

Fitch Ratings confirms credit ratings to EPM: international “BBB+” and national “AAA”, which are a reflection of the financial soundness of the company

- **The company considers that EPM has a suitable liquidity position, characterized by a manageable debt maturity profile and a suitable cash balance of approximately COP 1.36 trillion as of June 2016 (*)**

The solid financial performance and the low business risk profile, among others positive factors, led the credit rating company Fitch Ratings affirmed the local and international credential risk ratings of EPM.

For the third year in a row, EPM maintains its “BBB+” investment grade rating, given its credit profile, which is characterized by a strong cash flow generation, moderate leverage, and healthy interest coverage and liquidity. This rating applies to the international EPM bond issuances, current by USD 500 million (with maturity in 2019), by COP 1 trillion 250 thousand million (with maturity in 2021) and by COP 965,745 million (with maturity in 2024).

Meanwhile, for the EPM payment capacity at national level, as well as its bond issuance program in Colombian pesos by 4.5 trillion, Fitch Ratings maintained the highest possible rating in Colombia “AAA”.

EPM’s CEO, Jorge Londoño De la Cuesta, stood out the ratings granted by Fitch Ratings, because “they confirm the responsible management of the company finances and confirm Fitch Ratings trust in us for the debt of the organization, in foreign currency as well as in local currency.”

Key elements

The ratings granted reflect the low business risk profile of EPM resulting from its diversification as a utility service provider, its solid credit protection measures supported by moderate historical leverage, as well as its adequate liquidity position and healthy interest coverage, indicated in Fitch Ratings’ report.

Also, Fitch considers as key factors of the company ratings: the growth strategy aimed at increasing its consolidated revenues and EBITDA by investing in related businesses both within Colombia and abroad; its moderate exhibition to regulatory risk, and the diversification of revenues resulting from a predictable cash flow.

In the report, Fitch Ratings notices the company as “one of the largest generators of electricity within Colombia, with nearly 23% of the country’s installed capacity, and with its electricity distribution business reaches a network of 5.9 million customers in six states of Colombia and in four countries of Latin America, such as Guatemala, El Salvador and Panama. Equally, the company provides aqueduct and sanitation service to approximately one million customers”.

(*) Figure calculated based on a cash balance of USD467 million and the TRM of \$2,916.15 as of June 2016

Vice Presidency of Communications and Corporate Relations

Juan José García Villegas | (574) 380 65 62 | 310 823 89 42 | juan.garcia.villegas@epm.com.co
José Ignacio Murillo Arango | (574) 380 44 04 - 300 619 62 85 | jose.murillo@epm.com.co