

**EMGESA S.A E.S.P**  
**CONSOLIDATED BALANCE SHEET**



(In thousands of pesos)

Assets	Nota	March 2017	December 2016
<b>Current Assets</b>			
Available and equivalents		402.954.303	620.637.751
Other current financial assets		13.013.749	15.293.732
Other current non financial assets		39.177.014	22.259.803
Accounts receivable, Net		219.220.201	169.514.583
Related companies		361.179	323.950
Inventories, Net		46.569.430	43.992.321
Taxes			-
<b>TOTAL CURRENT ASSETS</b>		<b>721.295.876</b>	<b>872.022.140</b>
<b>NON CURRENT ASSETS</b>			
Other financial assets		3.919.158	5.698.661
Other non financial assets		5.852.038	6.397.436
Accounts receivable, Net		27.083.039	31.280.609
Intangible assets, net		99.427.948	100.628.964
Properties, plant and equipment		7.912.397.483	7.924.269.585
Deferred Taxes		31.994.144	97.164.043
<b>TOTAL NON CURRENT ASSETS</b>		<b>8.080.673.810</b>	<b>8.165.439.298</b>
<b>TOTAL ASSETS</b>		<b>8.801.969.686</b>	<b>9.037.461.438</b>
<b>Liabilities and Equity</b>			
<b>CURRENT LIABILITIES</b>			
Other current financial liabilities		326.679.049	464.271.277
Accounts payable		246.237.744	337.661.837
Related companies		546.958.930	218.815.272
Provisions		75.729.470	84.023.026
Taxes, levies and duties payable		141.082.939	144.573.571
Provisions in pensions and labour-related obligations		27.606.276	28.769.379
Other current non financial liabilities		53.187	3.814.849
<b>TOTAL CURRENT LIABILITIES</b>		<b>1.364.347.595</b>	<b>1.281.929.211</b>
<b>NON CURRENT LIABILITIES</b>			
Other financial liabilities		3.982.846.513	3.983.273.676
Other provisions		194.227.806	195.955.262
Provisions in pensions and labour-related obligations		78.941.454	80.315.258
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>4.256.015.773</b>	<b>4.259.544.196</b>
<b>TOTAL LIABILITIES</b>		<b>5.620.363.368</b>	<b>5.541.473.407</b>
<b>EQUITY</b>			
Issued capital		655.222.313	655.222.313
Emission premiums		113.255.816	113.255.816
Others are integral (ORI)		(16.283.956)	(13.597.809)
Accumulated earnings		1.859.788.165	2.236.818.276
<i>Profit for the year</i>		215.912.380	753.505.276
<i>Retained earnings</i>		171.218.523	10.652.977
<i>Income from conversion to IFRS</i>		1.472.651.581	1.472.651.581
<i>Exchange Rate Conversion Effect</i>		5.681	8.442
Other reserves		569.595.764	504.263.280
Equity attributable to the owners of the parent company		<b>3.181.578.102</b>	<b>3.495.961.876</b>
<b>Non control investments</b>		<b>28.216</b>	<b>26.155</b>
<b>TOTAL EQUITY</b>		<b>3.181.606.318</b>	<b>3.495.988.031</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8.801.969.686</b>	<b>9.037.461.438</b>

**EMGESA S.A E.S.P**  
**CONSOLIDATED INCOME STATEMENT**



(in thousands of Colombian pesos)

Income Statement	Nota	Three month period from January 1 to March 31	
		2017	2016
<b>INCOME</b>		<b>796.123.708</b>	<b>1.104.852.466</b>
ordinary activities income		778.040.696	1.101.929.599
Other operating income		18.083.012	2.922.867
<b>OTHER REVENUE</b>		<b>(263.657.925)</b>	<b>(495.137.429)</b>
<b>GROSS PROFIT</b>		<b>532.465.783</b>	<b>609.715.037</b>
Personnel expenses associated to projects		222.058	387.641
Personnel expenses		(19.931.979)	(16.729.915)
Other expenses		(36.606.495)	(53.655.622)
<b>EBITDA</b>		<b>476.149.367</b>	<b>539.717.141</b>
Depreciation and amortization		(52.530.876)	(46.659.826)
Recoveries		110.954	(4.231.282)
<b>EBIT</b>		<b>423.729.445</b>	<b>488.826.033</b>
<b>FINANCIAL, NET</b>		<b>(78.764.130)</b>	<b>(105.498.153)</b>
Financial revenues		10.032.317	10.260.851
Financial expenses		(91.782.550)	(117.991.718)
Capitalized interest expense		1.387.551	-
Exchange rate adjustments		1.598.552	2.232.714
Profits from other investments		(733.318)	(2.256.194)
<b>PROFITS BEFORE TAXES</b>		<b>344.231.997</b>	<b>381.071.686</b>
Income Tax		(128.317.557)	(161.798.626)
<b>PROFITS AFTER TAXES</b>		<b>215.914.440</b>	<b>219.273.060</b>
Gain (Loss) on Discontinued Operations, Net of Tax			
<b>NET INCOME</b>		<b>215.914.440</b>	<b>219.273.060</b>
<b>Net income for the year attributable to:</b>			
Profit for the year attributable to the owners of the parent company		215.914.440	219.273.060
Profit for the year attributable to non-controlling interests			
<b>RESULT OF THE PERIOD</b>		<b>215.914.440</b>	<b>219.273.060</b>
Non-controlling interests		(2.060)	(747)
<b>NET INCOME</b>		<b>215.912.380</b>	<b>219.272.313</b>

**EMGESA S.A E.S.P**  
**Cash Flow Statements**  
(in thousands of Colombian pesos)



Cash Flow Statements	Nota	Three month period from January 1 to	
		2017	2016
<b>Operational Activities</b>			
<b>Revenues from operational activities</b>			
Revenues from energy sales and other services		759.559.673	1.057.337.785
Collection of royalties, fees, commissions and other income from ordinary activities		20.372.331	9.925.201
Charges derived from premiums and benefits, annuities and other benefits of policies subscribed		0	16.602.450
Other charges for operating activities		-	-
<b>Classes of cash payments from operating activities</b>			
Payments to suppliers for the supply of goods and services		(298.215.632)	(538.810.395)
Payments and / or on behalf of employees		(26.415.738)	(20.532.325)
Payments for premiums and benefits, annuities and other obligations derived from the policies subscribed		(20.445.048)	(26.001.460)
Other payments for operating activities		(19.567.558)	(2.749.000)
Taxes on profits reimbursed (paid)		(64.546.310)	(76.144.181)
Other Cash Outflows		(11.842.404)	(14.542.711)
<b>Net cash flows from (used in) operating activities</b>		<b>338.899.314</b>	<b>405.085.364</b>
<b>Investment activities</b>			
Cash flows used to gain control of subsidiaries		-	-
Other charges for the sale of equity or debt instruments of other entities		-	-
Other payments to acquire equity or debt instruments of other entities		-	-
Loans to related entities		-	-
Purchases of property, plant and equipment		(136.262.906)	(103.935.207)
Payments arising from forward, forward, option and swap contracts		-	233.782
Cash advances and loans granted to third parties		-	(2.845.263)
Collection of forward, futures, options and swap contracts (swaps)		-	-
Dividends received		(378.543)	-
Interests received		-	-
Others revenues from investment activities, net		7.550.459	8.532.911
		-	-
<b>Total net cash used in investment activities</b>		<b>(129.090.990)</b>	<b>(98.013.777)</b>
<b>Financial activities</b>			
Amounts from loans		100.000.000	525.000.000
Repayment of loans		(170.000.000)	(144.000.000)
Payment of financial lease liabilities		(609.757)	(10.856)
Amounts from government subsidies		-	-
Dividends paid		(200.037.498)	(187.910.540)
Interest paid		(154.156.069)	(153.610.386)
Taxes on profits reimbursed (paid)		-	-
Others revenues from financial activities, net		(2.685.490)	(10.494.409)
<b>Total net cash used in financial activities</b>		<b>(427.488.814)</b>	<b>28.973.809</b>
<b>Net increase in cash and cash equivalents before currency rate effects</b>		<b>(217.680.490)</b>	<b>336.045.396</b>
Currency rate effects on cash flow		(2.958)	16
<b>Net increase in cash and cash equivalents</b>		<b>(217.683.448)</b>	<b>336.045.412</b>
Cash and cash equivalents at the beginning of the year		620.637.751	299.393.415
<b>Cash and cash equivalents at year end</b>		<b>402.954.303</b>	<b>635.438.827</b>