

EMPRESAS PUBLICAS DE MEDELLIN E.S.P.

SEPARATE STATEMENT OF FINANCIAL POSITION

As of December 31, 2018 and 2017

Amounts stated in millions of Colombian pesos



	Notes	2018	2017
Assets			
Non-current assets			
Property, plant and equipment, net	5	27,040,487	23,133,509
Investment property	6	77,829	116,823
Goodwill	7	260,950	260,950
Other intangible assets	7	477,315	401,980
Investments in subsidiaries	9	7,290,431	6,823,153
Investments in associates	10	2,434,417	2,434,417
Investments in joint ventures	11	99	99
Trade and Other Receivables	12	2,012,782	2,006,350
Other financial assets	13	2,221,695	2,029,035
Other assets	16	100,742	99,130
Total non-current assets		41,916,747	37,305,446
Current assets			
Inventories	17	117,334	116,484
Trade debtors and other accounts receivable	12	1,628,488	1,523,523
Assets for current income tax	38	2,037	237,389
Other financial assets	13	990,676	63,024
Other assets	16	104,483	100,568
Cash and cash equivalents	18	835,779	234,526
Total Current assets		3,678,797	2,275,514
Total assets		45,595,544	39,580,960
Liabilities and Equity			
Equity			
Issued capital		67	67
Reserves	19	1,961,034	2,951,644
Accumulated other comprehensive income	20	2,917,113	2,926,924
Accumulated profit	19	15,332,345	13,381,162
Net profit for the year	19	2,344,822	2,188,189
Other components of equity		49,944	49,995
Total equity		22,605,325	21,497,981

EMPRESAS PUBLICAS DE MEDELLIN E.S.P.
SEPARATE STATEMENT OF FINANCIAL POSITION

As of December 31, 2018 and 2017


Amounts stated in millions of Colombian pesos



	Notes	2018	2017
Liabilities			
Non current liabilities			
Credits and loans	21	12,050,033	10,462,487
Creditors and other accounts payable	22	4,483	15,953
Other financial liabilities	23	2,054,762	488,247
Employee benefits	26	305,695	282,697
Income tax payable	38	30,331	-
Net deferred tax liabilities	38	2,156,828	2,321,376
Provisions	28	360,917	279,922
Other liabilities	29	32,136	32,499
Total non current liabilities		16,995,185	13,883,181
Current liabilities			
Credits and loans	21	3,794,580	1,984,843
Creditors and other accounts payable	22	1,017,938	1,363,774
Other financial liabilities	23	285,867	308,881
Employee benefits	26	139,497	131,817
Income tax payable	38	25,697	-
Taxes contributions and rates payable	27	108,195	104,078
Provisions	28	489,052	172,173
Other liabilities	29	134,208	134,232
Total current liabilities		5,995,034	4,199,798
Total liabilities		22,990,219	18,082,979
Total liabilities and equity		45,595,544	39,580,960

The accompanying notes are an integral part of the financial statements


Jorge Londoño De la Cuesta
 General Manager
 Certification Attached


Jorge Andrés Tabares Ángel
 Executive Vice-president of Corporate Finance,
 Risk Management and Investments


John Jaime Rodríguez Sosa
 Director of Accounting and Costs
 P.C. 144842-T
 Certification Attached

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the period from January 1 to December 31, 2018 and 2017

Amounts stated in millions of Colombian pesos



	Notes	2018	2017
Continued operations			
Sale of goods		30	-
Rendering of services	30	7,849,388	7,097,643
Lease	30	47,536	48,277
Other income	31	236,655	248,130
Income from ordinary activities		8,133,609	7,394,050
Income for sale of assets	30	23,596	1,040
Total income		8,157,205	7,395,090
Costs of services rendered	32	(4,462,036)	(3,970,570)
Administrative expenses	33	(1,138,953)	(838,204)
Impairment loss on accounts receivable	12	(39,737)	(9,800)
Other expenses	34	(173,100)	(43,168)
Financial income	35.1	262,217	262,250
Financial expenses	35.2	(817,548)	(797,778)
Net exchange difference	36	(207,444)	64,671
Equity method in subsidiaries	9	809,606	532,059
Effect of participation on equity investment	37	102,968	76,846
Income for the period before tax		2,493,178	2,671,396
Income tax	38	(148,356)	(483,207)
Profit for the year after taxes from continued activities	19	2,344,822	2,188,189
Net profit for the year	19	2,344,822	2,188,189
Other comprehensive income			
Items that will not be reclassified after profit for the period:			
New measurements of defined benefit plans	20 y 38	372	(18,735)
Equity investments measured at fair value through equity	20 y 38	(24,810)	475,220
Income tax related to components that will not be reclassified	20 y 38	5,396	(35,160)
Equity method in subsidiaries	20 y 38	(41,274)	114,254
		(60,316)	535,579
Items that may be reclassified after profit for the period:			
Cash flow hedges	20 y 38	2,777	(5,142)
Recognized profit for the period		171,076	(93,080)
Reclassification adjustment		(168,299)	87,938
Income tax related to components that may be reclassified	20 y 38	(67,764)	8,377
Recognized profit for the period		(77,717)	8,377
Reclassification adjustment		9,953	-
Equity method in subsidiaries	20 y 38	115,586	10,238
Recognized profit for the period		115,586	10,238
		50,599	13,473
Other comprehensive income, net of taxes	38	(9,717)	549,052
Total comprehensive income for the period		2,335,105	2,737,241

The accompanying notes are an integral part of the financial statements




Jorge Londoño De la Cuesta
General Manager

Certification Attached



Jorge Andrés Tabares Ángel
Executive Vice-president of Corporate Finance,
Risk Management and Investments



John Jaime Rodríguez Sosa
Director of Accounting and Costs
P.C. 144842-T

Certification Attached

EMPRESAS PUBLICAS DE MEDELLIN E.S.P.
STATEMENT OF CHANGES IN SEPARATE EQUITY
 Periods ended on December 31, 2018 and 2017
 Amounts stated in millions of Colombian pesos



	Other comprehensive income									Total
	Issued capital	Reserves (note 19)	Accumulated earnings and profits (note 19)	Other components of equity	Equity investments measured at fair value through equity (note 20)	Defined benefit plans (note 20)	Cash flow hedge (note 20)	Reclassification of property, plant and equipment to investment property (note 20)	Accumulated Share in other comprehensive income of subsidiaries (note 20)	
Balance as of January 1, 2017	67	3,087,207	14,766,986	51,626	1,742,477	2,736	(11,904)	12,079	632,908	20,284,182
Profit for the period	-	-	2,188,189	-	-	-	-	-	-	2,188,189
Other comprehensive income for the period, net of income tax	-	-	-	-	431,418	(10,093)	3,235	-	124,492	549,052
Comprehensive income for the period	-	-	2,188,189	-	431,418	(10,093)	3,235	-	124,492	2,737,241
Surpluses or dividends decreed	-	-	(1,609,136)	-	-	-	-	-	-	(1,609,136)
Movement of reserves	-	(135,563)	135,563	-	-	-	-	-	-	-
Equity method on variations in equity	-	-	14,621	(1,631)	-	-	-	-	(424)	12,566
Other movement of the period	-	-	73,128	-	-	-	-	-	-	73,128
Balance as of December 31, 2017	67	2,951,644	15,569,351	49,995	2,173,895	(7,357)	(8,669)	12,079	756,976	21,497,981
Balance as of January 1, 2018	67	2,951,644	15,569,351	49,995	2,173,895	(7,357)	(8,669)	12,079	756,976	21,497,981
Profit for the period	-	-	2,344,822	-	-	-	-	-	-	2,344,822
Other comprehensive income for the period, net of income tax	-	-	-	-	(21,431)	2,389	(64,987)	-	74,312	(9,717)
Comprehensive income for the period	-	-	2,344,822	-	(21,431)	2,389	(64,987)	-	74,312	2,335,105
Surpluses or dividends decreed	-	-	(1,203,504)	-	-	-	-	-	-	(1,203,504)
Movement of reserves	-	(990,610)	990,610	-	-	-	-	-	-	-
Equity method on variations in equity	-	-	(24,111)	(51)	-	-	-	-	(95)	(24,257)
Balance as of December 31, 2018	67	1,961,034	17,677,168	49,944	2,152,464	(4,968)	(73,656)	12,079	831,193	22,605,325

The accompanying notes are an integral part of the financial statements.

Jorge Londoño De la Cuesta
Jorge Londoño De la Cuesta
 General Manager

Certification Attached

Jorge Andrés Tabares Ángel
Jorge Andrés Tabares Ángel
 Executive Vice-president of Corporate Finance,
 Risk Management and Investments

John Jaime Rodríguez Sosa
John Jaime Rodríguez Sosa
 Director of Accounting and Costs
 P.C. 144842-T

Certification Attached

EMPRESAS PUBLICAS DE MEDELLIN E.S.P.
SEPARATE STATEMENT OF CASH FLOWS
 For the period from January 1 to December 31, 2018 and 2017
 Amounts stated in millions of Colombian pesos



	Notes	2018	2017
Cash flows for operating activities:			
Net profit for the year		2,344,822	2,188,189
Adjustments to reconcile the net profit for the year to the net cash flow used in operation activities:		1,053,594	1,082,259
Depreciation and amortization of property, plant and equipment and intangible assets	32 & 33	503,178	490,335
Impairment loss of financial instruments	12	68,366	37,503
Reversal for impairment loss of financial instruments	12	(28,630)	(27,721)
Profit due to exchange difference		207,444	6,097
Profit due to valuation of investment property	6	(1,597)	(9,528)
Profit due to valuation of financial instruments and hedge accounting		21,033	50,213
Provisions, post-employment and long term defined benefit plans		483,518	177,087
Applied government subsidies		(1,146)	-
Deferred income tax	38	(226,916)	306,775
Current income tax	38	375,272	176,432
Profit due to equity method in subsidiaries	9	(809,606)	(532,059)
Profit due to business combination	37	-	(32,669)
Interest revenue		(220,889)	(207,010)
Interest expense		739,507	660,982
Profit due to disposal of property, plant and equipment, intangibles and investment property		(23,563)	17,375
Dividend from investments	37	(102,968)	(44,157)
Other revenues and expenses not effective		70,591	12,604
		3,398,416	3,270,448
Net changes in operational assets and liabilities:			
Change in inventories		(764)	(1,404)
Change in debtors and other receivables		(53,717)	(343,647)
Change in other assets		166,810	(440,420)
Change in creditors and other accounts payable		(108,872)	776,789
Change in labor obligations		15,593	11,779
Change in provisions		(70,189)	(117,206)
Change in other liabilities		97,319	(53,233)
		46,180	(167,342)
Interest paid		(1,004,667)	(853,437)
Income tax paid		(448,757)	(400,637)
Income tax refund		308,895	-
Net cash flows originated by operation activities		2,300,047	1,849,032
Cash flows for investment activities:			
Acquisition and capitalization of subsidiaries or businesses	9	(10,453)	(295,493)
Disposal of subsidiaries or businesses		15,000	-
Purchase of property, plant and equipment		(2,626,682)	(2,739,285)
Disposal of property, plant and equipment		116,245	-
Purchase of intangible assets		(49,372)	(48,691)
Disposal of intangible assets		154	-
Disposal of investment property		40,034	-
Purchase of investments in financial assets		(1,085,878)	-
Disposal of investments in financial assets		139,623	261,893
Dividends received from subsidiaries, associations and joint ventures		383,796	323,406
Other dividends received		64,486	44,157
Loans to economic associates		(51,654)	113,190
Other cash flows from investment activities		(8,906)	-
Net cash flows originated by investment activities		(3,073,607)	(2,340,823)
Cash flows by financing activities:			
Obtaining of public credit and treasury		3,763,343	4,262,524
Payments of public credit and treasury		(856,594)	(2,741,526)
Transaction costs for issuance of debt instruments		(60,866)	(8,363)
Payments of liabilities for financial leasing		(987)	(906)
Dividends or surpluses paid		(1,503,504)	(1,309,136)
Payment of derivative principal for means of cash flow hedge	19	-	(12,384)
Other cash flows from financing activities		7,322	-
Net cash flows from financing activities	25	1,348,714	190,209
Net cash and cash equivalent increase		575,174	(301,582)
Effects of variations in exchange rates on cash and cash equivalents		26,079	17,030
Cash and cash equivalent at the beginning of period		234,526	519,078
Cash and cash equivalent at the end of period	18	835,779	234,526
Restricted resources	18	79,823	116,250

The accompanying notes are an integral part of the financial statements

[Handwritten signature]
 Jorge Londoño De la Cuesta
 General Manager
 Certification Attached

[Handwritten signature]
 Jorge Andrés Tabares Ángel
 Executive Vice-president of Corporate Finance,
 Risk Management and Investments

[Handwritten signature]
 John Jaime Rodríguez Sosa
 Director of Accounting and Costs
 P.C. 144842-T
 Certification Attached