Empresas Públicas de Medellín E.S.P. (hereinafter, "EPM" or the "company") is the parent company of an economic group consisting of 49 companies (the parent company, 11 Colombian subsidiaries, 37 international subsidiaries) with presence in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama. Its corporate purpose is the provision of public utilities, mainly in power generation, transmission and distribution, gas, water, cleaning and waste management businesses.

The figures presented for this quarter are not audited and are expressed in millions of Colombian Pesos, according to the International Financial Reporting Standards (IFRS). The consolidation process implies inclusion of 100% of the companies where EPM has control.

1. Consolidation Scope

2. Relevant Facts during the Quarter

First Quarter 2016 results are still temporarily affected by the impact of the El Niño phenomenon, and additionally, by the temporary outage of the Guatapé power plant.

Water inflows in Colombia have increased and there is evidence of El Niño weakening as well as of normalization of spot energy prices. With respect to financial results and the climatic situation, we´ll go into detail later.

Regarding the incident that occurred at Guatapé Hydroelectric Plant, EPM is advancing satisfactorily in the technical repair management of the affected assets and in the insurance claim.

In this sense, EPM requested an initial down payment to the re-insurer market for USD 16 million for the replacement of the power cables system at Guatapé Power Plant and other costs associated with the service and attention of the incident. In March began the transfer of resources to Royal & Sun Alliance (fronting company) by re-insurers, so that the aforementioned transfers them to EPM. To date, around USD 4 million have being used mainly for logistics management of transport of the cables and USD 8.4 million are available. The down payment of some re-insurers is pending, which is at the management stage of the usual procedures used in this type of process. EPM, according to the adjuster, will make an additional down payment request to cover other costs associated with the recovery of the plant.

3. Financial Results

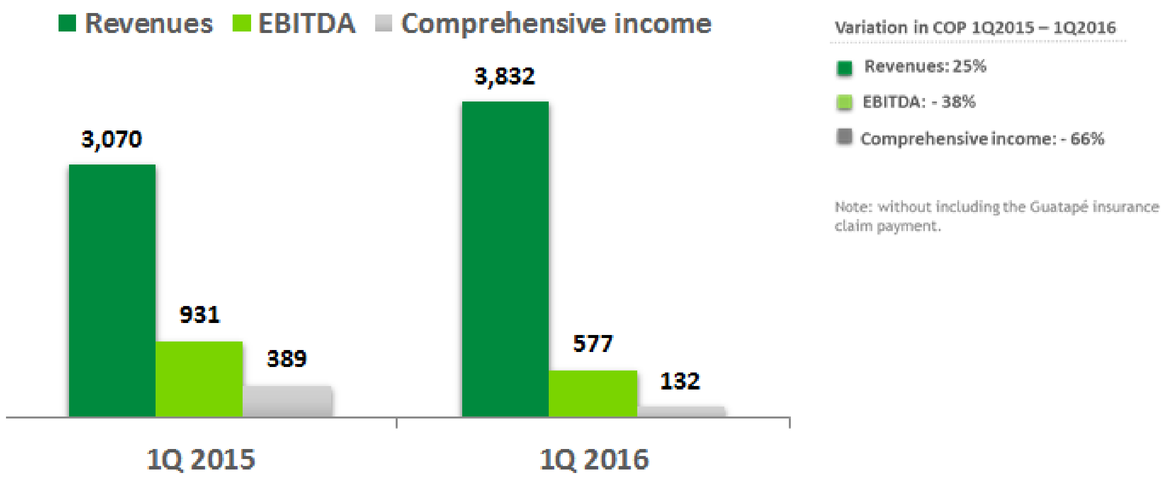
As of March 31, 2016 EPM Group presented the following financial performance compared to previous year.

3.1 Income Statement

Figures in COP million

Concept	2015	2016	% Var.	2016 USD*
Net Revenues	3,070,631	3,832,585	25	1,268
Costs and administrative expenses	2,366,646	3,508,521	48	1,161
Exchange differences	(40,624)	194,479	(579)	64
Financial results, net	(93,510)	(137,539)	47	(46)
Investment results, net	54,382	(18,866)	(135)	(6)
Profit before taxes	624,232	362,137	(42)	120
Income tax provision	198,929	230,465	16	76
Regulatory accounts, net	(35,854)	474	(101)	0
Comprehensive Income for the period	389,449	132,146	(66)	44
Other Comprehensive Income	(31,129)	248,600	(899)	82
Total Comprehensive Income for the year	358,320	380,746	6	126
Minority Interest	32,158	33,529	4	11
Total Comprehensive Income for the year attributable to owners of the company	326,161	347,217	6	115

*Figures in COP were converted to USD at an exchange rate of COP/USD 3,022.35 (March.31, 2016)



Figures in COP thousand million

- **Consolidated revenues** amounted to COP 3.8 billion, with an increase of 25% compared to the same period of the previous year.
- **EBITDA** amounted to COP 577 thousand million, decreasing by 38% compared to the first quarter of the previous year, impacted mainly by the decrease in EPM parent company product of the increased costs of commercial operation, the greater amount of power purchased in the spot market and at higher price, given the lower power generation associated with the Guatape Plant unavailability and low hydrology due to the El Niño effect combined with a greater thermal generation at La Sierra Plant.
- **The comprehensive income for the period** was COP 132 thousand million, with a decrease of 66% over the previous year, which is basically explained by the above explained business operation cost.

Along the period, three countries saw their currencies revaluated – Colombia 4.04%, Chile 4.56% and Mexico 0.08%, reaching total exchange gain of COP 194 thousand million, where EPM parent company accounts for COP 125 thousand million and EPM Chile for COP 63 thousand million . This reverts somehow last year's high devaluation when exchange loss was COP 41 thousand million.

3.2 OTHER RESULTS

Figures in COP million

Financial Position	2016	2015	% Var.	2016 USD*
Assets				
Current	5,218,016	5,383,345	(3)	1,726
No Current	37,407,476	36,596,696	2	12,377
Total Assets	**42,625,492**	**41,980,041**	2	**14,103**
Liabilities				-
Current	6,508,764	7,740,519	(16)	2,154
No Current	17,265,793	15,425,447	12	5,713
Total Liabilities	**23,774,557**	**23,165,966**	**3**	**7,866**
Equity	**18,850,935**	**18,814,075**	**0**	**6,237**

*Figures in COP were converted to USD at an exchange rate of COP/USD 3,022.35 (March.31, 2016)

The Group´s total assets increased 2% to COP 42.6 billion; here the COP 418 million growth in property, plant and equipment associated to Power Generation projects deserves to be highlighted.

Other financial assets increased COP 327 thousand million due to the appreciation of variable-income securities (ISAGEN stock for COP 238 thousand million – COP 665 per share, and ISA stock for COP 143 thousand million – COP 1,270 per share).

Current liabilities dropped 16% due to the reclassification of short-term financial liabilities. In December they had been recorded as current as a consequence of the result of the covenant.

Regarding ratios:

Ratios	2015	2016
Total debt	52%	56%
Financial debt	32%	37%
EBITDA/financial expenses	6.18	3.20
Debt/EBITDA	3.23	4.29

The Group's **Total Debt/Total Assets** was four percentage points up on 2015. **Financial Debt/Total Assets** was 37% (five percentage points above 2015).

Debt coverage ratios for the quarter's end were:

EBITDA/Financial Expenses 3.20x and Debt/EBITDA 4.29x.

Between December 2015 and March 2016, the **Debt/EBITDA covenant** went from 3.76 to 4.29, as a result of:

- **EBITDA decrease** resulting from lower energy sales in the spot market and less power generation because of the Guatapé plant's total unavailability. Additionally, **more energy purchases** in the spot market due to lower generation, and given the low hydroelectric generation, **increased generation** at La Sierra. The combined effect of such factors produced lower COP 292 thousand million EBITDA versus the forecasted commercial operation net revenue.

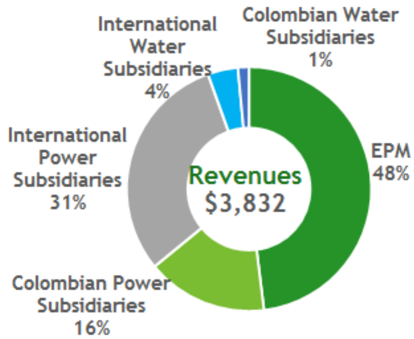
- Finally, debt increases with respect to December due to the USD 200 million disbursement of the Club Deal in January.

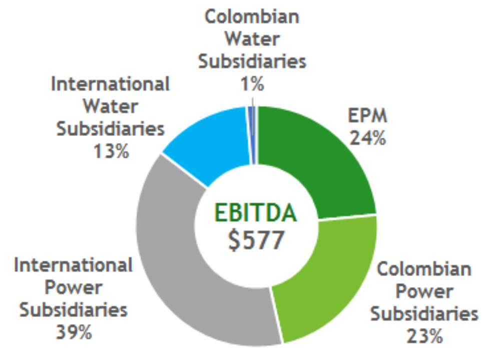
- ➢ 1Q2016 waiver for the Debt/Ebitda covenant in process with JBIC, outstanding debt for US 145 million.
- ➢ EPM expects to achieve again a Debt/EBITDA ratio under 3.5x in 2017.

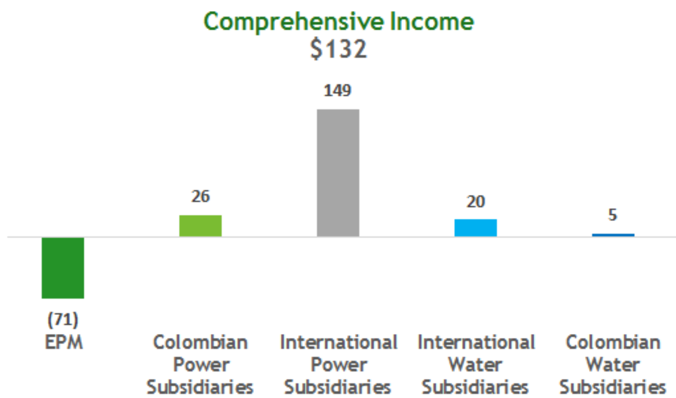
3.3 Financial Results by Countries and Segments

Figures in COP million

Contribution by Country	Revenues	Ebitda	Comprehensive Income
Colombia	2,510,810	275,717	(37,731)
Chile	116,430	68,550	46,613
El Salvador	195,533	24,627	13,373
Guatemala	514,596	123,404	91,301
México	46,962	12,790	(4,356)
Pánama	446,029	69,737	20,915
Bermudas	2,224	1,859	2,034
Total	**3,832,585**	**576,684**	**132,148**







Figures in COP thousand million

Regarding consolidated revenue:

- **EPM parent company** with a contribution of 48%, and an increase of 26% over the same period of the previous year, marked mainly by higher revenues from power generation due to: higher prices and services of AGC, reliability charge and sales in the gas business.

- For their part, the **international energy and water subsidiaries** with a contribution of 35% and a growth of 21% compared to the same period in 2015, where we highlight the growth of the Chilean subsidiaries, marked out by the contribution of ADASA revenues by COP 105 thousand million, subsidiary that joined the group in June 2015. Revenues of the Central American subsidiaries, measured in COP, presented an increase of COP 75 thousand million, due to the devaluation of the peso against the dollar with respect to the year 2015, which counteracts the decreases in the energy rates marked even by low oil prices. ENSA in Panama stood out within these subsidiaries with a contribution of COP 53 thousand million.

- At the same time, the **Colombian power subsidiaries** contributed with 16% of total, showing an increase of 30%, associated with a higher average tariff, increase in the spot prices and increase in the power demand. The remaining 1% corresponds to the

Colombian water subsidiaries, with an increase of 18% compared to the same period of the previous year.

Regarding the Group's EBITDA:

- **EPM parent company** with a 24% participation and a 77% decline with respect to same period of the previous year, with attention called to the higher costs of commercial operation due to the impact of El Niño, higher purchases to supply the power generation due to the incident at Guatape hydroelectric Plant, as well as a higher gas and diesel fuel consumption and transportation due to greater power generation at La Sierra thermal plant.

- The **international energy and water subsidiaries**, in turn, contributed with 52%, and an increase of 52% over the same period of the previous year, mainly by the contribution of EPM Chile to the group by COP 60 thousand million, marked by ADASA, as well as by the contribution of the DECA group by COP 48 thousand million.

- In regards to the **Colombian power subsidiaries**, their contribution was 23%, presenting a variation of 1% over the previous year, explained by a growth in costs at COP 144 thousand million associated with a greater rate average, increase in spot prices and increase in the power demand.

- Lastly we have the **Colombian water subsidiaries** accountable for the remaining 1%.

Regarding net income:

Increases:

- Exchange gain for COP 194 thousand million due to the revaluation in Colombia where exchange loss last year amounted to COP 41 thousand million.

Decreases:

- Increased costs by COP 1,141 thousand million, already explained.

- Higher financial expenses for COP 44 thousand million associated to COP 29 thousand million higher interest (the result of larger debt), and growth in investments' loss of value for COP 33 thousand million resulting from the rise in interest rates decreed by the central bank (Banco de la República).

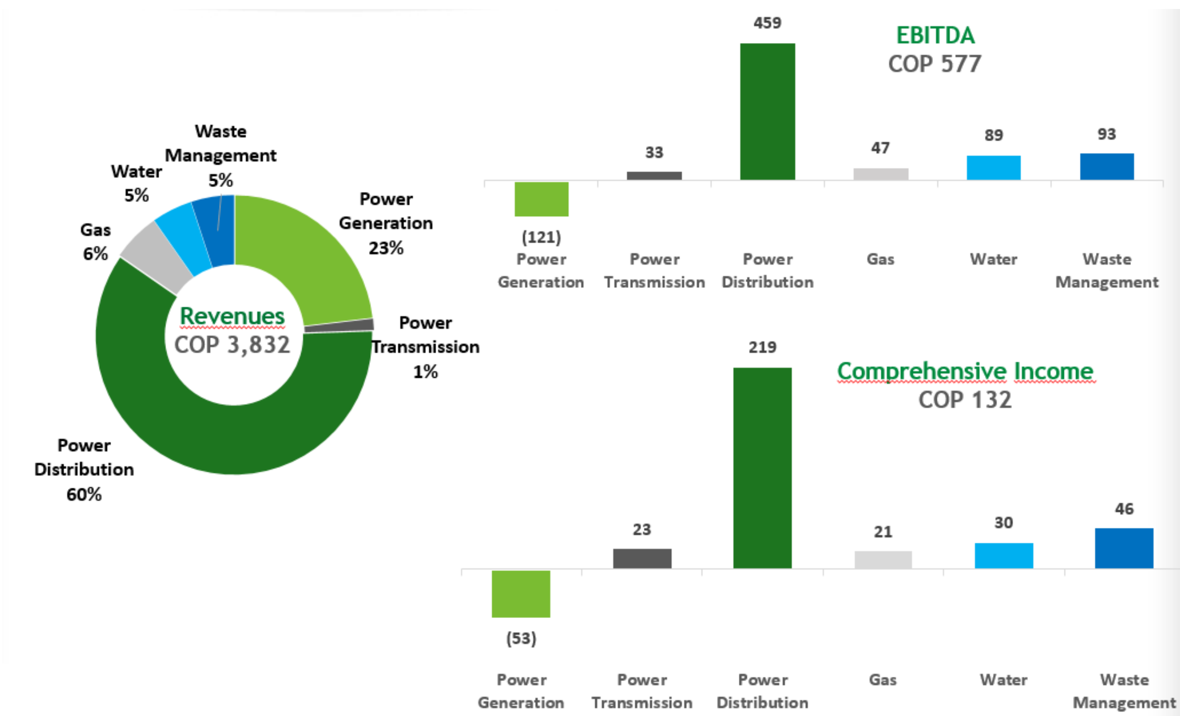
- Investments-associated expense for COP 19 thousand million versus COP 54 thousand million revenue in 2015, something that is explained by the COP 54 thousand million expense from equity method resulting from the accumulated losses of UNE and the lower dividends received for 58 thousand million (ISAGEN did not declared dividends in 2016).

- Greater provision of tax income at COP 31 thousand million.

Regarding results by segments:

Figures in COP million

Segments	Revenues	EBITDA	Comprehensive Income
Power Generation	992,767	(121,249)	(53,484)
Power Transmission	56,135	33,440	23,045
Power Distribution	2,581,421	459,081	219,297
Gas	241,751	46,672	20,632
Water	202,419	88,779	29,891
Waste Management	215,672	92,818	45,687
Other	32,615	(22,080)	(152,920)
Eliminations	(490,195)	(777)	0
Total	**3,832,585**	**576,684**	**132,148**



Figures in COP thousand million

Compared to the previous year, revenue showed an increase of COP 762 thousand million, explained by:

Energy services grew COP 481 thousand million (18%); here the following facts stand out:

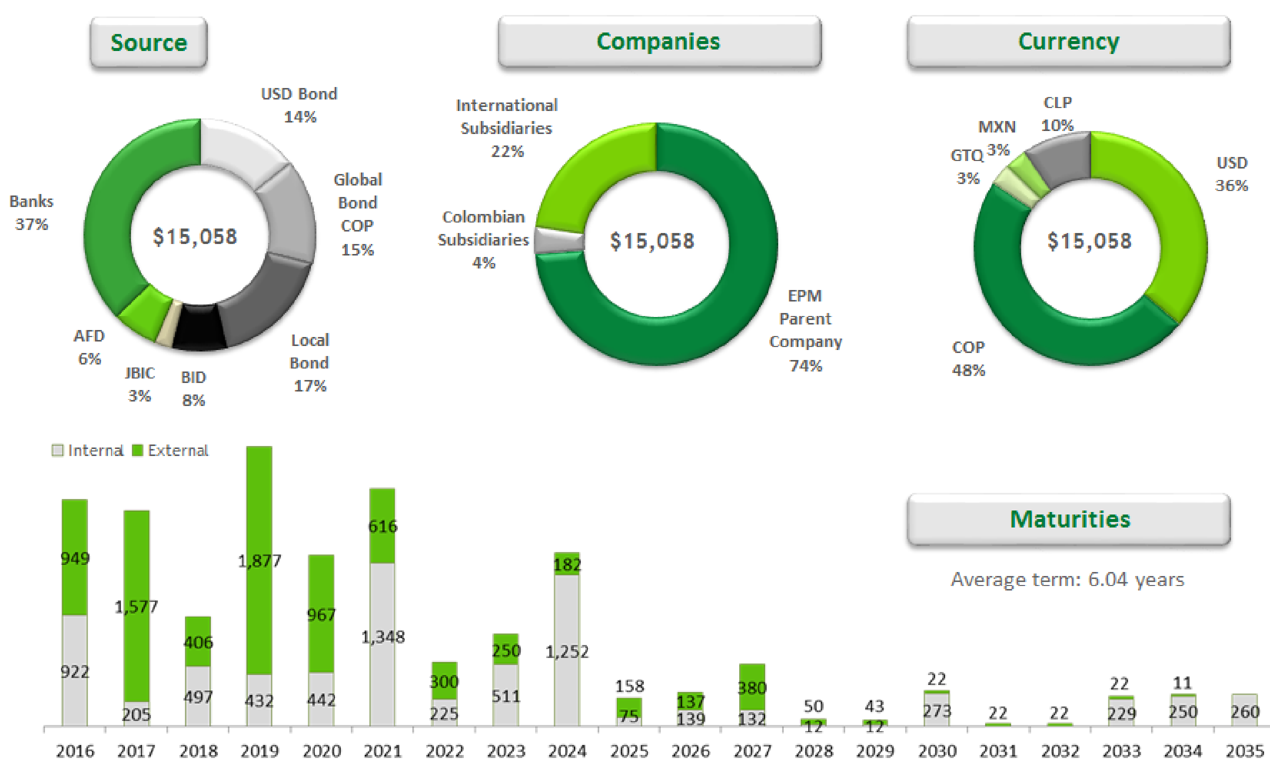
- In **EPM parent company**, power generation revenues increased COP 259 thousand million because of higher sale prices, AGC service revenues, reliability charges and sales of gas.

- In the **distribution business** there was a growth of COP 109 thousand million explained mainly by the increased revenues from trading (regulated residential and non-residential market) and network operation.

- **Provision of water and sanitation** services showed a growth of COP 131 thousand million (67%), highlighting the revenues of the Chilean subsidiary (ADASA) by COP 105 thousand million.

- **Fuel gas services** showed a growth of COP 73 thousand million (50%), mainly due to an increase of 214% in sales to the secondary market, as well as increased sales to thermal generators, and a 7% growth in customers, product of the provision of the service in more municipalities in the Department of Antioquia.

3.4 Debt Profile



Figures in COP thousand million

At the end of the quarter the debt of EPM Group totaled COP 15 billion. It is a diversified portfolio broken down as follows: As to financing source, 33% of debt corresponds to domestic debt, 15% to Pesos-denominated foreign debt, and 52% to foreign debt hired in other currencies.

Of the **Group's total debt**, 74% corresponds to EPM parent company which concentrates the debt hired for Ituango, the Group's main project.

Regarding hedges: the parent company currently has USD 252 million of natural hedging with inter-company loans granted to subsidiaries with revenues linked to the US Dollar. Additionally, BID 1664 loan for USD 153.8 million was converted into Colombian Pesos in March.

Maturities profile: average loan life is over 6 years; maturities for 2016 refer mainly to domestic and international commercial banking loans; in 2017, maturity of loan with domestic Chilean banks (part of ADASA acquisition structuring) which is currently in rollover process in the local Chilean market, stands out. Maturities in 2019, 2021 and 2024 correspond principally to EPM's three international bond issues.

EVENTS SUBSEQUENT TO THE CLOSING

- **On April 18th, Moody´s agency, after analyzing the situation of the company given the temporary events** that the country and the company have been going through, reaffirmed the investment grade rating Baa3 to the international bond issues and to the corporate debt of EPM, and kept the positive outlook allocated from 2014. Moody´s highlights: the operations framed in a stable and transparent regulatory framework, which provides certainty to the cash flow and the commitment of the administration to set prudent financial policies. Also, the agency highlights the commitment of the municipality of Medellin as owner of EPM, the governance framework agreement "limiting the risk of political interference and provides visibility of its dividend policy, as well as the fiscal control as a result of the property exerted by itself".

- **EPM and the Brazilian Development Bank BNDES** (Banco Nacional de Desenvolvimento Econômico e Social), **signed a credit agreement for USD 111.4 million**, operation that makes integral part of the financing plan of the company for the Ituango hydroelectric project. The credit was granted with a term of 23.5 years and with a period of disbursement until the completion of the project. This transaction constitutes a frame of reference for future operations among companies in the public sector of Colombia with BNDES, which is the first debt negotiation of its kind in the country. The operation had the involvement of Alstom Brazil, as provider of the top equipments for Ituango.

- **On April 25th, before the estimated date, EPM put into operation 25% of the Guatapé hydroelectric Plant** with two of the eight units that the Plant has in total. And on May 5th, again ahead of schedule, other two power generating units went into operation, with which the plant already operates at 50% of its capacity. These four generation units provide 280 megawatts or 6 GWh/day to the national interconnected system (SIN). At this time tasks are concentrated on putting up the four remaining power generation units. Works include laying of cable of 230 Kv for the group of transformers, mounting brackets and the construction of joints, high-voltage external terminals and internal terminals to transformers. In addition to testing of high-voltage cables and development of the group of transformers, generators, turbines, and control and protection systems.

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http://www.epm.com.co/site/investors/Home.aspx

epm® Group

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period from January 1 to March 31, 2016 and 2015

Figures expressed in millions of Colombian pesos

	Notes	2016	2015
Continued operations			
Sale of goods		21,765	3,400
Rendering of services		3,727,264	3,017,596
Leases		15,085	13,642
Other income		65,545	34,664
Income from ordinary activities		**3,829,659**	**3,069,302**
Profit in sale of assets		2,926	1,329
Total income	13	**3,832,585**	**3,070,631**
Costs for rendering services	14	(3,077,186)	(1,983,395)
Administration expenses	15	(405,455)	(372,563)
Other expenses	16	(25,880)	(10,688)
Financial income	17	87,183	83,365
Financial expenses	17	(224,722)	(176,876)
Net exchange difference	18	194,479	(40,624)
Equity method in associates and joint business		(53,963)	(39,067)
Purchases and sales non controlling interest		35,096	93,449
Result for the period before tax		**362,137**	**624,232**
Income tax		(230,465)	(198,929)
Result of the period after taxes of continued operations		**131,672**	**425,303**
Discontinued operations		-	-
Net result of period before net movement in balances of deferred regulatory accounts		**131,672**	**425,303**
Net movement in balances of net regulatory accounts related to the result of the period		956	(38,854)
Net movement in deferred tax related to deferred regulatory accounts related to the results of the period		(482)	3,000
Net result of the period and net movement in balances of deferred regulatory accounts		**132,146**	**389,449**
Other comprehensive income, net of taxes			
Items that will not be reclassified subsequently to the result of the period			
New measurements of defined benefit plans		(390)	1,607
Equity investments measured at fair value through equity		324,165	(104,676)
Income tax related to components that will not be reclassified		(24,938)	(244)
		298,837	**(103,313)**
Items that may be reclassified subsequently to the result of the period :			
Cash flow hedging		**-**	**19,946**
Result recognized of the period		-	67,694
Reclassification adjustment		-	(47,748)
Exchange differences for conversion of business abroad *		**(50,237)**	**104,570**
Profit (loss) recognized in the period		(50,237)	104,570
Income tax related to the components that can be reclassified		**-**	**(52,333)**
		(50,237)	**72,183**
Other comprehensive income, net of taxes		**248,600**	**(31,130)**
Total comprehensive income for the period		**380,746**	**358,319**
Result of the period attributable to:			
Owners of the company		98,641	355,750
Non controlling interest		33,505	33,699
		132,146	**389,449**
Total comprehensive income attributable to:			
Controlling interests		347,217	326,161
Non controlling interests		33,529	32,158
		380,746	**358,319**

The accompanying notes are an integral part of the financial statements

epm® Group

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Periods ended as of March 31, 2016 and December 31, 2015

Figures expressed in millions of Colombian pesos

	Notes	March 2016	December 2015
Assets			
Non-current assets			
Properties, plant and equipment, net	7	26,250,171	25,783,576
Investment properties		165,172	165,488
Goodwill		3,108,541	3,124,194
Other intangible assets		1,736,299	1,758,576
Investments in associates		1,856,845	1,908,319
Investments in joint ventures		99	99
Asset for deferred tax		144,446	170,421
Trade debtors and other accounts receivables		1,028,003	1,028,590
Other financial assets		2,786,442	2,459,117
Other assets		94,280	93,316
Total non-current assets		**37,170,298**	**36,491,696**
Purchases and sales from/to non-controlling interests			
Inventories		358,788	351,251
Trade debtors and other accounts receivable		2,643,908	2,663,051
Assets for current taxes		338,920	290,255
Other financial assets		578,824	511,516
Other assets		279,886	315,679
Cash and cash equivalents		1,238,091	1,338,626
Total Current assets		**5,438,417**	**5,470,378**
Total assets		**42,608,715**	**41,962,074**
Debit balances of deferred regulatory accounts		**-**	**-**
Deferred tax assets related to balances of deferred regulatory accounts		**16,776**	**17,967**
Total assets and debit balances of deferred regulatory accounts		**42,625,491**	**41,980,041**
Liabilities and Equity			
Equity			
Capital		67	67
Premium on placement of shares		(4,835)	(2,700)
Treasury shares		-	(0)
Reserves		3,596,477	3,836,190
Other accumulated comprehensive income		2,836,800	2,671,869
Accumulated results		11,554,426	10,533,254
Net result of the period		98,643	931,422
Equity attributable to controlling interests		**18,081,578**	**17,970,102**
Non controlling interests		769,357	843,974
Total equity		**18,850,935**	**18,814,075**

epm® Group

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Periods ended as of March 31, 2016 and December 31, 2015

Figures expressed in millions of Colombian pesos

	Notes	March 2016	December 2015
Non current liabilities			
Credits and loans	10,11	12,154,413	10,380,634
Creditors and other accounts payable		464,344	444,617
Other financial liabilities		524,990	549,117
Employee benefits		739,393	737,178
Net liability for deferred tax		2,745,112	2,675,636
Provisions	12	510,771	506,309
Other liabilities		126,770	131,956
Non current liabilities		**17,265,793**	**15,425,447**
Current liabilities			
Credits and loans	10,11	2,903,861	4,258,238
Creditors and other accounts payable		2,369,920	2,301,370
Other financial liabilities		270,905	238,478
Employee benefits		183,016	177,941
Income tax payable		216,493	213,359
Taxes contributions and rates payable		208,462	159,420
Provisions	12	128,516	122,747
Other liabilities		171,669	209,074
Total current liabilities		**6,452,842**	**7,680,627**
Total liabilities		**23,718,635**	**23,106,074**
Credit balances of deferred regulatory accounts		**55,921**	**59,891**
Deferred tax liabilities related to balances of deferred regulatory accounts		-	-
Total liabilities and credit balances of deferred regulatory accounts		**23,774,556**	**23,165,965**
Total liabilities and equity		**42,625,491**	**41,980,041**

The accompanying notes are an integral part of the financial statements

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the period from January 1 to March 31, 2016 and 2015

Figures expressed in millions of Colombian pesos

	2015	2014
Cash flows for operating activities:		
Results of the period attributable to controlling interests	98,643	355,750
Adjustments to reconcile the net result of the period to the net cash flows used in operating activities:		
Depreciation and amortization of properties, plant and equipment and intangible assets	219,891	183,614
Impairment of property, plant and equipment and intangibles	17	169
Impairment of financial instruments	18,274	5,602
Reversal of loss for impairment of financial instruments	(783)	(3,105)
Reversal of loss for impairment of others financial assets	-	(2,327)
(Profit) loss for net exchange difference	(107,977)	140,202
(Profit) loss for valuation of financial instruments and hedge accounting	174,773	(82,104)
Provisions, post-employment and long term defined benefit plans	29,418	16,726
Government subsidies applied	(277)	(538)
Deferred income tax	138,534	(16,501)
Current income tax	87,494	198,929
Participation in the profit (loss) of investments in associates and joint business	53,963	39,067
Interest income	(56,404)	(36,223)
Interest expense	37,399	159,751
(Profit) loss for disposal of properties, plant and equipment, intangibles and investment properties	14,599	612
Profit (loss) for disposal of non-current assets held for sale and other assets	(2,926)	-
Non-controlling interests	33,505	32,143
Dividends from investments	(35,096)	(93,449)
Other income and expenses not effective	(397,257)	431,786
	305,790	1,330,104
Purchases and sales to non-controlling interests		
(Increase)/decrease in inventories	(7,883)	(11,457)
(Increase)/decrease in debtors and other accounts receivable	271,802	12,635
(Increase)/decrease in accounts receivable due from customers on construction contracts	-	2,244
(Increase)/decrease in other assets	(47,504)	467,962
Increase/(decrease) in creditors and other accounts payable	86,069	(29,813)
Increase/(decrease) in labor obligations	(22,888)	5,205
Increase/(decrease) in provisions	-	(22,933)
Increase/(decrease) in other liabilities	(48,903)	(36,671)
Interest paid	(364,542)	(264,148)
Income tax paid and equity tax	(70,297)	(52,776)
Net cash flows originated by operating activities	**101,644**	**1,400,352**
Cash flows for investment activities:		
Acquisition of subsidiaries or business, net of cash acquired	-	(1)
Disposal of subsidiaries or business	(5,871)	-
Acquisition of property, plant and equipment	(851,253)	(759,550)
Disposal of property, plant and equipment	2,926	-
Acquisition of intangible assets	(3,930)	(58,508)
Acquisition of investment properties	-	5,125
Acquisition of investments in financial instruments	(79,973)	(51,475)
Disposal of investments in financial instruments	277	4,903
Interest received	56,404	36,223
Other dividends received	1	881
Other cash flows from investment activities	12,597	32,482
Net cash flows originated by investment activities	**(868,822)**	**(789,920)**
Cash flows for financing activities:		
Obtaining of public credit and treasury	1,437,287	891,289
Payments of public credit and treasury	(597,421)	(489,916)
Payments of liabilities for financial leasing	(298)	(355)
Dividends or surpluses paid	(186,982)	(272,659)
Capital subsidies	63	-
Net cash flows originated by financial activities	**652,649**	**128,359**
Net cash and cash equivalent increase/(decrease)	**(114,529)**	**738,791**
Effects of variations in exchange rates in the cash and cash equivalents	13,994	8,921
Cash and cash equivalent at the beginning of period	1,338,626	1,023,734
Cash and cash equivalent at the end of the period	**1,238,091**	**1,771,446**
Restricted resources	**200,462**	**18,076**

The accompanying notes are an integral part of the financial statements