

**Empresas Públicas de Medellín E.S.P.**  
**Balance Sheet**  
**As of June 30, 2014 and December 31, 2013**  
Amounts expressed in million of Colombian pesos

	Jun-14	Dec-13		Jun-14	Dec-13
<b>Assets</b>			<b>Liabilities</b>		
<b>Current assets</b>	<b>2,198,886</b>	<b>2,488,896</b>	<b>Current liabilities</b>	<b>1,830,730</b>	<b>1,927,773</b>
Cash and cash equivalents	358,648	301,883	Financial obligations	360,032	546,765
Investments securities	312,075	757,227	Short-term hedging operations	31,028	32,803
Accounts receivable, net	1,414,576	1,296,807	Accounts payable	1,112,137	929,048
Inventories, net	102,791	104,318	Taxes payable	121,767	233,112
Prepaid expenses	10,796	28,661	Labor obligations	99,872	61,037
			Pension plan	35,830	46,539
			Other liabilities	70,064	78,469
<b>Non-current assets</b>	<b>29,616,172</b>	<b>29,396,198</b>	<b>Non-current liabilities</b>	<b>7,793,593</b>	<b>7,697,990</b>
Long-term investments, net	4,985,289	5,116,843	Financial obligations	5,997,586	5,968,259
Long-term receivable	1,112,833	1,095,060	Long-term hedging operations	51,123	35,635
Property, plant and equipment, net	10,912,908	10,535,042	Account payables	16,391	15,705
Pension plan asset	643,956	639,586	Taxes payable	0	0
Other Assets, net	1,070,045	1,122,247	Contingencies	92,966	81,307
Revaluation of assets	10,891,141	10,887,420	Labor obligations	26,148	53,338
			Pension Plan	792,464	776,459
			Other liabilities	816,915	767,287
<b>Total assets</b>	<b>31,815,058</b>	<b>31,885,094</b>	<b>Total liabilities</b>	<b>9,624,323</b>	<b>9,625,763</b>
<b>Debt memorandum accounts</b>	<b>5,429,071</b>	<b>5,343,147</b>	<b>Equity</b>	<b>22,190,735</b>	<b>22,259,331</b>
			<b>Total liabilities and equity</b>	<b>31,815,058</b>	<b>31,885,094</b>
			<b>Credit memorandum accounts</b>	<b>20,342,761</b>	<b>20,286,381</b>

**JUAN ESTEBAN CALLE RESTREPO**  
Chief Executive Officer

**DIANA RUA JARAMILLO**  
Chief Financial Officer

**CARLOS MARIO TOBÓN OSORIO**  
Accountant  
T.P 62449-T

**Empresas Públicas de Medellín E.S.P.**  
**Statement of Financial, Economic and Environmental and Social Activity**  
**From January 1 to June 30, 2014 and 2013**  
Amounts expressed in million of Colombian pesos

Concept	Jun-14	Jun-13
Operating revenue, net	2,843,729	2,703,914
Cost of sales	(1,349,377)	(1,254,783)
<b>Gross profit</b>	<b>1,494,352</b>	<b>1,449,131</b>
Administrative expenses	(259,216)	(255,428)
<b>EBITDA</b>	<b>1,235,136</b>	<b>1,193,703</b>
Depreciation, provision and amortizations	(217,033)	(224,666)
<b>Operating income</b>	<b>1,018,103</b>	<b>969,037</b>
Non-operating revenues, net	405,537	442,804
Non operating expenses, net	(262,511)	(382,433)
<b>Non-operating surplus</b>	<b>143,026</b>	<b>60,371</b>
<b>Net income before taxes</b>	<b>1,161,129</b>	<b>1,029,408</b>
Income tax provision	(275,190)	(224,675)
<b>Net income</b>	<b>885,939</b>	<b>804,733</b>

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**Empresas Públicas de Medellín E.S.P.**  
**Statement of Cash Flow**  
**From January 1 to June 30, 2014 and December 31, 2013**  
Amounts expressed in million of Colombian pesos

	Jun-14	Dec-13
<b>Cash flows from operating activities</b>		
<b>Net income</b>	<b>885,939</b>	<b>1,654,124</b>
Deferred Income Tax	94,340	39,232
Depreciations, amortizations and provisions	193,650	377,697
Pension plan	23,383	56,505
Profits by equity participation method	(234,944)	(478,258)
Other incomes and expenses	(26,206)	160,933
<b>Cash flow generated in operating activities</b>	<b>936,162</b>	<b>1,810,233</b>
<b>Changes in operational concepts</b>		
Variance in receivables	(164,153)	(793,261)
Variance in inventories	1,527	8,128
Variance in other assets	21,084	(29,772)
Variance in accounts payable	(254,204)	131,532
Variance in third party collections and other liabilities	(3,607)	(23,186)
Variance en labor obligations	(6,442)	(41,682)
<b>Net cash provided by operating activities</b>	<b>530,367</b>	<b>1,061,992</b>
<b>Cash flows from investment activities</b>		
Investment in assets and infrastructure	(604,159)	(2,046,592)
Investments in subsidiary companies	(59,664)	(390,742)
Sale of investments	175,465	929,128
Dividends from subsidiary companies	260,439	767,192
Other investment movements	(17,764)	6,589
<b>Net cash used in investing activities</b>	<b>(245,683)</b>	<b>(734,425)</b>
<b>Cash flows from financing activities</b>		
Increase of financial obligations	256,647	736,119
Increase of hedging operations	26,676	-
Payments of financial obligations	(374,020)	(175,753)
Payments of surplus to the Municipality of Medellín	(582,373)	(1,183,493)
<b>Net cash used in financing activities</b>	<b>(673,070)</b>	<b>(623,127)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(388,386)</b>	<b>(295,560)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,059,110</b>	<b>1,354,670</b>
<b>Cash and cash equivalents at end of year</b>	<b>670,724</b>	<b>1,059,110</b>

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