

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

Statement of Financial Position

At June 30 and December 31

(Amounts stated in millions of Colombian pesos)

	2015 June	2014 December
ASSETS		
Non-current assets		
Property, plant and equipment	17,235,113	16,611,956
Investment property	138,212	138,212
Goodwill	260,950	260,950
Other intangible assets	225,759	234,576
Investments in subsidiaries	5,478,197	4,786,511
Investments in associates	2,431,939	2,431,939
Trade and other receivables	2,971,552	1,105,973
Other financial assets	2,223,082	2,437,551
Other assets	75,296	77,059
Total non-current assets	31,040,100	28,084,727
Current assets		
Inventories	105,136	107,518
Trade and other receivables	1,456,681	1,102,549
Amounts due from customers under construction contracts	10	2,549
Advance payments	13,571	24,436
Income tax asset	29,983	-
Other financial assets	100,415	1,793,824
Other assets	90,764	108,659
Cash and cash equivalent	344,288	284,923
Total current assets	2,140,848	3,424,458
Total assets	33,180,948	31,509,185
Liabilities and equity		
Equity		
Capital	67	67
Reserves	3,452,499	3,093,359
Comprehensive income for the year	1,578,359	1,854,759
Retained earnings	12,231,134	10,173,991
Profit for the year	1,026,540	2,472,421
	18,288,599	17,594,597
Total equity	18,288,599	17,594,597
Non-current liabilities		
Borrowings	8,981,044	7,711,595

Other financial liabilities	-	12,032
Provisions	361,628	372,724
Retirement benefit obligation	465,418	430,367
Deferred tax liabilities	1,983,979	1,951,336
Advance payments	3,691	874
Other liabilities	242,062	234,811
Non-current liabilities	12,037,822	10,713,739
Current liabilities		
Accounts payable	1,049,756	1,531,447
Amount due to customers under construction contracts	11,826	13,834
Borrowings	1,179,966	976,854
Other financial liabilities	8,750	8,913
Income tax	76,592	154,359
Advance payments	24,923	27,710
Provisions	42,105	37,011
Other liabilities	460,609	450,721
	2,854,527	3,200,849
Total current liabilities	2,854,527	3,200,849
Total liabilities	14,892,349	13,914,588
Total liabilities and equity	33,180,948	31,509,185

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

Statement of comprehensive income

For the period from January 1 and June 30, 2015 and 2014; and the three months ended June 30, 2015 and 2014

(Amounts stated in millions of Colombian pesos)

	2015 June	2014 June	2015 For the three months ended June 30	2014 For the three months ended June 30
Continuing operations				
Rendering of services	3,019,135	2,785,266	1,556,725	1,463,336
Lease	15,679	16,042	7,655	6,207
Net revenues	3,034,814	2,801,308	1,564,380	1,469,543
Cost of sales	(1,620,742)	(1,526,141)	(845,345)	(848,071)
Other revenues	301,320	106,634	87,580	55,023
Administrative expenses	(406,365)	(296,231)	(150,888)	(155,661)
Other expenses	(35,750)	(53,233)	(13,829)	(34,111)
Financial revenues	109,096	177,823	42,773	103,705
Financial expenses	(538,477)	(312,113)	(178,805)	(56,491)
Equity Investments effects	407,646	312,674	(459)	(739)
Profit before taxes	1,251,542	1,210,721	505,407	533,198
Income tax provision	(225,002)	(262,182)	(88,612)	(95,553)
Profit for the year from continuing operations	1,026,540	948,539	416,795	437,645
Profit for the year	1,026,540	948,539	416,795	437,645
Other comprehensive income				
Items that will not be reclassified subsequently to				
Remeasurement of defined benefit obligation	(804)	2,461	(1,399)	845
Equity investments measured at fair value through equity	(229,007)	(45,760)	(124,331)	(3,793)
Income tax relating to items that will not be reclassified subsequently to profit or loss	5	(14,964)	5	2,040
	(229,806)	(58,263)	(125,725)	(908)
Items than may be reclassified subsequently to profit or loss				
Casht flow hedges	(23,080)	2,763	(43,026)	(527)

Profit (loss) recognized for the of the period	23,323	(32,384)	(44,371)	(23,527)
Reclassification adjustment Income tax related with the components that may be	(46,403)	35,147	1,345	23,000
	<u>(23,514)</u>	<u>8,203</u>	<u>28,819</u>	<u>5,959</u>
	(46,594)	10,966	(14,207)	5,432
Other comprehensive income, net of income tax	<u>(276,400)</u>	<u>(47,297)</u>	<u>(139,932)</u>	<u>4,524</u>
Total comprehensive income for the year	<u>750,140</u>	<u>901,242</u>	<u>276,863</u>	<u>442,169</u>

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

Statement of Cash Flow

From January 1 to June 30, 2015 and 2014
(Amounts stated in millions of Colombian pesos)

	2015	2014
Cash flows from operating activities		
Net income	1,026,540	948,539
Adjustments for:	463,536	507,973
Depreciation and amortisation of property, plant and equipment	222,535	214,634
Impairment of property, plant and equipment and intangible assets	1,671	336
Impairment of financial instruments	(2,088)	(7,042)
Reversal of impairment of financial instruments	19	12,636
Foreign exchange gain (loss)	219,196	(28,980)
Gain (Loss) of valuation of financial instrumentos and cash flow hedges	248,797	277,533
Provisions and pension plan	21,054	15,770
Deferred income tax	9,134	81,332
Tax expense	215,868	180,850
Finance income	(69,820)	(63,590)
Dividends	(407,646)	(312,674)
Other incomes and expenses	4,816	137,168
	1,490,076	1,456,512
Changes in operational concepts:		
Variance in inventories	2,382	1,527
Variance in receivables	(2,157,983)	(154,791)
Variance in other assets	8,981	39,820
Variance in accounts payable	55,269	(358,988)
Variance in labor obligations	17,425	13,919
Variance in provisions	(19,842)	(19,354)
Variance in other liabilities	(9,089)	(1,378)
	(2,102,857)	(479,245)
Interes paid	(331,243)	(258,865)
Income taxes paid	(328,552)	(31,214)
Net cash flows from operating activities	(1,272,576)	687,188
Cash flows from investing activities:		
Acquisition of subsidiary	(687,919)	(42,532)
Disposal of subsidiary	-	9
Purchases of property, plant and equipment	(831,123)	(610,133)
Disposal of property, plant and equipment	7,732	7,087

Purchase of intangibles	(6,230)	(7,221)
Acquisition of financial instruments	(17,697)	(33,707)
Disposal of financial instruments	1,721,690	411,829
Interest received	65,071	61,802
Dividends received from subsidiary companies	278,324	239,745
Other dividends received	70,817	28,137
Other incomes and expenses	(3,666)	(180)
Net cash used in investing activities	596,999	54,836
Cash flows from financing activities:		
Disbursement public credit and treasury	1,396,799	258,991
Capital amortizations	(211,848)	(369,583)
Leasing payments	(373)	(342)
Payments of surplus to the Municipality of Medellín	(540,621)	(582,373)
Net cash flows from financing activities	643,957	(693,307)
Increase of cash and cash equivalents, net	(31,620)	48,717
Effect of exchange rate fluctuations of cash held	90,985	193
Cash and cash equivalents at beginning of period	284,923	351,023
Cash and cash equivalents at period end	344,288	399,933