

Medellin, March 31, 2016

More funds for social investment and development: In 2015, and with respect to 2014, the revenues of EPM parent company grew by 14% while those of EPM Group grew by 18%

- **EPM stands by the community with investment in social and infrastructure projects that contribute to their well-being and advancement**
- **The Medellin Municipality received COP 991,000 million on account of the regular and special transfers of 2015, meaning more funds for the city and its inhabitants**
- **By the end of 2015, the company's net income stood at COP 1,480,000 million EPM parent company posted revenue for COP 6,800,000 million and EPM Group for COP 13,900,000 million**

Access to public utilities for the most vulnerable communities through *Energía y Agua Prepago*, higher education support for high-school graduates, connection to the energy service for rural communities, expansion of the gas service to more localities in Antioquia Province, and environmental care through the sustainable and electric mobility ecosystem are some of the projects undertaken by EPM along 2015 so as to innovate to the service of people.

"EPM works day by day to bring well-being to the community contributing to their quality of life through programs and projects that enhance development, inclusion and creation of new opportunities for citizens" stated Mr. Jorge Londoño De la Cuesta, EPM's Chief Executive Officer, when highlighting the results obtained by the company last year.

Among the initiatives undertaken by EPM in 2015 the following stand out:

Habilitación Viviendas: Permitted connection to the electric energy and gas services of 82,145 low-income homes by financing the installation with low interest rates and long terms. 9,759 housing units were connected to the aqueduct service and 10,027 to sewage.

Antioquia Iluminada: The rural electrification program brought energy to 5,778 homes located in rural Antioquia Province permitting technification of productive projects and improving the daily lives of families.

Gas sin Fronteras: Clean, safe and economic energy source coverage at 94 localities outside the Valle de Aburrá.

UVA: The Unidades de Vida Articulada of La Libertad (Santa Elena), La Alegría (Santa Inés-Campo Valdés), Nuevo Amanecer (Santo Domingo), La Armonía (La Tablaza) and La Imaginación (Orfelinato) were opened for the communities. The UVAs transform the drinking-water storage tanks of EPM into spaces for culture, education, learning of good management of public utilities, amusement, and gathering of a large number of inhabitants in the Aburrá Valley.

Aldeas: With this program the dreams of having their own home came true for 425 families. The housing units are built with wood from the forest plantations of EPM that protect its reservoirs and that have completed their maturity cycle.

Education: EPM Foundation, together with the Medellín City and the Antioquia Province Governments, sponsored the technical, technological and professional education of 9,295 students.

Sustainable mobility: Three new vehicle natural gas stations were opened for a total of 16 in the Aburrá Valley and the Urabá region. We also led the initiative to implement the electric mobility ecosystem by opening the first two Ecostations for electric vehicle charging in the Aburrá Valley and Eastern Antioquia.

Agua Prepago: Operation of this pioneer program started last year benefitting 7,351 families with 33,080 people.

Energía Prepago: In 2015, 19,987 homes were connected to this program of prepaid energy for a total so far of 195,483 homes.

Energía para el Retorno: Benefitted 158 families with 675 people. The program seeks to normalize the energy service for people that have been displaced by the conflict.

Solar innovation: in association with Universidad Eafit, EPM participated in the World Solar Challenge 2015 in Australia, the world's most important solar vehicles competition. This time, the car finished among the 10 best. Through this project the organization's learning has advanced substantially in the knowledge curve of solar-energy-based solutions.

Christmas Lights: The purpose of EPM's Christmas Lights is to promote tourism and enhance economic dynamics. Last year, EPM's lights and color fantasy filled Medellín and the other 14 municipalities in Antioquia Province that had won the "Let's turn on the happiness" contest with their ideas for the design and concept.

Financial results

Execution of these and other infrastructure projects (also in benefit of the community) was possible thanks to the company's financial soundness and social vocation. Despite the enormous challenges faced by the organization and the sector at large in 2015, EPM closed the year with COP 1,480,000 million income, a figure very similar to that of 2014 closing (COP 1,490,000 million) not including the profits obtained from the UNE-Millicom transaction in 2014.

The figures approved this Thursday, March 31 by the Board of Directors of EPM are presented under the International Financial Reporting Standards (IFRS), the application of which, leverages the organization's growth strategy, facilitates its access to international capital markets, and enhances its competitiveness and transparency.

EPM parent company

By December of 2015, revenues of EPM parent company were COP 6,800,000 million with 14% growth over 2014, and EBITDA for COP 2,200,000 million with 32% corresponding margin. The period's results totaled COP 1,480,000 million with 22% net margin.

The results of EPM parent company are highly positive, especially in a year marked by factors external to the company such as the high devaluation of the Colombian Peso versus the US Dollar that at December of 2015 implied expense for COP 295,775 million, the negative effect of the Tax Law Amendment in Colombia that meant recording of additional expense for tax on wealth for COP 78,917 million, and the low hydrology caused by the El Niño phenomenon and the resulting reduction in reservoirs levels and consequent lower hydraulic generation that affected results by a figure close to COP 321,000 million.

EPM faced this panorama with its foreign exchange hedging strategy that includes using financial derivatives, handling cash surpluses in US Dollars and converting dollar-denominated loans into Pesos. By December of 2015, this strategy had prevented a higher negative effect in the income statement despite the 31.64% devaluation of the Peso vs. the US Dollar – the highest in the last 25 years. The loan with the World Bank's International Finance Corporation (IFC) COP 657,888 million including capital and interest was prepaid in order to optimize debt cost.

EPM Group Results

EPM Group reached revenues for COP 13,900,000 million, 18% up on last year. Of total consolidated revenues, EPM parent company accounted for 48%, international subsidiaries for 35%, energy national subsidiaries for 15%, and water national subsidiaries for 2%.

EBITDA of EPM Group at COP 3,600,000 million represents a margin of 26%. Income, in turn, (comprehensive income for the period) totaled COP 1,000,000 million with 8% margin. EPM contributed with 62% of the Group's EBITDA, international subsidiaries with 25%, and national subsidiaries with 13%.

It is important to take into account that the difference between the income of EPM parent company and that of EPM Group is explained mainly by the accounting treatment defined in the IFRS for recognition of investments in the subsidiaries. At EPM parent company, dividends declared by the subsidiary are recognized as revenue, while for EPM Group, the subsidiary's net income or losses at closing date are recognized in the income statement. Starting 2016, and due to the adoption of IFRS new guidelines, it is expected that both EPM parent company and EPM Group will present very similar comprehensive results period to period.

The company maintains its trust in the markets. Accordingly, Moody's rating agency ratified for seventh year in a row EPM's Baa3 international investment grade rating and maintained the positive outlook. Fitch Ratings, in turn, ratified EPM's BBB international and AAA national credit ratings. Here we highlight the fact that Deloitte & Touche Ltda., in its capacity as External Auditor, submitted its unqualified opinion on the financial information of EPM.

Consolidated figures

EPM parent company in figures

- **Total assets:** COP 34,700,000 million, 10% up on 2014.
- **Liabilities:** COP 15,800,000 million, 13% up on 2014.
- **Equity:** COP 18,900,000 million, 8% up on 2014.
- **Revenues:** COP 6,800,000 million, 14% up on 2014.
- **Costs and expenses:** COP 5,100,000 million, 32% up on 2014.
- **EBITDA:** COP 2,200,000 million and 32% EBITDA margin
- **Comprehensive results for the period:** COP 1,480,000 million and 22% net margin
- **Reserves for COP 182,774 million established from 2015 surplus.**
- **Dividends declared** for COP 548,066 million.

EPM Group figures

- **Total assets:** COP 41,900,000 million, 17% up on 2014.
- **Liabilities:** COP 23,100,000 million, 25% up on 2014.
- **Equity:** COP 18,800,000 million, 8% up on 2014.
- **Operating revenues:** COP 13,900,000 million, 18% up on 2014.
- **Operating costs and expenses:** COP 11,200,000 million, 25% growth.
- **EBITDA:** COP 3,600,000 million and 26% margin
- **Comprehensive results for the period:** COP 1,000,000 million and 8% net margin.

Information for journalists

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