

The organization submitted consolidated financial results as of October 31, 2017

This year, Grupo EPM continues to grow to contribute to the welfare and development of Colombia

- In the period comprising January-October 2017, Grupo EPM earned a net income of COP 1.6 billion, with 25% growth and EBITDA of COP 3.9 billion, with 22% growth.
- During the same period, EPM Parent Company earned a net income of COP 1.5 billion, with 12% growth, and EBITDA of COP 2.5 billion—a 35% increase
 - The group's revenues amounted to COP 12.2 billion, and EPM Parent Company's to COP 6 billion
- In 2017, the Municipality of Medellin has received COP 1.2 billion for ordinary and extraordinary transfers

The CEO of EPM, Jorge Londoño de la Cuesta, highlighted the group's growth in the course of the year, with revenues of COP 12.2 billion, of which EPM Parent Company contributed with 48%, foreign subsidiaries with 35%, and domestic subsidiaries with 17%.

"These results show this organization's commitment with social, environmental, and economic dynamics of the regions where we are present. Domestic and international subsidiaries uphold a significant scenario that drives the corporate group. Likewise, in Medellin and Antioquia, we continue to contribute decisively to greater quality of life and more opportunities for people", said Londoño de la Cuesta.

The group's EBITDA rose to COP 3.9 billion, with 22% growth and a 32% margin. This is a result of reduced costs and expenses over the previous year.

In turn, the net income was COP 1.6 billion, with a growth of 25%, and a margin of 13% despite lower revenues this year compared to the previous due to lower prices in the energy market.

"More than figures"

This year, EPM's CEO stressed that major power transmission projects were started up, such as Nueva Esperanza and Bello-Guayabal-Ancon, the former so that more than 12 million people living in middle-east region of Colombia can have the electricity they need for their development and well-being, and the latter to cover the demand of the metropolitan area of Valle de Aburrá, as well as other areas of Colombia.

In total, the group's investment in infrastructure projects is COP2.8 billion from January to October, of which EPM Parent Company contributed 70%, domestic subsidiaries 17%, and foreign subsidiaries,13%. Of these investments, COP1.4 billion were for the Ituango hydroelectric project, and COP177 thousand million for the EPM Aguas Claras Park-Water Treatment Plant, which is being built in the municipality of Bello in the north of Valle de Aburrá. These two infrastructure projects are the largest in Colombia in their field.

"More than figures, this is about works, actions, progress, initiatives for the benefit of the community. This year, we increased service coverage in the regions where the group is present regarding solutions for homes without service in difficult technical access, conditions. In 2017, we achieved 19,990 connections in all services, and we hope to end the year with 23,487 connected families. The Unidos por el Agua [United for Water] program has made a total of 5,079 connections through various actions together with the Municipality of Medellin, such as Recognition of Buildings, Community Supply, and Connecting Homes to the Power Grid", said Jorge Londoño.

In the initiative associated with improving access options to domestic utilities, linkages were increased through leverage with offers such as Paga a tu Medida [Pay What You Can], in which we plan to end the year with 51,000 (the original target was 30,050) and Energy and Water prepaid program. Total linkages to October are 69,616 and are expected to end the year with linkages.

In the field of water protection, this year, we have intervened 16.112 hectares, granted mainly by the Cauca, Porce, and Nare macro basins. The main strategies are: compensation and new protected areas, forestry conservation, and restoration and reforestation. We expect to close this year with 19,622 intervened hectares.

Other group figures

- **Total assets:** COP 45.7 billion, with 7% growth.
- **Liabilities:** COP 25.6 billion, with 10% growth.
- **Equity:** COP 20.2 billion with 2% growth.
- **Cash and cash equivalents:** COP 1.1 billion

EPM Parent Company's financial results

As of October 2017, revenues amounted to COP 6 billion, with a decrease of 6% compared to the previous year, from lower prices in the energy market because of the El Niño phenomenon in 2016.

Both the parent company's EBITDA and net profit rose: 35% and 12%, reaching COP2.5 and COP1.5 billion respectively.

By the end of the period, payments were made to the Municipality of Medellin for transfers in the amount of COP1.2 billion, of a total due of COP 1.6 billion.

Other EPM Parent Company figures

- **Total assets:** COP 38 billion, a growth of 6%.
- **Liabilities:** COP17.5 billion, a growth of 12%.
- **Equity:** COP20.5 billion, an increase of 1 %.
- **Cash and cash equivalents:** COP 323 thousand million.

Financial ratios

For the period, the group's return on equity was 11%, higher than the one presented during the same period in 2016, which was 7%. At EPM Parent Company, the yield stood at 10%, compared with 7% as of October 2016. Improved yield is primarily explained by better operating results recorded in 2017 compared to a 2016 hit by the El Niño phenomenon.

The financial indebtedness of the group and EPM Parent Company were 38% and 34%, respectively (in 2016 they were 36% and 32%).

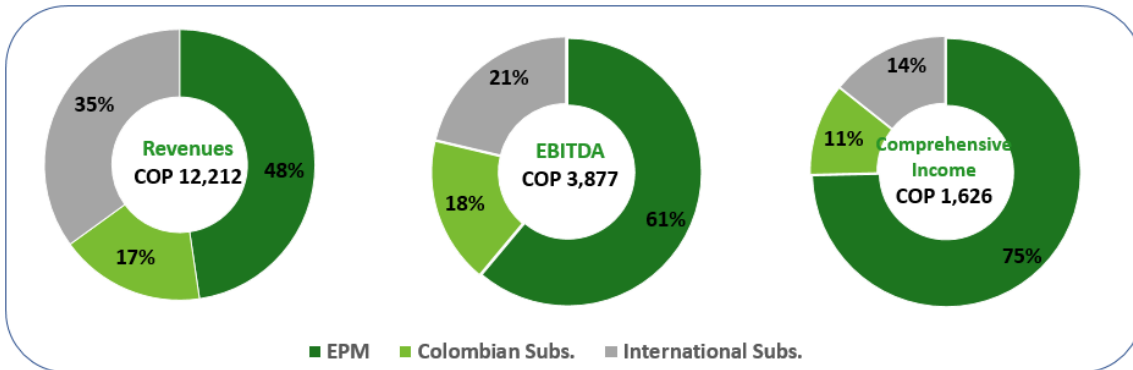
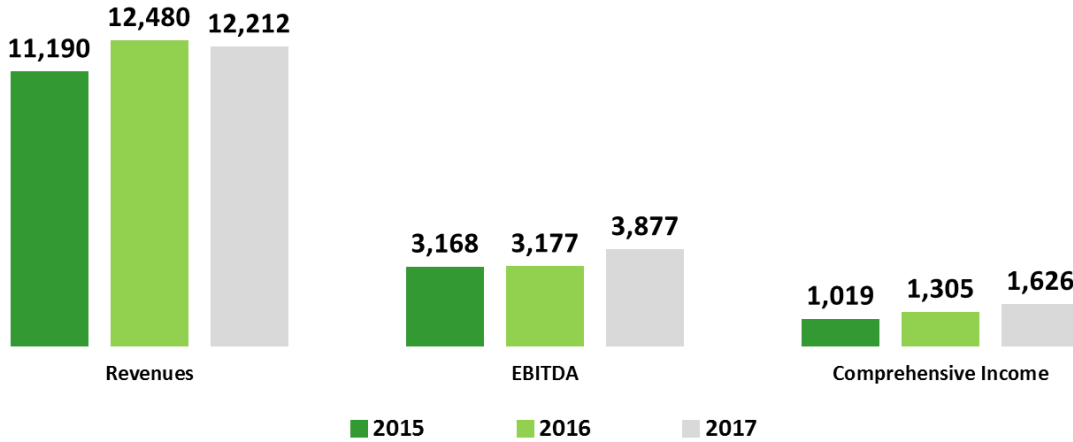
In turn, the group's Debt/EBITDA ratio closed the period at 3.36, compared to 4.2 in 2016, and EPM Parent Company's was 3.88 compared to 5.36 as of October of last year.



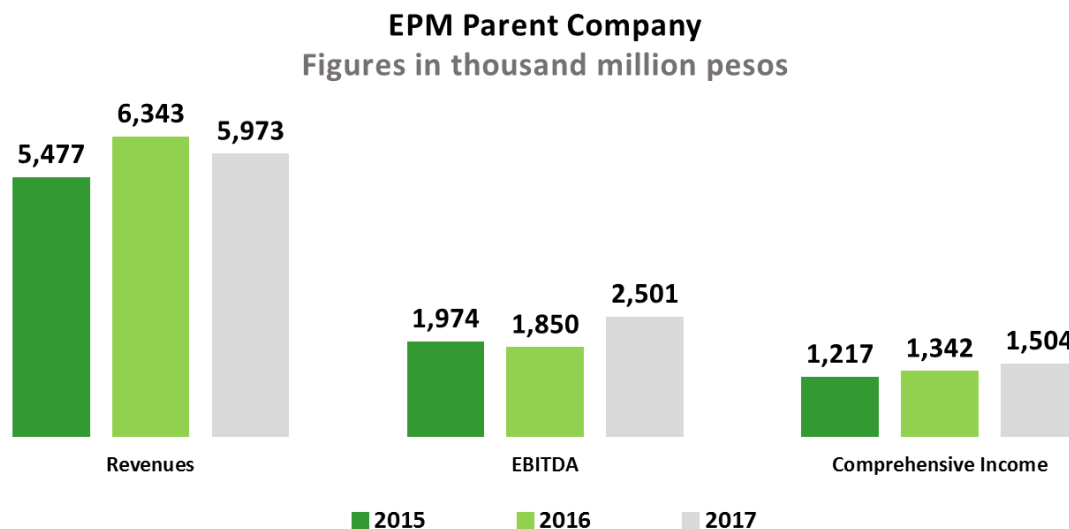
Group comparative figures

Grupo EPM

Figures in thousand million pesos



EPM Parent Company comparative figures



** These figures are not audited.*

Vice Presidency of Communications and Corporate Relations

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