

Medellin, November 14, 2014

Dr.
LUZ STELLA SANCHEZ MORENO
Director of Supervision of Issuers
Directorate for Supervision of Issuers

Reference: Your letter dated November 13, 2014
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In response to the facts of the matter, relating to the information published by local and national media, one of which being the newspaper Diario Portafolio of November 12, 2014, we state the following:

1. The information disclosed by the Medellin Mayor during the inaugural event that took place on November 12, is true and accurate, in that it states that:
"This is a strategy to be pursued within a corporate government exercise from the public sector", where there is no business group being created, but rather they are defining shared ethical and corporate government standards applicable to the joint group of companies belonging to the Municipality of Medellin.
2. The aforementioned is ratified in the following excerpt from the article of the newspaper in question:
"We don't want to use the term 'holding company' because the aims are social ones, but they do share a similar function", added the representative, who emphasized that it is about a need, since all of the companies that depend on the Municipality, even though they are very different, share similar goals such as "moral standards and similar principals".
3. In line with the aforementioned, there is no need to specify that that it is a 'Holding Company' being created, nor any new legal form of grouping companies.
4. The information regarding the volume of assets and liabilities of the companies belonging to the Municipality of Medellin, among which is EPM, is accurate. Nevertheless, the consolidation of accounts that the Municipality of Medellin is carrying out is an administrative exercise overseen by the Contaduría Nacional, undertaken as a good practice of management - something which is not mandatory for any local authority.
5. The corporate government model for the Municipality of Medellin is an exercise aimed at reinforcing transparency within public management, and the declaration of November 12 does not make it a goal as such to create a group or holding company nor to alter the financial dynamics of the entities that follow these good practices.

Sincerely,

Maritza López Parra
EPM Corporate Government Unit Manager

Copy: Alba María Quintero Zapata, Private Secretary for the Municipality of Medellin