

**SPECIAL PURPOSE FINANCIAL STATEMENTS
WITH EXPLANATORY NOTES**

Colombia Telecomunicaciones S.A. ESP

**At September 30, 2013 and for the nine-month period ended
September 30, 2013.**

**Colombia Telecomunicaciones S.A. ESP
Special Purpose Financial Statements with
Explanatory Notes**

At September 30, 2013 and for the nine-month period ended September 30, 2013

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Colombia Telecomunicaciones S.A. ESP
Special Purpose Balance Sheets
Unaudited

	At September 30, 2013		At June 30, 2013	
	(in thousands of U.S.\$)(a)	(in thousands of COP\$)	(in thousands of U.S.\$)(a)	(in thousands of COP\$)
Assets				
Current assets:				
Cash and cash equivalents	\$ 72,373	\$ 138,107,946	\$ 105,911	\$ 204,302,770
Temporary investments	18,546	35,390,640	2,742	5,288,965
Accounts receivable	325,329	620,822,398	339,665	655,213,266
Inventories, net	40,614	77,503,363	32,446	62,588,121
Pre-paid expenses	9,538	18,201,592	13,200	25,462,391
Total current asset	466,400	890,025,939	493,964	952,855,513
Non-current assets:				
Permanent investments	31	60,000	31	60,000
Accounts receivable, net	520,939	994,103,194	521,425	1,005,828,543
Property, plant and equipment, net	1,557,660	2,972,467,360	1,539,317	2,969,342,883
Intangibles, net	244,610	466,787,700	275,337	531,125,100
Pre-paid expenses	1,789	3,414,266	1,863	3,594,384
Deferred charges, net	337,963	644,932,249	350,724	676,547,344
Other assets	450	858,678	899	1,734,670
Revaluation of assets	134,749	257,140,608	155,041	299,074,194
Total non-current assets	2,798,191	5,339,764,055	2,844,637	5,487,307,118
Total assets	\$ 3,264,591	\$ 6,229,789,994	\$ 3,338,601	\$ 6,440,162,631
Liabilities				
Current liabilities:				
Financial obligations	\$ 194,222	\$ 370,631,771	\$ 83,682	\$ 161,422,032
Suppliers and accounts payable	378,092	721,509,555	343,496	662,604,479
Taxes, liens and charges	52,143	99,502,929	93,898	181,128,729
Labor liabilities	3,213	6,131,270	4,858	9,370,124
Estimated liabilities and provisions	186,028	354,994,533	176,055	339,610,616
Deferred liabilities	19,526	37,261,339	16,160	31,173,470
Other liabilities	24,485	46,727,192	27,057	52,193,802
Total current liabilities	857,708	1,636,758,589	745,206	1,437,503,252
Non-current liabilities:				
Financial obligations	879,935	1,679,172,020	991,325	1,912,266,037
Taxes, liens and charges	-	-	11,820	22,801,347
Estimated liabilities and long-term provisions	5,569	10,627,501	5,592	10,787,123
Deferred liabilities	81,680	155,868,303	82,827	159,774,084
Other liabilities	44,649	85,203,271	44,028	84,930,637
Bonds and securities	750,000	1,431,217,500	750,000	1,446,750,000
Total non-current liabilities	1,761,833	3,362,088,595	1,885,592	3,637,309,228
Total liabilities	\$ 2,619,541	\$ 4,998,847,184	\$ 2,630,798	\$ 5,074,812,480

(a) Solely for the convenience of the reader, the amounts of Colombian pesos for the period ended September 30, 2013 have been translated into U.S. dollars at the exchange rate of COP \$1,908.29 and the June 30, 2013 \$1,929.00.

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Special Purpose Balance Sheets
Unaudited

	At September 30, 2013		At June 30, 2013	
	<i>(in thousands of U.S.\$)(a)</i>	<i>(in thousands of COP\$)</i>	<i>(in thousands of U.S.\$)(a)</i>	<i>(in thousands of COP\$)</i>
Shareholders' equity:				
Subscribed and paid capital	\$ 762,395	\$ 1,454,870,740	\$ 754,210	\$ 1,454,870,740
Additional paid-in capital	1,776,075	3,389,266,946	1,757,007	3,389,266,946
Reserves	47,445	90,539,756	46,936	90,539,756
Equity revaluation	283,449	540,902,138	286,316	552,302,812
Accumulated losses	(2,249,221)	(4,292,166,752)	(2,225,073)	(4,292,166,752)
Net loss of the period	(109,842)	(209,610,626)	(66,634)	(128,537,545)
Valuation surplus	134,749	257,140,608	155,041	299,074,194
Total shareholders' equity	645,050	1,230,942,810	707,803	1,365,350,151
Total liabilities and shareholders' equity	\$ 3,264,591	\$ 6,229,789,994	\$ 3,338,601	\$ 6,440,162,631

(a) Solely for the convenience of the reader, the amounts of Colombian pesos for the period ended September 30, 2013 have been translated into U.S. dollars at the exchange rate of COP \$1,908.29 and the June 30, 2013 \$1,929.00.

Colombia Telecomunicaciones S.A. ESP
Special Purpose Statements of Income
Unaudited

	Period from January 1 to September 30,			
	2013		2012	
	(in thousands of U.S.\$)(a)	(in thousands of COP\$)	(in thousands of U.S.\$)(a)	(in thousands of COP\$)
Operating revenues, net	\$ 1,615,088	\$ 3,082,055,938	\$ 1,557,945	\$ 2,973,010,339
Cost of sales and operating expenses	(1,130,687)	(2,157,678,881)	(1,102,445)	(2,103,783,860)
Operating income before depreciation and amortization - OIBDA	484,401	924,377,057	455,500	869,226,479
Depreciation and amortization of:				
Deferred charges and intangibles	(219,419)	(418,714,884)	(212,895)	(406,265,183)
Properties, plant and equipment	(246,310)	(470,030,117)	(232,744)	(444,143,149)
Total depreciation and amortization	(465,729)	(888,745,001)	(445,639)	(850,408,332)
Operating Income	18,672	35,632,056	9,861	18,818,147
Non-operating income (expenses):				
Financial expenses, net	(128,298)	(244,830,675)	(140,127)	(267,403,617)
Other income (expenses), net	1,914	3,653,257	1,876	3,580,138
Other expenses, net	(126,384)	(241,177,418)	(138,251)	(263,823,479)
Loss before income taxes	(107,712)	(205,545,362)	(128,390)	(245,005,332)
Income tax	(2,130)	(4,065,264)	(145)	(276,606)
Net loss of the nine months period	\$ (109,842)	\$ (209,610,626)	\$ (128,535)	\$ (245,281,938)

(a) Solely for the convenience of the reader, Colombian pesos amounts for the nine-month period ended September 30, 2013 and September 30, 2012 have been translated into U.S. dollars at the exchange rate of September 30, 2013 of COP\$1,908.29.

Colombia Telecomunicaciones S.A. ESP
Statements of Cash Flows
Unaudited

	Period from January 1 to September 30,			
	2013	2012(a)		
	(in thousands of U.S.\$) (a)	(in thousands of COP\$)	(in thousands of U.S.\$) (a)	(in thousands of COP\$)
Cash flows from operating activities:				
Net loss of the period of nine months	\$ (109,842)	\$ (209,610,626)	\$ (128,535)	\$(245,281,938)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Depreciation of properties, plant and equipment	246,310	470,030,117	232,744	444,143,149
Amortization of deferred charges	107,260	204,683,787	103,118	196,779,015
Provision for doubtful accounts	23,965	45,731,628	28,422	54,237,036
Amortization of intangibles	112,159	214,031,097	111,887	213,513,665
Amortization of assets given in commodatum	1,846	3,522,051	2,893	5,520,817
Loss from write-off of deferred charges	1,234	2,354,697	563	1,074,821
Loss from write-off of equipment	5,770	11,011,367	2,611	4,981,990
Provision for the protection of inventories, net of recoveries	664	1,267,132	538	1,026,934
Valuation of derivatives and exchange difference, net	(209)	(398,295)	-	-
Elimination of the net common operations from the merger	-	-	33	63,310
Net changes in operating assets and liabilities:				
Accounts receivable	(22,354)	(42,658,238)	86,929	165,886,251
Inventories	(10,538)	(20,110,280)	17,920	34,195,789
Prepaid expenses	(673)	(1,283,385)	(5,149)	(9,826,423)
Accounts payable	(241,703)	(461,238,987)	(390,008)	(744,247,724)
Taxes, levies and charges	(48,750)	(93,029,118)	(62,149)	(118,598,825)
Labor liabilities	(7,994)	(15,254,124)	(13,855)	(26,439,145)
Estimated liabilities and provisions	77,230	147,378,506	(2,621)	(5,000,779)
Deferred liabilities	(4,207)	(8,029,017)	33,700	64,309,941
Other liabilities	(6,917)	(13,200,504)	(970)	(1,851,170)
Net cash provided by operating activities	123,250	235,197,808	18,072	34,486,714
Cash flows from investment activities:				
Acquisition of plant and equipment, net of transfers	(254,274)	(485,229,080)	(166,894)	(318,481,785)
Additions of deferred charges, net of transfers	(2,961)	(5,651,296)	(55,059)	(105,067,930)
Decrease of intangibles, trust rights	-	-	12,756	24,342,508
Net cash used in investing activities	(257,235)	(490,880,376)	(209,197)	(399,207,207)
Cash flows from financing activities:				
Increase of financial obligations	130,862	249,723,468	99,908	190,653,683
Decrease in accounts receivable long-term	11,093	21,168,478	-	-
Decrease in long-term deferred liabilities	-	-	(7,717)	(14,725,754)
Increase of other long-term liabilities	885	1,688,120	17,775	33,919,974
Net cash provided by financing activities	142,840	272,580,065	109,966	209,847,903
Net increase (decrease) in cash and cash equivalents	8,855	16,897,498	(81,159)	(154,872,590)
Cash and cash equivalents and temporary investments at beginning of the period	82,064	156,601,088	126,353	241,116,602
Cash and cash equivalents and temporary investments at the end of the period	\$ 90,919	\$ 173,498,586	\$ 45,194	\$86,244,012

(a) Solely for the convenience of the reader, Colombian pesos amounts for the nine-month period ended September 30, 2013 and September 30, 2012 have been translated into U.S. dollars at the exchange rate as of September 30, 2013 of COP\$1,908.29.

Colombia Telecomunicaciones S.A. ESP

Explanatory Notes to the Special Purpose Financial Statements

Unaudited

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

All references herein to “peso,” “pesos” or “COP\$” are to Colombian pesos, the official currency of Colombia. All references herein to “U.S. dollars,” “dollars” or “U.S.\$” are to U.S. dollars. The company’s accounting records are maintained in pesos. Solely for the convenience of the reader, the amounts included in the “Financial Statements” and “Explanatory Notes to the Special Purpose Financial Statements”, and elsewhere in this document, are translated from pesos into U.S. dollars using the exchange rate as reported by the Central Bank as of September 30, 2013 of COP\$1,908.29 to U.S.\$1.00.

Economic Entity

Colombia Telecomunicaciones S.A. ESP, hereafter referred to as “the Company”, main corporate purpose is the organization, operation, supply and exploitation of telecommunication activities and services, such as local commuted basic public telephony, local extended and national and international long-distance, mobile services, carriers, teleservices, telematics, added value, satellite services in their various modes, television services in every mode including cable television, broadcasting services, wireless technology, video, lodging services for IT applications, data center services, operation services of private and public telecommunications and total information system operations and any other activity, product or services qualified as of telecommunications, and communication and information (TIC, its Spanish Acronym), including its complementary and supplementary activities in the national territory and abroad and with foreign connection, for such purpose using goods, assets and rights owned or applying the use of third parties goods, assets and rights.

Basis of Presentation

According to the offering memorandum related with the issue of the notes, the Company will provide the Trustee with an English language version of the Company’s unaudited quarterly financial statements, prepared in accordance with GAAP to be delivered to Holders. For this purpose the Company has prepared its financial information in accordance with accounting practices adopted in Colombia, or Colombian GAAP, and the regulations of the Superintendencia de Sociedades (the Colombian Superintendency of Companies). Colombian GAAP, as applied in the preparation of Company’s financial statements, differs in certain significant respects from International Financial Reporting Standards as issued by the International Accounting Standards Board, or IFRS, (No further information about this subject included). To date, the Company maintains accounting principles applied to the financial statements as of June 30, 2013.

Solely for informational purposes the balance sheet is compared with the balance sheet at June 30, 2013. The statement of income and statements of cash flow as of September 30 2013, and for the nine (9) months period then ended, is compared with results for the same period previous year.

The financial statements are presented on a comparative basis with those of the same period last year; however, certain figures included in the financial statement as of September 30, 2012 were reclassified to conform them with the presentation of financial statement at September 30 2013 considering the implementation of the Unique Chart Account of the Superintendencia de Sociedades and the effect of the elimination of the intercompany transaction line by line.

The following discussion summarizes the significant factors affecting operating results and financial position of Colombia Telecomunicaciones S.A. ESP, at September 30, 2013 and for the nine (9) months period then ended.

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Statements of Income

1. Net Revenues

Net revenue at September 30, 2013 and for the nine (9) months period then ended consists of:

Description	Period from January 1 to September 30, 2013		Period from January 1 to September 30, 2012		%Var.
	(in millions of U.S.\$)(c)	(in millions of COP\$)	(in millions of U.S.\$)(1)	(in millions of COP\$)	
Mobile Operation					
Basic charge and time on air	759	1,448,693	715	1,363,840	6.2%
Handsets sales	98	187,626	90	172,250	8.9%
Other revenue from mobile operations (a)	72	137,571	74	140,955	(2.4)%
	929	1,773,890	879	1,677,045	5.8%
Fixed Operation					
Local telephony	216	411,607	224	428,109	(3.9)%
National and international long distance	91	172,882	90	172,544	0.2%
Broad band	157	298,893	150	286,793	4.2%
Data transmission service	89	170,663	88	168,840	1.1%
Television service	45	85,065	34	64,003	32.9%
Other revenue from the operation (b)	89	169,056	92	175,676	(3.8)%
	687	1,308,166	678	1,295,965	0.9%
Total Net Revenue	1,616	3,082,056	1,557	2,973,010	3.7%

(a) Includes mainly complementary and supplementary services, text messaging, data transmission and content among others.

(b) Includes mainly handsets sales and rentals, IT security services, housing, hosting and hubbing and income from Government subventions among others.

(c) Solely for the convenience of the reader, Colombian pesos amounts for the nine-month period ended September 30, 2013 and September 30, 2012 have been translated into U.S. dollars at the exchange rate as of September 30, 2013 of COP\$1,908.29.

Regarding the operative results, it is important to remark that the Company holds second place in the consolidated market of telecommunication services in Colombia and the market quotes had grown with the following results; Mobile telephony share is now around 25% while traditional fixed line market is 20.4%; mobile internet accounts for 24.1%, meanwhile market share for broad band is 18.3%, and television is at 6.9%.

Regarding operating revenue at September 30, and for a 9 month period ended on this date, amount to U.S.\$1,616 million (COP \$3,082,056 million) up 3.7% compared to same period of 2012.

Mobile operating revenue amount to U.S. \$929 million (COP \$1,773,890 million) and represents 58% of the Company's total revenue, which increased 5.8% versus same period last year. Main revenue variances were generated from mobile operation as summarize below:

- Mobile Operation revenue grew mainly due to the increase in Basic Charges (Data and Voice) caused by the growth in data services derived from high demand of integrated plans (packaged connectivity). It is important to mention that the enforcement of the asymmetric charges regulation has driven the commercial growth especially in postpaid.
- Along with high mobile data demand, handsets sales revenue was up 8.9% year over year, mainly due to the growth in high value smartphones base, that allows users to have greater interaction and allows the possibility to install a large number of applications.

Fixed operating revenue posted U.S. \$687 million (COP \$1,308,166 million) up 0.9% year over year, and represents 42% of

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Company's revenue.

- a) Local Telephony down 3.9% compared to third quarter 2012 mainly due to fixed mobile convergence. Nevertheless it is important to highlight the interannual growth of ending subscribers' base which maintains the steady growth according to commercial strategy of retention plans and packed plans (share with other services).
- b) Internet – Fixed Broad Band Service: although market is highly competitive, revenue increased 4.2% compared to third quarter of 2012, mainly due to growing netadds, up 22% year over year.
- c) The television service increased 32.9% year over year as result of subscribers' base growth due to a penetration strategy focused on TV service with Premium and HD channels, targeting better ARPU clients. Additionally it is important to remark that multi-play integration commercial offer with the Duo and Trio campaigns is leveraging the growth of this service.

Only for comparison and presentation purposes of this report, U.S.\$1.2 million (COP \$2,308 million) revenue from mobile operation (rental services) classified as *other net income (expenses)* in September 2012 were reclassified to operating revenue, in *Other revenue* in mobile operations caption in 2013.

2. Costs of Sales and Operating Expenses

The cost of sales and operating expenses at September 30, 2013 and for the nine (9) months period then ended consists of:

Description	Period from January 1 to September 30, 2013		Period from January 1 to September 30, 2012		%Var.
	(in millions of U.S.\$)(b)	(in millions of COP\$)	(in millions of U.S.\$)(1)	(in millions of COP\$)	
Access and interconnection charges	182	347,005	204	390,229	(11.1)%
Handsets cost and accessories	177	336,854	150	285,433	18.0%
Service (customer service)	125	238,419	129	246,655	(3.3)%
Personnel costs	119	227,795	114	217,956	4.5%
Other operations costs and expenses (a)	94	179,697	91	173,523	3.6%
Maintenance and repair	87	166,223	83	157,822	5.3%
Commissions	83	156,815	69	132,527	18.3%
Compensation rate	60	114,655	51	97,027	18.2%
Parapat compensation	58	111,348	52	98,541	13.0%
Advertising, publicity and brand fee	50	95,622	48	90,937	5.2%
Utilities	44	83,031	43	81,604	1.7%
Tax, levies and charges	24	45,962	29	56,144	(18.1)%
Provisions for doubtful accounts and inventories	24	45,852	29	55,264	(17.0)%
Fees	4	7,972	6	11,754	(32.2)%
Legal expenses	-	429	4	8,368	(94.9)%
Total Costs and expenses	1,131	2,157,679	1,102	2,103,784	2.6%

(a) Include: rental for other infrastructure, cost of energy services, other maintenance and repair, among others,

(b) Solely for the convenience of the reader, Colombian pesos amounts for the nine-month period ended September 30, 2013 and September 30, 2012 have been translated into U.S. dollars at the exchange rate as of September 30, 2013 of COP\$1,908.29

Overall costs and expenses result showed a slight increase of 2.6% year over year. Regarding the sales costs and operating expenses, it is important to highlight the reduction of costs and expenses not associated with the commercial activity which offsets higher commercial expenses as result of increase of commercial activity. Additionally, enforcement of asymmetric mobile access charges regulation generates a greater dynamic in the mobile market with a transfer of benefits to users, delivering more minutes at minor prices.

Main variances in this item are detailed below:

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- a) Access charges and interconnection expenses decreased 11.1% compared to third quarter of 2012 as result of enforcement of asymmetric interconnection rates between incumbent operator and other operators (including Telefónica Colombia).
- b) Handsets, accessories and commissions (sales) costs showed an interannual increase, up to 18% and 18.3% respectively. Handsets costs are explain as result of intense commercial activities on high value subscribers demanding smartphones, and commissions were impacted by commercial activity of Fixed Broad band and Television.
- c) Service levels improvement is been capitalized as decrease of customer service costs, which fell 3.3% compared to same period last year.
- d) The compensation rate increased 18.2% compared to third quarter 2012 in accordance with Company's revenue growth (base of calculation). Likewise, Parapat's rate increased in 13.0% according to the regulations set-forth in the contract.
- e) The provision for doubtful accounts receivable down 17% to 45,962 million mainly due to improvement of index of recoverability of accounts receivable, especially in the residential segment, as well as a permanent monitoring and internal accounts receivable development.
- f) Advertising, publicity and brand expenses showed moderate growth, 5.2% compared to same period 2012, due to the launching of Firefox Operating System for smartphones and new products; costs increases were driven by brands use.
- g) Taxes, liens and encumbrances decreased in 18.1% year over year mainly due to changes related to tax reform in December 2012. Among main changes, revenue from broad band for lower income strata subscribers (as defined by local/national government) changed from excluded to exempt, this generated the favorable decrease of expense per concept of non-discountable Sales VAT.

Only for comparison and presentation purposes of this report, in September 2012 U.S. \$6,7 million (COP \$12,824 million) expenses under *Operating Costs and Expenses* caption were reclassified to the *Other Net Revenue(Expenses)* caption; according to tax regulations the financial transactions tax should be presented as financial expenses.

3. Operating and net results

The operating results before depreciations and amortizations (OIBDA) as of September 30, 2013 reached U.S. \$484 million (COP\$924,377 million), which represents 6% increase year over year. This improvement was mainly lead by revenue growth and synergies from fixed and mobile operations merger.

The OIBDA / revenue margin is 30%, up from 28.8% same period last year; excluding the effect of compensation to Parapat this margin reached 34%, up from 33% in September 2012.

Depreciations and amortizations showed an interannual growth, up 5%, mainly due to increase in capital expenditures which grew from U.S.\$209 million (COP\$399,207 million) accumulated to September 30, 2012 to U.S.\$257 million (COP\$490,880 million) as of September 30, 2013

The operating income at September 30, 2013 amounts to U.S.\$18.7 million (COP \$35,632 million) with an interannual growth of 89%.

Net financial expenses amount to U.S.\$128 million (COP\$244,831 million) down 8% from US.\$140 million same period last year. This decrease is mainly explained by accrued interests at the closing of September 2012 due to unpaid quotes to Parapat for U.S.\$28 million (COP \$53.475 million) versus U.S.\$1,9 million (COP \$3,643 million) in September 2013.

Nevertheless, it is important to highlight that there was an increase of interests from the debt acquired in the first quarter of 2013 to cover the commitments to Parapat according to the Agreement Framework. At the end of the third quarter of 2013 the annual effective rate was for 8.99%, down from previous quarters, 9.07% in June and 9.48% at March 2013.

Finally, the net result at the closing of September 2013 had an improvement of 15% compared to the same period of 2012.

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Balance Sheet

Assets

The Company's total assets at the closing of September 2013 totaled U.S.\$3.265 million (COP\$6,229,790 million), down 3% versus year-earlier quarter. A summary of main variances are detailed below:

- a) Cash and cash equivalents, as well as temporary investments decreased 17% compared to June 2013, basically to cover current commitments.
- b) Inventories grew in 24% versus June 2013 lead by equipment to attend growing smartphones demand.
- c) There is a decrease in long-term assets, 3% versus June 2013, driven by intangibles assets and deferred charges which decreased 12% and 5% respectively, as a result of the net effect of additions, amortizations and write-offs.

Liabilities and equity

The Company's total liabilities at the end of September 2013 totaled U.S.\$2,620 million (COP \$4,998,847 million) decreasing 1% versus June 2013. A summary of the main variances are detailed below:

- a) Short and long-term obligations decreased 1% compared to June 2013. The indebtedness index (net debt over EBITDA) for the nine-month period of 2013 was 2.53¹ versus 2.71 for the same period last year. Considering adjusted EBITDA, excluding Parapat Compensation expense, the indebtedness index was 2.28 at the closing of the third quarter of 2013.
- b) Short and long-term taxes, liens and encumbrances decreased 51% versus the closing of June 2013 mainly generated by i) the off-set between income tax for 2012 and the discountable Sales VAT from the first bimonth of 2012 in U.S.\$30 million (COP \$57,677 million); ii) decrease in payable Sales VAT and Consumption Tax accumulated as of September 30, which account only 50% of fifth bimonth, versus data registered as of June which totaled 100% of third bimonth; and iii) increase in discountable Sales VAT for U.S. \$5 million (COP \$8,740 million) due to capital expenses.

Total Equity at September 2013 totaled U.S.\$645 million (COP\$1,230,943 million), its decrease was mainly due to the depreciation of the reappraisals of assets according to regulations in force which amounts to U.S.\$22 million (COP \$41,934 million), amortization of tax on equity for U.S.\$6 million (COP \$11,400 million) and the results of the third quarter for U.S.\$42 million (COP\$81,073 million).

OTHER FINANCIAL AND OPERATING INFORMATION

Cash Flow Data

	Period from January 1 to September 30, 2013		Period from January 1 to September 30, 2012	
	(in millions of U.S.\$)(1)	(in millions of COP\$)	(in millions of U.S.\$)(1)	(in millions of COP\$)
Net cash provided by operating activities	123	235,198	18	34,487
Net cash used in investing activities	(257)	(490,880)	(209)	(399,207)
Net cash provided by financing activities	143	272,580	110	209,848

(For more detail, see Statement of Cash Flow, page 4.)

¹ See detail of the determination in section "Other Financial and Operating Information"

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Capital Expenditures	Period from January 1 to September 30, 2013		Period from January 1 to September 30, 2012	
	(in millions of U.S.\$)(1)	(in millions of COP\$)	(in millions of U.S.\$)(1)	(in millions of COP\$)
Capital expenditures	257	490,880	209	399,207

EBITDA (a)	Period from January 1 to September 30, 2013		Period from January 1 to September 30, 2012	
	(in millions of U.S.\$)(1)	(in millions of COP\$)	(in millions of U.S.\$)(1)	(in millions of COP\$)
Net loss	(110)	(209,611)	(129)	(245,282)
Plus:				
Depreciation and amortization (b)	466	888,745	446	850,408
Financial expenses, net (c)	128	244,831	140	267,404
Income tax	2	4,065	-	277
EBITDA	486	928,030	457	872,807
Plus:				
Accrued PARAPAT payment obligation	58	111,348	52	98,541
Adjusted EBITDA:	544	1,039,378	509	971,348

(a) EBITDA means: net loss before depreciation and amortization; financial expenses, net and income tax.

(b) Includes, amortization of deferred charges and prepaid expenses of U.S.\$107,2 million (COP\$204,684 million), intangible U.S.\$112,1 million (COP\$214,031 million), and depreciation U.S.\$246,3 million (COP\$470,030 million) for the nine-month periods ended September 30, 2013, respect to U.S.\$446 million (COP\$850,408 million) in 2012.

(c) Includes net income (expense) from foreign exchange differences and interest financial for the nine-month periods ended September 30, 2013 and September 30, 2012.

(1) Solely for the convenience of the reader, Colombian pesos amounts for the nine-month period ended September 30, 2013 and September 30, 2012 have been translated into U.S. dollars at the exchange rate as of September 30, 2013 of COP\$1,908.29.

OTHER FINANCIAL INFORMATIONS	Period from January 1 to September 30, 2013	Period from January 1 to September 30, 2012
EBITDA margin (a)	30.11%	29.36%
EBITDA Adjusted margin (b)	33.72%	32.67%

(a) Represents EBITDA divided by net revenues

(b) Represents EBITDA adjusted divided by net revenues

Note: EBITDA and Adjusted EBITDA are not Colombian GAAP or IFRS measures, do not represent cash flow for the periods indicated and should not be considered an alternative to net income (loss), as an indicator of Company's operating performance or as an alternative to cash flows as a source of liquidity, Company's definition of EBITDA and Adjusted EBITDA may not be comparable with EBITDA or Adjusted EBITDA as defined by other companies, Although Company's EBITDA and Adjusted EBITDA do not provide a Colombian GAAP or IFRS measure of operating cash flows, our management uses it as a measure of the operating performance of Company's operations.

Debt to EBITDA Ratio and Debt to Adjusted EBITDA ratio

A summary to determine the index at September 30, 2012 and 2013 and for the twelve (12) month period ended on this date as detailed below:

OTHER FINANCIAL INFORMATIONS	Period from September 1, 2012 to September 30, 2013	Period from September 1, 2011 To September 30, 2012
Debt to EBITDA - Ratio	2.53	2.71
Debt to EBITDA Adjusted - Ratio	2.28	2.24