

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

	as of june 30, 2013	as of December 31, 2012
Assets		
Current Assets:		
Available and Investments	\$ 432.801.262	\$ 785.375.306
Accounts receivable, Net	535.655.780	255.233.635
Related companies	105.196.530	56.287.610
Inventories, Net	30.579.933	42.141.010
Prepaid expenses	5.187.417	10.952.098
Total current assets	<u>1.109.420.922</u>	<u>1.149.989.659</u>
Permanent investments, net	8.515.771	8.500.196
Debtors, net	11.713.146	13.470.164
Related companies	1.077.889	1.039.834
Inventories, Net	21.296.787	21.012.249
Properties, plant and equipment	5.702.723.021	5.527.899.542
Deferred changes, net	111.453.325	119.031.617
Deferred Taxes	69.054.861	69.608.238
Intangible assets, net	55.780.506	56.886.108
Other assets	7.865.083	5.671.288
Valuations	2.165.796.738	2.166.971.014
Total assets	<u>\$ 9.264.698.049</u>	<u>\$ 9.140.079.909</u>
Liabilities and equity		
Current liabilities:		
Financial obligations	\$ 112.196.420	\$ 105.826.910
Accounts payable	335.215.066	146.909.873
Related companies	437.065.630	173.790.423
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	42.488.083	51.228.875
Taxes, levies and duties payable	264.107.109	159.493.143
Other current liabilities	-	4.707.609
Premium for placement of bonds pending amortization	776.883	776.881
Total current liabilities	<u>1.210.887.360</u>	<u>666.515.215</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
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	2.165.798.049	2.166.970.715
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>\$ 9.264.698.049</u>	<u>\$ 9.140.079.909</u>
Memorandum accounts	<u>\$ 3.605.767.549</u>	<u>\$ 4.499.395.577</u>

Original signed by
ALBA LUCIA SALCEDO RUEDA
Public Accountant

EMGESA S.A. E.S.P.

NONCONSOLIDATED 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	\$ 1.184.578.009	\$ 2.144.329.104
Cost of sales	<u>(502.935.164)</u>	<u>(880.869.013)</u>
Gross profits	681.642.845	1.263.460.091
Administration expenses	<u>(12.588.921)</u>	<u>(29.300.056)</u>
Operational profits	669.053.924	1.234.160.035
Other expenditures (revenues):		
Financial, Net	(48.869.074)	(122.141.785)
Loss (profits), equity participation method	13.966	(45.877)
Miscellaneous, net	<u>(41.195)</u>	<u>(9.858.408)</u>
Profits before taxes	620.157.621	1.102.113.965
Income tax	(198.328.793)	(318.584.577)
Current	(198.286.689)	317.160.376
Deferred	<u>(42.104)</u>	<u>1.424.201</u>
	<u>421.828.828</u>	<u>783.529.388</u>
Net income for the period	<u>\$ 421.828.828</u>	<u>\$ 783.529.388</u>

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T.P. No. 40562-T

EMGESA S.A. E.S.P.

NONCONSOLIDATED 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	76.272.913	145.146.863
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	42.104	1.424.201
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
Profit (loss), participation method	(13.966)	45.877
Net change in operational assets and liabilities		
Debtors	(278.499.830)	21.345.934
Expenses paid in advance	5.764.681	(4.499.733)
Inventories	11.276.539	(1.398.066)
Related economic parties	214.328.233	721.249.769
Other assets	(2.193.793)	(1.476.336)
Accounts Payable	508.726.458	27.768.910
Taxes, charges, and rates	104.613.966	5.058.597
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	9.676.441	37.991.045
Revenues received in advance	(941.863)	423.314
Net cash from operational activities	<u>1.061.466.584</u>	<u>1.753.634.211</u>
Investment activities		
Increase in properties, plant, and equipment	(249.844.485)	(636.377.992)
Increase in investments	(1.609)	(20.434)
Declared dividends	(783.529.388)	(667.755.033)
Quimbo international bond interests	(14.789.389)	(32.998.014)
Increase in deferred charges	12.002.782	(11.831.282)
Increase in intangible assets	(540.825)	(5.536.822)
Net cash used in investment activities	<u>(1.036.702.914)</u>	<u>(1.354.519.577)</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	1.609	(299)
Dividend payment	(320.421.264)	(501.844.856)
Net cash provided (used) in financial activities	<u>(377.337.714)</u>	<u>(125.391.359)</u>
Net increase in cash and cash equivalents	<u>(352.574.044)</u>	<u>273.723.275</u>
Cash and cash equivalents at the beginning of the year	785.375.306	511.652.031
Cash and cash equivalents at year end	<u>\$ 432.801.262</u>	<u>\$ 785.375.306</u>

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