

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

	as of March 31, 2014	as of December 31, 2013
Assets		
Current Assets:		
Available and Investments	\$ 570.714.793	\$ 837.263.866
Accounts receivable, Net	391.785.817	351.183.071
Related companies	27.830.798	50.543.305
Inventories, Net	42.719.475	46.094.985
Prepaid expenses	<u>10.659.194</u>	<u>13.149.913</u>
Total current assets	<u>1.043.710.077</u>	<u>1.298.235.140</u>
Permanent investments, net	8.548.488	8.532.456
Debtors, net	12.313.848	12.902.293
Related companies	1.134.860	1.116.574
Inventories, Net	12.113.295	12.141.647
Properties, plant and equipment	6.183.766.551	6.018.850.952
Deferred changes, net	139.194.184	130.429.812
Deferred Taxes	74.223.964	74.856.655
Intangible assets, net	55.838.788	56.596.236
Other assets	6.142.962	6.585.995
Valuations	2.166.701.952	2.165.225.458
Total assets	<u>\$ 9.703.688.968</u>	<u>\$ 9.785.473.218</u>
Liabilities and equity		
Current liabilities:		
Financial obligations	\$ 383.556.100	\$ 240.668.813
Accounts payable	127.528.777	82.976.302
Related companies	879.241.963	205.613.814
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	116.083.715	109.588.444
Taxes, levies and duties payable	164.668.489	186.097.036
Deferred Taxes	-	8.353.097
Other current liabilities	-	1.669.882
Premium for placement of bonds pending amortization	<u>647.402</u>	<u>776.881</u>
Total current liabilities	<u>1.696.088.259</u>	<u>861.399.656</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	-	64.740
Revenues received in advance	1.675.174	1.591.600
Estimated liabilities and reserves	7.445.857	3.121.237
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
Effect on Investment Conversion	596	1.288
Net income for the period	<u>197.748.363</u>	<u>870.141.109</u>
Total equity	<u>5.135.301.599</u>	<u>5.806.218.543</u>
Total liabilities and equity	<u>\$ 9.703.688.968</u>	<u>\$ 9.785.473.218</u>
Memorandum accounts	<u>\$ 3.525.963.367</u>	<u>\$ 3.780.946.006</u>

Original signed by
ALBA LUCIA SALCEDO RUEDA
Public Accountant

EMGESA S.A. E.S.P.

NONCONSOLIDATED INCOME STATEMENT (in thousands of Colombian pesos)

	Three month period from January 1 to March 31, 2014	Twelve month period from January 1 to December 31, 2013
Operational revenues	\$ 547.669.534	\$ 2.397.427.841
Cost of sales	<u>(225.418.768)</u>	<u>(1.037.900.047)</u>
Gross profits	322.250.766	1.359.527.794
Administration expenses	<u>(6.348.087)</u>	<u>(28.899.956)</u>
Operational profits	315.902.679	1.330.627.838
Other expenditures (revenues):		
Financial, Net	(26.926.817)	(86.206.691)
Loss (profits), equity participation method	(7.773)	30.673
Miscellaneous, net	<u>596.543</u>	<u>20.719.214</u>
Profits before taxes	289.564.632	1.265.171.034
Income tax	(91.816.269)	(395.029.925)
Current	(99.536.675)	(392.436.518)
Deferred	<u>7.720.406</u>	<u>(2.593.407)</u>
	<u>197.748.363</u>	<u>870.141.109</u>
Net income for the period	<u>\$ 197.748.363</u>	<u>\$ 870.141.109</u>

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

	as of March 31, 2014	as of December 31, 2013
Operational Activities		
Net year profits	\$ 197.748.363	\$ 870.141.109
Depreciation and Amortization	36.162.925	149.690.540
Recovery of accounts receivable reserve	(120.051)	(451.185)
Accounts receivable reserve	725.721	163.637
Inventory recovery	-	(237.365)
Loss (gain) on account of actuarial calculations	-	2.546.110
Recreation benefit recovery	(194.219)	(776.884)
Deferred tax, debit	632.691	(5.759.690)
Deferred tax, debit, previous years	-	511.273
Deferred tax, credit	(8.353.097)	8.353.097
Loss from withdrawing from expansion projects	429.605	57.839
Inventory reserve	-	856.007
Retirement pension reserve	2.426.320	5.535.519
Loss (profits) in the sale of properties, plant, and equipment	-	(568.235)
Profit (loss), participation method	7.774	(30.673)
Net change in operational assets and liabilities		
Debtors	(40.619.971)	(70.526.085)
Expenses paid in advance	2.490.719	(2.197.815)
Inventories	3.403.862	4.297.985
Related economic parties	892.204.718	791.009.890
Other assets	443.033	(914.707)
Accounts Payable	44.552.474	(63.895.288)
Taxes, charges, and rates	(21.428.547)	26.603.893
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	10.819.891	52.718.814
Revenues received in advance	83.574	(586.234)
Net cash from operational activities	1.116.126.646	1.755.815.047
Investment activities		
Increase in properties, plant, and equipment	(200.001.513)	(636.386.725)
Increase in investments	(23.806)	(1.587)
Quimbo international bond interests	(12.301.519)	(34.892.428)
Increase (Decrease) in deferred charges	(1.382.080)	4.978.026
Increase in intangible assets	(267.934)	(3.180.384)
Net cash used in investment activities	(213.976.852)	(669.483.098)
Financial activities		
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	-	(49.213.976)
Recovery on account of Quimbo yield	3.852.872	14.400.796
Loss from forward valuation	585.122	3.840.838
Emgesa Panamá conversion affect	(692)	1.587
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	-	(11.463.637)
Revenues from ruling recovery - Ministry of Mines and Energy and Ministry of Financing and Public Credit	-	(13.104.295)
Net cash provided (used) in financial activities	(1.168.698.867)	(1.034.443.389)
Net increase in cash and cash equivalents	(266.549.073)	51.888.560
Cash and cash equivalents at the beginning of the year	837.263.866	785.375.306
Cash and cash equivalents at year end	\$ 570.714.792	\$ 837.263.866

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