

EMGESA S.A. E.S.P.

BALANCE SHEET AS OF JUNE 30, 2011 AND DECEMBER 31, 2010
(In thousands of Colombian pesos)

ASSETS	as of June 30, 2011	as of December 31, 2010	LIABILITIES AND SHAREHOLDERS' EQUITY	as of June 30, 2011	as of December 31, 2010
CURRENT ASSETS:			CURRENT LIABILITIES:		
Available	\$ 422.608.433	\$ 305.107.332	Financial obligations	\$ 664.380.626	\$ 361.152.457
Investments	89.896.392	1.696.145	Accounts payable	355.117.405	98.309.172
Accounts receivable	436.692.518	188.815.089	Related companies	118.608.262	558.459.905
Related companies	162.671.479	133.446.734	labor-related and social security obligations	6.975.972	9.399.314
Inventories	24.808.954	20.291.536	Pensions and fringe benefits	11.111.230	11.111.230
Prepaid expenses	<u>887.073</u>	<u>5.633.320</u>	Accrued expenses	163.724.031	129.391.460
			Taxes, levies and duties payable	4.805.546	11.238.558
			Premium Unamortized bond issue	<u>2.137.042</u>	<u>4.274.084</u>
Total current assets	<u>1.137.564.849</u>	<u>654.990.156</u>	Total current liabilities	<u>1.326.860.114</u>	<u>1.183.336.180</u>
LONG-TERM INVESTMENTS	8.526.348	8.421.791	LONG TERM:		
LONG-TERM RECEIVABLES	12.137.367	11.240.651	Financial obligations	1.844.358.999	1.390.009.053
Inventories	20.161.216	20.441.268	Pensions and fringe benefits	67.893.793	70.601.522
DEFERRED CHARGES, NET	141.347.711	109.169.739	Premium Unamortized bond issue	1.812.520	1812520,-
INTANGIBLES, NET	52.965.424	54.302.071	Income received in advance	1.171.883	907.383
PROPERTY, PLANT AND EQUIPMENT, NET	4.951.934.029	4.909.765.339	Accrued expenses	<u>1.134.448</u>	<u>1.526.202</u>
VALUATIONS	2.008.826.016	2.009.648.656	Total long-term liabilities	<u>1.916.371.643</u>	<u>1.464.856.680</u>
OTHER ASSETS	<u>2.928.315</u>	<u>2.892.621</u>	Total liabilities	<u>3.243.231.757</u>	<u>2.648.192.860</u>
Total assets	<u>\$ 8.336.391.275</u>	<u>\$ 7.780.872.292</u>	SHAREHOLDERS' EQUITY (Note 20)		
MEMORANDUM ACCOUNTS	<u>\$ 313.473.096</u>	<u>\$ 314.165.146</u>	Paid-in capital	655.222.313	655.222.313
MEMORANDUM ACCOUNTS PAYABLE			Premium in stock placement	113.255.816	113.255.816
MEMORANDUM ACCOUNTS RECEIVABLE	<u>\$ 2.385.235.139</u>	<u>\$ 2.711.572.661</u>	Legal reserve	327.611.156	327.611.156
			Occasional reserves	178.127	178.127
			Equity revaluation	1.674.583.276	1.871.439.181
			Surplus valuations	2.008.826.016	2.009.648.656
			Net income for the period	<u>313.482.814</u>	<u>155.324.183</u>
			Total shareholders' equity	<u>5.093.159.518</u>	<u>5.132.679.432</u>
			Total liabilities and shareholders' equity	<u>\$ 8.336.391.275</u>	<u>\$ 7.780.872.292</u>
			MEMORANDUM ACCOUNTS	<u>\$ 313.473.096</u>	<u>\$ 314.165.146</u>
			MEMORANDUM ACCOUNTS PAYABLE		
			MEMORANDUM ACCOUNTS RECEIVABLE	<u>\$ 2.385.235.139</u>	<u>\$ 2.711.572.661</u>

The accompanying notes are an integral part of the financial statements

The undersigned legal representative and accountant hereby certify we have previously verified the statements contained in these financial statements and that they have been taken faithfully from Company books.

ALBA LUCIA SALCEDO RUEDA
Public Accountant
T.P. No. 40562-T

EMGESA S.A. E.S.P.**INCOME STATEMENT****FOR THE PERIOD BETWEEN JANUARY 1, 2011 AND JUNE 30, 2011 AND THE PERIOD BETWEEN OCTOBER 1, 2010 AND DECEMBER 31, 2010****(in thousands of Colombian pesos)**

	as of June 30, 2011	as of December 31, 2010
OPERATING INCOME	\$ 897.013.325	\$ 455.201.120
COST OF SALES	<u>(348.966.246)</u>	<u>(184.971.884)</u>
GROSS PROFIT	548.047.079	270.229.236
ADMINISTRATIVE EXPENSES	<u>(14.986.968)</u>	<u>(7.677.047)</u>
Operating income	<u>533.060.111</u>	<u>262.552.189</u>
INCOME (EXPENSES) NON-OPERATING:		
Financial income	2.250.027	2.426.215
Financial expenses	(74.338.350)	(34.578.317)
Miscellaneous, net	<u>(3.232.692)</u>	<u>(483.390)</u>
Non- Operating income	<u>(75.321.015)</u>	<u>(32.635.492)</u>
INCOME BEFORE INCOME TAX	<u>457.739.096</u>	<u>229.916.697</u>
INCOME TAX	<u>(144.256.282)</u>	<u>(74.592.514)</u>
NET INCOME FOR THE PERIOD	<u>\$ 313.482.814</u>	<u>\$ 155.324.183</u>

The accompanying notes are an integral part of the financial statements

The undersigned legal representative and accountant hereby certify we have previously verified the statements contained in these financial statements and that they have been taken faithfully from Company books.

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