



Medellin wins with EPM's financial results: the company obtained a net income of COP 2.2 billion in 2017

- **Thanks to the company's good performance, the Municipality of Medellin will receive COP 1.2 billion in 2018 by concept of transfers**
- **Having higher income means creating new employment opportunities for the community and investing in new projects that contribute to the country's development**
- **Thanks to financial soundness, it was possible to invest COP 2.5 billion in the public service infrastructure of the department of Antioquia**
- **Of note is the commitment shown by citizens with their timely payment of bills and the work done by the company's servers in favor of the community**

When EPM does well, so does Medellin and its inhabitants because more resources will be provided through transfers for social programs and development of the city. When EPM does well, so does the region because large-scale infrastructure projects can be built that will generate new employment opportunities and the acquisition of assets and services for thousands of people. When EPM does well, so does the country because the company pays a substantial sum in taxes, which generate more opportunities for millions of Colombians. And, in 2017, EPM did well, closing the year with a net income of COP 2.2 billion, with an increase of 19% compared to 2016.

The Chief Executive Officer of EPM, Jorge Londoño De la Cuesta, declared that the company's 2017 net income was its most significant ever. "This is due to nearly 63 years of responsible management of public resources. Over six decades, the EPM parent company has created equity that has risen to COP 21.5 billion, which belongs to the city. That's why we have decided to transfer COP 1.2 billion to the municipality of Medellín, corroborating the fact that when EPM does well, the people do well too, because it generates more money for social investment", emphasized the CEO.

Between January – December 2017, the EPM parent company recorded revenues of COP 7.4 billion, with a decrease of 12% compared to the previous year due to lower prices in the energy market caused by the El Niño phenomenon in 2016. However, the proper management of costs and expenses of the company allowed to obtain a positive result in the period.

The company's EBITDA was COP 3.1 billion, with an increase of 27%. EPM received resources of COP 323,000 million from investments in subsidiaries and COP 44,000 million from investments in uncontrolled companies, an increase of 7.6% and 36% respectively.



Londoño De la Cuesta thanked citizens for their commitment to EPM. “The timely payment of bills by residents has allowed us, once again, to operate more efficiently, with financial benefits that we can share with the municipality of Medellín by means of transfers to invest in its people”, said the top manager.

At the end of the period (January – December 2017), the amount of COP 1 billion had been transferred to the municipality of Medellín, equivalent to 55% of the profit from 2016. In addition, COP 300,000 million was transferred, corresponding to the sale of EPM's shares in Isagen.

As a contribution to development, EPM executed investments in the department of Antioquia for COP 2.5 billion, including COP 1.7 billion in the Ituango hydroelectric project, the largest in Colombia's history.

Diversification that adds to the quality of life

The EPM Group also had a noteworthy year, despite showing a 6% decrease in revenues. Its consolidated revenues were COP 14.9 billion, 48% of which was provided by the EPM parent company, 35% by international subsidiaries, 15% by Colombian energy subsidiaries and 2% by Colombian water subsidiaries.

The proper financial management and good economic performance of subsidiaries have allowed the EPM Group to attain a net income of COP 2.3 billion, the highest in its history, with an increase of 25% and a margin of 16%.

“Having a diverse portfolio of businesses and geography has allowed us to continue to grow and consolidate ourselves as a sound business group that contributes to the development of the regions in which we operate. It also allows us to transform little moments of everyday life into unforgettable moments through our public services, contributing to the well-being of millions of people”, declared Jorge Londoño De la Cuesta, CEO of EPM.

The EPM Group's EBITDA rose to COP 4.7 billion, with a 17% growth and a 32% margin, as a result of a 12% reduction in costs and expenses compared to the previous year. 63% of the EBITDA came from EPM, 21% from international subsidiaries and 16% from Colombian subsidiaries.

Other ratios

The EPM Group's equity profitability in 2017 was 12%, higher figure than that presented in the same period of 2016, which was 10%. Likewise, the EPM parent company reported a profitability of 11%, compared with 10% to December 2016. This profitability, which has experienced an upward trend in the last few years, has been driven by the positive performance of the net income.

The financial indebtedness of the EPM Group and EPM parent company were 38% and 33%, respectively (in 2016 they were 37% and 32% respectively). The EPM Group's Debt/EBITDA ratio closed the period at 3.43, compared to 3.69 in 2016, and that of EPM parent company closed at 3.89 compared to 4.41 as of December of last year.



Consolidated figures

The EPM parent company in figures

- **Total assets:** COP 39.5 billion, with a growth of 10%.
- **Liabilities:** COP 18 billion, with 16% growth.
- **Equity:** COP 21.5 billion, with an increase of 6%.
- **Cash and cash equivalents:** COP 176,000 million.

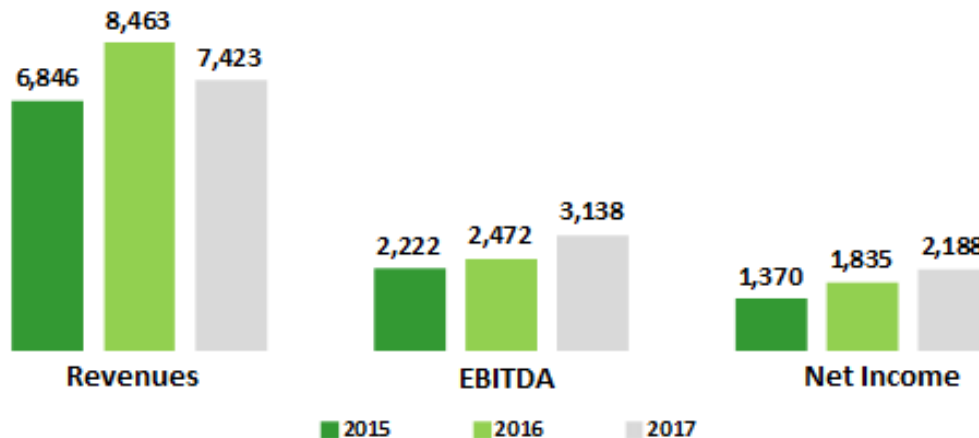
The EPM Group in figures

- **Total assets:** COP 47.3 billion, with a growth of 10%.
- **Liabilities:** COP 26.4 billion, with a growth of 14%.
- **Equity:** COP 20.9 billion, with a growth of 5%.
- **Cash and cash equivalents:** COP 1.2 billion.

EPM Parent Company - Comparative Figures

EPM Parent Company

Figures in COP thousand million

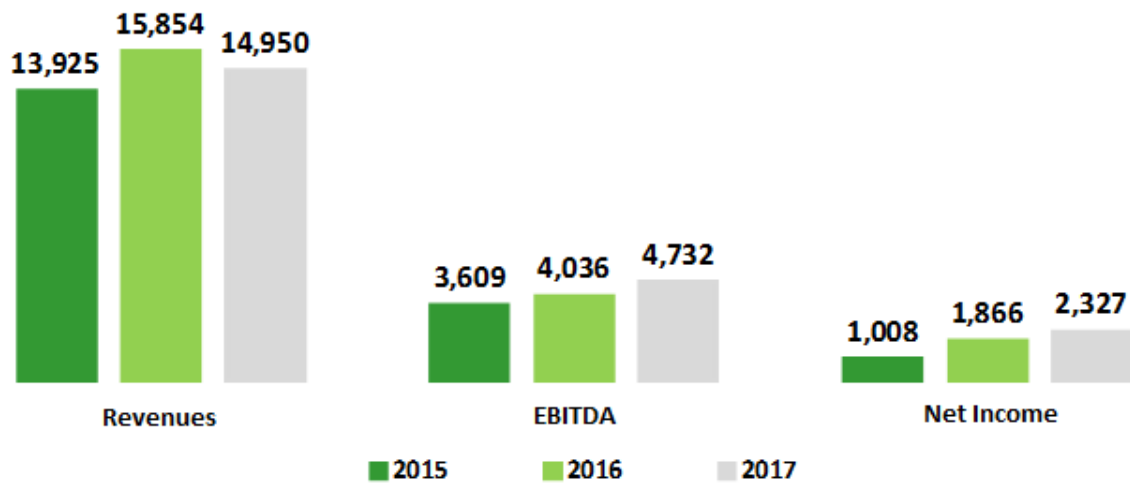


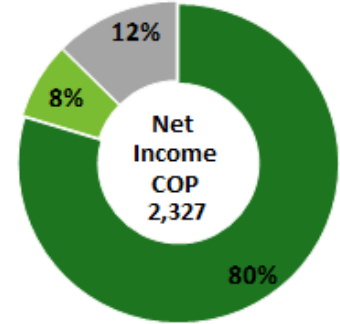
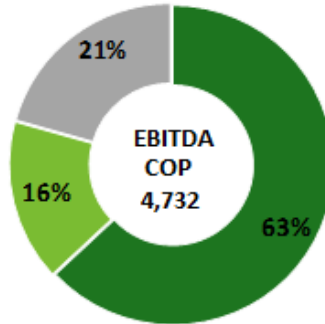
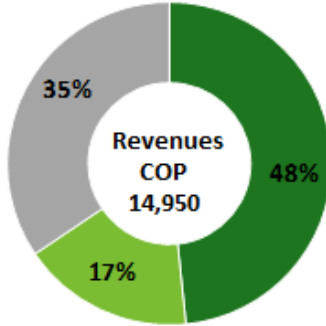


EPM Group - Comparative Figures

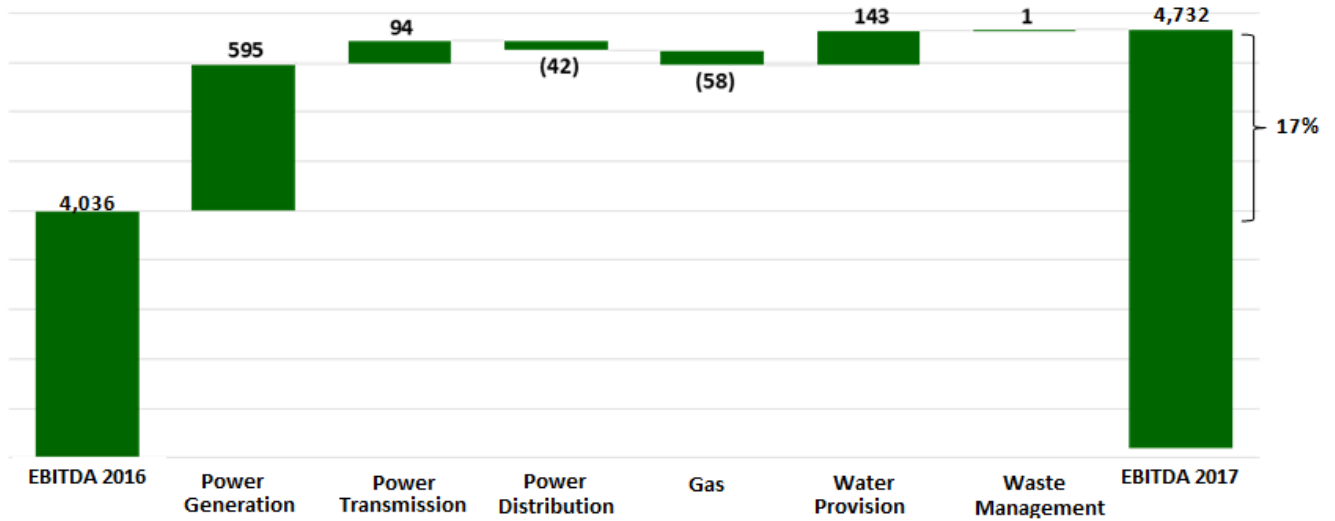
EPM Group

Figures in COP thousand million





■ EPM ■ Colombian Subs. ■ International Subs.



EBITDA 2017 includes COP 49 of other operating segments and COP (85) of intersegment eliminations

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