

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

Statement of Financial Position

At march 31 and december 31

(Amounts stated in millions of Colombian pesos)

	<u>March 2015</u>	<u>December 2014</u>
Assets		
Non-current assets		
Property, plant and equipment	16,873,556	16,611,956
Investment property	138,212	138,212
Goodwill	260,950	260,950
Other intangible assets	228,588	234,576
Investments in subsidiaries	4,788,162	4,786,511
Investments in associates	2,431,939	2,431,939
Trade and other receivables	1,180,305	1,105,973
Other financial assets	2,342,270	2,437,551
Other assets	76,147	77,059
Total non-current assets	<u>28,320,129</u>	<u>28,084,727</u>
Current assets		
Inventories	105,151	107,518
Trade and other receivables	1,520,146	1,102,549
Amounts due from customers under construction contracts	305	2,549
Advance payments	20,487	24,436
Income tax asset	20,129	-
Other financial assets	1,489,808	1,793,824
Other assets	73,176	108,659
Cash and cash equivalent	909,609	284,923
Total current assets	<u>4,138,811</u>	<u>3,424,458</u>
Total assets	<u>32,458,940</u>	<u>31,509,185</u>
Liabilities and equity		
Equity		
Capital	67	67
Reserves	3,452,499	3,093,359
Comprehensive income for the year	1,718,292	1,854,759
Retained earnings	12,287,272	10,173,991
Profit for the year	609,745	2,472,421
	<u>18,067,875</u>	<u>17,594,597</u>
Total equity	<u>18,067,875</u>	<u>17,594,597</u>

	March 2015	December 2014
Non-current liabilities		
Borrowings	8,264,187	7,711,595
Other financial liabilities	-	12,032
Provisions	390,382	372,724
Retirement benefit obligation	446,594	430,367
Deferred tax liabilities	2,032,537	1,951,336
Advance payments	874	874
Other liabilities	242,487	234,811
Non-current liabilities	11,377,061	10,713,739
Current liabilities		
Accounts payable	1,123,452	1,531,447
Amount due to customers under construction contracts	11,866	13,834
Borrowings	1,081,622	976,854
Other financial liabilities	9,692	8,913
Income tax	221,857	154,359
Advance payments	22,810	27,710
Provisions	56,100	37,011
Other liabilities	486,605	450,721
	3,014,004	3,200,849
Total current liabilities	3,014,004	3,200,849
Total liabilities	14,391,065	13,914,588
Total liabilities and equity	32,458,940	31,509,185

JUAN ESTEBAN CALLE RESTREPO

Chief Executive Officer

DIANA RÚA JARAMILLO

Chief Financial Officer

CARLOS MARIO TOBÓN OSORIO

Accountant

T.P 62449-T

Empresas Públicas de Medellín E.S.P.
Statement of comprehensive income

For the period comprised between January 1 and march 31,
(Amounts stated in millions of Colombian pesos)

	<u>March 2015</u>	<u>March 2014</u>
Continuing operations		
Rendering of services	1,462,410	1,321,930
Lease	8,024	9,835
Net revenues	1,470,434	1,331,765
Cost of sales	(775,397)	(678,070)
Other revenues	213,740	51,611
Administrative expenses	(255,477)	(140,570)
Other expenses	(21,921)	(19,122)
Financial revenues	66,323	74,118
Financial expenses	(359,672)	(255,622)
Equity Investments effects	408,105	313,413
Profit before taxes	746,135	677,523
Income tax provision	(136,390)	(166,629)
Profit for the year from continuing operations	609,745	510,894
Profit for the year	609,745	510,894

Other comprehensive income

	<u>March 2015</u>	<u>March 2014</u>
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of defined benefit obligation	595	1,616
Equity investments measured at fair value through equity	(104,676)	(41,967)
Income tax relating to items that will not be reclassified subsequently to profit or loss	-	(17,004)
	<u>(104,081)</u>	<u>(57,355)</u>
Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	19,946	3,290
Income relating to items that may be reclassified subsequently to profit or loss	(52,333)	2,244
	<u>(32,387)</u>	<u>5,534</u>
Other comprehensive income, net of income tax	<u>(136,468)</u>	<u>(51,821)</u>
Total comprehensive income for the year	<u><u>473,277</u></u>	<u><u>459,073</u></u>

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	March 2015	March 2014
Cash flows from operating activities:		
Net income	609,745	510,894
Adjustments for:	128,612	631,717
Depreciation and amortisation of property, plant and equipment	111,167	108,103
Impairment of property, plant and equipment and intangible assets	169	169
Impairment of financial instruments	1,441	3,105
Reversal of impairment of financial instruments	(2,213)	(1,437)
Foreign exchange gain (loss)	190,229	256,593
Gain (Loss) of valuation of financial instrumentos and cash flow hedges	(60,231)	39,262
Provisions and pension plan	9,181	10,650
Deferred income tax	28,867	15,028
Tax expense	107,523	151,601
Finance income	(31,912)	(33,142)
Finance expense	144,583	100,316
Gain (Loss) on sale of property, plant and equipment, intangible assets and investment property	26	1,986
Dividends from subsidiary companies	(408,105)	(313,413)
Other incomes and expenses	37,887	292,896
	738,357	1,142,611
Changes in operational concepts:		
Variance in inventories	2,367	(963)
Variance in receivables	(8,151)	(461,642)
Variance in other assets	20,703	13,408
Variance in accounts payable	(132,090)	(151,443)
Variance in labor obligations	2,244	(4,266)
Variance in provisions	(8,146)	7,279
Variance in other liabilities	(10,486)	(6,342)
	(133,559)	(603,969)
Interes paid	(246,617)	(199,828)
Income taxes paid	7,699	(73,710)
Net cash flows from operating activities	365,880	265,104
Cash flows from investing activities:		
Acquisition of subsidiary	-	(40,685)
Disposal of subsidiary	-	-
Purchases of property, plant and equipment	(365,135)	(262,578)
Disposal of property, plant and equipment	5,125	-
Purchase of intangibles	(1,433)	-
Acquisition of financial instruments	(11,391)	-
Disposal of financial instruments	361,080	-
Interest received	30,944	-
Dividends received	881	-
Others cash flows from investing activities	(557)	355,555
Net cash used in investing activities	19,514	52,292
Cash flows from financing activities:		
Disbursement public credit and treasury	630,000	-
Capital amortizations	(126,169)	(148,968)
Leasing payments	(184)	-
Payments of surplus to the Municipality of Medellín	(272,659)	(261,403)
Net cash flows from financing activities	230,988	(410,371)
Increase of cash and cash equivalents, net	616,382	(92,975)
Effect of exchange rate fluctuations of cash held	8,304	3,096
Cash and cash equivalents at beginning of period	284,923	351,023
Cash and cash equivalents at period end	909,609	261,144