

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



(In thousands of pesos)

Assets	Nota	June 2017	December 2016
<b>Current Assets</b>			
Available and equivalents		103.243.458	620.637.751
Other current financial assets		17.207.157	15.293.732
Other current non financial assets		27.040.249	22.259.803
Accounts receivable, Net		204.554.044	167.514.583
Related companies		434.018	323.950
Inventories, Net		47.786.055	43.992.321
Taxes		11.787.167	-
<b>TOTAL CURRENT ASSETS</b>		<b>412.052.148</b>	<b>870.022.140</b>
<b>NON CURRENT ASSETS</b>			
Other financial assets		3.691.251	5.698.661
Other non financial assets		6.073.597	6.397.436
Accounts receivable, Net		27.797.690	31.280.609
Intangible assets, net		98.360.214	100.628.964
Properties, plant and equipment		7.894.923.490	7.924.269.585
Deferred Taxes		2.376.854	97.164.043
<b>TOTAL NON CURRENT ASSETS</b>		<b>8.033.223.096</b>	<b>8.165.439.298</b>
<b>TOTAL ASSETS</b>		<b>8.445.275.244</b>	<b>9.035.461.438</b>
<b>Liabilities and Equity</b>			
<b>CURRENT LIABILITIES</b>			
Other current financial liabilities		208.975.521	464.271.277
Accounts payable		179.681.811	337.661.837
Related companies		342.638.887	218.815.272
Provisions		75.385.868	84.023.026
Taxes, levies and duties payable		70.188	144.573.571
Provisions in pensions and labour-related obligations		27.218.057	28.769.379
Other current non financial liabilities		4.629.923	3.814.849
<b>TOTAL CURRENT LIABILITIES</b>		<b>838.600.255</b>	<b>1.281.929.211</b>
<b>NON CURRENT LIABILITIES</b>			
Other financial liabilities		3.962.191.538	3.983.273.676
Other provisions		183.264.497	195.955.262
Provisions in pensions and labour-related obligations		77.980.707	80.315.258
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>4.223.436.742</b>	<b>4.259.544.196</b>
<b>TOTAL LIABILITIES</b>		<b>5.062.036.997</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)		(19.298.518)	(13.597.809)
Accumulated earnings		2.064.430.089	2.236.818.276
<i>Profit for the year</i>		420.551.081	753.505.276
<i>Retained earnings</i>		171.218.524	10.652.977
<i>Income from conversion to IFRS</i>		1.472.651.581	1.472.651.581
<i>Exchange Rate Conversion Effect</i>		8.903	8.442
Other reserves		569.595.764	504.263.280
Equity attributable to the owners of the parent company		<b>3.383.205.464</b>	<b>3.495.961.876</b>
<b>Non control investments</b>		<b>32.783</b>	<b>26.155</b>
<b>TOTAL EQUITY</b>		<b>3.383.238.247</b>	<b>3.495.988.031</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8.445.275.244</b>	<b>9.037.461.438</b>

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



(in thousands of Colombian pesos)

Income Statement	Nota	Six month period from January 1 to June 30	
		2017	2016
<b>INCOME</b>		<b>1.607.518.490</b>	<b>1.960.808.109</b>
ordinary activities income		1.588.298.890	1.939.452.796
Other operating income		19.219.600	21.355.313
<b>COST OF SALES</b>		<b>(523.598.526)</b>	<b>(776.584.254)</b>
<b>GROSS PROFIT</b>		<b>1.083.919.964</b>	<b>1.184.223.855</b>
Personnel expenses associated to projects		958.822	1.126.051
Personnel expenses		(40.500.543)	(37.787.482)
Other expenses		(65.090.118)	(82.418.682)
<b>EBITDA</b>		<b>979.288.125</b>	<b>1.065.143.742</b>
Depreciation and amortization		(105.838.496)	(94.039.990)
Recoveries		364.823	(3.586.850)
<b>EBIT</b>		<b>873.814.452</b>	<b>967.516.902</b>
<b>FINANCIAL, NET</b>		<b>(169.936.939)</b>	<b>(221.051.126)</b>
Financial revenues		15.745.083	23.098.200
Financial expenses		(188.765.380)	(248.999.813)
Capitalized interest expense		2.693.634	2.297.352
Exchange rate adjustments		389.724	2.553.135
Profits from other investments		(445.937)	(7.525.248)
<b>PROFITS BEFORE TAXES</b>		<b>703.431.576</b>	<b>738.940.528</b>
Income Tax		(282.873.867)	(303.665.220)
<b>NET INCOME</b>		<b>420.557.709</b>	<b>435.275.308</b>

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



Cash Flow Statements	Nota	Six month period from January 1 to June	
		2017	2016
<b>Operational Activities</b>			
<b>Revenues from operational activities</b>			
Revenues from energy sales and other services		1.595.173.437	2.034.205.923
Collection of royalties, fees, commissions and other income from ordinary activities		22.548.558	14.662.182
Charges derived from premiums and benefits, annuities and other benefits of policies subscribed		-	31.392.385
<b>Classes of cash payments from operating activities</b>			
Payments to suppliers for the supply of goods and services		(596.598.143)	(884.296.700)
Payments and / or on behalf of employees		(51.420.437)	(35.447.744)
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		(38.412.342)	(30.529.644)
Taxes on profits reimbursed (paid)		(344.652.273)	(405.336.437)
Other Cash Outflows		(28.903.238)	(46.967.979)
<b>Net cash flows from (used in) operating activities</b>		<b>537.290.514</b>	<b>651.680.526</b>
<b>Investment activities</b>			
Cash flows used to gain control of subsidiaries		(202.718.780)	(179.247.586)
Cash advances and loans granted to third parties		-	(33.425.930)
Payments arising from forward, forward, option and swap contracts		(378.543)	-
Charges arising from forward, forward, option and swap contracts		-	233.782
Interests received		11.496.516	21.445.947
<b>Total net cash used in investment activities</b>		<b>(191.600.807)</b>	<b>(190.993.787)</b>
<b>Financial activities</b>			
Amounts from loans		100.000.000	525.000.000
Repayment of loans		(320.333.333)	(144.000.000)
Dividends paid		(402.129.753)	(515.113.721)
Interest paid		(236.819.202)	(253.804.720)
Leasings paid		(1.116.922)	(95.754)
Others revenues from financial activities, net		(2.685.490)	(10.494.409)
<b>Total net cash used in financial activities</b>		<b>(863.084.700)</b>	<b>(398.508.604)</b>
<b>Net increase in cash and cash equivalents before currency rate effects</b>		<b>(517.394.993)</b>	<b>62.178.135</b>
Currency rate effects on cash flow		700	(5.784)
<b>Net increase in cash and cash equivalents</b>		<b>(517.394.293)</b>	<b>62.172.351</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>103.243.458</b>	<b>361.565.766</b>