

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

	as of June 30, 2014	as of December 31, 2013
Assets		
Current Assets:		
Available and Investments	\$ 829.615.432	\$ 837.263.866
Accounts receivable, Net	593.875.151	351.183.071
Related companies	34.205.209	50.543.305
Inventories, Net	43.359.698	46.094.985
Prepaid expenses	<u>6.156.720</u>	<u>13.149.913</u>
Total current assets	<u>1.507.212.210</u>	<u>1.298.235.140</u>
Permanent investments, net	8.561.416	8.532.456
Debtors, net	12.434.064	12.902.293
Related companies	1.153.348	1.116.574
Inventories, Net	12.027.729	12.141.647
Properties, plant and equipment	6.321.283.987	6.018.850.952
Deferred changes, net	144.634.008	130.429.812
Deferred Taxes	73.423.009	74.856.655
Intangible assets, net	62.920.408	56.596.236
Other assets	7.950.711	6.585.995
Valuations	2.166.697.933	2.165.225.458
Total assets	<u>\$ 10.318.298.823</u>	<u>\$ 9.785.473.218</u>
Liabilities and equity		
Current liabilities:		
Financial obligations	\$ 409.018.928	\$ 240.668.813
Accounts payable	83.285.188	82.976.302
Related companies	550.780.859	205.613.814
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	86.851.557	109.588.444
Taxes, levies and duties payable	271.332.598	186.097.036
Deferred Taxes	0	8.353.097
Other current liabilities	0	1.669.882
Premium for placement of bonds pending amortization	<u>453.182</u>	<u>776.881</u>
Total current liabilities	<u>1.426.975.363</u>	<u>861.399.656</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	-	64.740
Revenues received in advance	1.718.500	1.591.600
Estimated liabilities and reserves	9.025.391	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	2.166.697.933	2.165.225.458
Effect on Investment Conversion	(1.423)	1.288
Net income for the period	<u>489.960.584</u>	<u>870.141.109</u>
Total equity	<u>5.427.507.782</u>	<u>5.806.218.543</u>
Total liabilities and equity	<u>\$ 10.318.298.823</u>	<u>\$ 9.785.473.218</u>
Memorandum accounts	<u>\$ 3.541.856.163</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)

	Six month period from January 1 to June 30, 2014	Twelve month period from January 1 to December 31, 2013
Operational revenues	\$ 1.274.073.143	\$ 2.397.427.841
Cost of sales	<u>(500.695.765)</u>	<u>(1.037.900.047)</u>
Gross profits	773.377.378	1.359.527.794
Administration expenses	<u>(14.818.726)</u>	<u>(28.899.956)</u>
Operational profits	758.558.652	1.330.627.838
Other expenditures (revenues):		
Financial, Net	(52.585.160)	(86.206.691)
Loss (profits), equity participation method	7.173	30.673
Miscellaneous, net	<u>5.659.666</u>	<u>20.719.214</u>
Profits before taxes	711.640.331	1.265.171.034
Income tax	(221.679.747)	(395.029.925)
Current	(229.462.987)	(392.436.518)
Deferred	<u>7.783.240</u>	<u>(2.593.407)</u>
	<u>489.960.584</u>	<u>870.141.109</u>
Net income for the period	<u>\$ 489.960.584</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 June 30, 2014	as of December 31, 2013
Operational Activities		
Net year profits	\$ 489.960.584	\$ 870.141.109
Depreciation and Amortization	72.058.348	149.690.540
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
Recreation benefit recovery	(388.439)	(776.884)
Deferred tax, debit	569.857	(5.759.690)
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)
Profit (loss), participation method	(7.173)	(30.673)
Net change in operational assets and liabilities		
Debtors	(270.917.436)	(70.526.085)
Expenses paid in advance	6.993.193	(2.197.815)
Inventories	2.849.205	4.297.985
Related economic parties	885.948.299	791.009.890
Other assets	(1.364.716)	(914.707)
Accounts Payable	350.312	(63.895.288)
Taxes, charges, and rates	109.842.551	26.603.893
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	(16.832.733)	52.718.814
Revenues received in advance	126.900	(586.234)
Net cash from operational activities	1.270.720.493	1.755.815.047
Investment activities		
Increase in properties, plant, and equipment	(372.459.958)	(636.386.725)
Increase in investments	(21.787)	(1.587)
Quimbo international bond interests	(27.714.534)	(34.892.428)
Increase (Decrease) in deferred charges	(1.926.126)	4.978.026
Increase in intangible assets	(577.702)	(3.180.384)
Net cash used in investment activities	(402.700.107)	(669.483.098)
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	-24.606.988,00	(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
Emgesa Panamá conversion affect	(2.711)	1.587
Dividend payment	(524.521.358)	(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	14.609.578,00	(11.463.637)
Revenues from ruling recovery - Ministry of Mines and Energy and Ministry of Financing and Public Credit	13.414.689,00	(13.104.295)
Net cash provided (used) in financial activities	(875.668.820)	(1.034.443.389)
Net increase in cash and cash equivalents	(7.648.434)	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	\$ 829.615.432	\$ 837.263.866

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