 1 fields, executing sale agreements with and clients for the same period of time.

Legal and regulatory framework

The public household utilities LAW (Law 142 of 1994) and the electric LAW (Law 143 of 1994) were issued in order to create the new framework ordered by the Constitution, defining general criteria and policies governing the provision of household public utility services in the country and providing procedures and mechanisms for their regulation, control, and surveillance.

The Electric Law provides feasibility to the constitutional approach, regulates electric generation, transmission, distribution, and trading activities, creates a market and competition environment, strengthens the sector, and limits State intervention. Considering characteristics of each activity or business, rules allowing for free competition in generation deals and in electric trading were created and implemented as a general guideline, while guidelines applicable to transmission and distribution businesses focused on treating such activities as monopolies, in all cases looking for proper competition wherever possible.

Law 1715 was published in 2014, regulating integration of nonconventional renewable energies into the national energy system. It considers fiscal and tax incentives for those promoting projects associated to such technologies, without affecting the current wholesale market architecture. It also proposes the creation of a fund to investigate and develop nonconventional renewable energy projects, defining the general framework applicable to participation of self-generation in the market.

The main entity of the electric sector is the Ministry of Mines and Energy, which through the Mining-Energy Planning Unit prepares the National Energy Plan and the Reference Generation-Transmission Expansion Plan. The Energy and Gas Regulatory Commission and the Superintendence of Public Utilities are responsible for regulating and supervising companies in the sector, the Superintendence of Industry and Trade being the national authority responsible for protecting competition.

2. Basis for the presentation

The company presents its general-purpose financial statements in Colombian pesos, values having been rounded to the closest thousand, unless otherwise indicated. Accounting principles used are the following:

2.1 Accounting principles

The Company's general-purpose financial statements as of December 31 of 2015 have been prepared according to the Colombian Accounting and Financial Information Norms, which consider the IFRS, International Accounting Norms, the SIC Interpretation, which consider CINIIF interpretations, and the Conceptual Framework for Financial Information applicable, issued, and approved by the International Accounting Norms Committee as of December 31 of 2012, published in Spanish by such entity in August 2013 and included into the Colombian Technical Accounting Framework according to Law 1314 of July 30 of 2009, regulated by Regulatory Decree 2420 of 2015 amended by Decree 2496 of 2015. These decrees contain the following guidelines, which are exceptions to the IFRS:

- Article 2.1.2 of part 1 of Book 2 of Decree 2420 of 2015, appended by Decree 2496 of 2015, establishes application of article 35 of Law 222, which indicates that participation in subsidiary companies should be recognized in the separate financial statements using the participation method, instead of according to NIC 27, i.e. at cost or at reasonable value. This will apply from 2016 on.

- Part 2 of book 2 of Decree 2420 of 2015, appended by Decree 2496 of 2015, establishes that in order to determine post-employment benefits on account of future retirement pensions or disability, parameters contained in Decree 2783 of 2001 be used as the best market approach, instead of requirements contained in NIC 19. The company considers that Decree 2783 of 2001 has a tax nature and that conditions in NIC 19 prevail for accounting purposes.

The company belongs to Group 1 according to definition as contained in Decrees 2784 of December 28 of 2012 and 302 4 of December 27 of 2013, according to which the company has considered for its application that 2013 was a preparation. To define implementation plans and that 2014 was the transition period to implement in 2015 the new norms, also called NCIF due to references contained in current norms, which require preparing a opening financial statements as of January 1 of 2014 according to the new norms, so that the entire transition will be carried out during 2014 by simultaneously applying the current and the new accounting norms. The most recent official financial statements according to Decrees 2649 and 2650 of 1993 are those corresponding to the year ending december 31 of 2014, the first financial statements according to the new norms being those of 2015.

In line with the above, on February 28 of 2013 the company submitted to the Public Household Utility Superintendence the NCIF implementation plan approved by the Board of Directors on February 21 of 2013 according to Resolution SSPD 20131300002405 of February 14 of 2013, regulating information requirements in order to apply Decree 2784 of December 28 of 2012.

The plan included activities related to the mandatory preparation phase and preparation of opening financial statements, which were carried out between January 1 of 2013 and December 31 of 2014.

According to Resolution N° SSPD 20141300033795 of July 30 of 2014, establishing information requirements for public household utility companies classified in groups 1 and 3, the Company reported to the Public Household Utility Superintendence on August 29 of 2014 the opening financial statements with estimated figures as of that day, on September 30 of 2015 the transition closings financial statements.

These general-purpose financial statements have been prepared according to the ongoing businesses principle, applying the cost method, with the exception, according to the NCIF, of assets and liabilities entered at reasonable value.

Preparation of financial statements according to NCIF requires using certain critical accounting estimates and good judgment upon applying accounting policies.

2.2 Transition to Accounting and Financial Information Norms Accepted in Colombia (NCIF)

For the periods up to the year ending December 31 of 2014, the Company prepared its general-purpose financial statements according to accounting principles generally accepted in Colombia. The December 31 of 2015 financial statements are the first annual statements prepared according to Accounting and Financial Information Norms Accepted in Colombia (hereinafter NCIF). The company adopted NIIF 1 for the first time in order to recognize the transition of its financial statements under local norms to the NCIF, preparing its opening balance sheet as of January 1 of 2014. These financial statements have been prepared according to the following policies:

a) Transition procedures

The company apply the following excemptions contained in NIIF 1 4 its transition process:

- According to paragraph D16, item a), "should the subsidiary adopt the NIIF for the first time after its controlling company, the subsidiary will measure assets and liabilities in its financial statements either:

  (a) entries in books included in the controlling entity's consolidated financial statements, based on the controlling entity's transition date to the NIIF, should no adjustments have been done for consolidation purposes and for the purpose of the combination of businesses according to which the controlling entity acquiring the subsidiary (election that is not available for a subsidiary of an investment entity, as defined in NIIF 10, which requires measuring at reasonable value with changes in the income statement);...; (*translator's note: unclear in the original*) or

  (b) entries in books required by the rest of the NIIF, based on the date of transition to the NIIF of the subsidiary NIIF... " (*translator's note: the above unclear in the original*).

  The company has decided as use as costs entries in books included in the ENDESA financial statements under NIIF, its controlling entity since December 31 of 2003, adopting the NIIF in 2004.

- The company has a 94.95% participation in Sociedad Portuaria Central Cartagena S.A. and 100% in EMGESA Panama; in line with the above, the initial cost of these investments was defined on the basis of costs included in the financial statements under the controlling entity's NIIF.

- The company has been capitalizing costs from loans directly attributable to the purchase and construction of an apt asset.
- Gains and losses actuarially generated in the actuarial calculation of benefits from retirement pensions and long-term benefits to employees are recognized as withheld gains.
- The company used estimates under NCIF which are consistent with those applied under accounting principles generally accepted in Colombia.
- Estimates contained in the opening and the transition balance sheets were made considering conditions existing as of the date of each financial statement. Particularly, estimates related to market prices, interest rates, or rates of exchange reflected market conditions on such dates.

(in thousand pesos)

- According to paragraph D9, "An entity adopting the NIIF for the first time may apply the temporary condition of CINIIF 4 - Determination on Whether an Agreement Contains a Lease. Consequently, it will be able to establish whether an agreement existing on the date of transition to the NIIF contains a lease, after having considered existing facts and circumstances as of such date". The company included in its financial statements values of contracts considered financial leases.

b) Conciliations among accounting principles generally accepted in Colombia under 2649 and the NCIF

The transition to the NCIF as of January 1 of 2014 (Opening Financial Situation Statement – ESFA) and December 31 of 2014 (Closing Financial Situation Statement of the Transition), and for January-December 2014 for the integral income statement, the following conciliations are summarized.

Assets	Note	Transition closing balance 31/12/2014	Opening balance 01/01/2014
Total assets according to accounting principles generally accepted in Colombia (hereinafter PCGA) (Decree 2649).		**$ 10.646.930.695**	**$ 9.785.473.218**
Properties, plant, and equipment	**a**	**(2.461.914.126)**	**(2.462.485.051)**
Intangible assets	**b**	**(4.677.592)**	**(10.637.291)**
Investments in subsidiaries, joint businesses, and associated companies	**c**	**(152.194)**	**(184.504)**
Commercial and other accounts receivable	**d**	**(4.845.054)**	**(4.659.367)**
Other financial assets	**e**	**(94.233)**	**(473)**
Other nonfinancial assets	**d**	**6.042.502**	**4.659.367**
Deferred taxes	**f**	**103.988.170**	**89.332.503**
Total assets under NCIF		**$ 8.285.278.168**	**$ 7.401.498.402**
Total liabilities under previews PCGA (Decree 2649)		**$ 5.424.727.011**	**$ 3.979.254.675**
Adjustments to the NCIF conversion			
Current reserves on account of benefits to employees	g	4.333.961	4.088.167
Commercial and other accounts payable	h-d	(234.392)	(2.189.286)
Deferred taxes	f		(8.333.457)
Other financial liabilities	a- b	(5.209.864)	(5.629.001)
Total liabilities under NCIF		**$ 5.423.616.716**	**$ 3.967.191.098**

Emgesa S.A. E.S.P.

Notes to Financial Statements - Separate

(in thousand pesos)

Equity	Note		Transition closing balance 31/12/2014		Opening balance 01/01/2014
Total equity under previews PCGA (Decree 2649)		$	**5.222.203.684**	$	**5.806.218.543**
Adjustments to the NCIF transition					
Properties, plant, and equipment	a		(2.461.914.126)		(2.462.485.051)
Intangible assets	b		(4.677.592)		(10.637.291)
Investments in subsidiaries, joint businesses and associated companies	c		(152.194)		(184.504)
Commercial and other accounts receivable	d		(4.845.054)		(4.659.367)
Other financial assets	e		(94.233)		(473)
Other nonfinancial assets	d		6.042.502		4.659.367
Deferred taxes	f		103.988.170		89.332.503
Current reserves for benefits to employees	g		(4.333.961)		(4.088.167)
Commercial and other accounts payable	h-d		234.392		2.189.286
Deferred taxes	f		-		8.333.457
Other financial liabilities	a- b		5.209.864		5.629.001
Total equity under NCIF		$	**2.861.661.452**	$	**3.434.307.304**

Income statement conciliation	Note	Transition closing balance 31/12/2014	Opening balance 01/01/2014
Profits under previous PCGA (2649)			
Adjustments to NCIF conversion			**$ 1.005.532.580**
Properties, plant, and equipment		a	
Intangible assets		b	1.434.519
Investments in subsidiaries, joint businesses, and associated companies		2.283.712	
Other financial assets		e	(52.836)
Deferred taxes		f	(3.281)
Current reserves for benefits to employees		g	6.731.591
Commercial and other accounts payable		h	2.192.048
Forward liquidation		j	(2.189.288)
Total profits under NCIF			15.503
			$ 1.015.944.549

a) Adjustments to properties, plant, and equipment

- Adjustments to cost, elimination of valuations for ($2.168.953.799) and ($2.168.851.454) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements.

  The exemption of paragraph D16 of NIIF 1 was adopted taking values reported under NCIF to the controlling entity, valuing properties, plant, and equipment at cost, so that valuations were eliminated considering that they are not part of the assets' cost.

- Adjustment to cost, elimination of inflation adjustments 2004 and 2005 for ($416.288.366) and ($405.653.863) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period January 1 to December 31 of 2014 of $ 10.631.469.

- The exemption in paragraph D16 de la NIIF 1 was adopted taking values reported under NCIF to the controlling entity, evaluating properties, plant, and equipment at cost; considering the adoption of the controlling entity's NIIF in 2004, the 2004 and 2005 inflation adjustments were eliminated, their effect reverting to the subsequent depreciation.

- Reversion of capitalized financial expense-depreciation for ($8.215.482) as of January 1 of 2014 and December 31 of 2014, in the Opening Financial Situation and Transition Closing Statements.

- Corresponds to elimination of financial expenses subject to capitalization not meeting requirements in NIC 23. According to local norms, interests on fixed assets were capitalized, which according to the international nor are not qualified assets.

- Financial leasing of vehicles for $32.759 and $425.057 as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, applied to the income statement of the period between January 1 to December 31 of 2014, of $81.

- The company has vehicle financial lease agreements that, due to their terms and conditions, are implicit leases according to NIC 17 - Leases. This adjustment recognizes the coals as properties, plant, and equipment, recognizing liabilities on such account.

- Technical reappraisal for $130.229.000 and $126.595.000 as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement of the period between January 1 and December 31 of 2014 of ($3.634.000).

- Corresponds to the valuation existing in the Betania assets, acquired in 1997, such valuation being recognized as a greater value of properties, plant, and equipment, additionally the adjustment generating greater depreciation.

- Adjustments to the EL Quimbo project costs for $1.582.699 and ($3.296.664) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements of the period between January 1 and December 31 of 2014 of ($3.518.175).

- The EL Quimbo project development includes adjustments made to the project costs, such as i) elimination of costs corresponding to elements not subject to capitalization, against income, ii) inclusion of the forward liquidation result associated to the project, against income, and iii) the adjustment for the effective rate associated to the EL Quimbo effective rate adjustment, made against other financial liabilities.

- Depreciation of flooded land properties for ($871.862) and ($920.519) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement during the period January 1 - December 31 of 2014 of ($ 48.656).

  Flooded land properties are depreciated upon not having a specific use after the and of the station's service life.

- Amortization of the legal stability premium for ($1.996.200) as of December 31 of 2014, in the financial situation statement of the transition closing, affecting the income statement for the period January 1 - December 31 of 2014. The legal stability agreement allows the Company to ensure tax benefits for the El Quimbo project during 20 years.

b) Intangible adjustments:

- Cost adjustment, elimination of lines not subject to capitalization for ($8.049.653) and ($5.768.567) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period between January 1 - December 31 of 2014, for $ 2.281.085.

  Corresponds to elimination of expenditures made in projects locally capitalized, however not meeting capitalization requirements in IAS 38.

- Cost adjustment, elimination of the 2004 2005 inflation adjustment for ($161.512) and ($158.885) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period between January 1 - December 31 of 2014, for $ 2.627.

  The exemption in paragraph D16 of NIIF 1 was taken using values reported under NCIF to the controlling entity, appraising intangibles at cost and considering that the controlling entity's adoption of the NIIF was in 2004, eliminating inflation adjustments for 2004 and 2005 and reverting its effect in the subsequent amortization.

- Forward elimination of all-risk insurance policies for ($2.050.691) and $1.612.487 as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements.

  Corresponds to elimination of the Mark to Market valuation cost of forwards, affecting other integral results.

- Debt formalization expenses for ($375.435) and ($362.626) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements.

Debt acquisition expenses amortized during the term of the debt using the effective interest rate method. This adjustment is made against other financial liabilities.

c) Adjustments to investments in subsidiaries, joint businesses, and associated companies:

- Cost adjustment, elimination of valuations for ($184.504) and ($152.193) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period between January 1 - December 31 of 2014, for ($52.836).

  Corresponds to elimination of valuations of investments in Sociedad Portuaria Central Cartagena S.A. and Emgesa Panamá, recognized according to local norms however not being part of the cost of investments under NCIF.

d) Adjustment to commercial accounts receivable and other accounts receivable:

- Adjustment to net present value benefit loans to employees for ($4.659.367) and ($4.610.659) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements.

  The company makes loan to its employees at rates lower than market rates, so that their net present value is calculated deducting future flows at market rates and recognizing as a benefit paid in advance the difference between the market rate and the effective rate, against accounts receivable. Adjustment to commercial accounts receivable and other accounts receivable versus other nonfinancial assets.

- Debit and credit tax netting for ($234.392) as of December 31 of 2014, in the Opening Financial Situation and Transition Closing Statements.

  According to NIC 12, the debit and credit deferred tax is netted for presentation purposes.

e) Adjustments to other financial assets:

- Cost adjustment, elimination of valuations for ($473) and ($94.233) as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period between January 1 and December 31 of 2014, of ($ 3.281).

  Corresponds to elimination of valuations of investments made in Empresa Electrificadora del Caribe S.A. E.S.P. – Electricaribe S.A, recognized according to local norms however not being part of the cost of investments under NCIF.

f) Adjustments to deferred taxes:

- Calculation of NCIF adjustments for $89.332.503 and $103.988.170 as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period between January 1 and December 31 of 2014, of $6.731.591.

  Corresponds to deferred taxes generated by conversion adjustments to NCIF.

- Netting of debit and credit deferred taxes for ($8.333.457) as of January 1 of 2014, in the Opening Financial Situation and Transition Closing Statements.

  According to NIC 12, the credit and debit deferred taxes are netted for presentation purposes.

g) Adjustment to current reserves for benefits to employees.

- Calculation of retroactive actuarial unemployment benefits for $2.045.049 and $2.653.098 as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period between January 1 and December 31 of 2014, of $ 309.949.

  This adjustment recognizes liabilities from the actuarial calculation of retroactive unemployment benefits, reflecting the Company obligation before employees not covered by Law 50 of 1990, according to NIC 19 -benefits to employees.

- 5-year actuarial calculation for $2.043.118 y $1.680.864 as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period between January 1 and December 31 of 2014, of $362.254.

  This adjustment recognizes the liability from the 5-year actuarial calculation (see note 17), according to NIC 19 - Benefits to Employees.

- The pensions actuarial calculation has no effect on the Opening Financial Situation Statement, however affecting the income statement for the period between January 1 and December 31 of 2014, for $1.519.845.

  Under previous PCGAs (2649), the financial expense was established based on payments, keeping the actuarial liability balance on such account; under NCIF a financial expense forecast is made in the corporate software called GIQ, generating effects on intermediate period results.

h) Adjustments to accounts payable and other accounts payable.

- Taxes - net present value equity tax for ($2.189.285) and $0 as of January 1 of 2014 and December 31 of 2014, respectively, in the Opening Financial Situation and Transition Closing Statements, affecting the income statement for the period between January 1 and December 31 of 2014, of ($2.189.288).

  The equity tax established by Law 1370 of December 2009 was recognized in 2011, which for the purpose of reports to the controlling entity under NCIF was recognized at 100% of the tax against the February income statement, for local purposes being entered against the equity revaluation line. This adjustment includes the update of the net present value recognized as a financial expense. This tax was fully paid in September 2015, so that there are no adjustments as of December 31 of 2014.

i) Forward liquidation.

In the forward liquidation, the preliminary adjustment is reverted, with which the Mark to Market valuation expense had been entered to other integral results, affecting the income statement for the period between January 1 and December 31 of 2014, for $15.503.

2.3 Accrual accounting base

The company prepares its financial statements applying the accrual accounting base, except for cash flow information.

2.4 Accounting and Financial Information Norms Accepted in Colombia, issued however not yet applied

Article 2.1.2 of book 2, part 1, of Decree 2420 of 2015, amended by Decree 2496 of 2015, includes norms issued by the IASB and adopted in Colombia, which will be implemented after 2015.

2.4.1 New Accounting and Financial Information Norms (NCIF) accepted in Colombia and in force as of January 1 of 2016.

Information to be disclosed regarding the recoverable value of nonfinancial assets amending NIC 36 - Impairment of the Assets' Value (May 2013).

This modification limits cases in which disclosures regarding the assets or the cash generating units' recoverable value are required, clarifying such disclosures and including the explicit requirement of reporting the discount rate used to determine impairment (or its reversions), in which the recoverable value is established using present value.

CINIIF 21 Liens - new interpretation (May 2014).

The interpretation provides guidelines on cases in which a liability from liens should be recognized, according to NIC 37. Along these lines, the CINIIF can be applied to any situation resulting in a current obligation to pay taxes to the State.

Novation of derivatives and continuation of hedging accounting amending the NIC 39 - Financial instruments: recognition and measurement (June 2013).

Under this norm it would not be necessary to no longer apply hedging accounting to novated derivatives meeting the respective requirements.

Annual improvements to the NIIF: 2010-2012 (December 2013)

These amendments include:

NIIF 3, NIIF 8: Correspond to a number of improvements, necessary however not urgent, amending said norms.

NIC 16 Properties, plant and equipment, and NIC 38 intangible assets.

The amendment is applied retroactively, in NIC 16 and NIC 38 clarifying that an asset may be reevaluated with respect to observable information, either adjusting the gross book value of the asset to market value or adjusting the gross value and the accumulated depreciation/amortization proportionally so that the value will be equal to the market value. In addition, the accumulated depreciation/amortization is the difference between gross values and the assets' book value.

NIC 24 - Information to be disclosed on related parties.

The amendment is applied retroactively and clarifies that a direction entity (providing key administration personnel) is a related party subject to disclosing related parties. In addition, a company using a direction entity is required to disclose expenses incurred for directive services. This amendment is not relevant for the Company since it receives no directive services from other entities.

Annual improvements to the NIIF: 2011-2013 (December 2013):

These amendments include:

NIIF 3, NIIF 13: A number of improvements, necessary however not urgent, amending said norms.

Defined benefit plans: Contributions to employees, amending NIC 19 -benefits to employees (November 2013).

NIC 19 requires that an entity considers payments to employees or third parties upon accounting defined benefit plans. Should such payments relate to the service, they should be attributed to service periods as a negative benefit. These amendments indicate that, should the value of such payments be independent of the number of years in service, an entity may recognize them as a reduction in the service cost of the period during which the service is provided, instead of assigning them to service periods.

NIIF 9: Financial Instruments, hedging accounting and changes to NIIF 9, NIIF 7 and NIC 39 (November 2013).

This amendment mainly changes the following:

- Ads a new chapter regarding hedging accounting, including a new model aligning the accounting and risk management, introducing progress regarding disclosure of such issues.
- Introduces improvements in the change report regarding the reasonable value of an entity's debt, contained in NIIF 9 more readily available.
- Eliminates Removes the effective mandatory application date of NIIF 9.

2.4.2 New Accounting and Financial Information Norms (NCIF) accepted in Colombia and applicable from January 1, 2017, with the exception of NIIF 15, which applies from January 1 of 2018.

NIIF 9 Financial Instruments: classification and valuation.

In July 2014 the IASB published the final version of NIIF 9 - Financial Instruments, which compiles all phases of the financial instruments project and replaces NIC 39 - Financial Instruments: Valuation and classification, and all previous versions of NIIF 9. The norm brings new requirements for classification, valuation, impairment, and hedging accounting. It applies to years starting on January 1 of 2018 on, although Decree 2420 has established it as of January 1 of 2017, allowing for its early application. Its retroactive application is required, however not being necessary to change comparative information. Early application of versions prior to NIIF 9 (2009, 2010 and 2013) is authorized should the initial application date be earlier than February 1 of 2015.

NIIF 14 Deferrals of regulated activities

NIIF 14 is an optional norm that allows an entity adopting the NIIF for the first time and whose activities are subject to rate regulations to continue applying most of its previous accounting policies for regulated deferred accounts. Entities adopting NIIF 14 are required to present regulated deferred accounts as separate entries in the financial situation statement and include their activities as separate entries in the income statement and in the global income statement. The norm requires itemization regarding the nature and the risks associated to the entity's regulated rates, as well as the effect of regulated rates on financial statements. NIIF 14 applies to years starting in January 1 of 2016.

Annual improvements to NIIFs, 2010 – 2012.

These improvements are effect is as of July 1 of 2014 and include the following changes:

NIIF 15 Revenues from ordinary activities from contracts with clients.

NIIF 15 was published in May 2014 and provides a new 5-step model that applies to revenues from contracts with clients. Accordingly, revenues are recognized according to values reflecting the consideration an entity is entitled to receive on account of transferring goods or services to a client. The NIIF 15 principles involve a more structured approach to value and record revenues.

This new norms applies to all entities and will supersede all previous revenue recognition norms. Its full or partial retroactive application is required for years after January 1 of 2018, early application being allowed.

Amendments to NIIF 11: Accounting of acquisitions of interests in joint operations.

The changes to NIIF 11 require that a joint operator accounts acquisition of participations in joint operations representing a deal, applying relevant principles from NIIF 3 regarding accounting of business combinations. These modifications also clarify that previous participations existing in the joint operation are not revalued in the acquisition of additional participations while joint control exists. An exception has also been added regarding the scope of these changes, so that they will not apply should party sharing joint control be under the common control of a final dominant company.

Changes apply to initial participation acquisitions in a joint operation and to acquisitions of any additional participation in the same joint operation. It will be applied prospectively to years after January 1 of 2016, although its early application is allowed.

Modifications to NIC 16 and NIC 38: Clarification on acceptable amortization methods.

These modifications clarify that revenues reflect a pattern for obtaining benefits from the exploitation of a deal (which the asset is part of), rather than economic benefits used by the asset. Consequently, the immobilized material cannot be amortized using an amortization method based on revenues, only being possible to use it in limited cases to amortize intangible assets. These changes will be applied prospectively for years after January 1 of 2016, although their early application is accepted.

Modifications NIC 27: Participation method in separate financial statements.

The changes allow the entities to use the participation method to consider subsidiaries, joint business, and associated companies in their separate financial statements. Entities already using the NIIF and electing to transition to the participation method will be required to apply this change retroactively. Entities applying the NIIF for the first time and deciding to use the participation method in their separate financial statements will be required to apply the method from the date of transition to the NIIF. These changes will have to be applied to years after January 1 of 2016, although there early application is allowed.

Amendments to NIIF 10 and NIC 28: Sale or contribution of asses among the investor and its associates or joint businesses.

The amendments consider the conflict between NIIF 10 and NIC 28 in treating the loss of control of a subsidiary being sold or handed over to an associate or to a joint business. The amendments clarify that gains/losses resulting from the sale or handing over of assets representing a business, as defined in NIIF 3, between the investor and its associate or joint business will be recognized in full. Any gain or loss resulting from the sale or handing over of assets not representing a deal, however, will be recognized only up to the interests of investors not related to the associate or joint business. These amendments will be applied prospectively and will be effective for years after January 1 of 2016, their early application being allowed.

Annual improvements *2012-2014*

These improvements are effective for annual periods starting on or after January 1 of 2016, their early application being allowed. They include:

NIIF 5, NIIF 7 corresponds to a number of improvements, necessary however not urgent, amending the above norms.

NIC 19 Benefits to employees.

The amendment clarifies that the depth of the high-quality corporate bond market is evaluated based on the currency the obligation exists under, instead of the country where the obligation exists. Should no such market exist at the time, government bond rates should be used. This amendment should be applied prospectively.

Amendments to NIC 1 Disclosure initiative.

The amendments to NIC 1 Presentation of Financial Statements clarify - instead of significantly changing -requirements existing in NIC 1. Such amendments clarify:

- Materiality requirements in NIC 1.
- Which specific lines in the income statement, the ORI, and the financial situation statement can be itemized.
- The entities have flexibility regarding the manner in which the financial statement notes are presented.
- Participation in the ORI by associates and joint businesses accounted using the participation method should be submitted jointly in a single line, classified among lines that will or not be subsequently reclassified to the income statement.

The amendments clarify requirements that apply should additional subtotals be presented in the financial situation statement, in the income statement, and in the ORI. These amendments are effective for years starting on or after January 1 of 2017, their early adoption being allowed.

2.4.3. New norms, modifications, and interpretations issued by the International Accounting Norms Council IASB, not yet included to the accounting system accepted in Colombia. Estimates and relevant accounting criteria.

Upon preparing the financial statements, certain estimates made by the company management have been used to quantify some assets, liabilities, revenues, expenses, and commitments contained in them.

Such estimates basically refer to:

- Hypotheses used for actuarial calculations of assets and obligations before employees, such as discount rates, mortality tables, salary increases, and others.
- The service life of properties, plant, equipment, and intangible assets (see Notes 3.7 and 3.6).
- Hypotheses used to calculate the reasonable value of financial instruments (see Note 3.13).
- Revenues and expenses resulting from the generation activity, basically originating from the sale of energy through bilateral agreements to the regulated and the nonregulated market, from the energy pool, of the secondary frequency regulation services (HHC) and the reliability charge, as well energy purchases required for such agreements.
- The probability of occurrence and the value of uncertain value or contingent liabilities (see note 3.10).
- Future payments under environmental commitments in the environmental license, mainly for new projects, as well as discount rates to be used (see note 3.7).
- Fiscal results, to be declared to the respective tax authorities in the future, used as the basis to record the various balances related to taxes on gains in these financial statements (see nte 3.11).

Estimates have been made with information available on the day of issuance of these financial statements. Future circumstances could require their change - up or down - in following periods, which will be done prospectively, recognizing the effects of such estimates in the next financial statements.

3. Accounting Policies

The main accounting policies applied to these general-purpose financial statements are the following:

3.1 Financial instruments

3.1.1 Cash and other equivalent elements

This line of the financial situation statements show cash available, bank balances, term deposits, and other high liquidity short-term investments (equal to or less than 90 days from investment day) that can be readily realized and involve low value change risks.

3.1.2 Financial assets

The company classifies its financial assets as follows: those measured at reasonable value and those measured at amortized cost. This classification depends on whether the financial asset is a debt or an equity instrument.

3.1.2.1 Debt instrument

(a) Financial assets at amortized cost.

A debt instrument is classified as measured at "amortized cost" only should the following be met: the objective of the company business model is maintaining the asset to achieve contractual cash flows, on specific dates the contractual terms considering incoming cash flows that are only principal and interest payments of outstanding capital.

The nature of derivatives from a debt investment is taken into account to establish whether cash flows from the investment are only principal and interest payments, in which case they will not be accounted separately.

(b) Assets financed at reasonable value.

Should any of the above requirements for financial assets at amortized cost not be met, the debt instrument will be considered measured at "reasonable value with changes in results".

3.1.2.2 Equity instrument

All variable income instruments are measured at reasonable value. Equity instruments kept to negotiate are valued at reasonable value with changes in results. For all other equity instruments, the Company may make an irrevocable election in initial recognition to acknowledge changes in reasonable value against other integral results in equity.

3.1.2.3 Derivative financial instruments and hedging activities.

Derivatives are initially recognized at reasonable value on the effective date of the contract, being constantly adjusted to reasonable value.

Should derivative financial instruments not qualify to be recognized using the hedging accounting method, they will be entered at reasonable value in the income statement. Any change in the reasonable value will be immediately recognized in the income statement as "other gains/losses, net". Should they be assigned to hedging, the method used to recognize the gain/loss resulting from changes in reasonable values will depend on the nature of the risk and the line being hedged.

The company assigns certain derivatives as:

(a) hedging of the reasonable value of recognized assets or liabilities (reasonable value hedging);

(b) hedging of a particular risk associated to a recognized asset or liability or a highly probable transaction (hedging of cash flows); or

(c) hedging of net investments in foreign activities (hedging of net investment).

At the beginning of the hedging activity, the Company documents the relationship between hedging instrument and lines covered, as well as their objectives and risk management strategies backing their hedging transactions. Additionally, the Company documents their evaluation, both at the beginning of the hedging activity and periodically should derivatives used in hedging transactions be highly effective to offset changes in reasonable values or in cash flows of hedged lines.

The total reasonable value of derivatives used as hedging is classified as noncurrent assets or liabilities, should the maturity date of the balance of the cover line be greater than 12 months, being classified as current assets or liabilities should the maturity date of the balance of the hedged line be less than 12 months. Derivatives not used for hedging activities or kept to be negotiated are classified as losses.

(a) Reasonable value hedging.

Changes in the reasonable value of derivatives being assigned and qualifying as reasonable value hedging are entered to the income statement, gains/losses of the hedged line attributable to the hedged risk adjusting the value in books of the hedged line, recognized in the income statement. Gains/losses related to the effective portion of derivatives are recognized in the income statement as "financial expenses", as well as the ineffective portion, which is also recognized in the income statement as "other gains/losses, net".

Should the hedging no longer meet applicable criteria to be recognized through the hedging accounting method, the book adjustment will be amortized in the income statement using the effective interest method during the remaining time up until its maturity.

(b) Cash flow hedging.

The effective portion of changes in reasonable values of derivatives assigned and qualifying as cash flow hedging are recognized in equity. Gains/losses related to the ineffective portion are immediately recognized in the income statement as "other gains/losses, net".

Amounts accumulated in net equity are entered to the income statement in periods d uring which the entry affects them (for instance, should the hedged sale take place). However, should the hedged transaction result in a nonfinancial asset being recognized, gains/losses previously recognized in equity are transferred from equity and are included as part of the initial asset cost. Amounts capitalized are finally recognized in sale costs once the products are sold, in case of inventories, or in depreciation, in case of properties, plant, and equipment.

Whenever a hedging instrument expires or is sold, or should it no longer meet criteria to be recognized according to the hedging accounting treatment, any accumulated gain/loss in equity on that day remains in equity and is recognized once the projected transaction affects the income statement. Should it no longer be expected that a projected transaction will take place, the accumulated gain/loss in equity is immediately transferred to the income statement as "other gains/losses, net".

(c) Net investment hedging abroad.

Hedging of net investments for operations made abroad is accounted similar to cash flow hedges. Any gain/loss of the hedging instrument related to the hedging effective portion is recognized in equity. Gains/losses related to the ineffective part of the hedge are immediately recognized in the income statement as "other gains/losses, net".

Gains/losses accumulated in equity are transferred to the income statement once the operation abroad is sold or is partially eliminated.

3.1.3 Debt (financial obligations)

Debts are initially recognized at reasonable value, net of costs incurred in the transaction. They are subsequently entered at amortized cost. Any difference between funds received (net of transaction costs) and the redemption value is recognized in the income statement during the term of the loan, using the effective interest method.

Costs incurred in obtaining debts are recognized as transaction costs, inasmuch as being probable that part or the entire debt will be received. In this case, fees are deferred until the loan is received. Should it not be probable that part or the entire debt will be received, fees will be capitalized as expenses payable in advance on account of services, in order to obtain liquidity, being amortized during the term of the loan they relate to.

Loans are classified in current assets, unless the company has the unconditional right to defer payment during at least 12 months after the date of the balance sheet.

Costs of general specific debts directly attributable to acquisition, construction, or production of adequate assets, i.e. those requiring of a significant time to be ready for use or sale, are added to the cost of such assets until they are essentially ready for use or sale. Revenues from investments obtained from temporary investment of resources obtained from specific debts not yet invested in qualified assets are deducted from the costs of interests susceptible to capitalization. All other debt costs are recognized in the income statement during the time they are incurred.

3.1.4 Financial assets and financial liabilities with related parties

Loans and debts with related parties are recognized initially for their reasonable value plus directly attributable transaction costs. Subsequent to the initial recognition, these loans and debts are measured by their amortized cost, using the effective interest rate method. The interest rate amortization is recognized in the income statement as financial revenues/costs or other operational revenues/expenses, depending on the nature of the originating asset or liability.

3.1.5 Commercial accounts payable

Commercial accounts payable are payment obligations of goods or services acquired from vendors during the ordinary course of business. Accounts payable are classified as current liabilities should payment have to be made within a year (or during the normal cycle of company exploitation if longer). Should payment have to be made in a period greater than one year, they are presented as noncurrent liabilities.

Commercial accounts payable are initially recognized at the reasonable value, subsequently being remeasured at amortized cost using the effective interest rate method.

3.1.6 Recognition and measurement

Conventional purchases and sales of financial assets are recognized on the date of the negotiation, i.e. the day the company undertakes to acquire or sell the asset. Financial assets are eliminated once the rights to receive cash flows have expired or have been transferred and once the company has essentially transferred all risks and benefits inherent to the ownership.

In the initial recognition, the company appraises financial assets at reasonable value plus - in the case of a financial asset not measured at reasonable value with changes in the income statement - transaction costs directly attributable to the purchase of the financial asset. Transaction costs of financial assets measured at reasonable value with changes in the income statement are directly entered to the results account.

Gains or losses of a debt instrument being subsequently appraised at reasonable value and not being part of a hedging relation are recognized in results and included in the income statement in "other losses/gains, net" in the respective period.

Gains or losses of a debt instrument subsequently appraised at amortized cost and not being part of a hedge relation are recognized in the year results once the financial asset is eliminated or deteriorated, throughout the amortization process using the effective interest rate method.

Subsequently, the company measures equity instruments at reasonable value. Should management have decided to present reasonable value gains or losses not realized and realized, and losses in equity instruments, in other integral results, reasonable value gains and losses will not be entered in the year results. Dividends of equity instruments are recognized in results, provided representing a return on investment.

The company should reclassify all affected debt instruments only, and just only, should its business model for management of financial assets be changed.

3.1.7 Compensation of financial instruments

Financial assets and liabilities are offset and their net value presented in the financial situation statement should there be a legal right to offset recognized revenues and should management intend to liquidate the net value or realize the asset and pay the liability simultaneously.

3.1.8 Reasonable values

Reasonable values of investments with stock exchange quotations are based on their current quotation price. Should the market for a financial instrument not be active (or should the instrument not be listed in the stock exchange), the company establishes its reasonable value using valuation techniques according to the circumstances. Such techniques include the use of values observed in recent transactions carried out under free competition terms, with reference to other instruments being essentially similar, analysis of discounted cash flows, and option models, with maximum use of market information and the highest level of confidence possible with respect to the entity's specific internal information.

3.2 Inventories

Inventories include materials on which risks and benefits typical of the ownership have been assumed.

Inventories are shown in current assets in financial statements, even if realized after 12 months, inasmuch as considering that they belong to the ordinary course of business.

The cost of inventories is comprised of the cost of purchase and all costs directly and indirectly attributable to inventories, such as transportation, customs duties, insurance, nonrecoverable indirect taxes, etc., net of discounts, bonuses, and commercial premiums.

The cost is measured according to the "weighted average" method, which considers units of an article purchased on different dates and at different costs, belonging to a set in which individual purchases are no longer identifiable, however equally available.

The average weighted cost could not be recoverable should inventories be damaged, should they be partially or fully obsolete, or should rotation be low.

Obsolete materials are those that will likely not be sold or used in the normal course of business, such as scrap and technologically obsolete materials. Slow movement materials are inventory surpluses, according to their expected use during the ordinary course of business. Obsolete and low moving inventories could be used or realized, in some cases their value being represented as scrap sales.

Inventory elements used in weakness activities affect company results.

3.3 Noncurrent assets kept for sale, and discontinued activities

The company classifies as noncurrent assets kept for sale properties, plant, and equipment, intangible assets, investments in associated companies, joint businesses, and groups subject to disappropriation (groups of assets to be sold together with their associated liabilities), which on the date of the financial statements active activities have been carried out for their sale, which is considered highly probable.

These assets or groups subject to disappropriation are carried at the lesser value between book entries and reasonable value, minus costs up to the sale, no longer being amortized once they are classified as noncurrent assets kept for sale.

Noncurrent assets kept for sale, and components of groups subject to disappropriation classified as kept for sale, are presented in the financial situation statements as follows: assets in a single line called "noncurrent assets or groups of assets for disposal, classified as kept for sale", liabilities also in a single line called "liabilities included in groups of assets for disposal, classified as kept for sale".

The company considers discontinued activities related to significant and separable business lines being sold or otherwise disposed of, or meeting conditions to be classified as kept for sale, including other assets that, together with the business line, are part of the same sales plan. Discontinued activities are also those entities exclusively acquired for resale purposes.

Results after taxes of discontinued activities are presented in a single line in the integral income statement, called "gains/losses of discontinued operations".

On the date of these special-purpose financial statements, the company has no noncurrent assets kept for sale, or discontinued activities.

3.4 Investments in subsidiaries

A subsidiary is a company controlled by the Company. Such control exists should the company have the faculty to direct the subsidiary relevant activities, generally being operation and financing activities carried out in order to obtain benefits from its activities, being exposed or having the right to variable yields.

Investments in subsidiaries are measured at cost in the individual financial statements. Dividends received from subsidiaries are recognized as revenues in the income statement once the company has the right to receive such payment, in general whenever the shareholders declare the dividend, unless the dividend involves recovery of the investment cost.

3.5 Investments in associates and in joint businesses

An associate is an entity on which the company has significant influence in its financial and operation policies, without exercising control or joint control.

Joint agreements are entities in which the company exercises control thanks to agreements with third parties and jointly with them, i.e. whenever decisions on their relevant activities require of the unanimous consent of the parties sharing control. Joint agreements are classified as follows:

Joint business: an entity which the company controls jointly with other participants, in which they have a contractual agreement setting forth joint control on the entity's relevant activities. The parties are entitled to the entity's net assets. On the day of acquisition, the surplus of the acquisition cost over participation in the net reasonable value of identifiable assets, liabilities, and contingent liabilities assumed from the associate or the joint business is recognized as a mercantile loan. The mercantile loan is included in the investment book value, is not amortized, and is individually subject to value impairment tests.

Joint operation: an agreement according to which the parties exercising joint control are entitled to assets and obligations regarding liabilities related to the agreement.

The company currently has joint agreements of the jointly controlled operation type, represented in trusts. A joint operator will recognize the following with respect to its participation in a joint operation: a) its assets, including its participation in assets currently kept, b) its liabilities, including its participation in liabilities jointly incurred, c) its revenues from ordinary activities originating from the sale of its participation in the product resulting from the joint operation, d) its participation in revenues from ordinary activities originating from the sale of the product carried out by the joint operation, and e) its expenses, including its participation in expenses jointly incurred.

On the date of these financial statements, the company has no mercantile loan generated in investments in associated entities and joint agreements.

Investments in associate or joint businesses are measured in the individual financial statements at cost. In the case of the jointly controlled operation type joint agreement, represented in trusts, it is measured at reasonable value.

3.6 Intangible assets

Intangible assets are initially recognized at acquisition or production cost, subsequently at the net cost of their respective accumulated amortization and losses from impairment which, as applicable, they may have experienced.

Intangible assets are linearly amortized during their service life, from the moment they are available for use.

Criteria for recognizing losses from impairment of such assets and, as applicable, of recoveries of impairment losses recorded in previous years, are explained in the assets value impairment policy.

(a) R&D expenses.

The company has the policy of entering as intangible assets in the financial situation statements costs of projects in their development phase, provided their technical feasibility and economic profitability are reasonably guaranteed. Investigation expenses are directly recognized in the year results.

(b) Other intangible assets.

These assets essentially correspond to IT programs and rights. Their accounting recognition is initially carried out according to acquisition and production cost, subsequently being valued at the net cost of the respective accumulated amortization and losses from impairment, as experienced.

Service lives used for amortization are the following:

	Estimated service life years		
Item	December 2015	December 2014	January 2014
Studies and projects	1	1	1
Licenses	3	3	3
Software	3	3	3
Rights*	50	50	50

(*) These refer to rights the company has registered in order to use the greater flow of useful water from the Chingaza and Río Blanco projects. Their amortization is recognized using the straight line method.

3.7 Properties, plant, and equipment.

Properties, plant, and equipment are valued at their acquisition cost, net of accumulated depreciation and losses from impairment. In addition to the price paid for the acquisition of each element, the cost also includes the following elements, as applicable:

- Costs from general and specific interests directly attributable to the acquisition, construction, or production of adequate assets, i.e. those necessary requiring of a significant time before being ready for their use or their sale, added to the cost of these assets until they are essentially ready for their intended use or sale. The company defines "significant period" that exceeding 12 months. The interest rate used is that corresponding to the specific financing or, should this not exist, the average financing rate of the company making the investment.
    - Personnel expenses directly related to constructions in progress.
    - Future payments the company will have to make regarding closing of its facilities, included in the value of the asset as updated value, from the accounting point of view recognizing the respective reserve related to dismantling or restoration. Each year, the company revises its estimate on such future payments, increasing or reducing the respective asset's value in the results of such estimate.
    - Properties, plant, and equipment component are spare parts, provided meeting the assets' recognition characteristics; these parts are not part of the materials inventory.

Constructions in progress are transferred to assets being exploited once the testing period has concluded, i.e. once they are available for use according to conditions considered by management.

Costs related to expansions, modernization, or improvements representing an increase of activity, capacity, efficiency, or service life of goods are capitalized as graded costs or the respective goods.

Replacements or renewals of complete elements increasing the goods' service life, or of its economic capacity, are entered as a greater value of the respective goats, with the consequent accounting elimination of elements replaced or renewed.

Periodical maintenance, conservation, and repair expenses are directly entered to the income statement as a cost of the year they are incurred.

Based on results of impairment tests, the company considers that the accounting value of assets will not exceed their recoverable value.

Properties, plant, and equipment, net of their residual value, are depreciated by linearly distributing the cost of the various elements comprising them among the estimated service life years, this being the time during which the company expects to use them. The estimated service life and the residual values are periodically revised and, as applicable, prospectively adjusted. On the date of these special-purpose financial statements the company does not consider the residual value of its fixed assets to be significant.

(in thousand pesos)

The following are the main classes of properties, plant, and equipment, together with their respective estimated service lives:

	Estimated service life years		
Classes of properties, plant, and equipment	December 2015	December 2014	January 2014
Constructions and buildings	68	67	69
Plants, ducts, and tunnels	75	70	70
Machinery and equipment	19	19	20
Communications equipment	11	11	12
Furniture, furnishings, and office equipment	9	9	9
Computer equipment	5	5	5
Transportation, traction, and lifting equipment	6	6	5

In the second half of 2013 the company reviewed its fixed assets structure in order to open its systems to specific assets and update their remaining service life. As a result of this, in March 2014 fixed assets were opened in the financial system, recalculating the depreciation as of January 2014.

The company established that flooded land properties located in hydraulic generation stations are subject to depreciation upon not having a specific use at the end of the station's service life, so that their cost is depreciated in the line of plants, ducts, and tunnels at 75 years. It also defined that, according to the EL Quimbo environmental requirements, there is an obligation to dismantle the machinery house 50 years after its commissioning, so that the company entered to its financial statements the respective reserve, at present value (see note 15).

The excess of fiscal depreciation over accounting depreciation has tax effects, which are entered as a passive deferred tax. The company has created a reserve in equity, equivalent to 70% of the greater depreciation value, according to article 130 of the Tax Code.

Gains or losses from sales or elimination of properties, plant, and equipment are recognized as other gains/losses in the integral income statement, calculated by deducting the value received from the sale, the asset net accounting value, and the respective sale expenses.

3.8 Asset impairment

(a) Nonfinancial assets (except for inventories and assets from deferred taxes).

During the year, and essentially as of closing date, an evaluation is made on whether there are indications of assets having been affected by impairment. In such case, an estimate is made of the amount recoverable in order to establish the value of the impairment. In case of identifiable assets not generating cash flows independently, the recovery capacity of the cash generating unit the asset belongs to is estimated, i.e. the smallest identifiable group of assets generating independent cash flows.

The recoverable value is the greater between the reasonable value minus the cost required for its sale and the value in use, meaning the actual value of estimated future cash flows. To calculate the recovery value of properties, plant, and equipment, of the greater value, and of the intangible asset, the value in use is the criterion used by the company in most cases.

To estimate the value in use, the company prepares future cash flow estimates before taxes, based on the most recent budgets available. Such budgets include the best management estimates on revenues and costs of cash generating units, using sectorial projections, past experiences, and future expectations.

These projections cover, in general, the following 10 years, estimating cash flows for the following years by applying reasonable growth rates, which in no case are increasing or exceed the measured average long-term growth rates for the respective sector. These flows are discounted in order to calculate their current value, using a rate before taxes that involves the cost of the business capital. For their calculation, the current cost of the money and risk premiums used generally by the business analysts are taken into account.

Should the cash generation unit recoverable value be lower than the asset's net book value, the respective reserve for impairment loss is entered according to the difference, against "losses from value impairment (reversions)" in the income statement. This reserve is assigned first to the greater value of the cash generating unit, if any, next to other assets comprising it, prorated based on the accounting value of each of them, with the limit of its reasonable value minus sale costs, or their use value, without resulting in a negative value.

Impairment losses recognized for an asset during previous years are reverted once a change is made to estimates on its recoverable value, increasing the asset value against results with the book value limit the asset would have had should the accounting adjustment not had been made. In case of additional value, accounting adjustments that would have been made are not reversible.

(b) Financial assets.

At the end of each year, the company evaluates whether there is objective evidence regarding value impairment of a financial asset or a group of financial assets, measured at amortized cost. A financial asset or a group of financial assets will be considered deteriorated, and losses from value impairment incurred, should there be objective evidence of such impairment as a result of one or more events happening after the initial asset recognition (a "loss event") and should the loss event affect future estimated cash flows of the financial asset or of the group of financial assets that can be reliably calculated.

In order to establish the need to make impairment adjustments to financial assets, the following procedure is used:

1) In case of assets with a commercial origin, the company has a policy to record reserves for impairment, based on the age of the expired balance, applicable in general, except in cases in which there are specific circumstances making a specific accounting analysis advisable.

The company made an analysis based on the payment nature, impairment, and behavior, by type of portfolio, as follows:

Energy and gas portfolio

% Impairment	Class of portfolio and age
100%	Cartera con antigüedad superior a 360 días en mora
Porcentaje determinado de acuerdo al análisis	An individual monthly evaluation will be made to the gas and energy portfolio greater than 30 days, based on objective evidence and considering our clients' observable information such as: 1. Annual evaluation of the credit risk factor: reflects a client's capacity to meet its payment obligations. It measures the credit risk corresponding to a default possibility or a payment inability of a counterpart. Established by evaluating financial and accounting elements and the counterpart's behavior. 2. Guarantees the company has. 3. Being included in processes such as a creditors' agreement, restructuring agreement, reorganization agreement, or in circumstances of dissolution due to losses or private liquidation, mandatory or judicial. 4. Legal processes, demands, lawyer opinions, etc. 5. Administrative resolutions or acts from regulatory entities resolving and requiring the company to freeze collections. Based on the above analysis, the value of the reserve is established.

Other debtors.

The following reserve percentages will be applied to other company debtors' portfolios:

Reserve	Age
100%	Greater than 360 days

In addition to the above percentages established for each business, there could be special cases indicating the inability to collect amounts due, which will be evaluated by the responsible area by establishing the applicable treatment.

Write-offs will be made should there be legal or material certainty regarding the uncollectible debt. The debtors' insolvency should have been demonstrated, as well as the absence of real guaranties or any other evidence confirming such circumstance.

2) In the case of financial accounts receivable, the impairment will be established through a specific piecemeal analysis, without on the effective date of these financial statements there being significant expired financial assets not having a commercial origin.

3.9 Property Leases

In order to establish whether a contract is or contains a lease, the company analyzes the agreement's economic aspects, evaluating whether contractual compliance depends on the use of a specific asset and whether the agreement transfer the assets' right of use. If so, at contract inception and based on reasonable values, payments and considerations related to the lease are separated from those corresponding to other elements included in the agreement.

Leases essentially transferring all risks and benefits inherent to the property are classified as financial. Others are classified as operational leases.

Financial leases in which the company acts as lessee are recognized at contract inception, entering an asset according to its nature and a liability for the same value and equal to the reasonable value of the least good, or at present value of minimum payments required under the lease, if less. Subsequently, minimum lease payments are divided between financial expenses and debt reductions. The financial expense is recognized as an expense and is distributed among the debt reduction years.

Financial expenses are recognized as expenses, distributed among years representing the lease term, in order to obtain a constant interest rate during each year regarding the balance of the debt pending amortization. The asset is depreciated according to the same terms of other similar assets subject to depreciation, should there be reason to believe that lessee will become the owner of the asset at the end of the lease. Otherwise, the asset is depreciated at the shortest of the asset's service lies or the lease term.

In operational leases, payments are recognized as expenses if being lessee, and as revenues if lessor, linearly during the contractual term unless another distribution method is found to be more representative

3.10 Reserves, contingent liabilities and assets.

Obligations existing on the date of the financial statements, arising from la past events, and possibly resulting in equity damages for the company, whose value and payment times are uncertain, are entered in the financial situation statements as reserves for the actual estimated most probable value the company will be required to pay to cancel the obligation.

Reserves are quantified considering information available on the day of issuance of the financial statements, regarding the consequences of the originating event and being re-estimated at the end of each subsequent accounting period.

As part of its reserves, the company includes its best estimate of risks from civil and labor litigations, so that it is not expected they will generate liabilities additional to those entered. Considering characteristics of risks, it is not possible to establish an accurate cancellation date of the estimated obligation. Upon evaluating the loss probability, consideration should be given to available evidence, jurisprudence, evaluations from legal.

Risks from civil and labor litigations considered eventual are included in the financial statements's notes.

A contingent asset exists in case of an occurrence or non occurrence of one or more uncertain events in the future, not fully under the entity's control. They are disclosed once possible benefits are identified; if fully certain, they are recognized in the financial statements. The company will not recognize any contingent asset.

3.11 Taxes

Includes the value of general mandatory taxes payable to the State by the company on account of private liquidations made based on the tax year taxes, according to national and territorial tax norms applicable to places where the company operates.

3.11.1 Annual gains tax, income tax for equity (CREE), and deferred tax.

The expense on account of the annual gains tax includes the income tax, the income tax for equity, the CREE surcharge, and the deferred tax, resulting from applying the tax to the year's taxable base after applying admissible deductions, plus variations of assets and liabilities from deferred taxes and tax credits. Differences between the assets and liabilities' accounting value and their tax base generate balances of the asset or the liability deferred tax, calculated using tax rates that will probably be in effect once the assets and the liabilities are realized, for this considering rates that at the end of the reporting year have been approved or for which the approval process is nearing an end.

The reserve for the income tax is calculated at the official December 31 of 2015 rate, 39%, which includes the 25% income tax, the CREE equity rate, and the 14% surcharge), using the accrual method, establish based on commercial profits in order to properly relate the year profits to their corresponding expenses and costs, entering it for the value of the estimated liability.

Law 1739 of 2014 changed the CREE equity rate from 2016 on, going from 8% to 9% indefinitely, applicable to taxable profits achieved during each year. The law also created the 5%, 6%, 8% and 9% CREE surcharge for 2015, 2016, 2017 and 2018, respectively.

Assets for deferred taxes are recognized based on accrual of all temporary deductible differences, tax losses and credits not used, inasmuch as being probable that there will be sufficient future tax gains allowing recovering deductions for temporary differences and applying tax credits, unless the deferred tax asset related to the temporary deductible difference arises from the initial recognition of an asset or liability in a transaction that:

a) is not a business combination and
b) upon the realization did not affect neither the accounting gain, nor the tax gain/loss.

Regarding temporary deductible differences related to investments in subsidiaries, associated companies, and joint agreements, assets for deferred taxes are only recognized inasmuch as being probable that temporary differences will revert in a foreseeable future and that there will be tax gains against which such temporary differences may be used.

Liabilities for deferred taxes are recognized for all temporary differences, except for those resulting from the initial recognition of capital gains and those originating from valuation of investments in affiliates, associated companies, and joint businesses, in which the company may control their reversion and which they will probably not revert in the foreseeable future.

The effect of temporary differences involving payment of greater or lesser taxes on the following year's income are accounted as deferred credit/debit taxes, respectively, at tax rates existing when differences are reverted (40% for 2016, 42% for 2017, 43% for 2018, and 34% for the following years), provided there are reasonable expectations that such differences will revert in the future, in addition that for the asset at the time sufficient taxable income will be generated.

The current tax and changes to asset or liability deferred taxes are entered in results or in total equity in the financial situation statement, based on where such originating gains/losses have been entered.

Reductions that can be applied to the value established as current tax liability are entered to results as a credit to "expense for taxes on gains", unless there are doubts regarding its tax realization, in which case they will not be recognized until their effective materialization or should they correspond to specific tax incentives, in this case being entered as a subsidy.

The register deferred taxes are checked on each accounting closing, both assets and liabilities, in order to confirm that they are still current, making the necessary corrections according to the results.

The income tax is presented after deducting advance payments and positive tax withholdings.

Assets for deferred taxes and liabilities for deferred taxes are presented in the financial situation statement, provided there is a legal right to offset assets for current taxes against liabilities for current taxes, and then only should such deferred taxes relate to taxes on gains corresponding to the same fiscal authority.

3.11.2 Wealth tax

Law 1739 of 2014 created the wealth tax for 2015 through 2017 for legal persons. The tax is applied at the rate of 1.15%, 1%, and 0.4% for 2015, 2016, and 2017, respectively, for equities in excess of COP $5 million, calculated annually on net equity on January 1 of each tax year, reduced by COP $5 million.

The legal obligation for the wealth tax applies to taxpayers being legal persons on January 1 of 2015, 2016, and 2017.

In January 2015 the company recognized the liability for the tax corresponding to 2015, affecting the income statement.

3.11.3 Equity tax

Law 1370 of the 2009 established the new equity tax for the 2011 tax year, 2.4%, for taxpayers with fiscal equities in excess of COP $3 million and less than COP $5 million, 4.8% for taxpayers with equities equal to or greater than COP $5 million.

Subsequently, Decree 4825 of 2010 established an equity tax surcharge of 25% for taxpayers with equities equal to or greater than COP $3 million.

This tax applied to equity held as of January 1 of 2011, payment having been made in 8 equal installments in 2011 and 2014 (see note 2.3, item B, note H).

3.11.4 Sales tax

Electric power generation is not subject to the VAT, treatment of the VAT, in purchases of goods and services being entered as a greater value of the cost or expense.

3.12 Benefits to employees (a)

Pension

The company has pension commitments, both related to definite provision and definite contribution, basically contained in pension plans. For definite provision plans the company applies the accrual amount during the employees' service life, on the available date of the financial statements actuarial studies by applying the projected credit unit method. Costs for services provided and corresponding to changes in benefits are immediately recognized; commitments under definite provision plans represent the current value of obligations accrued. The company has no assets assigned to these plans.

(b) Other obligations subsequent to the labor relationship.

The company grants to retired employees educational subsidies, energy subsidies, and health subsidies. The right to these benefits in general depends on whether the employee worked until his retirement age. Costs expected from these benefits are accrued during the employment time, applying a methodology similar to that of defined benefit plans. Actuarial gains and losses arising from adjustments to actuarial assumptions are credited or debited from other integral results in the respective period. These obligations are annually appraised, or should the parent company require it, by independent qualified actuaries.

The retirement benefit retroactivity considered as post-employment benefit is paid to workers belonging to the labor system prior to Law 50 of 1990 and having decided not to be covered by the system change. This benefit is calculated based on the entire time worked and on the last salary. In the latter case, it is given only to a reduced number of workers, actuarial gains/losses arising from such adjustments being charge or credited to other integral results.

The company implemented a voluntary retirement plan, which included in its benefits is a temporary income for the respective employees only having 10 years left to be entitled to the old age benefit. The benefit consists in a monthly payment of between 70% and 90% of the salary, from the moment of contract termination by mutual agreement until 4 months after the worker meets the age requirement contained in the Law to access the old age pension (62 years for men, 57 for women). These payments will be made using resources placed by the company in a private fund, assigned to each employee included in the plan. It has been treated as a post-employment benefit upon the company being responsible for providing additional resources required to meet this obligation or receive a reimbursement in case of surpluses. The benefit obligation is calculated by independent actuaries using the projected credit unit method.

(c) Long-term benefits.

The company grants to its active employees benefits associated to their time in the job, such as 5-year periods. Costs expected from these benefits accrue during the time of the employment, using a methodology similar to that used for defined benefit plans.

Actuarial gains/losses arising from adjustments to actuarial assumptions are debited or credited to the respective year results. These obligations are annually appraised, or should the parent company require them, by qualified independent actuaries.

(d) Benefits from credits to employees.

The company makes loans to its employees at rates lower than the market, so that their present value is calculated deducting future flows at market rates, recognizing the difference between the market rate and the actual rate as a benefit paid in advance, against accounts receivable. The benefit is amortized during the term of the loan as a greater value of personnel expenses, accounts receivable being updated at the amortized cost reflecting their financial effect on the income statement.

3.13 Reasonable value estimate

The reasonable value of an asset or liability is defined as the price that would be received from selling an asset or paid for transferring a liability, under a transaction among market participants on the measuring date.

The reasonable value measurement assumes that the transaction to sell an asset or transfer a liability takes place in the main market, i.e. the market with the greatest value and the highest activity level for the asset or liability. In absence of a main market, it is assumed that the transaction is carried out in the most advantageous market the entity has access to, i.e. the market maximizing the value that would be received from the sale of the asset or minimizing the value that would be paid for transferring the liability.

In order to establish the reasonable value, the company uses valuation techniques, including those used for financial obligations entered at reasonable value at the time of their payment, as contractility defined, according to an active liabilities market with similar characteristics. In both cases (assets and liabilities) with sufficient information to make the measurement, maximizing the use of observable relevant input data and minimizing the use of non-observable input data.

Considering the hierarchy of input data used in valuation techniques, assets and liabilities measured at reasonable value could be classified as follows:

Level 1**:** Unadjusted price quoted in an active market for identical liabilities and assets.

Level 2: Input data different to prices quoted included in Level 1 and being observable for assets or liabilities, either directly (i.e. such as price) or indirectly for (i.e. resulting from a price). Methods and hypotheses used to establish Level 2 reasonable values per class of financial assets or financial liabilities consider the estimate of future cash flows, discounted with 0 coupon curves of interest rates of each currency. All the above appraisals are made by using external tools such as “Bloomberg”.

Level 3: Input data for assets or liabilities not based on observable market information (non observable input data).

Upon measuring reasonable value, the company takes into account characteristics of the asset or liability, particularly:

- For nonfinancial assets, a reasonable value measurement takes into account the capacity of the participant in the market to generate economic benefits by fully using the asset, or through its sale to another participant in the market that would fully use the asset.

- For equity liabilities and instruments, the reasonable value assumes that the liability is not to be liquidated and that the equity instrument will not be paid, also that they will not be extinguished otherwise on measurement day. The liability reasonable value reflects the effect of the risk of default, i.e. the risk that an entity will not meet an obligation, including without limitation the company credit risk.

- In the case of financial assets and liabilities with market risk or the counterpart credit risk offset positions, the reasonable value may be measured on a net basis, according to the manner in which the market participants would put a price to the net risk exposure on measurement day.

3.14 Conversion of foreign currencies

1. Functional and presentation currency

Entries included in the financial statements are valued using the main economic environment currency the entity operates in (Colombian pesos).

Financial statements are presented in Colombian pesos, which is the company functional and presentation currency. Figures are expressed in thousand pesos, except for net profits per share and the market representative rate, expressed in Colombian pesos, and foreign currency (for instance dollars, euros, sterling pounds, etc.) which are expressed in units.

2. Transactions and balances

Operations carried out by the company in currencies other than its functional currency are entered by applying current rates of exchange. Differences existing between the rate of exchange and the rate of exchange existing on collection or payment day are entered as exchange differences in the income statement.

At the end of each year, the conversion of balances receivable or payable in currencies other than the functional currency is made using the end of year rate of exchange. Differences existing are entered as exchange differences in the integral results statement.

Balances in foreign currency are expressed in Colombian pesos, at representative exchange rates of January 1 of 2014, December 31 of 2014, and December 31 of 2015, i.e. $1.918,62, $2.392,46 and $3.149,47 per US$1 and $2.662,11, $2.910,67 and $3.437,64 per Euro.

3.15 Classification of balances in current and noncurrent.

The company includes in its financial situation statement assets and liabilities classified as current and noncurrent, after excluding assets and liabilities available for sale. Cash and cash equivalents are classified as current upon being considered for realization, sale, or use during the normal course of company activities or within the 12 months following the period being reported; all other assets are classified as noncurrent. Current liabilities are those the company expects to liquidate during the normal cycle of operations or within the 12 months following the report, all other assets being classified as noncurrent.

Assets and liabilities for deferred taxes are classified as noncurrent assets and liabilities, in all cases.

3.16 Recognition of revenues.

Revenues are assigned based on the accrual criterion.

Ordinary revenues are recognized once gross economic benefits from ordinary company activities during the year are entered, provided resulting in an increase in total equity not related to contributions made by equity owners and provided such benefits can be valued reliably. Ordinary revenues are valued according to the reasonable value of the amount to be received or received, arising from same, assigned based on the accrual criterion.

The following criteria is used for such recognition:

Revenues from the generation activity basically originate from the sale of energy through bilateral agreements with the regulated and the nonregulated market, the energy pool, the secondary frequency regulation service (AGC), and the reliability charge. Revenues from the sale of energy are recognized in the month the energy is delivered, regardless of the invoice date. For the above, at the end of each month energy sales not yet invoiced are entered as estimated revenues.

For the gas trading business, revenues are recognized in the month the gas is delivered to the and client, regardless of the invoice date.

The company enters for the net value purchase or sale contracts of nonfinancial elements liquidated for net cash values or in other financial instruments. Contracts executed and kept in order to receive or deliver such nonfinancial elements are entered according to the contractual terms of the purchase, sale, or utilization requirements expected by the entity.

Gains or losses from changes in the reasonable value of the "financial assets at reasonable value with changes in results" category are presented in the results account in other losses/gains, net, for the respective period.

Revenues from dividends of financial assets at reasonable value with changes in results are entered to the results account as part of other revenues, once the right the company has to receive payments has been established. Changes in reasonable value of monetary and nonmonetary titles classified as available for sale are recognized in other integral results.

Revenues/expenses from interests are entered taking into account the effective interest rate applicable to the principle pending amortization, during the respective period of time.

3.17 Recognition of costs and expenses.

The company recognizes its costs and expenses inasmuch as economic circumstances occur, so that they will be systematically entered during the respective accounting period, regardless of the flow of monetary or financial resources. Expenses are comprised of expenditures not classified to be entered as costs or investments.

Costs include purchases of energy, fuels, personnel or third-party costs directly related to the sale or the provision of services, depreciation, amortization, and others.

Expenses include asset maintenance, costs of the transmission system, taxes, public utilities, and others, incurred by processes responsible for the sale or the permission of the services.

Investments are costs directly related to formation or acquisition of an asset requiring a significant time to be available for use and sale. Costs of personnel directly related to construction of projects, interests of debts assumed to finance projects, and major maintenance costs increasing the existing assets' service life, among others, are capitalized as constructions in progress.

3.18 Social capital.

Common shares or shares with no referential dividends are classified in equity.

Environmental costs directly attributable to issuance of new shares or options are shown in equity as a deduction of the received value, net of taxes.

3.19 Reserves.

Appropriations authorized by the General Shareholders Assembly are entered as reserves, against the year results, in order to comply with legal norms or cover expansion plans or financing requirements.

Legal norms considering establishment or company reserves are the following:

- Article 130 of the Tax Code, considering appropriation of net profits equivalent to 70% of the greater value of fiscal depreciation over accounting depreciation, calculated according to local accounting norms. This reserve can be cleared inasmuch as depreciations subsequently accounted exceed those annually required for tax purposes or should assets generating the greater value deducted be sold.

- The Trade Code requires the company to appropriate 10% of its annual net profits, established according to local accounting norms, as a legal reserve until the balance of such reserve is equivalent to 50% of the subscribed capital. The mandatory legal reserve cannot be distributed before the company is liquidated, however being possible to use it to absorb or reduce annual net losses. Reserve balances in excess of 50% of the subscribed capital are available to the shareholders.

3.20 Per share profits.

The basic per share profits are calculated as the quotient between net annual profits attributable to the company shareholders and the average weighted number of ordinary outstanding shares during the same period, once preferential dividends, corresponding to 20.952.601 shares as of December 31 of 2015 and December 31 of 2014 of Empresa de Energía de Bogotá S.A. E.S.P., have been appropriated. Preferential dividends are valued at US$0,1107 per share.

3.21 Dividend distribution.

The Colombian mercantile laws indicate that, once appropriations for the legal reserve, the regulatory reserve, and other reserves, as well as tax payments, have been made, the balance will be distributed among the shareholders according to the shares distribution project presented by the company administration and approved by the General Shareholders Assembly. The dividend will be paid in cash, at times indicated by the General Shareholders Assembly, to those being shareholders at the time.

Losses will be absorbed using reserves especially established for this purpose, otherwise with the legal reserve. Reserves whose purpose is absorbing certain losses will not be used to cover other losses, unless otherwise decided by the General Shareholders Assembly.

At the end of the year, the value of the obligation with the shareholders will be established, net of dividends approved during the year, being entered to the accounting in the line "commercial and other accounts payable" and in "accounts payable to related entities", as applicable, against total equity. Temporary and final dividends are entered as "lower total equity" upon being approved by the competent body, in the first instance by the Board of Directors and then by the ordinary General Shareholders Assembly.

3.22 Operation segments.

An operation segment is a component of an entity:

(a) developing commercial activities from which it will receive revenues from ordinary activities and incur expenses (including revenues from ordinary activities and expenses from transactions with other components from the same entity);

(b) whose operational results are regularly reviewed by the highest decision-making body in order to decide on resources that should be assigned to the segment and evaluate their performance; and
(c) regarding which there is itemized financial information available.

For all purposes and according to IFRS No. 8 guidelines, the company has a single operation segment associated to the energy business. However, the company is initiating activities in the gas business; however, to date the value of such transactions is not representative so that it is not considered an independent segment.

(in thousand pesos)

4. Cash and cash equivalents

		As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014
Balance in banks	$	180.481.092	$	326.682.498	$	281.176.729
Short-term deposits (1)		60.000.000		539.782.551		548.945.661
Other cash and cash equivalents (2)		58.684.245		14.241.069		7.117.538
Available cash		13.175		23.244		23.938
	$	299.178.512	$	880.729.362	$	837.263.866

Following is the equivalent detail in pesos per type of currency:

Per currency		As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014
Colombian pesos	$	298.685.853	$	879.401.440	$	837.216.700
American dollars		491.149		1.319.564		37.628
Euros		1.510		8.358		9.538
	$	299.178.512	$	880.729.362	$	837.263.866

(1) As of December 31 of 2015 the company has the following term deposits, with maturities of less than 90 days:

Bank	Value	Rate	Days	Start	Matirity
Corpbanca	60.000.000	6,55%	89	23-dic-15	22-mar-16

(2) Trust accounts and collective portfolios correspond mainly to the following:

Entidad Financiera		As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014
Collective portfolio QB (*)	$	47.645.756	$	-	$	-
Corredores Asociados		10.888.352		8.090.279		1.954
Corredores Asociados Derivex		101.570		-		-
BBVA Fiduciaria		32.103		204.215		-
Fondo Abierto Alianz		7.465		4.629		-
Fiduciaria Bogotá		3.426		1.799		3.961
Fondo de Inversión Fonval		3.368		5.938.944		7.060.722
Fiduciaria Corficolombiana		2.205		1.203		972
Fondo de Inversión Alianz		-		-		49.929
	$	58.684.245	$	14.241.069	$	7.117.538

(*) Portfolio establisedh to respond to obligations related to construction of the perimeter road for the El Quimbo area of influence.

As of December 31 of 2015, the company had $4.403.766 in authorized credit lines, not used jointly with Codensa and subject to be reassigned between the two companies, regarding which, as required, financial entities will update their approval and payment conditions. There is also an intercompany credit line with Codensa, for US $100 million for general purposes, or of up to US $300 million to back the El Quimbo project needs.

As of December 31 of 2015 there are no restrictions or limitations regarding the effective use shown in the financial statements.

5. Other financial assets

	As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Trusts (1)	$ 12.102.749	$ -	$ 6.685.296	$ -	$ 6.570.602	$ -
Hedging and non-hedging instruments (2)	1.180.802	-	2.796.491	-	217.049	-
Other assets	101.572	-	3.047.699	-	2.213.016	-
Financial investments available for sale-company note quoting or with low liquidity (3)	-	2.740.235	-	4.593.316	-	4.596.597
Investments kept until maturity (4)	-	-	77.464.998	-	-	36.081
	$ 13.385.123	**$ 2.740.235**	**$ 89.994.484**	**$4.593.316**	**$ 9.000.667**	**$ 4.632.678**

(1) As of December 31 of 2015, the value of trusts corresponds mainly to:

trusts	As of December 31 of 2015	As of December 31 of 2014	As of January 1 of 2014
Tominé reservoir trusts	$ 7.199.474	$ 1.490.303	$ 630.340
Quimbo trusts	3.860.454	4.935.043	5.181.222
Muña reservoir trusts	1.042.821	259.950	759.040
	$ 12.102.749	**$ 6.685.296**	**$ 6.570.602**

The balance as of December 31 of 2015 corresponds mainly to a trust with BBVA FIDUCIARIA, for $8.202.943, distributed as follows: trust 316364$1.450.407, trust No 31555 for $5.738.106 and trust No 31683 for $1.014.430 for administration, operation, maintenance, and improvement of the Tominé and Muña reservoirs according to resolution issued by CAR, joint agreement with Empresa de Energía de Bogotá S.A E.S.P. Additionally, the El Quimbo trust was created to respond to commitments arising from the El Quimbo hydroelectric station construction.

Trusts existing in the company have specific destinations and back obligations assumed in key projects.

(2) As of December 31 of 2015, the company had four derivatives with active validation for obligations assumed in foreign currency with Banco de Crédito del Perú, as follows:

Type	Subjacent	Risk factor	Notional active	Currency fixed rate		MTM	Derivative interest	MTM + Int
SWAP	Debt hedging equivalent 30 MUSD	Exchange rate	$ 97.020	PEN	$ 957,70	$ -	$ 505.338	$ 505.338
SWAP	Debt hedging equivalent 20 MUSD	Exchange rate	64.550	PEN	947,51	-	249.759	249.759
SWAP	Debt hedging equivalent 15 MUSD	Exchange rate	50.385	PEN	924,23	367.372	56.344	423.716
SWAP	WHT debt equivalent 15 MUSD	Exchange rate	413	PEN	924,23	1.989	-	1.989
						$ 369.361	**$ 811.441**	**$ 1.180.802**

(3) Financial investments in nonlisted companies are:

Participation titles in shares	Economic activity	Ordinary shares	% Participation	Value 31/12/15	Value 31/12/14	Value 1/1/14
Electrificadora del Caribe S.A. E.S.P.	energy	109.353.394	0,22%	**2.740.235**	**4.593.316**	**4.596.597**

As of December 31 of 2015, losses generated by the investment in Electricaribe S.A E.S.P as a result of the evaluation made by applying the multiples method were entered to other integral results for ($1.853.059). Losses are directly transferred to the accumulated gains and will not be classified to the result of the equivalent period.

(4) As of December 31 of 2015, the company has no term deposit with maturities longer than 3 months before their acquisition date.

(in thousand pesos)

6. Other nonfinancial assets

	As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Expenses paid in advance (1)	$ 20.372.850	$ -	$ 16.728.110	$ -	$ 13.149.913	$ -
Accounts receivable insurance companies (2)	15.773.152	-	-	-	-	-
Other debtors (3)	18.233.710	-	10.259.608	-	10.868.232	4.302.859
Advance payments for acquisition of goods (4)	10.602.627	-	5.920.782	-	1.788.659	-
Accounts receivable employees (5)	364.046	4.864.712	390.479	4.220.180	356.509	-
	$ 65.346.385	**$ 4.864.712**	**$ 33.298.979**	**$ 4.220.180**	**$ 26.163.313**	**$ 4.302.859**

(1) Expenses paid in advance are:

	As of December 31 of 2015	As of December 31 of 2014	As of January 1 of 2014
All risk policy	$ 19.256.421	$ 14.439.286	$ 12.320.410
ALOP policy (El Quimbo)	-	1.431.844	-
Civil liability policy	1.106.382	825.447	707.207
Fleet and transportation equipment policy	-	-	4.550
	20.362.803	**16.696.577**	**13.032.167**
Other (prepaid medicine)	10.047	31.533	117.746
	$ 20.372.850	**$ 16.728.110**	**$ 13.149.913**

The balance of expenses paid in advance corresponds mainly to the all risk and civil liability policy, effective between November 2015-October 2016.

(2) As of December 31 of 2015 accounts receivable from insurance companies correspond mainly to the 2nd advance payment of the indemnization on account of the slide in the El Quimbo dyke, for $15.747.350 (USD $5.000.000).

(3) As of December 31 of 2015 other debtors are mainly comprised of:

(a) The account receivable from the Ministry of Finances on account of payments made by the company as a result of rulings against Betania under processes existing on the date of the shares purchase agreement, for $2.178.621.

(b) Accounts receivable on account of corrections to the liquidation according to Law 99 of 1993 for $799.701.

(c) Accounts receivable from Petróleos del Milenio according to the commercial discount agreement from fuel purchases, for $8.578.525.

As of December 31 of 2014 other debtors are mainly comprised of the following:

a. Accounts receivable from the Ministry of Finances on account of payments made by the company as a result of rulings against Betania corresponding to processes existing on the shares purchase agreement date, for $2.203.777.

b. Accounts receivable on account of corrections to the liquidation according to Law 99 of 1993 for $1.251.427.

As of January 1 of 2014, other debtors are mainly comprised of the following:

a. The accounts receivable from the Ministry of Finances on account of payments made by the company as a result of rulings against Betania corresponding to processes existing on the shares purchase agreement date, for $3.536.782.

(in thousand pesos)

b. Accounts receivable on account of not deducted tax withholdings from the purchase of fixed assets from Termocartagena S.A ESP, for $393.000.

The balance of other debtors for years ending in December 31 of 2015 and 2014 includes the positive balance generated from the 2003 income tax return, for $5.549.564, which was requested to DIAN. The process is currently being handled by the Huila administrative Court, according to the lawyer having a 75% success probability.

Advance payments made for the purchase of goods are comprised of:

(4)

a.

	As of December 31 of 2015	As of December 31 of 2014	As of January 1 of 2014
Collateral deposits XM	$ 4.938.396	$ 418.665	$ 564.166
Non realized exchange difference	4.122.670	1.574.768	7.009
Vansolix S A En restructuring	676.830	598.167	792.167
P Van Der Wegen Gears	427.301	-	-
Pegasus Bleng International	148.101	-	-
Almaviva S.A.	147.654	-	-
Agencia de Aduanas Suppla S.A.S.I	61.504	-	-
Other	59.158	56.127	35.100
Siemens S.A.	21.013	136.856	-
Agencia de Aduanas Continental	-	746.685	-
Fundación Codesarrollo	-	-	290.217
Dyprotec Power S A S Empresa	-	1.924.000	-
Efigas Gas Natural S A E S P	-	465.514	-
Municipality of Ubalá	-	-	100.000
	$ 10.602.627	$ 5.920.782	$ 1.788.659

(5) Loans made to employees involve rates between 0% and 7%, so that the company deducts future cash flows at market rates, recognizing as benefits paid in advance the difference between the market rate and the awarded rate, amortized during the life of the loan.

7. Commercial and other accounts receivable.

	As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Commercial accounts, gross (1)	$ 295.324.951	$ -	$ 209.187.798	$ -	$ 172.720.523	$ -
Commercial financed portfolio, gross (2)	32.392.377	-	-	-	-	-
Other accounts receivable, gross (3)	4.789.095	8.686.009	4.918.695	8.542.695	28.764.457	8.599.436
Employees financed portfolio, gross	775.396	-	698.500	-	600.037	-
Total commercial and other accounts receivable, gross	**333.281.819**	**8.686.009**	**214.804.993**	**8.542.695**	**202.085.017**	**8.599.436**
Commercial accounts impairment reserve	(3.546.893)	-	(3.394.742)	-	(1.140.164)	-
Other accounts receivable impairment reserve	(2.111.024)	-	(1.820.647)	-	(1.889.750)	-
Total reserved for impairment	**(5.657.917)**	**-**	**(5.215.389)**	**-**	**(3.029.914)**	**-**
Commercial accounts, net (*)	291.778.058	-	205.793.056	-	171.580.359	-
Financed portfolio, net (*)	32.392.377	-	-	-	-	-
Other accounts receivable, net	2.152.538	8.686.009	2.946.462	8.542.695	26.061.313	8.599.436
Employees financed portfolio, net	775.396	-	698.500	-	600.037	-
Total commercial and other accounts receivable, net	**$ 327.623.902**	**$ 8.686.009**	**$ 209.589.604**	**$ 8.542.695**	**$ 199.055.103**	**$ 8.599.436**

(*) The generation and transmission portfolio, and the financed portfolio, have the following scheme during each period:

(in thousand pesos)

As of December 31 of 2015, commercial accounts and the financed portfolio are the following:

Commercial accounts, gross	**$ 319.880.015**	**$ 5.336.665**	**$ 2.500.648**	**$ 327.717.328**
- Large clients	279.252.601	5.336.665	2.500.648	287.089.914
- Institutional clients	8.235.037	-	-	8.235.037
-Other	32.392.377	-	-	32.392.377
- Impairment reserve	-	(1.046.245)	(2.500.648)	(3.546.893)
Commercial accounts and financed portfolio, net	**$ 319.880.015**	**$ 4.290.420**	**$ -**	**$ 324.170.435**

As of December 31 of 2014, commercial accounts are the following:

	Current	Overdue portfolio		Total portfolio
Generation and transmission portfolio as of 31 Dec./14	Portfolio	1-180 days	>360 days	Current
	$ 205.018.706	**$ 774.350**	**$ 3.394.742**	**$ 209.187.798**
	197.765.596	774.350	3.394.742	201.934.688
	7.253.110	-	-	7.253.110
	-	-	-	-
	-	-	(3.394.742)	(3.394.742)
	$ 205.018.706	**$ 774.350**	**$ -**	**$ 205.793.056**

As of January 1 of 2014, commercial accounts are the following:

	Current	Overdue portfolio		Total portfolio
Generation and transmission portfolio as of January 1 /14	Portfolio	1-180 days	>360 days	Current
Cartera de generación y transmisión al 31 dic./15	Cartera vigente	Cartera vencida 1-180 días	>360 días	Total cartera corriente
Commercial accounts, gross	**$ 169.106.784**	**$ 2.473.575**	**$ 1.140.164**	**$ 172.720.523**
- Large clients	167.672.115	2.473.575	1.140.164	171.285.854
- Institutional clients	1.080.089	-	-	1.080.089
-Other	354.580	-	-	354.580
- Impairment reserve	**-**	**-**	**(1.140.164)**	**(1.140.164)**
Commercial accounts and financed portfolio, net	**$ 169.106.784**	**$ 2.473.575**	**$ -**	**$ 171.580.359**

1) Changes in the commercial portfolio correspond mainly to:

a) As of December 31 of 2015, the change corresponds mainly to the increase in the wholesale market portfolio for the following clients: Electrificadora del Caribe for $8.850.896; Compañía Energética del Tolima for $8.387.346; Electrificadora del Huila for $7.863.635; Centrales Eléctricas del Norte de Santander for $7.022.526; Isagen for $4.187.232; Empresa de Energía de Boyacá for $3.371.466; in addition, a greater estimate of energy sales pending invoicing for $55.439.763, resulting from the increase in pool prices, the wholesale market, and the number of firm sales contracts.

On October 27 of 2015, the Regulatory Energy and Gas Commission issued resolution 178 "establishing measures to guarantee the provision of electricity in case of extraordinary situations". This resolution intends to recover part of the cost not covered by the shortage price of thermal plants operating with liquid fuels, in order to ensure their operation during such times. The company, as generator and operator of the Cartagena station under such conditions, in November 4 declared to such regulatory body its decision to exercise the option contained in the resolution, leaving an actual portfolio of $10.792.717 from the station's generation in November, and an estimated portfolio for December of $6.542.655.

(in thousand pesos)

b) As of December 31 of 2014, the change corresponds mainly to the increase of the wholesale market portfolio for the following clients: Isagen for $6.213.312; Electrificadora del Meta for $4.776.347; Compañía Energética del Tolima for $2.933.457; Empresa de Energía del Casanare for $2.033.908 e Impregilo for $1.349.215; additionally, a greater estimate of energy sales pending invoicing for $16.122.829 resulting from the increase of the number of firm energy sale contracts.

2) As of December 31 of 2015, the commercial financed portfolio corresponds to reclassification of the commercial portfolio related to energy supply agreements No. EDCC-111-2012 and EDCC-154-201 executed with the wholesale market client Electrificadora del Caribe S.A ESP, which due to internal cash flow difficulties agreed to extend the invoices' due date to the 1st day of the 3rd month following the consumption month, resulting in an annual effective interest rate of 6%, recognized as financial revenues. The company classifies this portfolio as a financed portfolio.

3) Other accounts receivable:

a) As of December 31 of 2015 there has been a constant balance of other accounts receivable, mainly corresponding to the employees to follow.

b) As of December 31 of 2014 the change corresponds mainly to:

In June 2014, the Ministry of Mines and Energy and the Ministry of Finances and Public Credit canceled the company obligation for $28.024.267, corresponding to the indemnification and interests resulting from the Betania negotiation process decision.

Portfolio impairment.

Activities carried out with the current commercial accounts and other accounts receivable impairment reserve are the following:

Debts from debtors, overdue and not paid, with impairment as of December 31 of 2015	
Balance as of January 1 of 2014	$ 3.029.914
Year increases/reductions	2.760.070
Values written off	(574.596)
Balance as of December 31 of 2014	$ 5.215.388
Year increases/reductions	457.493
Values written off	(14.964)
Balance as of December 31 of 2015	$ 5.657.917

The delinquent debtors' write-off it is made once all collection possibilities, legal actions, and demonstration of the debtors' insolvency have been exhausted.

By the end of 2015 the company had entered a reserve, based on individual analyses, for $1.036.754, corresponding to the debt of the Termocandelaria S.C.A ESP generating agent, with the operator of the system XM Compañía de Expertos en Mercado S.A E.S.P; the total of the debt is $4.263.329.

Collateral given by debtors:

Depending on the result of the evaluation of credit risk and the final decision of business lines, for energy and gas clients and as required the portfolio is backed with securities.

8. Investments in subsidiaries, joint businesses, and associated companies.

Participations the company has in other associated entities and subsidiaries are entered according to the cost method and the policy defined (see note 3.4 and 3.5).

(in thousand pesos)

Following are investments recognized using the cost method:

Participating titles in shares	Economic activity	Relationship	Ordinary shares	% Participation	Value 31/12/15	Value 31/12/14	Value 1/1/14
Sociedad Portuaria Central Cartagena S.A.	Port serv.	subsidiary	55.071	95,95	$5.507	$ 5.507	$ 5.507
Emgesa Panamá (1)	Energía	subsidiary		100,00	46.572	46.572	17.981
					$ 52.079	$ 52.079	$ 23.488

(1) In February 2014 the company made a capitalization to EMGESA Panama for US $10,000, equivalent to $28.591, to increase working capital.

9. Balances and transactions with related parties

Accounts receivable from related entities

Name	Relationship	Country of origin	Type	As of December 31 of 2015 Current	As of December 31 of 2015 Noncurrent	As of December 31 of 2014 Current	As of December 31 of 2014 Noncurrent	As of January 1 of 2014 Current	As of January 1 of 2014 Noncurrent
Codensa (1)	Rel. Pty.	Colombia	Energy sale	$ 26.663.641	$ -	$29.537.819	$ -	$46.219.269	$ -
Codensa	Rel. Pty.	Colombia	Other services	184.624	-	109.158	-	76.003	-
EEC (1)	Aff.	Colombia	Energy sale	1.397.221	-	1.021.562	-	3.434.638	-
Sociedad Portuaria Central Cartagena S.A. (2)	Aff-	Colombia	Prtmos x payable/receivable	-	1.005.483	-	939.996	-	1.116.574
Sociedad Portuaria Central Cartagena S.A.	Rel. Pty.	Colombia	group employees	120.547	-	117.070 -	-	-	-
Endesa Energia (3)	Par. Comp	Chile	Other services	2.204	-	- -	-	-	-
Enersis (3)	Rel. Pty.	Chile	Other services	24.176	-	418.880	-	-	-
Enel Green Power Colombia (4)	(*)	Colombia	Other services	4.375.000	-		-	-	-
EEB		Colombia	Other services	525.532	-		-	813.395	-
			Other services						
			Total	**$ 33.292.945**	**$1.005.483**	**$ 31.204.489**	**$ 939.996**	**$ 50.543.305**	**$ 1.116.574**

(*)Empresa de Energía de Bogotá is a company shareholder (see note 20)

(1) Corresponds to the energy sales estimated portfolio.

(2) Corresponds to intercompany long-term loans, agreed to 7 years. Made to cover obligations before the National Concessions Institute, today the National Infrastructure Agency, and vendors.
(3) Corresponds to the reserve for costs of Spain and Chile expat personnel.
(4) Corresponds to the sale of assets associated to the wind energy generation project.

(in thousand pesos)

Accounts Payable to related entities

Name	Country of origin	Relations hip	Type of transaction		As of December 31, 2015 Current		As of December 31, 2014 Current		As of January 1, 2014 Current
Codensa (1)	Colombia	Rel. Pty.	Energy purchase	$	9.133.840	$	8.191.465	$	8.204.704
Codensa	Colombia	Rel. Pty.	Other services		93.249		233.674		161.838
EEC (2)	Colombia	Rel. Pty.	Compra de energía		624.273		500.422		400.083
Sociedad Portuaria Central Cartagena S.A.	Colombia	Affiliate	Other services		195.413		27.366		48.252
Endesa Chile (3)	Chile	Rel. Pty.	Dividends		49.976.502		280.161.979		52.643.983
Endesa Chile (4)	Chile	Rel. Pty.	Other services		314.723		-		-
Enel Latinoamérica S.A (4)	España	Rel. Pty.	Other services		183.018		-		-
Enel Iberoamerica	Italia	Rel. Pty.	Other services		211.901		31.230		-
Enel Produzione Spa (4)	Italia	Rel. Pty.	Other services		824.621		-		-
Enel Ingegneria & Ricerca Spa	Italia	Rel. Pty.	Other services		862.848		516.062		413.928
Enersis (3)	Chile	Par. Comp.	Dividends		40.182.866		225.260.088		42.327.614
Enersis (4)	Chile	Par. Comp.	Other services		132.471		-		-
Fundacion Endesa Colombia	Colombia	Rel. Pty.	Donation		-		-		368.000
EEB	Colombia	(*)	Other services		47.345		45.677		134.662
EEB (3)	Colombia	(*)	Dividends		97.751.172		540.207.500		100.910.749
			Total	**$**	**200.534.242**	**$**	**1.055.175.463**		**$ 205.613.813**

(*)Empresa de Energía de Bogotá is a company shareholder (see note 20)

(1) The balance is comprised of estimates regarding tolls, regional transmission system, local distribution system, and energy invoices.

(2) Corresponds to invoicing for distribution areas as of October, $240.617, and the estimate of energy purchases, $383.656.

(3) Corresponds to dividends payable.

(4) Reserve for costs of Spain, Italy, and Chile expats in Colombia.

(in thousand pesos)

Most significant peso transactions and their respective effect in results:

Company	Purpose of the transaction	As of December 31 of 2015	As of December 31 of 2014
Revenues			
	Energy sale	$ 291.633.327	$ 373.635.755
Codensa S.A. E.S.P.	Other services	408.517	393.749
	Fixed assets sale	99.573	-
Empresa de Energía de Cundinamarca S.A. E.S.P.	Energy purchases	17.793.092	11.320.649
Enel Green Power Colombia	Fixed assets sale	4.375.000	-
EEB	Operation services	448.681	862.268
Endesa Chile	Other services	228.234	-
Sociedad Portuaria Central Cartagena	Operation and interests	174.336	179.198
Enel Ingeneria E Ricerca S.P.A	Exchange difference	127.212	838
	Other services	24.176	-
Enersis S.A	Exchange difference	4.259	-
Enel Iberoamérica	Exchange difference	4.817	-
Enel Latinoamérica	Exchange difference bio	3.108	-
Endesa Energía	Other services	2.204	-
	Exchange difference	475	-
		$ 315.327.011	**$ 386.392.457**
Costs and expenses			
Codensa S.A. E.S.P.	Energy transportation	106.745.607	95.794.010
	Energy and lighting	590.134	511.703
	Financial expenses	54.335	605.984
	Other services	8.338	5.888
Empresa de Energía de Cundinamarca S.A. E.S.P.	Energy transportation	4.517.464	3.697.731
	Energy and lighting	572	501
EEB	Other services	985.025	-
Enel Ingeneria E Ricerca S.P.A	Other services	862.848	590.555
	Exchange difference	19.109	6.038
Enel Produzione Spa	Other services	824.621	-
Sociedad Portuaria Central Cartagena S.A.	Management and operation	571.557	551.376
Enel Latinoamérica	Other services	373.825	-
Junta Directiva	Fees	260.782	247.460
Enel Iberoamérica	IT services	247.511	183.457
	Exchange difference	1.610	2.109
Endesa Chile	Other services	215.487	-
Enersis S.A	Other services	84.120	-
Endesa Energía	Other services	28.887	-
	Exchange difference	261	-
		$ 116.392.093	**$ 102.196.812**

Sales/purchases between related parties are made according to conditions equivalent to those existing for transactions between independent parties.

(in thousand pesos)

Board of Directors and key personnel

The company has a Board of Directors comprised of 7 principal members, each of them with a personal alternate, elected by the General Shareholders Assembly according to the electoral quotient. While the company is a securities issuer, 25% of the Board members will be independent according to the law. Their appointment will be made for 2-year periods, subject to being indefinitely reelected and without prejudice to the faculty the General Shareholders Assembly has to freely remove them at any time.

The December 31 of 2015 Board of Directors was elected by the General Shareholders Assembly of March 25 of 2015. The company will appoint a chairman, to be elected by the Board among its members for a specific time, subject to being indefinitely reelected or freely removed at any time. The Board of Directors will have a secretary, who may or not be a Board member. Appointment of the Board chairman was approved in a meeting held on May 26 of 2015. The Board secretary was appointed in November 11 of 2008.

According to Article 555 all the corporate bylaws, the General Shareholders Assembly will establish the fees of the Board of Directors members, as of December 31 of 2015 being USD $1.000 after taxes, for attending each board meeting, as approved by the General Shareholders Assembly during its March 25 of 2015 meeting.

Following are fees paid to the Board of Directors members:

Third-party	As of December 31 of 2015	As of December 31 of 2014
Rubio Diaz Lucio	$ 37.594	$ 29.771
Vargas Lleras Jose Antonio	37.594	29.974
Bonilla Gonzalez Ricardo	37.594	23.163
Roa Barragán Ricardo	34.768	29.629
Lafaurie Luisa Fernanda	31.446	32.083
Riga Bruno	25.974	-
Herrera Lozano Jose Alejandro	20.558	6.738
Maldonado Copello Maria Mercedes	17.035	7.579
Gutierrez Medina Fernando	8.494	2.454
Lopez Valderrama Andres	3.436	-
Jimenez Rodriguez Diana Marcela	3.126	-
Torres Macías Alvaro	2.825	-
Galindo Vélez Joaquín	-	11.095
Moreno Restrepo Ernesto	-	4.712
Serrano Rueda Omar	-	6.550
Fonseca Arenas Sandra Stella	-	19.949
Pardo Juan Manuel	-	2.110
Villarreal Navarro Julio Ernesto	-	4.364
Luna Cabrera Carlos	-	2.312
Total general	**$ 260.444**	**$ 212.483**

(in thousand pesos)

Key management personnel

Name	Position
Bruno Riga	Emgesa general manager
Lucio Rubio Díaz	General Director Colombia

Fees paid to key management personnel between January 1 and December 31 of 2015 were $1.910.656, inclusive of salaries and short-term benefits, of which the most representative is the annual goal compliance bonus.

		January 1-December 31 of 2015
Fees	$	1.726.481
short-term benefits		184.175
	$	**1.910.656**

Incentive plans for key management personnel

The company pays its executives an annual goal compliance bonus and a personal performance bonus. They correspond to a certain number of gross monthly fees. As of December 31 of 2015, the company has no payment benefits based on key management personnel performance, not having created guaranties in their favor.

10. Inventories

	As of December 31 of 2015	As of December 31 of 2014	As of January 1 of 2014
Fuel oíl (*)	$ 12.206.531	$ 20.279.004	$ 29.503.141
Coal (*)	10.994.370	17.045.029	16.591.844
Elements and accessories (1)	11.361.974	11.093.636	12.141.647
Total inventories	**$ 34.562.875**	**$ 48.417.669**	**$ 58.236.632**

(*) Corresponds to fuel inventories used by thermal generation plants for commissioning purposes. During 2015, the reduction of hydrologic levels resulting from the El Niño phenomenon resulted in a greater demand of energy generated with fuels, so that the company recorded greater fuel oil and coal consumptions. As of December 31 of 2015 and looking to achieve operational efficiency, the company keeps the lowest possible inventory levels.

1) Elements and accessories are comprised of:

	As of December 31 of 2015	As of December 31 of 2014	As of January 1 of 2014
Spare parts and materials (a)	$ 11.644.519	$ 11.918.822	$ 12.997.654
Materials reserve (b)	(282.545)	(825.186)	(856.007)
Total other inventories	**$ 11.361.974**	**$ 11.093.636**	**$ 12.141.647**

a. Spare parts and materials correspond to elements that will be used in repairs and/or maintenance, according to the maintenance plan defined by the production area.
b. As of December 31 of 2015, inventories have an obsolescence reserve of $282.545, to be used during 2016. The change with respect to 2014 results from inventory clearing processes carried out in previous years.

(in thousand pesos)

11. Intangible assets other than capital gains

Intangible assets		As of December 31 of 2015		As of December 31 of 2014		As of January 1 of 2014
Rights (1)	$	54.961.578	$	57.143.427	$	44.530.692
Development costs (2)		25.729.367		22.228.774		27.077.935
Patents, brand names, and other rights (3)		4.634.553		5.939.950		6.708.155
IT programs		1.190.334		853.122		1.916.642
Other identifiable intangible assets		3.103.281		3.218.984		10.029.052
Constructions and work in progress		2.690.832		2.806.535		-
Other intangible assets		412.449		412.449		10.029.052
Intangible assets, net	**$**	**89.619.113**	**$**	**89.384.257**	**$**	**90.262.476**
Cost						
Rights (1)		78.664.639		78.664.639		62.748.414
Development costs (2)		35.636.887		32.136.293		27.303.556
Patents, brand names, and other rights		11.363.839		10.443.688		9.480.035
Licenses (3)		11.363.839		10.443.688		9.480.035
IT programs		11.795.593		10.368.918		9.998.890
Other identifiable intangible assets		6.560.246		6.675.949		13.486.016
Constructions and work in progress		2.690.832		2.806.535		-
Other intangible assets		3.869.414		3.869.414		13.486.016
Intangible assets, gross	**$**	**144.021.204**	**$**	**138.289.487**	**$**	**123.016.911**
Amortization						
Rights (1)		(23.703.061)		(21.521.212)		(18.217.722)
Development costs (2)		(9.907.520)		(9.907.520)		(225.620)
Patents, registered brands, and other rights (3)		(6.729.286)		(4.503.738)		(2.771.879)
IT programs		(10.605.259)		(9.515.796)		(8.082.250)
Other identifiable intangible assets		(3.456.965)		(3.456.964)		(3.456.964)
Intangible assets accumulated amortization	**$**	**(54.402.091)**	**$**	**(48.905.230)**	**$**	**(32.754.435)**

1) The company recognized as intangible assets payments made to obtain the use of a greater flow of water from the Chingaza and Rio Blanco projects for the Pagua station production. The balance as of December 31 of 2015 includes the cost of $65.364.594. The amortization is recognized using the straight line method during 50 years, with an accumulated value of $20.832.306.
This item also includes the legal stability premium for the El Quimbo project, for $13.300.045, with an accumulated amortization as of December 31 of 2015 of $2.870.757. This premium has a 20-year life according to the terms of tax benefits.

2) Corresponds mainly to costs associated to expansion projects: Guaicaramo for $392.513 Sumapáz for $4.672.396, Campohermoso for $3.021.523, Termocésar for $459.225, Termosantander for $232.050, Canoas for $610.127 and other projects in minor plants for $130.695, to start amortization ones they enter the productive phase. Amortization includes mainly projects taken to expenses, such as: Termocartagena conversion for $6.930.045, costs of alternative energies for $655.899, Sumapáz for $614.440, Guaicaramo for $568.356, Termosinifaná for $402.780, is basin for $78.853, Oporapa for $16.268, Chapasia for $2.359, and Guaitiquia for$1.458.

3) Corresponds mainly to developments for the system SIE2000A for $4.873.075.

(in thousand pesos)

Following are the composition and activities of intangible assets:

Movimientos en activos intangibles al 31 de diciembre de 2015	Costos de Desarrollo	Derechos	Patentes, Marcas Registradas y otros Derechos	Otros Activos Intangibles Identificables			
			Licencias	Programas Informáticos	Construcciones y avances de obras	Otros recursos intangibles	Activos Intangibles
Initial balance, January 1/15	**$ 22.228.774**	**$ 57.143.427**	**$ 5.939.950**	**$ 853.122**	**$ 2.806.535**	**$ 412.449**	**$ 89.384.257**
Activities with intangible assets							
Additions	17.547.695	-	897.324	1.449.502	-	-	**19.894.521**
Transfers	-	-	22.829	(22.829)	-	-	**-**
Removals (*)	(3.982.898)	-	-	-	(172.244)	-	**(4.155.142)**
Amortization (see note 25)	-	(2.181.849)	(2.225.550)	(1.089.461)	-	-	**(5.496.860)**
Other increases/reductions	(10.064.204)	-	-	-	56.541	-	**(10.007.663)**
Total activities with intangible identifiable assets	**3.500.593**	**(2.181.849)**	**(1.305.397)**	**337.212**	**(115.703)**	**-**	**234.856**
Balance on December 31/15	**$ 25.729.367**	**$ 54.961.578**	**$ 4.634.553**	**$ 1.190.334**	**$ 2.690.832**	**$ 412.449**	**$ 89.619.113**

(*) In October 2015 the company sold to Enel Green Power Colombia S.A.S (EGP) the wind energy project, located in various areas of the national territory.

Movimientos en activos intangibles al 31 de diciembre de 2014	Costos de Desarrollo	Derechos	Patentes, Marcas Registradas y otros Derechos	Otros Activos Intangibles Identificables			
			Licencias	Programas Informáticos	Construcciones y avances de obras	Otros recursos intangibles	Activos Intangibles
Initial balance, January 1/14	**$27.077.935**	**$ 44.530.692**	**$ 6.708.155**	**$ 1.916.642**	**$ -**	**$ 10.029.052**	**$ 90.262.476**
Activities with intangible assets							
Additions	6.976.459	6.299.623	982.511	351.168	2.793.495	-	**17.403.256**
Transfers	-	-	(18.858)	18.858	-	-	**-**
Removals (*)	(398.484)	-	-	-	-	-	**(398.484)**
Amortization (see note 25)	(9.681.899)	(3.303.490)	(2.150.411)	(1.014.991)	-	-	**(16.150.791)**
Other increases/reductions	(1.745.237)	9.616.602	418.553	(418.555)	13.040	(9.616.603)	(1.732.200)
Total activities with intangible identifiable assets	**(4.849.161)**	**12.612.735**	**(768.205)**	**(1.063.520)**	**2.806.535**	**(9.616.603)**	**(878.219)**
Balance on December 31/14	**$ 22.228.774**	**$ 57.143.427**	**$ 5.939.950**	**$ 853.122**	**$ 2.806.535**	**$ 412.449**	**$ 89.384.257**

(in thousand pesos)

12. Properties, plant, and equipment

	As of December 31 of 2015	As of December 31 of 2014	As of January 1 of 2014
Plants and equipment (1)	$ 7.381.204.499	$ 4.150.784.806	$4.218.211.179
Constructions in progress (2)	155.875.063	2.424.862.644	1.604.094.344
Land	275.680.415	51.314.209	55.875.295
Buildings	44.442.206	47.629.060	45.315.572
Fixed and other facilities	20.448.137	23.335.737	24.599.998
Financial leases (3)	581.767	425.057	32.760
Properties, plant, and equipment, net	**$ 7.878.232.087**	**$ 6.698.351.513**	**$ 5.948.129.148**
Plants and equipment	10.070.657.112	6.721.183.181	6.662.809.448
Hydroelectric generation plants	9.353.656.298	6.063.489.834	6.023.695.331
Thermal generation plants	717.000.813	657.693.347	639.114.117
Constructions in progress	155.875.063	2.424.862.644	1.604.669.344
Land	275.680.415	51.314.209	55.875.295
Buildings	75.275.642	76.432.276	71.594.169
Fixed and other facilities	84.840.935	84.578.743	81.799.575
Fixed facilities and accessories	34.786.551	34.030.785	32.433.845
Other facilities	50.054.384	50.547.958	49.365.730
Financial leases	707.522	457.898	32.841
Propiedades, plantas y equipos, bruto	**$ 10.663.036.689**	**$ 9.358.828.951**	**$ 8.476.780.672**
Plants and equipment	(2.689.452.613)	(2.570.398.375)	(2.445.173.269)
Hydroelectric generation plants	(2.435.458.478)	(2.339.555.638)	(2.238.400.850)
Thermal generation plants	(253.994.134)	(230.842.737)	(206.772.419)
Fixed and other facilities	(64.392.798)	(61.243.006)	(57.199.577)
Fixed facilities and accessories	(25.802.141)	(24.510.227)	(23.147.685)
Other facilities	(38.590.657)	(36.732.779)	(34.051.892)
Buildings	(30.833.436)	(28.803.216)	(26.278.597)
Financial leases	(125.755)	(32.841)	(81)
Accumulated depreciation	**$ (2.784.804.602)**	**$ (2.660.477.438)**	**$ (2.528.651.524)**

Plants and equipment comprise the following:

	A 31 de diciembre de 2015		
Central	Costo bruto	Dep. acumulada	Costo neto
CH. Quimbo (*)	3.249.591.149	(6.332.192)	3.243.258.957
CH. Guavio	3.193.674.992	(1.005.205.076)	2.188.469.916
CH. Betania	1.873.658.954	(911.348.562)	962.310.392
CT. Termozipa	544.834.578	(189.219.728)	355.614.850
CH. Paraiso	392.900.333	(212.371.979)	180.528.354
CH. Guaca	368.449.875	(180.711.019)	187.738.856
CT. Cartagena	172.166.235	(64.774.406)	107.391.829
CH. Muña 3	123.440.202	(71.115.388)	52.324.814
CH. Dario Valencia	50.004.647	(16.804.663)	33.199.984
CH. Canoas	24.066.958	(63.809)	24.003.149
CH. Salto 2	19.530.434	(6.088.646)	13.441.788
CH. Charquito	18.482.825	(7.306.375)	11.176.450
CH. Laguneta	11.149.558	(3.896.734)	7.252.824
CH. Tequendama	10.466.741	(3.896.734)	6.570.007
CH. El Limonar	6.781.401	(4.870.917)	1.910.484
CH. Muña 2	3.395.377	(2.435.458)	959.919
CH. Salto 1	2.375.829	(88.376)	2.287.453
CH. La Tinta	2.095.219	(974.183)	1.121.036
CH. Muña 1	1.945.561	(1.217.729)	727.832
CH. San Antonio	1.272.097	(487.092)	785.005
CH. La Junca	374.147	(243.547)	130.600
TOTAL	**10.070.657.112**	**(2.689.452.613)**	**7.381.204.499**

(*) The EL Quimbo project is located in the Department of Huila in the south of Colombia, between the central and eastern ranges, 70 km south of Neiva in the Magdalena River. Its area of influence covers the municipalities of Gigante, Garzón, El Agrado, Altamira, Paicol and Tesalia. It was commissioned mid November 2015 and has an installed capacity of 400 MW, generated by 2 turbines, with an estimated capacity of 2216 GW hour/year, with a reservoir that will have a useful volume of 1.824 hm3 and a flooded area of 8250 ha.

(in thousand pesos)

Corresponds to investments made by the company in the various plans, the main assets under construction being improvements, replacements, and modernization of the following stations:

Project	As of December 31 of 2015
CT. Termozipa	$ 37.996.565
CT. Cartagena	24.364.333
CH. Quimbo (*)	17.400.809
CH. Laguneta	16.468.149
CT. Betania	12.563.105
CH. Guaca	12.209.773
CH. Guavio	12.045.675
CH. Paraíso	7.371.466
Otros proyectos	3.711.078
CH. Dario Valencia	3.420.388
CH. Muria 3	2.996.508
CH. Salto 2	1.813.959
CH. El Limonar	1.336.708
CH. Tequendama	1.155.189
CH. Charquito	438.196
CH. La Tinta	243.851
CH. San Antonio	199.076
CH. Muria 2	140.235
Total general	**$ 155.875.063**

CH- Central Hidroeléctrica CT- Central Termoeléctrica

(*) Despite the EL Quimbo project having been commissioned, additional work is still in progress, one of them being conclusion of the dam base.

Composition and activities of the properties, plant, and equipment line are the following:

Properties, plant, and equipment activities as of December 31 of 2015	Constructions in progress	Land	Buildings	Plants and equipment		Fixed facilities and accessories		Financial leases	Properties, plant, and equipment
				Hydroelectric generation plants	Thermal generation plants	Fixed facilities and accessories	Other facilities		
Initial balance on January 1/2015	**$ 2.424.862.644**	**$ 51.314.209**	**$ 47.629.060**	**$ 3.723.934.196**	**$ 426.850.610**	**$ 9.520.558**	**$ 13.815.179**	**$ 425.057**	**$ 6.698.351.513**
Activities with properties, plant, and equipment									
Additions	1.113.657.176	213.508.113	529.146	339.119	247.224	85.369	672.103	282.466	**1.329.320.716**
Transfers	(3.392.708.961)	10.858.093	876.594	3.314.351.823	65.336.204	735.743	550.504	-	**-**
Removals	-	-	(2.851)	(786.220)	-	(30.921)	3.822	-	**(816.170)**
Impairment	-	-	-	-	-	-	-	-	**-**
Depreciation expense	-	-	(4.589.743)	(119.584.560)	(29.427.358)	(1.326.339)	(3.577.881)	(125.756)	**(158.631.637)**
Other increases/reductions	10.064.204	-	-	(56.539)	-	-	-	-	**10.007.665**
Total	**(2.268.987.581)**	**224.366.206**	**(3.186.854)**	**3.194.263.623**	**36.156.070**	**(536.148)**	**(2.351.452)**	**156.710**	**1.179.880.574**
Balance as of December 31/15	**$ 155.875.063**	**$ 275.680.415**	**$ 44.442.206**	**$ 6.918.197.819**	**$ 463.006.680**	**$ 8.984.410**	**$ 11.463.727**	**$ 581.767**	**$7.878.232.087**

Properties, plant, and equipment activities as of December 31 of 2014	Constructions in progress	Land	Buildings	Plants and equipment				Fixed facilities and accessories	Financial leases
				Hydroelectric generation plants	Thermal generation plants	Fixed facilities and accessories	Other facilities		
Initial balance	$1.604.094.344	$ 55.875.295	$ 45.315.572	$ 3.785.869.480	$ 432.341.699	$ 9.318.920	$ 15.281.078	$ 32.760	**$5.948.129.148**
Activities with properties, plant, and equipment									
Additions	884.198.049	-	-	-	-	58.582	1.318.544	425.138	**886.000.313**
Transfers	(65.161.945)	-	4.838.108	38.560.232	19.391.793	1.660.234	711.578	-	**-**
Removals	-	-	-	-	(413.309)	-	(3.288)	-	**(416.597)**
Impairment	-	-	-	-	-	-	-	-	**-**
Depreciation expense	-	-	(2.524.620)	(104.481.601)	(24.469.573)	(1.517.178)	(3.492.733)	(32.841)	**(136.518.546)**
Other increases/reducti	1.732.196	(4.561.086)	-	3.986.085	-	-	-	-	**1.157.195**
Total	**820.768.300**	**(4.561.086)**	**2.313.488**	**(61.935.284)**	**(5.491.089)**	**201.638**	**(1.465.899)**	**392.297**	**750.222.365**
Final balance	**$2.424.862.644**	**$ 51.314.209**	**$ 47.629.060**	**$ 3.723.934.196**	**$ 426.850.610**	**$ 9.520.558**	**$ 13.815.179**	**$ 425.057**	**$6.698.351.513**

(in thousand pesos)

Additional information on properties, plant, and equipment,

net.

Main investments

During 2015 the main additions to properties, plant, and equipment corresponded to investments made in customizing, modernizing, expanding, and improving efficiency and the service quality level at the various plants, as well as the conclusion of the EL Quimbo station construction. Following are the most important:

Station	Main project	January 1-December 31 of 2015
CH. Quimbo	EL Quimbo final phase (civil works and electromechanical equipment).	$ 1.222.945.322
CT. Termozipa	Units' reliability plan	40.132.528
CT. Cartagena	Reliability u1, u2 and u3, boiler recovery	17.099.935
CH. Guavio	Speed regulator modernization	10.360.148
CH. Guaca	Purchase of spare pushing	8.987.181
CH. Paraíso	Excitation system recovery	5.362.633
CH. Betania	Stator coil replacement	4.677.095
Otros Proyectos	bi project (reports)	4.669.712
CH. Charquito	Reliability and safety	3.743.740
CH. El Limonar	Recuperation of central systems	2.642.798
CH. Muria 3	Reliability and safety, main	2.533.241
CH. Dario Valencia	Dario Valencia recuperation	2.112.574
CH. Tequendama	Reliability and safety, main	1.291.943
CH. Laguneta	Recuperation of central systems	1.122.958
CH. Salto 2	Reliability and safety, main	695.719
Renting Vehículos	Vehicle leases	282.467
CH. San Antonio	Constructions and customizations	275.399
CH. La Tinta	Recuperation of auxiliary facilities	220.607
CH. Muria 2	Electronic safety	141.397
CH. La Junca	Instrumentation	23.319
Total		**$ 1.329.320.716**

CT: thermal station   CH: hydroelectric station
T: hydroelectric station

(in thousand pesos)

Main transfers to operation

In 2015, transfers of exploitation assets were mainly made on account of the start of the EL Quimbo operations, as well as improvements, replacements, and customizations to the following plants, between January 1 and December 31 of 2015:

Station		Total activation
CH. Quimbo (1)	$	3.308.369.715
CC. Termozipa		35.820.200
CF. Cartagena		29.569.726
CH. Charquito		7.119.599
CH. Guavio		2.856.302
CH. Guaca		1.975.245
CH. Paraiso		1.392.334
CH. Betania		1.253.273
CH. Laguneta		1.047.034
CH. El limonar		1.004.903
CH. Tequendama		746.160
CH. Muña 3		649.236
CH. La tinta		286.787
CH. Salto 2		281.041
Other		152.485
CH. Muña 2		152.431
CH. San antonio		31.006
CH. Muña 1		1.453
CH. La junca		32
Total general	**$**	**3.392.708.962**

H. - hydroelectric station, CC. - Coal station, CF.- fuel oíl station

(1) In November 2010 the company executed contract CEQ- 21 with Consorcio Impregilo – Obrascon Huarte Lain (OHL), whose purpose was the EL Quimbo project main civil work.

The EL Quimbo project was commissioned during this year, so that the above contract was terminated, the respective conciliation/liquidation process being started in 2016.

During such conciliation and closing phase there still will be pending work under the original contract, as well as some work remaining that is required to complete the project. In addition, an itemized review of the consortium contractual performance is being made.

Impregilo has issued change orders for $28,522.475, for which $23.740.708 were reserved (see note 16). There are also claims for $147.685.420 on account of financial costs and alleged extra costs related to overburden removal, changes in material references for the dam and auxiliary dyke fills, archaeological findings, hiring of qualified personnel, and changes on account of exchange rate differences, considered not applicable according to the technical and legal analysis made by the company.

Considering the above, the business has appointed the team that will be working in the above review and in the contract liquidation and closing.

(in thousand pesos)

Fully depreciated assets in use

As of December 31 of 2015, assets fully depreciated correspond to station equipment for $26.781.205.

(1) Financial leasing

	Al 31 de diciembre de 2015	Al 31 de diciembre de 2014	Al 1 de enero de 2014
Properties, plant, and equipment under financial leasing, net			
Motor vehicles other financial leasing, net	$ 581.767	$ 425.057	$ 32.760

Amounts identified as financial leasing are included in properties, plant, and equipment for the indicated periods.

Financial leasing agreements correspond to financial leases of vehicles mainly with Mareautos Colombia S.A.S, Banco Corpbanca and Equirent S.A., for transporting the organization directors.

The average contractual term is 48-60 months, during which recognized assets are amortized.

The present value of future payments under such agreements is the following:

Minimum payments for leases, financial lease obligations	As of December 31 of 2015		
	Gross	Interest	Present value
Not more than one year	$ 241.561	$ 62.493	$ 179.068
More than one year but less than 5 years	479.814	114.165	365.649
Total	$ 721.375	$ 176.658	$ 544.717

Operational leasing

The income statement as of December 31 of 2015 and 2014 includes $3.417.926 and $3.369.377, respectively, corresponding to payments under operational lease agreements, mainly real properties, including:

	Starting date	Ending date	Purchase option
Administrative offices			
Q93 offices	jun-14	may-19	No

As of December 31 of 2015, related contracts are adjusted annually according to the Colombian CPI.

As of December 31 of 2015, future payments under such contracts are the following:

Minimum future lease payments, no subject to cancellation, lessees, as of December 31 of 2015.

Not more than one year	612.193
More than one year but less than 5 years	885.980
Total	$ 1.498.173

Insurance policies

The following are insurance policies for protection of Company goods:

Insured good	Risks covered	Insured value (COP thousands)	Maturity	Insurance company
Extracontractual civil liability		USD $20.000	1/11/2016	Generali Colombia
Extracontractual civil liability (USD $ 200 cap in excess of USD $ 20 millones		USD $200.000	1/11/2016	Mapfre Seguros Colombia
Patrimonio de la empresa	Extracontractual civil liability policy (EUR 500 million cap in excess of EUR 200 million). Extracontractual civil liability policy (EUR 500 million cap in aexcess of EUR 200 million).	EUR 500.000	1/11/2016	Mapfre Seguros Colombia
Civil work, equipment, contents, stores, and loss of profits	All risk material damages, earthquake, seaquake, HMACC – AMIT, loss of profits and machinery breakages. (EUR 1.000 million cap in excess of EUR 700 million).	USD $771.190	1/11/2016	Mapfre
	Losses from damages or theft	EUR 1.000	1/11/2016	Allianz Seguros

(*) Policies are in dollars and euros.

Following art claims to insurance companies as of December 31 of 2015:

Claim	Date Siniestro	Insurance company	Coverage	Claim value (USD)
Quimbo	12/03/2014	Mapfre	All risk construction and erection	$ 9.500.000

In 2015 the company formalized with Mapfre entry of USD 7.000.000 from payments under a claim for damages in the El Quimbo auxiliary dyke, so that for this year activities are focused on recovering the USD 2.500.000 outstanding from the total value.

13. Deferred taxes

Following are deferred taxes on assets as of December 31 of 2015:

	Initial balance as of December 31 of 2014	Increase/decrease from deferred taxes in results	Increase/decrease from deferred taxes in other integral results	Balance as of December 31 of 2015
Depreciation and adjustments for inflation of properties, plant, and equipment (1)	$ 213.315.784	$ (14.969.273)	$ -	$ 198.346.511
Other reserves (1)	12.377.930	2.097.716	-	14.475.646
Quimbo deferred	5.684.826	(5.684.826)	-	-
Defined contribution obligations	1.873.861	629.213	73.458	2.576.532
Other	77.897	(77.897)	-	-

(in thousand pesos)

	Initial balance as of December 31 of 2014	Increase/decrease from deferred taxes in results	Increase/decrease from deferred taxes in other integral results	Balance as of December 31 of 2015
Deferred taxes assets	**233.330.298**	**(18.005.067)**	**73.458**	**215.398.689**
Fiscal depreciation surplus on accounting value (2)	(44.059.819)	(88.650.474)	-	**(132.710.293)**
Forward and swap	(3.310.934)	-	1.908.765	**(1.402.169)**
Deferred taxes liabilities	**(47.370.753)**	**(88.650.474)**	**1.908.765**	**(134.112.462)**
Deferred taxes assets net	**$ 185.959.545**			**$ 81.286.227**

(1) As of December 31 of 2015, deferred taxes assets on account of other reserves are:

	Initial balance as of December 31 of 2014	Increase/decrease from deferred taxes in other results	Balance as of December 31 of 2015
Reserves for work and services	$ 6.227.869	$ 3.203.025	$ 9.430.894
Reserve for labor obligations	2.381.643	(14.930)	2.366.713
Reserve for quality compensation	1.761.127	32.241	1.793.368
Other	1.300.069	(1.300.069)	-
Reserve for bad debts	651.953	25.862	677.815
Reserve for industry and trade	55.269	151.587	206.856
	$ 12.377.930	**$ 2.097.716**	**$ 14.475.646**

(2) As of December 31, corresponds to new technical rate of fixed assets for ($42.642.560).

On March 26 of 2015, according to minutes No. 92, the General Shareholders Assembly approved, for fiscal purposes, using the balance reduction depreciation method from 2014 on. As of December 31, the effect of this amounts to $89.521.642.

The deferred tax as of December 31 of 2015 on account of such rate are the following:

	Income	2015 CREE and surcharge	2016 CREE and surcharge	2017 CREE and surcharge	2018 CREE and surcharge	Thereafter CREE and surcharge
Fixed assets	$ 179.442.816	$ -	$13.437.737	$11.299.903	$ 11.203.817	$143.553.360
Reserves and estimated liabilities	35.272.091	20.489.382	12.210.330	3.032.264	-	(459.885)
Defined contribution obligations	5.621.449	-	-	-	-	5.621.449
Portfolio	1.653.208	-	826.604	826.604	-	-
	221.989.564	20.489.382	26.474.671	15.158.771	11.203.817	148.714.924
Rate	25%	14%	15%	17%	18%	9%
	55.497.392	2.868.513	3.971.201	2.576.991	2.016.687	13.384.343
Occasional gains	9.711.004					
Rate	10%					
Taxes	971.100					
Total deferred taxes, debit	**$ 81.286.227**					

Recuperation of asset balances on account of deferred taxes depend on having sufficient tax profits in the future. The Administration considers that future profit projections are adequate to recover assets.

Following are deferred tax assets as of December 31 of 2014:

(in thousand pesos)

	Initial balance as of January 1 of 2014	Increase/decrease from deferred taxes in results	Increase/decrease from deferred taxes in other integral results	Balance as of December 31 of 2014
Depreciation and adjustments of properties, plant, and equipment	$ 201.382.130	$ 11.933.654	$ -	$ 213.315.784
Other reserves (1)	7.947.309	4.430.622	-	12.377.931
Quimbo deferred	4.630.719	1.054.107	-	5.684.826
Defined contribution obligations	2.129.213	(255.352)	-	1.873.861
Other	1.588.327	(1.510.430)	-	77.897
Deferred taxes assets (2)	**217.677.698**	**15.652.601**	**-**	**233.330.299**
Excess of fiscal depreciation over accounting value (3)	(51.137.085)	7.077.265	-	**(44.059.820)**
Forward	(2.371.756)	-	(939.178)	**(3.310.934)**
Deferred taxes, liabilities (2)	**(53.508.841)**	**7.077.265**	**(939.178)**	**(47.370.754)**
Deferred taxes, assets, net	**$ 164.168.857**			**$ 185.959.545**

(1) As of December 31 of 2014, deferred taxes assets on account of other reserves are:

	Initial balance as of January 1 of 2014	Increase/decrease from deferred taxes in results	Balance as of December 31 of 2014
Reserves for work and services	$ 3.479.232	$ 2.748.637	$ 6.227.869
Reserve for labor obligations	2.080.913	300.730	2.381.643
Quality compensation reserve	1.226.422	534.705	1.761.127
Other	1.064.128	235.940	1.300.069
Reserved for bad debts	61.479	590.474	651.953
Reserve for industry and trade	35.135	20.136	55.269
	$ 7.947.309	**$ 4.430.622**	**$ 12.377.930**

(2) The increase/decrease on account of deferred taxes in results includes the effect of the tax reform according to Law 1739 of 2014, which created the CREE surcharge and increased from 8% to 9% the 2016 CREE thereafter. This had an effect on deferred tax assets of $8.365.492 and deferred tax, liabilities, for $2.173.790.

(3) As of December 31 of 2014, corresponds to the new technical rate of assets for ($ 44.059.819). The deferred tax as of

December 31 of 2014 on account of such rate is the following:

	Income	2015 CREE and surcharge	2016 CREE and surcharge	2017 CREE and surcharge	2018 CREE and surcharge	Thereafter CREE and surcharge
Reserves and estimated liabilities	$ 30.066.610	$ 30.066.610	$ -	$ -	$ -	$ -
Fixed assets portfolio	482.773.542	5.340.880	4.605.112	4.522.220	4.440.820	464.089.823
Cartera	1.671.674	1.671.674	-	-	-	-
Quimbo deferred	16.496.885	-	329.938	329.938	329.938	15.507.072
Defined contribution obligations	5.511.357	-	-	-	-	5.511.357
	536.520.068	**37.079.164**	**4.935.050**	**4.852.158**	**4.770.758**	**485.108.252**
Rate	25%	14%	15%	17%	18%	9%
	134.130.016	5.191.083	740.258	824.867	858.736	43.659.743
Occasional gains	5.548.424					
Rate	10%					
Taxes	554.842					
Total deferred taxes, debit	**$ 185.959.545**					

(in thousand pesos)

The deferred tax as of January 10 2014 on account of the rate is the following:

		Income	2.014 CREE and surcharge	Thereafter CREE and surcharge
Reserves and estimated liabilities	$	23.193.617	$ 23.193.617	$ -
Fixed assets		450.578.120	13.608.957	436.969.163
Portfolio		180.821	180.821	-
Quimbo deferred		14.032.483	-	14.032.483
Defined contribution obligations		6.262.393	6.262.393	-
		494.247.434	**43.245.788**	**451.001.646**
Rate		25%	9%	8%
		123.561.858	3.892.121	36.080.132
Occasional gains		6.347.464		
Rate		10%		
Taxes		634.746		
Total deferred taxes, debit	**$**	**164.168.857**		

Recuperation of asset balances on account of deferred taxes depend on having sufficient tax profits in the future. The Administration considers that future profit projections are adequate to recover assets.

14. Other financial liabilities

	Al 31 de diciembre de 2015			Al 31 de diciembre de 2014			Al 1 de enero de 2014		
	Corriente			Corriente			Corriente		
	Capital	Intereses	No Corriente	Capital	Intereses	No Corriente	Capital	Intereses	No Corriente
Bonds issued (1)	-	$113.969.527	$ 3.080.242.535	$ 250.008.201	$105.629.490	$ 3.079.521.532	$ 141.643.465	$ 98.316.804	$ 2.740.296.317
Club Deal (2)	20.333.333	824.875	284.666.667	-	821.411	305.000.000	-	692.009	305.000.000
Treasury credits (2)	462.551.809	5.487.510	130.000.000	-	-	-	-	-	-
Leasing obligations (3)	197.682	-	403.658	99.929	-	325.128	32.841	-	-
Derivative instruments (4)	3.146.537	-	-	84	-	-	1.072.908	-	31.490
	$ 486.229.361	**$120.281.912**	**$3.495.312.860**	**$250.108.214**	**$106.450.901**	**$3.384.846.660**	**$ 142.749.214**	**$ 99.008.813**	**$3.045.327.807**

(1) Activities with current issued bonds between January 1 of 2014 and December 31 of 2015 are the following: payments for $141.643.465 of the Second and Third Trench in February and July 2014; bonds from the 3rd issuance classified in February 2014, from long to short term, paid for 250.008.201 on February 23 of 2015, after which the company has Noncurrent bonds.

Current bonds from January 1 of 2014 to December 31 of 2015 have changed due to the above short-term classification of the 3rd issuance bonds and a placement at a variable rate (CPI) for $590.000.000 on May 16 of 2014, $480.000.000 being used to pre-finance the EL Quimbo and the other series of $110.000.000 for the company working capital.

Regarding financial debt, the company currently has 6 bond issuances in the local market under the EMGESA bonds issuance and placement program, and one bond issuance in the international market. During 2015, the remaining subseries of the 3rd bond issuance were amortized upon maturity, currently the company processing cancellation before the Colombian Financial Superintendence.

Following are the main financial characteristics of bonds issued from 2005 and existing on December 31 of 2015:

EMGESA ordinary bond issuance and placement program in the local market.

The company has a bonds issuance and placement program allowing for successive issuances under the authorized and available global quota, during its term. As of December 31 of 2015, the company had offered and placed 6 bond issuances against the program (also called trenches according to the program), which existed on such date. All bond issuances under the EMGESA program are rated AAA (Triple A) by Fitch Ratings Colombia S.C.V. and are dematerialized under Deceval S.A. administration.

(in thousand pesos)

Following are financial conditions of the company bonds issuance and placement program in the local market:

Class of title	Ordinary bonds
Financial Superintendence initial approval	Resolution No. 1235 de 18 of July of July 2006
Global amount initially approved	$700.000.000
Approval of 1st amount expansion and term extension :	Resolution No. 0833 of June 16 of 2009
First increase to the authorized amount:	In $1.200.000.000 additional
1st term extension	Up to June 26/2012
Approval of the 2nd term extension:	Resolution No. 1004 of June 29, 2012
2nd placement term extension de colocación	Up to July 18, 2015
Approval of the 2nd amount increase:	Resolution No. 0398 of March 12, 2014
2nd increase to the authorized amount:	In $850.000.000 additional
Approval of the 3rd placement amount increase:	Resolution No, 1980 of November 6, 2014
Third increase to the authorized global amount:	In $315.000.000 additional
Approval of the 4th amount extension and the September 8 of 2015 extension	Resolution No. 1235
4th increase to the authorized global amount:	In $650.000.000 additional
3rd extension to the placement term:	Up to September 14, 2018
Total global amount authorized as of December 31/2015	$3.715.000.000
Amount issued under the program as of December 31/2015	$2.490.000.000
Global amount available as of December 31/2015:	$1.225.000.000
Administration	Deceval S.A.

The company has issued 6 tranches under the above program, as follows:

First Trench:

Total value placed	$170.000.000
Transaction costs as of December 30 10 2015	$17.799
Balance as of December 31 of 2015	Sub–series B10: $169.982.201
Nominal value per bond	$10.000
Issuance term	10 years
Issuance date:	20 de febrero de 2007
Expiration date:	20 de febrero de 2017
Coupon rate	CPI + 5,15% E.A.

(in thousand pesos)

Second Trench:

Total value placed	$265.000.000 as follows:	
	Sub–series A5:	$49.440.000
	Sub series B10:	$160.060.000
	Sub series B15:	$55.500.000
Transaction costs as of December 30 10 2015	$22.569	
Balance as of December 31 of 2015	$215.537.431	
Nominal value per bond	$10.000	
Issuance term	Sub–series A5: 5 years Sub–series B10: 10 years Sub–series B15: 15 years	
Issuance date:	11 de febrero de 2009, para todas las Sub–	
Expiration date:	Sub–series A 5: Feb. 11, 2014 Sub–series B10: February 11, 2019 Sub–series B15: February 11, 2024	
Coupon rate	Sub–series A 5: DTF T.A. + 1.47% Sub–series B10: CPI + 5,78% E.A. Sub–series B15: CPI + 6,09% E.A.	

The payment for maturity of bonds from subseries A5 was made on February 11, 2014, for $49.440.000.

Third Trench:

Total value placed	$400,000,000, as follows:	
	Sub–series E5:	$92.220.000
	Sub–series B9:	$218.200.000
	Sub–series B12:	$89.580.000
Transaction costs as of December 30 10 2015	$32.227	
Saldo vigente al 30 de diciembre de 2015	$307.747.773	
Nominal value per bond	$10.000	
Issuance term	Sub–series E5: 5 years Sub–series B9: 9 years Sub–series B12: 12 years	
Issuance date	July 2, 2009 for all Sub–seriess	
Expiration date	Sub–series E5: July 2, 2014 Sub–series B9: July 2, 2018 Sub–series B12: July 2, 2021	
Coupon rate	Sub–series B–9: CPI + 5,90% E.A. Sub–series B–12: CPI + 6,10% E.A. Sub–series E–5: fixed rate 9,27% E.A.	

The payment for maturity of bonds from subseries E5 was made on July 2, 2014, for $92.220.000.

Fourth Trench:

Total value placed	$500,000,000, as follows:	
	Sub–series B10:	$ 300.000.000
	Sub–series B15:	$ 200.000.000
Transaction costs as of December 30 10 2015	$431.971	

(in thousand pesos)

Balance as of December 31 of 2015	$499.568.029
Nominal value per bond	$10,000
Issuance term	Sub–series B10: 10 years Sub–series B15: 15 years
Issuance date	December 13, 2012
Expiration date	Sub–series B10: December 13, 2022 Sub–series B15: December 13, 2027
Coupon rate	Sub–series B–10: CPI + 3,52% E.A. Sub–series B–15: CPI + 3,64% E.A.

Fifth Trench:

Total value placed	$565,000,000, as follows: Sub–series B6: $201.970.000 Sub–series B12: $363.030.000
Transaction costs as of December 30 10 2015	$414.720
Balance as of December 31 of 2015	$564.585.280
Nominal value per bond	$10.000
Issuance term	Sub–series B6: 6 years Sub–series B12: 12 years
Issuance date	September 11, 2013
Expiration date	Sub–series B6: September 11, 2019 Sub–series B12: September 11, 2025
Coupon rate	Sub–series B–6: CPI + 4,25% E.A. Sub–series B–12: CPI + 5,00% E.A.

Sixth Trench:

Total value placed	$590.000.000, as follows: Sub–series B6: $241.070.000 Sub–series B10: $186.430.000 Sub–series B16: $162.250.000
Transaction costs as of December 30 10 2015	$565.489
Balance as of December 31 of 2015	$589.434.511
Nominal value per bond	$10,000
Issuance term	Sub–series B6: 6 years Sub–series B10: 10 years Sub–series B16: 16 years
Issuance date	May 16, 2014
Expiration date	Sub–series B6: May 16, 2020 Sub–series B10: May 16, 2024 Sub–series B16: May 16, 2030
Coupon rate	Sub–series B–6: CPI + 3,42% E.A. Sub–series B–10: CPI + 3,83% E.A. Sub–series B–16: CPI + 4,15% E.A.

Global international bonds in pesos

On January 20 of 2011 the company placed its 1st 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 interests required so that after tax withholdings (today 14% according to article 408 of the Tax Code) the bond holder will receive 8.75%. Accordingly, the final rate is 10.1744%.

(in thousand pesos)

The operation is part of EL Quimbo financial structure and allowed obtaining pre-financing resources for the project for 2011 and part of 2012, also to refinance other financial obligations.

Registration form	144 A/ Reg S
Total value of issuance, in pesos	$736.760.000
Transaction costs as of December 30 10 2015	$3.372.690
Balance as of December 31 of 2015	$733.387.310
Use of the funds	financing of new projects such as El Quimbo and refinancing of other financial obligations, in addition to other company general requirements.
Nominal value	$5.000 each bond
Term	10 years, with amortization upon maturity.
Interest 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.
International rating	BBB (stable) by Fitch Ratings y Standard & Poor's

(in thousand pesos)

Following are obligations under debt bonds as of December 31 of 2014:

Description	Rate EA	Current: Less than 90 days	Current: Total current	2 - 3 years	3-a 4 years	4 - 5 years	5 - 10 years	More than 10 years	Total noncurrent
Thirda emision_A10	8,8740%	$ 211.945.547	$ 211.945.547	$ -	$ -	$ -	$ -	$ -	$ -
Thirda emision -A102	8,8740%	40.358.165	40.358.165	-	-	-	-	-	-
Programa First Trench B103	8,9880%	13.186.504	13.186.504	$ 169.961.555	-	-	-	-	169.961.555
Programa Second Trench B104-10	9,6410%	2.082.556	2.082.556	-	-	160.023.803	-	-	160.023.803
Programa Second Trench B104-15	9,9623%	745.344	745.344	-	-	-	55.487.449	-	55.487.449
Programa Third Trench B105-9	9,7654%	5.128.811	5.128.811	-	218.150.656	-	-	-	218.150.656
Programa Third Trench B105-12	9,9727%	2.148.703	2.148.703	-	-	-	89.559.742	-	89.559.742
Bono exterior Z47	10,1744%	8.554.859	8.554.859	-	-	-	90.000.000	-	90.000.000
Bono exterior Z58	10,1744%	61.477.114	61.477.114	-	-	-	642.889.385	-	642.889.385
Programa Cuarto Trench B10	7,2985%	1.109.727	1.109.727	-	-	-	299.728.480	-	299.728.480
Programa Cuarto Trench B15	7,4229%	752.062	752.062	-	-	-	-	199.804.374	199.804.374
Programa Quinto Trench B12	8,8325%	1.786.386	1.786.386	-	-	-	-	362.720.547	362.720.547
Programa Quinto Trench B6-1	8,0551%	686.395	686.395	-	-	152.416.285	-	-	152.416.285
Programa Quinto Trench B6-2	8,0551%	222.483	222.483	-	-	49.402.971	-	-	49.402.971
Programa Sexto Trench B16	7,9515%	1.582.100	1.582.100	-	-	-	-	162.327.422	162.327.422
Programa Sexto Trench B10	7,6198%	1.741.443	1.741.443	-	-	-	186.225.634	-	186.225.634
Programa Sexto Trench B6-2	7,1948%	1.157.807	1.157.807	-	-	-	130.935.492	-	130.935.492
Programa Sexto Trench B6-1	7,1948%	971.685	971.685	-	-	-	109.887.737	-	109.887.737
Total bonos		$ 355.637.691	$ 355.637.691	$ 169.961.555	$ 218.150.656	$ 361.843.059	$ 1.604.713.919	$ 724.852.343	$ 3.079.521.532

Following are obligations under that bonds as of December 31 of 2015:

Descripción	Tasa EA	Corriente: Menos de 90 días	Corriente: Total Corriente	No Corriente: 1 a 2 años	No Corriente: 2 a 3 años	No Corriente: 3 a 4 años	No Corriente: 4 a 5 años	No Corriente: 5 a 10 años	No Corriente: más de 10 años	Total No Corriente
First Trench B103	11,8691%	$17.413.433	$17.413.433	$169.982.201	$ -	$ -	$ -	$ -	$ -	$ 169.982.201
Second Trench B104-10	12,5393%	2.681.743	2.681.743	-	-	160.043.242	-	-	-	160.043.242
Second Trench B104-15	12,8692%	953.263	953.263	-	-	-	-	55.494.189	-	55.494.189
Third Trench B105-9	12,6670%	6.586.647	6.586.647	-	218.177.152	-	-	-	-	218.177.152
Third Trench B105-12	12,8798%	2.747.504	2.747.504	-	-	-	-	89.570.621	-	89.570.621
External bond Z47	10,1744%	61.477.114	61.477.114	-	-	-	-	90.000.000	-	90.000.000
External bond Z58	10,1744%	8.554.859	8.554.859	-	-	-	-	643.387.310	-	643.387.310
Fourth Trench B10	10,1349%	1.525.846	1.525.846	-	-	-	-	299.754.189	-	299.754.189
Fourth Trench B15	10,2626%	1.029.591	1.029.591	-	-	-	-	-	199.813.840	199.813.840
Fifth Trench B12	11,7095%	2.345.062	2.345.062	-	-	-	-	362.738.381	-	362.738.381
Fifth Trench B6-1	10,9116%	920.671	920.671	-	-	152.436.996	-	-	-	152.436.996
Fifth Trench B6-2	10,9116%	298.420	298.420	-	-	49.409.903	-	-	-	49.409.903
Sixth Trench B16	10,8052%	2.128.669	2.128.669	-	-	-	-	-	162.342.325	162.342.325
Sixth Trench B10	10,4647%	2.367.941	2.367.941	-	-	-	-	186.231.530	-	186.231.530
Sixth Trench B6-2	10,0285%	1.597.809	1.597.809	-	-	-	130.955.479	-	-	130.955.479
Sixth Trench B6-1	10,0285%	1.340.955	1.340.955	-	-	-	109.905.177	-	-	109.905.177
Total bonds		$ 113.969.527	$ 113.969.527	$169.982.201	$218.177.152	$361.890.141	$240.860.656	$ 1.727.176.220	$ 362.156.165	$ 3.080.242.535

(2) In April 2015 the company Club Deal loan was renegotiated as follows: the loan before Banco Corpbanca for $80.000,000 was paid by refinancing a new peso loan with Banco de Bogotá for the same amount. Additionally, an amendment to the December 2013 loan was executed with BBVA, reducing the current interest rate from IBR+3,55% M.V. to IBR + 2,17% T.V.; other conditions remained unchanged.

The loans mature on December 19 of 2013, with capital amortization in 15 equal semiannual payments from December 2016, subject to an IBR + 2,20%MV and IBR +2,17% TV interest rate, respectively, so that as of December 2015 the value of $20.333.333 corresponding to the first capital payment was classified as short term.

In 2015 the company had 3 foreign credits with Banco de Crédito del Perú for $198.090.377, acquired between October and November to finance the EL Quimbo project, with annual maturity dates and interest amortization. To finance this project a credit was obtained with Bank Of Tokyo for $130.000.000 in December, maturing on June 2017 with semiannual interest payments.

Following are the Club Deal obligations and bank loans as of December 31 of 2015:

Description	Rate EA	Current Less than 90 days	Total current	Total Current	1 a 2 years	5 a 10 years	Total Noncurrent
Banco Bogotá	8,3016%	$ 216.963	$ 5.333.333	$ 5.550.296	$ -	$ 74.666.667	$ 74.666.667
Banco BBVA	8,2697%	607.912	15.000.000	15.607.912	-	210.000.000	210.000.000
Total Club Deal		$ 824.875	$ 20.333.333	$ 21.158.208	$ -	$ 284.666.667	$ 284.666.667
Banco Avvillas	6,0600%	49.371.121	-	49.371.121	-	-	-
Banco Citibank	5,5700%	23.122.871	-	23.122.871	-	-	-
Banco Davivienda	6,3000%	13.070.135	-	13.070.135	-	-	-
Banco Bogotá	6,8380%	59.269.218	-	59.269.218	-	-	-
Banco Bbva	6,3038%	1.618.930	122.873.749	124.492.679	-	-	-
Banco de Crédito del Perú	5,8700%	-	90.875.104	90.875.104	-	-	-
Banco de Crédito del Perú	5,9300%	-	60.422.590	60.422.590	-	-	-
Banco de Crédito del Perú	5,6500%	-	46.792.683	46.792.683	-	-	-
The Bank Of Tokyo	7,0200%	-	622.918	622.918	130.000.000	-	130.000.000
Total préstamos bancarios		$ 146.452.275	$ 321.587.044	$ 468.039.319	$ 130.000.000	$ -	$ 130.000.000

Following are obligations under the Club Deal as of December 31 of 2014:

Description	Rate EA	More than 90 days	Current Total current	5 - 10 years	Noncurrent Total noncurrent
Banco Bogotá	6,7389%	$ 219.251	$ 219.251	$ 80.000.000	$ 80.000.000
Banco BBVA	6,7074%	602.160	602.160	225.000.000	225.000.000
Total Club Deal		**$ 821.411**	**$ 821.411**	**$ 305.000.000**	**$ 305.000.000**

(3) The value of commercial leasing obligations as of December 31 of 2015 correspond to Banco Corpbanca for $263.135, Equirent S.A. for $293.330, and Mareauto Colombia SAS for $44.875.

(4) As of December 31 of 2015, the company has 6 derivatives with passive valuation, as follows:

Derivative	Subjacent	Risk factor	Notional active	Currency	Fixed rate	MTM Cop
SWAP	Debt hedging equivalent to 30 MUSD	Exchange rate	$ 97.020	PEN	$ 957,70	$ 1.797.384
SWAP	WHT equivalent debt 30 MUSD	Exchange rate	820	PEN	957,70	21.951
SWAP	Debt hedging equivalent to 20 MUSD	Exchange rate	64.550	PEN	947,51	759.626
SWAP	WHT equivalent debt 20 MUSD	Exchange rate	556	PEN	947,51	9.565
FORWARD	Quimbo equipment	Exchange rate	1.113	USD	3352,75	187.567
FORWARD	Quimbo equipment	Exchange rate	2.199	USD	3352,75	370.444
Total valuation						**$3.146.537**

15. Commercial accounts payable and other accounts payable

	As of December 31/2015	As of December 31, 2014	As of January 1, 2014
Commercial accounts payable	$ 30.343.761	$ 25.913.095	$ 19.385.064
Other Accounts Payable (1)	253.281.831	190.782.932	191.769.511
Commercial accounts payable and other accounts payable	**$ 283.625.592**	**$ 216.696.027**	**$ 211.154.575**

1) Following are commercial accounts payable and other Accounts Payable:

	As of December 31, 2015	As of December 31, 2014	As of January 1, 2014
Accounts Payable goods and services	$ 198.643.557	$ 156.055.207	$ 106.892.468
Suppliers for energy purchases (1)	30.343.761	25.913.095	19.385.064
Other Accounts Payable	24.669.179	14.182.573	19.307.872
Taxes other than income	24.030.685	20.256.387	64.842.720
Reserve for tax payments (2)	15.786.824	11.156.148	9.172.399
Territorial taxes, municipal and similar contributions	8.243.861	9.100.239	8.645.632
Equity tax	-	-	47.024.689

(in thousand pesos)

	As of December 31, 2015	As of December 31, 2014	As of January 1, 2014
Advance payments from clients and positive balances (3)	5.893.432	282.622	722.103
Fees	44.978	6.143	4.348
Total commercial accounts payable and other Accounts Payable	**$ 283.625.592**	**$ 216.696.027**	**$ 211.154.575**

(1) The balance of suppliers for energy purchases and gas during the 3 periods correspond mainly to the estimated value of variable margin liabilities associated to energy generation and gas trading costs.
(2) The variation between December 31 of 2015 and 2014 corresponds mainly to tax withholdings and self withholdings on account of income and CREE for $4.630.676 and $1.783.140 between December 31 of 2014 and January 1 of 2014.

Law 1739 of 2014 created the wealth tax for 2015 through 2017 for legal persons. The tax is applied at the rate of 1.15%, 1%, and 0.4% for 2015, 2016, and 2017, respectively, for equities in excess of COP $5 million, calculated annually on net equity on January 1 of each tax year, reduced by COP $5 million. All liabilities as of January 1 of 2014 were paid in 2 installments, in May and September 2015.

(3) Advance payments from clients and positive balances:

a) the change as of December 31, 2015 corresponds mainly to an increase of advance payments received from the following clients: Empresa Distribuidora del Pacifico $1.879.609; Empresa Municipal de Cali $1.847.295; Alfagres $1.083.165; Alfacer $217.313; Corpacero $312.769; Textilia S.A $205.327 and Fuerza Aérea Colombiana $204.659.

b) The change as of December 31, 2014 corresponds mainly to legalization of the advance payment received for the supply of energy, from clients Almacenes La 14 S.A por $390.154 and Compensar $249.291.

According to Resolution CREG No 19 of 2006, CREG 157 and 158 of 2011, the company has guaranties in favor of XM Compañía de Expertos de Mercados S.A. E.S.P. for $92.296.000 (BBVA $27.296.000; Davivienda $65.000.000) as of December 31 of 2015 in order to back compliance with pool operations and supplementary services to be paid to the SIC administrator.

16. Reserves

Reserves	As of December 31, 2015		As of December 31, 2014		As of January 1 of 2014	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Other reserves	**$ 323.186.623**	**$ 141.251.664**	**$ 94.427.899**	**$ -**	**$ 18.079.493**	**$ 26.247.246**
Environmental and Quimbo work (1)	300.051.486	-	26.242.789	-	18.079.493	26.247.246
Quimbo restoration plan (2)	23.135.137	141.251.664	-	-	-	-
Litigation Consorcio Impregilo Quimbo	-	-	68.185.110	-	-	-
Other	-	299.100	-	303.557	-	299.100
Reserve for legal claims	-	4.193.295	-	1.821.635	-	3.015.249
Civil and others (*)	-	3.193.295	-	1.821.635	-	3.015.249
Laboral	-	1.000.000	-	-	-	-
Dismantling	-	374.683	-	-	-	-
Total reserves	**$ 323.186.623**	**$ 146.118.742**	**$ 94.427.899**	**$ 2.125.192**	**$ 18.079.493**	**$ 29.561.595**

(*) Includes success bonus for $2.745.072.

(1) Correspond to obligations under the EL Quimbo environmental license, liquidation of contracts associated to work done and minor work required for the station operation, which should be carried out according the work schedule propose for the project during 2016.

(2) The restoration plan includes work required to mitigate the environmental impact caused by the reservoir filling, involving execution flows estimated for 30 years. Included in main activities are restoration of forests, creation of the protection fringe, fish and fishing programs, and wildlife and vegetation follow-up programs.

(in thousand pesos)

On July 14 of 2014 the Impregilo consortium, responsible for the El Quimbo civil work, initiated an arbitration process before the Bogotá Chamber of Commerce on account of greater costs incurred and not paid by the company, the claim involving $137.173.852. According to its analysis, the company estimated that the process would involve additional costs of $68.185.110, which were reserved at the end of December 2014. In January 2015 a direct conciliation was carried out with the vendor, agreeing to include the so-called addendum 12 to the civil work contract for **$78.786.153**, plus a 1.50% adjustment, for a total of $90.541.047.

As of December 31, 2015, the value of litigations under administrative, civil, labor, and contractor claims is the following:

Process	Number of processes	Number of processes (Indefinite value)	Rating	Contingency Value (*)	Reserve Value (**)
Floods before 1997	5	-	Probable	$ 218.432	$ 218.432
	33	-	Eventual	28.492.936	-
Total floods before 1997	38	-		28.711.368	218.432
Floods after 1997	21	-	Probable	229.791	229.791
	30	-	Eventual	2.289.372	-
Total floods after 1997	51	-		2.519.163	229.791
	1	-	Probable	1.000.000	1.000.000
Labor	31	3	Eventual	3.915.059	-
	9	-	Remote	21.931.000	-
Total Labora	41	3		26.846.059	1.000.000
Other	38	23	Eventual	62.009.490	-
	64	37	Remote	170.394.702	-
Total other	102	60		232.404.192	-
Quimbo	30	6	Eventual	56.770.000	-
	1	1	Remote	-	-
Total Quimbo	31	7		56.770.000	-
Total processes	263	70		$ 347.250.782	$ 1.448.223

(*) The value of the contingency corresponds to the amount that, according to the lawyers' experience, is the best estimate of what would be paid should the ruling be against the company. The reserve is established by the lawyers as the probable value of the loss. Processes considered probable are reserved 100% on the actual contingency value.

(**) As of December 31, 2015, the value of claims against the company under administrative, civil, labor, and constitutional actions is $347.250.782, based on an evaluation of the defense success probability having reserved $1.448.223 to cover probable losses and the $2.745.072 success bonus. The administration considers that the result of claims corresponding to the non-reserved portion will be favorable for the company and will not result in significant liabilities that should be accounted, or that if existing will not significantly affect the company's financial situation. Considering the characteristics of risks covered by these reserves, it is not possible to establish a reasonable payment schedule.

Following are the main processes against the company as of December 31 of 2015, considered probable:

Plaintiff: Yohana Farley Rodríguez Berrio
Starting date: 2014
Value of the claim: $300.000
Reserved: $1.000.000
Purpose of the trial: indemnification for damages caused by the death of an employee.
Current status: went to 1st instance in 2015

Plaintiff: Rafael Bernate
Starting date: 2004
Value of the claim: $6.136
Reserved: $100.184
Purpose of the trial: Ordinary extracontractual civil liability seeking indemnification for damages caused by alleged imprudent and negligent behavior of the Betania station operators.
Current status: went to 1st instance in 2015.

Plaintiff: Roberto Narváez
Starting date: 2007
Value of the claim: $27.488
Reserved: $37.512
Purpose of the trial: Ordinary extracontractual civil liability seeking indemnification for damages caused by alleged imprudent and negligent behavior of the Betania station operators
Current status: Evidence.

Plaintiff: Policarpo Agudelo and 9500 additional persons to date
Starting date: 2014
Value of the claim: $50.000.000
Valor Reserved: $0
Purpose of the trial: The shareholders declare that the object of the process is "The shareholders, through an attorney, request that the company be held civilly liable for all damages caused - moral, materials, ensuing damages, and lost profits - upon affecting the base of the pedestrian overpass to the school, right side, due to improper handling upon using pull material at the extraction area No. 9, confluence area of rivers Páez and Magdalena for the EL Quimbo project, the plaintiffs being affected by such circumstance which also affected their free access to low-cost consumables, products, and services and free locomotion with such action, as well as their right to use public goods, have safe transport, and access to a service infrastructure guaranteeing health, also requiring payments and updating the decision elements".

Current status: A conciliation audience was scheduled for September 25 of 2015. However, the company has no direct conciliation interest and has decided to wait for the pertinent process upon considering the value of the economic claim not applicable.

Plaintiff: CHIVOR S.A. E.S.P.
Starting date: 2004
Value of the claim: $13.102.000
Reserved: $0
Purpose of the trial: declare void the Chivor S.A. E.S.P. invoice regarding the capacity charge, paying amounts outstanding.
Current status: We participate as guarantors, all market agents to date not having yet been notified, also called to respond.

Plaintiff: CHIVOR SA ESP
Starting date: 2005
Value of the claim: $12.488.000
Reserved: $0
Purpose of the trial.
Current status: We participate as guarantors, all market agents to date not having yet been notified, also called to respond.

Plaintiff: CHIVOR SA ESP
Starting date: 2006
Value of the claim: $10.892.000
Reserved: $0
Purpose of the trial: : declare void the Chivor S.A. E.S.P. invoice regarding the capacity charge, paying amounts outstanding.
Current status: We participate as guarantors, all market agents to date not having yet been notified, also called to respond.

(in thousand pesos)

Plaintiff: Gloria Patricia Hernández
Starting date: 2013
Value of the claim: $1.183.506
Reserved: $0
Purpose of the trial: Full indemnification for damages on account of contractor working accidents.
Current status: Currently in the 2nd instance process, ruled favorable for the company in the 1st instance.

Following our activities with reserves as of December 31 of 2015:

	Legal claims reserve	Dismantling	Environmental and restoration liabilities	Other reserves	Total
Initial balance as of January 1, 2015	**$ 1.821.635**	**$ -**	**$ 26.242.789**	**$ 68.488.667**	**$ 96.553.091**
Increase/decrease in existing reserves	1.582.072	374.683	438.351.826	-	440.308.581
Reserve used	(1.383.085)	-	-	(68.185.110)	(69.568.195)
Financial effect update	-	-	(459.885)	-	(459.885)
Recuperations	(273.299)	-	-	-	(273.299)
Other increases/decreases	2.445.972	-	303.557	(4.457)	2.745.072
Total total activities reserved	**2.371.660**	**374.683**	**438.195.498**	**(68.189.567)**	**372.752.274**
Balance as of December 31, 2015	**$ 4.193.295**	**$ 374.683**	**$ 464.438.287**	**$ 299.100**	**$469.305.365**

Reserved for legal claims between January 2015 and December 2015 has been mainly affected by recoveries and payments under the following litigations:

Type of process	Plaintiff	Action	Change
Direct reparation	Luis Vicente Linares Calderón and others	Termination of unfavorable ruling	$ (535.600)
Civil ordinary	Gilberto Calderón Quimbaya	Termination of favorable ruling	$ (91.906)
Civil ordinary	Manuel Antonio Leyva	Termination of favorable ruling	$ (97.201)
Civil ordinary	Benigno Romero	Termination of unfavorable ruling	$ (270.186)
Civil ordinary	Luís Fernando Portela Rojas y Gilberto Diaz Osorio	Termination of unfavorable ruling	$ (651.472)
Civil ordinary	Rufino Calceto (94)	Termination of unfavorable ruling	$ (191.589)
Revindication	Gertrudis Calderón	Termination of unfavorable ruling	$ (285.413)
Ordinary labor	Yohana Farley Rodriguez Berrio	Change to the process rating	$ 1.000.000
			$ (1.123.367)

Main litigations as Plaintiff:

As of December 31 of 2015 the company is acting as plaintiff in processes, which if favorable could result in acid generation.

Following are such processes:

Plaintiff: Emgesa S.A. E.S.P.
Starting date: de 2002 a 2007 **Value of the claim:** $475.822.120

Purpose of the trial: The company has filed annulment and reestablishment actions against each invoice involving the capacity charge. In these cases, based on Resolutions CREG 077and 111 de 2001 and in the CRT calculated by the company, ISA liquidated each month the assignment the company is entitled to on account of the capacity charge, which upon being arbitrarily and illegally calculated does not take into account the firmness the plaintiff provides to the system or the value that legally and actually it is entitled to during the respective month on account of the capacity charge.

Current status: some claims are pending notification to those called to respond, others to admit the claim, and others for submitting evidence. Termocandelaria S.A. ESP withdrew claims filed, however having been required to pay costs to those being called to respond, of close to €10.000 per process.

Plaintiff: Emgesa S.A. E.S.P. y Otros Starting date: 2001
Value of the claim: indeterminate

Purpose of the trial: Annulment of Resolutions CREG 077 y 111 of November 8 and December 26 of 2000 is being sought, with which some conditions in Resolution 116 of 1996 are amended. The CRT calculated for the company liquidated each month the assignment the company is entitled to on account of the capacity charge, which upon being arbitrarily and illegally calculated does not take into account the firmness the plaintiff provides to the system or the value that legally and actually it is entitled to during the respective month on account of the capacity charge.

Current status: In June 2013, the State Council required Empresas Públicas de Medellín to present the run of the capacity charge model made for the company and for Chivor corresponding to 2001 and 2007, which was done.

A ruling was issued requiring transferring the claim, which was appealed upon the decision regarding the possibility of an expert analyzing and again running the model being pending. The appeal is still pending. An appeal dismissal is being required upon the technical area informing that the evidence provided by EPM will be useful for us, so that we will not have to have an expert.

Plaintiff: Emgesa S.A. E.S.P.
Starting date: 2005
Value of the claim:
Acción 25000232400020050147601: $161.270.000 Acción
25000232400020100020201: $25.000.000 Acción
25000232400020060083301: $17.144.300

Purpose of the trial: Void the CAR administrative acts (Resolution 506 of 28.03.2005 and 1189 of 08.07.2005) and return to the company rights that were been violated by them upon involving work to be done in the Muña reservoir, from whose effectiveness depends the water concession maintenance. The situation involves the possibility of having the water license revoked, which would seriously affect the company. Also, it transfers third-party obligations, imposes and non-existing joint and several liability that fails to take into account the reality and the mandatory condition of legal rulings, unjustifiably and illegally defining compensation in favor of the municipality of Sibaté. The value of this trial corresponds to the value of investments the company would have to make.

Parallel action 1. Annulment and reestablishment process initiated by the company against CAR seeking to annul article 2 of Resolution 1318 of 2007 and article 2 of Resolution 2000 of 2009 requiring EMGESA to implement a contingency plan and make an air quality study in case of a possible suspension of the reservoir water pumping, pretending that such administrative act be annulled due to the technical inability to perform the air quality study and implement the contingency plan. Claims for this process are estimated at US$13.000.000.

Parallel action 2. Annulment and reestablishment process initiated by Empresa de Energía de Bogotá against CAR seeking annulment of Resolution 506 and 1189, similar to that initiated by EMGESA against CAR.

Under this process, EMGESA was included as a 3rd party.

Current status: 1st instance with an unfavorable ruling for the company, annulment of all such resolutions having been rejected. On July 15 EMGESA filed an appeal against the ruling. EEB and Empresa de Acueducto also appealed. Additionally, EEB requested a clarification and addition to the ruling. 2nd instance ruling pending.

Under parallel action 1 an expert opinion from the accountant, favoring the company, was presented, according to which EMGESA requested a clarification. Still pending is the clarification to the previous ruling and a second opinion in order to assess the work carried out by the company.

Under parallel action 2, this process is included in the main company process.

Contractual actions against the Colombian State

Plaintiff: Emgesa S.A. E.S.P.
Starting date: 1998 – 1999 **Value**
of the claim: $1.019.050

Purpose of the trial: In principle, the plaintiffs were Endesa de Colombia S.A., Inversiones y Promociones S.A., Proyectos de Energía S.A. and Compañía Eléctrica Cono Sur S.A; however, according to the companies' liquidation and merger, amounts claimed were assigned to CHB (today Emgesa). The purpose of these processes is returning monetary amounts on account of the Nation's default in the purchase of shares, inaccuracies in financial reports, and distribution of dividends, considering that, under the contract, the Nation had undertaken not to do it.

Current status: In contractual action 1998–00324, related to the inaccuracy of financial reports upon omitting a liability before ISAGEN, a favorable second instance ruling was issued requiring the Nation to pay $523.261 (€221.252), which has already been made. In contractual action 1999–00342, requesting payment of damages due to the Nation's default in the shares purchase agreement, especially regarding the inaccuracy of financial statements, an unfavorable second instance ruling was issued.

Contractual action 1999–00330 sought payment of equity damages of COP$6.003.960 upon profits corresponding to 1995 having been distributed among the CHB shareholders, despite the Nation, under the shares sale process, having explicitly committed not to do it, this way defaulting the agreed pre-contractual commitments. A favorable second instance ruling was issued, the Nation being required to pay$ 24.567.932. (€9.574.408), which has already been done.

Under contractual action 1999–00328, related to the greater value of taxes on real properties located in the municipality of Hobo Huila, a favorable second instance ruling was issued, the Nation being required to pay $215.150 (€83.848), which has already been done.

Contractual action 1999–00329 seeks recognition and payment of a hidden liability in the shares sale process of the CHB related to construction of a thermal plant in the municipality of Yumbo. Amount: $1.019.051 (€348.000). The second instance ruling is pending.

Impregilo Consortium claim

On July 14, 2014, the Impregilo consortium initiated an arbitration procedure before the Bogotá Chamber of Commerce alleging the following: "Risks typical of the contract were assumed by the consortium and not by the company". The consortium allegations involve: 1) demands regarding costs, extra costs, and damages resulting from changes to the designs by the company, design insufficiencies, and unforeseeable facts regarding the soil conditions; 2) demands regarding economic damages caused to the consortium by violent acts, force majeure events, and acts of God; 3) implementation of updated and accelerated work programs; 4) demands regarding compliance with the contract upon applying illegal and inapplicable discounts; and general and value of the claim demands, especially clause 2.5 of the contract special administrative bases.

The claim was finally withdrawn on February 25 or 2015, the parties having agreed on all claims except for programmatic effects subsequent to February 28 of 2014 and everything related to interpretation of clause 2.5 related to the contract insurance and claims.

After the above, the consortium announced its intention to file a new claim on account of other events not taken care of in the addendum, which it considers should be recognized by the company.

(in thousand pesos)

17. Reserves for employee benefits

	As of December 31, 2015		As of December 31, 2014		As of January 1 of 2014	
	Current	Noncurrent	Current	Noncurrent	Current	Noncurrent
Obligations for defined post employment benefits, long-term . (1)	8.565.114	65.565.306	10.086.711	67.550.495	9.869.800	69.239.834
Social benefits and legal contributions (2)	17.927.212	-	17.001.372	-	15.328.084	-
Retirement plan benefits (3)	2.305.202	545.051	-	-	-	-
	28.797.528	66.110.357	27.088.083	67.550.495	25.197.884	69.239.834

(1) The company has various benefit plans, post employment obligations, and long-term benefits for its active or retired employees, according to previously indicated requirements, related to:

Retirement pensions.

The company has a defined benefits pension plan, regarding which it has no specific assets except for those originating from its operational activities. Such plans establish pension benefits each employee will receive upon retirement, which usually depend on several factors such as age, years of service, and compensation.

Liabilities recognized in the financial situation statement regarding the defined benefits pension plans is the present value of the benefit obligation as of the date of the financial situation statements, together with adjustments for non-recognized actuarial gains/losses. The obligation for the defined benefit is calculated by independent actuaries using the projected credit unit method. The present value of the defined benefits obligation is established by deducting outgoing estimated cash flows using interest rates calculated with the Colombian government public debt titles yield curve, denominated in actual value units and with terms approximating those of the pensions obligation until expiration.

Actuarial gains/losses from adjustments made based on experience and changes to actuarial hypotheses are charged or credited to equity in other integral results, during the applicable period.

The retirement pensions obligation includes the effects of the application corresponding to new mortality rates authorized by the Financial Superintendence with Decree 1555 of July 30 of 2010.

The retired employees' base to which this benefit applies is:

item	As of December 31, 2015	As of December 31, 2014	As of January 1, 2014
Retired employees	313	313	301
Average age	63,44	62,44	61,43

Other post employment obligations, benefits for retired employees

The company grants the following subsidies to its retired employees: 1) education and 2) energy, according to the collective workers labor agreement.

Employees are entitled to the above benefits regardless of having worked until his retirement age or not. Costs expected from these benefits accrue during the employment period, applying a methodology similar to that of the defined benefit plans. Actuarial gains/losses from adjustments from experience and changes to actuarial assumptions are charged or credited to other integral results during the respective period. These obligations are annually appraised by qualified independent actuaries.

(in thousand pesos)

Retired employees entitled to this benefit are:

	As of December 31, 2015	As of December 31, 2014	As of January 1, 2014
Education			
Retired employees	85	99	105
Average age	18,78	18,89	18,04
Energy			
Retired employees	298	299	301
Average age	63,45	62.45	61,43

Retroactive severance payments

Retroactive severance payments, considered as postemployment benefits, are given to workers covered by the labor system prior to Law 50 of 1990 and not having switched to the current system. It is calculated according to time worked, based on the most recent salary, being paid regardless of the employee being laid-off or having voluntarily left the company. Actuarial gains/losses from adjustments from experience and changes to actuarial assumptions are charged or credited to other integral results.

Retired employees entitled to this benefit are:

Item	As of December 31, 2015	As of December 31, 2014	As of January 1 of 2014
Employees	105	108	110
Average age	51.35	50,44	49,65
Seniority	22,32	21,30	20,32

Long-term benefits

The company gives to its active employees benefits associated to their time in service, such as 5-year periods, consisting in a payment for every 5 years of uninterrupted service to workers hired prior to September 21 of 2005, accrued as of the second year according to the collective workers labor agreement.

Costs expected from these benefits accrue during the time of the employment, using a methodology similar to that used for defined benefit plans. Actuarial gains and losses from adjustments based on experience and changes to actuarial assumptions are charged or credited to the respective results. These obligations are appraised by qualified independent actuaries. Employees entitled to this benefit are:

Item	As of December 31, 2015	As of December 31, 2014	As of January 1, 2014
Employees	169	169	171
Average age	50,43	49,43	48,57
Seniority	20,78	19,78	18,81

As of December 31, 2015 el cálculo actuarial de beneficios post empleo fue realizado por la firma Aon Hewitt México, utilizando el siguiente conjunto de hipótesis:

Financial hypotheses

Type of rate	As of December 31, 2015	As of December 31, 2014	As of January 1, 2014
Discount rate	7,44%	7,04%	7,25%
Salary increase rate for an active employees)	4,20%	4,00%	4,00%
Pension increase rate	3,20%	3,00%	3,00%
Estimated inflation	3,20%	3,00%	3,00%
Medical service inflation	8,00%	8,00%	4,00%

(in thousand pesos)

Demographic hypotheses:

	Biometric base
Mortality rate	Colombian 2008 mortality Table de mortalidad 2008 (Rentistas válidos)
Disabled mortality rate	Enel internal Table
Total and permanent disability	EISS
rotation	Internal Enel Table
Retirement	Men: 62 women: 57

Obligations under defined benefits as of December 31 of 2015 are:

Initial balance as of December 31, 2014	**$ 67.104.800**	**$ 3.920.553**	**$3.937.398**	**$ 2.674.455**	**$77.637.206**
Cost of service, Current	-	-	197.174	132.550	**329.724**
Cost of interests	4.506.163	264.021	276.348	178.004	**5.224.536**
Contributions paid	(5.992.290)	(313.722)	(676.891)	(557.759)	**(7.540.662)**
Actuarial gains/losses from changes to financial assumptions	(1.386.361)	(70.889)	(30.526)	(28.875)	**(1.516.651)**
Actuarial gains/losses from changes to experience adjustments	(1.412.053)	25.913	306.035	1.076.372	**(3.733)**
Balance as of December 31, 2015	**$ 62.820.259**	**$ 3.825.876**	**$4.009.538**	**$ 3.474.747**	**$74.130.420**

Obligations under defined benefits as of December 31, 2014, are the following:

	Retired employees		Active employees		Defined benefits plan
	Pensions	Benefits	Retroactive severance payments	5-year periods	
Initial balance as of January 1, 2014	**$ 69.104.342**	**$ 3.742.900**	**$3.336.540**	**$2.925.852**	**$79.109.634**
Cost of service, Current	**-**	**-**	**209.659**	**188.276**	**397.935**
Cost of interests	**4.656.234**	**259.533**	**185.624**	**268.715**	**5.370.106**
Contributions paid	**(7.947.253)**	**(310.248)**	**(712.423)**	**(488.286)**	**(9.458.210)**
Actuarial gains/losses from changes to financial assumptions	**(520.993)**	**262.745**	**859.702**	**(131.986)**	**469.468**
Actuarial gains/losses from changes to experience adjustments	**1.812.470**	**(34.377)**	**58.296**	**(88.116)**	**1.748.273**
Balance as of December 31, 2014	**$ 67.104.800**	**$ 3.920.553**	**$3.937.398**	**$2.674.455**	**$ 77.637.206**

The following chart shows the behavior of the present value of the obligation for each defined benefit, regarding the percent variation in 100 basic points above or below the discount rate used for the current calculation.

	Retired employees		Active employees		Defined benefits plan
	Pensions	Benefits	Retroactive severance payments	5-year periods	Defined benefits plan
Changes in the discount rate					
- **- 100 basic points**	**69.509.514**	**4.194.314**	**4.428.402**	**3.628.377**	**81.760.607**
- **+ 100 basic points**	**57.278.951**	**3.511.937**	**3.640.751**	**3.474.748**	**67.906.387**

(2) As of December 31, 2015 and 2014 and January 1 of 2014, corresponds mainly to bonuses for $9.415.642 , $9.628.900 and $8.844.725, vacation time and vacation bonus for $4.572.119, $4.734.055 and $3.889.089, respectively.

The company makes periodical legal contributions for severance payments and social security: health, professional risks, and pensions, to the respective private funds and to Colpensiones, assuming such obligations in full. As of December 31, 2015 and 2014 and January 1, 2014, social security and non-fiscal payments were $1.701.737, $1.688.093 and $1.716.722, severance payments and severance payment interests $2.237.714, $950.324 and $877.548, respectively.

Collective workers labor agreement

The direct settlement phase between the company and the Sintraelecol labor union concluded in August 5 of 2015, with full agreement. The collective workers labor agreement will be signed once its text has been agreed. The main aspects agreed include a 3-year term for the collective workers labor agreement, maintaining the same field of application of the current agreement (benefited workers), an increase in the value of current benefits, and recognition of entitlements regarding savings, free investment, and health.

(3) In November 2015 the company started informing and implementing the “San José” retirement plan, addressed to 56 workers under indefinite term contracts meeting the following characteristics:

Group 1: unionized workers joining the company prior to January 1 of 1992, not meeting retirement requirements as of July 31 of 2010, and on the date of the “San José” retirement plan only having up to 10 years to meet retirement age according to the law.

Group 2: Integral unionized workers currently having up to 2 years to meet the legal retirement age requirement.

Group: Entitled integral unionized workers according to the new company organizational structure**.**

Considering that the success of the above was lower than expected, the company extended it until March 31 of 2016 in order to give sufficient time for the workers to analyze and make their decision, both individually and socially.

As of December 31, 2015, the San José plan was accepted by 26 workers, which started their retirement process on December 15 of 2015 until January 31 of 2016, subject to prior conciliation before the labor court. The administration expects that the remaining workers will accept it.

Benefits under this plan are the following:

Temporary Income: consists in a monthly payment of between 70% and 90% of a 1-month salary, from the moment of contract termination by mutual agreement and up to 4 months after the worker meets the legal age requirement to access the old age pension (62 years men, 57 years women). The respective payment will be made to each participant through the PROTECCION SA pension fund, which is not considered a company asset.

This benefit was given to workers meeting characteristics mentioned in group 1 and group 2. As of December 31 of 2015, 13 workers accepted the proposal, out of 21.

For workers accepting the liability recognized in the financial situation statements, regarding the temporary income, it is the present value of the defined benefit obligation as of the date of the financial situation statements, minus payments made to the pension fund. The obligation for the defined benefit is calculated by independent actuaries using the projected credit unit method. The present value of the defined benefit obligation is established by deducting estimated outgoing cash flows, using interest rates calculated based on the Colombian government public debt titles yield curve denominated in real value units, with terms approximating those of the obligation.

As of December 31, 2015, the actuarial calculation of the temporary income was made by Aon Hewitt México, using hypotheses mentioned in the postemployment benefit plans.

The company created a reserve according to the probability of all workers accepting the benefit.

Retirement bonus: consists in a single payment made to the worker upon signing the respective conciliation agreement, which terminates the labor contract by mutual agreement and is calculated using the current worker salary and his seniority. This benefit was offered to workers meeting characteristics in group 3. As of December 31 of 2015, 17 workers had accepted the proposal, out of 35.

(in thousand pesos)

For accepting workers, the company recognized the respective effects in the income statement according to liquidation and payment of the retirement bonus.

The company created a reserve based on the probability of all workers accepting the agreement.

Other benefits. In addition to the above, the company offered common benefits to unionized and integral workers after their work contract termination by mutual agreement and up to December 31 of 2015, including prepaid medicine and life insurance benefits, among others.

Following are activities under the San José plan as of December 31 of 2015:

	Temporary income	**Retirement bonus**	Other benefits	**Capital benefits**
Period costs from accepted offers	$ 2.254.749	1.643.163	$ 34.037	**$ 3.931.949**
Employer contributions (1)	(1.709.697)	(1.643.163)		(3.352.860)
Costs from acceptance expectation reserve	1.736.183	534.982		2.271.165
Balance as of December 31 of 2015	**$ 2.281.235**	**$ 534.982**	**$ 34.037**	**2.850.254**

18. Taxes payable

Income tax

	As of December 31, 2015	As of December 31, 2014	As of January 1, 2014
Income tax, current (1)	$ 455.766.707	$ 462.876.050	$ 392.436.518
Income tax advance payment	(222.017.188)	(147.673.211)	(186.293.444)
Tax withholdings and deductions	(6.887.826)	(11.525.872)	(15.680.830)
Self withholdings	(57.205.689)	(47.638.565)	(48.083.552)
CREE self withholdings	(41.914.369)	(38.986.679)	(23.530.835)
Assets/liabilities from taxes, current.	**$ 127.741.635**	**$ 217.051.723**	**$ 118.847.857**

(1) As of December 31, 2015 and 2014, liabilities from current income taxes are:

	As of December 31, 2015	As of December 31, 2014
Taxes on gains regarding the year results	$ 452.670.743	$ 462.876.050
Taxes on gains regarding other integral results components (See Note 27)	3.095.964	-
	$ 455.766.707	**$ 462.876.050**

(in thousand pesos)

The main conciliation entries between profits before taxes and taxable net income explaining the difference between the 25% rate for companies corresponding to the income tax and the 14% tax on income on equity - CREE and the CREE surcharge regarding the effective rate on profits of 36.44% as of December 31 of 2015, and 30.15% as of December 31 of 2014, are the following:

Item	As of December 31, 2015 Valor	Rate (%)	As of December 31, 2014 Valor
Accounting profits before income taxes	**$ 1.393.048.039**		**$ 1.454.450.177**
Lines increasing net income			
Wealth tax	35.522.489	5,25	-
Deductible reserves	19.318.713	2,86	14.337.071
Taxed revenues	11.837.153	1,75	30.934.120
Contributions to financial transactions	5.919.403	0,88	2.493.922
Other	2.215.360	0,33	-
Nondeductible expenses	1.693.421	0,25	3.431.231
Nondeductible taxes	278.874	0,04	267.116
Amortization in science and technology	74.090	0,01	123.701
Difference between non-fiscal contributions and pensions	68.695	0,01	102.243
Assumed interests	3.657	0,00	-
Total entries increasing net income	**76.931.855**	**11,38**	**51.689.404**
Entries reducing net income			
Deductions from productive fixed real assets	(243.909.809)	(36,08)	(187.494.134)
Fiscal depreciation and amortization	(125.959.258)	(18,63)	(4.063.216)
Non-taxed revenues	(19.226.750)	(2,84)	(2.948.053)
Total entries reducing net income	**(389.095.817)**	**(57,55)**	**(194.505.403)**
Taxable net income	**1.080.884.077**	**25,00**	**1.311.634.178**
Tax rate	25%		25%
Income tax	**270.221.019**	**(21,17)**	**327.908.545**
Occasional gains	410.970		11.276
Tax rate on occasional gains	10%		10%
Tax on occasional gains	**41.097**		**1.128**
Total income tax	**$ 270.262.116**		**$ 327.909.673**

(in thousand pesos)

Tax on Income for Equity – CREE

Item	December 31 of 2015 Value	December 31 of 2015 Rate (%)	December 31 of 2014 Value	December 31 of 2014 Rate (%)
Ordinary taxable net income	**$ 1.080.884.078**		**$ 1.311.634.178**	
Special deductions				
Donations	598.700	0,12	621.796	0,10
Deductions of productive real fixed assets	243.909.809	49,87	187.494.134	28,75
Minus non-taxed revenues and deductible expenses				
Amortization of investment in science and technology	(74.09)0	(0,02)	(123.701)	(0,02)
CREE taxable net income	**1.325.318.497**	**9,00**	**1.499.626.407**	**9,00**
CREE tax rate and surcharge	9%		9%	
CREE income tax	**119.278.665**	**58,98**	**134.966.377**	**37,83**
CREE taxable net income	1.325.318.497		1.499.626.407	
CREE non-taxable base surcharge	(800.000)	(0,12)	-	
CREE taxable base surcharge	1.324.518.497	5,00	1.499.626.407	
CREE tax rate	5%		0%	
Sobretasa Impuesto de Renta CREE	66.225.925		-	
I CREE income tax and surcharge	**$ 185.504.590**		**$ 134.966.377**	
Total	**455.766.706**		**462.876.050**	

(in thousand pesos)

Equity conciliation

	As of December 31, 2015	As of December 31, 2014	As of January 1, 2014
Accounting equity	$ 3.558.112.111	$ 2.861.661.452	$ 3.434.307.304
Estimated liabilities	46.669.629	29.018.973	27.274.894
Non-fiscal contributions and pensions	68.695	-	-
Fiscal adjustment to assets	458.622.940	486.878.100	492.778.205
Fiscal adjustment to deferred	6.456.031	14.195.720	(10.535.449)
Debtors reserve	3.764.232	1.671.674	180.821
Depreciation of safety inventories	1.159.228	-	-
Fiscal adjustment to investments	7.796.843	-	-
Investment in science and technology	(52.001)	(225.312)	-
Deferred taxes	(81.286.227)	(185.959.545)	(164.168.857)
Deferred depreciation	(259.954.484)	-	-
Fiscal equity	$ 3.741.356.997	$ 3.207.241.062	$ 3.779.836.918

Transfer prices

Taxpayers carrying out operations with economic related parties or related parties abroad are required to establish, for income tax purposes, their ordinary and extraordinary revenues, their costs and deductions, and their assets and liabilities, considering for this prices and profit margins used in comparable operations with independent entities. For 2014, the external advisors updated the study of transfer prices and the supporting documentation required by tax norms, in order to demonstrate that operations with economic related parties abroad were carried out at market prices during 2014 and that no adjustments to the income tax return are required. Such information and documents were delivered on July 16 of 2015. For 2015, the external advisors validated the operations that will be carried out with each economic related party. The study and the documents were started in 2016, expiring on July of that year.

Legal stability contract

Following are the main aspects of the legal stability contract executed between the Ministry of Mines and Energy and the company, formalized on December 20 of 2010:

Object: the company undertakes to build the El Quimbo hydroelectric station (see note 1).

Investment and terms: The initially committed investment related to the project was $1.922.578.143, which was adjusted in 2014 for a total of 2.505.762.578, according to which a total premium of $15.912.514 was paid.

In 2015, the company approved a greater investment in the El Quimbo project, which added to the previous investment, the financial expense, and the restoration plan, amounts to $3.519.128.550, resulting in a legal stability contract adjustment of $4.657.387. This adjustment was proposed to the Ministry of Mines and Energy and to the Legal Stability Committee, its approval still pending.

Key norms object of legal stability (favorable):

a. 33% income tax, exclusion of the presumptive income calculation and special deductions for investments in scientific development and the environment, among others.

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

Parties' obligations

a. Company obligations:

Meet the value of the investment plan for construction and commissioning of the El Quimbo project.

Pay the $9.612.890 legal stability premium, deposited on December 23 of 2010 (see note 10), and adjust it should the investment value be increased, as already indicated. In December 2014 the company paid $6.299.623 on account of

(in thousand pesos)

premium adjustments resulting from the greater investment, for 2015 submitting a $4.657.387 liquidation and payment proposal according to the greater investment approved for that period of time.
Pay taxes timely.

Retain independent auditors to review and certify compliance with commitments under the contract, for which the company hired a specialist third party who issued its opinion with no remarks in March 2015.

b. Nation obligations:

Guarantee during 20 years stability of norms included in the contract, favorable for the El Quimbo project.

19. Other nonfinancial liabilities

	As of December 31, 2015		As of December 31, 2014	As of January 1 of 2014
Deferred revenues (1)	$	3.824.724	$ 2.096.059	$ 2.410.213

(1) Corresponds to revenues received in advance from partial sales of land properties. The revenue is activated once the third-party pays in full, reducing the deferred revenues account and eliminating the land property.

20. Equity

Capital

The authorized capital is comprised of 286.762.927 shares with a face value of $4.400 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 face value of $4.400, distributed as follows:

Shareholding composition, 2015:

Shareholder	Ordinary voting shares		Nonvoting preferential shares		Shareholding composition	
	(%) Participation	Number of shares	(%) participation	number of shares	(%) participation	number of shares
Empresa de Energía de Bogotá S. A. E.S.P.	43,57%	55.758.250	100,00%	20.952.601	51,51%	76.710.851
Empresa Nacional de Electricidad S.A.	31,27%	40.019.173	–%	–	26,87%	40.019.173
Enersis S.A.	25,15%	32.176.823	–%	–	21,61%	32.176.823
Other minority shareholders	0,01%	7.315	–%	–	0,01%	7.315
	100,00%	127.961.561	100,00%	20.952.601	100,00%	148.914.162

As of December 31 of 2013, Enersis S.A. registered before DECEVAL S.A. in its capacity of company shareholder, owning 21.61% of outstanding shares.

Of all the Empresa de Energia de Bogotá S.A. ESP shares, 20.952.601 correspond to nonvoting shares with a preferential dividend of US$0,1107 per share.

Distribution of dividends

For the year ending December 31 of 2014, the General Shareholders Assembly ordered distributing profits against net profits generated according to previous generally accepted accounting principles (Decree 2649 of 1993), existing as of the above date.

(in thousand pesos)

On March 26 of 2016 and according to Minutes No. 88, the General Shareholders Assembly ordered distribution of dividends for $870.141.109 against the 2013 net profits. The entire preferential dividend, $4.589.339, was paid in June 2014; ordinary dividends were paid in June 2014 for 328.640.103 and in November of 2014 for $215.146.525; the rest was paid in January 2015.

On November 27 of 2014 and according to Minutes No. 91, the General Shareholders Assembly ordered distributing dividends for $719.310.264 against the year net profits between January 1 and August 31 of 2014, which were paid in June 2015 for $379.014.586, the balance having been paid in October 26 of 2015.

On March 25 of 2015 and according to Minutes No. 92, the General Shareholders Assembly ordered that profits between September 1 and December 31 of 2014, for $286.222.317, were distributed in dividends for $187.919.676, the remaining $98.302.641 being kept as a reserve for application of the accelerated depreciation according to article 130 of the Tax Code. All dividends will be paid on March 26 of 2016.

Reserves

	As of December 31, 2015	As of December 31, 2014	As of January 1 of 2014
Legal reserve	$ 327.611.157	$ 327.611.157	$ 327.611.157
Reserve for deferred (Art. 130 Tax Code)	98.302.641	-	-
Other reserves	178.127	178.127	178.127
	$ 426.091.925	$ 327.789.284	$ 327.789.284

(1) According to the Colombian law, the company should transfer minimum 10% of the year profits to a legal reserve, until being equal to 50% of the subscribed capital. This reserve is not available for distribution, however subject to being used to absorb losses.

(2) On March 25 of 2015 and according to Minutes No. 92, the General Shareholders Assembly ordered creating an accelerated depreciation reserve, according to Article 130 of the Tax Code, for $98.302.641 against net profits between September 1 and December 31 of 2014, indicating that, for fiscal purposes, the balance reduction depreciation method from 2014 should be used, from the accounting point of view continuing using the straight line method.

21. Revenues from ordinary activities and other revenues

	12-month period from January 1-December 31 of 2015	12-month period from January 1-December 31 of 2014
Energy sales (1)	$ 2.287.875.739	$ 1.865.517.154
Energy pool sales (1)	911.206.155	740.386.646
Energy sales	3.199.081.894	2.605.903.800
Gas sales (2)	30.597.981	1.670.994
Total revenues from ordinary activities	$ 3.229.679.875	$ 2.607.574.794

(1) Energy sales increased 23% compared to 2014, mainly resulting from a 105 Gwh demand increase for the nonregulated market, greater sales under contracts for $133.311, the positive effect of the higher price of pool sales compared to 2014, greater than $0,459 $/kwh, the 9% CPI increase resulting in greater revenues from the wholesale market of $55.741.000, $8.926.000 from the nonregulated market.

(2) On January 14 of 2015, the company registered in the Public Utilities Service Providers Registry according to the current Public Household Utility Services Superintendence, which now has 22 clients in the country.

Negative reconciliations, Resolution CREG 176 of 2015

On February 26 of 2016 the company filed a pre-judicial conciliation application before the General Administrative Attorney's Office in order for the CREG to review negative conciliations issued in October 2015, taking into account that the company considers that such reconciliation should be made in accordance with conditions in resolutions CREG 6 of 2003 and 84 of 2007, so that they cannot be issued with retroactive effects since the methodology under the new CREG 176 of 2015 resolution can only have effects to the future, i.e. from October 28 of 2015, when they were published. To date, the company has not filed a formal claim on account of this claim, waiting for the results of the conciliation audience. The amount of the claim is $100.410.738.

(in thousand pesos)

The XM market administrator, through a letter filed on February 22 of 2016, declared that the company's disagreement regarding article 1 of Resolution CREG 176 of 2015 was well-founded. However, it failed to indicate manners, dates, or amounts according to which the adjustments would be applied to the 2016 invoicing. The company considers that the XM reply is not final upon it not being the entity that should indicate whether Resolution CREG 176 of 2015 follows or not legal norms, added to the fact that the CREG, the market regulator, has maintained its position to retroactively apply such resolution, so that the XM communication provides no certainty regarding company damages being reimbursed, considering unspecified the time during which such recognition can be applied.

Other exploitation revenues

Following are the about revenues:

		12-month period from January 1-December 31 of 2015		12-month period from Janu January 1-December 31 of 2015 Ja
SD real property leases	$	295.808	$	287.589
Other MNR services		86.879		60.290
Leasing of measuring and other equipment		8.778		35.973
Equipment leases		1.327		1.769
Other service provisions		**392.792**		**385.621**
Dyear indemnification (1)		23.185.913		2.565.864
Secondary market, reliability charge		6.646.438		3.773.454
Trader deviation revenue		3.261.766		625.007
Other services		2.173.387		2.358.514
Fines and sanctions (2)		1.621.305		21.357.846
Sale of obsolete material		1.254.771		1.150.546
Material surplus		60.855		44.707
Recovery of other expenses		-		184.511
Other exploitation revenues		**38.204.435**		**32.060.449**
Total other exploitation revenues	**$**	**38.597.227**	**$**	**32.446.070**

(1) Includes the indemnification recognized by Mapfre for $21.680.710 4 the damage to the El Quimbo auxiliary dyke.
(2) In 2014 includes sanctions applied to suppliers associated to work done in El Quimbo, for defaults to schedules or execution times, for $21.314.443.

22. Supplies and services

		12-month period from January 1-December 31 of 2015		12-m 12-month period from January 1-De January 1-December 31 of 2015	12 January 1-D
Energy purchases (1)	$	680.967.739	$	281.367.189	
Energy transportation expenses (2)		270.953.039		240.876.915	
Fuel consumption (3)		236.332.186		113.843.528	
Other variable supplies and Services (*)		133.676.853		134.599.827	
Gas purchases (4)		28.009.195		1.851.033	
	$	**1.349.939.012**	**$**	**772.538.492**	

(1) Increase in reconciled purchases in 150 Gwh, considering the increase in the AGC service assignment and the higher purchase price in reconciliation in 0,421 $/kWh given the higher pool price.

(in thousand pesos)

(2) The increase of transportation costs is mainly the result of the increase of 17,2 GWh in the nonregulated market demand in December 2015, compared to 2014. Additionally, the rates of the national and regional transmission system and the local distribution system increased $0,008/kWh in the average, the value of restrictions having increased $0,0035/kWh.

(3) Greater thermal generation due to security requirements to respond to the El Niño phenomenon. 2015 Cartagena Station liquid fuel consumption of $154.052.432, a 200% increase compared to 2014, equivalent to 258 Gwh. Termozipa mineral coal consumption during 2015 of $76.350.780, a 26% increase compared to 2014 and equivalent to 235 Gwh.

(3) On January 14 of 2015, the company registered in the Public Utilities Service Providers Registry according to the current Public Household Utility Services Superintendence, which now has 22 clients in the country.

Other variable supplies and services (*)

	12-month period from January 1-December 31 of 2015		12-n12-month period from January 1-DeJanuary 1-December 31 of 2015	
Contributions and royalties Law 99 of 1993 (1)	$	54.494.869	$	53.391.061
Restrictions (2)		20.999.319		14.084.043
Solidarity fund, amendment Law 633		16.599.352		15.578.033
Cost CND, CRD, SIC		12.163.117		12.896.343
Other generation support services		9.318.372		14.134.316
Other local taxes associated to the business		4.923.806		3.658.579
Compliance policies		3.977.803		12.455.718
Electric meter reading services		3.359.908		3.173.171
Secondary market, reliability charge		3.019.240		1.841.800
Industry and trade tax		2.573.201		2.007.177
Contributions, regulatory entities		2.247.866		1.379.586
	$	133.676.853	$	134.599.827

(1) According to Law 99 of 1993, the company is required to make transfers to basic sanitation and environmental improvement projects to autonomous regional corporations and municipalities, equivalent to 6% of gross energy sales from own generation in hydraulic stations, 4% in thermal stations, according to the rate indicated CREG for block sales.
(2) Corresponds to limitations the National Interconnected System has to respond to energy requirements. Such restrictions result in forced energy generation that could be more expensive than energy generated under ideal conditions.

Variable margin

2015 was characterized by relatively dry conditions, reflected in incoming water flows in the national interconnected system of 89% compared to the 93% 2014 historical mean, as well as by the occurrence of the El Niño phenomenon, which became stronger from September and caused the pool price to exceed the scarcity price in 109 days during the year and in 10 days in May, continuously from September 20 until the end of the year. The sacarcity price is a cap price for demand, after which the agents are required to meet the energy obligations (Resolution CREG 071 of 2006), obligations' market among generators that financially affected some thermal generators. Given this situation, which affected thermal stations with variable costs exceeding the scarcity price, the CREG issued Resolution 178 of 2015, valid during 6 months, giving the option to remunerate up to 0,47066 $/kWh the firm energy obligations generated with liquid fuels. This resolution is in effect since October 28 of 2015.

(in thousand pesos)

The year's average pool price was 0,378 $/kWh, 68% higher than in 2014, mainly affected by the high prices of the last 4 months of the year resulting from the country's deficit contributions.

The pool price reached an hourly maximum of 2,821 $/kWh in October. This led the CREG to establish a limit to the resources' offer price, 75% of the first rationing step - Resolution CREG 172 of 2015.

Despite this energy situation, the company met, in the accumulated number of days during which the sacarcity price was active, its firm energy obligations before the system, optimally managing the portfolio, which allowed achieving an annual variable gross margin of $1.918.338, 3% higher than in 2014.

23. Personnel expenses

	12-month period from January 1-December 31 of 2015	1212-month period from January 1-[January 1-December 31 of 2015		12 January 1-[
Wages and salaries (1)	$	61.914.545	$	57.454.372
Social security and other social burdens		16.406.319		13.021.316
Expense on account of the retirement plans obligation (2)		6.203.114		-
Other personnel expenses		1.544.493		529.950
Expense on account of the postemployment benefit obligation (3)		1.406.097		355.213
	$	87.474.568	$	71.360.851

(1) As of December 31, 2015 and 2014, corresponds to wages and salaries for 42.987.320 and $41.076.344, bonuses for $9.703.091 and $7.643.911, vacation time and vacation bonus for $3.891.472 and $3.865.693, service bonus for $2.533.828 and $2.270.971, unemployment payments and interests for $2.266.107 and $1.041.408, and payment of employee benefits for $532.727 and $1.556.045, respectively.
(2) Corresponds to expenses associated to the San José voluntary retirement plan (see note 17).

(3) As of December 31, 2015 and 2014, corresponds mainly to the current service of active personnel associated to retroactive unemployment payments for $142.046 and $174.614, 5-year periods for $132.551 and $188.275, respectively. As of December 31, 2015, and as a result of the actuarial calculation made by AON, the effect of 5-year actuarial losses is included for $1,076.371 and ($88.816), respectively.

24. Other fixed exploitation expenses

	12-month period from January 1-December 31 of 2015		12-month period from January January 1-December 31 of 2015	January
Taxes and rates (1)	$	38.330.497	$	2.670.022
Independent professional services, outsourced and others (2)		31.783.139		27.833.198
Insurance premiums (3)		22.334.986		16.162.132
Other supplies and services (4)		17.516.945		19.096.538
Repairs and maintenance		10.353.041		13.510.863
Leases and rent payments		3.417.926		3.368.952
Transportation expenses		1.436.804		1.065.358
Advertising, propaganda, and public relations		2.691.150		1.807.901
	$	127.864.488	$	85.514.964

(in thousand pesos)

(1) Corresponds mainly to recognition of the 2015 wealth tax for $35.522.489 according to Law 1739 of 2014 creating this tax for 2015 through 2017 for legal persons.

	12-month period from January 1-December 31 of 2015		Janu 12-month period from January 1-December 31 of 2015 Jan
Stationed maintenance and operation	$	18.251.241	$ 17.454.622
Fees		3.532.143	2.037.341
Mess hall and cafeteria		3.399.035	3.422.747
Other administration and operation contracts		2.614.469	1.661.282
Industrial safety		1.857.240	1.185.243
Telecommunications service		1.012.197	1.245.669
Software and IT applications development service		764.047	524.694
Materials and office supplies		339.832	285.965
Fuels and lubes		12.935	15.635
	$	**31.783.139**	**$ 27.833.198**

(1) The ALOP policy was paid in 2015, related to El Quimbo work for $2.585.315. The all risk civil liability policy premium increased by $3,610,000.

(2) Corresponds mainly to security services for $5.647.153, cleaning services for $2.582.130, studies and projects for $3.580.631, and donations to the ENDESA foundation for $598.700.

25. Depreciation and amortization expenses and losses from impairment

	12-month period from January 1-December 31 of 2015		12-month period from JJanuary 1-December 31 of 2015 J
Depreciation (1)	$	158.631.638	$ 136.518.547
Amortization (2)		5.496.859	16.150.791
Reversion/losses for impairment of financial assets (3)		457.493	2.760.070
		164.585.990	**155.429.408**

(1) As of December 2015 the increase in the depreciation expense compared to 2014 corresponds mainly to the El Quimbo commissioning, resulting in a 2015 depreciation of $6.575.738. Other increases in this line resulted from work carried out in Termozipa, Cartagena, and Guavio.

(2) The reduction of amortizations as of December 2015, compared to 2014, is mainly the result that in 2014 all expansion projects were fully amortized:

Expansion project	2014 amortization value
Oporapa	$1.269.863
Guatiquia	1.458.382
Cartagena conversion	6.582.776
Total	9.311.021

(1) As of December 31 of 2015 and 2014 corresponds to the balance of personal elements and recovery of commercial portfolio for $167.115 and $2.402.253, respectively, and the balance of the retired employees portfolio recovery and personal elements and other accounts receivable for $290.378 and $357.547, respectively.

(in thousand pesos)

26. Financial results

	12 month period from January 1 to December 31 of 2015		12 month period from January 1 to December 31 of 2014	
Revenues from cash and other equivalent elements (1)	$	11.583.352	$	15.080.565
Interests from financing to clients		1.450.761		1.860.379
Accounts receivable interests		904.638		3.427.556
Financial revenues, net Ingresos		**13.938.751**		**20.368.500**
Financial obligations (2)		(336.710.258)		(284.129.361)
Tags to financial activities		(11.838.805)		(4.987.844)
Postemployment benefit obligation (3)		(5.195.662)		(5.181.715)
Other financial costs		(949.403)		(3.279.104)
Financial leasing		(40.575)		32.922
Valuation of financial derivatives		743.833		94.666
Financial Expenses		**(353.990.870)**		**(297.450.436)**
Gasto financieros capitalizado		168.974.389		159.720.402
Financial expenses not		**(185.016.481)**		**(137.730.034)**
Revenue from realized exchange difference (4)		7.870.676		4.108.925
Expense from non-realized exchange difference (4)		(4.125.346)		(7.930.057)
Exchange differences, net		3.745.330		(3.821.132)
Total financial result, net	**$**	**(167.332.400)**	**$**	**(121.182.666)**

(1) Corresponds mainly to national currency financial revenues from deposits and investments in entities other than financial entities supervised and controlled by the Colombian Financial Superintendence.

(2) Financial obligations as of December 31 of 2015 correspond to interest from bonds issued and generated under the company bonds issuance and placement program, as follows:

Operation		Value
Bonds issued	$	300.578.833
Club Deal		21.623.208
Treasury credits		11.418.648
Bank loans, Banco de Crédito del Perú		2.412.317
Bank loans, Bank Of Tokyo		622.917
Intercompany loans		54.335
Total total expense other financial obligations		$336.710.258

(3) Following are interests from labor pensions and benefits:

item		December 31 of 2015		December 31 of 2014
Pensions		$ 4.506.163		$ 4.656.234
Education		24.714		25.676
Energy		239.308		233.858
5-year periods		149.129		56.289
Unemployment benefits		276.348		209.658
	$	**5.195.662**	**$**	**5.181.715**

Following is the conciliation between the income tax that would result from applying the current general tax rate to the "results before taxes" and the expense entered on account of such tax in the corresponding consolidated income statement as of December 31 of 2015:

(in thousand pesos)

Reconciliation of effective tax rate impuestos	December 31/2015	December 31/2014
Gain/loss	$ 885.455.395	$ 1.015.944.575
Gain/loss from tax on gains	507.592.645	438.505.602
Gains/losses before taxes	**1.393.048.040**	**1.454.450.177**
Current tax legal rate	39%	34%
Tax according to the current legal tax	**(543.288.736)**	**(494.513.060)**
Permanent differences:		
Nondeductible taxes (1)	(2.417.920)	(938.753)
Nondeductible wealth tax	(13.853.771)	-
Not related expenses and other nondeductible expenses (2)	(1.346.349)	(1.523.177)
Expenses from previous years	-	-
Net effect of activities with estimated liabilities and permanent reserves	(755.015)	(139.143)
Assumed interests	(1.426)	(6.157)
Deductions on account of real productive fixed assets	60.977.452	46.873.534
Revenues from previous years	-	-
Net profits from the sale of fixed assets subject to occasional gains taxes	(41.097)	(1.128)
Other permanent differences	(160.048)	(30.925)
Adjustment to the 2014 income tax return (3)	(338.369)	-
Adjustment for rate differences-deferred adjustment previous years	(6.407.365)	11.773.207
Effect of adjustment on the CREE surcharge	40.000	-
Total permanent differences	**35.696.092**	**56.007.458**
Expense/revenue from the tax on gains	**$ (507.592.644)**	**$ (438.505.602)**

(1) Corresponds mainly to 39% of the tax on financial activities for $2.308.567, the vehicle tax for $18.808, and the public lighting tax for $89.953, among others, for $592.
(2) Corresponds mainly to employee entertainment, such as sporting expenses, welfare for $251.635, reserve for nondeductible expenses for $1.182.865, among others, for $88.677.

(3) Corresponds to the adjustment made to the 2014 income tax reserve for ($413.807) and balance reduction depreciation for $752.176.

28. Per-share profits

The basic per share profit is calculated by dividing profits attributable to company shareholders, adjusted according to preferential dividends after taxes, between the weighted average of common outstanding shares in the year. As of December 31 of 2015 there are no common shares acquired by the company.

	12 month period from January 1 to December 31 of 2015	12 month period from January 1 to December 31 of 2015
Year profits attributable to ownersa	$ 885.455.395	$ 1.015.944.575
Preferential dividends (1)	608.754	462.433
Year profits attributable to owners, adjusted for...		
Preferential dividends	878.150.348	1.010.395.377
Weighted average of outstanding shares	148.914.162	148.914.162
Basic per share profits (*)	**$ 5.897,02**	**$ 6.785,09**

(*) In COP
(1) Of all de Energía de Bogotá S.A. ESP shares, 20.952.601 correspond to shares with no voting rights, with an annual preferential dividend of US$0,11 per share.

(in thousand pesos)

29. Integral results

Following are other integral results:

	12 month period from January 1 to December 31 of 2015	12 month period from January 1 to December 31 of 2015
Components of other integral results not reclassified to the year results		
Gains/losses from new measurements of defined benefit plans	$ 2.567.882	$ (2.437.843)
Gains/losses in the measurements in financial instruments measured at reasonable values with changes in the ORI (1)	(1.853.059)	
Reclassification adjustments, financial assets are available for sale	(697.458)	3.704.305
Gains/losses from cash flow hedging (2)	**17.365**	**1.266.462**
Other integral results not reclassified to the year results, net of taxes	(1.024.152)	819.687
Taxes on gains related to components of other integral results not reclassified to the year results		
Gains/losses from new measurements of defined benefit plans (1)	(1.024.152)	819.687
Tax on gains related to cash flow hedging of other integral results (3)	(78.276)	(1.222.421)
Total taxes on gains related to components of other integral results not reclassified to the year results	**(1.102.428)**	**(402.734)**
Total other integral results	**$ (1.085.063)**	**$ 863.728**

(1) As of December 31, 2015, corresponds to losses from the investment in Electricaribe S.A E.S.P as a result of the valuation using the multiples method.

(2) As of December 31, 2015, corresponds to the Mark to Market result of the valuation of hedging derivatives, both for forward and swap.

30. Assets and liabilities in foreign currency

Colombian norms allow for free negotiation of foreign currency through banks and other financial institution, at free exchange rates. However, most transactions in foreign currency require complying with certain legal requirements.

Summary of assets and liabilities in foreign currency:

	As of December 31, 2015		
	(EUR)	*(US)*	*(COP)*
Cash and cash equivalents	**439**	**155.947**	**492.659**
Debtors	119.292	8.640.390	23.500.222
Accounts Payable	(234.366)	(1.372.152)	(5.162.954)
Active net position	**(114.635)**	**7.424.185**	**18.829.927**

	As of December 31, 2014		
	(EUR)	*(US)*	*(COP)*
Cash and cash equivalents	**2.871**	**551.551**	**1.327.922**
debtors	176.270	3.758.553	7.930.408
Accounts Payable	(18.387)	(1.121.906)	(2.944.591)
Active net position	**160.754**	**3.188.198**	**6.313.739**

	As of January 1 of 2014		
	(en EUR)	*(en US Dólares)*	*(en miles de pesos)*
Cash and cash equivalents	**3.583**	**19.528**	**47.166**
Debtors	327.893	4.937.902	10.380.279
Accounts Payable	(14.049)	(363.899)	(749.717)
Active net position	**317.427**	**4.593.531**	**9.677.728**

31. Sanctions

As of December 31, 2015 the company has not been sanctioned on any account.

32. Other policies

In addition to policies related to properties, plant, and equipment (see note 12), the company has the following policies:

Insured good/person	Risk covered	Amount insured	Expiration	Insurance company
Transported goods	Loss or damage of transported goods	limit $2,500,000	31/12/2015	Mapfre
Employees with direct EMGESA contracts	Death, full and permanent disability	Maximum individual insured value: $600	1/01/2016	Generali Colombia
Advisors or directors	Civil liability	US $5000	10/11/2016	AIG Seguros

(in thousand pesos)

33. Commitments and contingencies

I. Purchase commitments:

As of December 31, 2015, the company has energy and fuel purchase commitments, as follows:

Períod	Coal	Fuel	Energy	Total
2016	$ 56.879.457	$ 44.414.523	$ 45.874.157	**$ 147.168.137**

II. Contingencies:

As of December 31, 2015, the following are the main litigations the company is involved in, for which management, with the support of its external and internal counsel, estimates that the result regarding the non-reserved portion will be favorable for the company and will not result in significant liabilities that should be accounted or that, if existing, will significantly affect its financial position.

Industry and trade tax

Companies in the energy generation line in Colombia have been required by the various municipalities in order to apply taxes to the company on account of the industry and trade tax, for this taking its revenues as the basis, this way disavowing application of the special system contained in Law 56 of 1981 according to which it should be calculated taking into account the installed energy generation capacity.

The municipalities of Yaguará, Caloto, Puerto Tejada, Yumbo Puerto Nare and Guachené have made calculations on account of this tax for the tax years of 1998 through 2014, for an accumulated value of $38.996 million, of which $35.790 million correspond to litigations with the municipality of Yaguará.

Annulment and reestablishment of the right petitions are currently underway before the contentious administrative jurisdiction, contesting calculations made by such municipalities. The company, together with its internal and external counsel and based on reiterated legal norms, has concluded that contingent events related to this tax have a remote loss probability for the case of Yaguará and a possible loss probability for the others.

In the latter case, the loss probability's were significantly reduced considering that the Constitutional Court declared applicable article 181 of Law 1 607 of 2014, reiterating that the sale of energy is the conclusion of the generation activity, so that provided the energy sold has been generated by the seller, the ICA tax will only be applied at the location where the generation plant is, according to Law 56 of 1981. The State Council accepted this, in 2016 resolving several process in favor of the company.

2003 tax year income tax

The process is based on the company administration not recognizing benefits resulting from applying the Páez law. As such, tax authorities considered that the company could not avail of benefits considered in such law regarding all its revenues. The process value is $96.393.000.

Together with its external counsel, the company decided that the contingent event related to the 2003 income is remote.

(in thousand pesos)

34. Risk management

The company is exposed to certain risks, which it manages by applying identification, measurement, concentration limitation, and supervision mechanisms.

Among the basic principles defined by the company for its risk management policy are the following:

a) Meet good corporate governance norms.
b) Strictly meet all company norms.
c) Each manager and corporate area defines:

   i. Markets in which it can operate based on knowledge and sufficient capacities to ensure an efficient risk management.

   ii. Criteria on counterparties.

   iii. Authorized operators.

d) Managers and corporate areas established for each market they operate in their predisposition to risk, in a manner concurrent with the defined strategy.
e) All activities carried out by managers and corporate areas are done according to limits approved piecemeal.
f) Managers, corporate areas, and business lines establish risk control management mechanisms, as required to ensure that transactions carried out in the various markets will be done according to company policies, norms, and procedures.

Interest rate risk

Changes to interest rates affect the reasonable value of assets and liabilities accruing fixed interest rates, as well as flows of assets and liabilities reference to a variable interest rate.

The purpose of interest rate risk management is reducing the volatility of the financial expense reflected in the income statement.

Depending on company estimates and the purposes of the debt structure, hedging activities are carried out by contracting derivatives mitigating such risks. Instruments that can be used correspond to rate swaps. The company currently has no interest rate hedging.

The following chart shows the financial expense sensitivity analysis associated to the issued debt, with respect to the % variation of interest rate indexes of the debt:

Index	As of December 31, 2015		As of December 31, 2014	
CPI +/- 267 basic points	(+/-) $	65.542.317	(+/-) $	66.720.345
IBR +/- 199 basic points	(+/-) $	9.100.008	(+/-) $	6.315.149
DTF +/- 153 basic points	(+/-) $	2.038.332	(+/-) $	-

(*) Interest rate changes were taken based on the CPI historical volatility for a 3-year period (2012-2014), for the 2015 and 2014 calculations, respectively, taking twice the series standard variation.

Exchange rate risk

Exchange rate risks could exist basically in the following transactions:

- Obtained by the company in currencies other than that its cash flows are indexed to.
- Payments to be made for the purchase of materials associated to projects, in currencies other than those its cash flows are indexed to.
- Revenues directly related to the evolution of currencies other than those of its cash flows.

Considering that the company functional currency is the Colombian peso, it is necessary to mitigate the exchange rate risk by minimizing exposure of cash flows to the risk of changes in the exchange rate.

Instruments that can be used correspond to exchange rate derivatives (forwards and swaps). The company currently obtains hedges the exchange rate in order to cover payment of invoices in American dollars for the purchase of assets in foreign currency and to cover the debt assumed in foreign currency.

Commodities risk

The company is exposed to the commodities' price variation risk, essentially through purchase-sale energy purchase operations carried out in local markets and the purchase of fuel for operating its thermal stations.

The company carries out most energy purchase transactions under contracts, regarding which a price has been previously agreed, this way mitigating the risk.

Liquid fuels are purchased at market prices and have no price change risk protection. Solid fuels such as coal are fixed in 2-year contracts, indexed to the PPI in order to keep the purchase value stable.

Liquidity risk

The company has a liquidity policy consisting in obtaining long-term loans, temporary cash flows, and financial investments for values sufficient to respond to projected needs and the debt and capital market expectations. Available resources should cover the financial debt service requirements (capital plus interests), net, i.e. after financial derivatives. Following are contractual cash flows of financial liabilities with 3rd parties, up to maturity and without discounts.

(in thousand pesos)

Item	Current			Noncurrent				
	Less than 90 days	More than 90 days	Total current	1-3 years	3-5 years	5-10 years	More than 10 years	Total noncurrent
Bonds issued (capital plus interests)	$ 135.144.741	$ 131.022.722	$ 266.167.463	$ 888.054.790	$ 953.816.893	$1.933.229.291	$ 362.156.166	$4.137.257.140
Bank loans (capital plus interests)	148.293.736	389.887.249	538.180.985	172.842.889	25.055.735	293.017.076	-	490.915.700
Financial leasing obligations (capital plus interests)	59.163	176.622	235.785	434.028	-	-	-	434.028
Derivative instruments	558.011	2.588.526	3.146.537	-	-	-	-	-
Commercial accounts payable and other Accounts Payable	283.625.592		283.625.592	-	-	-	-	-
Total	$ 567.681.243	$ 523.675.119	$ 1.091.356.362	$1.061.331.707	$ 978.872.628	$2.226.246.367	$362.156.166	$4.628.606.868

Credit risk

The company carefully follows up the credit risk.

Commercial accounts receivable

The company credit risk has historically been limited, considering the short payment terms it gives its clients, resulting in significant values being individually accumulated. The regulation allows cutting the service, almost all contracts includi payment defaults as a contract termination circumstance. With this purpose, the credit risk is constantly monitored evaluating general and individual portfolio indicators.

Financial assets

Investments made with the companies available resources (treasury investments), from the operation and with other nc operational revenues, as well as from operations with financial derivatives, are made with national first rate foreign a national financial entities meeting minimum risk ratings required by the company.

The minimum risk rating of financial counterparts should be long-term international investment grade, or its equivale locally, considering the international minimum foreign currency rating in the Republic of Colombia. Investments may only made in counterparts with lower ratings according to limits indicated by non-investment level counterpart risks, or previously approved according to a current risk waiver.

Local risk rating should be issued by a known rating agency, legally established in Colombia. For international risk ratinç those issued by Moody's, S&P and FitCH will be acceptable. Should a financial counterpart have more than one rating, t lowest will be used.

(in thousand pesos)

Operations with liquidity surpluses will meet the following general criteria:

- **Security:** in order to protect the investments portfolio value, resources available for investment should meet credit rati requirements contained in this document.
- **Liquidity:** instruments being part of investments should be highly liquid in the market.
- **Profitability:** in addition to allowed risk limits, the highest return on investment should be sought.
- **Diversification:** avoid risk concentrations in a specific type of issuer or counterpart.
- **Transparency:** all commitments and operations carried out with available resources will be explicitly recorded a supported, according to current norms and procedures.

Risk measurement

Regarding exchange risks, the company calculates the currency forward effectiveness, fully replicating the underlying flov obtained to cover the Colombian peso variation risk versus the dollar upon making payments.

For this, the effectiveness is calculated with retrospective and prospective tests. The latter is defined as the quotient betwe the fair value quarterly difference of the actual forward and the quarterly difference of the hypothetical forward for value.

The hypothetical test is defined as the forward that, on contrac day, fully reduces the exchange rate risk and fully replicat the underlying flows for the respective period. On each evaluation day, which will be quarterly, the quotient should be witl the range of 80-125% for the forward to be effective and considered accounting hedging.

The prospective effectiveness test will be done by comparing changes in fair value between the actual derivative and hypothetical derivative for various exchange rate cases. This simulation consists in moving the forward exchange rate to tv hypothetical scenarios: +20% y -20%. The results of changes in the fair value of both instruments will be compared, having be within a range of 80% - 125% in order to apply hedging. This will demonstrate that the exchange rate movements simila affect the fair value of the hypothetical and the actual derivative.

35. Reasonable value

The reasonable value of financial assets and liabilities is presented according to the value according to which the instrume could be swapped in a current transaction between mutually agreeing parties, not in a forced liquidation transactic according to the defined policy (see note 3.1.8 and 3.113).

Following are financial assets and liabilities having changes between the book value and the reasonable value as December 31 of 2015:

	Book value	Reasonable value
	As of December 31, 2015	
Financial assets (1)		
Commercial debtors and other accounts	325.471.364	324.962.490
receivable Loans and other accounts receivable	10.838.547	10.745.626
Total financial assets	336.309.911	335.708.116
Financial liabilities (2)		
Bonds issued	$ 3.194.212.062	$ 3.195.497.208
Club Deal	305.824.875	282.945.763
Treasury credits	598.039.319	596.058.448
Leasing obligations	601.340	613.024
Total financial liabilities	$ 4.098.677.596	$ 4.075.114.443

(1) The company evaluates accounts receivable and other long-term accounts receivable based on parameters such as interest rates, risk factors in each particular country, the client's solvency, and the portfolio risk characteristics. Based on this, reserves are made to cover expected losses. The reasonable value calculation is only made for

(in thousand pesos)

debts with maturity times longer than one year, corresponding to accounts receivable from XM for compensation of thermal generation defined in Resolution CREG 178 of 2015.

(2) The company uses the zero coupon curve discount rates to calculate the financial liability reasonable value, according to coupon maturities up to full payment of the obligation.

Reasonable values of cash and cash equivalents and commercial accounts payable are rounded to their book values, largely, do to their short-term maturities.

As of December 31, 2015, the company keeps in its financial situation statements the following financial assets and liabilities, measured at reasonable value and classified by levels according to the defined policy (see Note 3.13):

Financial assets	Level 2
Financial investments-nonlisted companies or those with low liquidity levels *(SeeNote 5)*	$ 2.740.235
Financial liabilities	
Derivatives *(See Note 14)*	$3.146.537

36. Approval of financial statements

The Company's general-purpose financial statements as of December 31 of 2015 were approved by the Board of Directors according to minutes No. 428 of February 16 of 2016 for submittal to the General Shareholders Assembly according to the Trade Code.

37. Subsequent events

- **Issuance of ordinary bonds**

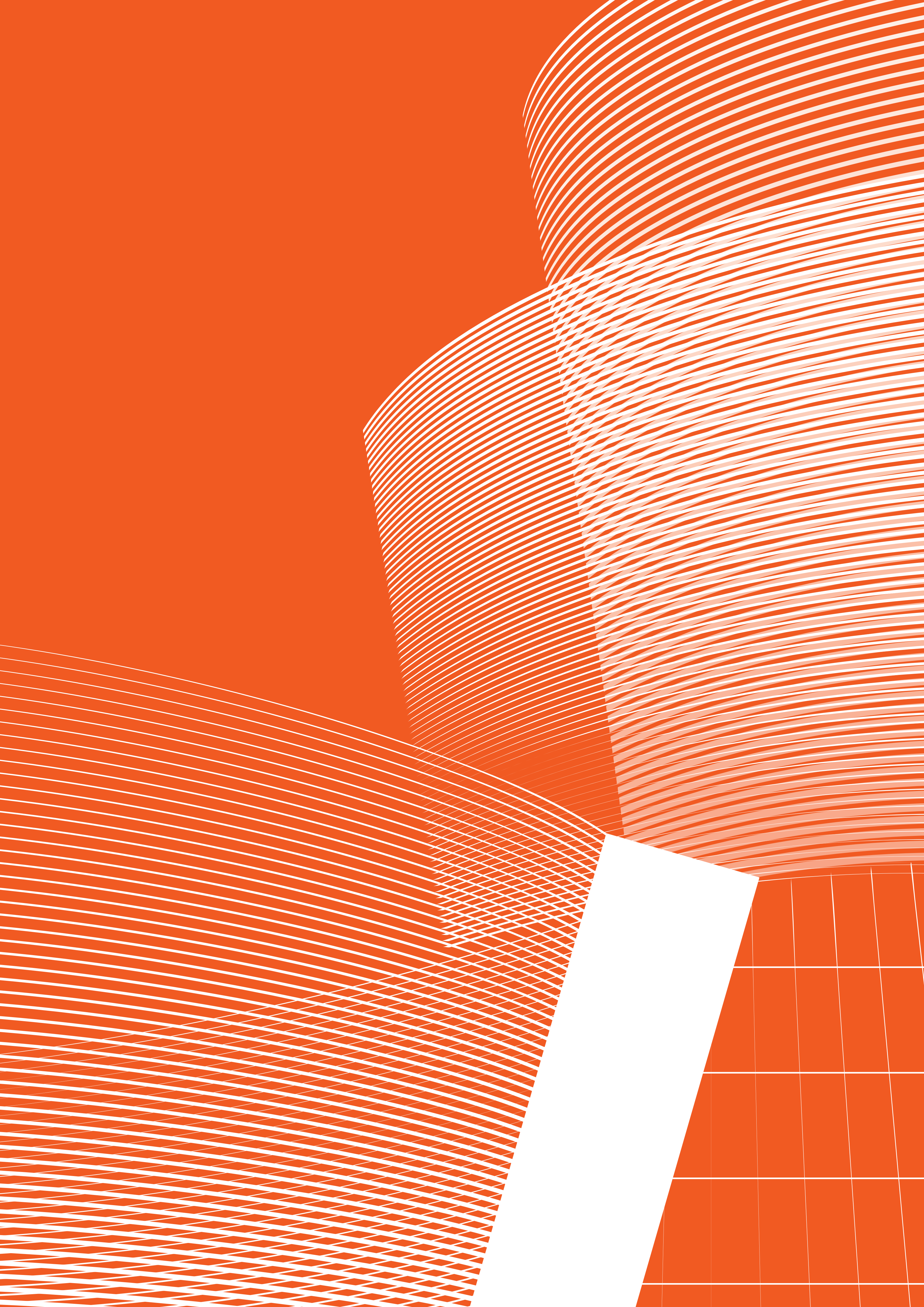
On February 11 of 2016 the Company issued the 7th tranche under the bond issuance and placement program approved by the Colombian Financial Superintendence, for a total of $525.000.000 in 3- and 7-year terms. The program and the bonds are rated AAA by Fitch ratings Colombia. Resources obtained from this issuance will be used to substitute financial obligations and finance the company investment plan. This issuance had a total demand of 1.7 times the value offered, reaching $660.100 million. It was awarded in two series:

Item	SerieS B3	SerieS B7
Indicator	CPI	CPI
Interest rate	CPI + 3.49%	CPI + 4.69%
Term	3 years	7 years
Issuance date	11-02-2016	11-02-2016
Expiration date	11-02-2019	11-02-2023
Interest frequency	TV	TV
Value awarded	234.870.000	290.130.000

- **El Quimbo hydroelectric project:**

With a document dated February 22 of 2016 issued under popular action N° 410012333 00020140052400, the Huila Administrative Court ordered obtaining a policy from an insurance company for $20.000.000, in order to cover economic and environmental damages that could be caused by the hydroelectric station operation. The company is evaluating the contents and the scope of this document in order to establish actions and procedures to be implemented.

Commercial Code



Bogotá, February 11, 2016

Messrs. Shareholders
Emgesa S.A. E.S.P.
Bogotá

Gentlemen:

According to item 3 of article 446 all the Trade Code following is the following economic and financial information, in thousand pesos:

a) Description of expenditures on account of salaries, fees, trip expenses, representation expenses, bonuses, benefits in kind and in cash, expenditures on account of transportation, and any other type of remuneration received by each company director.

Fees paid to the members of the Board of Directors

Third party	12 month period from January 1 to Dec of 2015
	.
BONILLA GONZALEZ RICARDO	$ 37.594
GUTIERREZ MEDINA FERNANDO	8.494
HERRERA LOZANO JOSE ALEJANDRO	20.558
JIMENEZ RODRIGUEZ DIANA MARCELA	3.126
LAFAURIE LUISA FERNANDA	31.446
LOPEZ VALDERRAMA ANDRES	3.436
MALDONADO COPELLO MARIA MERCEDES	17.035
RIGA BRUNO	25.974
ROA BARRAGÁN RICARDO	34.768
RUBIO DIAZ LUCIO	37.594
TORRES MACIAS ALVARO	2.825
VARGAS LLERAS JOSE ANTONIO	37.594
VAT prorate	338
Total	**$ 260.782**

Fees paid to the members of the Audit Committee

Third party	12 month period from January 1 to Dece of 2015
	.
HERRERA LOZANO JOSE ALEJANDRO	$ 5.156
LAFAURIE LUISA FERNANDA	9.345
MALDONADO COPELLO MARIA MERCEDES	6.222
PRORRATEO DE IVA	580
ROA BARRAGÁN RICARDO	11.378
RUBIO DIAZ LUCIO	7.286
VARGAS LLERAS JOSE ANTONIO	4.092
Total	**$ 44.059**

b) The above payments, made to advisors or managers, related or not to the company under work contracts, should their main responsibility be processing issues before public or private entities or advising or preparing studies for such processes.

Legal counsel fees:

Third party	Item	12 month period from Jan 1 to December 31 of 20
AESCA S A	ASESORIA LABORAL	146.546
ALVAREZ ARIAS EINAR ANDRES	LEGAL COUNSEL	9.917
ARANGO GARCIA JUAN JOSE	LEGAL COUNSEL	11.600
AREZ CONSULTORES Y ASESORES S A S	LEGAL COUNSEL	59.284
BAKER & MCKENZIE SAS	TAX COUNSEL	40.143
BVQI COLOMBIA LTDA	LEGAL COUNSEL	11.983
CRUZ RINCÓN GERMAN JAVIER FERNANDO	LEGAL COUNSEL	10.400
ETEK INTERNATIONAL CORP SUCURSAL CO	LEGAL COUNSEL	27.760
GARRIGUES COLOMBIA SAS	LEGAL COUNSEL	40.600
HINCAPIE MOLINA JUAN GUILLERMO	LEGAL COUNSEL	1.392
HURTADO MORA JORGE IVAN	LEGAL COUNSEL	5.000
LEWIN & WILLS ABOGADOS LTDA	LEGAL COUNSEL	18.059
LOBOGUERRERO GUTIERREZ LTDA	LEGAL COUNSEL	18.637
LUPA JURIDICA S A S	LEGAL COUNSEL	6.126
QC INVERSIONES SAS	LEGAL COUNSEL	27.389
QUIÑONES CRUZ ABOGADOS SAS	ASESORIA FISCAL	32.659
TAMAYO JARAMILLO JAVIER	LEGAL COUNSEL	70.142
VELASQUEZ RAMIREZ MARTHA INES	LEGAL COUNSEL	50.207
YAZO HERRERA ERIK JHOANI	LEGAL COUNSEL	91.000
Total		**$ 678.844**

Advisor fees:

FEES FOR AUDITS, ASSISTANCE, AND STUDIES		
Third party	**Item**	**12 month period from 1 to December 31 o**
AON MEXICO BUSINESS SUPPORT SA DE C	HONORARIOS CALCULO ACTUARIAL	$ 18.257
BBVA CHILE	VALORACION PROYECTO ENERGIAS ALTERNATIVAS	139.978
CONINGLES LTDA	ASESORIA SELECCIÓN	3.702
CONSULTORES UNIDOS SA	HONORARIOS INVENTARIO ACTIVOS FIJOS	60.000
COSINTE LTDA CONSULTORIA SEGURIDAD	ASESORIA SELECCIÓN	9.486
ERNST & YOUNG AUDIT S.A.S	HONORARIOS REVISORIA FISCAL	368.930
ERNST & YOUNG AUDIT S.A.S	HONORARIOS OTROS TRABAJOS DE AUDITORIA	569.924
HAY GROUP LTDA	HONORAIOS ESTRUCTURA DE CARGOS	100.000
INSIGHT M&C SAS	ASESORIA SELECCIÓN	16.066
KPMG IMPUESTOS Y SERVICIOS LEGALES	ASESORIA FISCAL	76.940
MARGARITA PAEZ Y CONSULTORES S A	ASESORIA SELECCIÓN	6.612
MCKINSEY & COMPANY	ASESORIA GO TO MARKET	326.767
NATALIA GODOY CONSULTORES	ASESORIA LABORAL	25.708
PRICEWATERHOUSECOOPERS ASESORES	PRECIOS DE TRANSFERENCIA	36.750
PRICEWATERHOUSECOOPERS ASESORES	HONORARIOS MAPPATURA	529.102
PRICEWATERHOUSECOOPERS LTDA	ASESORIA NIIF	55.650
VAT prorate	PRORRATEO DE IVA	201.655
Total		**$ 2.545.527**

c) Description of advertising and public relations expenses: radio, television, mail, printed material, and public relations.

PRINTED MATERIAL AND PUBLICATIONS		
Third party	**Item**	**12 month period from 1 to December 31 o**
CRANE FERRO JULIANA	TRADUCCION ESTADOS FINANCIEROS	$ 9.537
FORMAS Y PAPELES LTDA	IMPRESIONES	2.615
MARTINEZ SABA FANNY AZUCENA	IMPRESIÓN BROCHURE BVC	917
OOKRE IMPRESORES LTDA	MATERIAL CORPORATIVO	100.984

PRORRATEO DE IVA	PRORRATEO DE IVA	224
PSICOLOGOS ESPECIALISTAS ASOCIADOS	MATERIAL CORPORATIVO	16.247
SANCHEZ HERNANDEZ YADY ANDREA	MATERIAL CORPORATIVO	316
SARMIENTO QUINTERO LUZ DARY	IMPRESIÓN ESTADOS FINANCIEROS	515
SERVI FLASH IMPRESORES SAS	IMPRESIONES	8.614
SOS SOLUCIONES DE OFICINA Y SUMINIS	IMPRESIONES	1.962
T C IMPRESORES LTDA	IMPRESIONES	568
T C IMPRESORES LTDA	MEMORIAS ANUALES	13.489
Total		**$ 155.988**

PUBLICITY AND PROPAGANDA		
Third party	**Item**	**12 month period from J 1 to December 31 of**
ABC PRODEIN	RELACIONES PUBLICAS	$ 36.470
AD ORANGE S.A.S.	EVENTOS CORPORATIVOS	14.579
ANGULO RODRIGUEZ RICARDO DANIEL	EVENTOS CORPORATIVOS	810
ARKADIN COLOMBIA SAS	EVENTO RESULTADOS	9.191
CARAT COLOMBIA SAS	AVISO DE PRENSA	60.378
CARAT COLOMBIA SAS	RELACIONES PUBLICAS	2.139
CASA EDITORIAL EL TIEMPO S A	AVISO DE PRENSA	409
DARIO RAMIREZ MACIAS	EVENTOS CORPORATIVOS	1.048
DIAZ FLORO ALVAREZ	RELACIONES PUBLICAS	1.900
EDITORA DEL HUILA LTDA.	AVISO DE PRENSA	10.000
ENERGÍA LABSTORE S.A.S.	EVENTOS CORPORATIVOS	28.212
EVENTOS EFECTIVOS Y PRODUCCIONES S.A.	EVENTOS CORPORATIVOS	213.934
EVENTOS EFECTIVOS Y PRODUCCIONES S.A.	RELACIONES PUBLICAS	1.662
HELICOPTEROS NACIONALES DE COLOMBIA	EVENTOS CORPORATIVOS	15.599
J M C Y ASOCIADOS S A	RELACIONES PUBLICAS	395
MINDSHARE DE COLOMBIA LTDA	PAUTA PUBLICITARIA	144.540
PUBLICIS GROUPE MEDIA S.A.	RELACIONES PUBLICAS	184.609
YOUNG & RUBICAM BRANDS SAS	INTERNET - REDES SOCIALES	2.278
VAT prorate	VAT prorate	546
Total		**$ 728.699**

Participation in events, congresses, and sponsorships

TRANSFERS OF MONEY AND GOODS, GRATIS		
Third party	**Item**	**12 month period from Janu 1 to December 31 of 201**
ACOLGEN	PATROCINIO 2015	$ 24.900
ASOCIACION COLOMBIANA DE GAS NATURAL	SPONSORSHIP 2015	12.000
ASOCIACION COLOMBIANA DE INGENIEROS	SPONSORSHIP ENERCOL 2015 BE2000	7.656
CORPORACIÓN PARA LA PROMOCIÓN DE LA	SPONSORSHIP FESTIVAL DEL B	60.000
FIDUCIARIA DAVIVIENDA	SPONSORSHIP CONGRESO MEM NOV15	14.500
Total		**$ 119.056**

d) Transfers of cash and other goods, gratis or in any other manner, or to similar persons, made in favor of natural or legal persons.

Transfer of goods and money, gratis

Third party	Item	12 month period from January 1 to December 31 of 2015	12 mon
FUNDACION ENDESA	Foundation contribution	$598.700	

e) As of December 31, 2015, cash or other goods the company has a broad, and obligations in foreign currency, are:

	As of December 31, 2015		
	(EUR)	*(US)*	*(COP k)*
Cash and cash equivalents	**439**	**155.947**	**492.659**
Debtors	119.292	8.640.390	23.500.222
Accounts payable	(234.366)	(1.372.152)	(5.162.954)
Net active position	**(114.635)**	**7.424.185**	**18.829.927**

f) As of December 31, 2015, company investments in other national or foreign companies are the following, using the cost method:

Share part. titles	Economic activity	Relationship	Ord. shares	% Participation	Value 31/12/15	Value 31/12/14	Value 1/1/14
Sociedad Portuaria Central Cartagena S.A.	Port services	Subsidiary	55.071	95,95	$5.507	$ 5.507	$ 5.507
Emgesa Panamá (1)	Energy	Subsidiary		100,00	46.572	46.572	17.981
					$ 52.079	**$ 52.079**	**$ 23.488**

Financial investments in nonlisted companies are :

Share part. titles	Ec. activity	Ord. shares	% Particip	Value 31/12/15	Value 31/12/14	Value 1/1/14
Electrificadora del Caribe S.A. E.S.P.	Energía	109.353.394	0,22%	2.740.213	4.593.294	4.596.575
Termocartagena S.A. ESP. (ahora Vista Capital S.A. en Liquidación)	Energía	22	0,00%	22	22	22
				2.740.235	**4.593.316**	**4.596.597**

JOSE ANTONIO VARGAS LLERAS **FERNANDO GUTIERREZ MEDINA**

Informe Especial de Grupo Empresarial

Bogotá D.C., 16 de febrero de 2016

Messrs.
GENERAL SHAREHOLDERS ASSEMBLY
EMGESA S.A. ESP
Bogotá

Ref.: Special Report from the Corporate Group

In my capacity of General Manager of Emgesa S.A. ESP (hereinafter EMGESA) and according to article 29 of Law 222 of 1995, following are the most significant activities carried out by EMGESA with economically related parties between January 1 and December 31 of 2015:

i) <u>Sociedad Portuaria Central Cartagena S.A. (Enel Group)</u>

- Sociedad Portuaria Central Cartagena S.A., (SPCC) provided to EMGESA port infrastructure availability services for $663.005.786, inclusive of VAT.
- Emgesa provided to SPCC administrative management services for the Port company, for $120.546.504, inclusive of VAT.

ii) <u>Codensa S.A. ESP (Enel Group)</u>

- Emgesa executed with Codensa S.A. ESP energy sale agreements for its regulated and nonregulated market, of 1.934,6 GWh for $291.944.079.589.
- Emgesa S.A. executed with Codensa S.A. ESP service provision agreements for various services, for $289.696.999.
- Codensa S.A. ESP provided to EMGESA electric energy services, to the municipality of Mámbita, and other services, for $1.561.318.836, inclusive of VAT.

iii) <u>Enel Iberoamerica SRL - (Enel Group) (formerly Enel Energy Europe SL)</u>

- Emgesa executed with Enel Iberoamerica SRL agreements for IT services, software licensing, and others for $390.542.201, inclusive of VAT.

iv) <u>Empresa Nacional de Electricidad S. A. (Endesa Chile - Enel Group)</u>

- Emgesa executed with Endesa Chile an engineering services agreement for investment projects and miscellaneous studies for USD 2.250.394, inclusive of VAT.

v) <u>Enel Ingegneria e Ricerca SpA- (Enel Group)</u>

- Emgesa executed with Enel Ingegneria e Ricerca services and engineering services agreement for investment projects and miscellaneous innovation studies - Cost Contribution Agreement (CCA), for USD 1.152.566, inclusive of VAT.

vi) <u>Fundación Enel Colombia - (Enel Group)</u>

- Emgesa provided to Fundación Enel Colombia $598.700.000 for its operation.

vii) <u>Enel Green Power S.A.S - (Enel Group)</u>

- Emgesa sold wind prospecting assets to Enel Green Power for $4.375.000.000.

Bruno Riga

BRUNO RIGA.
Gerente General

emgesa

Grupo Enel

www.emgesa.com.co