

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

	as of June 30, 2014	as of December 31, 2013
Assets		
Current Assets:		
Available and Investments	\$ 829.841.599	\$ 837.376.699
Accounts receivable, Net	593.898.809	351.262.835
Related companies	34.147.064	50.543.305
Inventories, Net	43.359.698	46.094.985
Prepaid expenses	6.158.592	13.158.424
Total current assets	<u>1.507.405.762</u>	<u>1.298.436.248</u>
Permanent investments, net	8.324.464	8.324.464
Debtors, net	12.434.065	12.902.293
Inventories, Net	12.027.729	12.141.647
Properties, plant and equipment	6.321.552.284	6.019.140.838
Deferred changes, net	144.821.397	130.625.789
Deferred Taxes	73.431.760	74.869.290
Intangible assets, net	63.627.698	57.325.629
Other assets	7.950.711	6.585.995
Valuations	2.166.697.933	2.165.225.458
Total assets	<u>\$ 10.318.273.804</u>	<u>\$ 9.785.577.651</u>
Liabilities and equity		
Current liabilities:		
Financial obligations	\$ 409.018.928	\$ 240.668.813
Accounts payable	83.334.879	83.117.826
Related companies	550.693.622	205.565.562
Labor-related and social security obligations	15.377.596	15.785.587
Pensions and fringe benefits	9.875.455	9.869.800
Accrued expenses and provisions	86.880.226	109.606.332
Taxes, levies and duties payable	271.304.764	186.079.498
Deferred Taxes	0	8.353.097
Other current liabilities	0	1.669.882
Premium for placement of bonds pending amortization	453.182	776.881
Total current liabilities	<u>1.426.938.652</u>	<u>861.493.278</u>
Financial obligations	3.390.100.000	3.050.100.000
Retirement pensions	62.971.787	62.977.442
Premium for placement of bonds pending amortization	0	64.740
Taxes, charges, and rates	0	0
Revenues received in advance	1.718.500	1.591.600
Estimated liabilities and reserves	9.025.391	3.121.237
Minority Interest	11.691	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	2.166.697.933	2.165.225.458
Conversion Effect	(1.423)	1.288
Net income for the period	489.960.584	870.141.109
Total equity	<u>5.427.507.782</u>	<u>5.806.218.543</u>
Total liabilities and equity	<u>\$ 10.318.273.803</u>	<u>\$ 9.785.577.651</u>
Memorandum accounts	<u>\$ 3.541.954.850</u>	<u>\$ 381.070.223</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, 2014	Twelve month period from January 1 to December 31, 2013
Operational revenues	\$ 1.274.042.353	\$ 2.397.506.421
Cost of sales	(500.488.320)	(1.037.621.797)
Gross profits	<u>773.554.033</u>	1.359.884.624
Administration expenses	(14.925.214)	(29.115.398)
Operational profits	<u>758.628.819</u>	1.330.769.226
Other expenditures (revenues):		
Financial, Net	(52.627.261)	(86.289.674)
Miscellaneous, net	<u>5.657.757</u>	<u>20.723.052</u>
Profits before taxes	711.659.315	1.265.202.604
Income tax	(221.697.852)	(395.059.521)
Current	(229.483.056)	(392.478.749)
Deferred	7.785.204	(2.580.772)
	<u>489.961.463</u>	<u>870.143.083</u>
Minority Interest	(879)	(1.974)
Net income for the period	\$ 489.960.584	\$ 870.141.109

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EMGESA S.A. E.S.P.

CONSOLIDATED CASH FLOW STATEMENTS
(in thousands of Colombian pesos)

	as of June 30, 2014	as of December 31, 2013
Operational Activities		
Net year profits	\$ 489.960.584	\$ 870.141.109
Depreciation and Amortization	72.596.718	149.815.349
Recovery of accounts receivable reserve	(195.664)	(451.185)
Accounts receivable reserve	864.982	163.637
Inventory recovery	0	(237.365)
Loss (gain) on account of actuarial calculations	0	2.546.110
Bond amortization premium	(388.439)	(776.884)
Deferred tax, debit	573.741	(5.772.325)
Deferred tax, debit, previous years	863.789	511.273
Deferred tax, credit	(8.353.097)	8.353.097
Loss from withdrawing from expansion projects	429.604	57.839
Inventory reserve	0	856.007
Retirement pension reserve	4.622.082	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
Revenues from ruling interests - Ministry of Mines and Energy and	0	(24.567.932)
Net change in operational assets and liabilities	0	0
Debtors	(270.861.331)	(70.596.898)
Expenses paid in advance	6.999.832	(2.198.267)
Inventories	2.849.205	4.297.985
Related economic parties	886.004.234	790.930.471
Other assets	(1.364.716)	(914.707)
Accounts Payable	258.478	(63.765.066)
Taxes, charges, and rates	109.832.255	26.624.516
Pension liabilities (payments)	(4.622.082)	(9.659.722)
Labor obligations	(407.991)	1.970.944
Other current liabilities	(1.669.882)	(3.037.727)
Estimated liabilities and reserves	(16.821.952)	52.719.502
Revenues received in advance	126.900	(586.234)
Net cash from operational activities	1.271.297.250	1.731.390.811
Investment activities		
Increase in properties, plant, and equipment	(372.713.544)	(636.386.725)
Quimbo international bond interests	(27.714.534)	(34.892.428)
Increase in deferred charges	(2.158.630)	4.941.428
Revenues from ruling interests - Ministry of Mines and Energy and	28.024.267	0
Increase in Intangible assets	(577.702)	-3.180.384,00
Net cash used in investment activities	(375.140.143)	(669.518.109)
Financial activities		
Payment of financial obligations	(49.440.000)	(305.000.000)
Increase of financial obligations and interest payments, net	557.790.115	863.181.903
Equity tax payment	(24.606.988)	(49.213.976)
Recovery on account of Quimbo yield	8.489.844	14.400.796
Loss from forward valuation	(1.260.880)	3.840.838
Dividend payment	(524.521.358)	(753.557.217)
Declared Dividends	(870.141.109)	(783.529.388)
Emgesa Panamá conversion affect	(2.711)	1.587
Minority Interest	880	1.974
Net cash provided (used) in financial activities	(903.692.207)	(1.009.873.483)
Net increase in cash and cash equivalents	(7.535.100)	51.999.219
Cash and cash equivalents at the beginning of the year	837.376.699	785.377.480
Cash and cash equivalents at year end	\$829.841.599	\$837.376.699

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