

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

	as of March 31, 2014	as of December 31, 2013
<b>Assets</b>		
Current Assets:		
Available and Investments	\$ 570.928.001	\$ 837.376.699
Accounts receivable, Net	391.806.158	351.262.835
Related companies	27.801.117	50.543.305
Inventories, Net	42.719.475	46.094.985
Prepaid expenses	10.664.385	13.158.424
Total current assets	<u>1.043.919.136</u>	<u>1.298.436.248</u>
Permanent investments, net	8.324.464	8.324.464
Debtors, net	12.313.848	12.902.293
Inventories, Net	12.113.295	12.141.647
Properties, plant and equipment	6.184.045.643	6.019.140.838
Deferred changes, net	139.385.868	130.625.789
Deferred Taxes	74.232.857	74.869.290
Intangible assets, net	56.557.130	57.325.629
Other assets	6.142.961	6.585.995
Valuations	2.166.701.952	2.165.225.458
Total assets	<u>\$ 9.703.737.155</u>	<u>\$ 9.785.577.651</u>
<b>Liabilities and equity</b>		
Current liabilities:		
Financial obligations	\$ 383.556.100	\$ 240.668.813
Accounts payable	127.568.064	83.117.826
Related companies	879.241.963	205.565.562
Labor-related and social security obligations	14.592.650	15.785.587
Pensions and fringe benefits	9.769.163	9.869.800
Accrued expenses and provisions	116.096.496	109.606.332
Taxes, levies and duties payable	164.653.939	186.079.498
Deferred Taxes	0	8.353.097
Other current liabilities	0	1.669.882
Premium for placement of bonds pending amortization	647.402	776.881
Total current liabilities	<u>1.696.125.777</u>	<u>861.493.278</u>
Financial obligations	2.800.100.000	3.050.100.000
Retirement pensions	63.078.079	62.977.442
Premium for placement of bonds pending amortization	0	64.740
Taxes, charges, and rates	0	0
Revenues received in advance	1.675.174	1.591.600
Estimated liabilities and reserves	7.445.857	3.121.237
Minority Interest	10.668	10.811
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	2.166.701.952	2.165.225.458
Conversion Effect	596	1.288
Net income for the period	197.748.363	870.141.109
Total equity	<u>5.135.301.599</u>	<u>5.806.218.543</u>
Total liabilities and equity	<u>\$ 9.703.737.154</u>	<u>\$ 9.785.577.651</u>
Memorandum accounts	<u>\$ 3.526.087.584</u>	<u>\$ 381.070.223</u>

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ALBA LUCIA SALCEDO RUEDA  
Public Accountant

## EMGESA S.A. E.S.P.

### CONSOLIDATED INCOME STATEMENT (in thousands of Colombian pesos)

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	Three month period from January 1 to March 31, 2014	Twelve month period from January 1 to December 31, 2013
Operational revenues	\$ 547.651.326	\$ 2.397.506.421
Cost of sales	<u>(225.318.476)</u>	<u>(1.037.621.797)</u>
Gross profits	322.332.850	1.359.884.624
Administration expenses	<u>(6.401.651)</u>	<u>(29.115.398)</u>
Operational profits	315.931.199	1.330.769.226
Other expenditures (revenues):		
Financial, Net	(26.947.678)	(86.289.674)
Miscellaneous, net	<u>587.341</u>	<u>20.723.052</u>
Profits before taxes	289.570.862	1.265.202.604
Income tax	(91.822.643)	(395.059.521)
Current	(99.545.155)	(392.478.749)
Deferred	<u>7.722.512</u>	<u>(2.580.772)</u>
	<u>197.748.219</u>	<u>870.143.083</u>
Minority Interest	144	(1.974)
Net income for the period	\$ 197.748.363	\$ 870.141.109

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**EMGESA S.A. E.S.P.**

**CONSOLIDATED CASH FLOW STATEMENTS**  
(in thousands of Colombian pesos)

	as of March 31, 2014	as of December 31, 2013
<b>Operational Activities</b>		
Net year profits	\$ 197.748.363	\$ 870.141.109
Depreciation and Amortization	36.189.063	149.815.349
Recovery of accounts receivable reserve	(120.051)	(451.185)
Accounts receivable reserve	725.721	163.637
Inventory recovery	0	(237.365)
Loss (gain) on account of actuarial calculations	0	2.546.110
Bond amortization premium	(194.219)	(776.884)
Deferred tax, debit	636.433	(5.772.325)
Deferred tax, debit, previous years	0	511.273
Deferred tax, credit	(8.353.097)	8.353.097
Loss from withdrawing from expansion projects	429.605	57.839
Inventory reserve	0	856.007
Retirement pension reserve	2.426.320	5.535.519
Loss (profits) in the sale of properties, plant, and equipment	0	(568.235)
Removals on account of previous years' maintenance	0	0
Net change in operational assets and liabilities	0	0
Debtors	(40.560.548)	(70.596.898)
Expenses paid in advance	2.494.039	(2.198.267)
Inventories	3.403.862	4.297.985
Related economic parties	892.300.936	790.930.471
Other assets	443.033	(914.707)
Accounts Payable	44.450.238	(63.765.066)
Taxes, charges, and rates	(21.425.559)	26.624.516
Pension liabilities (payments)	(2.426.320)	(9.659.722)
Labor obligations	(1.192.937)	1.970.944
Other current liabilities	(1.669.882)	(3.037.727)
Estimated liabilities and reserves	10.814.784	52.719.502
Revenues received in advance	83.574	(586.234)
Net cash from operational activities	<b>1.116.203.358</b>	<b>1.755.958.743</b>
<b>Investment activities</b>		
Increase in properties, plant, and equipment	(200.001.513)	(636.386.725)
Quimbo international bond interests	(12.301.519)	(34.892.428)
Increase in deferred charges	(1.382.080)	4.941.428
Increase in Intangible assets	(267.934)	-3.180.384,00
Net cash used in investment activities	<b>(213.953.046)</b>	<b>(669.518.109)</b>
<b>Financial activities</b>		
Payment of financial obligations	(49.440.000)	(305.000.000)
Increase of financial obligations and interest payments, net	(57.672.713)	863.181.903
Equity tax payment	0	(49.213.976)
Recovery on account of Quimbo yield	3.852.872	14.400.796
Loss from forward valuation	585.122	3.840.838
Dividend payment	(195.882.347)	(753.557.217)
Declared Dividends	(870.141.109)	(783.529.388)
Revenues from ruling interests - Ministry of Mines and Energy and Ministry of Financing and Public Credit	0	(11.463.637)
Revenues from ruling recovery - Ministry of Mines and Energy and Ministry of Financing and Public Credit	0	(13.104.295)
Emgesa Panamá conversion affect	(692)	1.587
Minority Interest	(143)	1.974
Net cash provided (used) in financial activities	<b>(1.168.699.010)</b>	<b>(1.034.441.415)</b>
Net increase in cash and cash equivalents	<b>(266.448.698)</b>	51.999.219
Cash and cash equivalents at the beginning of the year	<b>837.376.699</b>	785.377.480
Cash and cash equivalents at year end	<b>\$570.928.001</b>	<b>\$837.376.699</b>

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