

11|04|2013

Endesa in Colombia 2012 Results

As of December 31st, 2012



1

2012 Endesa Group Results

2

Emgesa and Codensa FY 2012 Results

3

2013 Outlook and Strategic Projects

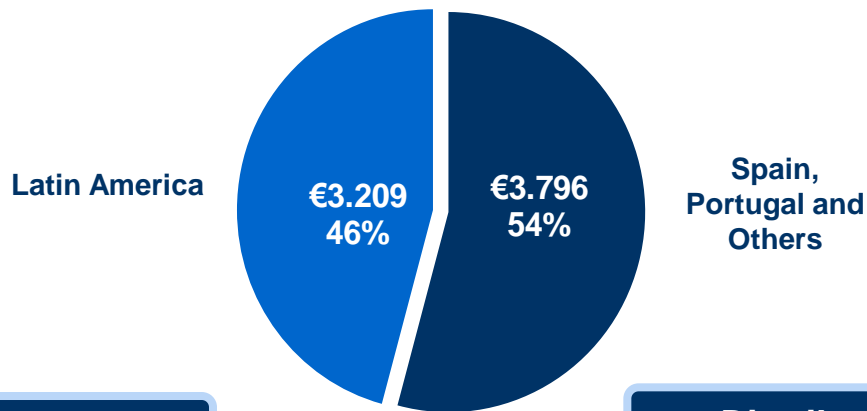
4

Q&A

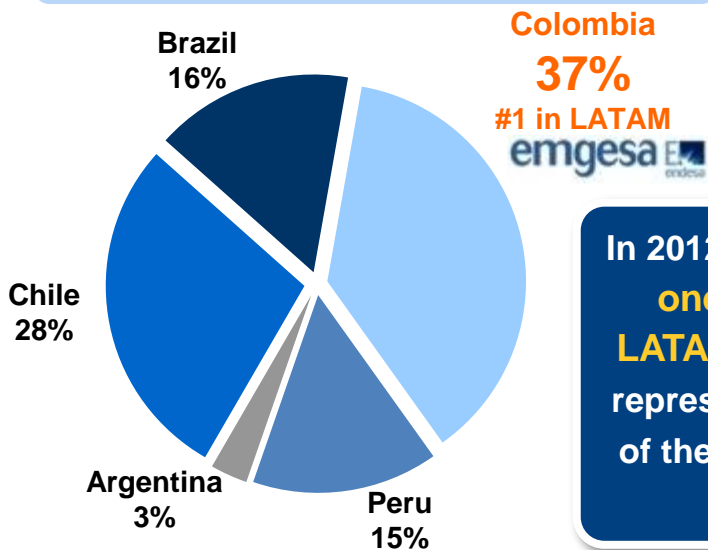
Latam and Colombia: Relevant assets and increasing participation within the Endesa Group



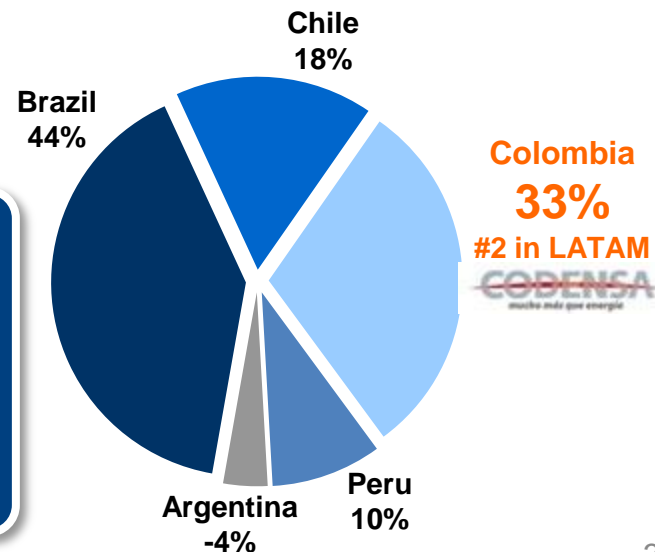
Endesa 2012 EBITDA
€7,00 Bn



Generation- Latam EBITDA
€1,61 Bn



Distribution- Latam EBITDA
€1,54 Bn



In 2012 Colombia was the number one EBITDA contributor in LATAM (34% vs. 25% in 2011) and represented 16% (vs. 11% in 2011) of the Endesa Group consolidated EBITDA

- 1 2012 Endesa Group Results
- 2 **Emgesa and Codensa FY 2012 Results**
- 3 2013 Outlook and Strategic Projects
- 4 Q&A

Positive results that confirm new achievements for our strategic goals of growth and competitiveness



Growth



Competitiveness



Advancement in our main **civil works and social and environmental plans in El Quimbo**

778 commercial frontiers served in the Unregulated Market (14.5% market share)

Record high availability index for our generation plants (90.44%) and execution of preventive maintenance projects within expected schedules

Important growth in Emgesa's generation (+10% vs. 2011) due to favorable rainy conditions during the IH2012 and proactive management of water reserves during the IIH2012

Club Deal refinancing for COP\$305 billion with local banks.

Successful local bond issuance in December 2012 for COP\$500 billion

Positive results that confirm new achievements for our strategic goals of growth and competitiveness



Growth



Competitiveness



New **remote distance measurement technologies for electricity** (Mantis) and programs to incentive a culture of payment for the electricity service with **positive results in the losses index**

Installation of smart public lighting (33 new Led light bulbs in Bogota) and **3,169 new luminous sites in the Central region of the country** (La Sabana and Cundinamarca)

Quality service plan advancement with the intervention of 80 distribution feeders, 300 operation equipments and remote control of 228 reconnection equipments

New “sweet invoice”, printed in recycled paper from sugar cane and locally produced, the new invoice helps to reduce paper consumption by 50 Tons and to preserve 750 trees annually

3 million visitors of the Christmas lighting in Bogota, an initiative of Codensa and private companies, increasing coverage by 28% compared to 2011

News in electric mobility: acquisition of 15 electric vehicles Mitsubishi iMIEV, pilot programs: 34 electric motorcycles, 50 electric taxis and 48 electric bicycles for the E-Bike to Work program

1 2012 Endesa Group Results

2 Emgesa and Codensa FY 2012 Results

Operational Results

Financial Results

3 2013 Outlook and Strategic Projects

4 Q&A

Service efficacy and efficiency, due to preventive maintenance and quality of assets

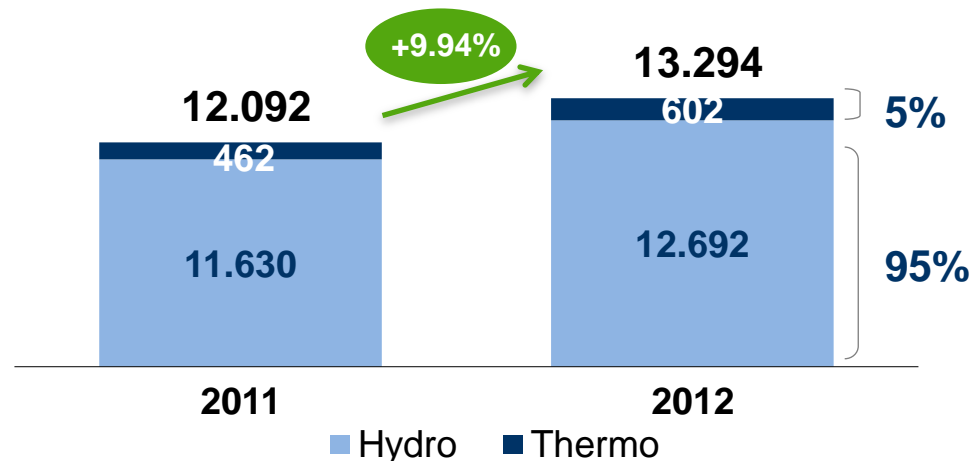
Record high availability index of plants in 2012: **90.4%** (+1.72% vs. 2011)

Market share by installed capacity in 2012: **19.6%**

Market share by generation in 2012: **22.2%**

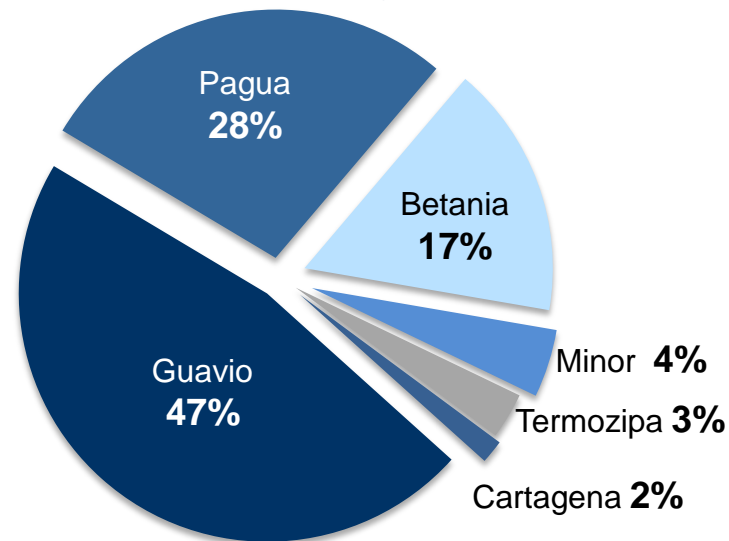
Source: Emgesa

Emgesa's Generation (GWh)



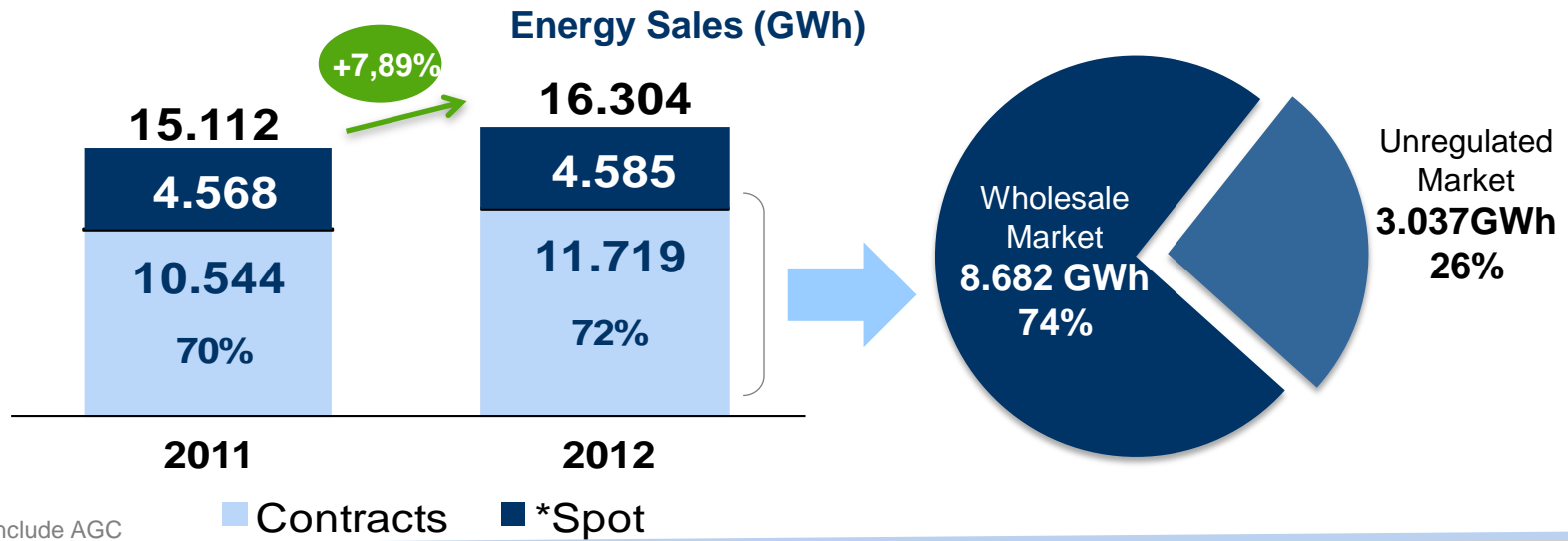
Emgesa's Generation Plants Share

(% of Emgesa's 2012 total generation)



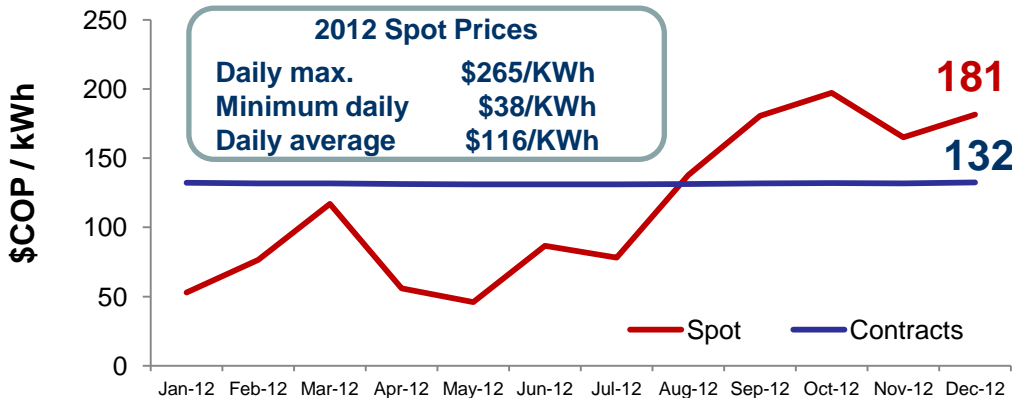
Relevant market share in Colombia, due to high quality of our generation assets, which contribute to guarantee the energy supply for the country

Relevant growth in sales with minimum exposition to risks

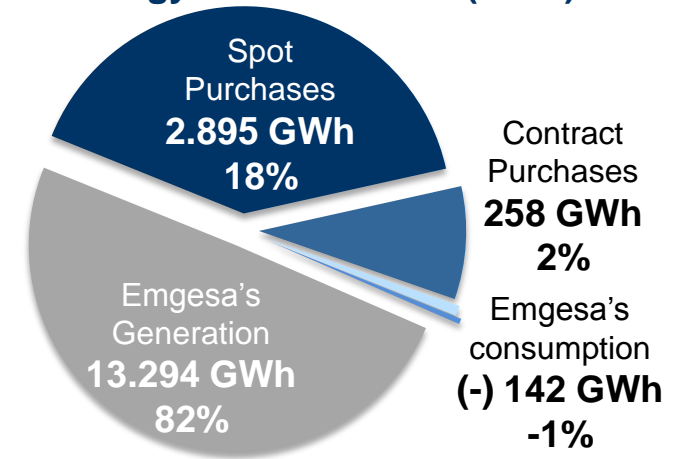


Spot Price vs. Contract Prices 2012

Colombian Market



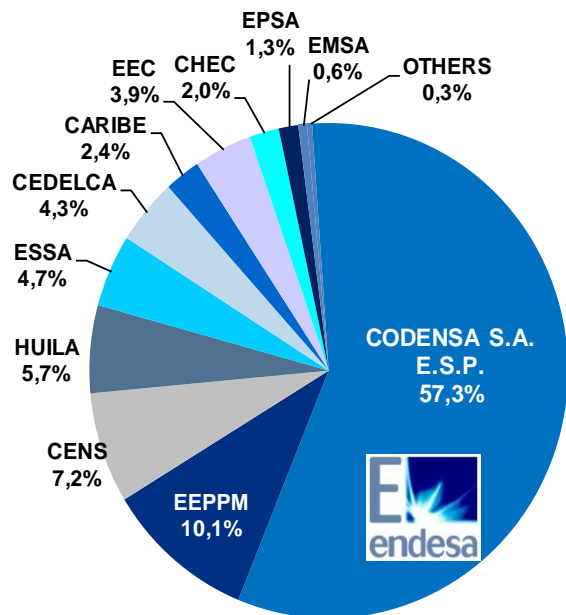
2012 Energy Sales Sources (GWh)



Commercial policy aiming to achieve an optimal mix of sales through spot and contracts, to minimize operational margin volatility and grant stability to cash flows

Wholesale Market Clients

(% of sales to wholesale market in GWh)

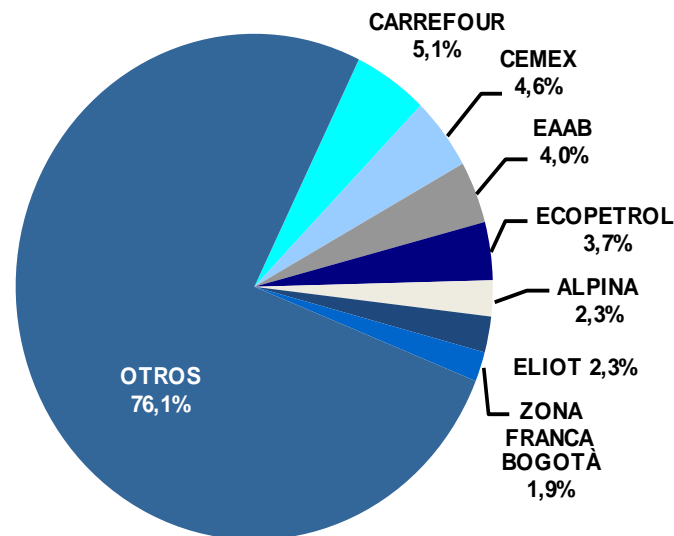


Contract sales to Wholesale Market: 8,682 GWh

Sales to 14 agents in this market

Unregulated Market Clients

(% of sales to unregulated market in GWh)



Sales to Unregulated Market: 3,037 GWh

Monthly average of 778 commercial frontiers served

14,5% of market share

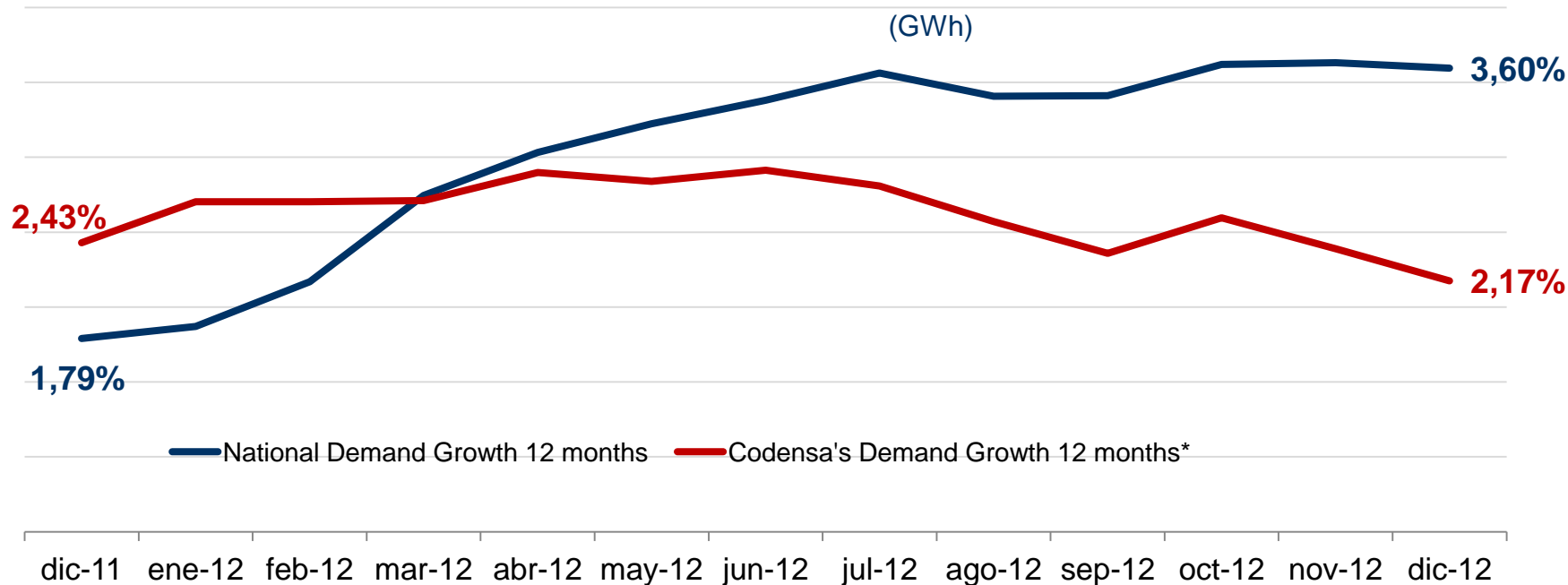
New commercial information system (Genesis), 5,229 client calls attended, 1,240 visits to clients in the unregulated market and new Web site for unregulated clients

Minimum historical monthly past due accounts index at 1%

ISCAL Quality Satisfaction Index from clients from the unregulated market at 86.1% (vs. 82.7% in 2011)

Decrease in the growth rate of energy demand in Codensa's area

National Demand vs. Codensa's Area Demand (12 months)



Source: Codensa. Annual Average Rates

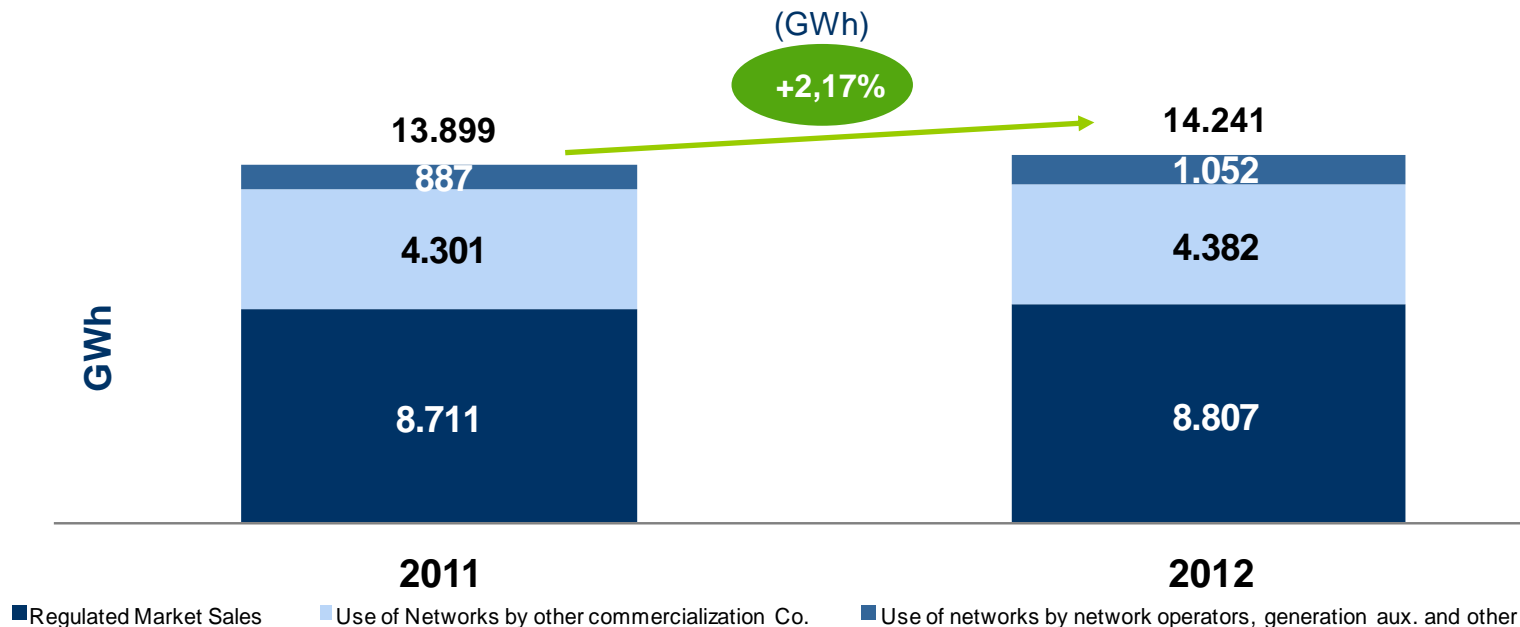
* Energy demand in Codensa's area is calculated including the electricity received by the Guaca Substation which is destined to the regional distribution company of Tolima from 2013 on, increasing the use of Codensa's networks by other network operators. For comparison reasons the data from January 2011 was recalculated including this correction.

National energy demand growth in 2012: 3.6%, the highest in the last 5 years, due to higher demand of electricity in the mining activity in the country (+20.6% growth), including the recovery of the energy demand from **Cerro Matoso**, an important ferronickel producer, which had been in maintenance in 2011

Growth rate of energy demand in Codensa's area: 2.17%, due to lower demand from industrial clients effective through the use of Codensa's networks, given the slower activity of this sector in the central region of the country

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

Electricity Demand in Codensa's Area



Source: Codensa. Energy transferred to network operators from other regions includes energy sent to Tolima in 2011 and 2012

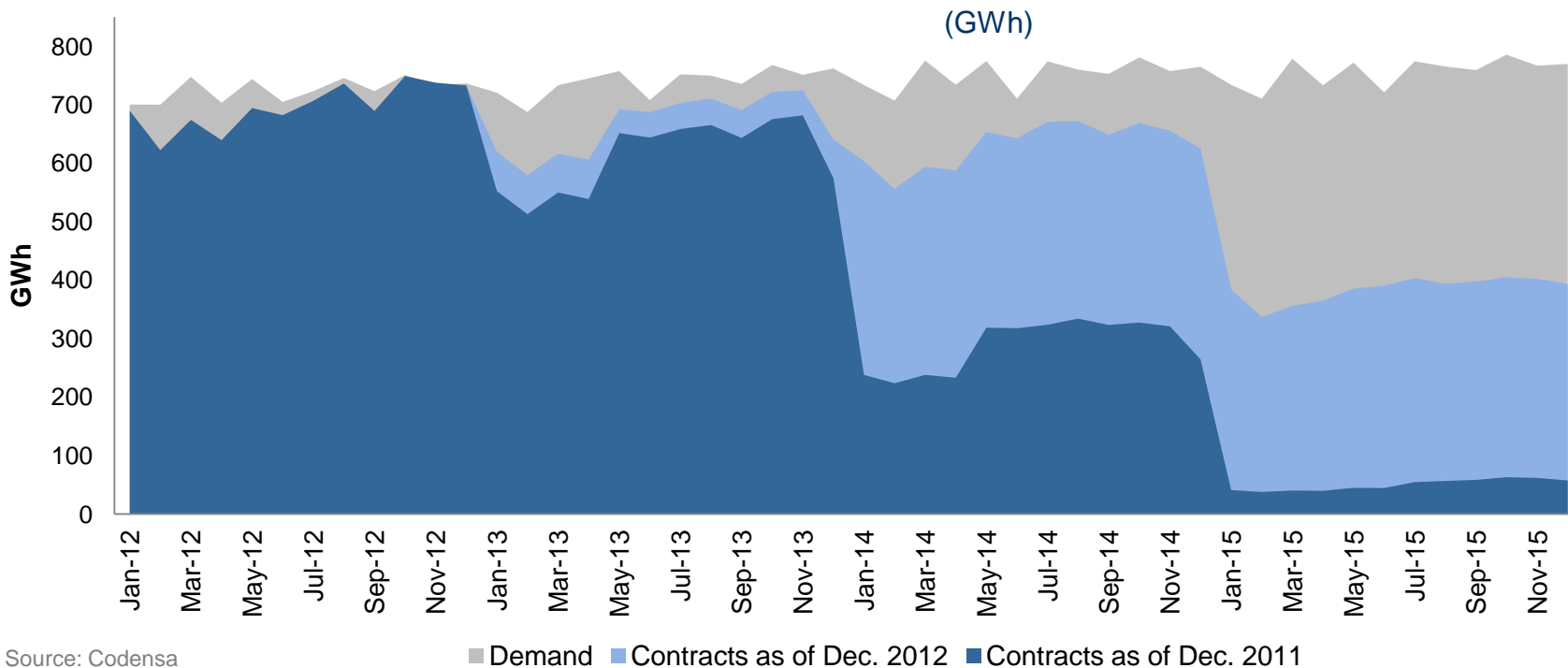
+0.82% in energy sales volume to the regulated market

+1.6% growth in use of Codensa's networks by other commercialization Co., but below average growth of previous years

+18.3% growth of energy transferred to network operators from other regions from Codensa's area

Forward looking efforts to reduce exposure to spot prices among residential clients

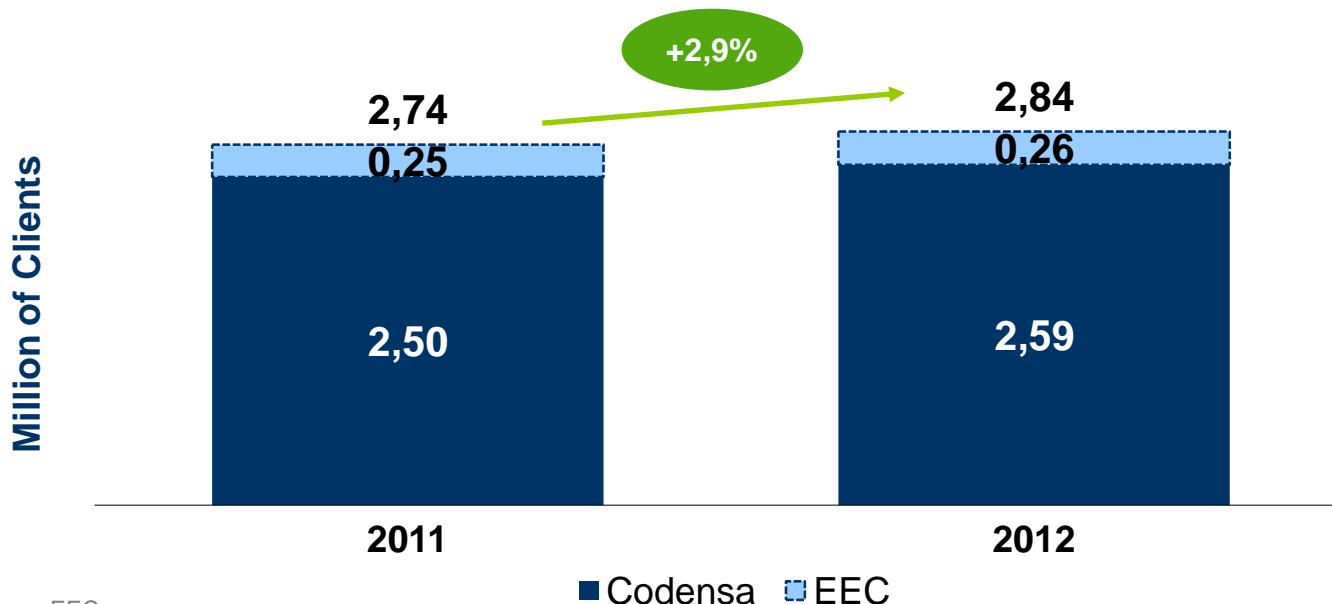
Codensa's Energy Purchases Through Contracts



Sales supported by contracts: **96% in 2012, 91% in 2013, 87% in 2014 and 51% in 2015**

Commercial policy that aims to **increase energy sales hedging through mid-term contracts** that **guarantee stable tariffs** to the final client reducing exposure to spot price

Number of Clients Growth in the Distribution Business



Source: Codensa y EEC

Important organic growth in Codensa's area: **+92.000 new clients** added in 2012, surpassing annual estimated growth by **32%**

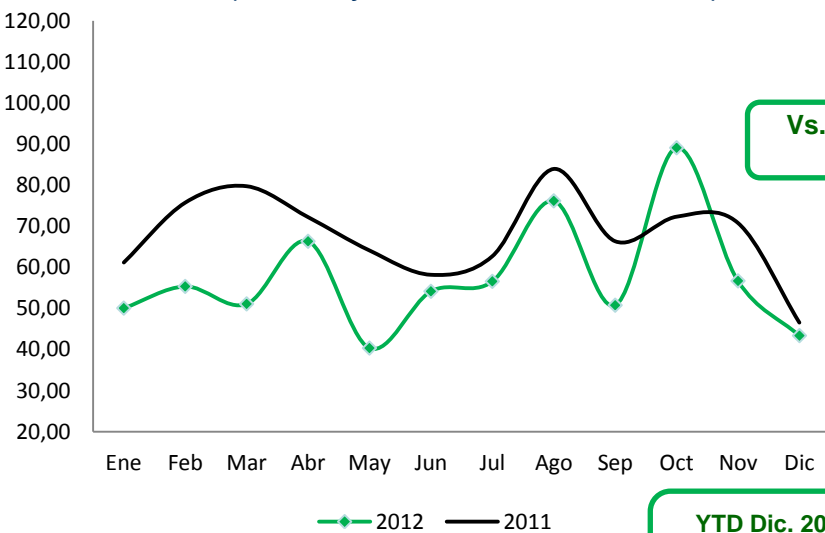
More than **2 million calls from clients** received and resolved, more than **3,7 million transactions via web page** from Codensa's clients up to December 2012 and **service through social networks** (Facebook, Twitter and Web site)

Improved quality service indexes under international competitiveness standards

International Quality Service Indexes

12 months

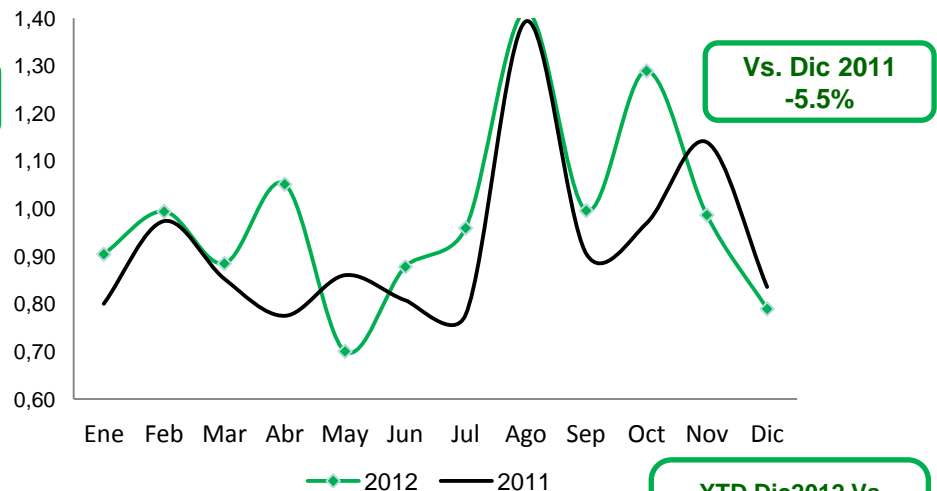
SAIDI*
(Monthly Hours-Standardized)



Source: Codensa

**YTD Dic. 2012 Vs
YTD Dic. 2011.
-15.2%**

SAIFI**
(Number of interruptions-Standardized)



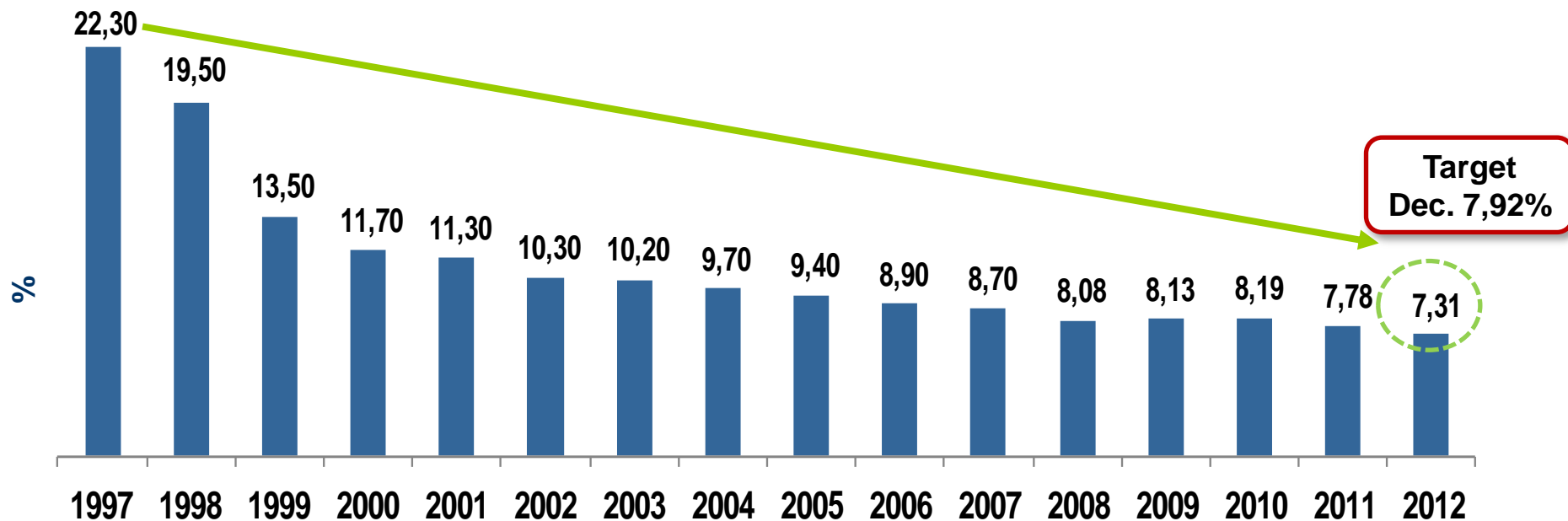
**YTD Dic2012 Vs
YTD Dic 2011
6.8%**

*SAIDI: System Average Interruption Duration Index, is the average outage duration for each customer served
 **SAIFI: System Average Interruption Frequency Index, is the average number of interruptions that a customer would experience
 Standardized indexes include interruptions which are manageable by the company, and exclude major force and external events

Improvement in quality service under international competitiveness standards after adopting emergency measures to reduce effects of the rainy season experienced in 2011 and 2012

Reinvention of strategies to control losses to reach low historical results

Energy Losses Index



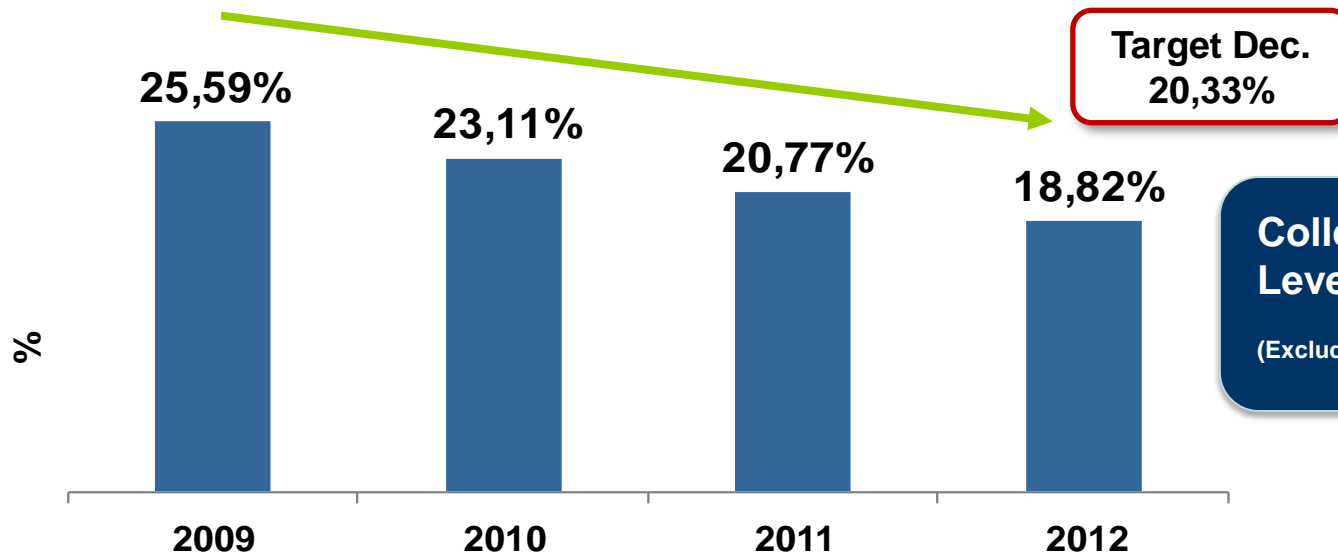
Source: Codensa

Losses Index at historical lows: 7.31% as of Dec. 2012 due to monitoring center *Mantis*, remote measurement in medium tension, theft control, client monitoring and programs to incentivize payment of the energy service

CREG Resolution 111 of 2012 approved **Codensa's new regulatory targets for the energy losses index, which will be recognized through low tension tariffs**, capturing premiums of efficiency between real regulated losses for the next 5 years

Past Due Accounts Evolution *

Excluding Public Lighting



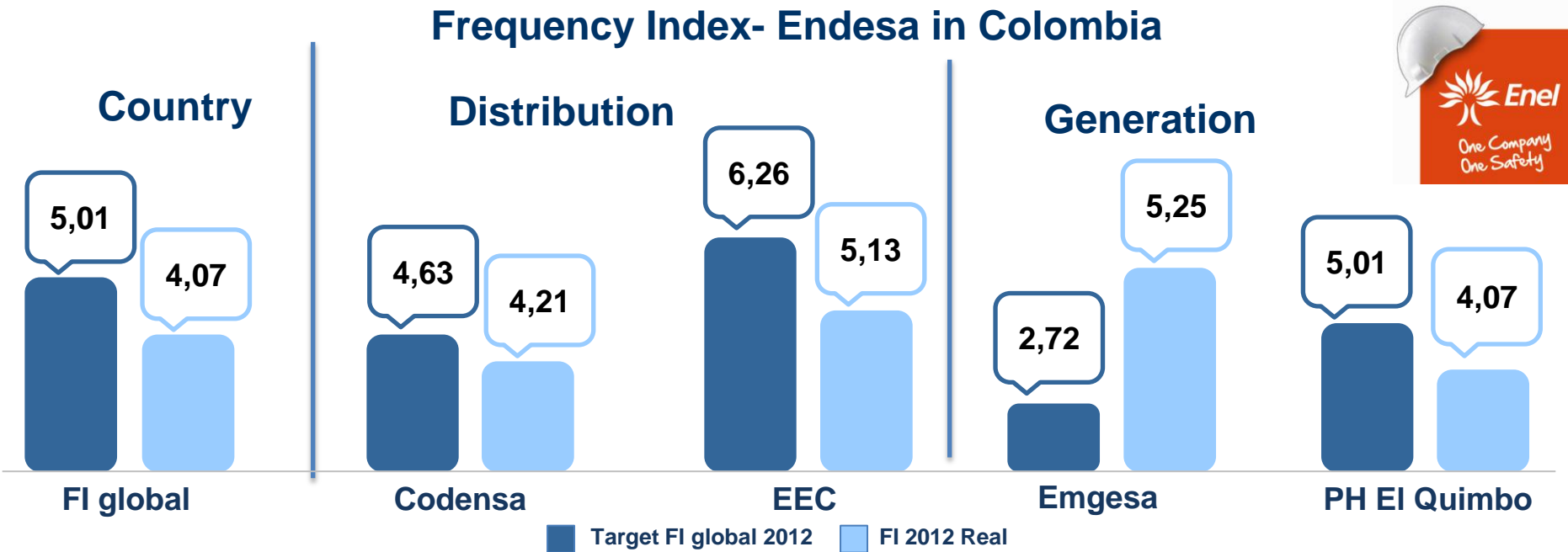
Collection Level **100.9%**
(vs. 99.6% 2011)
(Excluding Public Lighting)

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

New campaigns to **collect past due accounts**, strengthening of our client base and negotiation of high impact cases

More local entities to pay invoices (Banco Pichincha, Colpatria-Red Gtech, Bancolombia CB, Popular-Red Éxito) **and reception of past due invoices** through new financial local partners (Redeban Multicolor, Bancolombia, Corpbanca y Servibanca)

Frequency Index- Endesa in Colombia



FI =Frequency Index. Number of accidents per million worked hours

During 2012, the One Safety methodology complemented the safety program as a behavioral initiative oriented to a Culture of Safety

More than **230,000 hours** of training for our contractor companies conducted at the Training Center between 2010 and 2012

More than **10 managerial meetings** with contractors during the year and 3,800 observations to improve safety standards

More than **5,100 certifications to workers**, in site visits and 172 cameras of supervision in real time

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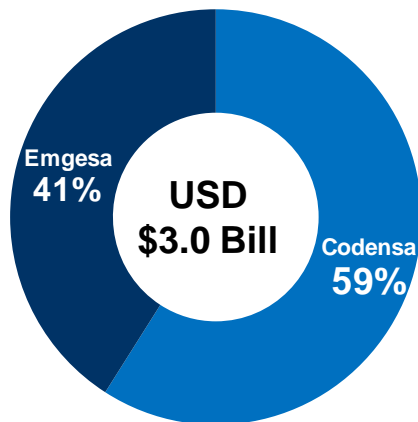
Operational Results

Financial Results

3 2013 Outlook and Strategic Projects

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2012 Revenues



Endesa Group in Colombia 2012⁽¹⁾



Generation:

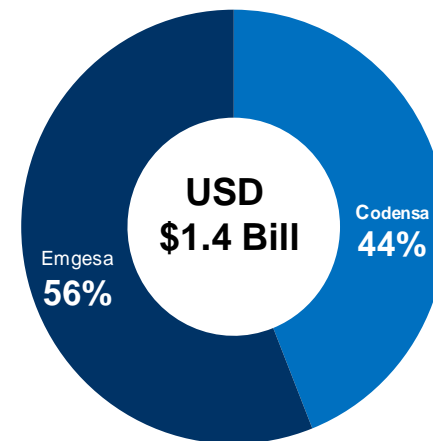
FitchRatings
**STANDARD
&POOR'S**

International ⁽²⁾:
BBB- /BBB-

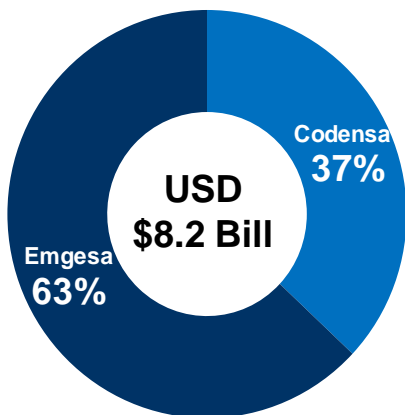
FitchRatings

Local: AAA

2012 EBITDA



Assets as of Dec. 2012

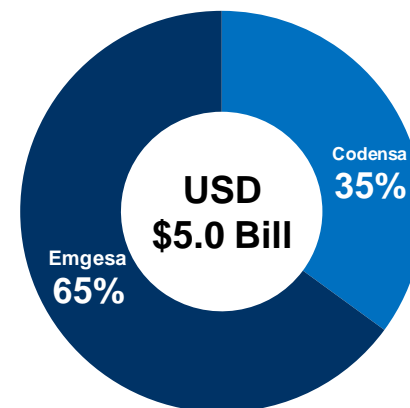


Distribution:

FitchRatings

Local: AAA

Equity as of Dec. 2012

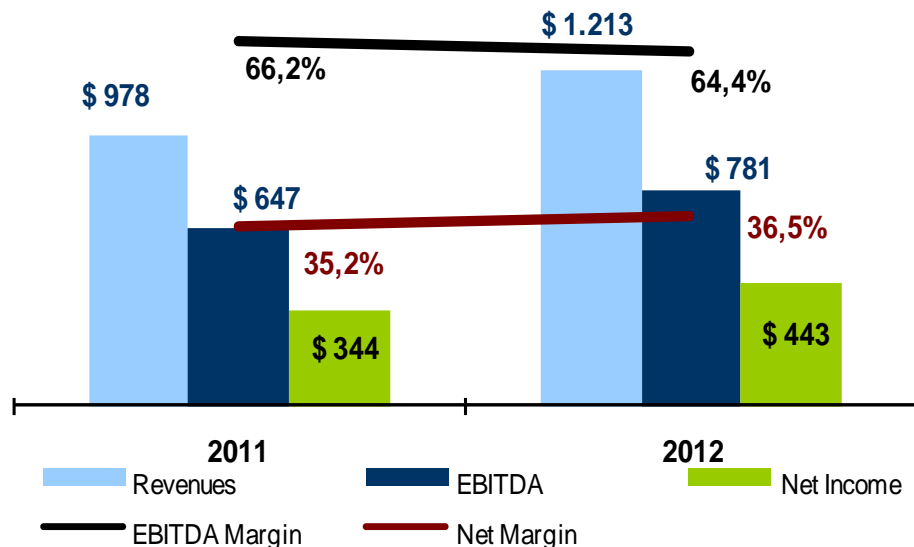


(1) Corresponds to aggregated and audited figures for Codensa and Emgesa as of December 31, 2012

(2) Ratings confirmed in February, 2012 by S&P (stable outlook) and in May, 2012 by Fitch Ratings (positive outlook).

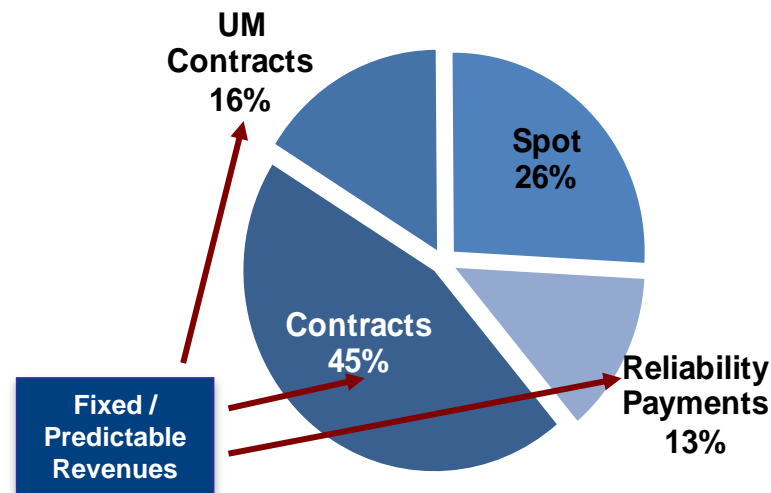
Financial Results and Margins

(Million USD)



Sales Composition

2012 (%)



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

+17.3% net income, +9.9% EBITDA and +12.9% operational revenues

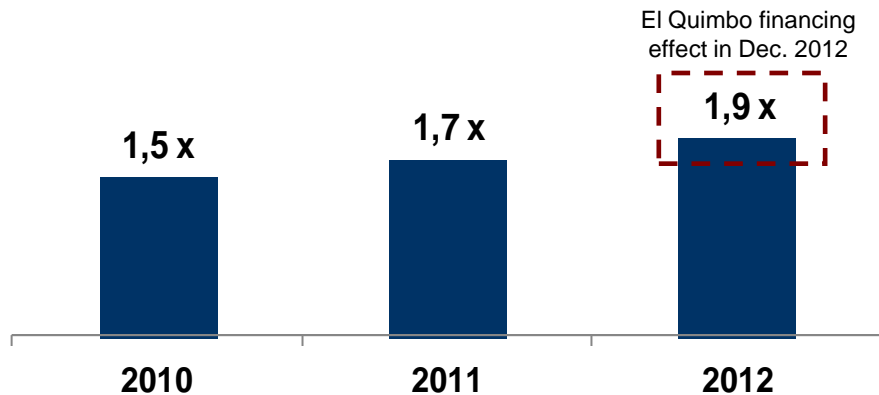
Increase in contacts and spot sales due to **higher generation (+9.9%) resulting from rainier conditions during 1H 2012** and decrease in energy purchases to serve contract sales. **Positive results in spot market during 2H 2012** with higher energy prices

Higher water reserves in Emgesa plants **increased supply capacity under a scenario of high prices during 2H 2012**

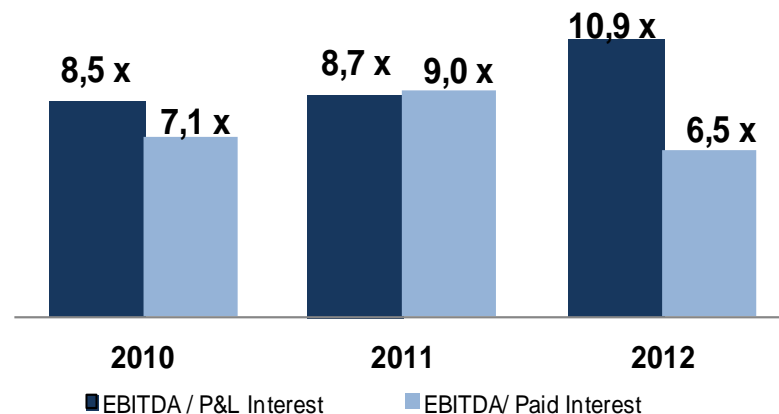
Emgesa's Key Credit Metrics

Strong financial ratios after funding 57% of El Quimbo Project

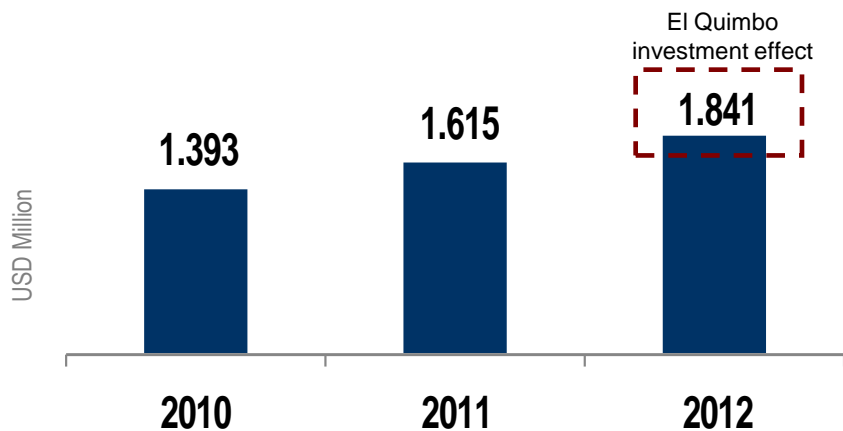
Debt/ EBITDA⁽¹⁾



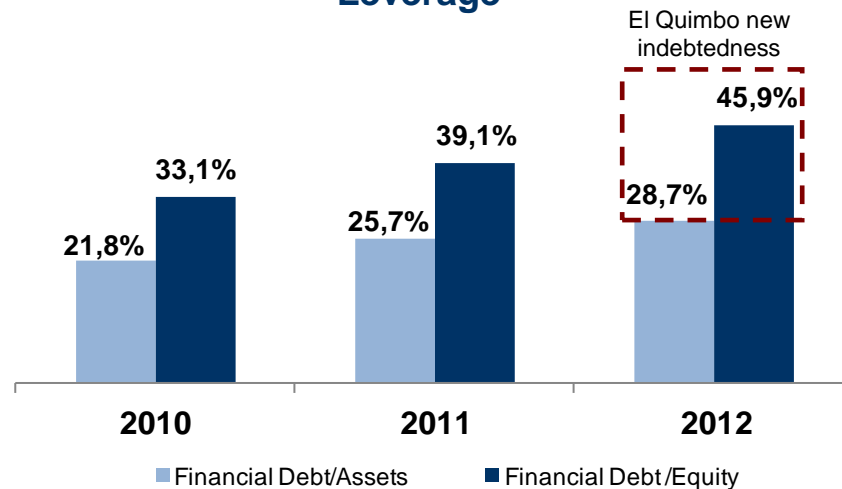
EBITDA / Interest Expenditure⁽²⁾



Net Financial Debt



Leverage



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

(2) Financial expenditure associated to El Quimbo financing is being activated during the construction period of the project and will be reflected in the Company's P&L once the project starts its commercial operations. This is the reason for presenting two different calculations for the EBITDA/ Interest Expenditure.

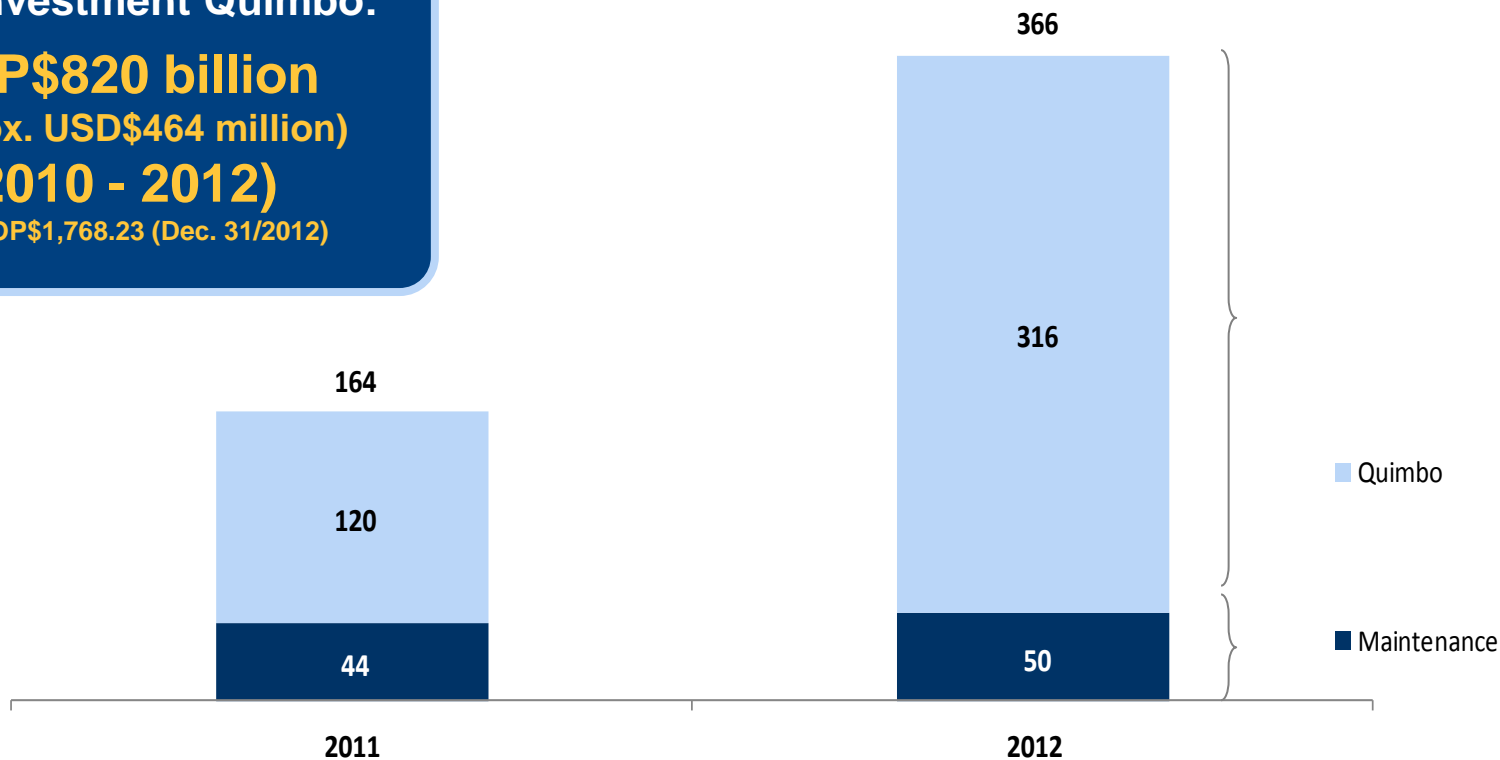
Investments

(USD million)

Total Investment Quimbo:

COP\$820 billion
(approx. USD\$464 million)
(2010 - 2012)

FX = COP\$1,768.23 (Dec. 31/2012)



Investments focused in the execution of **El Quimbo Project and preventive maintenance** for hydro and thermo plants, to preserve their availability and reliability

Investment in El Quimbo grew by 163%, due to the execution of the main civil works of the project and the purchase of electromechanical equipments



Club Deal Refinancing

COP\$305 Bn

(approx. USD\$ 172 MM)

(March 2012)

- ✓ Refinancing of existing 2006 Club Deal with local banks
 - **Three new loan contracts** with BBVA Colombia, Bancolombia and AV Villas
 - **Tenor: 10 years** and semiannual amortizations starting on the 36th month (average life of 6.5 years)
 - **Interest rate: DTF + 3,75%**
 - **4.8x oversubscription: COP\$1.5 Bn (approx.USD\$848 MM)**



4th Tranche under Local Bonds Program

COP\$500 Bn

(approx. USD\$283 MM)

(December 2012)

- **3.8x oversubscription**
- **Great interest from local investors**
- **Lowest historical coupons** obtained at a local auction
- **1.14 years** average life extension with a 46 bps **reduction** in average cost
- **Spread over local TES 30-40 bps** below secondary trading levels at launching
- **Landmark transaction for other local corporate issuers** after market volatility by year end
- ✓ **Use of proceeds:** investments for El Quimbo from oct-2012 to jul-2013

<i>Series</i>	<i>Tenor</i>	<i>Issued Amount (BnCOP)</i>	<i>Issued Amount (MMUSD)</i>	<i>Demand (BnCOP)</i>	<i>Demand (MMUSD)</i>	<i>Coupon</i>	<i>Spread over TES</i>
B10	10Y	\$ 300.000	\$ 170	\$ 564.690	\$ 319	IPC+3,52%	64 BP
B15	15Y	\$ 200.000	\$ 113	\$ 754.940	\$ 427	IPC+3,64%	76 BP
		\$ 500.000	\$ 283	\$ 1.319.630	\$ 746		

El Quimbo Financing Strategy

✓ Backed up: COP\$1,8 Trillion (approx. USD\$1,0 Bn)
81% of total financing needs

✓ Already financed: COP\$1,2 Trillion
(approx. USD\$680 MM)
54% of total financing needs

COP\$646 Bn
Intl. Bond 44A/ Reg S
(Jan-2011)

COP\$500 Bn
Local Bond
(Dec-2012)

COP\$360 Bn
Committed Credit
Lines
(Jan-2011)

COP\$250 Bn
Intercompany Loans
with Codensa

**Prefinancing
(Oct.2010-
Jan. 2011)**

**Structural Financing
2011 - 2014**

- Intercompany loans with Codensa
- Short term credit facilities with local banks

- Increase company's indebtedness by 80% of the investment in the project
- Balance sheet financing
- Bond issuances in local and international markets

Guarantee availability of resources and optimize market conditions for bond issuances

Liquidity Backup

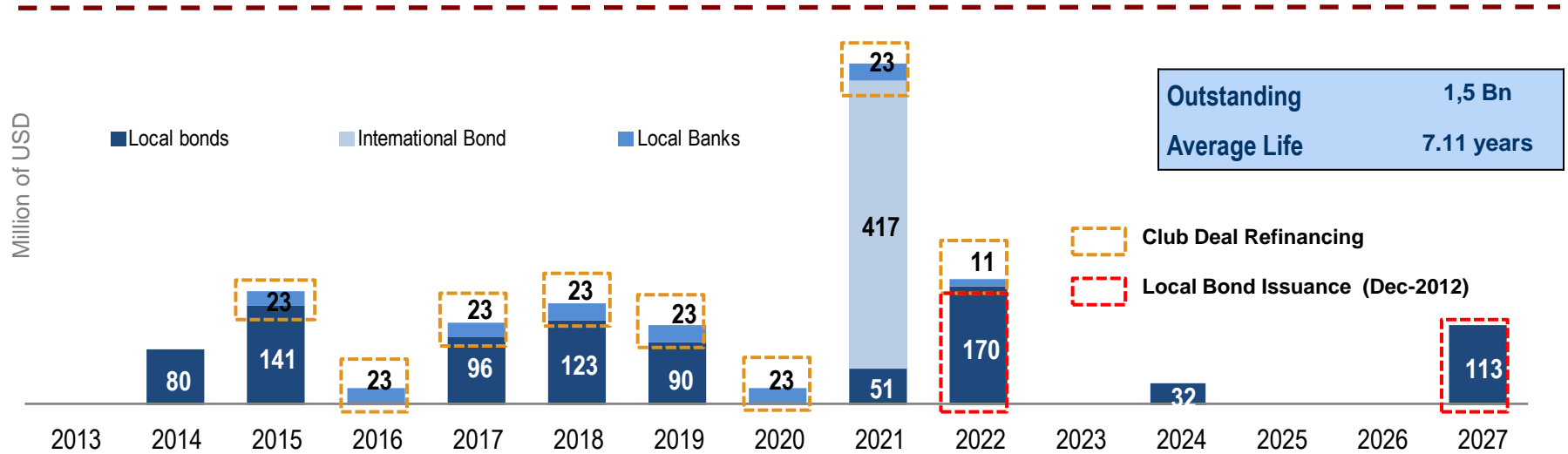
- Committed credit lines with local banks for COP\$360 Bn (approx.USD\$204 MM)
- Intercompany loans with Codensa for up to USD\$300 MM

Moderate amortization profile despite new projects development

Amortization Schedule

(MM USD) as of December, 2012

EBITDA (2012) ~ USD\$781 Million



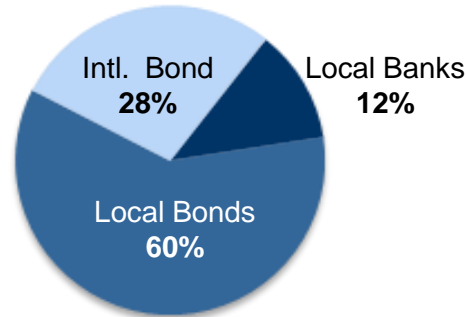
Financial Debt Breakdown*

as of December, 2012

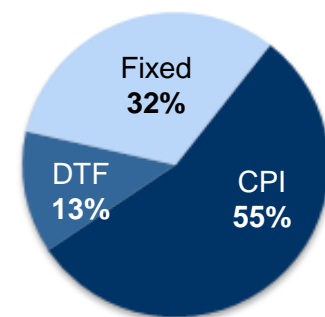
Currency



Instrument

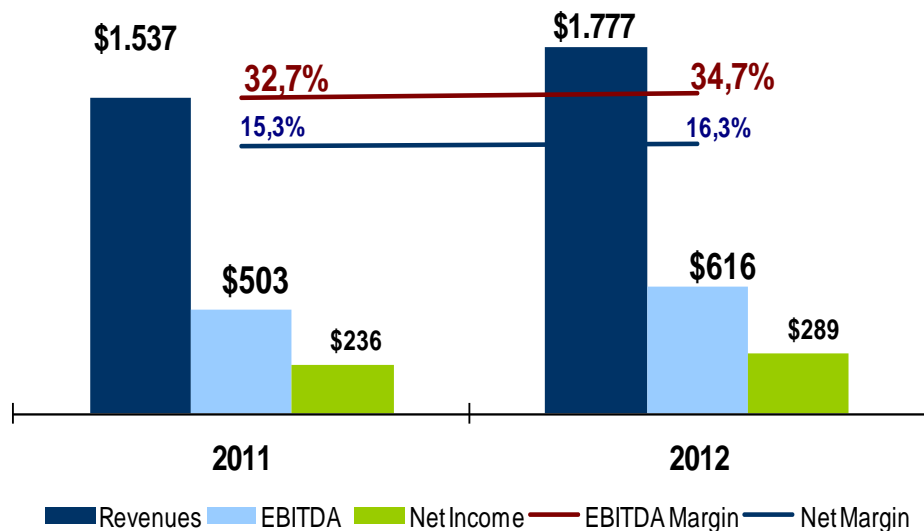


Interest Rate

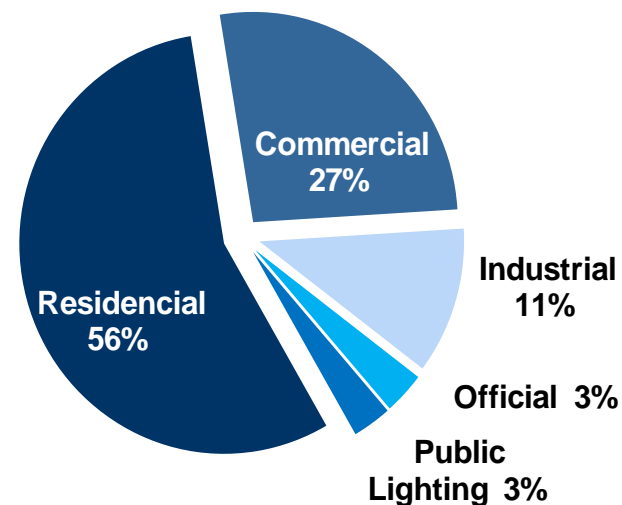


* Calculated with CPI and DTF as of December 31, 2012

Financial Results and Margins (Million USD)



Sales Composition 2012 (%)



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

+11.6% net income, +11.5% EBITDA and +14.5% operational revenues

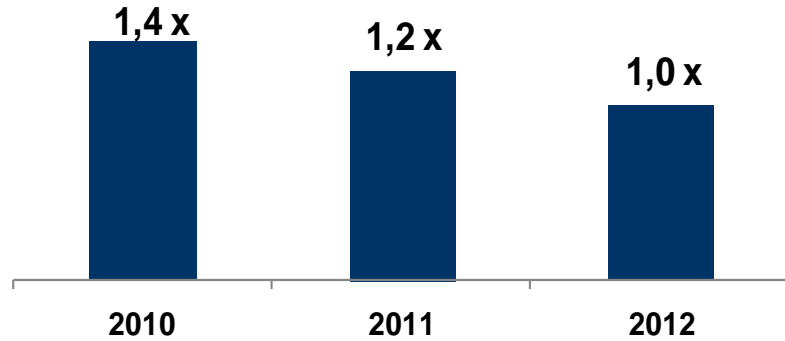
Higher sales revenues due and increase in the number of clients and demand growth, **lower increase in cost of sales** as compared to revenues and **decrease in net financial expenditure**

Sales to industrial and commercial clients: 83% of operational revenues

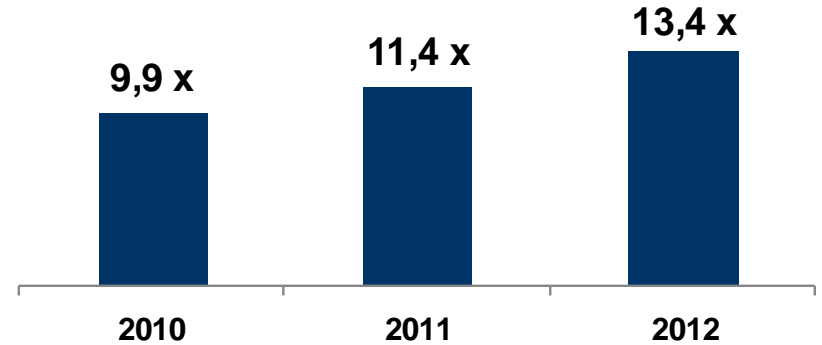
Codensa's Key Credit Metrics

Outstanding credit rating and conservative risk profile consistent with AAA local rating

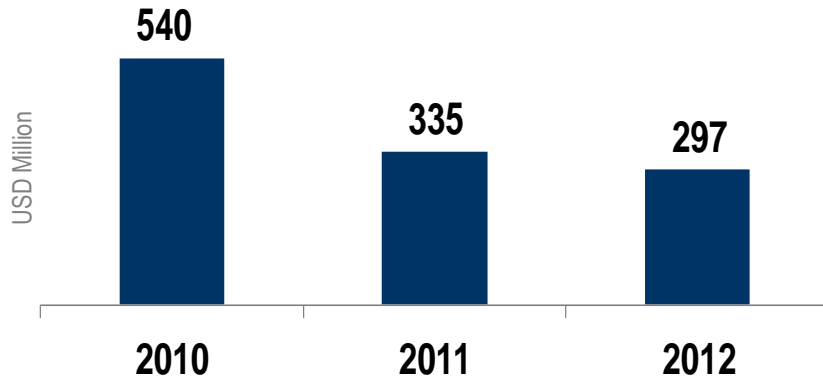
Debt/ EBITDA⁽¹⁾



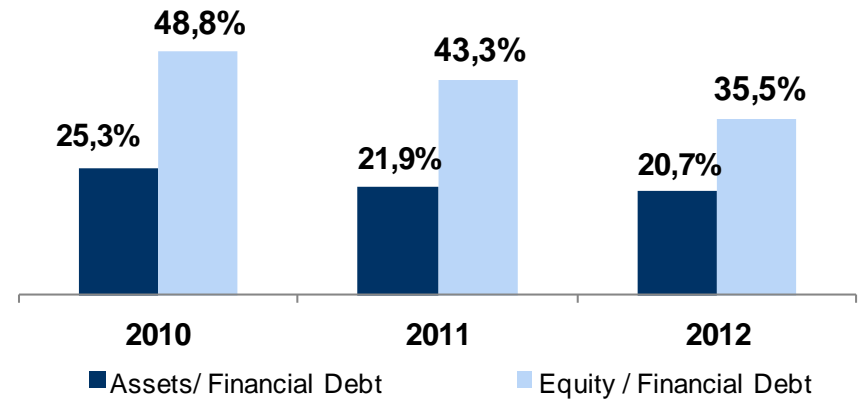
EBITDA / Interest Expenditure⁽²⁾



Net Financial Debt



Leverage

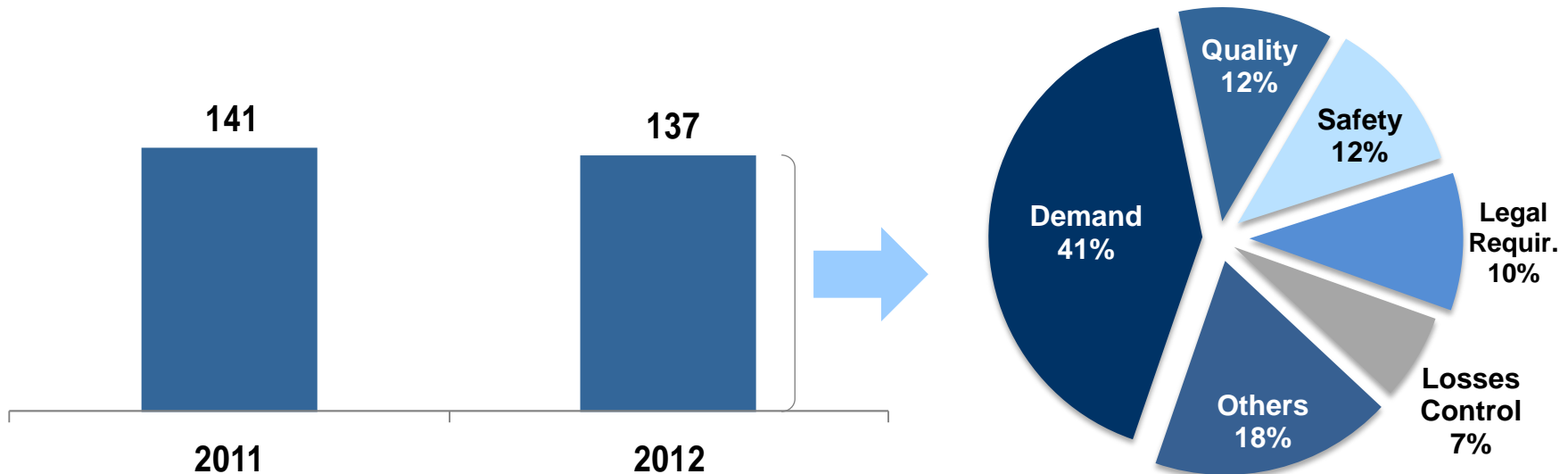


(1) EBITDA is calculated by adding back the depreciation and amortization (included in cost of sales and administrative expenses) to operating income.

(2) Financial expenditure associated to El Quimbo financing is being activated during the construction period of the project and will be reflected in the Company's P&L once the project starts its operation. That's the reason why we present two calculations for the EBITDA/ Interest Expenditure.

Investment dedicated to serve demand growth, quality service and decrease losses

Investments (USD million)

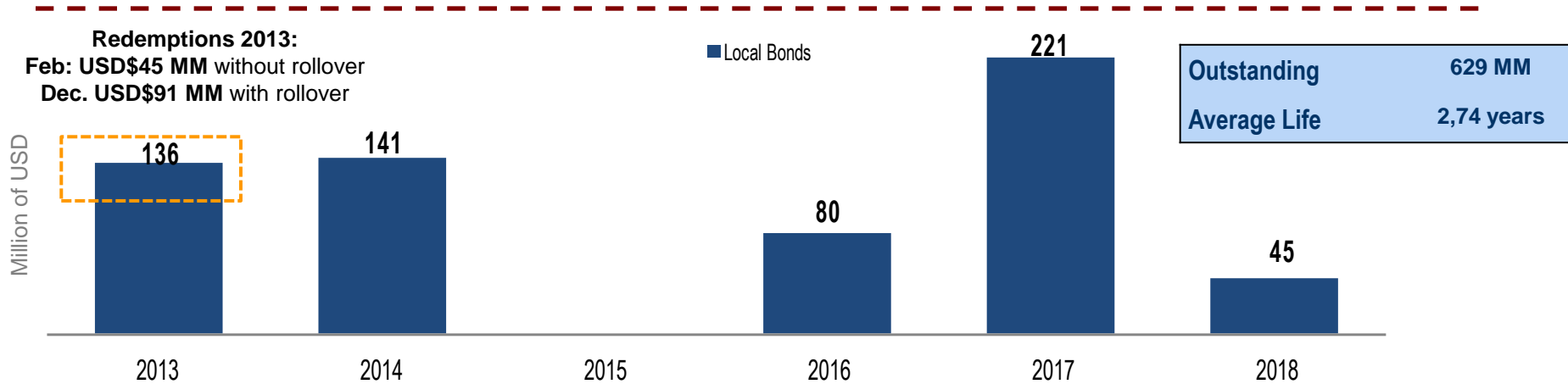


Total investments reached **USD\$137 million**, mainly focused in activities such as:

- **Serve growing demand**, through new substations that guarantee energy supply for the country: **USD\$57 million**
- Improve **quality service and continuity**: **USD\$16 million**
- **Control operational risks** for safety conditions: **USD\$16 million**
- **Control of non-technical losses**: **USD\$9 million**

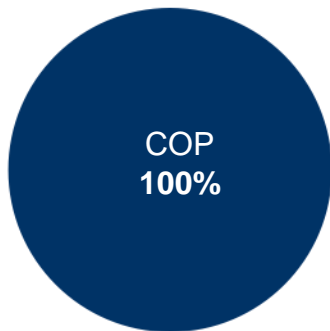
Amortization Schedule (MM USD) as of December, 2012

EBITDA (2012) ~ USD\$616 Million



Financial Debt Breakdown as of December, 2012

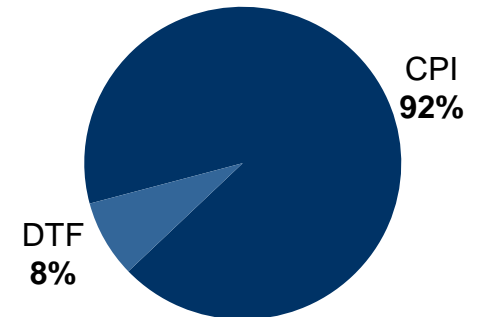
Currency



Instrument



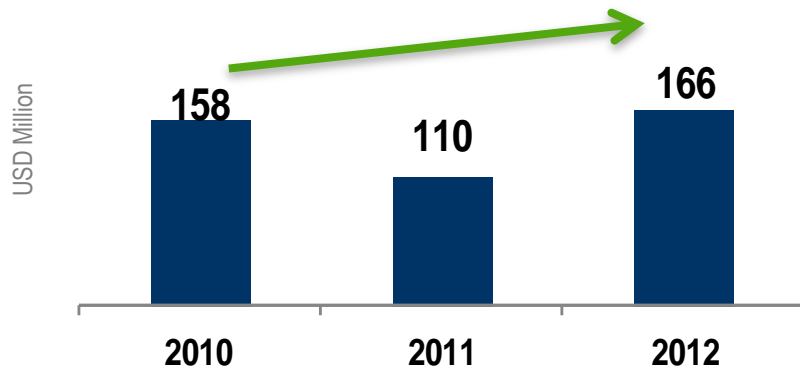
Interest Rate



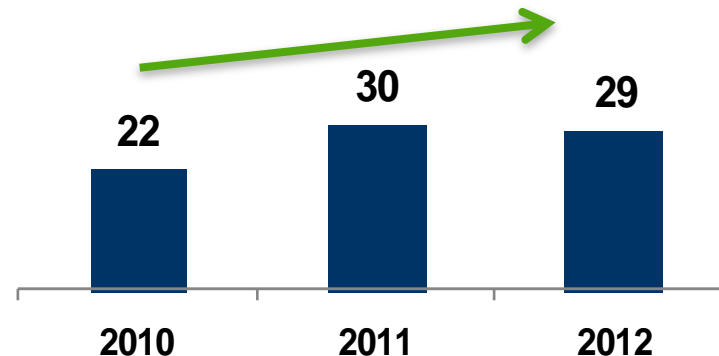
Empresa de Energía de Cundinamarca

Positive financial and operational results since DECSA assumed control of the company

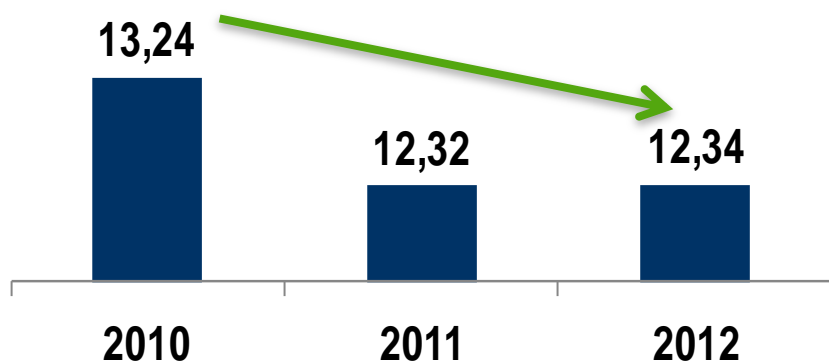
Operational Revenues



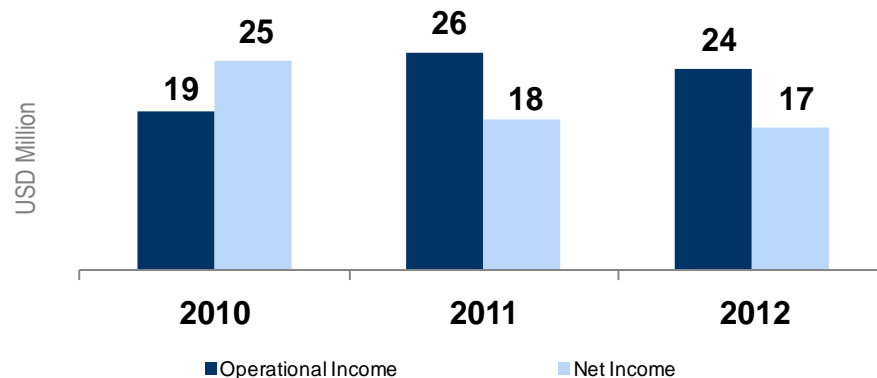
EBITDA



Losses Index (%)



Operational and Net Income



Codensa manages the EEC since 2009 through a **Technical Assistance Agreement**, that has resulted in the **improvement of operational and financial indicators** through the know-how transfer from Codensa

- 1 2012 Endesa Group Results
- 2 Emgesa and Codensa FY 2012 Results
- 3 2013 Outlook and Strategic Projects
- 4 Q&A

New Projects Generation: Portfolio of 2.300 MW under study (1.000 MW in feasibility status)

El Quimbo Hydroelectric Plant : 400 MW

Colombia-Panama Interconnection: market access to Panama and REM

Salaco Repowering: +144 MW for USD\$44 MM

Electric Mobility: Clean energy, demand growth and increasing asset base

Gas Commercialization: Expertise and new regulatory framework

Guarantee electric energy supply: New substations construction

Pilot program for LED public lighting

Relevant projects to **face** the challenge of preserving our **leadership**

Urban growth coverage: New demand, installed capacity and construction dynamics

Electricity consuming supplies

Competitiveness

Sustainability

Innovation

“One Safety” Labor safety initiative

Plants reliability

Endesa Foundation Programs

Losses control and quality service

Quality of life for employees

Growing demand and regulatory framework consideration incentive participation within gas market

Opportunity: Know-how, Innovation and Strategy

- Benefit from **Endesa's know-how** within gas market
- Offer **innovative and differential solutions** to clients in a developing market
- **Intermediation business** with no major investment requirements
- **Wide & diversified** services portfolio: **Dual offer** - electricity + gas:
 - **Complementary**
 - Commercialization **Synergies**
 - Expected **share** within industrial market of **9%**

2012

Emgesa's bylaws amendment

- ✓ Shareholders meeting (Nov. 2012)
- ✓ Bondholders meeting (Feb. 2013)

2013

Gradual startup
in
Commercialization

Positioning
of the activity
within the products
portfolio

2014

Preparation
to
participate
in gas
auctions

Technical systems modernization & network monitoring infrastructure to guarantee quality service



- **Renewal of systems and infrastructure to support quality of service:**
 - ✓ Deployment of **SCADA Regional, GCORE and METROLAN**
 - ✓ Renewal of monitoring system in real time with new communications functioning with IP technology
- **Renewal of Control Center:** guarantees energy supply of mid and high tension networks on a safe and reliable basis and allows coordination with personnel in the field
 - ✓ Main and Backup Control Center : **Codensa is the first distribution company with a backup system** to operate under transitory or extensive contingency conditions.
 - ✓ Crisis room in both facilities with sound and videoconference system
 - ✓ 24 hours x 365 days operation

Technical

- ✓ **Aggregated investment as Dec. 2012: USD\$353,9 MM ⁽¹⁾**
- ✓ **33% execution (Dec. 2012)**
 - Deviation tunnel construction and Magdalena river deviation
 - Conclusion of the cofferdam , to begging the dam construction.
 - Transportation of electro mechanic equipments by land, sea and river.
 - Selection of the contractor that will execute infrastructure reposition and substitutive roads of the project.
 - Employment generation for 2,500 people (70% of the region)

(1) Constant USD of 2010, based on a adjustment formula of the civil works contract

Social

- ✓ **Resident Population:**
 - Reallocation agreement with more than 150 families and 132 economic compensations
 - 10 individual reallocations
- ✓ **Non Resident Population:**
 - 1,152 Compensation agreements (90%)
 - 1,082 beneficiaries from the School for the Sustainable Development, with more than 900 graduates.
 - 940 beneficiaries from seed capital disbursements for COP\$28 billion (USD\$16 million)
- ✓ **63 approved projects for an amount of COP\$15 billion(USD\$ 8 million), a 91% execution of available resources oriented to local development COP\$16.5 billion (USD\$ 9 million)**

Environmental

- ✓ **Contingent fish rescue program:** 72,089 released fishes from 37 species , with a survival ratio of 96.26%.
- ✓ **Fish study:** More than 3,151 marked fishes and 38 fish communities identified
- ✓ **Restitution Plan** approved by Ministry of Environment and more than 6,000 Ha acquired to forest restoration
- ✓ **Conclusion of forest inventory** (3.700 Ha)
- ✓ **Ecological studio of wild fauna:** 205 bird species, 26 flying mammals, 19 non flying mammals, 31 reptiles and 10 amphibious.



Auxiliary dam fill material



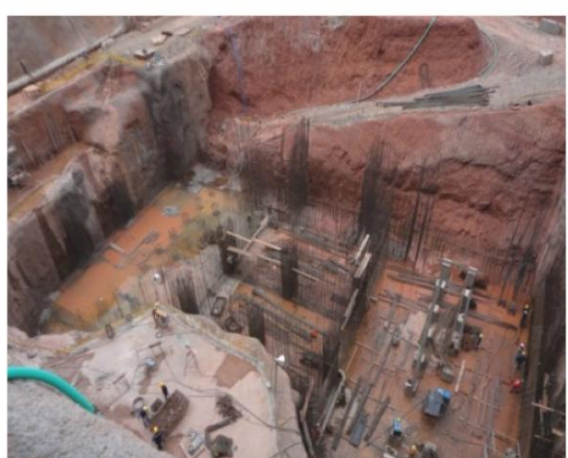
Footing Excavation



Stage 1 dam fill material



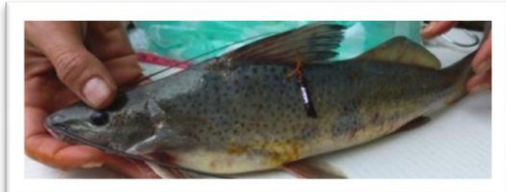
No. 1 Gate well Excavation



Concrete in Machine Room
Generation Unit Area



Works at the spillway Control
Structure



Environmental Programs

- **Positive financial and operational results** in 2012, that confirm the **achievement of our strategic plan** and our **leadership** in the energy sector
- **Strong financial profile**, supported by our operational results:
 - **Average EBITDA Margin** of **63.2% in Emgesa** and **34.2% en Codensa** in the past 3 years
- **Constant evolution of the companies** to benefit from the **potential growth** in new markets and businesses in the region
- **Commitment to the safety of our workers** (One Safety) and **competitive results** through innovation
- **Strong commitment to the energy security** of the country through **reliability of supply and service to our clients**

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luz · gas · personas

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