

EMGESA'S EBITDA UP 31% IN THE FIRST HALF OF 2016

Bogota, July 26, 2016

1H2016 Financial Results

	1H 2016	1H 2015	VARIATION %
Million COP			
REVENUES	1,960,823	1,315,629	49%
EBITDA	1,064,946	813,576	30.9%
EBIT	967,361	739,902	30.7%
NET INCOME	435,201	428,930	1.5%
NET FINANCIAL DEBT ⁽¹⁾	3,999,583	3,651,302	9.54%
INVESTMENTS	64,412	640,750	-89.95%

(1) Short-term Financial Debt + Long-term Financial Debt - Cash and Cash Equivalents

Lucio Rubio, Country Manager of ENEL in Colombia, commented: “During the first half of 2016 EMGESA posted excellent operating and financial results and was able to meet the country’s needs during the energy crisis caused by El Niño, supplying more than 22% of the energy consumed in Colombia”.

- **Revenues** increased mainly due to:
 - Higher energy sales in contracts (wholesale market +15.2% year-on-year; Unregulated Market +11.9%).
 - Higher prices of traded energy mostly due to the El Niño Southern Oscillation (ENSO or “El Niño”) that occurred during the first months of the year, together with a higher Producer Price Index (PPI), to which contract prices are indexed.
- **EBITDA** increased as a result of higher sales at improved market prices. The positive impact on revenues was able to offset the increase in costs (+95.8% year-on-year) due to:
 - Increased energy purchases in the spot market at higher prices.

- Higher costs for fuel purchase as a result of an increase in thermal generation, due to El Niño, that occurred during the last months of 2015 and the first months of 2016.
- **EBIT** increased due to the abovementioned factors and the increase in depreciations and amortizations that amounted to 19,000 million COP compared to the same period in 2015.
- When it comes to the increase in EMGESA's **Net Income**, the company's positive performance managed to offset a 246.2% increase year-on-year in net financial expenses. This increase was brought about by a variation in the Consumer Price Index (CPI) in the last months of the semester, with 66% of the company's debt indexed to CPI. The rise in financial expenses is also explained by the fact that following completion of El Quimbo's construction, interest on debt raised to finance the related capex is no longer capitalized.
- EMGESA's **Net Financial Debt** grew due to increased use of resources obtained from international banks to support the company's investment programme, particularly the residual investments in El Quimbo.
- During 1H 2016, 29.5% of EMGESA's **Investments** corresponded to residual investments in the El Quimbo Hydropower Plant, associated to the project's completion. The decrease presented during this period corresponds to the completion of Quimbo's construction.

1H2016 Operating Results

	1H 2016	1H 2015	VARIATION %
SYSTEM TOTAL GENERATION (GWh)	32,481	32,527	-0.1%
EMGESA's GENERATION (GWh)	7,190	6,642	+8.3%
SALES THROUGH CONTRACT (GWh)	6,472	5,664	+14.3%
SALES SPOT MARKET (GWh)	2,232	2,355	-5.2%
PLANT AVAILABILITY	93.31%	93.68%	-0.4%

- EMGESA generated as much as 22.1% of the **Colombian power sector's total generation**.
 - EMGESA's hydropower generation was 89% of the company's total generation (2.5% less than in 1H 2015).

- Thermal generation represented 11% of the company's overall generation (2.5% higher compared to the same period of 2015), in line with a lower water availability in Colombia during the first months of the year.

Dividends

- In the first half of 2016, CODENSA paid the last tranche of 2014 dividends to its shareholders in the amount of 187,911 million COP.
- In addition, during the last week of June 2016, the company paid the first tranche of dividends corresponding to 2015 net income, in the amount of 327,194 million COP.

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