

EPM made a successful bond placement in the international capital market for COP 2.3 trillion

- **This is the third international issue denominated in Colombian pesos**
- **The issue was rated investment grade “BBB+” and “Baa2” by Fitch Ratings and Moody’s, respectively.**
- **The issue, made in order to prepay debt in dollars, improves the company’s debt profile.**

Successfully, for the fourth time, (three of them in Colombian pesos), EPM placed bonds in the international capital market for COP 2.3 trillion, equivalent to USD 764 million, with a rate of 8.375%, and a 10-year term.

The placement was advanced in Colombian pesos, taking advantage of current financial conditions in the international market. This is the largest local-currency Colombian bond issuance to date in the international capital market. This transaction makes EPM the only issuer in the country to have made three bond issuances in Colombian pesos.

The bond issue, which took place on Tuesday, October 31, received orders from investors from the United States, Europe, Chile, Peru and Colombia. Approximately 60% was placed to international investors, and 40% to Colombian investors.

EPM’s CEO, Jorge Londoño De la Cuesta, said that the success of the operation once again demonstrates the investors’ confidence in the Company, and EPM’s flexibility toward access to the international capital market. Thanks to this issuance, we were able to perform an important debt management operation, which will allow us to improve the maturity profile and the average life of our debt. In addition, our debt composition in Colombian pesos will be increased, which will allow us to reduce EPM’s exposure to dollar-denominated debt, thereby minimizing the impacts of currency risk,” said Londoño De la Cuesta.

The proceeds from this issue will be used to prepay a loan with international banks, maturing in 2020, which was signed with seven banks in 2015. These resources were allocated as follows: 45% for the construction of the Ituango hydroelectric project and 55% to finance its investment plan.

A well-rated issue

The international bond issue received investment grade ratings of “BBB+” and “Baa2”, with a stable outlook, from Fitch Ratings and Moody’s, respectively.

These investment-grade ratings reflect the low business risk rating agencies consider EPM to be because of its diversified portfolio and strong financial profile, backed by moderate historical and projected leverage, healthy interest coverage and adequate liquidity position.

Londoño De la Cuesta added that “with this fourth international bond issue, EPM reaffirms its presence in the international capital market, as a way to maintain diversification in its sources of financing, as well as to establish and strengthen long-term relationships with local and international investors.

The securities, listed on the Luxembourg Stock Exchange, were listed under Rule 144A and Regulation S of the United States Securities Act of 1933.

BBVA, Bank of America Merrill Lynch Inc. and HSBC participated as underwriters of the issue. EPM also had the legal advice of Skadden Arps y Mosquera Abogados.

Information for journalists
EPM Group's Corporate Communications

Vice Presidency of Communications and Corporate Relations

Juan José García Villegas | (574) 380 65 62 | 310 823 89 42 | juan.garcia.villegas@epm.com.co
José Ignacio Murillo Arango | (574) 380 44 04 - 300 619 62 85 | jose.murillo@epm.com.co