

Medellin, October 28, 2015

The EPM Board of Directors approved the Management Report for
2012-2105

In the four-year period, EPM shows positive consolidation results as a Group in Social Responsibility and Financial Management

- The EPM Board of Directors highlighted the business transformation process, the incorporation of EMVARIAS to the EPM group, the UNE-Millicom merger, the growth and business diversification and the strengthening of the relationship between the company and Medellin and the municipalities of Antioquia as achievements.
- In financial management, the comprehensive result of the period presented very favorable behavior.
 - The company keeps growing in citizen perception, users' satisfaction and national and international reputation.
 - The report is available for the community and all the interest groups in the corporate webpage www.epm.com.co

The EPM General Manager and leader of the EPM Group, Juan Esteban Calle Restrepo, qualified the period 2012-2015 as “a period of transformation, strategic decisions for the future, consolidation as a business group and a period of many breakthroughs in the history of the company,” and he presented the organization's Board of Directors with his management report and that of his work team during the four-year period.

When thanking the members of the Board of Directors for their commitment and support in the taking of the best decisions for the business group, Calle Restrepo also highlighted the effort and the special dedication of his team of employees in the board of directors, the cooperation and commitment of the almost 40.000 civil servants that are members of the EPM Group team and the permanent support of the community, companies and institutions: “They are the ones who have made the building and consolidation of this organization possible. An organization that is today a point of reference in Latin America.”

The report highlights the fact that in the four-year period, the company managed to achieve solid results in the financial, social and environmental areas, while deepening its commitment to Medellín, Antioquia, Colombia and all those countries in Latin America that opened their arms to the Group.

Calle Restrepo emphasized that “we were guided by the higher purpose of assisting in the consolidation of competitive and sustainable territories, with higher quality of life and access to better opportunities for everyone, through the provision of our public basic services and the development of projects that are a part of the development of the regions.”

Within this dynamic, the report states that in the matter of Corporate Social Responsibility (CSR) and Corporate Citizenship, during these four years, there was a special boost to programs such as *Habilitación Viviendas* [Housing Reform] *Antioquia Iluminada* (rural electrification,) *Energía y Agua Prepago*, aiming at more families in Antioquia having access to public utilities and cooperating in the comprehensive development of the territories. Likewise, with the *Gas sin Fronteras* [Gas without Borders] initiative, between the years 2012 and 2015, it was possible to provide service to more than 80 towns in the department.

Programs like *Financiación Social* [Social Financing] and *Paga a tu Medida* [Customized Payments] are also included, just as the loyalty program *SOMOS* that promotes citizen culture and the good use of public utilities. With the initiative “*Agua para la Educación, Educación para el Agua*,” [Water for Education, Education for Water], from the EPM Foundation and several associates, 402 drinking water solutions were delivered for the benefit of the educational communities of Antioquia.

In figures

In 2012-2015, restating the results under NIIF, the comprehensive result for the period presented a total accumulated amount of \$6.1 trillion, with an average of \$1.5 trillion a year, which reflects the wise decisions taken in the operational management of the company's businesses, the portfolio diversification, the management of equity investments and the handling of debt and liquidity surpluses.

The results achieved in 2015 allow for the projection of a comprehensive result for this year of \$1.5 trillion, a level of profit very similar to that achieved in the year 2014 (\$1,497,652 million excluding the extraordinary profit from the UNE-Millicom merger,) which has been the best in the history of EPM.

During this period, EPM transferred surpluses for \$3.65 trillion to the Municipality of Medellín, excluding the \$1.4 trillion from the UNE Millicom merger. Likewise, the company received \$2.7 trillion in dividends and other investment recovery mechanisms, from its national and international growth strategy, while also obtaining debt resources for \$4.2 trillion (75% in Colombian pesos,) including four bond issues in the local and international capital markets.

In the financial management, the report shows that as a result of the strategy to boost electronic collection and the cost and expense optimization program, savings for \$7,900 million were obtained. As for the currency overlay strategy, it prevented EPM from negatively affecting its results with translation exchange expenses for \$682,579 million associated to the devaluation of the Colombian peso between January of 2014 and September of 2015.

The costs and expenses optimization allowed the company to go deeper into its growth model with social responsibility and to advance in sustainability investments, including the new Unidades de Vida Articulada (UVA) [Connected Living Units], to which approximately \$167,467 million were applied during the period. The UVAs, on top of being core spaces for community development, support EPM client education programs and open the door to a higher integration of the company in the communities of Medellín and other municipalities of the Metropolitan area, they bring the entity closer to the users and promote the culture of legality and responsible use of public utilities.

The growth in resources aimed at the EPM Foundation programs, which added \$72,683 million in the period and allowed this entity to achieve a business group scope was just as important.

Future strategic decisions

The transformation of the EPM Group has been a fundamental process in these four years: it builds the foundation to continue with the EPM consolidation process as business group, allows to continue searching for a higher competitiveness and facilitates the growth and expansion of the company in national and international environments.

A Corporate Core with Group scope was implemented and the Structure was organized in accordance with the different roles defined in the strategy (Person responsible for making operations profitable, Project Developer, Smart Buyer and Solution Developer,) while incorporating new capabilities as Assets Management, Field Productivity, a Global Supply Chain and a Shared Services Center that support the capturing of important operational synergies.

As for the UNE-Millicom Spain Cable merger, it was performed to provide sustainability to the EPM telecommunication business and to protect the public equity invested in UNE EPM Telecomunicaciones. Once all the authorizations required by law were obtained, UNE absorbed the entire equity, as well as Millicom Spain Cable's (a Millicom subsidiary, owner of Colombia Móvil's stocks) rights and duties. The merger was perfected by absorption with the signature of public document and the corresponding registration with the Chamber of Commerce on August 14th, 2014.

Portfolio consolidation and diversification was another strategic Group decision that was reflected in the acquisition of the Espíritu Santo hydroelectric generation project, to be developed 18 kilometers (11.1 miles) downstream from the hydroelectric project Ituango, and the arrival to the Group of EMVARIAS, emblematic company in the management of solid waste which entered an important modernization stage, with results that can be observed in the new fleet of compacting vehicles fueled by gas or diesel, the new Altaír basin in the sanitary landfill La Pradera and the improvement of working conditions for near 900 operators.

The acquisition of the ADASA company, Aguas de Antofagasta, and the entry into operation of Los Cururos Wind Farm, in Chile, as well as the arrival into Mexico with TICSА, are an addition in knowledge and international growth for the EPM Group.

With the entry into operation of the first generation unit of the Bonyic project, the EPM Group keeps consolidating its presence in Panama. The hydroelectric power plant has an installed capacity of 31.8 MW.

In Colombia, the projects Hidroeléctrica Ituango, the Parque Planta Aguas Claras with the PTAR Bello and the Nueva Esperanza transmission lines significantly contribute to the development of the country. The EPM balance also shows the decision to directly execute the Ituango Hydroelectric Project, as a better alternative to safeguard the company's public equity interests. EPM went beyond and structured this project not only as an important infrastructure project but also as a regional development initiative that already directly benefits 12 municipalities and more than 160,000 people in its area of influence

With Parque Planta Aguas Claras, EPM transcended the view of sanitation of the Medellín river, recognizing it as a linking element in the development of Valle de Aburrá. The waste waters treatment plant Bello, North of Valle de Aburrá, a plant-farm that will become an environmental classroom and a space to achieve the active participation of the community, is being built in this place. The community will acknowledge the river and its water quality as everyone's responsibility.

Another important project is the energy transmission project Nueva Esperanza, which will take care of the demand from Cundinamarca – Bogota, Meta, Guaviare and North of Tolima. It consists of an energy sub-station, one line at 230,000 volts and one line at 500,000 volts.

Espíritu Santo will be the next EPM energy generation macro-project in Colombia, strategic for the company to continue developing the generation chain of the Cauca river.

The institutions, companies and citizens perception

In accordance with the results of the “Medellin, how we're doing in 2015” study, the Medellín users have a very high perception of the EPM public utilities. The level of satisfaction with the natural gas distribution is 95%, with the energy distribution 88%, with the aqueduct service 87% and with the sewer system 85%.

EPM has just received the CIER (Comisión de Integración Energética Regional [Regional Energy Integration Commission]) award, Gold category, for energy distribution companies with more than 500,000 customers, among 63 companies of Latin America. This survey measures users' satisfaction with the service provision.

On the other hand, the EPM reputation in the country keeps going up. It went from number 7 in the MERCOSUR reputation ranking in the year 2011, to number 4 in the year 2015. The rating company, Fitch Ratings, has just ratified in September the EPM ratings: International BBB+ - one notch above the Republic of Colombia- and AAA (local rating.) Stable Outlook. Likewise, Moody's assigned EPM an investment grade rating of Baa3, with positive perspective.

EPM has been included in the Dow Jones Sustainability Index Yearbook since 2103 [sic], the most recognized sustainability measure in the planet. In the year 2013, the company was recognized in the Silver category and in 2014 in the Bronze category.