



Medellin, September 27, 2018

In plenary session of the House of Representatives: EPM and the Mayor's Office of Medellín conveyed a message of optimism and gratitude to Colombia in the face of the Ituango hydroelectric project contingency

- They highlighted the public-private partnership to develop EPM as a 100% state-owned company.
 - EPM will continue to invest in Colombia
- All information required by control entities is being provided

In a message of calm to the communities surrounding the Ituango hydroelectric project, on Wednesday night, the CEO of EPM, Jorge Londoño De la Cuesta, explained the following issues in the plenary session of the House of Representatives: the status of the work, the company's financial and operational projections, the way it has been addressing the contingency, and especially the social and environmental investment that is positively transforming the territory of northern Antioquia.

In his speech, which was also attended by the Mayor of Medellín, Federico Gutiérrez Zuluaga, EPM's CEO highlighted the contribution of Antioquia's business class in the development of EPM as a 100% state-owned company: "That public-private partnership is key because it is a management model that at the same time concerns itself with the development of the territories and business efficiency."



He stressed that this public model, but with business sense, is what has allowed EPM to deliver figures such as transfers to the Municipality of Medellín of about one billion pesos annually, and the contribution to the Nation of half a billion pesos approximately, through taxes, among others.

That management capacity, said Londoño De la Cuesta, was what enabled EPM to undertake Colombia's most important development project. "No domestic public-sector company would be interested in investing 11 billion pesos in a territory with the complexities presented by Ituango, but EPM did so because of its public vocation and its interest in the economic and social development of the territories."

Social and environmental investment

The CEO highlighted the social and environmental investment in a territory so affected by the armed conflict, while citing important project activities such as the census, the restitution of living and working conditions for families in the area, the protection of 18,000 hectares of forest and the rescue of fauna during the contingency, among others.

In coordination with the emergency entities, he said, humanitarian aid was provided to 17,000 evacuees. Today there are about 400 people in shelters, which means a reduction of more than 90%.

In the technical part, he explained that the dam is currently safe and that it is awaiting the increase in rainfall in the area to close the gates of the powerhouse and verify the state of this structure, of which we already have some positive evidence.

Sale of Assets

"Today we need to fund about COP 7 billion in the next three years." The CEO explained in detail how these resources will be obtained and to cover which items in particular: lower income due to project startup delay, approximate cost of technical recovery, and approximate social costs of the contingency. He also explained the alternatives that were available, what was analyzed, and what was finally defined.



Regarding the research, he reported that all the information required by the control entities is being delivered. At the same time, the root-cause is being investigated independently by the firm Skava Consulting.

Finally, he assured that EPM will continue to invest in Colombian territory, COP 12 billion in the next three years.

Integrated work

The Mayor of Medellín, on his part, ratified that EPM is and will remain 100% state-owned. He explained that people's lives have been the priority, and that is why more than COP 60 thousand million has been allocated to attend to the contingency and accompany the communities.

The mayor honored the work that thousands of people have done to move forward and overcome the contingency and said that “the only lists that EPM has are those that correspond to the needs that the communities have.”

He said he is proud of EPM, its workers, its retirees, its contractors, of what the company has represented throughout its 63-year history. He said that “to get out of the predicament, there are no magic formulas, but there are accurate formulas, and one of them is the work integrated between the public sector, the private sector, universities and civil society”.

Information for journalists

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