Quarterly Results Report 2Q - 2015

August 25, 2015

CELSIA

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Important Figures

Consolidated Financial Results	Unit	YTD 2015	YTD 2014	2Q2015	2Q2014
Revenue	COP million	1,555,716	1,381,435	765,009	804,104
Gross profit	COP million	351,390	542,785	174,477	327,712
Earnings before financial costs	COP million	241,854	488,860	133,117	294,912
EBITDA	COP million	413,902	572,391	201,143	339,095
EBITDA margin	*%*	*27%*	*41%*	*26%*	*42%*
Net profit	COP million	22,402	292,129	13,596	182,397
Net earnings to controlling shareholders	COP million	-19,449	178,839	-14,814	115,974

Generation	Unit	YTD 2015	YTD 2014	2Q2015	2Q2014
Total energy produced	**GWh**	**3,972**	**4,282**	**1,832**	**2,110**
Total energy sold	**GWh**	**5,282**	**5,396**	**2,491**	**2,675**
Energy produced in Colombia	**GWh**	**3,108**	**3,432**	**1,387**	**1,692**
Hydroelectricity in Colombia	GWh	1,607	2,075	730	971
Thermal energy in Colombia	GWh	1,501	1,357	656	722
Energy sold in Colombia	**GWh**	**4,170**	**4,303**	**1,932**	**2,142**
Contract sales in Colombia	GWh	2,332	2,122	1,166	1,043
Spot market transactions in Colombia	GWh	1,838	2,181	765	1,099
Energy produced in Central America	**GWh**	**863**	**850**	**445**	**418**
Hydroelectricity in Central America*	GWh	168	92	73	44
Thermal energy in Central America*	GWh	541	623	305	319
Wind power in Central America*	GWh	153	135	67	56
Energy sold in Central America*	**GWh**	**1,113**	**1,093**	**559**	**533**
Contract sales in Central America	GWh	999	933	504	447
Spot market sales in Central America*	GWh	113	160	55	86

Distribution	Unit	YTD 2015	YTD 2014	2Q2015	2Q2014
Energy losses	%	8.76%	8.97%	8.76%	8.97%
Collection	%	98.5%	98.3%	98.5%	98.3%
SAIDI - EPSA/CETSA	Hours	6.1	6.1	3.3	3.0
SAIDI - EPSA/CETSA	Times	7.8	8.1	3.7	3.9

Retail sales	Unit	YTD 2015	YTD 2014	2Q2015	2Q2014
Regulated market sales	GWh	568	532	287	270
Non-regulated market sales	GWh	444	409	224	210
Users	Number	561,293	551,828	561,293	551,828

*Pro-forma figures for Central America 2014. The purchase transaction for these assets was closed in 2014, but the 2014 figures are included for comparison.

Quarterly Results Report

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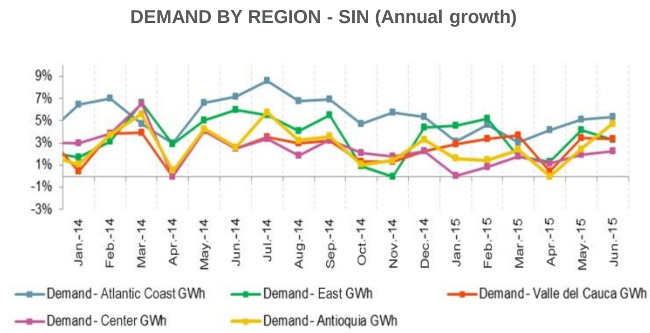
Electricity Market - Colombia

SIN - Demand

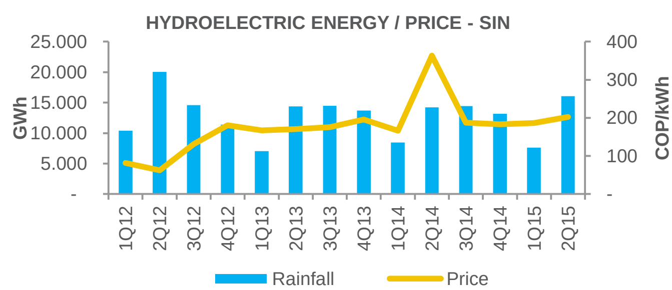
Energy demand increased 3.3% (Q/Q). Regulated market demand grew by 4.5% (Q/Q) while non-regulated market demand decreased by 1.1% (Q/Q). The market behavior is primarily due to:

- Increase in regulated demand (residential and small business consumption) influenced in part by the rising temperatures in various regions of the country.
- Notable growth in mine and quarry operations, and their corresponding energy demand. Increase in the intensity of petroleum industry operations seeking to produce more crude in response to the price drop in petroleum around the world. This somewhat mitigates the industrial sector's weak dynamic.



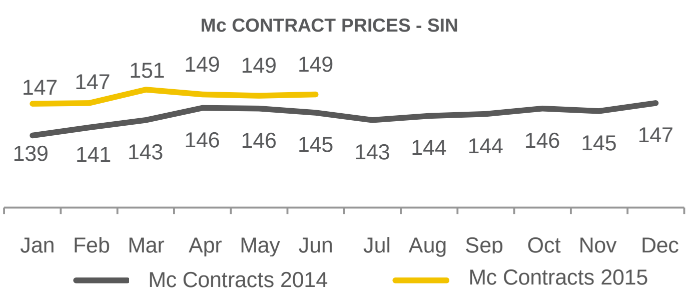
Hydroelectricity - SIN

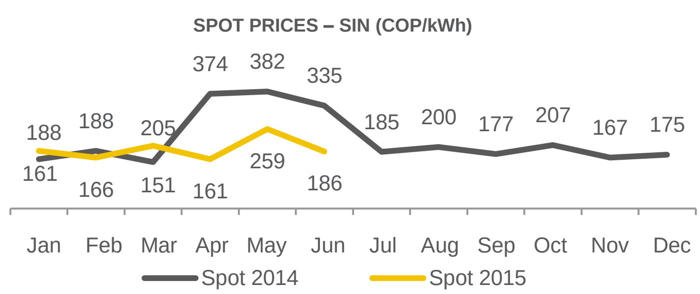
Rainfall in the quarter was 90% of the historical average, influenced partially by the hot weather that persists over the Pacific Ocean in the last accounting periods. At the end of April, El Niño weather patterns converged with atmospheric anomalies. The latest consensus on Pacific weather model anomalies points to continued El Niño weather patterns for the remainder of 2015 stretching into the first quarter of 2016.



Electricity Prices - SIN

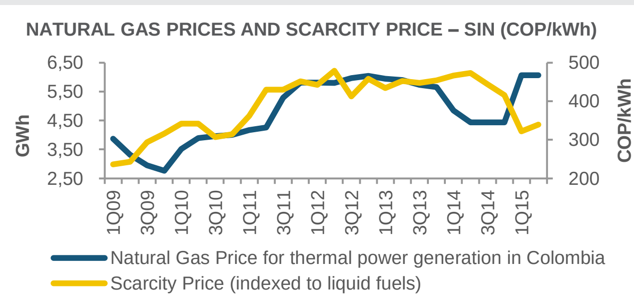
Although 2015 has been affected by conditions increasing the marginal cost of thermal power production such as currency devaluation (+30% Q/Q), the average spot market price was 44% down compared to 2014 (Q/Q). This price drop is a result of the commercial startup of the Sogamoso Hydroelectric Power Plant, the expectation that El Quimbo Hydroelectric Power Plant will startup commercial operations later this year and a significantly lower scarcity price due to lower fuel prices worldwide.





Fuel Prices

The price of natural gas used for thermal power generation in Colombia did not correlate with international oil prices. Instead, it was more in line with the supply and demand dynamic reflected when annual bilateral contract negotiations were carried out in September - October of 2014.



[1] Q/Q: 2015 quarter versus 2014 quarter | Y/Y: 2015 YTD vs. 2014 YTD

SIN: National Electrical Grid

Source of Graphs: XM

Sources: XM, CREG Bulletin 070 / 2013, CREG BULLETIN 083 / 2014.

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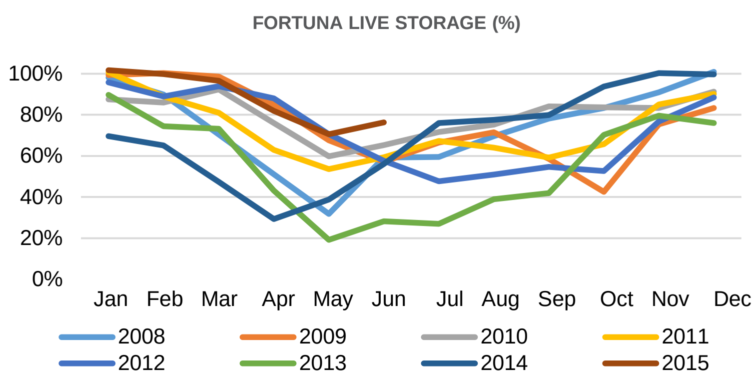
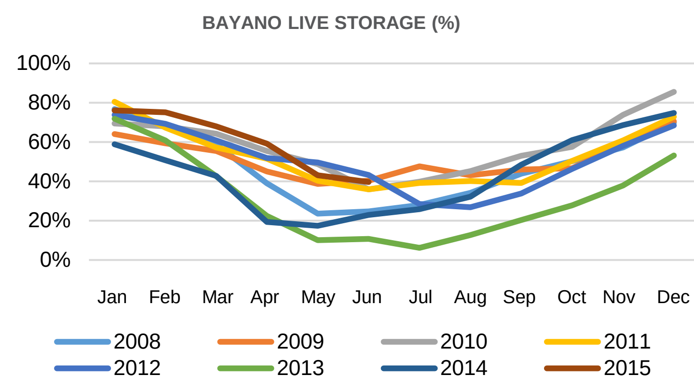
Electricity Market - Panama

Water Levels



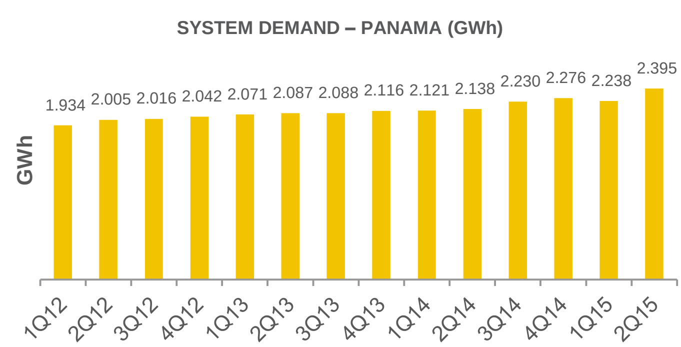


This quarter Dos Mares received additional hydrological contributions made possible by the water reserves held in the Fortuna Reservoir. Although the April and May dry season requires high volumes of water to be used from the reservoir reserves and despite reservoir management by the National Dispatch Center, the Fortuna Reservoir [1] continues to hold water reserves higher than the historical average.

[1] Fortuna is part of the watershed upstream to the Dos Mares Hydroelectric Power Plant.

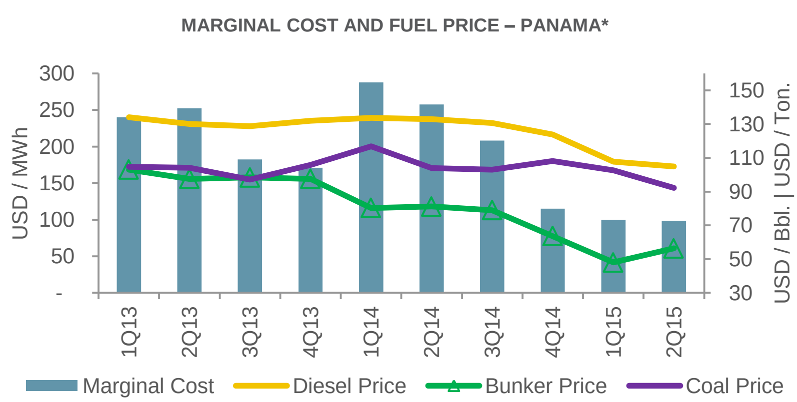
Demand

System energy consumption this quarter was 2,395 GWh, 12% higher than energy consumed in the second quarter of 2014. Increased consumption is the result of more clients, higher temperatures and the beginning of operations for new businesses throughout the country. The increase from the previous period was 7%.
Total system generation this quarter was 2,494 GWh. Of said generation, 38% was contributed by the thermal power plants, 55% by hydroelectric power plants, 5% by wind power plants and 2% by self-generation.



Marginal Cost and Fuel Price

The average cost of energy was 98 USD/MWh in the quarter, 62% lower than average cost in 2Q 2014. This was due to the high correlation between average cost and fuel prices. Compared to the same quarter last year the cost of diesel decreased by 21%, bunker fuel by 30% and coal by 12%.



Source of Graphs: NDC Panama. Fuel prices: power plants' declaration of variable costs.
*All the fuel costs include transportation.

Operating and Financial Results

Electric Power Generation

The organization's consolidated generation was up 8% compared to the same quarter last year, primarily due to the incorporation of assets in Central America, which contributed 445 GWh, accounting for 24% of the total generation. The following are highlights from this quarter:

Generation assets in Panama and Costa Rica increased production by 6% over volumes reported in 2014. Actions taken to improve power plant uptime and availability and the weather conditions both favored higher generation.

As for thermal power generation, conditions in the Panamanian market and actions taken to increase availability are the reason for higher generation. The coal fired power plant reported record high production of 68 GWh in May, meeting 112% of its PPA.

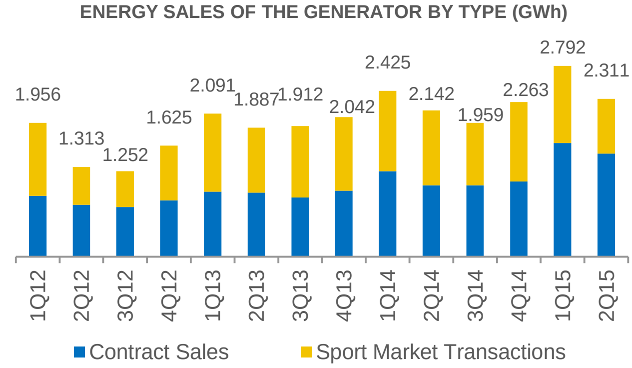
The Costa Rica wind farm operation continued to produce record highs this quarter with an outstanding power plant factor of 63%. The second quarter transitioned from dry season months into rainy season months, and therefore the price of energy was higher in April and May. PPA prices agreed with the Costa Rican Electricity Institute (ICE) are USD 102 in the dry season and USD 40 in the rainy season.

In Colombia generation was down 18% compared to figures posted in 2014.

Low rainfall in the Colombian Pacific territory impacted contributions to the EPSA reservoirs, which held 70% of the historic water reserves, compared to 98% in 2014. Lower rainfall also affected production in Celsia's small hydropower plants, Hidromontañitas and Rio Piedras, which produced 730 GWh, 25% lower than production reported last year.

Thermal power production this quarter was 656 GWh, 9% higher than the same period in 2014. Thirteen days of maintenance operations at Flores I and 14 days of maintenance operations at Flores IV in June, combined with lower spot market energy prices compared to second quarter last year and distribution asset availability explain the lower participation of thermal power backup generation dispatches. Decrease in generation from Meriléctrica is explained by the higher volume required to attend to restrictions in 2014, which was freed up in 2015 with the startup of the Sogamoso Hydroelectric Power Plant.

ENERGY SALES OF THE GENERATOR BY TYPE (GWh)

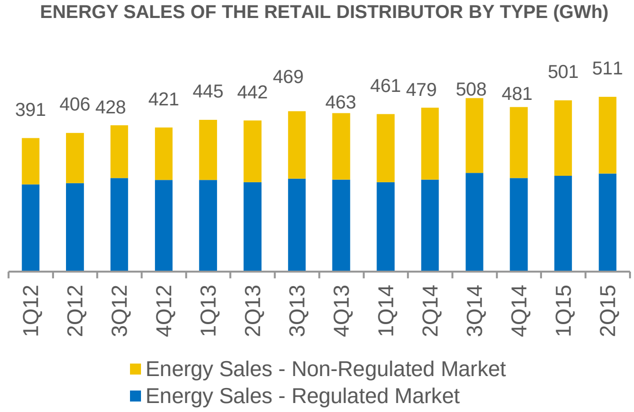


Energy Distribution and Sales

The higher volume of energy sales on the regulated and non-regulated markets is the source of positive distribution results. Higher average consumption in the residential sector, new clients, sustained dry season, higher PPI and the startup of the Alferez substation all favored this situation.

The non-regulated market sales dynamic was very positive thanks to commercial strategies executed to increase the current client base, which increased EPSA's commercial demand by 7%, compared to only 1.1% increase in the system commercial demand.

ENERGY SALES OF THE RETAIL DISTRIBUTOR BY TYPE (GWh)



Revenue

Consolidated Revenue	2Q 15	2Q 14	Var. (%)
Electricity generation	**503,725**	553,076	-9%
Retail sales	**175,872**	156,670	12%
Grid use and connection	**56,092**	51,704	8%
Gas and transportation sales	**17,319**	24,635	-30%
Other operating services	**11,999**	18,018	-33%
Revenue	**765,009**	**804,104**	**-5%**

The Company achieved consolidated revenue of COP 765 billion in the second quarter this year. Our recent expansion into international markets contributed to diversifying geographical breadth of operations, generation technology, market coverage and currencies in this reporting period. Although Colombian market conditions were not as favorable for energy generation as they have been in other periods, distribution business in our country was complemented by significant contributions from generation assets in Panama and Colombia, permitting the Company to maintain sales similar to the same period last year. This is more impressive when considering that the second quarter of 2014 figures posted were the best in the history of the organization.

Operating Costs & Expenses

Cost of sales was 24% higher than the same period last year, but it was down 4% compared to the first quarter this year.

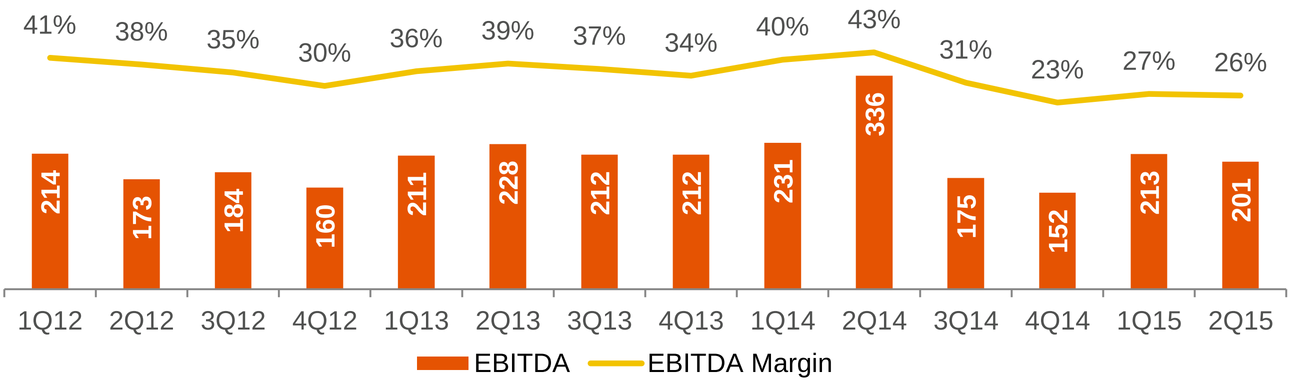
Business performance compared to last year was marked by the following:

- Cost of operations in Central America represented 21% of the total costs this quarter.
- Higher energy purchases were necessary to support contracts in Colombia because of: i) deficient rainfall in the Pacific region where the Company's main hydroelectric power generation assets are located, ii) higher contract sales and lower levels of thermal power generation. EPSA contracts were 84% covered by energy generated, significantly below the historical average at 121% since 2012.
- The higher exchange rate (+30%) significantly impacted thermal power operations in Colombia pushing the total cost of fuel up along with other costs such as natural gas transportation, the costs associated with the reliability charge (CERE) and thermal power plant maintenance costs. Thermal power backup dispatches continue to occur due to natural gas consumption commitments and energy sales.
- The cost due to depreciation and amortization increased due to the incorporation of the Central American assets' depreciation and in Colombia, due to the incorporation of the power generation and distribution assets.

Where fuel consumption has lead to a significant increase in the cost of operations in Colombia, in Central America the lower cost of fuels and opportunities for arbitrage when purchasing on the spot market contribute to favorable results compared to those posted in 2014.

Consolidated operating expenses were 46% higher than those reported in the second quarter last year. This difference compared to last year is in part due to incorporating Central American operations, which represented 18% of the consolidated and personnel expenses.

Operating Profit and EBITDA



Second quarter EBITDA was COP 201 billion, very close to the Company's historical average. Once again, here it is important to note the relevance and timeliness of initiating our recent international expansion. This exposed our Company to very different market dynamics, which largely compensated for the unfavorable external macroeconomic market variables in Colombia. This, in combination with new exposure to the dollarized Panama economy and cash flow in dollars such as generated from the ICE contract in Costa Rica, has been highly strategic to the current and future performance of our organization.

The 56% decrease in operating profit and 41% decrease in EBITDA compared to the second quarter of last year are understandable considering the extraordinarily favorable market conditions for this period in 2014.

Non-operating Income and Net Earnings

Non-operating expenses increased mainly due to the inclusion of COP 16 billion in financial expenses associated with the Central American companies. Financial expenses in Colombia increased due to performance of the CPI, against which a large part of its debt from the ordinary bond program is indexed.

Other expenses, including a donation to Fundación Celsia and the exchange rate difference, were reported at COP 549 million.

Financial revenue was down compared to the second quarter of 2014 due to lower cash available in 2015 compared to that available last year when funds had not yet been disbursed for the purchase of assets in Central America. Other revenue was reported at COP 6,257 million for earnings from property sales, collection of accounts payable and higher dividends from investments in uncontrolled companies.

For taxes, the following should be noted: i) the CREE surcharge (5%) as well as expenses that are not deductible for CREE such as donations to the foundation, ii) the higher depreciation under IFRS that is not recognized for tax purposes and iii) the higher expense for the correction to the Guanacaste Wind Power Plant deferred tax.

As a result of all the data previously presented, the second quarter closed with net profit of COP 13,596 million. When subtracting minority interests, the net earnings attributable to controlling shareholders showed a loss of COP 14,814 million. Comparing against the immediately previous quarter (1Q15), net earnings increased 54% primarily because the wealth tax of COP 40 billion was reported in this quarter.

Here it is important to note the relevance and timeliness of initiating our international expansion in December of 2014. This exposed our Company to very different market dynamics, which largely compensated for the unfavorable external macroeconomic market variables in Colombia. This, in combination with new exposure to the dollarized Panama economy and an energy contract in dollars with the ICE in Costa Rica, has been highly strategic to the current and future performance of our organization.

Investment and Expansion Plan

At the close of the second quarter of 2015, the Company had made 94 billion in consolidated investments.

On July 31, the first of two generator units serving the 55 MW Cucuana Hydroelectric Power Plant initiated commercial operations. The test phase for the second unit in this project should be completed at the end of September. The power plant is located in the municipality of Roncesvalles (Tolima) and COP 335 billion were invested in construction. COP 34 billion of said investment was in environmental matters.

Last June 30, the environmental license for the Porvenir II hydroelectric power plant project (352 MW) was granted by ANLA, thus completing the conditions necessary to execute the purchase and sale agreement for shares of Producción de Energía S.A.S. E.S.P., owner of the Porvenir II project. Said agreement was executed between Celsia and Integral S.A. Porvenir II is an attractive and important project, and Celsia will evaluate the best time to develop it depending on market and regulatory conditions.

In the distribution business, at the close of second quarter 2015, investments totaled COP 24 billion. This was primarily for the purchase of equipment for the loss plan, replacement of components used in the substations and networks and environmental management of the Calima – Bahía line project.

Also, in July of this year, the Ministry of Mines and Energy awarded EPSA two initiatives. In addition to being part of the Plan Caribe announced by the Ministry, these are in line with the Company strategy to grow the distribution business in the national territory: i) expand capacity of the Maicao substation and improve the Riohacha and Cuestecitas substations with a COP 34 billion investment to help regulate and improve the voltage of electricity coming from Riohacha and Maicao. This will enter into operation at the end of 2016, and ii) build a 115 kV substation in Montería, with an investment of COP 44 billion, to improve the reliability of the whole distribution system in Córdoba. This will enter into operation at the end of 2017. These projects are attractive given that they represent stable income for 25 years from the time they begin, and they offer a fast return on investment.

Statement of Cash Flow

Cash flow generated from operations this year is COP 413 billion. These resources were used primarily as follows: to pay for taxes including the income tax and the wealth tax for COP 285 billion, CAPEX for COP 93 billion, net dividends for COP 146 billion and net debt service for COP 145 billion.

Cash Flow (Million COP)	Total Acum. Year
EBITDA	413,902
(+) KW Net Needs	(76,078)
(-) Taxes	285,176
Total Operation Cash Flow	52,648
Investment Cash Flow	
(-) CapEx	93,106
Total Investment Cash Flow	(93,106)
Dividends Flow	
Total Dividends Flow	185,467
Free Cash Flow	145,009
Financial Cash Flow	
(-) Amortization	(170,2013)
(-) Interests	(98,960)
(+) Credit Disbursment	124,126
Total Financial Obligations	(145,048)
(+) Other Incomes	32,491
(-) Other Expenses	40,130
(+) Financial Returns and Others	7,760
(-) Dividends	332,058
Total Financial Cash Flow	476,984
Total Period Cash Flow	331,975
(+) Opening Cash	593,180
Ending Cash Balance	261,204

Financial Statements*

Consolidated Statement of Comprehensive Income

Values expressed in millions of Colombian pesos

CELSIA S.A. E.S.P.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Values expressed in millions of Colombian pesos

2014 - 2015	Quarter		Year-to-date	
Consolidated Revenue	2Q 15	2Q 14	2015	2014
Electricity generation	503,725	553,076	1,043,311	916,787
Retail sales	175,872	156,670	342,044	303,137
Grid use and connection	56,092	51,704	110,373	104,230
Gas and transportation sales	17,319	24,635	36,256	30,478
Other operating services	11,999	18,018	23,732	26,803
Revenue	765,009	804,104	1,555,716	1,381,435
Cost of sales	-590,532	-476,391	-1,204,326	-838,651
GROSS PROFIT	174,477	327,712	351,390	542,785
Gross Margin	22.8%	40.8%	22.6%	39.3%
Other Revenue	11,227	2,039	32,860	12,153
Administrative expenses	-44,292	-30,439	-87,378	-54,019
Other expenses	-8,295	-4,401	-55,017	-12,058
EARNINGS BEFORE FINANCIAL EXPENSES	133,117	294,912	241,854	488,860
Financial result - financial income	3,368	10,612	8,946	20,152
Financial result - financial costs	-63,993	-37,570	-120,961	-73,191
Exchange rate difference, net	-549	4,669	-15,126	1,091
EARNINGS BEFORE TAXES	71,943	272,624	114,713	436,911
Income tax	-58,348	-90,227	-92,311	-144,782
NET PROFIT	13,596	182,397	22,402	292,129
Net Margin	7.8%	55.7%	1.4%	21.1%
	-	-	-	-
PROFIT (LOSS) ATTRIBUTABLE				
To controlling shareholders	-14,814	115,974	-19,449	178,839
To non-controlling shareholders	28,410	66,423	41,851	113,291
PROFIT (LOSS)	13,596	182,397	22,402	292,129
EBITDA	201,143	339,095	413,902	572,392
EBITDA MARGIN	26%	42%	27%	41%

Consolidated Statement of Financial Position

Values expressed in millions of Colombian pesos

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	June-19	Dec-14
Property, plant and equipment	**6,776,333**	6,827,615
Investment properties	**20,692**	19,413
Assets acquired under financial lease	**252,835**	237,702
Intangible assets, net (concessions)	**215,227**	209,064
Other non-current financial assets (long-term investments)	**388,135**	439,514
Trade and other non-current receivables	**3,336**	30,453
Accounts receivable from related entities, non-current	**0**	0
Capital gains	**586,453**	561,968
Other assets	**1,264**	4,742
TOTAL NON-CURRENT ASSETS	**8,244,275**	**8,330,470**
Cash and cash equivalents	**217,836**	293,747
Other current financial assets (portfolio)	**43,367**	295,753
Other non-financial assets (expenses paid in advance)	**35,170**	51,518
Trade and other receivables, net	**529,676**	411,305
Accounts receivable from related entities, current		
Inventory (including goods in transit)	**119,839**	72,318
Current tax assets, net	**180,490**	29,674
TOTAL CURRENT ASSETS	**1,126,378**	**1,154,314**
TOTAL ASSETS	**9,370,653**	**9,484,784**
Capital issued	**180**	180
Share premium	**298,146**	298,146
Reserves	**2,471,189**	2,383,907
Profit (loss) for the reporting period	**-19,449**	173,632
Retained earnings (ORI)	**395,469**	402,380
Retained earnings in opening balance sheet	**26,435**	26,437
Total equity attributable to the controlling shareholder	**3,171,969**	**3,284,682**
Net effect of consolidation in the opening balance sheet		
Non-controlling shareholders	**1,007,284**	1,112,105
TOTAL NET EQUITY	**4,179,253**	**4,396,787**
Non-current borrowings	**2,756,287**	2,656,732
Other non-current provisions	**151,527**	156,502
Deferred tax liabilities, net	**459,514**	470,767
Employee benefit provisions, non-current	**125,045**	121,069
TOTAL NON-CURRENT LIABILITIES	**3,492,374**	**3,405,069**
Current borrowings	**1,105,721**	1,070,230
Current accounts payable	**382,453**	439,522
Accounts payable to related entities	**0**	0
Other provisions, current	**37,424**	34,938
Tax liabilities, current, net	**136,818**	105,080
Employee benefit provisions, current	**18,018**	13,646
Other non-financial liabilities, current	**18,592**	19,512
TOTAL CURRENT LIABILITIES	**1,699,027**	**1,682,928**
TOTAL LIABILITIES	**5,191,400**	**5,087,997**
TOTAL EQUITY AND LIABILITIES	**9,370,654**	**9,484,784**

Pro-forma Consolidated Statement of Comprehensive Income - Colombia

Values expressed in millions of Colombian pesos

OPERATIONS IN COLOMBIA
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Values expressed in millions of Colombian pesos
2014 - 2015

	2Q 15	2Q 14	Var. (%)
Electricity generation	**351,650**	553,076	-36%
Retail sales	**175,874**	156,670	12%
Grid use and connection	**56,093**	51,704	8%
Gas and transportation sales	**17,319**	24,635	-30%
Other operating services	**8,594**	18,018	-52%
Revenue	**609,529**	**804,104**	**-24%**
Cost of sales	**-466,972**	**-476,391**	**-2%**
GROSS PROFIT	**142,557**	**327,712**	**-56%**
Gross Margin	**23.4%**	**40.8%**	
Other Revenue	**10,840**	2,039	432%
Administrative expenses	**-35,742**	-30,439	17%
Other expenses	**-8,092**	-4,401	84%
EARNINGS BEFORE FINANCIAL EXPENSES	**109,563**	**294,912**	**-63%**
Financial result - financial income	**3,301**	10,612	-69%
Financial result - financial costs	**-48,055**	-37,570	28%
Exchange rate difference, net	**-718**	4,669	-115%
EARNINGS BEFORE TAXES	**64,091**	**272,624**	**-76%**
Income tax	**-46,027**	-90,227	-49%
NET PROFIT	**18,064**	**182,397**	**-90%**
Net Margin	**12.7%**	**55.7%**	
PROFIT (LOSS) ATTRIBUTABLE			
To controlling shareholders	**-9,053**	115,974	-108%
To non-controlling shareholders	**27,118**	66,423	-59%
PROFIT (LOSS)	**18,065**	**182,397**	**-90%**
EBITDA	**153,764**	339,095	-55%
EBITDA MARGIN	**25%**	42%	

Pro-forma Consolidated Statement of Comprehensive Income - Central America

Values expressed in millions of Colombian pesos

OPERATIONS IN CENTRAL AMERICA

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Values expressed in millions of Colombian pesos

2014 - 2015

	2Q 15	2Q 14
Electricity generation	**152,075**	156,653
Other operating services	**3,405**	2,178
Revenue	**155,480**	**158,831**
Cost of sales	**-123,559**	**-175,103**
GROSS PROFIT	**31,921**	**- 16,272**
Gross Margin	**20.5%**	**-10.2%**
Other Revenue	**385**	0
Administrative expenses	**-8,547**	-8,055
Other expenses	**-207**	185
EARNINGS BEFORE FINANCIAL EXPENSES	**23,552**	**-24,143**
Financial result - financial income	**68**	0
Financial result - financial costs	**-15,938**	-20,759
Exchange rate difference, net	**170**	0
EARNINGS BEFORE TAXES	**7,852**	**-44,902**
Income tax	**-12,321**	-2,160
NET PROFIT	**-4,469**	**-47,063**
Net Margin	**-14.0%**	**-29.6%**
EBITDA	**47,381**	-4,421
EBITDA MARGIN	**30%**	-2.8%

Disclaimer: