

EMGESA S.A. E.S.P.

CONSOLIDATED BALANCE SHEET
(In thousands of pesos)

	as of September 30, 2013	as of December 31, 2012
Assets		
Current Assets:		
Available and Investments	\$ 1.141.051.757	\$ 785.377.480
Accounts receivable, Net	581.612.278	255.242.586
Related companies	54.825.152	56.157.690
Inventories, Net	31.969.653	42.141.010
Prepaid expenses	1.537.596	10.960.157
Total current assets	<u>1.810.996.436</u>	<u>1.149.878.923</u>
Permanent investments, net	8.324.465	8.324.464
Debtors, net	12.129.468	13.470.164
Inventories, Net	21.144.740	21.012.249
Properties, plant and equipment	5.846.104.646	5.528.232.607
Deferred changes, net	120.355.842	119.228.420
Deferred Taxes	73.785.969	69.608.238
Intangible assets, net	56.802.244	57.659.707
Other assets	8.322.300	5.671.288
Valuations	2.165.480.555	2.166.971.014
Total assets	<u>\$ 10.123.446.666</u>	<u>\$ 9.140.057.074</u>
Liabilities and equity		
Current liabilities:		
Financial obligations	\$ 229.255.328	\$ 105.826.910
Accounts payable	85.954.009	146.921.175
Related companies	639.644.014	173.768.410
Labor-related and social security obligations	11.597.845	13.814.643
Pensions and fringe benefits	9.880.444	9.966.858
Accrued expenses and provisions	57.797.890	51.246.075
Taxes, levies and duties payable	367.209.538	159.454.982
Other current liabilities	0	4.707.609
Premium for placement of bonds pending amortization	776.882	776.881
Total current liabilities	<u>1.402.115.950</u>	<u>666.483.543</u>
Financial obligations	3.050.100.000	2.626.760.000
Retirement pensions	64.544.891	64.458.477
Premium for placement of bonds pending amortization	258.961	841.624
Taxes, charges, and rates	0	49.213.976
Revenues received in advance	1.562.750	2.177.834
Estimated liabilities and reserves	22.377.692	8.761.992
Minority Interest	12.839	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	2.165.480.554	2.166.971.014
Conversion Effect	1.166	(299)
Net income for the period	646.141.174	783.529.388
Total equity	<u>5.582.473.582</u>	<u>5.721.350.791</u>
Total liabilities and equity	<u>\$ 10.123.446.665</u>	<u>\$ 9.140.057.074</u>
Memorandum accounts	<u>\$ 3.604.807.053</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)

	Nine month period from January 1 to September 30, 2013	Twelve month period from January 1 to December 31, 2012
Operational revenues	\$ 1.811.768.450	\$ 2.144.233.104
Cost of sales	<u>(784.124.765)</u>	<u>(880.529.588)</u>
Gross profits	1.027.643.685	1.263.703.516
Administration expenses	<u>(19.118.074)</u>	<u>(29.507.526)</u>
Operational profits	1.008.525.611	1.234.195.990
Other expenditures (revenues):		
Financial, Net	(74.467.973)	(122.216.842)
Miscellaneous, net	<u>7.470.662</u>	<u>(9.857.387)</u>
Profits before taxes	941.528.300	1.102.121.761
Income tax	(295.383.124)	(318.594.382)
Current	(300.072.127)	(317.162.183)
Deferred	<u>4.689.003</u>	<u>(1.432.199)</u>
	646.145.176	783.527.379
Minority Interest	(4.002)	2.009
Net income for the period	\$ 646.141.174	\$ 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 September 30, 2013	as of December 31, 2012
Operational Activities		
Net year profits	\$ 646.141.174	\$ 783.529.388
Depreciation and Amortization	105.210.923	145.265.385
Recovery of accounts receivable reserve	(409.028)	(492.674)
Accounts receivable reserve	118.930	658.489
Inventory recovery	-	(679.704)
Loss (gain) on account of actuarial calculations	-	4.425.633
Recreation benefit recovery	-	-
Bond amortization premium	(582.662)	(776.881)
Deferred tax, debit	(4.689.003)	1.432.199
Deferred tax, debit, previous years	511.272	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	7.294.119	(42.988)
Removals on account of previous years' maintenance	-	4.589.519
Net change in operational assets and liabilities		
Debtors	(324.694.914)	21.374.640
Expenses paid in advance	9.422.561	(4.500.336)
Inventories	10.038.866	(1.398.066)
Related economic parties	467.208.142	721.570.095
Other assets	(2.651.010)	(1.479.089)
Accounts Payable	259.454.099	27.776.861
Taxes, charges, and rates	207.710.571	4.936.009
Pension liabilities (payments)	-	(10.108.899)
Labor obligations	(2.216.798)	4.210.439
Other current liabilities	-	4.707.609
Estimated liabilities and reserves	20.167.514	37.988.245
Revenues received in advance	(615.084)	423.314
Net cash from operational activities	1.397.419.672	1.753.943.093
Investment activities		
Increase in properties, plant, and equipment	(428.289.477)	(636.577.559)
Quimbo international bond interests	(23.106.150)	(32.998.014)
Increase in deferred charges	(3.224.522)	(11.958.999)
Increase in Intangible assets	12.831.941	-
Increase in intangible assets	(1.744.290)	(5.536.822)
Net cash used in investment activities	(443.532.498)	(687.071.394)
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	546.768.417	790.111.101
Equity tax payment	(49.213.976)	(49.213.976)
Recovery on account of Quimbo yield	9.251.164	11.288.049
Loss from forward valuation	(1.073.315)	(6.554.662)
Emgesa Panamá conversion affect	(783.529.388)	(667.755.033)
Dividend payment	(320.421.264)	(501.844.856)
Minority Interest	4.002	(2.009)
Conversion Effect	1.463	(299)
Net cash provided (used) in financial activities	(598.212.897)	(793.148.401)
Net increase in cash and cash equivalents	355.674.277	273.723.298
Cash and cash equivalents at the beginning of the year	785.377.480	511.654.182
Cash and cash equivalents at year end	\$1.141.051.757	\$785.377.480

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