

EMGESA S.A. E.S.P.**CONSOLIDATED BALANCE SHEET
(In thousands of pesos)**

	as of june 30, 2013	as of December 31, 2012
Assets		
Current Assets:		
Available and Investments	\$ 432.811.261	\$ 785.377.480
Accounts receivable, Net	535.714.825	255.242.586
Related companies	105.009.571	56.157.690
Inventories,Net	30.579.933	42.141.010
Prepaid expenses	5.189.189	10.960.157
Total current assets	<u>1.109.304.779</u>	<u>1.149.878.923</u>
Permanent investments, net	8.324.464	8.324.464
Debtors, net	11.713.146	13.470.164
Inventories, Net	21.296.787	21.012.249
Properties, plant and equipment	5.703.034.497	5.528.232.607
Deferred changes, net	111.631.439	119.228.420
Deferred Taxes	69.059.622	69.608.238
Intangible assets, net	56.532.002	57.659.707
Other assets	7.865.083	5.671.288
Valuations	2.165.796.738	2.166.971.014
Total assets	<u>\$ 9.264.558.557</u>	<u>\$ 9.140.057.074</u>
Liabilities and equity		
Current liabilities:		
Financial obligations	\$ 112.196.420	\$ 105.826.910
Accounts payable	335.230.247	146.921.175
Related companies	436.873.434	173.768.410
Labor-related and social security obligations	9.150.592	13.814.643
Pensions and fringe benefits	9.887.576	9.966.858
Accrued expenses and provisions	42.497.083	51.246.075
Taxes, levies and duties payable	264.125.763	159.454.982
Other current liabilities	0	4.707.609
Premium for placement of bonds pending amortization	776.883	776.881
Total current liabilities	<u>1.210.737.998</u>	<u>666.483.543</u>
Financial obligations	2.577.320.000	2.626.760.000
Retirement pensions	64.537.759	64.458.477
Premium for placement of bonds pending amortization	453.181	841.624
Taxes, charges, and rates	24.606.988	49.213.976
Revenues received in advance	1.235.971	2.177.834
Estimated liabilities and reserves	27.179.225	8.761.992
Minority Interest	9.870	8.837
Equity:		
Subscribed and paid capital	655.222.313	655.222.313
Premium for placement of shares	113.255.816	113.255.816
Legal reserve	327.611.156	327.611.156
Occasional reserves	178.127	178.127
Equity revaluation	1.674.583.276	1.674.583.276
Valuation surplus	2.165.796.740	2.166.971.014
Conversion Effect	1.309	(299)
Net income for the period	421.828.828	783.529.388
Total equity	<u>5.358.477.565</u>	<u>5.721.350.791</u>
Total liabilities and equity	<u>\$ 9.264.558.557</u>	<u>\$ 9.140.048.237</u>
Memorandum accounts	<u>\$ 3.605.821.304</u>	<u>\$ 4.499.458.776</u>

Original signed by
ALBA LUCIA SALCEDO RUEDA
Public Accountant

EMGESA S.A. E.S.P.

CONSOLIDATED INCOME STATEMENT (in thousands of Colombian pesos)

	Six month period from January 1 to June 30, 2013	Twelve month period from January 1 to December 31, 2012
Operational revenues	\$ 1.184.528.838	\$ 2.144.233.104
Cost of sales	\$ (502.728.403)	(880.529.588)
Gross profits	<u>681.800.435</u>	<u>1.263.703.516</u>
Administration expenses	(12.684.940)	(29.507.526)
Operational profits	<u>669.115.495</u>	<u>1.234.195.990</u>
Other expenditures (revenues):		
Financial, Net	(48.909.783)	(122.216.842)
Miscellaneous, net	<u>(47.416)</u>	<u>(9.857.387)</u>
Profits before taxes	620.158.296	1.102.121.761
Income tax	(198.328.435)	(318.594.382)
Current	(198.291.092)	(317.162.183)
Deferred	<u>(37.343)</u>	<u>(1.432.199)</u>
Minority Interest	(1.033)	2.009
Net income for the period	\$ 421.828.828	\$ 783.529.388

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Public Accountant
T.P. No. 40562-T

EMGESA S.A. E.S.P.**CONSOLIDATED CASH FLOW STATEMENTS**
(in thousands of Colombian pesos)

	as of June 30, 2013	as of December 31, 2012
Operational Activities		
Net year profits	\$ 421.828.828	\$ 783.529.388
Depreciation and Amortization	76.335.295	145.265.385
Recovery of accounts receivable reserve	(246.503)	(492.674)
Accounts receivable reserve	81.206	658.489
Inventory recovery	-	(679.704)
Loss (gain) on account of actuarial calculations	-	4.425.633
Recreation benefit recovery	-	-
Bond amortization premium	(388.443)	(776.881)
Deferred tax, debit	37.343	1.432.199
Deferred tax, debit, previous years	511.273	927.903
Loss from withdrawing from expansion projects	-	3.569.481
Inventory reserve	-	167.160
Retirement pension reserve	-	5.869.361
Loss (profits) in the sale of properties, plant, and equipment	-	(42.988)
Removals on account of previous years' maintenance	-	4.589.519
Net change in operational assets and liabilities		
Debtors	(278.506.095)	21.374.640
Expenses paid in advance	5.770.968	(4.500.336)
Inventories	11.276.539	(1.398.066)
Related economic parties	214.253.144	721.570.095
Other assets	(2.193.793)	(1.479.089)
Accounts Payable	508.730.336	27.776.861
Taxes, charges, and rates	104.626.952	4.936.009
Pension liabilities (payments)	-	(10.108.899)
Labor obligations	(4.664.051)	4.210.439
Other current liabilities	(4.707.609)	4.707.609
Estimated liabilities and reserves	9.668.241	37.988.245
Revenues received in advance	(941.863)	423.314
Net cash from operational activities	<u>1.061.471.768</u>	<u>1.753.943.093</u>
Investment activities		
Increase in properties, plant, and equipment	(249.844.485)	(636.577.559)
Quimbo international bond interests	(14.789.389)	(32.998.014)
Increase in deferred charges	12.002.782	(11.958.999)
Increase in intangible assets	(540.825)	(5.536.822)
Net cash used in investment activities	<u>(253.171.917)</u>	<u>(687.071.394)</u>
Financial activities		
Payment of financial obligations	-	(305.009.052)
Loan payments to related companies	-	(64.167.664)
Increase of financial obligations and interest payments, net	(43.070.490)	790.111.101
Equity tax payment	(24.606.988)	(49.213.976)
Recovery on account of Quimbo yield	7.128.312	11.288.049
Loss from forward valuation	3.631.107	(6.554.662)
Emgesa Panamá conversion affect	(783.529.388)	(667.755.033)
Dividend payment	(320.421.264)	(501.844.856)
Minority Interest	1.033	(2.009)
Conversion Effect	1.608	(299)
Net cash provided (used) in financial activities	<u>(1.160.866.070)</u>	<u>(793.148.401)</u>
Net increase in cash and cash equivalents	<u>(352.566.219)</u>	<u>273.723.298</u>
Cash and cash equivalents at the beginning of the year	<u>785.377.480</u>	<u>511.654.182</u>
Cash and cash equivalents at year end	<u>\$432.811.261</u>	<u>\$785.377.480</u>

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