

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Celsia Continues Improving Quarterly Results

An EBITDA margin of 32% for the third quarter of 2016 stands out, as well as a net profit of COP 95 billion year-to-date.

- A substantial improvement of the operational and financial indicators characterizes the third quarter of 2016.
- The third quarter's EBITDA was COP 246 billion with a margin of 32%, close to the average historical margin.
- The net revenue of the period was COP 72 billion and in the year-to-date, earnings amount to COP 95 billion.

Medellín, November 16, 2016. Celsia presented the financial results for the third quarter of 2016, with notable continuity and consolidation of the process of recovering its businesses, especially in generation.

The **consolidated revenue** amounted to **COP 776 billion** in the quarter. Out of which, a 13% increase in revenue from retail energy sales in the regulated and non-regulated markets stands out, as well as the contributions of Central America, which amounted to around 163 billion and comprised 21% of the consolidated revenue. The revenue of the year-to-date amounts to COP 3 trillion, up 28% from the same period in the previous year.

The third quarter's **EBITDA** was **COP 246 billion**, up 61% from the previous year. In this result, the contribution of the generation business stands out with COP 159 billion, and 51% growth from the same period in 2015. The EBITDA margin was 32%, close to average historical margins. Year-to-date EBITDA amounted to COP 775 billion, exceeding the previous year by almost COP 100 billion. **Net revenue** for the third quarter was **COP 72 billion**, and net profit for the year-to-date is COP 95 billion.

In this quarter, **consolidated investments** also stand out, which amount to **COP 88 billion**. Out of which, 20 billion correspond to the generation business, COP 62 billion to the distribution business, and the remaining value to investments in technology, support areas and innovation projects.

In the **distribution business**, investments focused on the construction of the Plan 5 Caribe projects, which are being implemented according to schedule. The projects implemented in La Guajira: Expansion of the capacity of the Cuestecitas Substation and improvements to the Riohacha and Maicao Substations had around 70% implementation by September. Construction work was started in October to increase the capacity of the Valledupar Substation, which has a proposed duration of six months and an estimated investment of COP 12,300 million.

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Main Results of the Third Quarter of 2016
Consolidated revenue:
COP 776,000 million

EBITDA 3Q 2016:
COP 246,000 million

Net profit: COP 72,000 million

“Our Company’s resilience capacity and the focus of all our employees to achieve operational excellence have allowed us to achieve outstanding figures in recent quarters. The increased rainfall in both Colombia and Panama has facilitated hydroelectric power generation, helping to normalize operations. The good operational and financial results increase our optimism in the process of improving the Company’s results, and we hope to end the year with really good figures,” stated **Celsia CEO Ricardo Sierra**.

Valle del Cauca VerdeC: Now 257,000 Trees Have Been Planted

ReverdeC, the initiative to restore the river basins of Valle del Cauca, continues underway. To date, 257,000 native trees have been planted and conserved with the participation of the rural communities. This project generates around 400 direct jobs in the first phase, and from 2017, it plans to plant one million trees a year.

As part of this project, an agreement was signed in September with the Administrative Department of Environmental Management (DAGMA, for the Spanish original) and Fundación Admira La Vida to restore the river basins of Cali. In the first phase of this partnership, around 600,000 trees will be planted of native dry tropical forest species.

Good Reputation and Sustainability Indicators

- In the most recent **corporate reputation monitor** carried out by Merco Colombia, the Company went from 84th place in 2015 to **62nd place in the overall ranking**. Out of the companies of the sector, it moved from 6th place to 3rd place.
- **Celsia received the Issuers Recognition (Sello IR) from the Colombian Securities Exchange** for adopting best practices in information disclosure and investor relations; that is, for providing sufficient and timely information through appropriate media.
- Once again, the Company voluntarily participated in the **Dow Jones Sustainability Index (DJSI)** as a tool for management and continuous improvement in sustainability. The results show a constant increase in the score each year, with **marked growth in the environmental dimension** in 2016.

Results Conference Call

On November 17th, 2016 at 8:00 am, Bogotá time, the presentation of the quarterly results will be broadcast online. To connect, click on the following link:

[Presentation of 2016 Third Quarter Results](#)

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



FINANCIAL STATEMENTS

Consolidated Statement of Comprehensive Income
Values expressed in millions of Colombian pesos

Consolidated revenue	3Q16	3Q15	YTD 2016	YTD 2015
Electricity generation	480.882	517.347	2.110.631	1.560.658
Retail energy Sales	214.050	190.257	621.130	532.301
Grids use and connection	63.577	57.544	189.910	167.917
Gas and Transport Sales	7.466	18.891	45.763	55.147
Other Operating Services	10.594	12.759	34.065	36.491
Revenue	776.568	796.798	3.001.499	2.352.514
Cost of sales	-561.049	-676.938	-2.334.475	-1.879.969
GROSS PROFIT	215.519	119.860	667.024	472.545
Gross Margin	27,75%	15,00%	22,22%	20,00%
Other revenue	51	14.266	4.555	47.126
Administrative expenses	-50.404	-46.588	-174.508	-176.298
Other expenses	24.912	-2.096	-26.796	-16.076
EARNINGS BEFORE FINANCIAL EXPENSES	190.079	85.443	470.274	327.297
Financial result - financial income	6.644	1.721	17.080	10.667
Financial result - financial expenses	-83.881	-64.115	-255.983	-185.076
Foreign exchange gain / loss (net)	-1.253	-37.040	-525	-52.166
EARNINGS BEFORE TAXES	111.588	-13.991	230.846	100.722
Income tax	-39.963	-27.682	-135.441	-119.994
Deferred income tax	0	0	0	0
NET PROFIT	71.624	-41.674	95.405	-19.272
Net Margin	9,22%	-34,80%	3,18%	-4,10%
PROFITS (LOSSES) ATTRIBUTABLE				
To controlling shareholder	33.652	-71.150	346	-90.599
To non-controlling shareholders	37.971	29.476	95.058	71.327
PROFITS (LOSSES)	71.624	-41.674	95.404	-19.272
EBITDA	245.991	152.326	775.488	566.228
EBITDA MARGIN	31,68%	19,00%	25,84%	24,00%

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Consolidated Statement of Financial Position

Values expressed in millions of Colombian pesos

	<u>sep-16</u>	<u>dic-15</u>
Property, plant and equipment	6.946.237	7.213.798
Assets acquired under financial lease	0	3.625
Intangible assets, net (Concessions)	337.629	365.676
Non-current financial assets (long-term investments)	6.066	105.907
Trade and other non-current receivables	4.751	4.024
Capital gains	887.561	935.063
Deferred tax asset	144.744	136.702
TOTAL NON-CURRENT ASSETS	8.326.988	8.764.795
Cash and cash equivalents	607.523	431.914
Current financial assets (portfolio)	214.824	168.584
Other non-financial assets (expenses paid in advance)	74.942	118.918
Trade and other receivables, net	821.201	609.100
Inventories (including goods in transit)	139.882	156.275
Current tax assets, net	189.356	58.915
TOTAL CURRENT ASSETS	1.643.548	1.543.706
TOTAL ASSETS	9.970.536	10.308.501

RELEVANT INFORMATION

CELSIA S.A. E.S.P.



Consolidated Statement of Financial Position

Values expressed in millions of Colombian pesos

	sep-16	dic-15
Capital issued	185	180
Share premium account	365.442	298.146
Reserves	2.451.746	2.468.087
Profits (losses) for the reporting period	346	-166.415
Other Comprehensive Income (OCI)	186.307	328.886
Retained earnings	76.649	0
Retained earnings - realized results	-26.305	210.119
Retained earnings - in opening balance sheet	20.585	20.585
Total equity attributable to the controlling shareholder	3.074.955	3.159.588
Non-controlling shareholders	1.245.124	1.217.673
TOTAL NET EQUITY	4.320.079	4.377.261
Non-current financial liabilities	2.533.404	2.710.596
Other non-current provisions	-	-
Deferred tax liabilities, net	528.003	538.443
Employee benefit, non-current	114.973	115.572
TOTAL NON-CURRENT LIABILITIES	3.176.379	3.364.611
Current financial liabilities	1.604.659	1.575.979
Current accounts payable	452.282	699.783
Other provisions, current	204.368	193.298
Tax liabilities, current, net	163.186	58.788
Employee benefit, current	25.028	23.593
Other current non-financial liabilities	24.552	15.189
TOTAL CURRENT LIABILITIES	2.474.076	2.566.630
TOTAL NET EQUITY AND LIABILITIES	9.970.534	10.308.501