



# 1H 2016 Results Emgesa and Codensa

Bogota, D.C. July 26th, 2016



Grupo Enel

# 1H 2016 results

Highlights of the period



Grupo Enel

**Aggregated EBITDA of USD\$557 MM (Dx:+13,3% and Gx:+30,9%) due to significant growth in revenue (Dx:+13,2% and Gx:+49,0%).**

**Aggregated CAPEX of USD\$116 MM, down by 53% compared to 1H 2015, resulting from the completion of El Quimbo in 2015 and increased Dx capex.**

**Ongoing legal process to implement merger between Codensa and EEC by 4Q 2016: Codensa will absorb EEC's operation, reaching together over 3 million clients.**

**Execution of a 4 yr amortizing peso denominated loan between Bank of Tokyo and Codensa in June 2016 equivalent to USD\$ 55 million.**

**In June 2016 Codensa was granted the Corporate Social Responsibility award from ANDESCO for the success of its Customer Ombudsman Program in place for 15 years.**

# 1H 2016 results

Regulation Colombia- Relevant updates during the period

## Distribution

### ▪ **CREG Resolution No. 051/ 2016**

- ✓ Terminated the incentive to reduce electricity consumption that had been promoted by CREG Resolution 029 issued on March /2016, which temporarily modified billing methodology.

## Generation

### ▪ **Overruling of temporary CREG Resolutions implemented during “El Niño” Phenomenon:**

- ✓ CREG Resolution No. 052/ 2016: Dismissed CREG Resolution No. 178 of 2015, which increased the scarcity price from COP \$300 kWh to COP \$ 477 kWh for thermal plants.
- ✓ CREG Resolution No. 053/2016: Overruled CREG Resolution No. 044 of 2016, which obliged power generators to declare a maximum capacity of generation, allowing generation companies to manage their hydro resources more efficiently.
- ✓ CREG Resolution No. 054/2016: Offered new alternatives to power generation companies to pay for execution of SBLCs related to excess reliability charge.

### ▪ **Resolution No. 0710 (May 6<sup>th</sup>, 2016) -Ministry of Environment and Development**

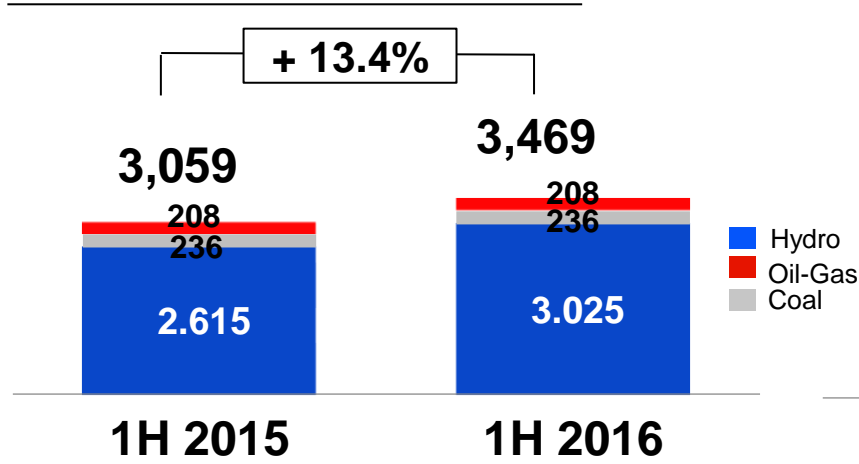
- ✓ Protection of national moors and geographical borders. This resolution set the limits for Chingaza’s moor and prohibited any economic activity within those limits.
- ✓ Potential effect for new hydro power plants and water usage.

# 1H 2016 results

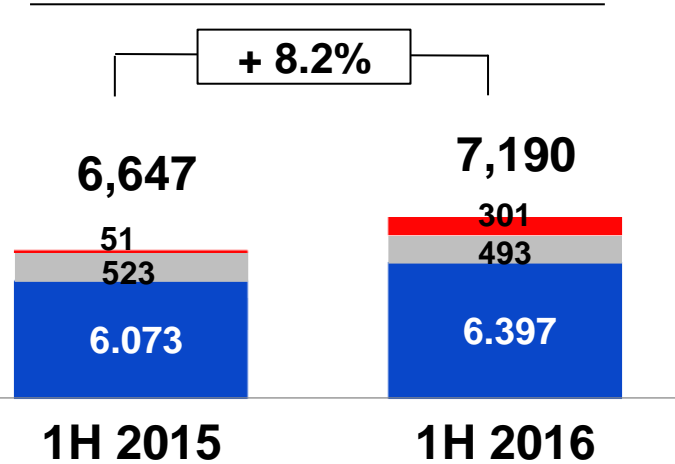
Operating Highlights

Generation

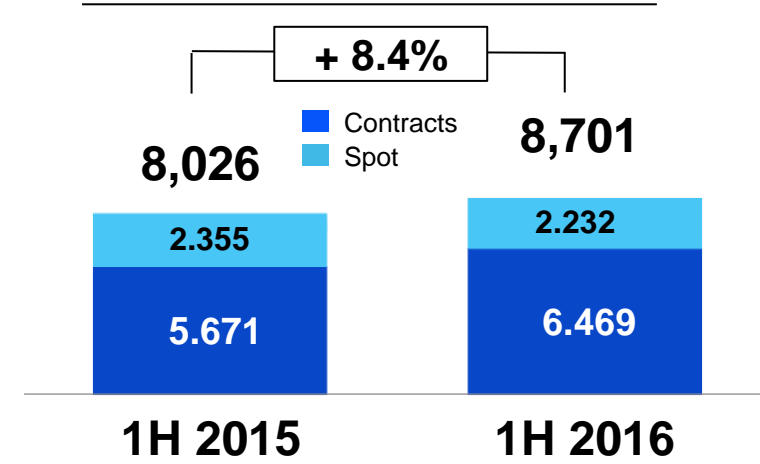
### Installed capacity (MW)



### Net Production (GWh)

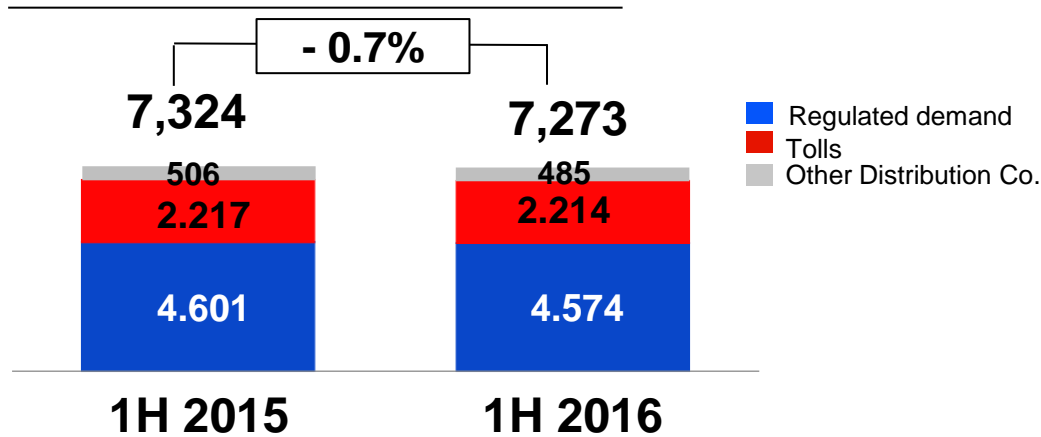


### Electricity Sales (GWh)

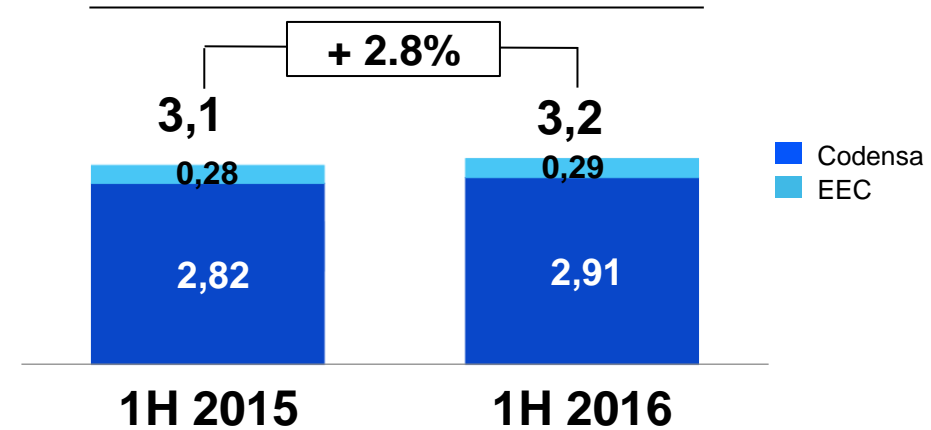


Distribution

### Electricity Distributed (GWh)



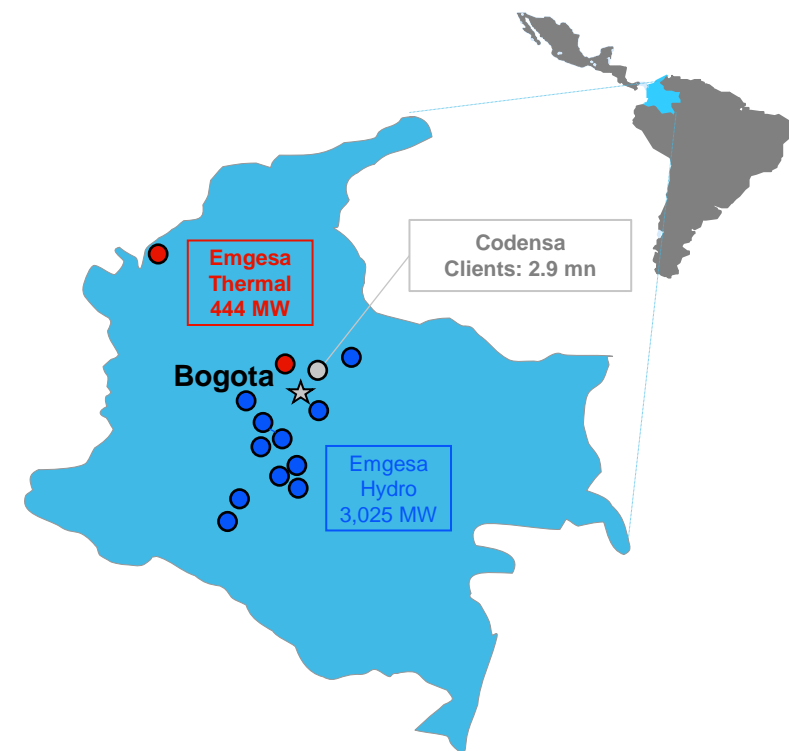
### Number of Customers (Mn)



# 1H 2016 results

Snapshot of the Country (US\$ mn) <sup>(1)</sup>

	Generation			Distribution			Total		
	1H 15	1H 16	% <sup>(2)</sup>	1H 15	1H 16	%	1H 15	1H 16	%
Revenues	421	<b>628</b>	49	569	<b>644</b>	13	990	<b>1,272</b>	28
EBITDA	261	<b>341</b>	31	191	<b>216</b>	13	451	<b>557</b>	23
CAPEX	205	<b>21</b>	-90	43	<b>96</b>	123	248	<b>116</b>	-53
Net Production (GWh)	6,647	<b>7,190</b>	8	-	-	-	6,647	<b>7,190</b>	8
Energy Sales (GWh)	8,026	<b>8,701</b>	8	7,324	<b>7,272</b>	-0.7	-	-	-
Clients (mn)	-	-	-	2.82	<b>2.91</b>	3	2.82	<b>2.91</b>	3

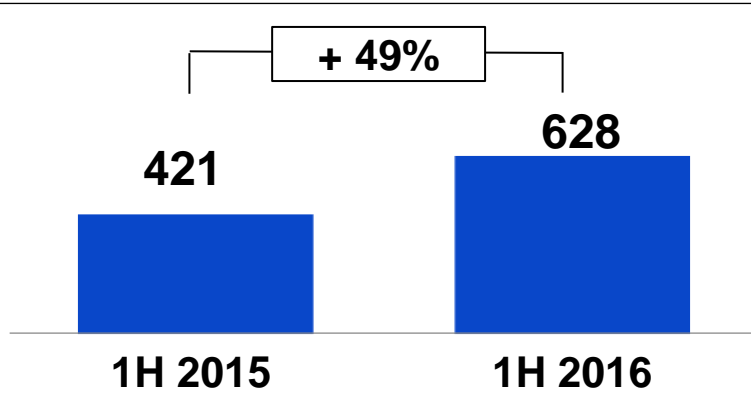


1. Comparisons between periods are made using the average USD FX rate for 1H 2016 equal to 3.121,86 COP/USD only for information purposes. Original data is in Colombian pesos.  
 2. Percentage changes calculated from the figures in COP.

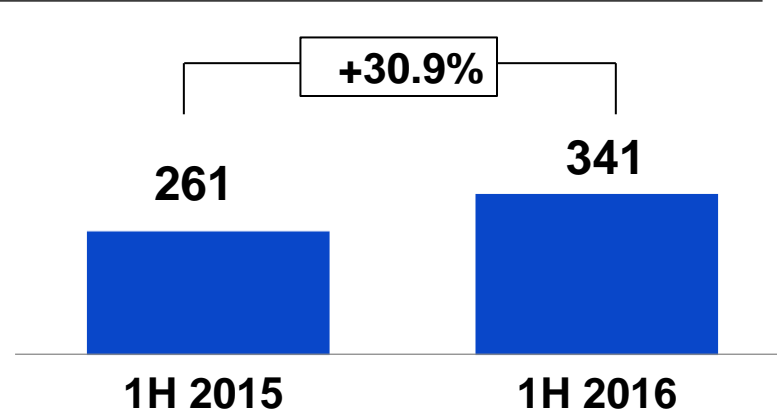
# 1H 2016 results

Emgesa's Financial highlights (US\$ mn1)

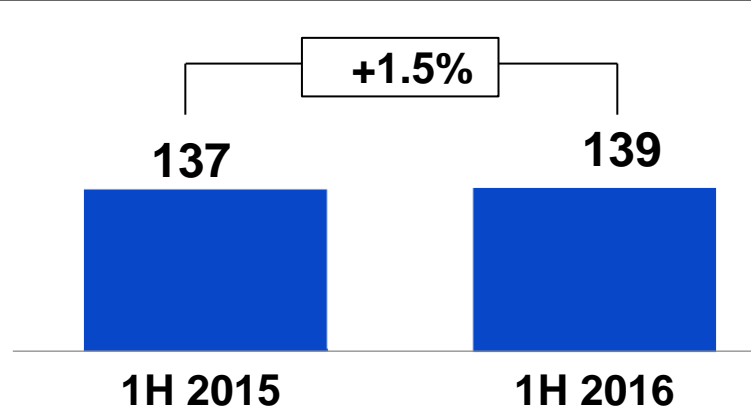
## Revenues



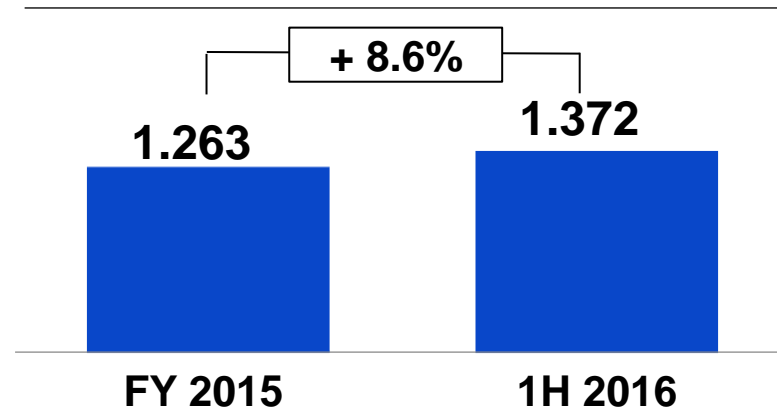
## EBITDA



## Net Income



## Net Debt<sup>2</sup>



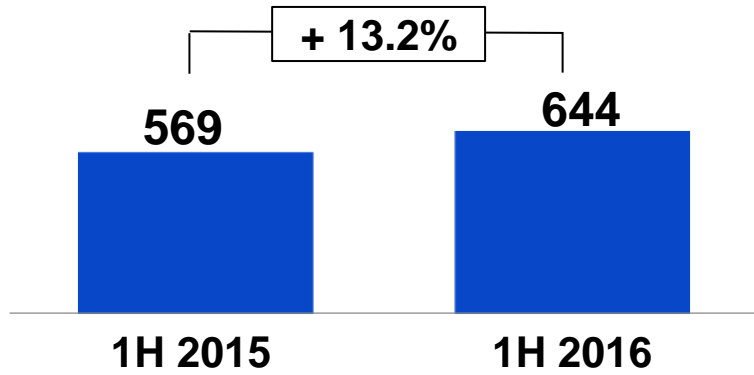
1. Comparisons between periods are made using the average USD FX rate for 1H 2016 equal to 3.121,86 COP/USD only for information purposes. Original data is in Colombian pesos.

2. Exchange rate USD/COP for the Debt as of Dec. 31 2015 was 3.149,47 COP/USD and for the Debt as of June 30, 2016 was 2.916,15 COP/USD.

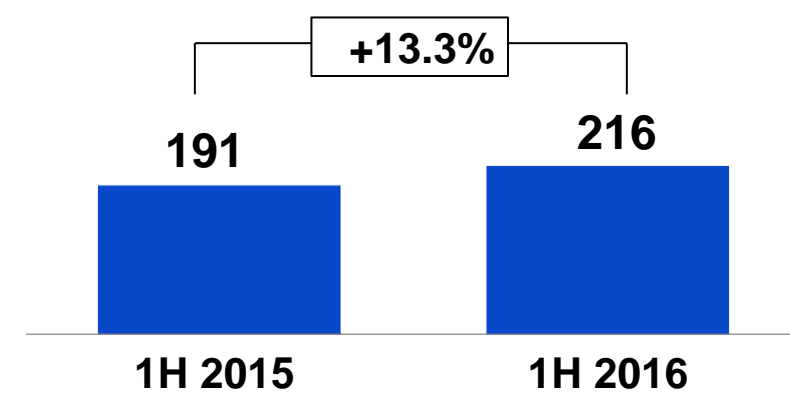
# 1H 2016 results

Codensa's Financial highlights (US\$ mn1)

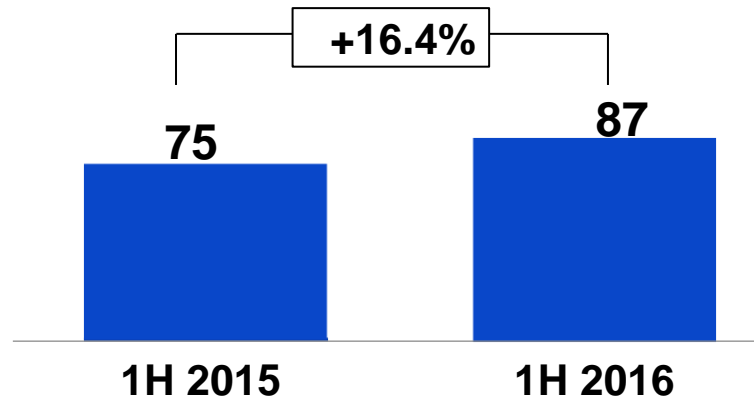
## Revenues



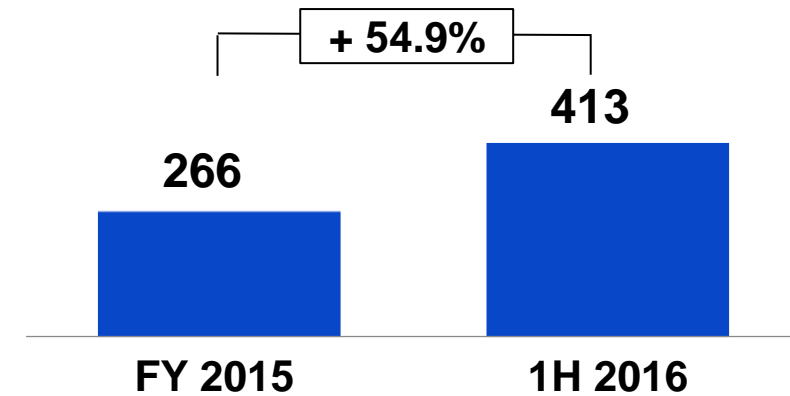
## EBITDA



## Net Income



## Net Debt<sup>2</sup>

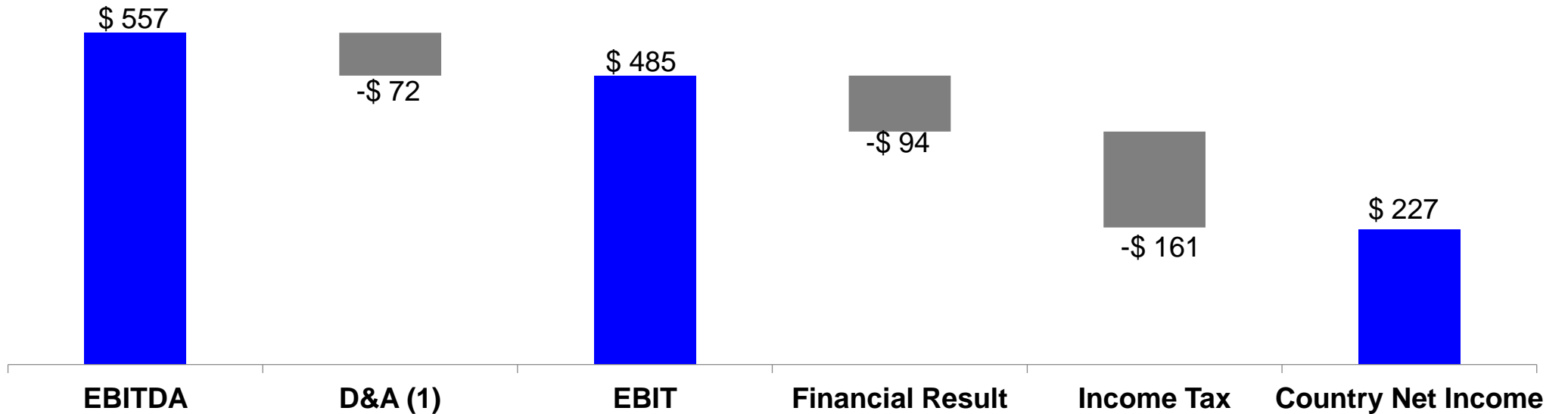


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# 1H 2016 results

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



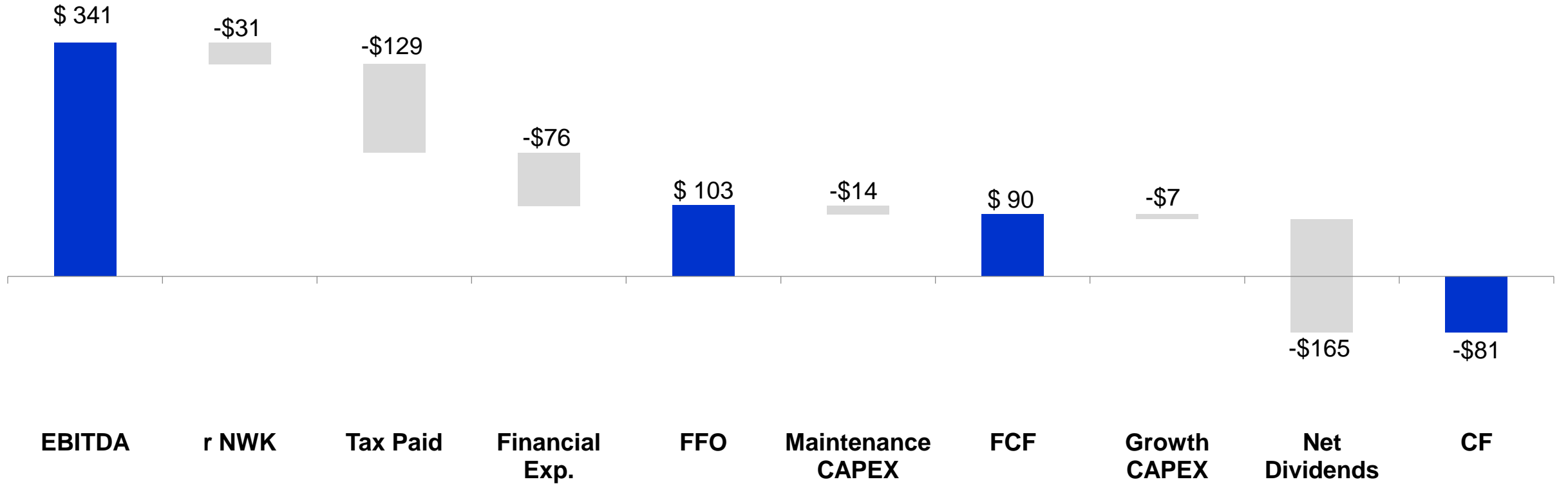
	EBITDA	D&A (1)	EBIT	Financial Result	Income Tax	Country Net Income
<b>1H 15</b>	451	-64	388	-39	-136	213
<b>Change YoY</b>	+23%	+12%	+25%	+141%	+18%	+7%

1. Comparisons between periods are made using the average USD FX rate for 1H 2016 equal to 3.121,86 COP/USD only for information purposes. Original data is in Colombian pesos.



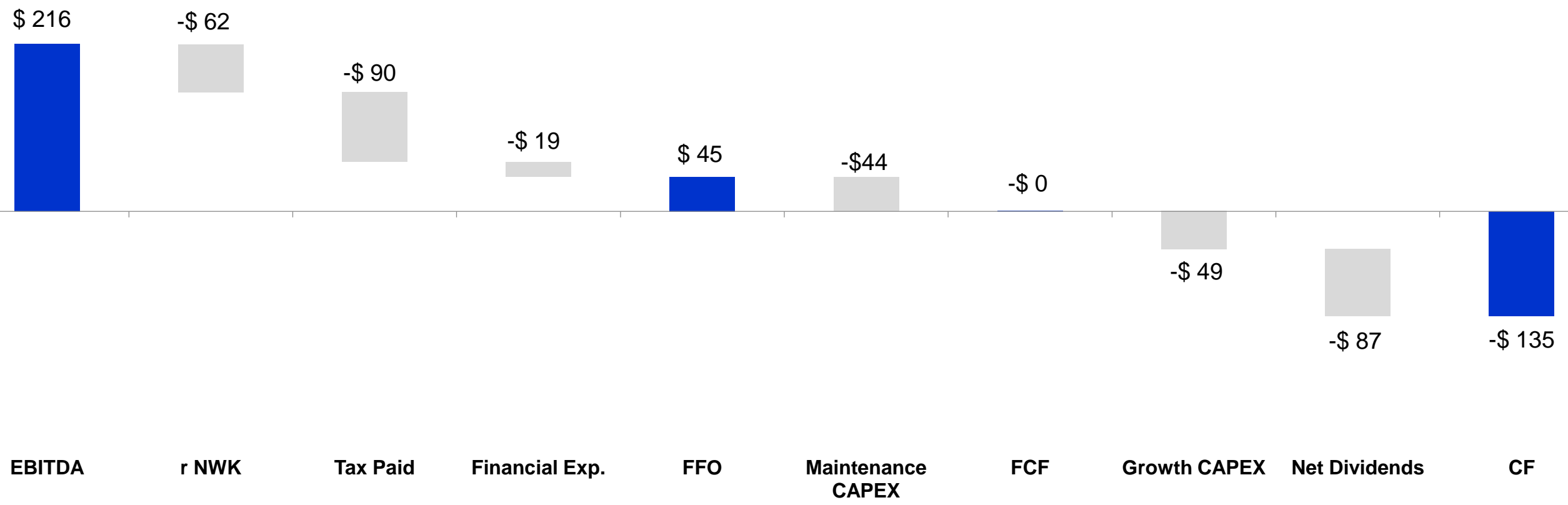
# 1H 2016 results

Emgesa- Cash Flow (US\$ mn)



*FX: \$3,121.86 COP/ USD*

**1H 2016 results**  
Codensa- Cash Flow (US\$ mn)



*FX: \$3,121,86 COP/ USD*

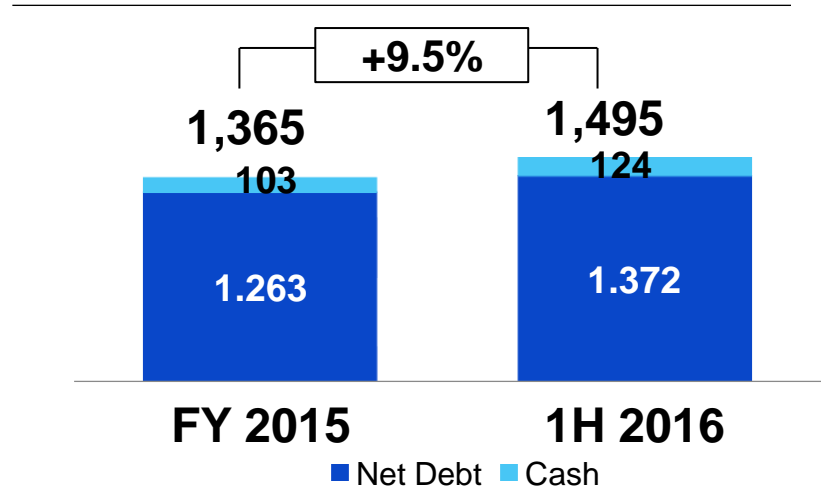
Figures presented correspond to accrual-basis accounting.

# 1H 2016 results

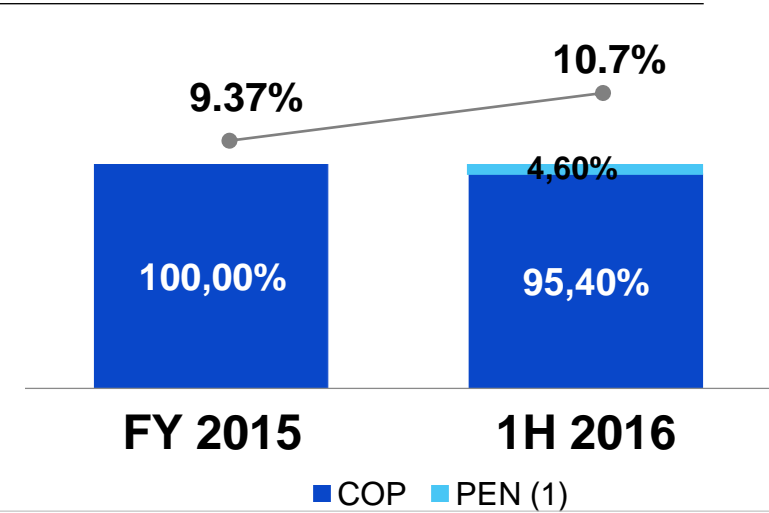
Gross debt breakdown (US\$ mn)

Generation

Gross and Net Debt (US\$ mn)

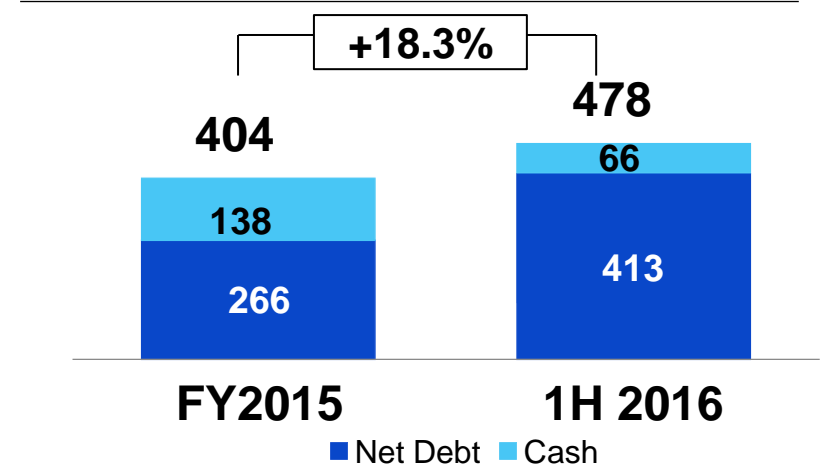


Gross debt breakdown by currency

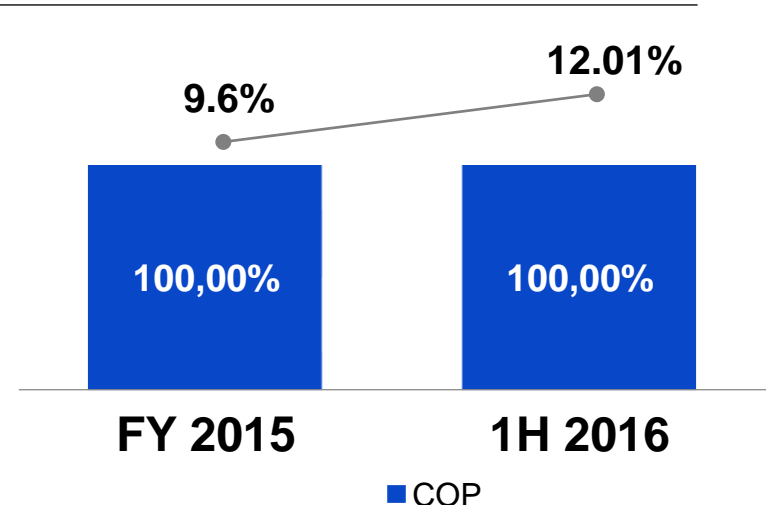


Distribution

Gross and Net Debt (US\$ mn)



Gross debt breakdown by currency



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

# 1H 2016 results

Closing Remarks



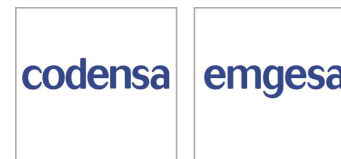
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**Positive operating results for Codensa and Emgesa during 1H 2016**, from higher electricity prices due to PPI levels and an increase in net production and number of clients and despite significant cost increases.

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

**CAPEX execution focused on projects from the distribution business**

# Investor Relations Team



Grupo Enel



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

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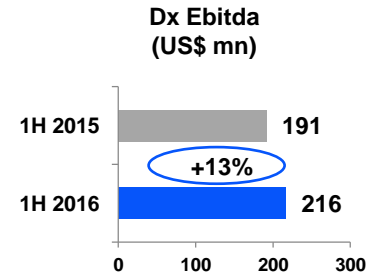
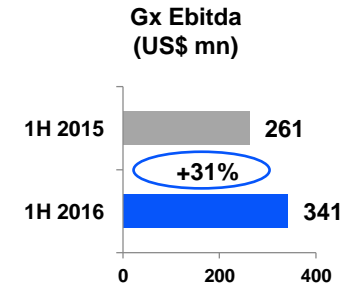
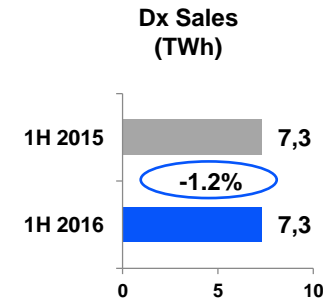
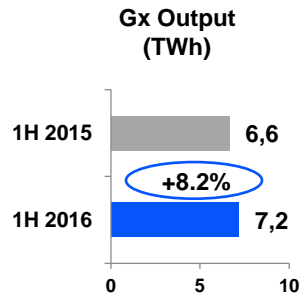
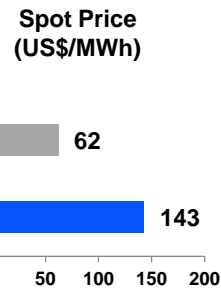
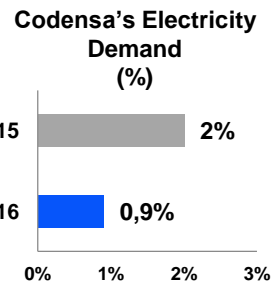


# Exhibits

# Operating Exhibits 1H 2016

Business context in 1H 2016 v/s 1H 2015

Colombia



Net installed capacity Generation (MW)				Total Net Production (GWh)
GW	Hydro	Oil-Gas/ Coal	Total Capacity	Jan-Jun/16
Guavio	1.223			2.919
Pagua	601			1.848
Cartagena		208		301
Termostiza		236		493
Minor/ Run of the river	260			218
Betania	541			820
Quimbo	400			592
<b>Total</b>	<b>3.025</b>	<b>444</b>	<b>3.469</b>	<b>7.191</b>

# Financial Exhibits 1H 2016

Debt structure, liquidity and credit profile- Emgesa + Codensa

Liquidity (US\$ mn)	Amount	Outstanding	Available
Committed credit lines	-	-	-
Cash and cash equivalents <sup>1</sup>	194	n.a.	194
Uncommitted lines	1,923	586	1.337
<b>Total liquidity</b>	<b>2,117</b>	<b>586</b>	<b>1,531</b>

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

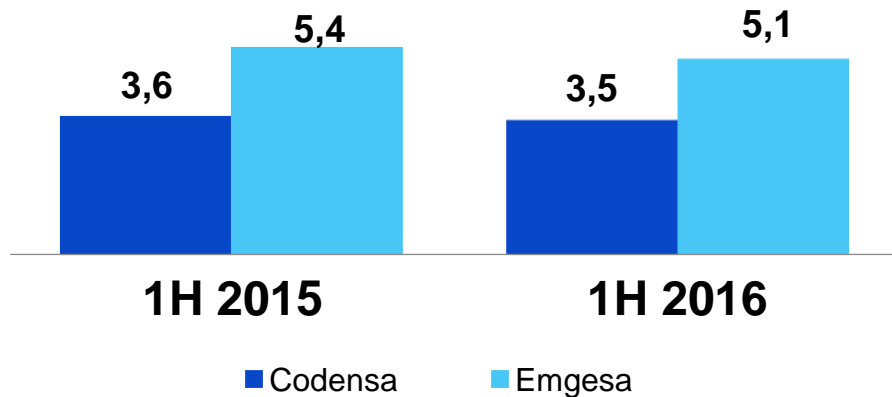
1. Includes cash and cash equivalence for more than 90 days



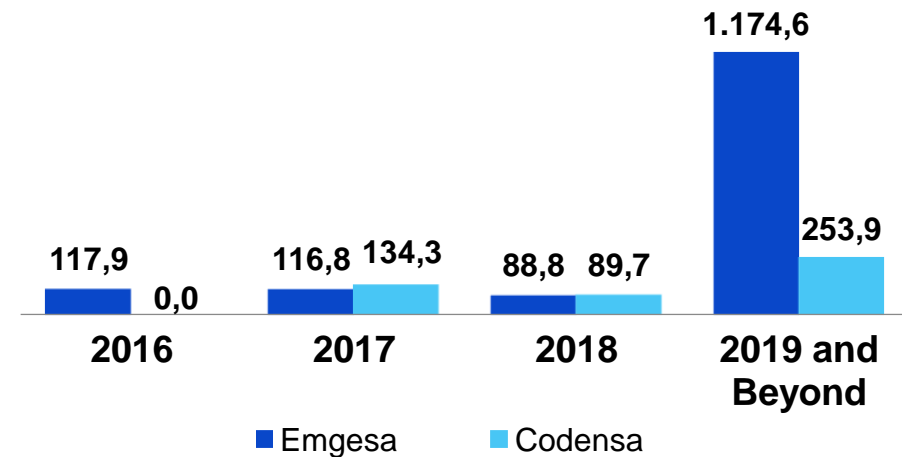
# Financial Exhibits 1Q 2016

Debt maturity

### Average residual maturity (years)



### Debt profile (US\$ Mn)



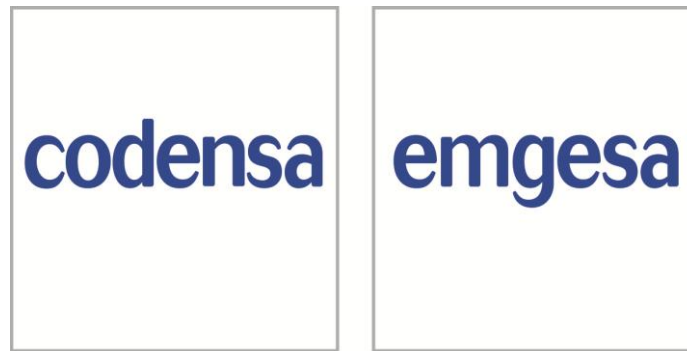
## Disclaimer

### **IFRS adoption**

1. *Figures of the financial statements used in this presentation as of June 30th, 2016 were prepared in Colombian pesos under IFRS officially applied in Colombia since January 2015.*
2. *The average exchange rate for the period January-June 2016 was \$3,121.86 COP/USD and the exchange rate as of June 30<sup>th</sup>, 2016 was \$2,919.15 COP/USD.*



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