Medellin, April 3, 2018

EPM Group announces consolidated financial results as of December 31, 2017

Empresas Públicas de Medellin E.S.P. and subsidiaries (hereinafter, "EPM Group") is the holding company of a multi-Latin enterprise group formed by 48 companies and one structured entity[1], that have presence in the provision of public utilities in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama. Its corporate purpose is the provision of public utilities, mainly in power generation, power transmission and power distribution, gas, water supply, cleaning and waste management business lines.

In this period, it is highlighted the new Chilean subsidiary EPM Transmisión Chile S.A., created in compliance with the provisions of the General Law of Electric Services in Chile and Empresas Públicas de Rionegro S.A. E.S.P. - EP RIO.

The figures presented for this quarter are expressed in Colombian Pesos, according to the International Financial Reporting Standards (IFRS). The consolidation process implies inclusion of 100% of the companies where EPM has control.

CONSOLIDATION SCOPE

[1] Autonomous Patrimony Social Financing. Under International Financing Reporting Standards (IFRS), it is considered a structured entity that forms part of the consolidation perimeter of the financial statements of the EPM Group.

1. Relevant Facts of the Quarter and subsequent to the closing

- On December 13th, 2017, **EPM Board of Directors has approved an investment plan for EPM Parent Company for the period 2018-2021 of COP 6.4 billion** and a COP 14.2 billion budget for 2018. The Ituango and Aguas Claras projects will come online. EPM will transfer COP 1.5 billion to the Municipality of Medellin, destined mainly for social investment.

  EPM Group as a collective (the parent company and its subsidiaries) will make investments of COP 11 billion over the next four years. From these resources, 75% will be invested in Colombia, as a commitment by the company to the development of Medellin, Antioquia and the country.

  55% of the COP 14.2 billion budget (COP 7.74 billion) will be financed by current revenue, 27% (COP 3.8 billion) will come from credit resources and the rest from other sources and the initial cash balance. The EPM Group plans to get COP 335 thousand million from national and international subsidiaries, equivalent to 6% of total capital resources.

- On December 14th, 2017, **EPM finished paying the Municipality of Medellin the extraordinary surpluses for a total value of COP 459 thousand million**.

- On December 29th, **EPM and the IDB Invest, which is the private sector of the International Development Bank, signed a loan agreement for USD 1 billion**, intended for funding the Ituango Hydroelectric Project. The loan has a total term of 12 years and includes disbursement for 4 years, thus practically completing the financing of the Ituango project, which reached the following financial structuring: 36% equity and 64% debt. This is the most relevant credit transaction that EPM has signed with the private sector of the Inter-American Development Bank.

- **EPM has identified a potential business opportunity in acquiring a controlling stake in Gas Natural S.A. ESP**, and has shown preliminary interest in participating in an open process for control of the company, after the disclosure to the market made by GN Colombia in which it reported that, in line with the observations made by Colombia's Financial Authorities, Gas Natural Distribución Latinoamérica S.A. ("GNDLA"), the controlling body of GN Colombia y Gamper AcquireCo II S.A.S. y Gamper AcquireCo S.A.S. (collectively known as the "Potential Buyer"), reviewed the structure of the transaction to open the process to other competitors. Regarding this interest and EPM's potential participation in the process of selling the GN Colombia shares, the company highlights that: 1. EPM's indication of interest is subject to a more in-depth and concrete evaluation of the information around GN Colombia. 2. Any participation by EPM in the GN Colombia share acquisition process requires the relevant business and regulatory authorizations. 3. The participation of EPM in the GN Colombia share acquisition process will be conditional based on the review of the effect of the transaction on the organization's credit risk rating. The aim is to always maintain its international rating at an Investment Grade.

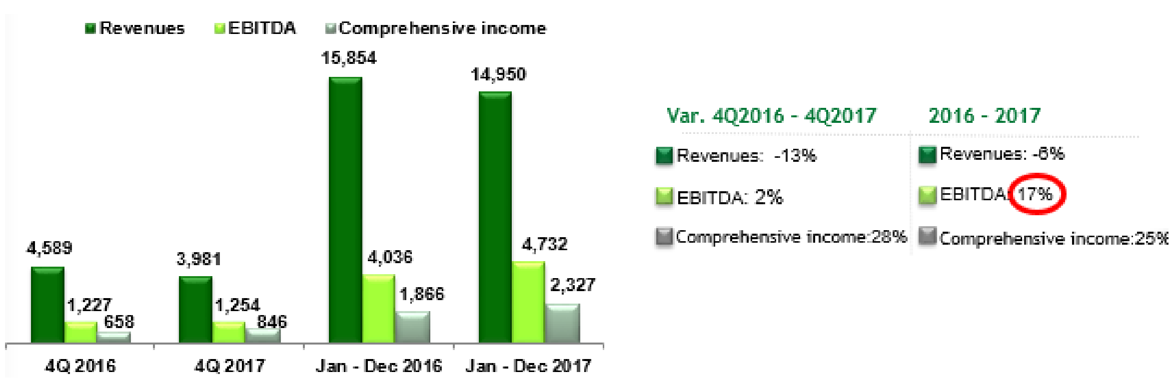
- On February 23th, **the rating agency Moody's** maintains the rating of EPM's external debt at Baa2 investment grade, with a change in its outlook derived from the recent change in Colombia's risk rating, **which went to negative from stable**.

- On February 26th, **the Board of Directors of Empresas Públicas de Medellin E.S.P., authorized the allocation of resources worth COP 180 thousand million** to continue its investment strategy in innovation and corporate business ventures through private equity funds. These resources are in addition to the first private equity fund, FCP Emprendimiento e Innovación SP (FCP Innovación), which began operations in 2013 and allowed EPM to mobilize resources for innovative ventures within the legal framework of the Colombian financial system, mostly in the country. With these new resources for a second private equity fund, the EPM Group will continue to position itself as the Colombian organization with the greatest investment in entrepreneurship and a leader in incorporating innovative tools in its processes and for its clients, allowing it to ensure its sustainability in an increasingly competitive market.

2. FINANCIAL RESULTS AS OF DECEMBER 31,2017

EPM Group presented the following financial performance compared to the same period of the previous year:

2.1 INCOME STATEMENT



Figures in COP thousand million

As of December 31, 2017, consolidated revenue totaled COP 14.9 billion with 6% (COP 904 thousand million) drop with respect to same period of last year, a fact that is explained by lower energy prices in Colombia.

In that sense, **EPM parent company showed lower revenue for COP 1,040 thousand million**, followed by the Colombian Power Subsidiaries, whose revenues fell by COP 62 thousand million.

International Subsidiaries as a whole, in turn, showed growth for COP 209 thousand million, where the international power subsidiaries contribution stands out.

Operating margin as of December 2017 was **24%**, 6 percentage points up.

EBITDA totaled **COP 4.7 billion**, with an increase of COP 696 thousand million, 17% with respect to last year.

EBITDA margin at **32%** is 5 percentage points up on 2016.

The comprehensive income for the period was COP 2.3 billion, an increase of COP 461 thousand million, 25% with respect to last year, explained, mainly, by higher operating income in the amount of COP 712 thousand million and by the reduction in costs, due to the temporary situation presented by the El Niño Phenomenon in 2016.

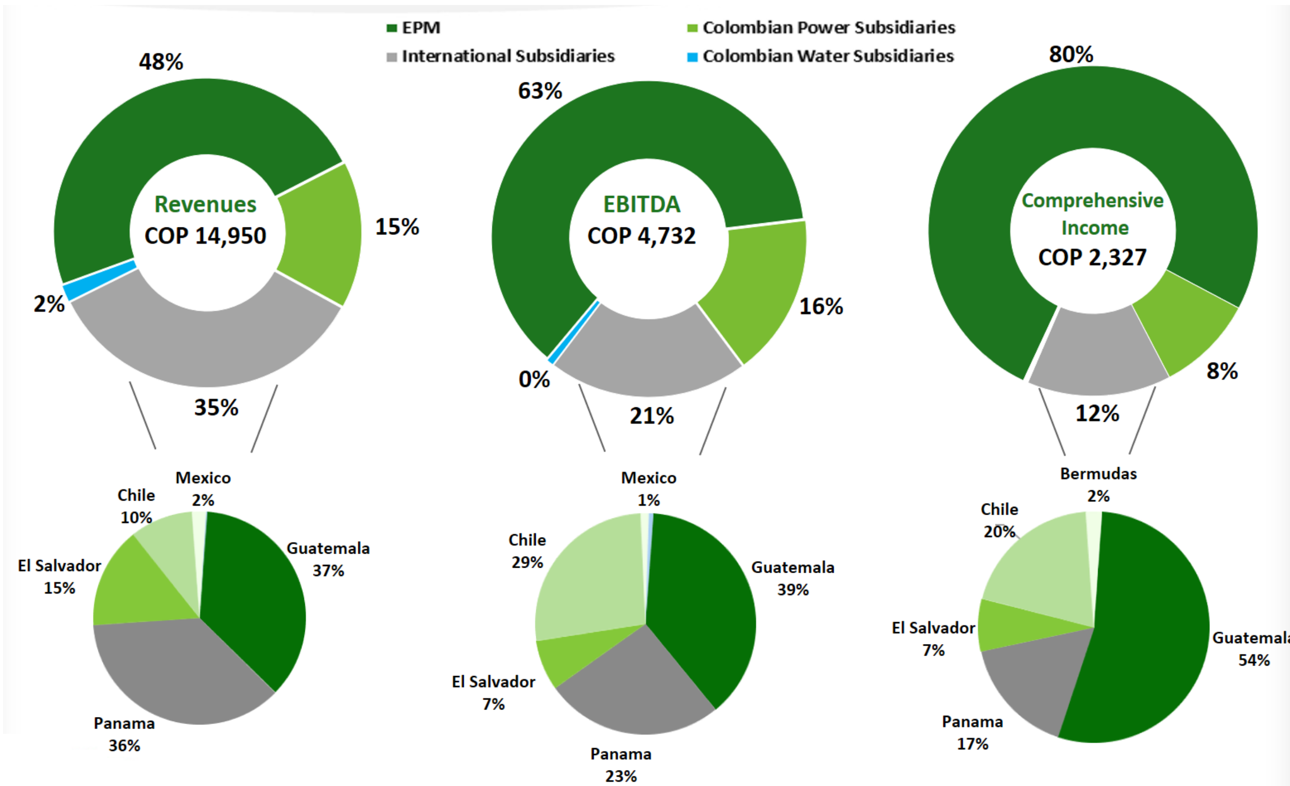
Net margin was 16%, 4 percentage points up on 2016.

Concept	2016	2017	% Var.	2017 USD*
Net Revenues	15,854,211	14,950,349	(6)	5,010
Costs and administrative expenses	12,952,886	11,337,150	(12)	3,799
Exchange differences	245,899	158,730	N.A.	53
Financial results, net	(647,233)	(769,376)	19	(258)
Investment results, net	(35,485)	73,663	(308)	25
Profit before taxes	2,464,506	3,076,217	25	1,031
Income tax provision	649,129	785,960	21	263
Regulatory accounts, net	50,368	36,847	N.A.	12
Comprehensive Income for the period	1,865,745	2,327,104	25	780
Other Comprehensive Income	229,369	424,689	85	142
Total Comprehensive Income for the year	2,095,114	2,751,794	31	922
Minority Interest	136,595	139,562	2	47
Total Comprehensive Income for the year attributable to owners of the company	1,958,519	2,612,231	33	875

Figures in COP million

*Figures in COP were converted to USD at an exchange rate of COP/USD 2,984 (December 31, 2017).

2.2 Financial Results by Colombian and international subsidiaries



Figures in COP thousand million

Of the Group's total revenue, it is important to underscore the fact that Colombia accounts for 65% and the foreign subsidiaries for 35%.

EPM parent company accounted for 48%, with a drop of COP 1,040 thousand million (12%) explained in the Power Generation business unit, where despite the fact that the amounts sold were higher (14,559 GWh in 2017 vs. 15,578 GWh in 2016), the tariff was lower (COP 107/KWh in 2017 vs. COP 302/KWh in 2016). Additionally, COP 473 thousand million indemnity for the incident happened at the Guatapé power plant was recognized in 2016.

The Gas segment's revenue dropped by COP 93 thousand million with a decline in the secondary market by COP 198 thousand million due to the decrease in tariffs and sales, in contrast with 2016, where sales to thermal power plants increased as a result of the El Niño phenomenon.

International subsidiaries in turn, accounted for 35% of revenue with net increase of COP 209 thousand million, 4% up on same period of 2016. Here we would like to highlight the growth of Panamanian subsidiary **ENSA** for COP 145 thousand million resulting from the increased dynamism of commercial and household sectors (3,399 GWh in 2017 vs. 3,339 GWh in 2016) and the tariff increase (USD 184/MWh in 2017 vs. USD 171/MWh in 2016). **Deca** increased COP 56 thousand million due to higher GWh sold in EGGSA (+70 GWh).

Colombian Power subsidiaries, on the other hand, accounted for 15% presenting a decrease of 2%; here, **ESSA** fell by COP 20 thousand million due to lower power generation of the Termobarranca plant which was connected to the SIN during the El Niño phenomenon in 2016, and also because of the 19 GWh decline in energy trading (1.784 GWh in 2017 vs. 1.803 GWh in 2016). **CHEC** fell by COP 20 thousand million, due to the smaller sales in the Power Generation segment given that the Termodorada plant has not been dispatched in 2017.

The remaining 2% corresponds to the Water subsidiaries in Colombia with 15% increase with respect to same period of last year, where Emvarias stands out mainly due to the change of the tariff framework that came into force as of June 2016.

As to EBITDA, the Group's Colombian companies accounted for 79% and foreign companies for 21%.

EPM parent company accounted for 63% of EBITDA with an increase of COP 666 thousand million or 27% more than last year mainly due to the contribution of the **Power Generation segment** for COP 559 thousand million and the **Transmission segments** for COP 99 thousand million. These results contrast with last year's when commercial operation costs were higher as a result of the impact of the El Niño phenomenon, the higher purchases to compensate the loss at the Guatapé power generation plant, and the higher consumption and transport of gas and diesel fuel due to increased generation at La Sierra thermal plant.

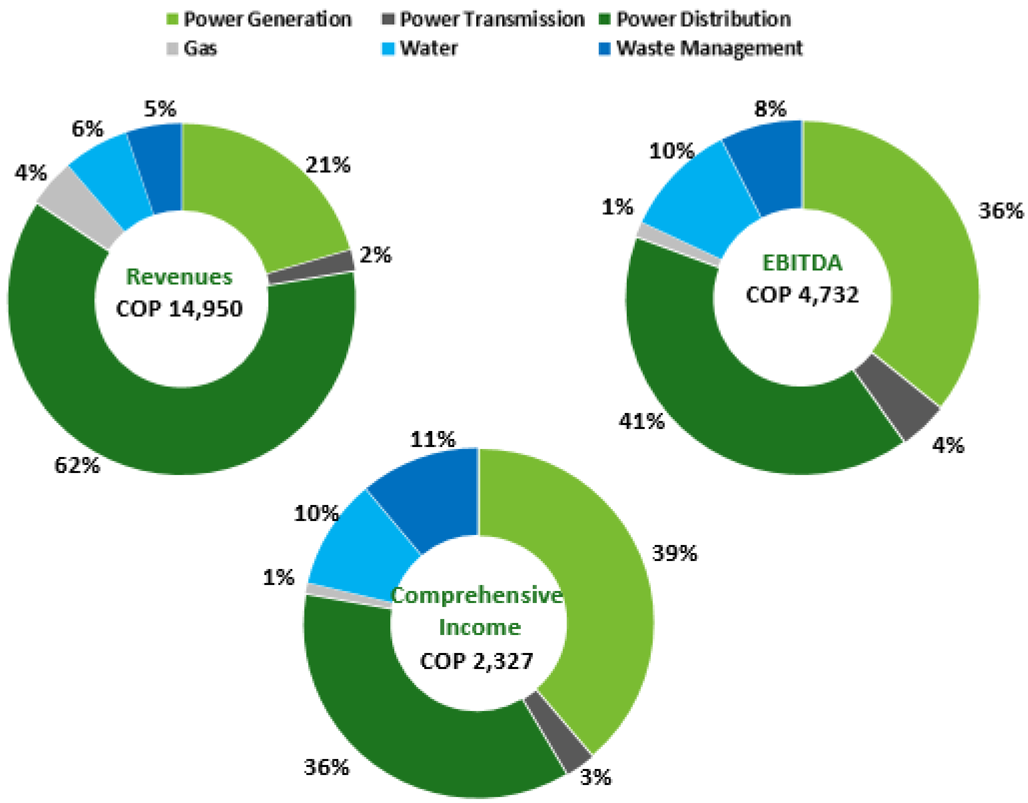
Colombian Power subsidiaries accounted for 16%, with 15% growth with respect to last year, due to the increased costs of commercial operation during the first quarter of 2016 of Termobarranca and Termodorada thermal plants in order to meet the effects of the El Niño phenomenon.

International subsidiaries accounted for 21% to the Group's EBITDA, 2% up on same period of last year.

Regarding net income, we would like to draw attention to:

- Decrease in revenue of COP 904 thousand million.
- Decrease in costs and expenses of COP 1,615 thousand million.
- Decrease in net revenue from exchange difference for COP 87 thousand million.
- Increase in tax provision for COP 136 thousand million.

2.3 Financial Results by Segments



Figures in COP thousand million

With regard to the results by segments:

Energy services accounted for 85% of the Group’s revenue, 81% of EBITDA, and 78% of net income.

In revenue, the Power Distribution and Power Generation segments stood out with 62% and 21% participation, respectively.

Fuel gas services participated with 4% of the Group's revenue, 1% of EBITDA and 1% of net income.

Water supply services accounted for 6% of the Group’s revenue, 10% of EBITDA, and 10% of net income.

Waste Management services accounted for 5% of the Group's revenue, 8% of EBITDA, and 11% of net income.

2.4 Statement of Financial Position

Financial Position	2017	2016	% Var.	2017 USD
Assets				
Current	5,386,535	5,221,494	3	1,805
No Current	41,919,143	37,732,776	11	14,048
Total assets	**47,305,678**	**42,954,270**	10	**15,853**
Liabilities				-
Current	7,296,721	5,562,500	31	2,445
No Current	19,140,747	17,608,464	9	6,414
Total Liabilities	**26,437,467**	**23,170,964**	**14**	**8,860**
Equity	**20,868,211**	**19,783,306**	**5**	**6,993**

Figures in COP million

*Figures in COP were converted to USD at an exchange rate of COP/USD 2,984 (December 31, 2017).

Regarding the Balance Sheet:

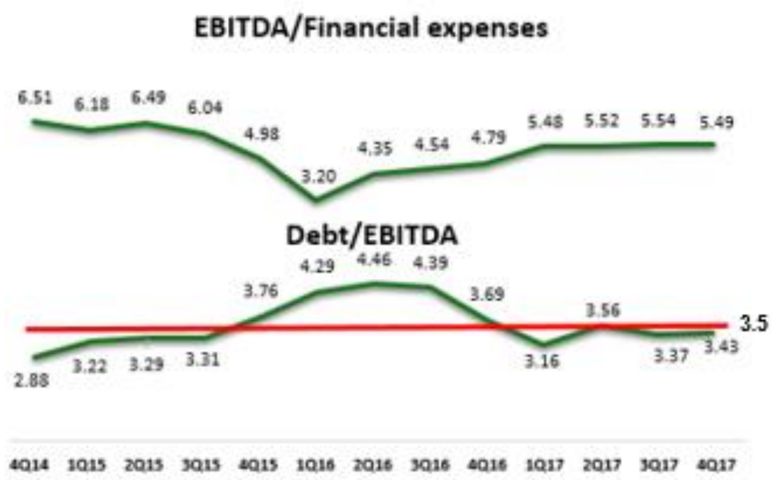
At COP 20.9 billion, equity increase by 5% due to the combined effect of the period's higher earnings minus the recognition of surpluses to the Medellin Municipality. COP 1.3 billion were paid as on December, of which COP 550 thousand million are ordinary dividends and COP 759 thousand million are extraordinary (COP 300 thousand million from the sale of ISAGEN is included).

At COP 26.4 billion, liabilities increased by COP 3.2 billion, 14 % from the previous year, including a net increase of COP 2.1 billion in financial obligations, mainly for financing the Ituango project.

The Group's total assets amounted to COP 47 billion increasing 10%.

Regarding ratios, we would like to highlight:

Ratios	2016	2017
Total debt	54	56
Financial debt	37	38
EBITDA/financial expenses	4.79	5.49
Total Long Term Debt/EBITDA	3.69	3.43

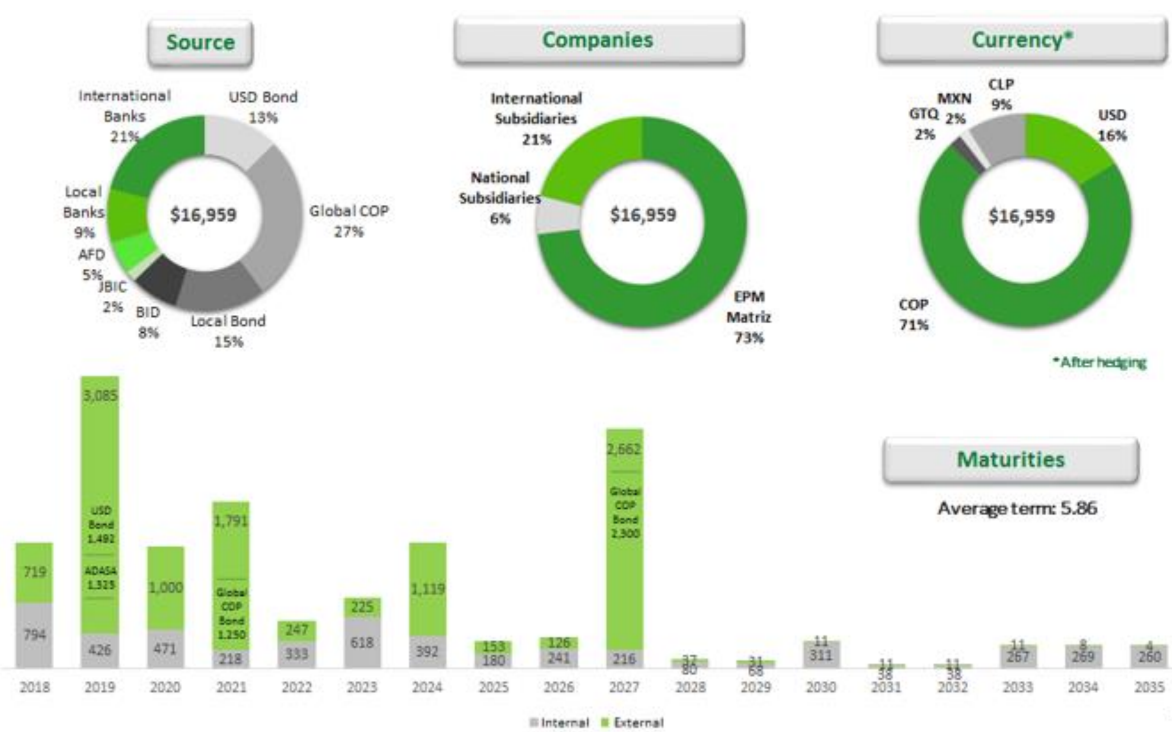


The Group's Total Debt/Total Assets was 56%, 2 percentage point up with respect to 2016.

As to debt coverage ratios:

- EBITDA/Financial expenses was 5.49x.
- Long term Debt/EBITDA was 3.43x, better than that of 2016 (3.69x) and 0.07 under the goal of 3.5x.

2.5 Debt Profile



Figures in COP thousand million

The debt of EPM Group totaled COP 17 billion. As to financing source, 24% of debt corresponds to domestic debt, 27% to Pesos-denominated foreign debt, and 49% to foreign debt hired in other currencies.

Of EPM Group's total debt 73% belongs to EPM parent company.

As to Natural hedging, from inter-company loans granted to international subsidiaries with revenue linked to the US Dollar, EPM has a balance of USD 209 million.

At the quarter's close, accumulated foreign-exchange financial hedges totaled USD 451 million.

As to maturities, EPM parent company holds four international bond issues maturing in 2019, 2021, 2024 and 2027. Years 2019 and 2020 correspond to loans with international banking (ADASA – loan with Scotia Bank and Banco del Estado for USD 444 million and EPM's Club Deal loan for USD 235 million). These values are continuously analyzed taking into account the roll-over alternative in order to adjust to needs and comply with the strategic objectives of EPM Group.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 december 2017 and 2016
Amounts stated in millions of Colombian pesos

	Notes	2017	2016
Continuing operations			
Sale of goods	31	52,045	36,156
Rendering of services	31	14,444,599	14,195,064
Leases	31	76,992	62,954
Other revenues	32	375,065	1,517,925
Revenues from ordinary activities		**14,948,701**	**15,812,099**
Profit in sale of assets	31	1,647	42,112
Total revenues		**14,950,348**	**15,854,211**
Cost of sales	33	(9,697,215)	(11,257,135)
Administration expenses	34	(1,451,442)	(1,478,556)
Impairment loss recognised on trade receivables	12	(109,232)	(101,327)
Other expenses	35	(79,262)	(115,868)
Financial income	36.1	252,902	341,932
Financial expenses	36.2	(1,022,277)	(989,165)
Net exchange difference	37	158,730	245,899
Share of profit of an associate and a joint venture		(8,802)	(70,530)
Dividends on equity instruments	38	82,465	35,045
Profit before tax		**3,076,215**	**2,464,506**
Income tax expense	39	(785,960)	(649,129)
Profit for the year before net movement in regulatory deferral account balances		**2,290,255**	**1,815,377**
Net movement in balances of net regulatory accounts related to the result of the year	30	33,643	72,160
Net movement in deferred tax related to deferred regulatory accounts related to the results of the year	30	3,204	(21,792)
Profit for the year and net movement in regulatory deferral account balances		**2,327,102**	**1,865,745**
Other comprehensive income, net of taxes			
Items that will not be reclassified subsequently to profit of the year			
Reclassification of properties, plant and equipment to investment properties	20	-	9,700
Remeasurement of defined benefit plans	20	(32,292)	(112,141)
Investment revaluation reserve for equity instruments at FVTOCI	20	475,218	554,131
Income tax relating to items that will not be reclassified subsequently to profit or loss	20 y 39	(33,274)	(60,406)
Share of other comprehensive income of associates and joint ventures	20	(4,239)	(2,028)
		405,413	**389,256**
Items that may be reclassified subsequently to profit or loss:			
Cash flow hedges:	20	(5,449)	(18,284)
Losses arising during the year	20	(93,387)	(65,214)
Reclassification of losses to profit or loss	20	87,938	46,931
Exchange differences on translation of foreign operations	20	15,225	(152,425)
Income tax relating to items that may be reclassified subsequently to profit or loss	20 y 39	8,442	10,196
Share of other comprehensive income of associates and joint ventures	20	1,058	628
		19,276	**(159,885)**
Other comprehensive income, net of taxes		**424,689**	**229,371**
Total comprehensive income for the year		**2,751,791**	**2,095,116**
Profit for the year attributable to:			
Owners of the company		2,186,302	1,724,000
Non controlling interest		140,800	141,745
		2,327,102	**1,865,745**
Total comprehensive income attributable to:			
Owners of the company		2,612,229	1,958,521
Non controlling interests		139,562	136,595
		2,751,791	**2,095,116**

The notes 1 to 46 are an integral part of these consolidated financial statements

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At Years ended as of December 31, 2017 and 2016

Amounts stated in millions of Colombian pesos

	Notes	2017	2016
Assets			
Non current assets			
Properties, plant and equipment, net	4	31,480,096	28,266,110
Investment properties	5	126,740	124,589
Goodwill	6	3,060,672	2,918,817
Other intangible assets	6	2,076,453	1,870,379
Investments in associates	10	1,804,827	1,826,273
Investments in a joint ventures	11	82	93
Deferred tax assets	39	225,317	188,293
Trade and other receivables	12	874,751	816,128
Other financial assets	13	2,105,782	1,602,495
Other assets	16	115,581	103,786
Total non current assets		**41,870,301**	**37,716,963**
Current assets			
Inventories	17	372,240	393,861
Trade and other receivables	12	2,752,912	2,522,136
Current tax assets	39	415,669	139,582
Other financial assets	13	265,938	758,094
Other assets	16	388,561	213,322
Cash and cash equivalents	18	1,191,214	1,194,499
Total Current assets		**5,386,534**	**5,221,494**
Total assets		**47,256,835**	**42,938,457**
Regulatory deferral debit balances and related deferred tax asset	30	48,842	15,813
Total assets and regulatory deferral account debit balances		**47,305,677**	**42,954,270**

Equity			
Capital issued	19	67	67
Share premium		(25,118)	(25,014)
Reserves	19	3,479,283	3,604,789
Other comprehensive income	20	2,864,172	2,440,216
Retained earnings	19	11,505,849	11,235,786
Profit for the year	19	2,186,302	1,724,000
Equity attributable to controlling interests		**20,010,555**	**18,979,844**
Non controlling interests	19	857,654	803,461
Total equity		**20,868,209**	**19,783,305**
Liabilities			
Non current liabilities			
Credits and loans	21	14,116,243	12,954,621
Trade and other payables	22	264,530	329,791
Other financial liabilities	23	538,470	534,823
Employee benefits	25	849,558	826,621
Deferred tax liabilities	39	2,854,341	2,488,658
Provisions	27	384,345	335,552
Other liabilities	28	118,607	133,654
Total non current liabilities		**19,126,094**	**17,603,720**
Current liabilities			
Credits and loans	21	2,842,480	1,893,387
Trade and other payables	22	2,948,403	2,328,612
Other financial liabilities	23	364,878	358,961
Employee benefits	25	237,959	219,485
Current tax liabilities	39	148,088	132,305
Taxes, contributions and rates payable	26	181,740	164,618
Provisions	27	400,026	279,209
Other liabilities	28	173,147	185,924
Total current liabilities		**7,296,721**	**5,562,501**
Total liabilities		**26,422,815**	**23,166,221**
Regulatory deferral credit balances and related deferred tax liabilities	30	14,653	4,744
Total liabilities and credit balances of deferred regulatory accounts		**26,437,468**	**23,170,965**
Total liabilities and equity		**47,305,677**	**42,954,270**

The notes 1 to 46 are an integral part of these consolidated financial statements

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended 31 december 2017 and 2016
Amounts stated in millions of Colombian pesos

	Notes	2017	2016
Cash flows for operating activities:			
Profit for the year		**2,327,102**	**1,724,000**
Adjustments to reconcile the profit for the year to the net cash flows used in operating activities:			
Depreciation and amortization of properties, plant and equipment and intangible assets	33 y 34	948,481	892,402
Impairment of property, plant and equipment and intangibles	33	62,944	985,502
Impairment loss recognised on trade receivables	12	109,232	101,327
Reversal of loss of impairment of property, plant and equipment and intangible assets	7	-	(711,214)
Reversal of impairment loss on trade receivables	32	(32,432)	(6,468)
Net foreign exchange differences		(158,730)	(348,971)
(Gain)/loss arising on changes in fair value of investment property	5	(10,848)	12,429
Result for valuation of financial instruments and hedge accounting		72,615	881,999
Provisions, post-employment and long term defined benefit plans		228,554	235,715
Government grants		(928)	(1,152)
Deferred income tax	39	312,817	(25,930)
Current income tax	39	473,143	675,059
Share of profit of an associate and a joint venture		8,802	70,531
Expese (income) interest	36	676,125	(23,784)
Loss /(gain) on disposal of property, plant and equipmen, intangibles and investment properties		5,674	(3,638)
Result for disposal of non-current assets held for sale and other assets		(32)	-
Result for business combination	9	(32,669)	-
Non-controlling interests		-	141,745
Dividends from investments	38	(49,764)	(35,107)
Other income and expenses not effective		(54,599)	(213,759)
		4,885,487	**4,350,686**
Changes in:			
Inventories		21,024	(43,274)
Trade and other receivables		(328,546)	38,934
Other assets		(494,654)	74,952
Trade and other payables		635,994	(73,643)
Employee benefits		(42,803)	(177,134)
Provisions		(24,863)	-
Other liabilities		393,963	(75,227)
Interest paid		(1,118,565)	(1,041,381)
Income tax paid and equity tax		(707,078)	(479,011)
Net cash flows originated by operating activities		**3,219,959**	**2,574,902**
Cash flows for investment activities:			
Net cash outflow on acquisition of subsidiaries		19,234	5,688
Acquisition of property, plant and equipment		(4,301,594)	(3,877,390)
Proceeds from disposal of property, plant and equipment		32,423	49,507
Acquisition of intangible assets		(114,843)	(162,118)
Proceeds from disposal of intangible assets		1,805	-
Proceeds from disposal of investment properties		-	1,105
Net cash outflow on acquisition of associate		(76)	-
Acquisition of financial assets		-	(464,057)
Proceeds on sale of financial assets		617,513	1,619,743
Government Grants		442	-
Interest received		-	235,134
Other dividends received		49,764	231,396
Other cash flows from investment activities		(14,045)	(36,741)
Net cash flows used by investment activities		**(3,709,377)**	**(2,397,733)**
Cash flows for financing activities:			
Proceeds from loans and borrowings		5,074,675	3,051,011
Repayments of loans and borrowings		(3,194,085)	(2,472,681)
Transaction costs related to loans and borrowings		(10,084)	-
Payments of financial lease liabilities		(935)	(1,190)
Dividends paid to owners of the Company		(1,309,136)	(816,521)
Dividends paid to non-controlling interests		(86,328)	(78,031)
Proceeds from government grants		-	255
Payments of capital of derivatives designated as cash flow hedge		(12,384)	-
Other cash flows from financing activities		(3,450)	-
Net cash flows originated (used) by financial activities		**458,273**	**(317,157)**
Net cash and cash equivalents decrease		**(31,145)**	**(139,988)**
Effect of movements in exchange rates on cash held		27,860	(4,139)
Cash and cash equivalents at the beginning of the year		1,194,499	1,338,626
Cash and cash equivalents at the end of the year		**1,191,214**	**1,194,499**
Restricted resources		**183,609**	**186,147**

The notes 1 to 46 are an integral part of these consolidated financial statements