

## Attachment

### **Retransmission of EPM financial statements (Separate and Consolidated) at December 31, 2015 closing date**

Regarding the financial statements at December 31, 2015 reported to the Colombian Financial Superintendency, Empresas Publicas de Medellin E.S.P. wishes to clarify:

The company, within the dates set by the Financial Superintendency in Circular Letter No. 008 of February 26, 2016, transmitted the financial information at December 31, 2015, thus complying with the March 30, 2016 deadline.

As recorded in Minutes No. 1608, the Board of Directors of EPM, in meeting held on March 31, 2016, approved the basic financial statements and their respective notes.

The definitive figures of the financial statements approved by the Board of Directors differ from those initially transmitted because of: reclassifications between current and non-current portions of liabilities and between regular revenue and other revenue, adjustment to the value recorded in Other Comprehensive Income of cash flows hedges, and reclassifications between items in the Cash Flows Statement. The attached tables show for each report initially transmitted the corresponding variation and its explanation.

Report name	ITEM	Attachment 1			EXPLANATION OF VARIATIONS
		2015/12/31	2015/12/31	DIFFERENCES	
		BALANCE REPORTED	DEFINITIVE BALANCE	BALANCE	
[210000] Statement of financial position, current/non-current	Current financial liabilities	2,153,168,897	3,940,356,356	1,787,187,459	Modification refers to reclassification of non-current liabilities as current liabilities of balances of loans with AFD for \$949,512 million, BID for \$453,599 million and Bank of Tokyo for \$384,075 million. Bank of Tokyo for \$384,075 million.
	Total current liabilities other than liabilities included in disposal groups of assets classified as held for sale	3,759,256,834	5,546,444,293	1,787,187,459	
	Total current liabilities	3,759,256,834	5,546,444,293	1,787,187,459	
	Non-current financial liabilities	2,835,409,469	1,048,222,010	(1,787,187,459)	
	Total non-current liabilities	12,007,957,654	10,220,770,195	(1,787,187,459)	
[800100] Notes - Sub-classifications of assets, liabilities and equity	Non-current portion of non-current loans	2,835,409,469	1,048,222,010	(1,787,187,459)	
	Current loans	2,153,168,897	3,940,356,356	1,787,187,459	
	Total current loans and current portion of non-current loans	2,153,168,897	3,940,356,356	1,787,187,459	
	Current liabilities	3,759,256,834	5,546,444,293	1,787,187,459	
	Net current assets (liabilities)	(1,138,410,244)	(2,925,597,703)	(1,787,187,459)	
128035[310000] Statement of comprehensive income, income for the period, by function of expenses	Revenues from regular activities	6,846,331,468	6,828,429,326	(17,902,142)	Modification refers to reclassification of gain on sale of assets from regular revenues as other revenues.
	Gross profit	2,622,898,018	2,604,995,876	(17,902,142)	
	Other revenues	17,902,142	-	(17,902,142)	
[800200] Notes - Analysis of revenues and expenses	Other revenues from regular activities	164,434,842	146,532,700	(17,902,142)	
	Total revenues from regular activities	6,813,896,105	6,795,993,963	(17,902,142)	
[410000] Statement of comprehensive income, components of other comprehensive income presented net of taxes	Profits (losses) on cash flow hedges, net of taxes	18,785,355	10,995,605	(7,789,750)	
	Other comprehensive income, net of taxes, cash flow hedges	18,785,355	10,995,605	(7,789,750)	
	Total other comprehensive income that will be reclassified as income for the period, net of taxes	18,785,355	10,995,605	(7,789,750)	
	Total other comprehensive income	(59,885,234)	(67,674,984)	(7,789,750)	
	Total comprehensive income	1,424,698,435	1,416,908,685	(7,789,750)	
[610000] Statement of changes in equity	Other interest in equity [member] - Other comprehensive income	-	(67,674,984)	(67,674,984)	Modification refers to reclassification of cash flow hedges as Other Comprehensive Income
	Other interest in equity [member] - Comprehensive income	-	(67,674,984)	(67,674,984)	
	Other interest in equity [member] - Increases (decreases) for other changes, equity	-	-	-	
[420000] Statement of comprehensive income, components of other comprehensive income presented before taxes	Profits (losses) on cash flow hedges, before taxes	-	31,433,929	31,433,929	
	Reclassification adjustments on cash flow hedges, before taxes	-	39,223,679	39,223,679	
	Other comprehensive income, before taxes, cash flow hedges	-	(7,789,750)	(7,789,750)	
	Total other comprehensive income that will be reclassified as income for the period, before taxes	-	(7,789,750)	(7,789,750)	
	Total other comprehensive income, before taxes	19,035,890	11,246,140	(7,789,750)	
	Total other comprehensive income	(59,885,234)	(67,674,984)	(7,789,750)	
	Total comprehensive income	1,424,698,435	1,416,908,685	(7,789,750)	

Report name	ITEM	Attachment 1		DIFFERENCES	EXPLANATION OF VARIATIONS
		2015/12/31	2015/12/31		
		BALANCE REPORTED	DEFINITIVE BALANCE	BALANCE	
[520000] Statement of cash flows, indirect method	Adjustments for financial costs	-	137,080,314	137,080,314	Modification refers to reclassification of the item "Purchases of property, plant and equipment" on investment activities as "Adjustments for financial costs" on operation activities.
	Adjustments for decrease (increase) of trade receivables	429,169,994	420,794,446	(8,375,548)	Modification refers to reclassification of the item "Purchases of property, plant and equipment" on investment activities as "Adjustments for decrease (increase) of trade receivables" on operation activities.
	Adjustments for increase (decrease) of trade payables	374,796,810	378,590,064	3,793,254	Modification refers to reclassification of the item "Purchases of property, plant and equipment" on investment activities as "Adjustments for increase (decrease) of trade payables" on operation activities.
	Adjustments for increases (decreases) in other payables derived from operation activities	116,229,448	76,878,448	(39,351,000)	Modification refers to reclassification of the item "Other cash inflows (outflows)" on investment activities as "Adjustments for increases (decreases) of other payables derived from operation activities" on operation activities.
	Total adjustments to reconcile profit (loss)	920,196,252	1,013,343,272	93,147,020	The modification arose from transfers of items on operation activities to investment activities, as detailed in each item above.
	Net cash flow from (used in) operations	920,196,252	1,013,343,272	93,147,020	The modification arose from transfers of items on operation activities to investment activities, as detailed in each item above.
	Net cash flow from (used in) operation activities	2,369,614,630	2,462,761,650	93,147,020	The modification arose from transfers of items on operation activities to investment activities, as detailed in each item above.
	Purchases of property, plant and equipment	2,033,389,448	2,165,887,468	132,498,020	The modification arose from transfers of the item "Purchases of property, plant and equipment" on investment activities to items on operation activities "Adjustments for financial costs", "Adjustments for decrease (increase) of trade receivables" and "Adjustments for increase (decrease) of trade payables".
	Other cash inflows (outflows)	1,744,697,791	1,784,048,791	39,351,000	Modification arose from transfers of the item "Other cash inflows (outflows)" on investment activities to the item "Adjustments for increases (decreases) of other payables derived from operation activities" on operation activities.
Net cash flow from (used in) investment activities	(2,494,179,652)	(2,587,326,672)	(93,147,020)	The modification arose from transfers of items on operation activities to investment activities, as detailed in each item above.	
[851100] Notes - Statement of cash flows	Cash flows from (used in) increases in operating capacity	2,369,614,630	2462761650	93,147,020	The modification arose from transfers of items on operation activities to investment activities, detailed in explanations of the format [520000] Statement of cash flows, indirect method.
[800300] Notes - Statement of cash flows, additional information to be disclosed	Adjustments for interest expenses	-	137,080,314	137,080,314	The modification refers to reclassification of the item "Adjustments for interest expenses" as investment activities items "Purchase of property, plant and equipment, intangible assets other than goodwill, investment property and other non-current assets" and "Purchase of financial instruments, classified as investment activities".
	Increase (decrease) in working capital	729,465,065	685,531,771	(43,933,294)	
	Purchase of property, plant and equipment, intangible assets other than goodwill, investment property and other non-current assets	(2,060,295,552)	(2,192,793,572)	(132,498,020)	
	Purchase of financial instruments, classified as investment activities	2,152,350,874	2,191,701,874	39,351,000	

Additionally, in the notes to the separate and consolidated financial statements there was a wording adjustment in Note 19. Loans and borrowings in the separate financial statements and in Note 20. Loans and borrowings in the consolidated financial statements in the portion Debt / EBITDA Covenant as detailed below:

In the reported PDF	In the definitive PDF
	Note 19. Loans and borrowings (separate) Note 20. Loans and borrowings (consolidated)
	Debt / EBITDA Covenant
<p>“... EPM has timely initiated the proceedings necessary to obtain the waiver for the Debt / EBITDA Covenant assumed with the following financial entities: French Development Agency (AFD), Inter American Development Bank (IDB), Japan Bank for International Cooperation (JBIC), BBVA and Bank of Tokio Mitsubishi, the last two as lenders in the loan guaranteed by JBIC. The waiver has been officially issued by IDB and AFD, and has favorable answer in the process of formalization by Bank of Tokio and BBVA; therefore, no default will be declared and the prepayment of current balances of such loans will not be executed.</p> <p>It is necessary to mention that exceeding the Debt / EBITDA Covenant does not trigger immediate default because, according to the contract, the exercise of such declaration is discretionary to the bank(s) and additionally, there are remedy periods agreed for eventual defaults. ...”</p>	<p>“... EPM has timely started the proceedings necessary to obtain the waiver for the Debt / EBITDA Covenant assumed with the following financial entities: French Development Agency (AFD), Inter American Development Bank (IDB), Japan Bank for International Cooperation (JBIC), BBVA and Bank of Tokio Mitsubishi, the last two as lenders in the loan guaranteed by JBIC.</p> <p>Official waivers from AFD, IDB and JBIC were received on March 31, 2016, which means there will not be declaration of default and prepayment of the loans' current balances will not be executed. It is necessary to mention that exceeding the Debt / EBITDA Covenant does not trigger immediate default because, according to the contract, the exercise of such declaration is discretionary to the bank(s) and additionally, there are remedy periods agreed for eventual defaults. ...”</p>

This is informed in compliance with Article 5.2.4.1.5 (a) 8 of Decree 2555 of 2010 because it is a modification to the figures contained in the financial statements previously transmitted to the National Registry of Securities and Issuers (RNVE).