



**FINANCIAL RESULTS
SECOND QUARTER
2018**

1. Important figures

	Units	2Q2018	2Q2017	Δ	YTD 2018	YTD 2017	Δ
Consolidated financial statements							
Revenues	COP Million	820.507	743.335	10,4%	1.667.305	1.485.261	12,3%
Gross profit	COP Million	238.431	242.777	-1,8%	493.187	461.336	6,9%
Earnings before financials	COP Million	183.510	194.325	-5,6%	376.074	334.795	12,3%
Ebitda	COP Million	269.388	278.979	-3,4%	559.200	520.409	7,5%
<i>Ebitda margin</i>	%	32,8%	37,5%	-12,5%	33,5%	35,0%	-4,3%
Net income	COP Million	99.065	64.318	54,0%	178.223	86.186	106,8%
Net income attributable to controlling sh.	COP Million	66.915	42.791	56,4%	118.141	43.399	172,2%
Generation							
Total energy produced	GWh	1.655	1.618	2,3%	3.409	3.105	9,8%
Total energy sold	GWh	1.950	2.001	-2,5%	4.085	3.931	3,9%
Energy produced in Colombia	GWh	1.301	1.325	-1,8%	2.735	2.571	6,4%
Hydric	GWh	1.034	1.106	-6,5%	2.071	2.159	-4,1%
Thermal	GWh	264	219	20,5%	657	412	59,5%
Solar	GWh	3,1	0,0	-	6,9	0,0	-
Energy sold in Colombia	GWh	1.490	1.515	-1,7%	3.096	2.942	5,2%
Contract sales	GWh	777	708	9,7%	1.543	1.455	6,0%
Spot market sales	GWh	712	807	-11,8%	1.553	1.487	4,4%
Energy produced in Central America	GWh	355	293	21,2%	674	534	26,2%
Hydric	GWh	116	124	-6,5%	210	202	4,0%
Thermal	GWh	199	142	40,1%	342	244	40,2%
Wind farm	GWh	39	28	39,3%	122	88	38,6%
Energy sold in Central America	GWh	461	486	-5,1%	989	989	0,0%
Contract sales	GWh	392	455	-13,8%	880	923	-4,7%
Spot market sales	GWh	69	31	122,6%	109	65	67,7%
Distribution							
Energy losses	%	8,2%	8,6%	-4,7%	8,2%	8,6%	-4,7%
Collections rate	%	98%	98%	0,0%	98%	98%	0,0%
SAIDI - EPSA/CETSA	Hours	3,0	4,3	-30,2%	5,9	7,6	-22,4%
SAIFI - EPSA/CETSA	Times	5,0	4,9	2,0%	9,1	9,0	1,1%
Retail sales							
Regulated market sales	GWh	299	287	4,2%	591	574	3,0%
Non-regulated market sales	GWh	267	232	15,1%	516	459	12,4%
Users	Number	613.898	593.926	3,4%	613.898	593.926	3,4%

2. Electricity Market in Colombia

National Electrical Grid water levels were at 133% of the historical average, higher than the 108% recorded in the same period of the previous year. The aggregate level of National Electrical Grid reservoirs went up in June for the third consecutive month, placing at 78% of its live storage at the end of June. Ten to 15% less reported rainfall is expected for Q3 compared to the historical average of the Andean region, with greater impact to the center and south of the country in the EPSA power plants' area, and with nearly normal values in Antioquia.

ENSO-neutral conditions continued in June, indicated by sea surface temperatures. The majority of IRI/CPC models predict that ENSO-neutral conditions will remain throughout the northern hemisphere's 2018 summer, with the probability of an El Niño developing after that.

Average spot prices in Q2 of 2018 were COP 88/kWh, 12% higher than last year's average price of COP 79/kWh. Regulated market (RM) contract prices averaged COP 189/kWh (+6% Y/Y).

The accumulated energy demand of Colombia's National Electrical Grid (SIN) over the quarter was 17,078 GWh, a 2.7% increase from the same period in 2017. Out of this demand, the regulated market demand was 11,610 GWh, 1.7% higher than the same quarter in 2017, and non-regulated market demand grew 5.2% to 5,388 GWh. This growth was driven primarily by Colombia's improved economic outlook.

3. Electricity Market in Panama

The Fortuna Reservoir, upstream from our power plants in Chiriquí, decreased its live storage in the last three months from 91% to 52%. The recorded level is less than the 96% registered in Q2 of 2017. In turn, the level of the Bayano Reservoir decreased this quarter from 65% to 26%, down from the 36% recorded in Q2 of 2017.

In the second quarter of the year, total system generation reached 2,748 GWh.

The average marginal cost of energy was 98 USD/MWh in the quarter, 52% up from the same quarter in 2017. The price of diesel reported by thermal power plants in Panama was up 5%, while bunker was up 30% and coal rose 10%, respectively.

4. Operating Results

4.1. Consolidated Electric Power Generation

The Company's consolidated generation was 1,655 GWh in the quarter, up 2% compared to the same quarter last year and down 6% compared with Q1 of 2018. Out of this generation, 69.5% came from hydroelectric generation, 28.0% from thermal power plants, 2.4% from the wind farm in Costa Rica, and 0.19% (3 GWh) from the new solar farm in Yumbo. Year-to date electric power generation is 3,409 GWh, 10% up from the previous year.

4.1.1. Power Generation in Colombia

Generation in the quarter amounted to 1,301 GWh (-2% Y/Y). Hydroelectric power generation decreased by 6% compared to the previous year, in line with EPSA's bid strategy, which consisted of recovering the organization's water reserves to be used later in the region's dry season which takes place during Q3 of the year.

In turn, thermal power generation went up 20% in view of the important increase in restrictions in the Caribbean Coast region, which forced repeated dispatches from Zona Franca Celsia, even though there was scheduled maintenance at Flores IV to change a generator between April and May. Maintenance increased the power by around 8 MW and improved the heat rate.

The amount of energy sold on the market in the first quarter was 712 Gwh (-12% Y/Y) and, in turn, the amount of energy sold in contracts was 777 GWh (+10% Y/Y).

4.1.2. Power Generation in Central America

Energy generation in Central America for the quarter amounted to 355 GWh (+21% Y/Y). The hydroelectric power plants saw a 6% drop in generation, reporting 116 GWh due to preventive maintenance carried out during the period.

The thermal power plants generated 199 GWh (+40% Y/Y). The situation of reduced rainfall in the quarter, compared to the same period the previous year, resulted in a greater carbon dispatch, and BLM increased its generation. Cativá, a power plant that had experienced a dispatch reduction due to an increase in the price of bunker, increased its generation in Q2 because of some effects at other power plants in the system.

The wind farm in Costa Rica generated 39 GWh (+41% Y/Y). Although Q2 of the year was influenced by the transition from the dry season to the rainy season, which results in a trend that disappears quickly, results were better compared to the same period last year.

Contract sales volumes were 392 GWh (-14% Y/Y) in the period. The reduction occurred due to less demand for distributors in the hydroelectric power plant contracts at the end of some power and energy contracts in Cativá during Q2 of 2018, which was mitigated in part with increased revenue from BLM contracts due to higher carbon price, as the contract sale price is indexed to its variation. For its part, spot market sales amounted to 69 GWh (+123% Y/Y).

4.2. Transmission, Distribution and Sales

The reseller delivered 566 GWh of energy in the quarter, which represents an increase of 9% Y/Y.

The non-regulated market at EPSA increased its demand by 15% Y/Y, a figure higher than the one reported by the market average (5.2% Y/Y). This year's non-regulated supply has 29 new clients. We currently have 319 clients from our own market at EPSA and CETSA, and 283 in other regions of the country.

Expectations are positive for the upcoming quarters, as the Governor's Office of Valle del Cauca is working on mechanisms to attract investments to the department, especially in the new post-agreement environment, which would result in a new push to set up industries and logistics centers.

The regulated market at EPSA increased its demand by 4% Y/Y, a figure lower than the average reported by the market (1.7% Y/Y). These increases even come up in a period marked by extraordinary amounts of rainfall, which impact client consumption. Rainfall was abundant and frequent during the month of June in the Pacific region.

With regard to residential consumption for the next quarter, it is expected that the organization will take care of all new housing projects in EPSA and CETSA markets, including public housing and priority interest housing.

5. Financial Results

5.1. Revenue

Consolidated revenue for the quarter amounted to COP 820,507 million (+10% Y/Y). Accumulated revenue for the year totaled COP 1,667,305 million (+12% Y/Y). Year-to-date, revenue for Colombia represented 78% of the consolidated total, and 22% for Central America.

The quarter's consolidated revenues are explained by:

- i) Revenue from generation of COP 447,340 million (+6% Y/Y)
 - In Colombia, revenue amounted to COP 270,505 million (+5% Y/Y)
 - Spot market sales of COP 147,061 million
 - Contract sales of COP 45,033 million
 - Revenue from the Reliability Charge was COP 78,411 million (-18% Y/Y). The reduction is explained by smaller revenue in ZFC due to scheduled maintenance at Flores IV during April and May.
 - In Central America, revenue from generation totaled COP 176,830 million (+8% Y/Y), equal to USD 62 million (+11% Y/Y). This strong performance is due to better revenue from BLM's PPA contract due to an increase in carbon.
- ii) Revenues from grid connection and use (T&D business) was COP 64,282 million (-3% Y/Y). In this line, revenues from Central American operations in Q1 of 2018 were reported, which were reclassified this quarter as generation revenues. With the adjustment, revenue in this line would be COP 67,031 million, very similar to that observed the previous year.
- iii) Revenues from retail sales were COP 250,227 million (+11% Y/Y), resulting from higher sales prices in the regulated market and better demand from the non-regulated market.
- iv) Gas and transportation sales totaled COP 45,314 million (+291% Y/Y). Higher sales volumes from restriction events that occurred in the 500-kV line and the Caribbean Region local grid explained the increase in this line.
- v) Other operational revenue totaled COP 13,343 million (-33% Y/Y). For Q2 of 2017, this line reported USD 6.3 million from forced generation in Panama because ETSA experienced problems with the transmission grid. For that reason the NDC had to operate the thermal power plants outside the scheduled dispatch. In Q3 of 2017, this revenue was reclassified at the generation line. Upon making the adjustments, revenue in this line reported a 52% increase due to the positive contribution of new businesses, including backup generator, cooling district and home portfolio sales.

5.2. Operating and Administrative Expenses

The consolidated cost of sales was COP 582,076 million (+16% Y/Y). In Colombia, the cost of sales was superior: 25% Y/Y, explained primarily by the increase in the use of fuel in view of increased generation at ZFC in response to the restrictions that occurred in the Colombian Caribbean grid. This increased the volume of backup generation (due to restrictions), which included all operating costs

In Central America, the cost of sales was 4% lower Y/Y (in USD). It should be noted that revenue from thermal power plant contracts is tied to the price of fuel at each power plant.

Consolidated administrative expenses amounted to COP 54,336 million (+10% Y/Y). The increase year-over-year is explained primarily by activities that support growth projects and the development

of new businesses. In this category, Colombia reported COP 44,155 million (+14% Y/Y). Central America reported USD 3.6 million (-5% Y/Y).

5.3. EBITDA

Consolidated EBITDA totaled COP 269,388 million (-3% Y/Y). The generation facilities continue their strong performance, especially at EPSA, with an outstanding EBITDA margin of 42%, the highest reported in two years, added to T&D business stability. In ZFC, it is important to note that business opportunities related to the cost of gas came up in a couple of quarters in 2017.

Colombia contributed with an EBITDA of COP 208,735 million (-6% Y/Y), representing 77% of the consolidated EBITDA.

- Generation: COP 119,384 million
- T&D: COP 76,116 million
- Sales: COP 13,235 million

Generation from Central America contributed USD 21 million (+9% Y/Y). EBITDA from Central America represented 23% of the consolidated EBITDA.

Year-to-date, consolidated EBITDA reported COP 559,200 million (+7% Y/Y).

5.4. Other Components of the Statement of Comprehensive Income

The following components of the Statement of Comprehensive Income are noteworthy:

- Less financial expenses compared to the same period last year, COP 74,919 million (-15% Y/Y) thanks to a smaller debt balance after early payments were made with resources from stock issuances, and smaller cost of debt due to a reduction in CPI in Colombia.
- Greater profit from exchange differences, COP 18,283 million (+1.814% Y/Y) resulting from accounts receivable from related entities.

5.5. Taxes

Provision of the income tax reported COP 36,873 million (-6% Y/Y). In Colombia, the reported amount was COP 36,573 million (-9% Y/Y) thanks to a COP 13,593 million deduction, which corresponds to the tax benefit approved by Colciencias for the duration of 2018 for the NOVA and AMI projects.

Deferred tax reported COP 7,465 million (+228% Y/Y). Central America did not report this category.

5.6. Net Earnings

Over the quarter, the Company reported consolidated net earnings of COP 99,065 million (+54% Y/Y). When subtracting minority interests, the net income attributable to controlling shareholders was COP 66,915 million (+56% Y/Y).

Year-to-date net earnings totaled COP 178,223 million (+107% Y/Y), and the profit attributable to the controlling shareholders was COP 118,141 million (+172% Y/Y).

6. Investment and Expansion Plan

Consolidated investments at the close of the second quarter totaled COP 218,226 million (+16% Y/Y). Investments of COP 207,390 million were made in Colombia, and USD 2.5 million in Central America.

- In Colombia, investments in growth and strategy amounting to COP 159,532 million stand out, which include: Plan5Caribe, COP 82,028 million, and the expansion of the Regional Transmission System and Local Distribution System, totaling COP 20,597 million, among others. Investments in business continuity totaled COP 41,505 million, and support totaled COP 6,353 million
- In Central America, investments were aimed at Alternegy's water and thermal assets.

7. Statement of cash flow

Year-to-date operations have generated COP 559.200 million in cash. Resources were applied mostly as follows: i) net working capital requirements of COP -56.374 million, ii) payment of COP -127.710 million in taxes, iii) CapEx of COP -218.226 million, iv) net financial movements for COP -802,988 million, including financial costs, v) payment of dividends for COP -67.809 million.

The final cash balance was COP 193.773 million.

Cash Flow (COP million)	YTD 2018
EBITDA	559.200
(+) Working capital net needs	(56.374)
(-) Taxes	(127.710)
Total Operating Cash Flow	375.117
<u>Investment Cash Flow</u>	
(-) CapEx + investments	(218.226)
Total Investment Cash Flow	(218.226)
Company's Free Cash Flow	156.891
(-) Amortization	(783.458)
(-) Interests	(140.854)
(+) Disbursement Credit	121.324
(+) Total Financial Obligations	(802.988)
(+) Other revenue	1.483.697
(-) Other expenses	(767.759)
(+) Financial yields and others	18.297
(+/-) Net dividends	(67.809)
Paid	(69.300)
Received	1.491
Exchange rate effect	1.005
Total Financial Cash Flow	(135.556)
Total Cash Flow for the Period	21.335
(+) Initial cash balance	172.438
Final Cash Balance	193.773

Celsia S.A. E.S.P.

Consolidated statement of financial position

At June 30, 2018 and December 31, 2017

(Values expressed in thousands of COP) (Information non-audited)

	Jun-2018	Dec-2017
Assets		
Non-current assets		
Property, plant and equipment	7.165.789.777	7.183.979.189
Assets acquired under financial lease	144.515.318	88.129.983
Intangible assets, net	333.853.232	353.651.297
Financial investments	109.027.694	105.407.953
Other non-financial assets	13.027.200	16.284.480
Trade and other non-current receivables, net	6.421.765	41.888.211
Goodwill	896.522.910	905.899.293
Deferred tax asset	134.293.996	131.514.602
Total Non-current assets	8.803.451.892	8.826.755.008
Current assets		
Cash and cash equivalents	193.772.730	172.438.223
Other non-financial assets	53.344.876	73.090.310
Trade debtors and other accounts receivable, net	524.849.928	515.319.009
Inventories	240.529.592	174.716.914
Tax assets	157.637.731	67.964.868
Total current assets	1.170.134.857	1.003.529.324
Total assets	9.973.586.749	9.830.284.332
Liabilities and shareholders' equity		
Equity		
Subscribed and paid-in capital	267.493	184.993
Issue premiums	1.822.194.921	365.441.654
Reserves	2.467.050.747	2.465.195.827
Net annual profit (loss)	118.141.131	149.147.206
Other comprehensive income	173.275.791	196.838.243
Retained earnings	(60.907.948)	(26.304.899)
Retained earnings in opening balance sheet	20.585.359	20.585.359
Other equity participations	(405.668.197)	
Total equity attributable to the controlling shareholder	4.134.939.297	3.171.088.383
Non-controlling interests	929.958.030	1.265.806.055
Total net equity	5.064.897.327	4.436.894.438
Liabilities		
Non-current liabilities		
Financial liabilities	2.727.606.440	3.340.786.388
Trade liabilities and other accounts payable	88.945.399	85.611.847
Deferred tax liabilities	490.150.468	494.132.213
Employee benefits	138.230.967	138.911.049
Total non-current liabilities	3.444.933.274	4.059.441.497
Current liabilities		
Financial liabilities	476.541.528	578.396.345
Trade liabilities and other accounts payable	609.505.508	424.403.881
Provisions	216.942.499	209.731.367
Tax liabilities	100.137.858	48.207.883
Employee benefits	32.370.926	40.115.510
Other liabilities	28.257.829	33.093.411
Total current liabilities	1.463.756.148	1.333.948.397
Total liabilities	4.908.689.422	5.393.389.894
Total liabilities and equity	9.973.586.749	9.830.284.332

Celsia S.A. E.S.P.

Consolidated statement of income and other comprehensive income

June 30, 2018 and 2017 (Values expressed in thousands of COP)

(Information not audited)

	YTD		QUARTER	
	30/06/2018	30/06/2017	2Q2018	2Q2017
Revenue				
Revenue from ordinary activities	1.667.305.314	1.485.261.292	820.506.680	743.334.759
Cost of sales	(1.174.118.622)	(1.023.925.288)	(82.075.984)	(500.558.569)
Gross profit	493.186.692	461.336.004	238.430.696	242.777.190
Other revenue	6.497.820	8.679.177	2.287.626	1.681.501
Administration expenses	(110.539.245)	(122.674.411)	(54.335.905)	(49.367.922)
Other expenses	(13.162.890)	(12.511.644)	(2.530.561)	(732.051)
Participation in results of associates and joint ventures	91.149	(34.089)	(342.025)	(34.089)
Earnings before financial costs	376.073.526	334.795.037	183.509.831	194.324.630
Financial revenue	5.451.976	9.403.342	1.599.773	4.440.601
Financial costs	(152.795.959)	(165.997.151)	(74.919.095)	(88.536.865)
Exchange rate difference, net	24.328.195	(2.688.329)	18.283.273	(1.066.906)
Earnings before tax	253.057.738	175.512.899	128.473.782	109.161.460
Revenue (expenditure) for taxes	(74.834.638)	(89.326.661)	(29.408.534)	(44.843.944)
Net income for the period	178.223.100	86.186.238	99.065.248	64.317.516
Earnings attributable to:				
Controlling shareholders	118.141.131	43.398.798	66.914.611	42.790.866
Non-controlling interests	60.081.969	42.787.440	32.150.637	21.526.650
Net income for the period	178.223.100	86.186.238	99.065.248	64.317.516

Pro-forma Consolidated Statement of Comprehensive Income - Colombia

Values expressed in millions of Colombian pesos

	YTD		QUARTER	
	30/06/2018	30/06/2017	2Q2018	2Q2017
Electric power generation	594.203	522.997	270.505	257.054
Retail sales	481.609	431.391	250.227	225.383
Grid use and connection	131.716	132.232	64.282	65.958
Gas and transportation sales	71.285	21.908	45.314	11.596
Other operating services	24.247	18.247	12.848	6.297
Revenue	1.303.060	1.126.774	643.176	566.289
Cost of sales	(918.677)	(726.944)	(449.733)	(359.248)
GROSS PROFIT	384.383	399.830	193.444	207.042
Gross Margin	29%	35%	30%	37%
Other revenue	6.194	8.905	2.078	1.755
Administrative expenses	(89.748)	(101.779)	(44.155)	(38.701)
Other expenses	(11.746)	(11.735)	(1.766)	(365)
Participation in results of associates and joint ventures	91	(34)	(342)	(34)
EARNINGS BEFORE FINANCIAL EXPENSES	289.175	295.186	149.257	169.697
Financial result - financial income	9.633	9.109	7.751	4.810
Financial result - financial costs	(101.694)	(121.307)	(50.893)	(65.272)
Exchange rate difference, net	24.551	(3.642)	18.503	(1.533)
EARNINGS BEFORE TAXES	221.665	179.346	124.618	107.703
Deferred income tax	6.803	(3.094)	7.465	(6.172)
Income tax	(81.338)	(85.939)	(36.573)	(40.118)
NET PROFIT	147.131	90.313	95.510	61.413
Net Margin	11,0%	8,0%	14%	11%
PROFIT (LOSS) ATTRIBUTABLE				
To controlling shareholders	93.396	40.518	64.612	37.138
To non-controlling shareholders	53.735	49.795	30.898	24.276
PROFIT (LOSS)	147.131	90.313	95.510	61.414
EBITDA	418.640	415.552	208.735	222.208
EBITDA MARGIN	32%	37%	32%	39%

Pro-forma Consolidated Statement of Comprehensive Income - Central America

Values expressed in millions of dollars

	YTD		QUARTER	
	30/06/2018	30/06/2017	2Q2018	2Q2017
Electricity generation	127,28	117,60	62,46	56,19
Other Operating Services	0,71	5,33	0,17	4,71
Revenue	127,99	122,93	62,63	60,90
Cost of sales	(89,74)	(101,61)	(46,67)	(48,38)
GROSS PROFIT	38,25	21,32	15,96	12,52
Gross Margin	29,9%	17,3%	33,8%	20,6%
Other revenue	0,11	(0,08)	0,07	(0,02)
Administrative expenses	(7,31)	(7,22)	(3,59)	(3,77)
Other expenses	(0,51)	(0,27)	(0,28)	(0,13)
EARNINGS BEFORE FINANCIAL EXPENSES	30,54	13,77	12,16	8,60
Financial result - financial income	0,14	0,00	0,07	(0,13)
Financial result - financial expenses	(19,59)	(15,32)	(10,75)	(8,02)
Foreign exchange gain / loss (net)	0,00	0,11	0,00	(0,01)
EARNINGS BEFORE TAXES	11,08	(1,44)	1,48	0,44
Deferred income tax	0,00	0,20	0,00	0,08
Income tax	(0,10)	(0,29)	(0,10)	0,41
NET PROFIT	10,98	(1,53)	1,38	0,93
Net margin	8,6%	-1,2%	18,5%	1,6%
PROFITS (LOSSES) ATTRIBUTABLE				
To controlling shareholder	6,97	0,89	(0,86)	1,89
To non-controlling shareholders	4,01	(2,42)	2,23	(0,96)
PROFITS (LOSSES)	10,98	(1,53)	1,38	0,93
EBITDA	49,38	36,14	21,47	19,65
EBITDA MARGIN	39%	29%	33,2%	27,9%

Celsia S.A. E.S.P.

Individual statement of financial position

At June 30, 2018 and December 31, 2017

(Values expressed in thousands of COP) (Information non-audited)

	Jun-2018	Dec-2017
Assets		
Non-current assets		
Property, plant and equipment	400.562.029	404.368.379
Intangible assets, net	4.061.524	2.778.935
Financial investments	4.390.817.394	3.673.235.531
Trade and other non-current receivables, net	382.329.353	1.496.804
Goodwill	15.842.373	15.842.373
Deferred tax asset	79.434.441	77.428.152
Total Non-current assets	5.273.047.114	4.175.150.174
Current assets		
Cash and cash equivalents	2.397.404	5.975.518
Other non-financial assets	1.689.931	4.497.463
Trade debtors and other accounts receivable, net	512.606.541	337.013.153
Inventories	2.706.591	2.506.560
Tax assets	38.600.504	35.319.702
Total current assets	558.000.971	385.312.396
Total assets	5.831.048.085	4.560.462.570
Liabilities and shareholders' equity		
Equity		
Subscribed and paid-in capital	267.493	184.993
Issue premiums	1.822.194.921	365.441.654
Reserves	2.467.050.747	2.465.195.827
Net annual profit (loss)	118.141.131	183.750.255
Other comprehensive income	178.324.634	195.793.804
Retained earnings	3.102.541	3.102.541
Retained earnings in opening balance sheet	20.585.359	20.585.359
Total net equity	4.609.666.826	3.234.054.433
Liabilities		
Non-current liabilities		
Financial liabilities	715.402.992	883.488.252
Trade liabilities and other accounts payable	88.945.399	85.611.847
Deferred tax liabilities	33.860.418	30.021.941
Employee benefits	1.534.545	1.641.416
Total non-current liabilities	839.743.354	1.000.763.456
Current liabilities		
Financial liabilities	4.292.306	228.076.786
Trade liabilities and other accounts payable	364.339.651	75.163.198
Provisions	220.000	220.000
Tax liabilities	506.493	365.203
Employee benefits	1.746.999	4.678.816
Other liabilities	10.532.456	17.140.678
Total current liabilities	381.637.905	325.644.681
Total liabilities	1.221.381.259	1.326.408.137
Total liabilities and equity	5.831.048.085	4.560.462.570

Celsia S.A. E.S.P.

Individual statement of income and other comprehensive income

June 30, 2018 and 2017 (Values expressed in thousands of COP)

(Information not audited)

	YTD		QUARTER	
	30/06/2018	30/06/2017	2Q2018	2Q2017
Revenue				
Revenue from ordinary activities	129.015.971	82.736.789	68.571.920	40.524.266
Cost of sales	(84.324.055)	(46.299.388)	(43.068.999)	(19.968.020)
Gross profit	44.691.916	36.437.401	25.502.921	20.556.246
Other revenue	683.361	317.259	612.773	219.072
Administration expenses	(23.964.245)	(33.799.413)	(12.416.666)	(15.578.642)
Other expenses	(4.778.132)	(4.685.632)	(295.078)	(425.801)
Participation in results of associates and joint ventures	105.742.155	87.287.157	44.186.478	61.445.388
Earnings before financial costs	122.375.055	85.556.772	57.590.428	66.216.263
Financial revenue	13.168.206	12.178.460	7.429.770	6.608.751
Financial costs	(38.695.502)	(53.823.937)	(18.228.012)	(29.347.288)
Exchange rate difference, net	23.125.560	35.297	20.833.449	(169.956)
Earnings before tax	119.973.319	43.946.592	67.625.635	43.307.770
Revenue (expenditure) for taxes	(1.832.188)	(547.794)	(711.022)	(516.904)
Net income for the period	118.141.131	43.398.798	66.914.613	42.790.866

Celsia separate financial statements

In the second quarter of the year, COP 68,572 million were recorded in Celsia´s separate financial statements, 69% higher than in 2017, mainly due to higher income from the sale of natural gas because of higher volumes traded by the restrictions occurred in the 500 kV lines and the local network of the Caribbean region.

Power generation in the quarter was 5% higher than in the same period of 2017, registering a total of 80 GWh, Rio Piedras increased its generation by 2%, while Hidromontañas increased it by 9% and Meriléctrica did not generate during the period, only operating with plant of support for the system and receiving the income from the Reliability Charge.

The net profit for the quarter was COP 66,915 million (+ 56% Y/Y).

Financial Ratios

Celsia Separate Financial Statements

	Unit	2Q2018	Dec-2017
Solvency and debt indicators			
Liability/Asset (Level of debt)	%	21%	29%
Current liability/Total liability (short term)	%	31%	25%
Liquidity indicators			
Current ratio (Current assets / Current liabilities)	Times	1,46	1,18
Cash and cash equivalents	COP mill.	2.397	5.976
Profitability indicators			
Gross Margin	%	37%	51%
Operating margin	%	19%	12%

Celsia consolidated financial statements:

	Unit	2Q2018	Dec-2017
Solvency and debt indicators			
Liability/Asset (Level of debt)	%	49%	55%
Current liability/Total liability (short term)	%	30%	25%
Liquidity indicators			
Current ratio (Current assets / Current liabilities)	Times	0,80	0,75
Cash and cash equivalents	COP mill.	193.773	172.438
Profitability indicators			
Gross Margin	%	29%	33%
Operating margin	%	22%	26%

Note: Comparisons of balance sheet with December of last year. Comparisons of results with the same period last year.