

Consolidated financial results as on September 2015:
The revenues of EPM parent company grew by 10% while those of EPM Group grew by 14% with respect to 2014

- The company projects income for 2015 at COP 1,500,000 million, a figure quite similar to that of 2014
- During the January-September 2015 period, EPM parent company posted revenues for COP 4,800,000 million with 10% growth and EBITDA for COP 1,900,000 million with 40% corresponding margin.
- During the same period, EPM Group posted revenues for COP 9,900,000 million with 14% growth and EBITDA for COP 3,000,000 million with 14% corresponding margin.
- Income (period's comprehensive results) of EPM parent company stood at COP 1,200,000 million and that of EPM Group at COP 926,000 million.
- The Medellin Municipality has received COP 765,879 million from EPM out of total COP 991,139 million of regular and special transfers of 2015, which means more investment for the city and its inhabitants.
- EPM parent company contributed with 47% of the Group's revenues, foreign subsidiaries with 36%, national power sector subsidiaries with 15% and the water business unit with 2%.
- ADASA, the subsidiary most recently acquired by EPM Group is already contributing to the organization's revenues and EBITDA.

“As revenues and EBITDA of EPM parent company and EPM Group grow, the community is better served as we have more resources for social investment, helping improve people’s quality of life – our superior goal of contributing to build sustainable and competitive territories”. With these words, EPM's Chief Executive Officer and leader of EPM Group, Juan Esteban Calle Restrepo, highlighted this Tuesday the positive financial results of EPM and the Group's companies during the first three quarters of 2015.

It is important to highlight that the organization presents its financial results under International Financial Reporting Standards (IFRS), adopted this current year and whose application leverages growth strategy, eases access to international capital markets and brings in competitiveness and transparency.

For this period, EPM parent company earned revenues for **COP 4,800,000 million** with **10%** growth over 2014 and EBITDA for **COP 1,900,000 million** with 40% corresponding margin. The period's results totaled **COP 1,200,000 million** with 24% net margin.

The results of EPM parent company have been very positive despite the adverse conditions of the year related to issues external to the company such as the high devaluation of the Peso vs. the US Dollar (**30.49%** as on September of 2015), the negative effect of the Tax Law Amendment which implied recording additional **COP 78,000 million** expense for tax on wealth, and the low rain levels resulting from the El Niño phenomenon with the ensuing drop in reservoir levels and lower hydraulic energy generation.

The foreign-exchange hedging strategy implemented by the company including use of financial derivatives hedging, management of USD-denominated cash flow surpluses and conversion into Pesos of loans denominated in Dollars, avoided, by September 2015, increased negative effect in the income statement for **COP 315,000 million** of expense from exchange gain/loss despite the 30.49% Peso devaluation vs. the US Dollar mentioned above.

Additionally, the loan with IFC for **COP 657,888 million** including capital and interest was prepaid in order to optimize debt cost.

Also outstanding in September is the affirmation by Fitch Ratings risk rating agency, in its annual revision, of the **BBB+** rating for EPM's US Dollars debt, one step above that of the country, and of the AAA rating at the national level, which is the highest rating possible. The rating agency highlights the growth strategy, the revenue diversification and the prudent management of the company's debt level. In turn, Moody's rating agency ratified in its annual revision, less than a week ago, the **Baa3** rating with positive outlook.

The company hopes to close 2015 with comprehensive income for the period of about COP 1,500,000 million, a figure very similar to 2014 income, the best ever in the history of the organization. These results are highly satisfactory considering the enormous challenges faced by the company, the sector and the country along this year.

EPM Group Results

EPM Group, in turn, reached operating revenues for COP 9,900,000 million, **14%** up on last year. From such consolidated revenues, EPM parent company accounted for **47%**, international subsidiaries for **36%**, national energy subsidiaries for **15%**, and the water business unit for the remaining **2%**.

EBITDA of EPM Group at COP 3,000,000 million represents **14%** growth with respect to last year and a margin of 31%. Income, in turn, (comprehensive income for the period) totaled **COP 926,000 million** with 9% margin. “Our results for the first three quarters of the year are witness to the financial solidness and responsible management of public resources, which the realization of dreams of millions of people in the territories where we are present depend from”, indicated Mr. Calle Restrepo.

The difference between income for EPM parent company and that for EPM Group is explained mainly by the accounting treatment defined in the IFRS for recognition of investments in the subsidiaries. At EPM parent company dividends declared by the subsidiary corresponding to a whole period of operations (12 months) are recognized as revenue, while for EPM Group, the subsidiary's earnings or losses at closing date (in the case of this report 9 months of subsidiaries operations) are recognized in the income statement.

Starting 2016, and due to the adoption of IFRS new guidelines, it is expected that both EPM parent company and EPM Group will present very similar comprehensive results period to period.

Subsidiaries keep on adding

Altogether, the subsidiaries of EPM Group maintain their outstanding performance. In particular, Mr. Calle Restrepo called attention to the contribution to revenues by international subsidiaries, where: Aguas de Antofagasta (ADASA), a subsidiary acquired in Chile last June 2, added COP 118,854 million; ENSA in Panama grew by COP 160,917 million associated to more energy transported; DECA group in Guatemala and DELSUR in El Salvador showed COP 187,582 million due to tariff adjustments from the five-year revisions and more gigawatts/hour sold (94 GWh in EEGSA); and HET with revenue for COP 31,847 million.

The Colombian energy subsidiaries also maintained their growth trend. ESSA posted revenues for COP 672,533 million, 8% up, and income for COP 79,008 million; CHEC with revenues for COP 427,331 million, 13% up; CENS with revenues for COP 400,939 million, 1% up; and EDEQ with revenues for COP 133,877 million, 5% up.

As to the balance sheet, EPM Group's total assets were equal to COP 40,600,000 million, 13% up; liabilities stood at COP 22,000,000 million and equity at COP 18,600,000 million, 7% up.

EPM parent company in figures*

- **Total assets:** COP 33,600,000 million, 7% up on 2014.
- **Liabilities:** COP 15,000,000 million, 8% up on last year.
- **Equity:** COP 18,600,000 million, 5% growth.
- **Operating revenues:** COP 4,800,000 million, 10% up on last year.
- **Operating costs and expenses:** COP 3,200,000 million, 17% growth.
- **EBITDA:** COP 1,900,000 million and 40% EBITDA margin
- **Comprehensive results for the period:** COP 1,200,000 million and 24% net margin

EPM Group in figures*

- **Total assets:** COP 40,600,000 million, 13% up on 2014.
- **Liabilities:** COP 22,000,000 million, 19% up on last year.
- **Equity:** COP 18,600,000 million, 7% growth.
- **Operating revenues:** COP 9,900,000 million, 14% up on last year.
- **Operating costs and expenses:** COP 7,400,000 million, 13% growth.
- **EBITDA:** COP 3,000,000 million, 14% growth and 31% EBITDA margin.
- **Comprehensive results for the period:** COP 926,000 million and 9% net margin

* Unaudited figures

This report contains forward-looking statements which are subject to several risks, uncertainties and circumstances relative to the operations and business environments of EPM. These factors could cause actual results to materially differ from any future result, expressed or implied, in such forward-looking statements. Accordingly, EPM cannot guarantee any results or future events. EPM expressly states that it will be under no obligation to update the forward-looking statements or any other information herein contained.

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