

EMPRESA DE ENERGÍA DE BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2006 AND 2007

(Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (U.S.\$) - see Note 2)

ASSETS	Note	As of December 31,					
		2006		2007		2007	
Current assets:							
Cash and cash equivalents	3	Col\$	59.714	Col\$	170.899	U.S.\$	84.824
Restricted cash			-		7.997		3.969
Temporary investments	4		144.264		353.955		175.681
Accounts receivable, net	5		221.617		141.861		70.411
Inventories	6		5.276		30.405		15.091
Prepaid expenses and other assets	9		1.998		31.599		15.684
Total current assets			432.869		736.716		365.660
Long-term assets:							
Long-term inventories			-		13		6
Long-term accounts receivable, net	5		210.908		209.070		103.769
Property, plant and equipment, net	7		258.742		1.330.877		660.564
Permanent investments	8		1.658.275		1.782.068		884.506
Other assets, net	9		24.917		2.276.556		1.129.939
Revaluation of assets	18		3.239.435		3.462.206		1.718.421
Total assets		Col\$	5.825.146	Col\$	9.797.506	U.S.\$	4.862.865
Memorandum accounts	24	Col\$	1.931.868	Col\$	4.590.133	U.S.\$	2.278.253
LIABILITIES AND SHAREHOLDERS' EQUITY							
Current liabilities:							
Financial obligations	10	Col\$	158.118	Col\$	446.003	U.S.\$	221.368
Accounts payable	11		156.158		106.022		52.623
Labor obligations			577		1.077		534
Collections on behalf of third parties	13		422		8.159		4.050
Provisions	14		1.505		8.477		4.207
Retirement and pension obligations	15		30.285		28.794		14.292
Benefits supplementary to retirement pensions	15		3.976		4.986		2.475
Other liabilities	16		17		1.109		550
Total current liabilities			351.058		604.627		300.099
Long-term liabilities:							
Financial obligations	10		45.023		2.753.010		1.366.421
Retirement and pension obligations	15		197.774		196.558		97.559
Benefits supplementary to retirement pensions	15		54.991		52.884		26.248
Provisions	14		32.903		26.232		13.020
Other liabilities	16		-		33.396		16.576
Total long-term liabilities			330.691		3.062.080		1.519.824
Minority interest			9.472		33.243		16.500
Total liabilities			691.221		3.699.950		1.836.423
Shareholders' equity:							
Capital stock	18		664.993		664.993		330.060
Additional paid-in capital			97.412		97.412		48.349
Reserves			352.364		365.405		181.364
Accumulated results			197.875		936.503		464.821
Donations-in-kind surplus			6.655		6.655		3.303
Surplus from revaluation of assets			3.239.435		3.461.303		1.717.973
Equity revaluation			575.191		565.285		280.572
Total shareholders' equity			5.133.925		6.097.556		3.026.442
Total liabilities and shareholders' equity		Col\$	5.825.146	Col\$	9.797.506	U.S.\$	4.862.865
Memorandum accounts	24	Col\$	1.931.868	Col\$	4.590.133	U.S.\$	2.278.253

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESA DE ENERGÍA DE BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007

(Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (U.S.\$) except for net income per share - see Note 2)

	Note	Year Ended December 31,		
		2006	2007	2007
Operating revenues:				
Electricity transmission services	Col\$	66.546	Col\$ 73.630	U.S.\$ 36.545
Natural gas transportation services		24.196	379.565	188.392
		<u>90.742</u>	<u>453.195</u>	<u>224.937</u>
Cost of sales:	19			
Electricity transmission services		(24.096)	(27.593)	(13.695)
Natural gas transportation services		(13.223)	(131.654)	(65.345)
		<u>(37.319)</u>	<u>(159.247)</u>	<u>(79.040)</u>
Gross margin		<u>53.423</u>	<u>293.948</u>	<u>145.897</u>
Dividends and interest earned	8	317.216	638.247	316.786
Exchange differences		(4.660)	321.398	159.522
Other income	20	39.633	32.337	16.050
		<u>352.189</u>	<u>991.982</u>	<u>492.358</u>
Administrative expenses	22	(89.094)	(125.432)	(62.257)
Financial expenses	23	(7.316)	(246.563)	(122.378)
Other expenses		(333)	(38)	(19)
		<u>(96.743)</u>	<u>(372.033)</u>	<u>(184.654)</u>
Extraordinary income	21	117.050	-	-
Income before income tax and minority interest		425.919	913.897	453.601
Income tax	17	(2.036)	(37.050)	(18.389)
Income before minority interest		423.883	876.847	435.212
Minority interest		(1.403)	(7.810)	(3.876)
Net income		<u>Col\$ 422.480</u>	<u>Col\$ 869.037</u>	<u>U.S.\$ 431.336</u>
Net income per share		<u>Col\$ 4.920</u>	<u>Col\$ 10.120</u>	<u>U.S.\$ 5.023</u>

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESA DE ENERGÍA DE BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007
 (Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (U.S.\$) - see Note 2)

	Capital stock	Additional paid-in capital	Reserves				Total reserves	Accumulated results	Donations-in-kind surplus	Surplus from revaluation of assets	Equity revaluation	Total shareholders' equity
			Legal	For rehabilitation, extension and replacement of systems	Available to the shareholders							
Balance as of January 1, 2006	858.716	97.412	195.375	125.696	1.386	322.457	74.461	6.655	3.128.432	575.468	5.063.601	
Transfers	-	-	29.907	-	-	29.907	(29.907)	-	-	-	-	
Dividends	-	-	-	-	-	-	(269.159)	-	-	-	(269.159)	
Capital decrease	(193.723)	-	-	-	-	-	-	-	-	-	(193.723)	
Changes to valuation surplus	-	-	-	-	-	-	-	-	111.003	-	111.003	
Net income	-	-	-	-	-	-	422.480	-	-	-	422.480	
Equity revaluation	-	-	-	-	-	-	-	-	-	(277)	(277)	
Balance as of December 31, 2006	Col\$ 664.993	Col\$ 97.412	Col\$ 225.282	Col\$ 125.696	Col\$ 1.386	Col\$ 352.364	Col\$ 197.875	Col\$ 6.655	Col\$ 3.239.435	Col\$ 575.191	Col\$ 5.133.925	
Transfers	-	-	13.041	-	-	13.041	(13.041)	-	-	-	-	
Dividends	-	-	-	-	-	-	(117.368)	-	-	-	(117.368)	
Changes to valuation surplus	-	-	-	-	-	-	-	-	221.868	-	221.868	
Net income	-	-	-	-	-	-	869.037	-	-	-	869.037	
Tax on equity	-	-	-	-	-	-	-	-	-	(9.906)	(9.906)	
Balance as of December 31, 2007	Col\$ 664.993	Col\$ 97.412	Col\$ 238.323	Col\$ 125.696	Col\$ 1.386	Col\$ 365.405	Col\$ 936.503	Col\$ 6.655	Col\$ 3.461.303	Col\$ 565.285	Col\$ 6.097.556	
Balance as of December 31, 2007	U.S.\$ 330.060	U.S.\$ 48.349	U.S.\$ 118.288	U.S.\$ 62.388	U.S.\$ 688	U.S.\$ 181.364	U.S.\$ 464.821	U.S.\$ 3.303	U.S.\$ 1.717.973	U.S.\$ 280.572	U.S.\$ 3.026.442	

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESA DE ENERGÍA DE BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007**

(Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (U.S.\$) - see Note 2)

	Year Ended December 31,					
	2006		2007		2007	
WORKING CAPITAL PROVIDED:						
Net income	Col\$	422.480	Col\$	869.037	U.S.\$	431.335
Depreciation and amortization		14.745		89.536		44.440
Exchange loss (gain)		5.625		(356.893)		(177.139)
Recoveries and provisions		(1.322)		(6.064)		(3.010)
Retirement pension expense		(5.706)		(3.323)		(1.649)
Gain on sale of assets		(4.975)		(469)		(233)
Extraordinary income		(117.050)		-		-
Valuation of investments at market value		(5.118)		(7.400)		(3.673)
Deferred tax		-		21.455		10.649
Minority interest		1.403		7.810		3.876
Working capital provided by operations		310.082		613.689		304.596
Decrease in long-term accounts receivable		28.510		9.238		4.585
Proceeds from Codensa capital reimbursement		197.307		-		-
Increase of financial obligations		-		3.085.174		1.531.286
Increase in other liabilities		-		12.041		5.976
Increase in minority interest		-		15.058		7.474
Total working capital provided		535.899		3.735.200		1.853.917
WORKING CAPITAL USED:						
Increase in inventories		-		(13)		(6)
Increase in permanent investments		(116.303)		(145.404)		(72.169)
Increase in property, plant and equipment		(50.385)		(1.103.730)		(547.822)
Increase in other assets		(5.895)		(2.308.501)		(1.145.794)
Decrease in financial obligations		(32.301)		-		-
Decrease in minority interest		(1.401)		-		-
Capital decrease		(193.723)		-		-
Tax on equity		-		(9.906)		(4.917)
Dividends paid		(269.159)		(117.368)		(58.254)
Total working capital used		(669.167)		(3.684.922)		(1.828.962)
(DECREASE) INCREASE IN WORKING CAPITAL	Col\$	(133.268)	Col\$	50.278	U.S.\$	24.955
Changes in Components of Working Capital:						
Cash and cash equivalents	Col\$	56.374	Col\$	111.185	U.S.\$	55.185
Restricted cash		-		7.997		3.969
Temporary investments		(184.079)		209.691		104.078
Accounts receivable, net		159.355		(79.756)		(39.586)
Inventories		125		25.129		12.472
Prepaid expenses		272		29.601		14.692
Financial obligations		(136.301)		(287.885)		(142.888)
Accounts payable		(29.665)		50.136		24.884
Labor obligations		239		(500)		(248)
Collections on behalf of third parties		-		(7.737)		(3.840)
Retirement and pension obligations		-		481		239
Other liabilities		-		(1.092)		(542)
Provisions		412		(6.972)		(3.460)
(DECREASE) INCREASE IN WORKING CAPITAL	Col\$	(133.268)	Col\$	50.278	U.S.\$	24.955

The accompanying notes are an integral part of these consolidated financial statements.

EMPRESA DE ENERGÍA DE BOGOTÁ S.A. E.S.P. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007

(Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (U.S.\$) - see Note 2)

	Year Ended December 31,					
	2006		2007		2007	
Cash Flows from Operating Activities:						
Net income	Col\$	422.480	Col\$	869.037	U.S.\$	431.335
Reconciliation between net income and net cash provided by operating activities:						
Depreciation and amortization		14.745		89.536		44.440
Exchange loss (gain)		5.386		(350.902)		(174.166)
Recoveries and provisions		(2.251)		(3.699)		(1.836)
Retirement pension expense		(4.198)		(3.804)		(1.888)
Gain on sale of assets		(4.975)		(469)		(233)
Valuation of investments at market value		(5.118)		(7.400)		(3.673)
Extraordinary income		(117.050)		-		-
Deferred tax		-		21.414		10.628
Minority interest		1.403		7.810		3.876
		<u>310.422</u>		<u>621.523</u>		<u>308.483</u>
Changes in assets and liabilities of operation, net:						
Accounts receivable		(129.315)		86.722		43.043
Inventories		(179)		(12.065)		(5.988)
Prepaid expenses		(272)		(28.451)		(14.121)
Accounts payable		41.947		(51.638)		(25.630)
Labor obligations		(239)		499		248
Collections on behalf of third parties		218		7.737		3.840
Provisions		(2.264)		5.588		2.773
Other liabilities		11		12.024		5.968
Minority interest		(1.401)		15.058		7.474
Net Cash Provided by Operating Activities		<u>218.928</u>		<u>656.997</u>		<u>326.090</u>
Cash Flows from Investing Activities:						
Restricted cash		-		(7.997)		(3.969)
Acquisition of Ecogas business		-		(3.299.138)		(1.637.484)
Increase in property, plant and equipment		(50.385)		(153.685)		(76.279)
Decrease (Increase) in temporary investments		184.702		(213.493)		(105.964)
(Increase) decrease in other assets		(5.895)		28.120		13.957
Proceeds from Codensa capital reimbursement		197.306		-		-
Increase in permanent investments		(116.302)		(145.404)		(72.169)
Net Cash Provided by (Used in) Investing Activities		<u>209.426</u>		<u>(3.791.597)</u>		<u>(1.881.908)</u>
Cash Flows from Financing Activities:						
Capital decrease		(193.723)		-		-
Dividends paid		(269.159)		(117.368)		(58.254)
Tax on equity		-		(9.906)		(4.917)
Increase of financial obligations		91.525		3.373.059		1.674.174
Net Cash (Used in) Provided by Financing Activities		<u>(371.357)</u>		<u>3.245.785</u>		<u>1.611.003</u>
Net increase in Cash		56.997		111.185		55.185
Cash and cash equivalents at Beginning of Year		2.717		59.714		29.638
Cash and cash equivalents at End of Year	Col\$	<u>59.714</u>	Col\$	<u>170.899</u>		<u>84.823</u>

The accompanying notes are an integral part of these consolidated financial statements.