

Deloitte.

***Empresa de Energía de Bogotá
S.A. E.S.P.- and its Subsidiaries***

*Consolidated Financial Statements as of
December 31, 2009 and 2008 and for the
years then ended and Independent Auditors'
Report*

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
EMPRESA DE ENERGÍA DE BOGOTÁ S.A. E.S.P.:

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of EMPRESA DE ENERGÍA DE BOGOTÁ S.A.E.S.P. AND ITS SUBSIDIARIES (the "Companies"), which comprise the balance sheets as of December 31, 2009 and 2008, and the income statements, statements of changes in shareholders' equity, changes in financial position and cash flows for the years then ended (all expressed in millions of Colombian pesos), and the summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Colombia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Colombia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An

audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Companies as of December 31, 2009 and 2008, and the results of their operations, the changes in their financial position and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Colombia.

Our audits also comprehended the translation of the Colombian peso amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2. The translation of the financial statement amounts into U.S. dollars and the translation of the financial statements into English have been made solely for the convenience of the readers in the United States of America.

A handwritten signature in cursive script that reads "Deloitte & Touche Ltda.".

Deloitte & Touche Ltda.

February 18, 2010
Bogotá, Colombia

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

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2008 AND 2009

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

ASSETS	Note	As of December 31,		
		2008		2009
CURRENT ASSETS:				
Cash and cash equivalents	3	Col\$ 270,038	Col\$ 233,316	U.S.\$ 114,134
Restricted cash		9,029	11,417	5,585
Temporary investments	4	422,903	353,742	173,044
Accounts receivable, net	5	106,254	238,814	116,824
Inventories	6	43,771	38,288	18,730
Prepaid expenses and other assets	9	31,303	92,273	45,138
Total current assets		883,298	967,850	473,455
LONG-TERM ACCOUNTS RECEIVABLE	5	237,368	428,922	209,821
PROPERTY, PLANT AND EQUIPMENT, NET	7	1,313,122	1,660,338	812,207
PERMANENT INVESTMENTS	8	1,731,524	1,719,016	840,911
OTHER ASSETS, NET	9	2,301,582	2,101,470	1,028,001
REVALUATION OF ASSETS	10	3,652,650	4,178,914	2,044,248
Total assets		Col\$ 10,119,544	Col\$ 11,056,510	U.S.\$ 5,408,643
MEMORANDUM ACCOUNTS	24	Col\$ 5,188,242	Col\$ 5,581,845	U.S.\$ 2,730,537
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Financial debt	10	Col\$ 164,150	Col\$ 208,070	U.S.\$ 101,784
Accounts payable	12	40,389	106,328	52,014
Labor obligations		1,065	8,911	4,359
Collections on behalf of third parties	14	8,251	17,178	8,403
Provisions	15	21,386	52,162	25,517
Retirement and pension obligations	16	27,461	31,854	15,582
Benefits supplementary to retirement pensions	16	4,986	6,446	3,153
Other liabilities	17	145	1,012	495
Total current liabilities		267,833	431,961	211,307
LONG-TERM LIABILITIES:				
Financial debt	10	3,286,562	2,991,708	1,463,489
Hedging instruments	11	7,251	121,856	59,610
Retirement and pension obligations	16	193,087	237,809	116,332
Benefits supplementary to retirement pensions	16	53,421	69,851	34,170
Provisions	15	39,885	42,804	20,939
Other liabilities	17	55,301	75,791	37,075
Total long-term liabilities		3,635,507	3,539,819	1,731,615
Minority interest		18,436	188,467	92,195
Total liabilities		3,921,776	4,160,247	2,035,117
SHAREHOLDERS' EQUITY:				
Capital stock	19	664,993	664,993	325,302
Additional paid-in capital		97,412	97,412	47,652
Reserves		935,308	912,606	446,430
Accumulated results		286,581	723,213	353,783
Donations-in-kind surplus		6,655	6,655	3,256
Surplus from revaluation of assets		3,651,440	3,945,911	1,930,268
Equity revaluation		555,379	545,473	266,835
Total shareholders' equity		6,197,768	6,896,263	3,373,526
Total liabilities and shareholders' equity		Col\$ 10,119,544	Col\$ 11,056,510	U.S.\$ 5,408,643
MEMORANDUM ACCOUNTS	24	Col\$ 5,188,242	Col\$ 5,581,845	U.S.\$ 2,730,537

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, 2008 AND 2009

(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,		
		2008		2009
OPERATING REVENUES:				
Electricity transmission services		Col\$ 91,152	Col\$ 92,695	U.S.\$ 45,345
Electricity distribution services		-	262,486	128,403
Natural gas transportation services		500,139	575,638	281,592
		<u>591,291</u>	<u>930,819</u>	<u>455,340</u>
COST OF SALES:				
Electricity transmission services	20	(44,701)	(43,434)	(21,247)
Electricity distribution services		-	(245,749)	(120,216)
Gain on sale of investments		(192,139)	(225,355)	(110,240)
		<u>(236,840)</u>	<u>(514,538)</u>	<u>(251,703)</u>
Gross margin		<u>354,451</u>	<u>416,281</u>	<u>203,637</u>
Dividends and interest earned	8	527,068	581,423	284,422
Exchange differences		(277,483)	255,226	124,852
Other income	21	27,937	43,555	21,306
		<u>277,522</u>	<u>880,204</u>	<u>430,580</u>
Administrative expenses	22	(83,680)	(100,747)	(49,284)
Financial expenses	23	(288,404)	(413,147)	(202,104)
Other expenses		(2,931)	(11,123)	(5,441)
		<u>(375,015)</u>	<u>(525,017)</u>	<u>(256,829)</u>
Income before income tax and minority interest		256,958	771,468	377,388
Income tax	18	(41,612)	(25,995)	(12,716)
Income before minority interest		215,346	745,473	364,672
Minority interest		3,769	(22,260)	(10,889)
NET INCOME		<u>Col\$ 219,115</u>	<u>Col\$ 723,213</u>	<u>U.S.\$ 353,783</u>
NET INCOME PER SHARE		<u>Col\$ 2,552</u>	<u>Col\$ 8,422</u>	<u>U.S.\$ 4,120</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, 2008 AND 2009
(Expressed in millions of Colombian pesos (Col\$) and thousands of U.S. dollars (U.S.\$). See Note 2.)

	Capital stock		Additional paid-in capital		Legal	For cash contributions in replacement of systems		Reserve		Available to shareholders	Total	Accumulated results	Deductions including surplus	Surplus from revaluation of assets	Equity revaluation	Total shareholders' equity
	Col\$	Col\$	Col\$	Col\$		Col\$	Col\$	Col\$	Col\$							
Balance as of January 1, 2008	664,993	97,412	318,333	133,696		1,386	384,474	318,402	6,655	3,461,303	552,213	6,097,536				
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	16,904	-	-	218,474	-	-	-	-	-	-	-	-	-	-
Changes to valuation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-	-	-	190,137	-	190,137	-	-	-	190,137
Change in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2008	664,993	97,412	335,237	133,696	7,288	318,474	935,308	318,402	6,655	3,651,444	553,739	6,197,788				
Contributions of investments	-	-	-	-	-	5,921	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes to valuation surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income	-	-	-	-	-	-	-	-	-	294,471	-	294,471	-	-	-	294,471
Change in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as of December 31, 2009	664,993	97,412	335,237	133,696	7,288	318,474	935,308	318,402	6,655	3,945,915	546,473	6,492,503				
Balance as of December 31, 2009	335,202	47,652	162,658	61,488		144,013	446,030	335,783	3,256	1,930,354	266,832	3,177,556				

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, 2008 AND 2009

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

	Year Ended December 31,					
	2008		2009			
WORKING CAPITAL PROVIDED:						
Net income	Col\$	219,115	Col\$	723,213	U.S.\$	353,783
Depreciation and amortization		110,425		114,526		56,024
Exchange loss (gain)		403,635		(267,950)		(131,076)
Recoveries and provisions		2,965		2,405		1,176
Retirement pension expense		(4,804)		-		-
Gain on sale of assets		(273)		(9,404)		(4,600)
Gain on sale of investments		(9,842)		-		-
Valuation of investments at market value		(24,899)		(34,229)		(16,744)
Deferred tax		29,688		16,847		8,241
Increase in hedging instruments		7,251		114,605		56,063
Minority interest		3,769		-		-
Working capital provided by operations		737,030		660,013		322,867
Decrease in other assets		13		133,010		65,066
Decrease in permanent investments		13,168		-		-
Increase in financial obligations		106,992		-		-
Increase in other liabilities		5,549		66,368		32,466
Total working capital provided		862,752		859,391		420,399
WORKING CAPITAL USED:						
Increase in long-term accounts receivable		(3,399)		(157,325)		(76,960)
Increase in permanent investments		-		(11,723)		(5,735)
Increase in property, plant and equipment		(23,721)		(385,189)		(188,427)
Increase in other assets		(24,333)		-		-
Decrease in financial obligations		-		(3,779)		(1,849)
Decrease in minority interest		(18,883)		(61,762)		(30,213)
Tax on equity		(9,906)		(9,906)		(4,846)
Dividends paid		(299,134)		(309,283)		(151,296)
Total working capital used		(379,376)		(938,967)		(459,326)
INCREASE (DECREASE) IN WORKING CAPITAL	Col\$	483,376	Col\$	(79,576)	U.S.\$	(38,927)
CHANGES IN COMPONENTS OF WORKING CAPITAL:						
Cash and cash equivalents	Col\$	99,139	Col\$	(36,722)	U.S.\$	(17,964)
Restricted cash		1,032		2,388		1,168
Temporary investments		68,948		(69,161)		(33,832)
Accounts receivable, net		(35,607)		132,560		64,846
Inventories		13,366		(5,483)		(2,682)
Prepaid expenses		(296)		60,970		29,825
Financial obligations		281,853		(43,920)		(21,485)
Accounts payable		65,633		(65,939)		(32,256)
Labor obligations		12		(7,846)		(3,838)
Collections on behalf of third parties		(92)		(8,927)		(4,367)
Retirement and pension obligations		1,333		(5,853)		(2,863)
Other liabilities		964		(867)		(424)
Provisions		(12,909)		(30,776)		(15,055)
INCREASE (DECREASE) IN WORKING CAPITAL	Col\$	483,376	Col\$	(79,576)	U.S.\$	(38,927)

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, 2008 AND 2009

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

	Year Ended December 31,					
	2008		2009			
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net income	Col\$	219,115	Col\$	723,213	U.S.\$	353,783
Reconciliation between net income and net cash provided by operating activities:						
Depreciation and amortization		110,425		114,526		56,024
Exchange loss (gain)		279,081		(267,661)		(130,935)
Recoveries and provisions		5,475		3,006		1,470
Retirement pension expense		(6,224)		-		-
Gain on sale of assets		(273)		(9,403)		(4,600)
Valuation of investments at market value		(24,899)		(34,229)		(16,744)
Gain on sale of investments		(9,842)		-		-
Deferred tax		29,688		16,847		8,241
Hedging instruments loss		7,251		114,605		56,063
Minority interest		3,769		-		-
		613,566		660,904		323,302
Changes in assets and liabilities of operation, net:						
Restricted cash		1,032		(2,388)		(1,168)
Accounts receivable		119,746		(291,982)		(142,832)
Inventories		(13,338)		5,507		2,694
Prepaid expenses		296		(60,970)		(29,825)
Accounts payable		(61,339)		67,122		32,835
Labor obligations		(12)		74,851		36,615
Collections on behalf of third parties		92		8,927		4,367
Provisions		(4,780)		44,683		21,858
Other liabilities		20,941		(7,824)		(3,827)
Minority interest		(18,883)		(61,762)		(30,213)
Net cash provided by operating activities		657,321		437,068		213,806
CASH FLOWS FROM INVESTING ACTIVITIES:						
Increase in property, plant and equipment		(23,721)		(385,189)		(188,427)
Decrease (increase) in temporary investments		(39,395)		69,160		33,832
Decrease (increase) in permanent investments		13,168		(11,723)		(5,735)
Decrease (increase) in other assets		(24,333)		133,010		65,066
Net cash used in investing activities		(74,281)		(194,742)		(95,264)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Dividends paid		(299,134)		(309,283)		(151,296)
Tax on equity		(9,906)		(9,906)		(4,846)
Increase (decrease) of Financial obligations		(174,861)		40,141		19,636
Net cash used in financing activities		(483,901)		(279,048)		(136,506)
NET INCREASE (DECREASE) IN CASH		99,139		(36,722)		(17,964)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		170,899		270,038		132,098
CASH AND CASH EQUIVALENTS AT END OF YEAR	Col\$	270,038	Col\$	233,316	U.S.\$	114,134

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

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

(Expressed in millions of Colombian pesos (Col\$) and thousands of US Dollars (US\$), except as otherwise noted)

1. OPERATIONS

Empresa de Energía de Bogotá S.A. E.S.P., the “Company” or “EEB”, is a Colombian joint-stock corporation (*sociedad anónima*) organized as a public utility company (*empresa de servicios públicos*) under the laws of Colombia. Directly and through its subsidiaries, affiliated companies and investees, EEB engages in the generation, transmission and distribution of electricity and the transportation and distribution of natural gas. EEB is controlled by the government of the District of Bogotá, the capital of Colombia.

The Company is mainly ruled by Law 142 or the Public Utilities Statute and Law 143, which establishes the norms that rule all activities related to electric-power generation, transmission, distribution, and commercialization, its bylaws, the investment framework agreements, and other norms contained in the Code of Commerce. Laws 142 and 143 of July 11, 1994 establish the competitive structure, rates and subsidy regimes for the sales of electricity and other operating and regulatory matters of the sector. The rates applicable to the energy transmission service are regulated by the Energy and Gas Regulatory Commission (“*Comisión de Regulación de Energía y Gas – CREG*”), which is a Technical Organization attached to the Ministry of Mines and Energy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

EEB’s financial statements have been prepared on the basis of accounting principles generally accepted in Colombia, or Colombian GAAP. For the convenience of readers outside Colombia, the financial statements have been translated into English, certain reclassifications have been made and certain clarifying account descriptions have been included.

Certain accounting practices applied by the Company that conform to Colombian GAAP may not conform to generally accepted accounting principles in the United States of America.

The consolidated financial statements as of December 31, 2008 and 2009 include the financial statements of Empresa de Energía de Bogotá S.A. E.S.P. and its subsidiaries EEB International Ltd., Transportadora Colombiana de Gas S.A. E.S.P. – (“Transcogas”), Congas Perú S.A.C. (formerly Transcogas Perú S.A.C.), Transportadora de Gas Internacional S.A. E.S.P. (formerly Transportadora de Gas del Interior S.A. E.S.P.) – (“TGI”) and its subsidiary TGI International Ltd., Distribuidora Eléctrica de Cundinamarca S.A. E.S.P. – (“DECSA”) and its subsidiary Empresa de Energía de Cundinamarca S.A. E.S.P. - (“EEC”). Transcogas and TGI are Colombian stock corporations (*sociedades anónimas*) organized as public services companies (*empresas de servicios públicos*) under the laws of Colombia and engaged in the transportation