

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



(In thousands of pesos)

Assets	Note	June 2017	December 2016
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**Current Assets**

Available and equivalents		102.610.202	620.077.944
Other current financial assets		17.207.157	15.293.732
Other current non financial assets		26.995.372	22.182.777
Accounts receivable, Net		204.533.223	169.494.993
Related companies		1.494.690	1.449.427
Inventories, Net		47.786.055	43.992.321
Income tax asset		11.781.811	-

<b>TOTAL CURRENT ASSETS</b>		<b>412.408.510</b>	<b>872.491.194</b>
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**NON CURRENT ASSETS**

Other financial assets		3.691.251	5.698.661
Other non financial assets		6.073.597	6.397.436
Accounts receivable		27.797.690	31.280.609
Accounts receivable related companies		1.103.803	1.071.150
Investments in subsidiaries, joint ventures and associates		667.966	563.065
Intangible assets, net		97.785.541	100.032.188
Properties, plant and equipment		7.893.280.795	7.922.553.413
Deferred Taxes		2.358.910	97.148.803

<b>TOTAL NON CURRENT ASSETS</b>		<b>8.032.759.553</b>	<b>8.164.745.325</b>
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<b>TOTAL ASSETS</b>		<b>8.445.168.063</b>	<b>9.037.236.519</b>
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Liabilities and Equity			
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**CURRENT LIABILITIES**

Other current financial liabilities		208.975.521	464.271.277
Accounts payable		179.630.500	337.506.635
Related companies		342.695.351	218.853.888
Provisions		75.385.868	84.023.026
Taxes, levies and duties payable		-	144.491.393
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>838.535.220</b>	<b>1.281.730.447</b>
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**NON CURRENT LIABILITIES**

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>
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<b>TOTAL LIABILITIES</b>		<b>5.061.971.962</b>	<b>5.541.274.643</b>
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**EQUITY**

Subscribed and paid capital		655.222.313	655.222.313
Premium for placement of shares		113.255.816	113.255.816
Other integral results		(19.295.101)	(13.592.147)
Retained earnings		2.064.417.309	2.236.812.614
<i>Net income for the period</i>		420.544.426	753.724.640
<i>Withheld profits</i>		171.194.123	10.409.214
<i>Adjustments due to IFRS adoption</i>		1.472.678.760	1.472.678.760
Other Reserves		569.595.764	504.263.280

<b>TOTAL EQUITY</b>		<b>3.383.196.101</b>	<b>3.495.961.876</b>
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<b>TOTAL LIABILITIES AND EQUITY</b>		<b>8.445.168.063</b>	<b>9.037.236.519</b>
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**EMGESA S.A E.S.P**  
**UNCONSOLIDATED INCOME STATEMENT**

(in thousands of Colombian pesos)



Income Statement	Note	Six month period from January 1 to June 30	
		2017	2016
<b>OPERATIONAL REVENUES</b>		<b>1.607.494.007</b>	<b>1.960.822.909</b>
Revenues from ordinary activities		1.588.298.890	1.939.452.796
Other revenues		19.195.117	21.370.113
<b>COST OF SALES</b>		<b>(523.598.526)</b>	<b>(776.584.253)</b>
<b>GROSS PROFIT</b>		<b>1.083.895.481</b>	<b>1.184.238.656</b>
Personnel expenses associated to projects		958.822	1.126.051
Personnel expenses		(40.500.543)	(37.787.482)
Other expenses		(65.387.986)	(82.631.122)
<b>EBITDA</b>		<b>978.965.774</b>	<b>1.064.946.103</b>
Depreciation and amortization		(105.742.918)	(93.998.378)
Recoveries		364.824	(3.586.850)
<b>EBIT</b>		<b>873.587.680</b>	<b>967.360.875</b>
<b>FINANCIAL, NET</b>		<b>(169.902.386)</b>	<b>(221.015.512)</b>
Financial revenues		15.779.635	23.132.986
Financial expenses		(188.765.380)	(248.998.970)
Capitalized interest expense		2.693.635	2.297.352
Exchange rate adjustments		389.724	2.553.120
Profits from other investments		107.287	-
Profits from the sale of properties, plant, and equipment		(445.936)	(7.525.248)
<b>PROFITS BEFORE TAXES</b>		<b>703.346.645</b>	<b>738.820.115</b>
Income Tax		(282.802.219)	(303.618.646)
<b>PROFITS AFTER TAXES</b>		<b>420.544.426</b>	<b>435.201.469</b>
<b>NET INCOME</b>		<b>420.544.426</b>	<b>435.201.469</b>

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



Cash Flow Statements	Six month period from January 1 to June 30	
	2017	2016
<b>Operational Activities</b>		
Revenues from operational activities		
<i>Revenues from energy sales and other services</i>	1.594.418.600	2.034.152.200
<i>Royalties, fees, commissions and other income from ordinary activities</i>	22.548.558	14.662.182
<i>Other revenues</i>	-	31.392.385
Expenses from operational activities		
<i>Operational expenses</i>	(595.837.605)	(886.038.165)
<i>Personnel expenses</i>	(51.420.437)	(35.447.744)
<i>Insurance expenses</i>	(20.445.048)	(26.001.460)
<i>Other operational expenses</i>	(38.412.342)	(30.529.644)
<b>Net cash provided by operational activities</b>	<b>910.851.726</b>	<b>1.102.189.754</b>
Equity tax payment	(344.652.273)	(405.336.437)
Other revenues net	(28.981.688)	(46.462.410)
<b>Total net cash used in operational activities</b>	<b>537.217.765</b>	<b>650.390.907</b>
<b>Investment activities</b>		
Cash for control in subsidiaries and other business	-	(98.633)
Loans to related companies	(46.808.489)	(55.000.000)
Increase in properties, plant, and equipment	(202.718.780)	(179.247.586)
Advance payments	-	(33.425.930)
Revenues from hedging activities (swaps)	(378.543)	-
Charge to related companies	46.808.489	55.000.000
Charges from hedging activities (swaps)	-	233.782
Interest	11.496.516	21.445.947
<b>Total net cash used in investment activities</b>	<b>(191.600.807)</b>	<b>(191.092.420)</b>
<b>Financial activities</b>		
Proceeds from loans	100.000.000	525.000.000
Reimbursements for financial obligations	(320.333.333)	(144.000.000)
Dividends payment	(402.129.753)	(515.113.721)
Interest payment	(236.819.202)	(253.804.720)
Leasing	(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>(517.467.742)</b>	<b>60.789.883</b>
Currency rate effects on cash flow	-	-
<b>Net increase in cash and cash equivalents</b>	<b>(517.467.742)</b>	<b>60.789.883</b>
Cash and cash equivalents at the beginning of the year	620.077.944	299.178.512
<b>Cash and cash equivalents at year end</b>	<b>102.610.202</b>	<b>359.968.395</b>