

16|08|2013

Endesa in Colombia 1H13 Results

As of June 30th, 2013



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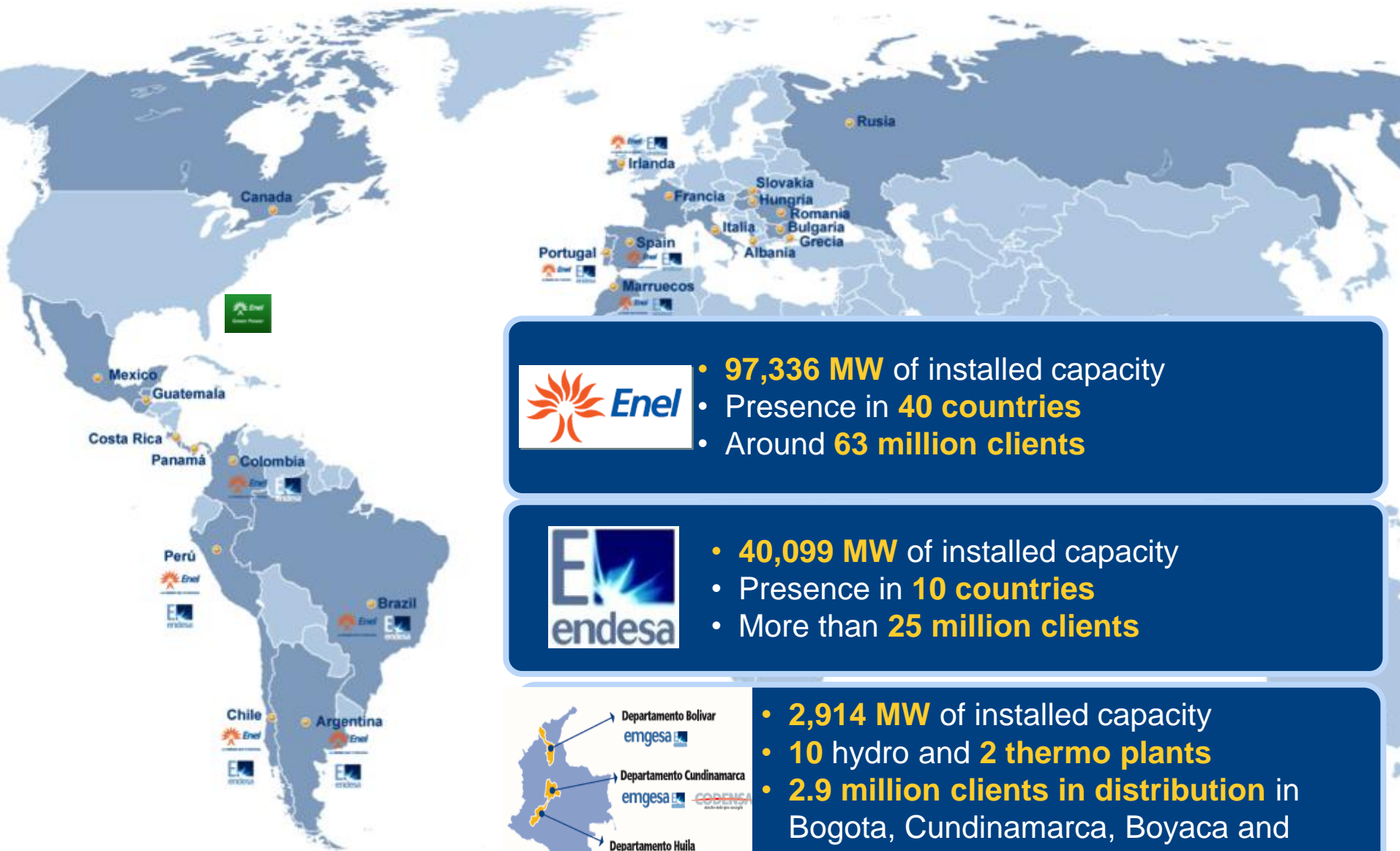
Emgesa and Codensa 1H 2013 Operating Results

2

Emgesa and Codensa 1H 2013 Financial Results

3

Q&A



- **97,336 MW** of installed capacity
- Presence in **40 countries**
- Around **63 million clients**



- **40,099 MW** of installed capacity
- Presence in **10 countries**
- More than **25 million clients**



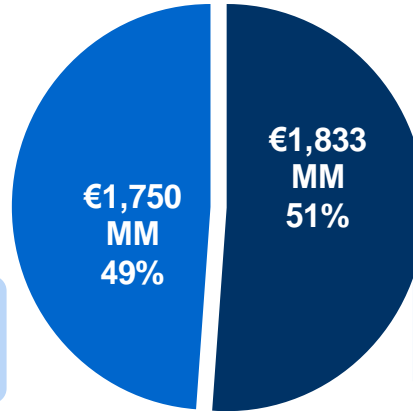
- **2,914 MW** of installed capacity
- **10 hydro and 2 thermo plants**
- **2.9 million clients in distribution** in Bogota, Cundinamarca, Boyaca and Tolima

Colombia for the Endesa Group

Latam and Colombia: Relevant assets with growing participation within the Endesa Group



EBITDA Endesa 1H 2013
€3,6 Bn

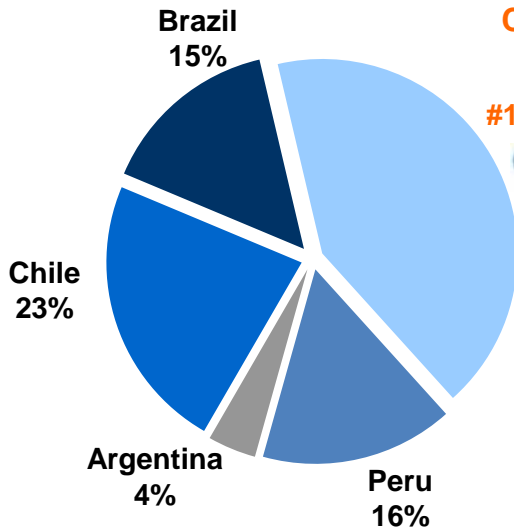


Latin America

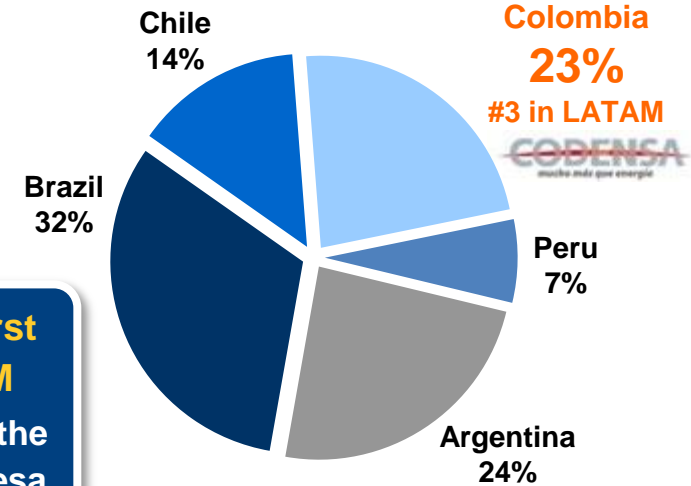
Spain, Portugal and others

Latam Generation EBITDA
€741 MM

Latam Distribution EBITDA
€994 MM



Colombia
42%
#1 in LATAM
emgesa endesa



In 1H2013 **Colombia** was the first **EBITDA contributor in LATAM** (31%) and represented **15%** of the consolidated EBITDA of the Endesa Group

Additional revenues from electricity transmission in LATAM for €37MM

Proven operational efficiency of thermo plants to compensate for dry conditions

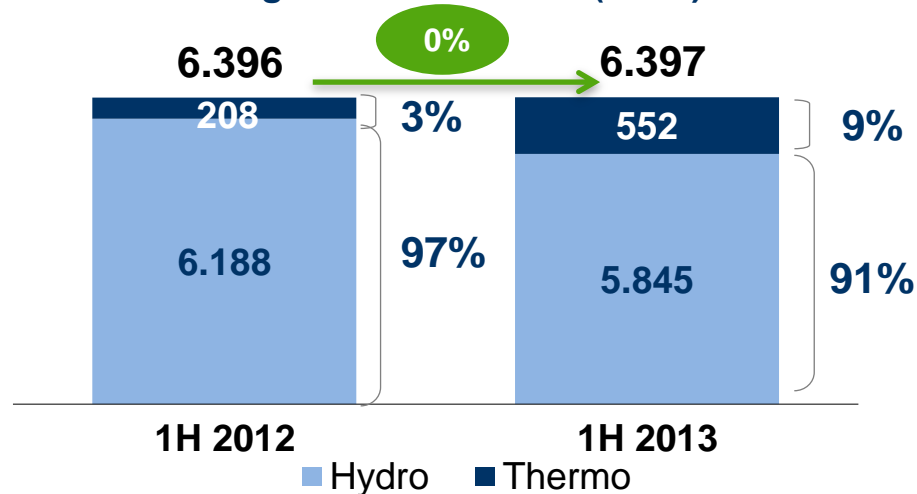
Availability index of plants: **90.4%**
(+2.1% vs. 1H2012)

Market share by installed capacity: **19.5%**
(-0,1% vs.1H2012)

Market share by generation: **20,9%**
(-1,7% vs.1H2012)

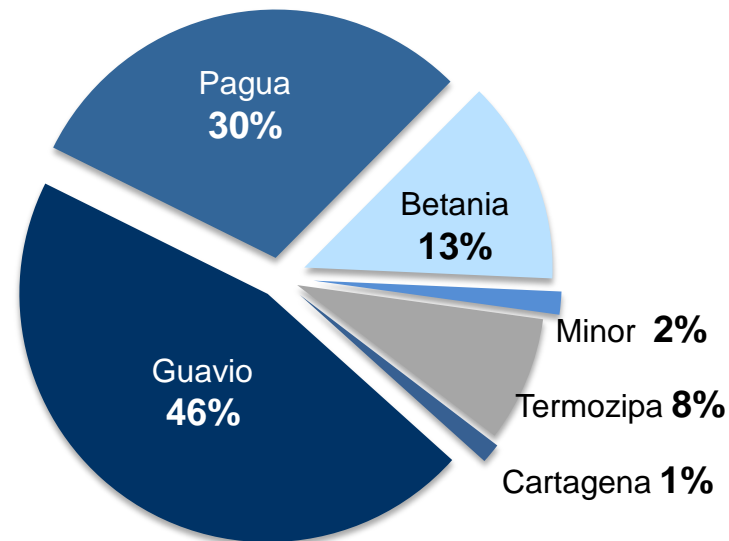
Source: Emgesa

Emgesa's Generation (GWh)



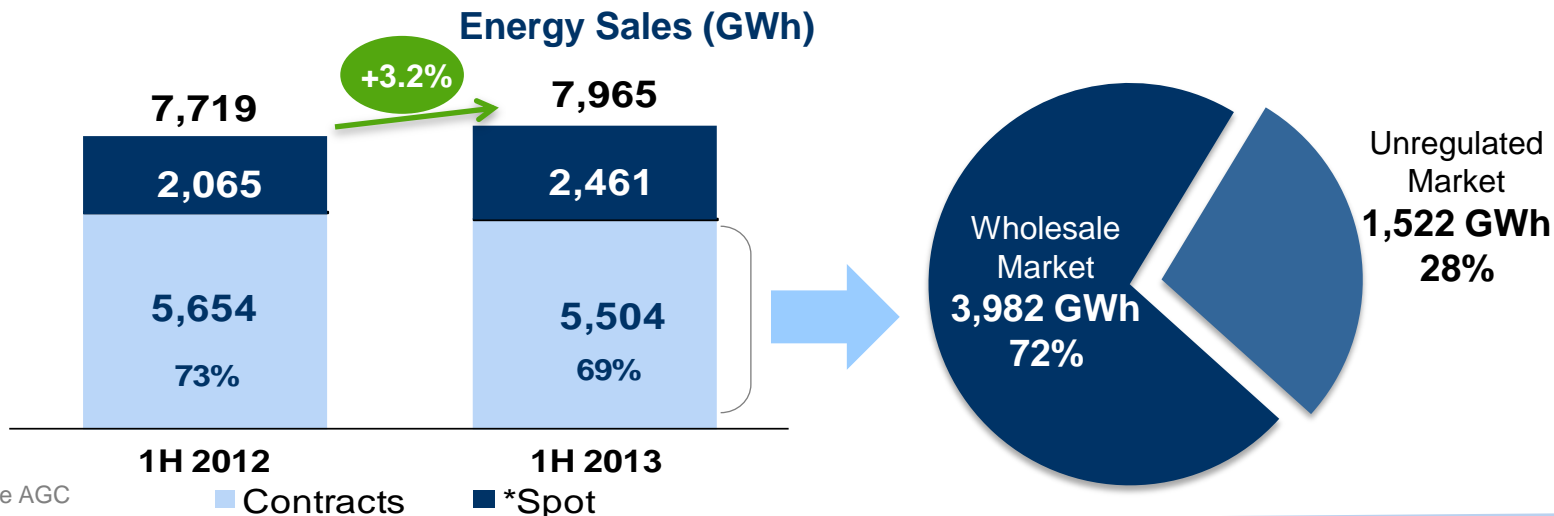
Emgesa's Generation Plants

(% of Emgesa's accumulated generation as of June 2013)



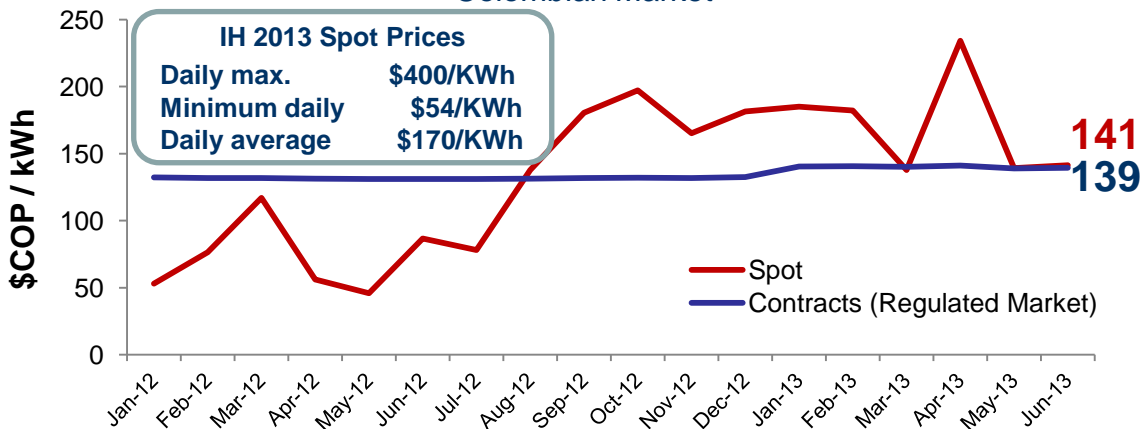
Persistence of dry conditions during 2Q 2013 leading to increased thermal generation to preserve water reserves

Continued intermediation activity in the spot market to preserve water reserves

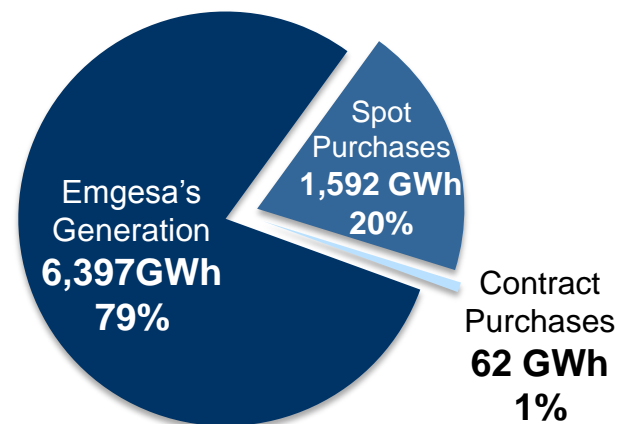


Spot Price vs. Contract Prices IH2013

Colombian Market



IH 2013 Energy Sales Sources (GWh)

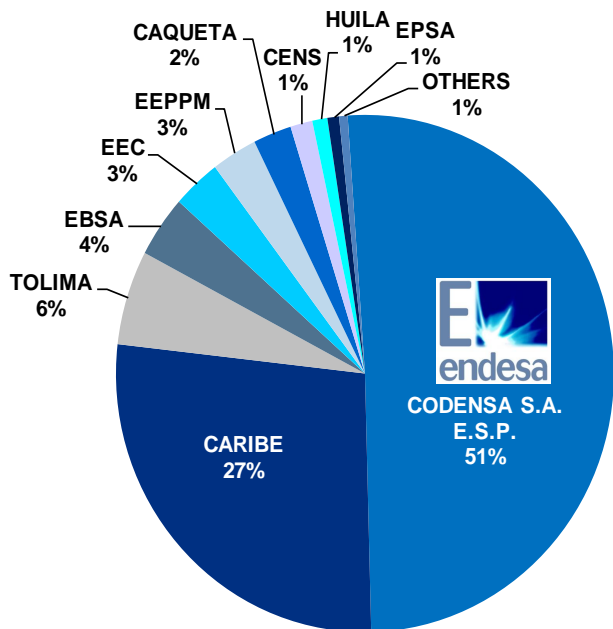


Commercial policy focused on increasing intermediation in the spot market compensating for lower generation in order to preserve operational margin

Optimal mix of sales through contracts to the wholesale and the unregulated markets

Wholesale Market Clients

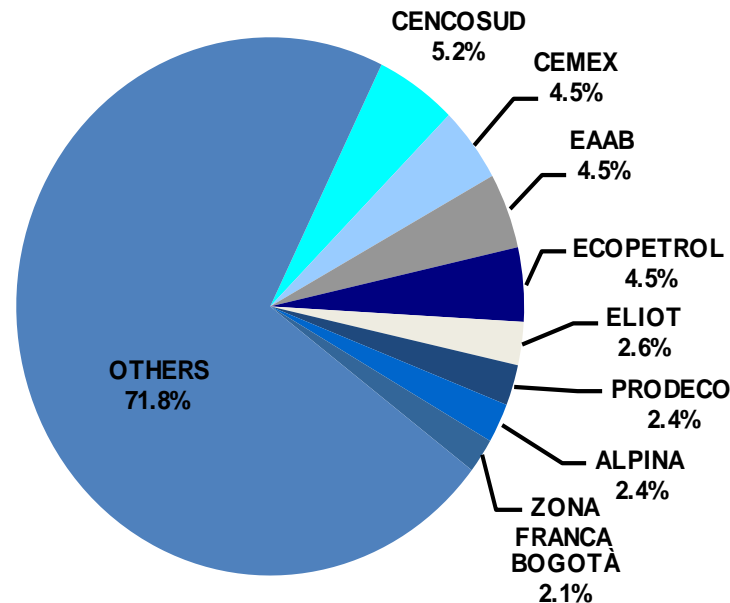
(% of sales to the wholesale market in GWh in 1H 2013)



Sales to the Wholesale Market: 3,982 GWh
More than 14 clients in this market

Unregulated Market Clients

(% of sales to the unregulated market in GWh in 1H2013)



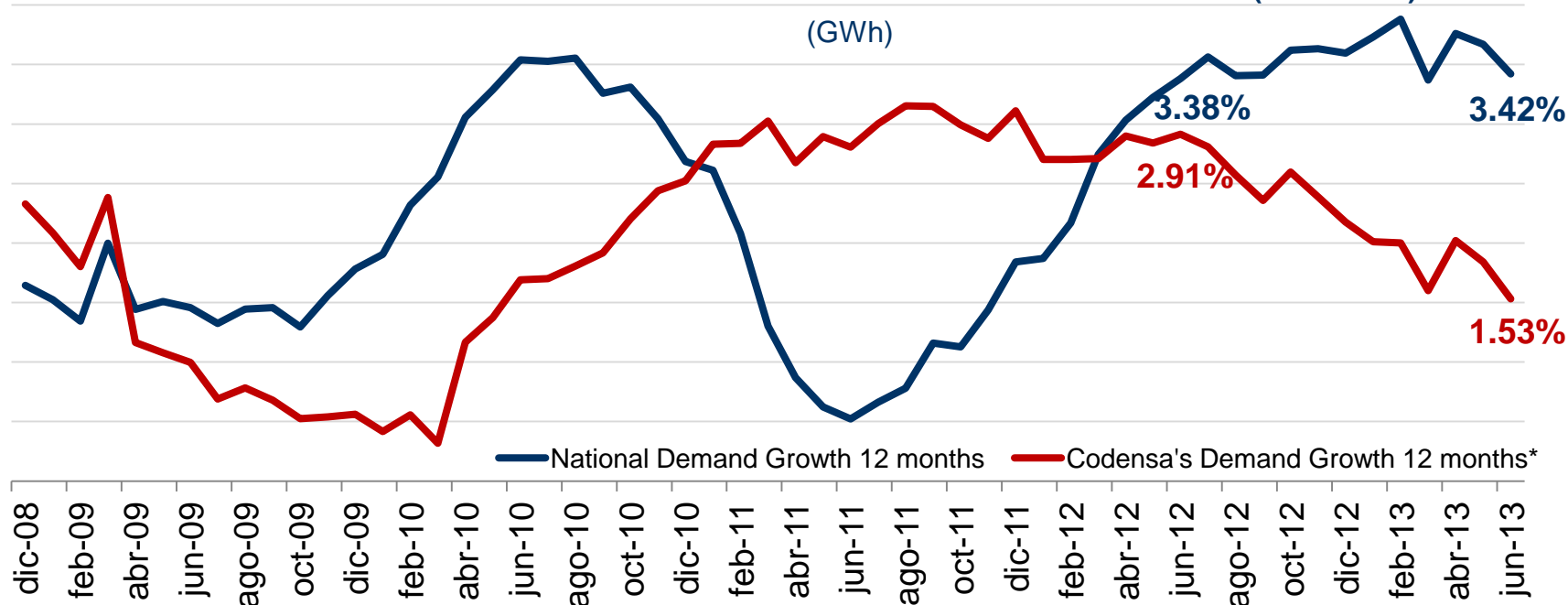
Sales to the Unregulated Market: 1,522 GWh
Monthly average of **763 commercial frontiers served**
13,7% of the total of this market

Sales through **contracts** to serve **large distribution companies** and **large industrial clients**

Commercial and operational synergies between Emgesa and Codensa, at market levels, as large players in the generation and distribution businesses in Colombia

Growth rate of energy demand in Codensa's area remains on a downward trend

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



Source: Codensa. Annual Average Rates

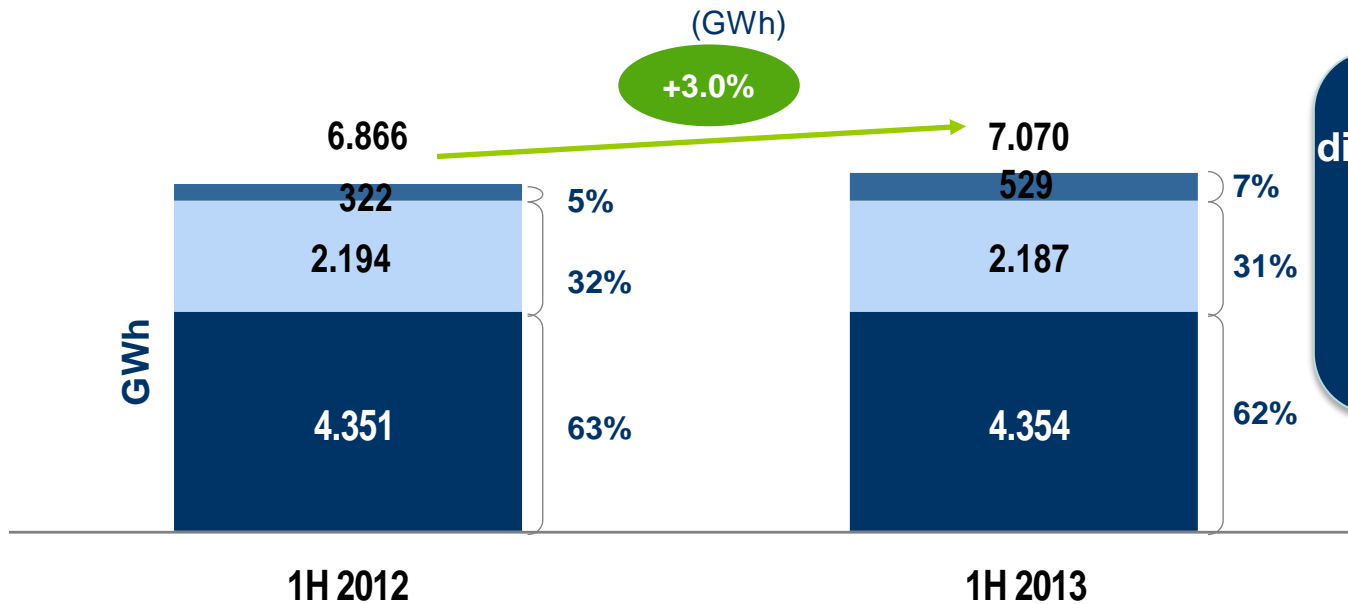
* Energy demand in Codensa's area is calculated including the electricity received by the Guaca Substation which is destined to the regional distribution company of Tolima from 2013 on, increasing the use of Codensa's networks by other network operators. For comparison reasons the data from January 2011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

National energy demand growth at 3.4% as of June 2013, maintaining important growth rates due to the recovery in demand from the regulated clients. On the contrary, the oil and mining activities and the manufacturing sectors exhibited a slowdown during 2Q 2013.

Growth rate of energy demand in Codensa's area at 1.5%, with a slight recovery in demand from residential and commercial clients and a continuing decrease in demand from industrial activities in the central region.

Positive growth of electricity demand in Codensa's area

Electricity Demand in Codensa's Area



Codensa: #1
distribution company in
Colombia:
24% of National
Demand
22% of Regulated
Demand

- Regulated Market Sales
- Use of Networks by other commercialization Co.
- Use of networks by network operators and other

Source: Codensa. Energy transferred to network operators from other regions includes energy sent to Tolima from 2011 to June 2013.

+0.1% in energy sales volume to the regulated market

-0.3% in use of Codensa's networks by other commercialization Co., as a result of slowdown of industrial activity in the central region

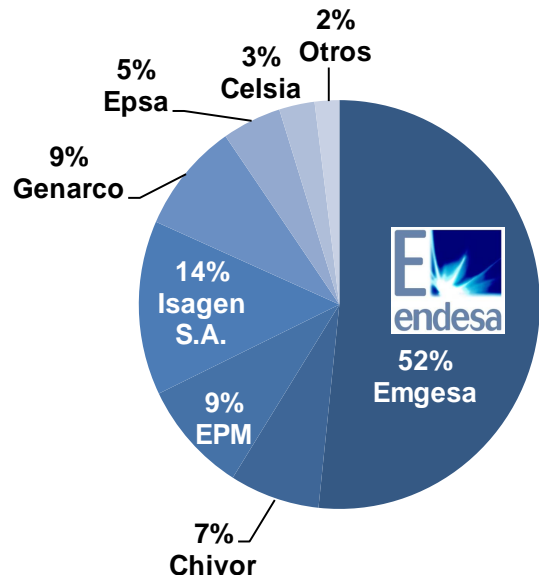
+64.3% growth of energy transferred to network operators from other regions from Codensa's area

Active strategies to hedge prices of energy demand from the regulated market

Main Suppliers of Electricity for Codensa

1H 2013

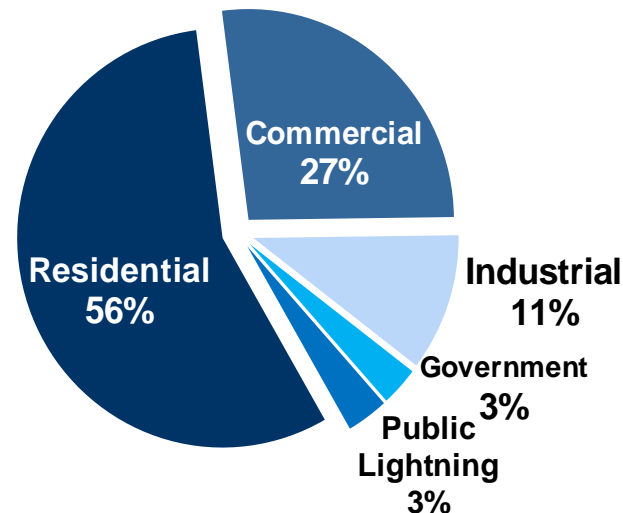
(% of purchases in terms of GWh)



Codensa's Client Base

1H 2013

(% of purchases in terms of GWh)



Electricity Purchased through contracts: 7,995 GWh

During 1H2013 Codensa purchased 4,131 GWh to Emgesa, in contracts allocated through auctions at market conditions.

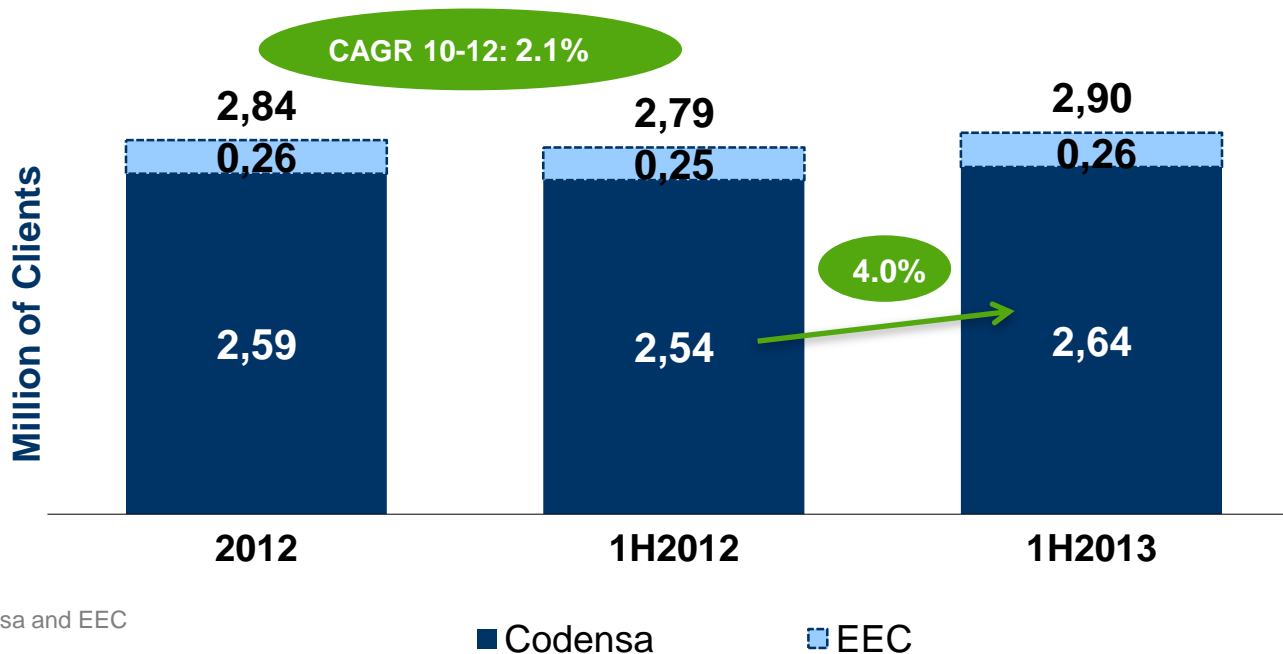
Electricity Sales to Regulated Market: 4,354 GWh

(62% of total sales)

Energy purchase hedging through contracts: 91% (2013), 90% (2014), 78% (2015) and 40% (2016)

Commercial policy aims to increase hedging of energy demand through long term contracts to guarantee efficient and stable tariffs to the regulated market reducing the exposition of clients to changes in the spot price

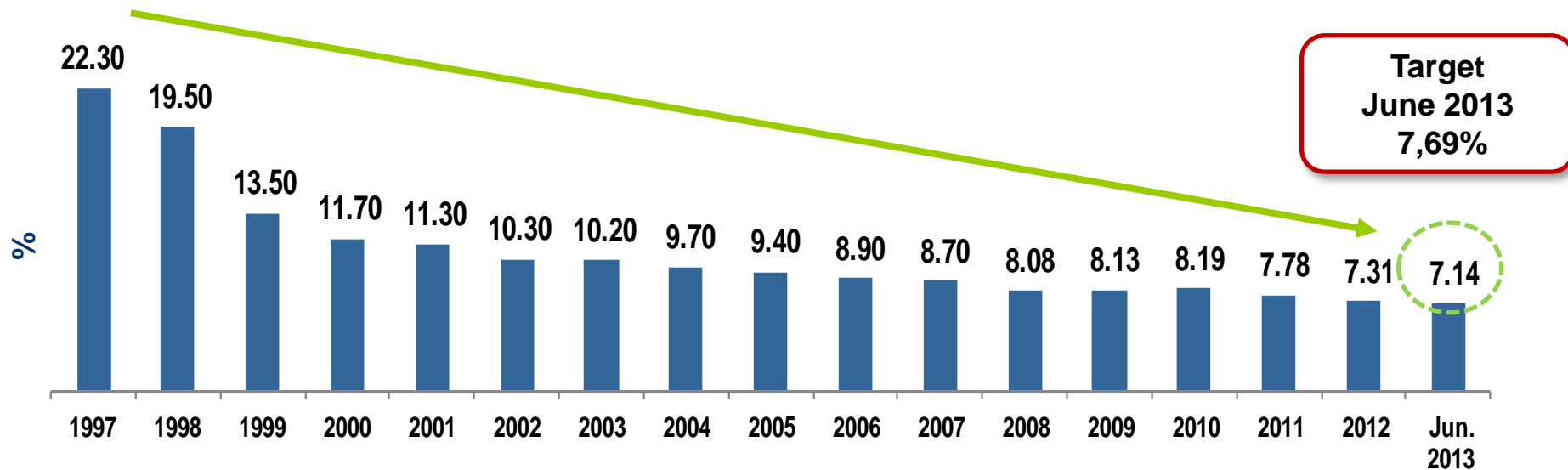
Growth in Number of Clients in the Distribution Business



Important organic growth in Codensa's area: **+52,456 new clients added in 1H2013**

More than **1 million calls from clients received and resolved** and **more than 2 million transactions via web page** from Codensa's clients up to June 2013

Energy Losses Index



Source: Codensa (last twelve months average rate)

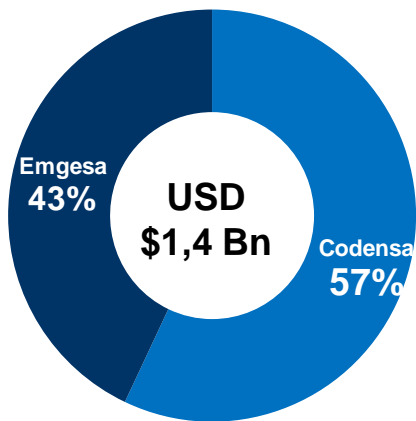
Losses Index remains at historical lows: 7.14% as of June 2013 due to **continuous efforts** by the technical areas and **new technologies implemented in the last years**, such as the monitoring center *Mantis*, the remote measurement in medium tension, theft control, client monitoring and programs to incentivize payment of the energy service.

1 Emgesa and Codensa 1H 2013 Operating Results

2 Emgesa and Codensa 1H 2013 Financial Results

3 Q&A

IH2013 Revenues



Endesa Group in Colombia IH2013⁽¹⁾



Generation:

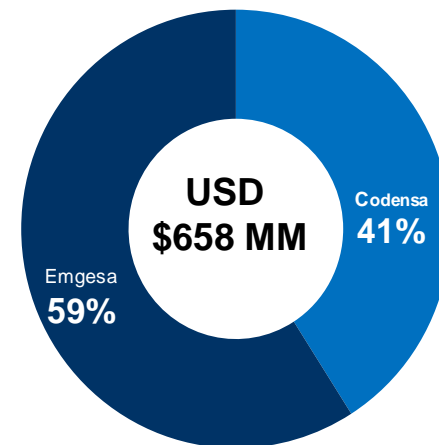
FitchRatings
STANDARD & POOR'S

International ⁽²⁾:
BBB /BBB

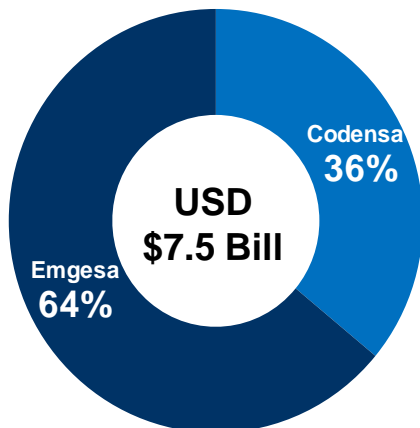
FitchRatings

Local: AAA

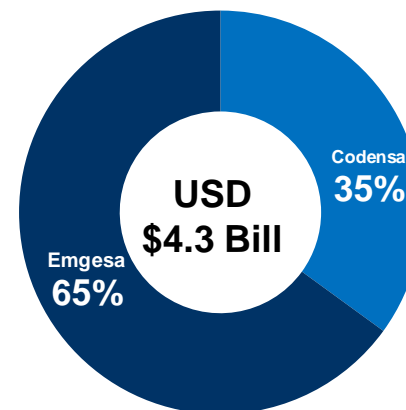
IH2013 EBITDA



Assets as of June 2013



Equity as of June 2013



Distribution:

FitchRatings

Local: AAA

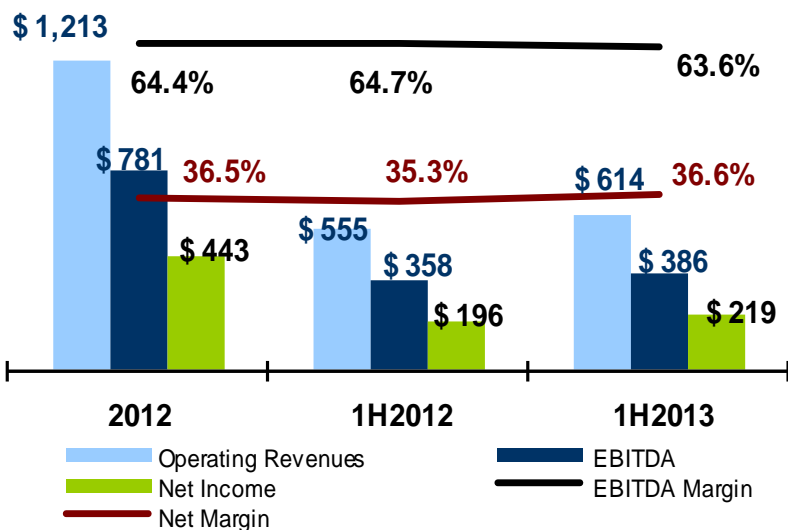
(1) Corresponds to aggregated and audited figures for Codensa and Emgesa as of June 30, 2013

(2) Rating upgraded in May 2013 by Fitch Ratings and by Standard & Poor's

Financial figures are presented in USD using the official FX rate applicable by the end of each period. However, financial statements are prepared under Colombian GAAP in pesos, and therefore, we have calculated ratios and variations in COP in order to exclude any impact from the indicative FX conversion herein.

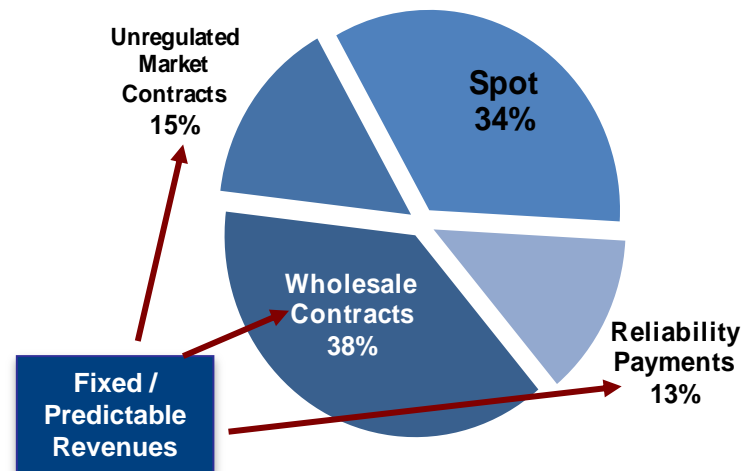
Financial Results and Margins

(Million USD)



Sales Composition

1H 2013 (% of operating revenues)



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

+20.7% net income, +16.7% EBITDA and +19.6% operating revenues (YoY)

Strong commercialization activity in the spot market to compensate for lower generation due to drier conditions during 1H 2013, leading to positive results in operating revenues as energy prices continue to rise

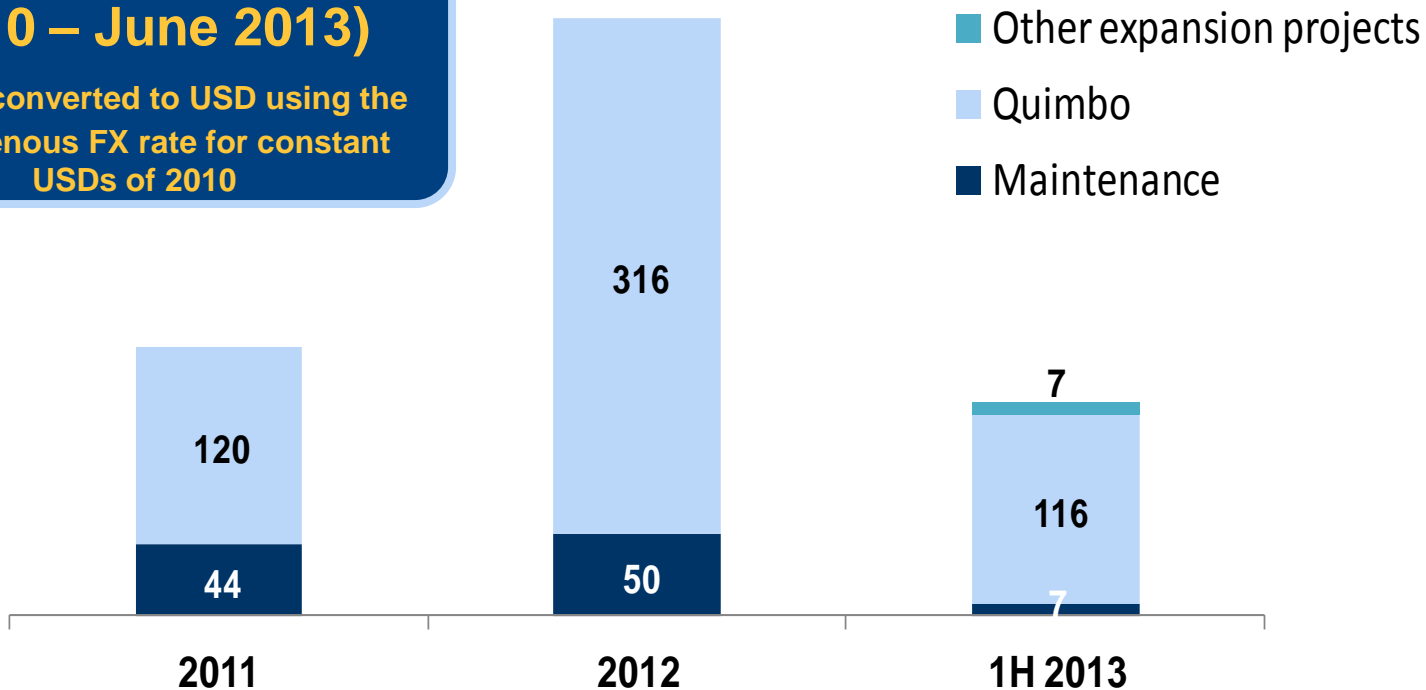
Despite the 21% increase in cost of sales, due to higher thermal generation, the commercial policy contributed to reduce operational margin volatility

Investments (USD million)

Total Investment in Quimbo:

USD\$443 million*
(2010 – June 2013)

* Figure converted to USD using the homogenous FX rate for constant USDs of 2010

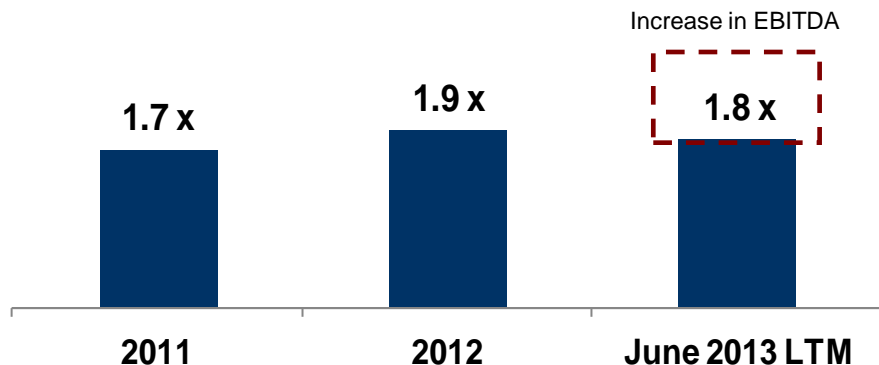


Execution of **44% of El Quimbo project** as of June 2013 and **34% of the Salaco Repowering**. Expansion investments focused in the execution of **El Quimbo Project** and the repowering of **Salaco Chain**. Capex also focused in preventive maintenance for hydro and thermo plants.

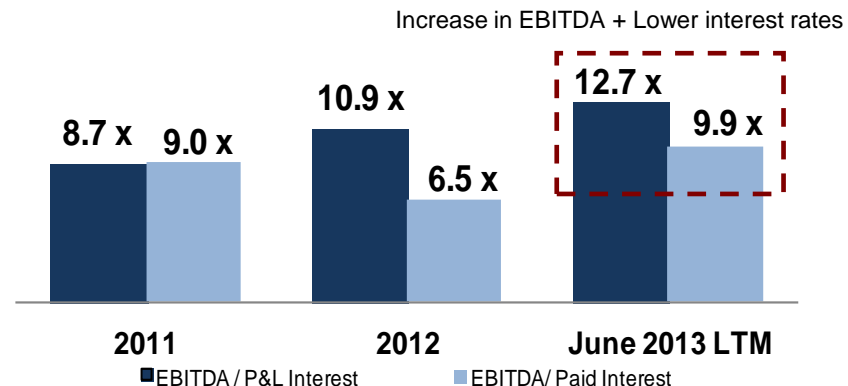
Emgesa's Key Credit Metrics

Strong financial ratios after funding 57% of El Quimbo Project

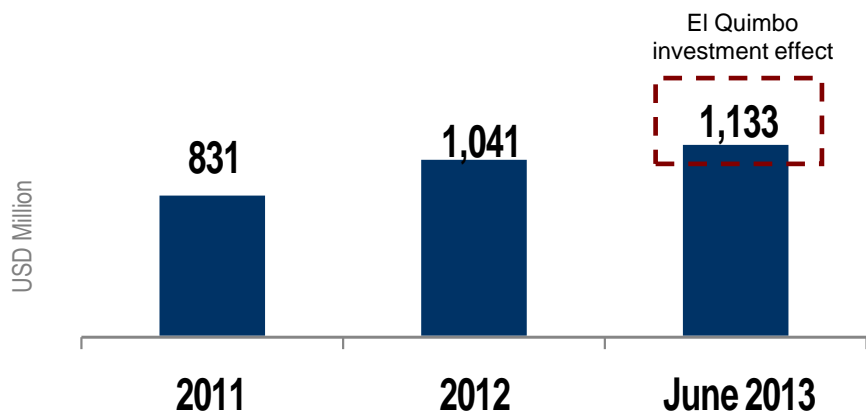
Debt/ EBITDA⁽¹⁾



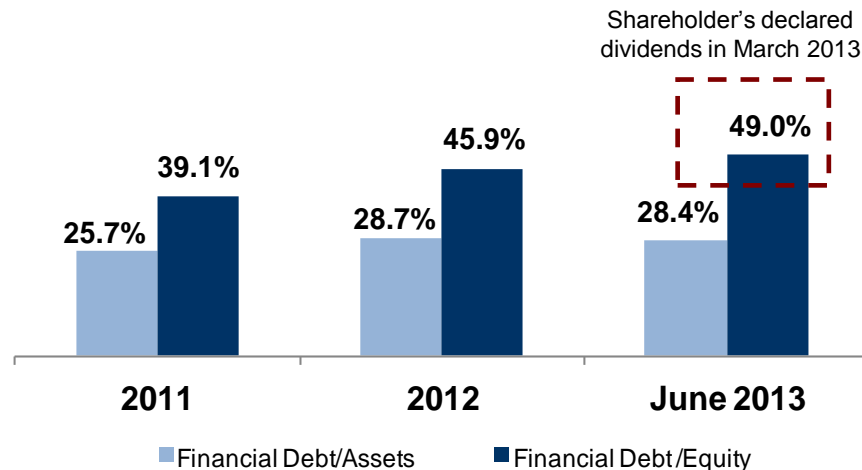
EBITDA / Interest Expenditure⁽²⁾



Net Financial Debt



Leverage

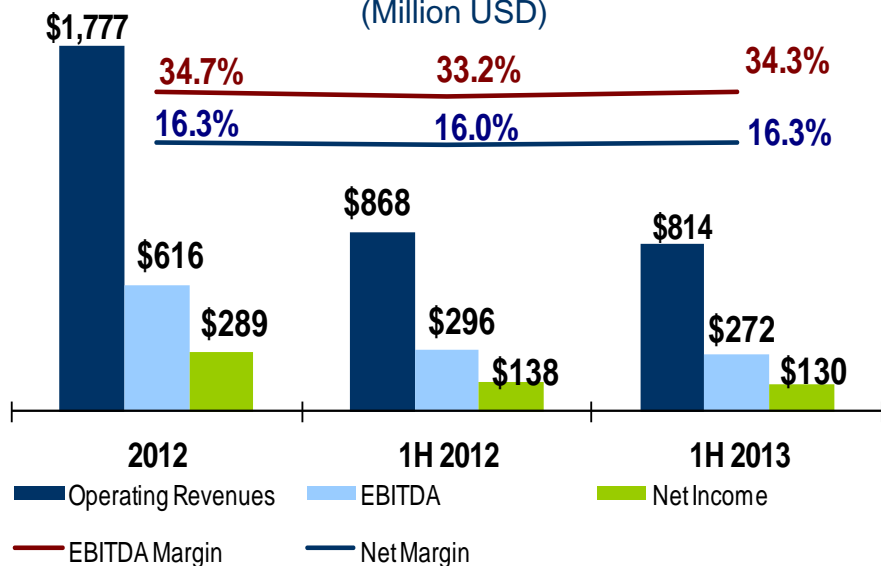


(1) EBITDA is calculated by adding back the depreciation and amortization (included in cost of sales and administrative expenses) to operating income.

(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.

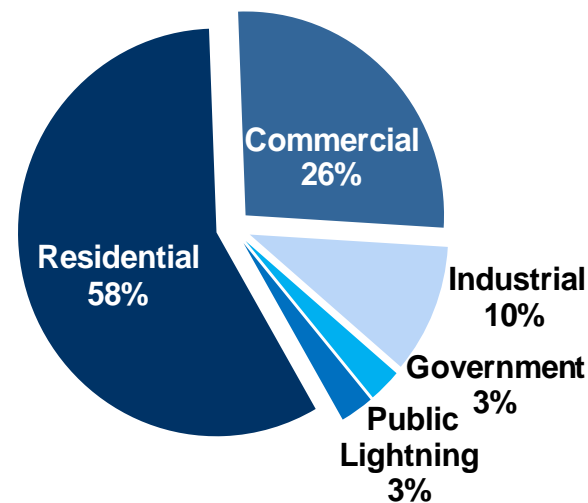
Financial Results and Margins

(Million USD)



Sales Composition

1H 2013 (% of Operating revenues)



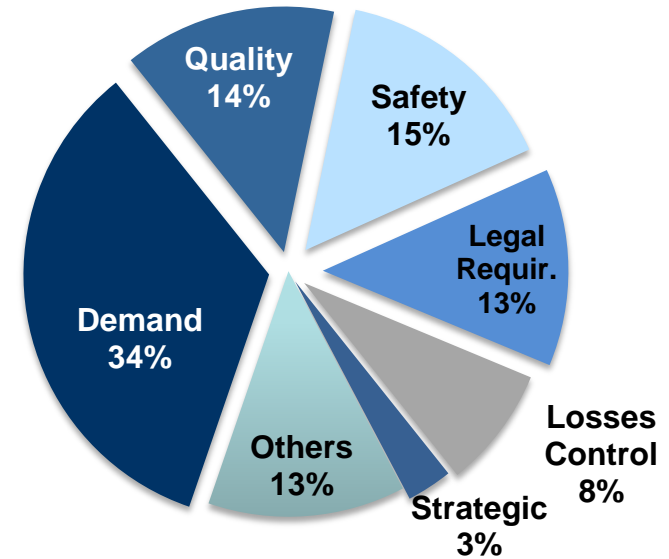
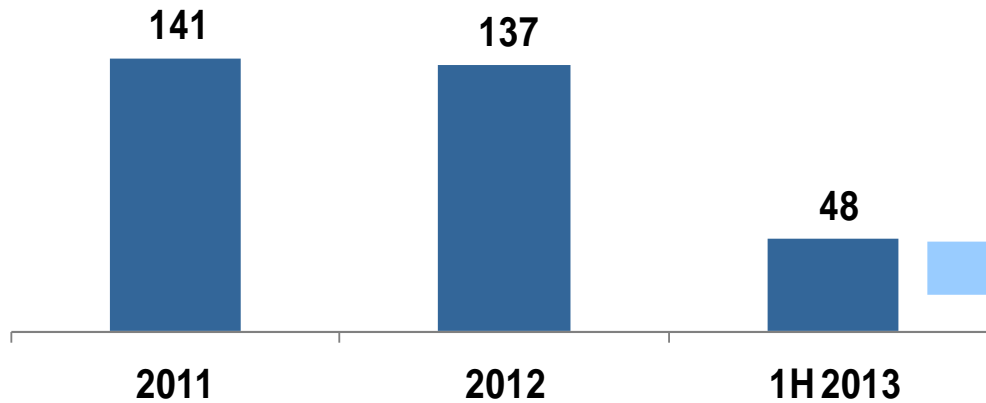
* EBITDA is calculated by adding back the depreciation and amortization (included in cost of sales and administrative expenses) to operating income (which is calculated by subtracting cost of sales and administrative expenses from operating revenues).

+1.7% net income, -0.6% EBITDA and +1.4% operating revenues

Slight recovery of energy demand from regulated and commercial clients and important reduction of net financial expenditure due to lower interest rates and debt balance

Sales to residential and commercial clients: 82% of operational revenues

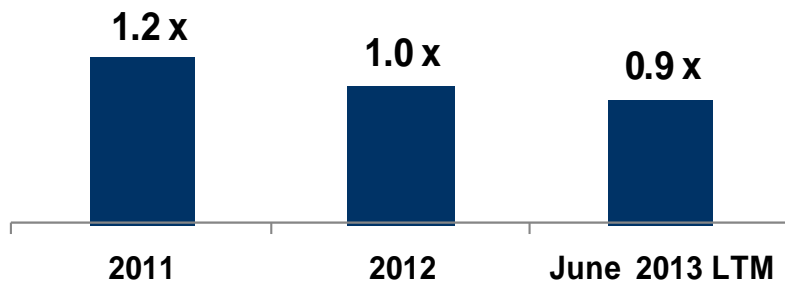
Investments (USD million)



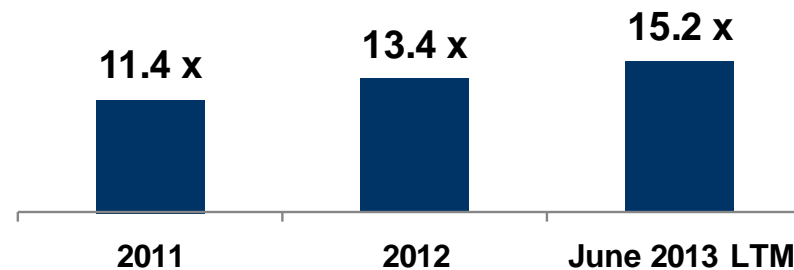
Total investments reached USD\$48 million in the 1H2013, mainly focused in:

- **Serving growing demand**, through new substations that guarantee energy supply for the country : *USD\$16.9 million*
- **Improve quality service and continuity**: *USD\$6.6 million*
- **Control operational risks** for safety conditions: *USD\$7.5 million*

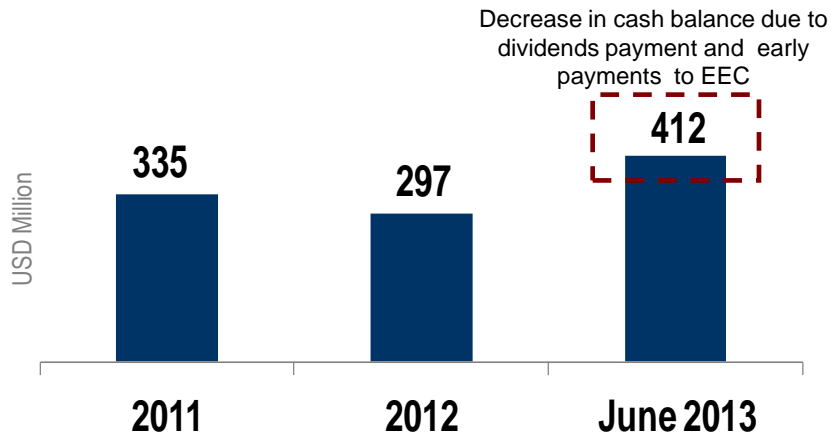
Debt/ EBITDA⁽¹⁾



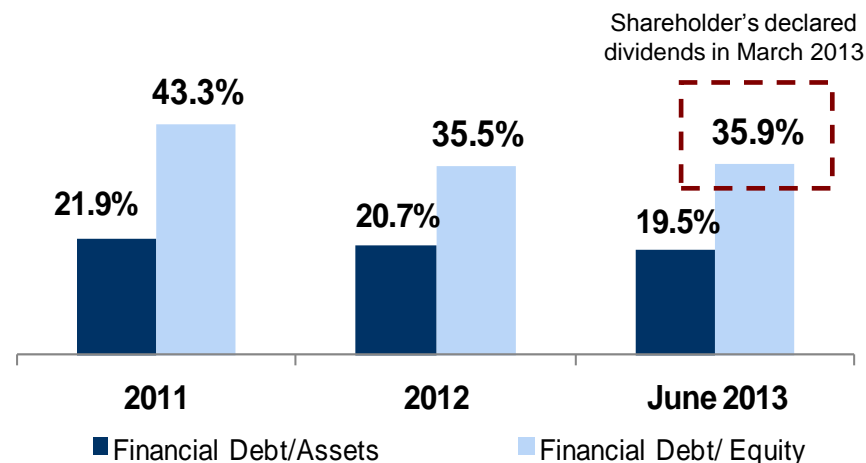
EBITDA / Interest Expenditure



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.

Improved results in Emgesa in spite of a dryer than average and expected season, evidenced the benefits from our **flexible commercial policy** and the **support of our thermal assets**

Continuous **increase of Codensa's client base** and **improved losses index and quality of service indicators** for a more efficient operation

Slight recovery in demand from residential and commercial clients in Codensa's area of operation, improving financial results during 1H 2013

Important progress in the execution of **El Quimbo plant and the Salaco repowering**, two major generation investments that will **increase Emgesa's installed capacity by more than 18%** by the year 2015

Solid and sustained financial credit metrics and low leverage indicators, both in Emgesa and Codensa, that support our **local AAA and international BBB** credit risk ratings

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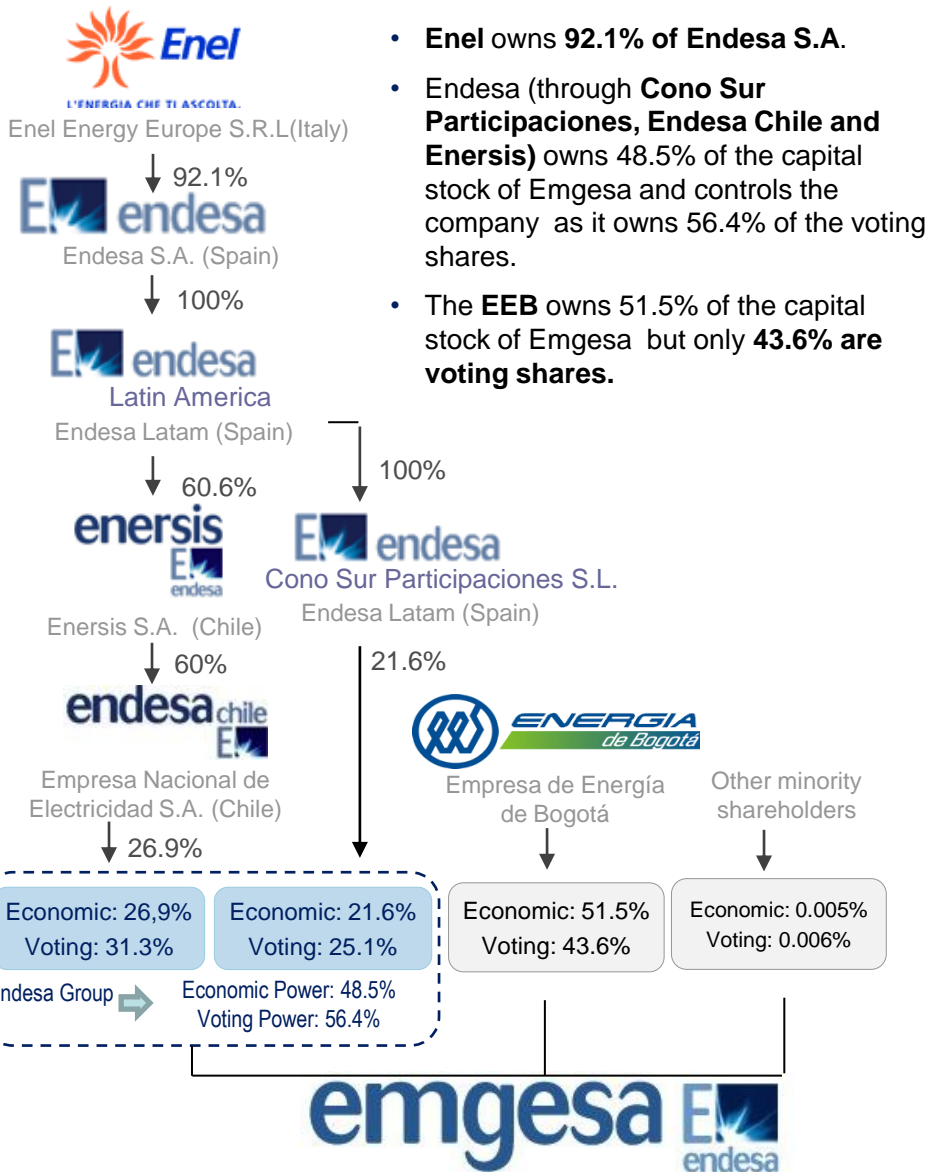
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Visit our web pages for additional information:
www.emgesa.com.co / www.codensa.com.co

Ownership structure of Emgesa and Codensa

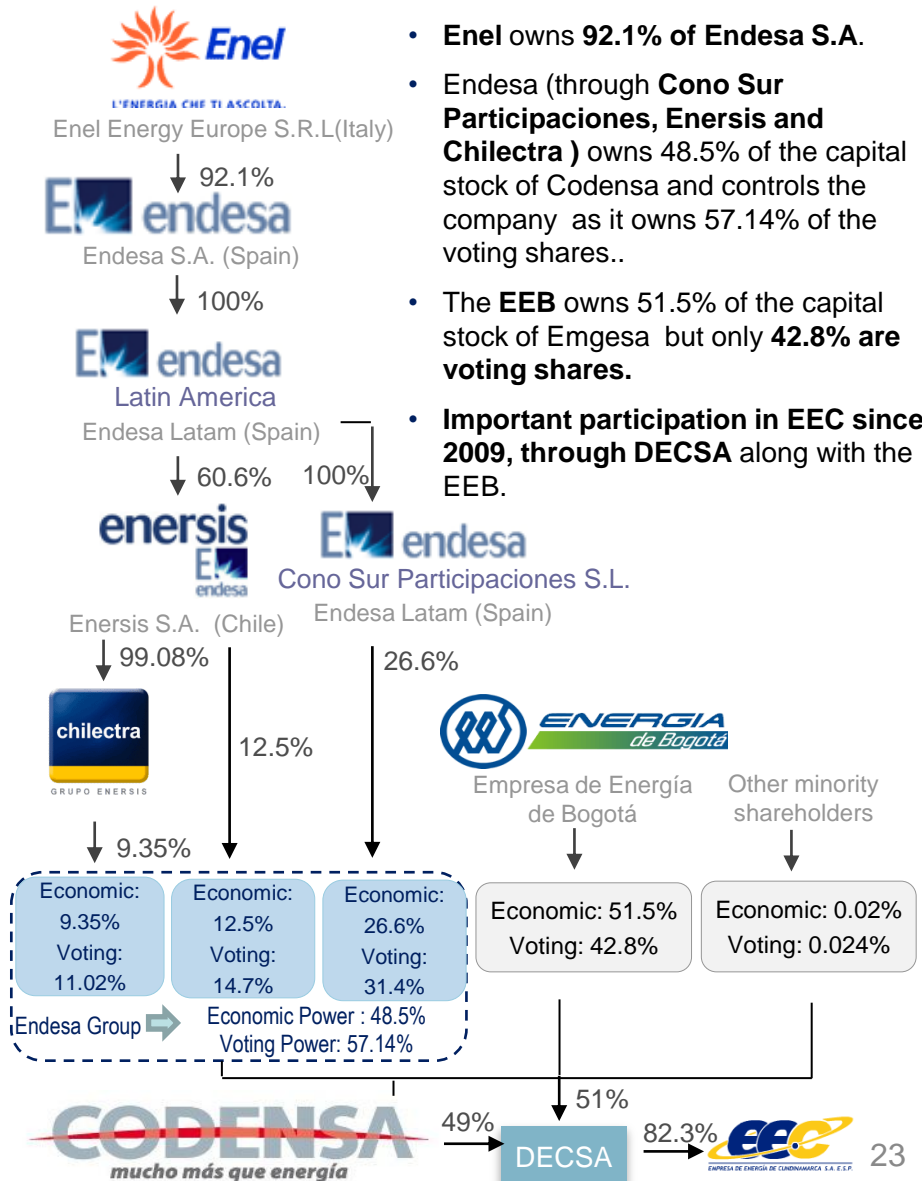
Solid and reliable controlling group

Emgesa



- Enel owns **92.1%** of Endesa S.A.
- Endesa (through **Cono Sur Participaciones, Endesa Chile and Enersis**) owns 48.5% of the capital stock of Emgesa and controls the company as it owns 56.4% of the voting shares.
- The **EEB** owns 51.5% of the capital stock of Emgesa but only **43.6% are voting shares**.

Codensa



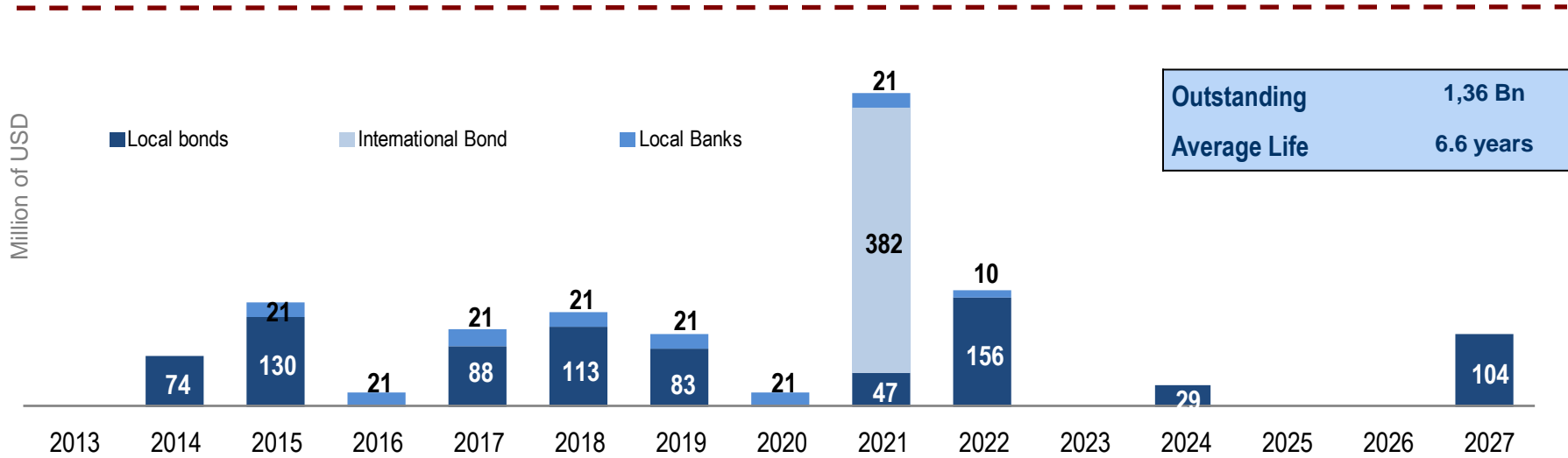
- Enel owns **92.1%** of Endesa S.A.
- Endesa (through **Cono Sur Participaciones, Enersis and Chilectra**) owns 48.5% of the capital stock of Codensa and controls the company as it owns 57.14% of the voting shares..
- The **EEB** owns 51.5% of the capital stock of Emgesa but only **42.8% are voting shares**.
- **Important participation in EEC since 2009, through DECSA along with the EEB.**

Moderate amortization profile despite new projects development

Amortization Schedule

(MM USD) as of June, 2013

EBITDA (2012) ~ USD\$781 Million



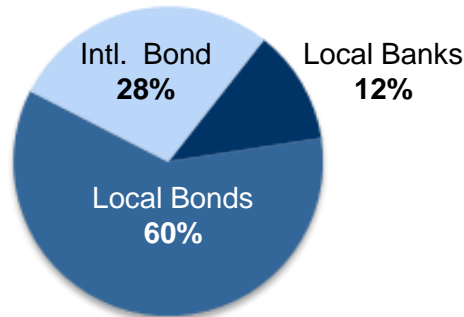
Financial Debt Breakdown*

as of June, 2013

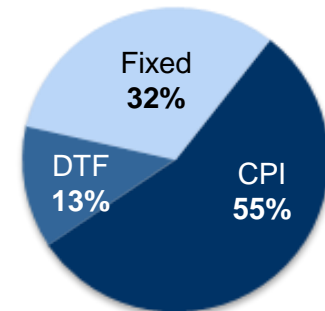
Currency



Instrument



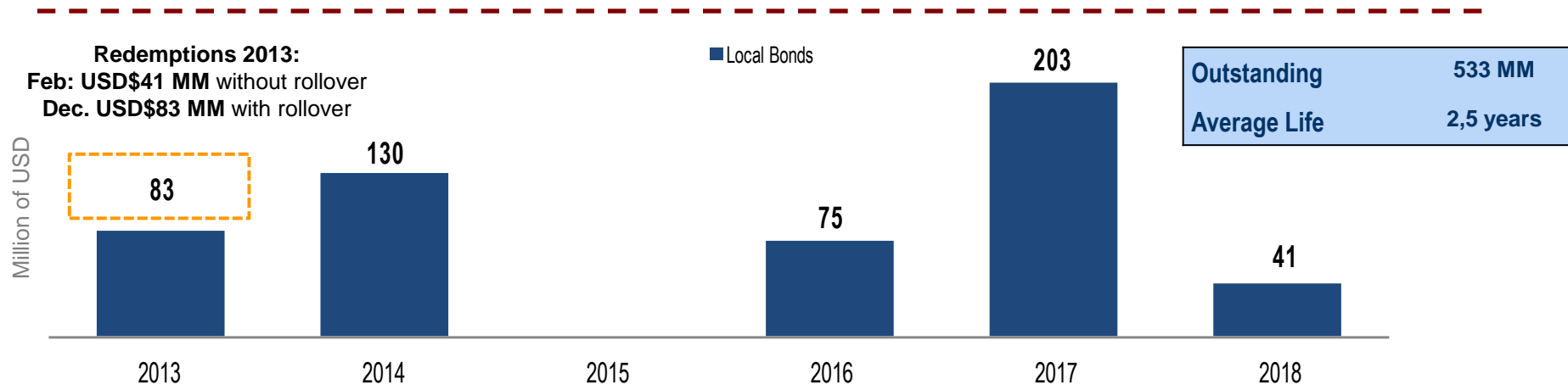
Interest Rate



* Calculated with CPI and DTF as of June 30, 2013

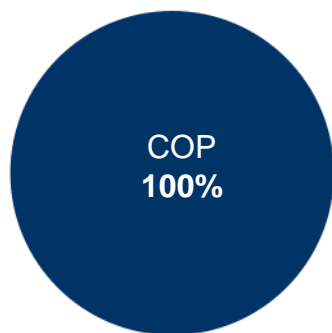
Amortization Schedule (MM USD) as of June 2013

EBITDA (2012) ~ USD\$616 Million



Financial Debt Breakdown as of June, 2013

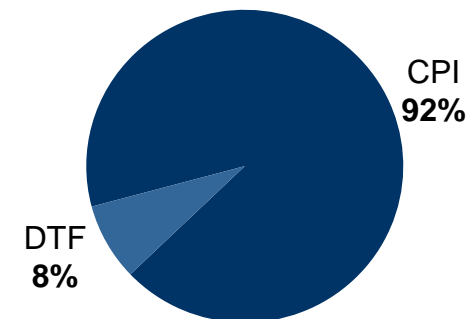
Currency



Instrument



Interest Rate





luz · gas · personas

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