

Medellin, November 8, 2018

EPM Group announces consolidated financial results as of September 30, 2018

Empresas Públicas de Medellín E.S.P. and subsidiaries (hereinafter, "EPM Group") is the holding company of a multi-Latin enterprise group formed by 48 companies and one structured entity¹, that have presence in the provision of public utilities in Colombia, Chile, El Salvador, Guatemala, Mexico and Panama. Its corporate purpose is the provision of public utilities, mainly in power generation, power transmission and power distribution, gas, water supply, cleaning and waste management business lines.

The figures presented for this quarter are expressed in Colombian Pesos, according to the International Financial Reporting Standards (IFRS). The consolidation process implies inclusion of 100% of the companies where EPM has control. Figures for this period are not audited.

CONSOLIDATION SCOPE



¹ Autonomous Patrimony Social Financing. Under International Financing Reporting Standards (IFRS), it is considered a structured entity that forms part of the consolidation perimeter of the financial statements of the EPM Group.

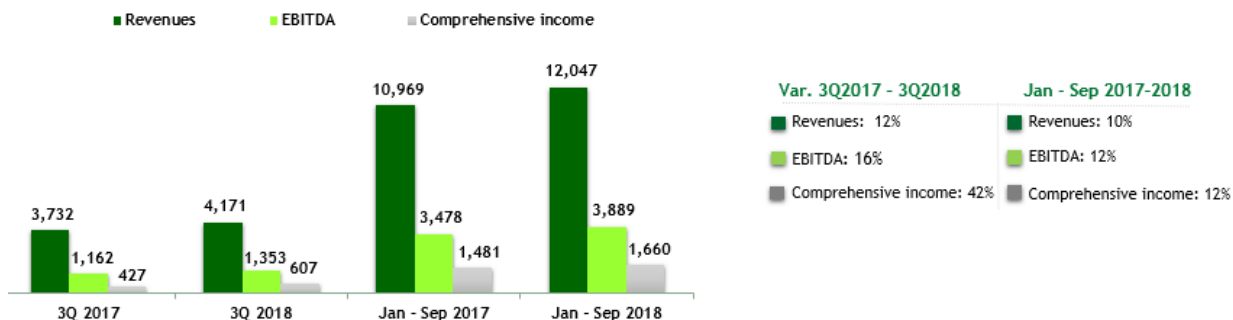
1. RELEVANT FACTS OF THE QUARTER AND SUBSEQUENT TO THE CLOSING

- Moody's Investors Service has confirmed EPM's international rating at Baa3 maintaining the investment grade and assigned negative outlook.
- Fitch Ratings affirms EPM's local rating at AAA under negative observation.
- The EPM Group improves its debt maturity profile with the execution of two financial liability management operations in EPM international subsidiaries, for a total amount of USD 530 million.
 - Aguas Antofagasta (ADASA) extended the term to 5 years of the credit line for \$273 thousand million Chilean pesos (equivalent to USD 430 million) with the Bank of Nova Scotia (Scotiabank) and the Banco del Estado in Chile. This transaction refinances the credit obtained by the company in 2015, which had a maturity date of February 2019.
 - The subsidiary Elektra Noreste S.A. (ENSA) announced the signing of a credit line with Scotiabank in Panama for an amount of USD 100 million and a term of 5 years, also extending the term of the existing debt.
- Medellin City Council approves the sale of some EPM assets, which includes the sale of EPM's shares in Interconexión Eléctrica S.A. (ISA), corresponding to a non-controlling minority interest of 10.17% in the company. Also, other non-material minority shareholdings.
- The contingency in the Ituango hydroelectric project generated COP 251 thousand million in extraordinary costs.

2. FINANCIAL RESULTS AS OF SEPTEMBER 30, 2018

EPM Group presented the following financial performance compared to the same period of the previous year:

2.1 INCOME STATEMENT



Figures in COP thousand million

As of September 30, 2018, consolidated revenue totaled COP 12 billion with an 10% increase (COP 1 billion) with respect to same period of last year, which is mostly explained on the EPM Parent Company by: i) in the power Generation business greater demand on the non-regulated market (Ecopetrol Rubiales 60 GWh), and long-term sales due to the mid-term commercial strategy because of stock prices, ii) greater commercialization in the power Distribution business, iii) and higher sales in the secondary market in the Gas business due to higher demand from thermal plants in the Colombian Atlantic coast.

In this sense, **EPM Parent Company** showed higher revenues for COP 705 thousand million, followed by the **Colombian power subsidiaries**, whose revenues rose COP 142 thousand million.

International subsidiaries, in turn, showed growth for COP 173 thousand million, where the power subsidiaries contributions stand out.

Operating Margin as of September 2018 was 25%, remaining flat compared to previous year.

EBITDA totaled COP 3.9 billion, increasing by COP 410 thousand million, 12% in relation to previous year. **EPM Parent Company** increased its EBITDA for COP 318 thousand million, 14%, standing out the growth of the Generation business for COP 84 thousand million, Distribution for COP 66 thousand million, Gas for COP 52 thousand million, and Water for COP 45 thousand million. Likewise, it was highlighted the growth of i) the Colombian energy subsidiaries **ESSA** for COP 47 thousand million and **CENS** for COP 28 thousand million, and ii) the international subsidiaries **Ticsa Group** for COP 28 thousand million and **Adasa** for COP 22 thousand million.

EBITDA Margin rose to 32%, remaining flat compared to previous year.

The comprehensive income for the period was COP 1,660 thousand million, showing an increase of COP 178 thousand million, 12% in relation to previous year.

Net margin was 14%, remaining flat compared to previous year.

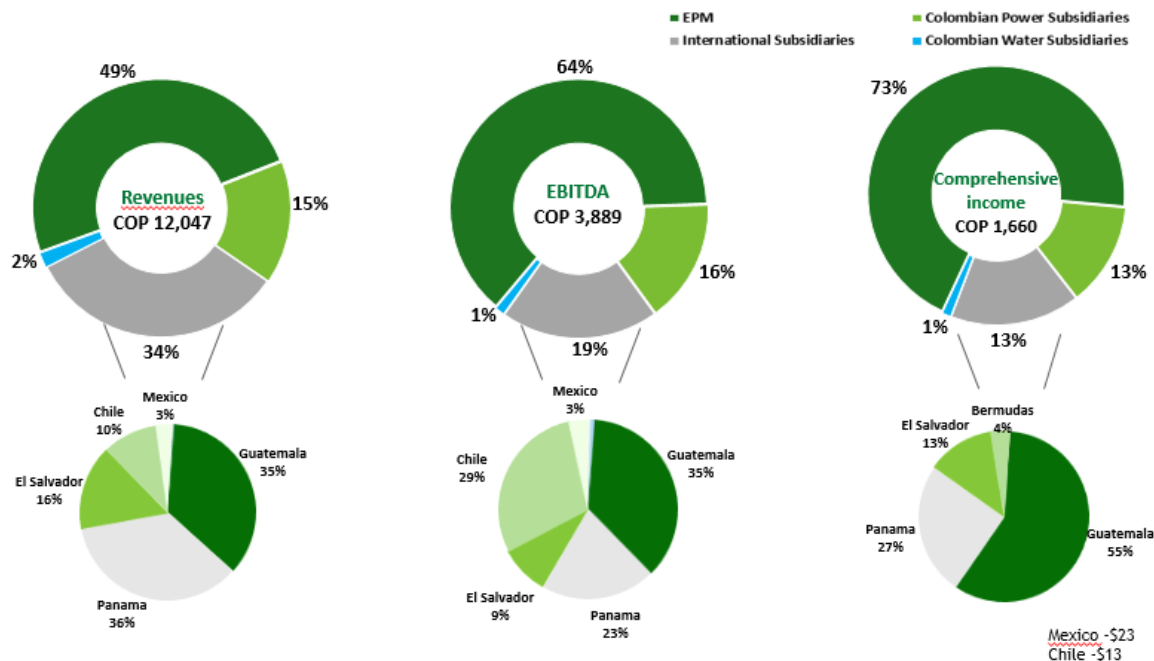
Cash position as of September 30, 2018 was COP 2.3 billion

Concept	2017	2018	% Var.	2018 USD*
Net Revenues	10,969,334	12,046,939	10	4,053
Costs and administrative expenses	8,242,601	9,077,401	10	3,054
Exchange differences	140,934	(74,462)	(153)	(25)
Financial results, net	(543,396)	(559,466)	3	(188)
Investment results, net	6,467	78,462	1,113	26
Profit before taxes	2,330,739	2,414,071	4	812
Income tax provision	839,100	783,261	(7)	264
Regulatory accounts, net	(10,290)	28,867	N.A.	10
Comprehensive Income for the period	1,481,350	1,659,677	12	558
Other Comprehensive Income	339,551	(215,579)	(163)	(73)
Total Comprehensive Income for the year	1,820,900	1,444,098	(21)	486
Minority Interest	116,304	124,556	7	42
Total Comprehensive Income for the year attributable to owners of the company	1,704,597	1,319,542	(23)	444

Figures in COP million

*Figures in COP were converted to USD at an exchange rate of COP/USD 2,972.18 (September 30, 2018).

2.2 FINANCIAL RESULTS BY COLOMBIAN AND INTERNATIONAL SUBSIDIARIES



Figures in COP thousand million

Of the Group's total revenue, it is important to underscore the fact that Colombia accounts for 66% and foreign subsidiaries for 34%.

EPM Parent Company accounted for 49% with a COP 705 thousand million (13%) increase, explained by:

- The **Power Generation segment** showed a COP 315 thousand million increase, due to higher amounts sold (12.064 GWh in 2018 vs. 11.438 GWh in 2017), where sales to Ecopetrol Rubiales stand out with GWh 60, and a higher tariff (COP109/KWh in 2018 vs. COP102/KWh in 2017).
- The **Power Distribution segment** showed COP 155 thousand million in growth, mainly due to higher commercialization (GWh 74), and higher customers (71.399).
- The **Fuel Gas segment** showed COP 98 thousand million in growth, mainly due to higher demand from thermal plants in secondary market.
- The **Water Business segment** showed an increase of COP 67 thousand million, due to higher consumption (more customers), and higher tariffs due to increasing in variable charge of aqueduct applied on February and increase of CPI - Consumer Price Index applied on June, and higher revenues from construction contracts and water supply connections.

International subsidiaries, in turn, accounted for 34% of revenue with net increase of COP 173 thousand million, 4% up on same period of 2017, with the following subsidiaries' growth standing out: **Ticsa in Mexico** with COP 64 thousand million, due to greater execution in preliminary works at the San Fernando Plant and Valle San Nicolás project in Colombia and Mexicali project in Mexico, in addition to the tariff increase in the treatment plants. **Ensa, in Panama**, with COP 36 thousand million due to an increase in the number of customers, units sold and the sale price, **DeISur, in El Salvador**, with COP 31 thousand million, due to greater residential and industrial consumption and the tariff increase caused by higher oil prices, and **Adasa, in Chile**, with COP 29 thousand million, linked to higher water consumption in the non-regulated market.

On the other hand, the **Colombian power subsidiaries** accounted for 15%, with 8% increase, with the following subsidiaries standing out: CENS with an increase of COP 60 thousand million (13%), due to higher tariff (COP36/KWh), higher clients (20.625), and a recovery of COP17 thousand million attributed to a civil litigation with CHIVOR, and ESSA with a COP 54 thousand million increase (7%), mainly due to higher tariff (COP22/KWh) and sales (GWh 11).

The remaining 2% comes from the **Water subsidiaries in Colombia**, with 18% increase and where **Emvarias** stands out with a COP 14 thousand million (9%) growth, linked to a greater number of kilometers swept and tons of garbage dumped in landfills, in addition to the tariff increase.

As to **EBITDA**, the **Group's Colombian companies** accounted for 81% and foreign companies for 19%.

EPM Parent Company accounted for 64% of EBITDA with an increase of COP 319 thousand million, with 14% growth compared to previous year, mainly due to the power generation segment contribution for COP 84 thousand million, the power distribution segment for COP 66 thousand million, the gas segment for COP 52 thousand million, the water segment for COP 45 thousand million, and the power transmission segment for COP 28 thousand million.

Colombian Power subsidiaries accounted for 16%, with individual growth standing out from the following: ESSA with COP 47 thousand million (24%), CHENS with COP 28 thousand million (37%) and CHEC with COP 17 thousand million (11%).

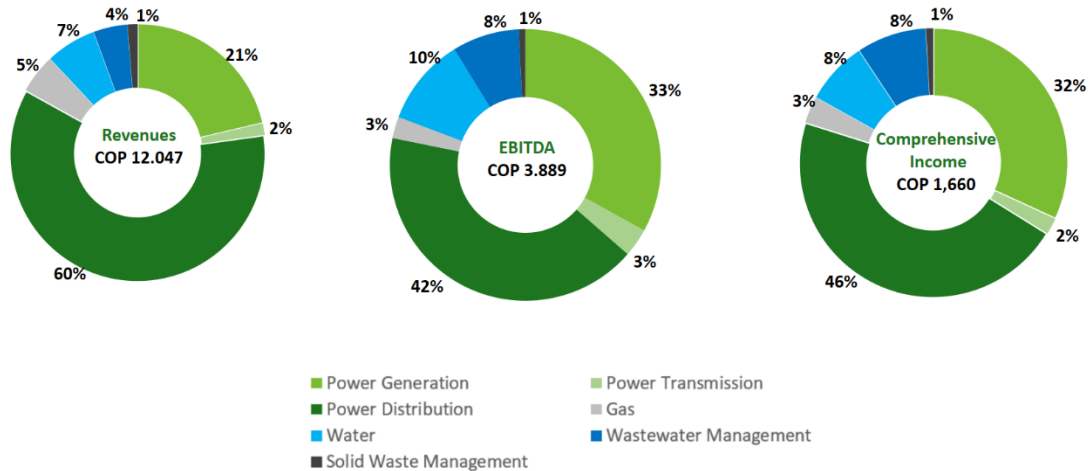
International subsidiaries accounted for 19% of the Group's EBITDA, decreasing 1% compared to previous year.

With respect to **net income**, aspects to point out are:

- Increase in revenues for COP 1,078 thousand million.
- Increase in revenues related to investments for COP 72 thousand million.
- Increase in costs and expenses for COP 835 thousand million.

- Increase in FX expenses for COP 215 thousand million.
- Decrease in income tax provision for COP 56 thousand million.

2.3 FINANCIAL RESULTS BY SEGMENTS



*It does not include "Other" business segment and "Intersegment transactions"

Figures in COP thousand million

Regarding the results by segment:

Energy services accounted for 83% of the Group's revenue, 78% of EBITDA and 80% of net income.

In revenue, the **Power Distribution and Power Generation segments** stood out with 60% and 21% participation, respectively.

Fuel Gas services contributed 5% of the Group's revenue, 3% of EBITDA and 3% of net income.

Water supply services represented 7% of the Group's revenue, 10% of EBITDA and 8% of the net income.

Waste management services accounted for 4% of the Group's revenue, 8% of EBITDA and 8% of net income.

Solid waste management services accounted for 1% of the Group's revenue, 1% of EBITDA and 1% of net income.

2.4 STATEMENT OF FINANCIAL POSITION

Financial Position	2018	2017	% Var.	2018 USD*
Assets				
Current	6,641,404	5,386,535	23	2,235
No Current	43,607,343	41,919,143	4	14,672
Total assets	50,248,746	47,305,678	6	16,906
Liabilities				-
Current	10,910,967	7,296,721	50	3,671
No Current	18,350,774	19,140,747	(4)	6,174
Total Liabilities	29,261,741	26,437,467	11	9,845
Equity	20,987,005	20,868,211	1	7,061

Figures in COP million

*Figures in COP were converted to USD at an exchange rate of COP/USD 2,972.18 (September 30, 2018).

Regarding the Balance Sheet:

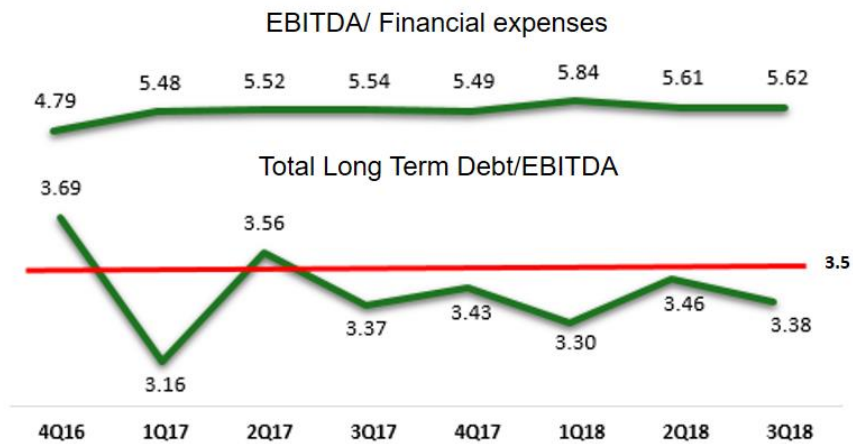
Equity totaled COP 20.9 billion, increasing 1%, due to the combined effect of higher earnings in the period, minus accrued surpluses to the Municipality of Medellín for COP1.2 billion (of which COP 656 thousand million are ordinary surpluses and COP 547 thousand million are extraordinary surpluses). As of September 2018, COP 806 thousand million surpluses had been paid to the Municipality of Medellín.

Liabilities rose to COP 29.2 billion, increasing COP 2.8 billion, 11% with respect to the previous year, mainly due to higher financial obligations, mainly: Export Development Canada (EDC) for COP 847 thousand million, CAF for COP 597 thousand million, transitory credits for COP 400 thousand million, IDB for COP 240 thousand million and BNDES for COP 43 thousand million. Also noteworthy was the increase in contingency provisions of COP 156 thousand million associated with the Ituango project.

The Group's total assets rose to COP 50.2 billion, increasing 6% compared to the previous year. **Cash position** was COP 2.3 billion.

Regarding ratios:

Ratios	2017	2018
Total debt	56	58
Financial debt	38	40
EBITDA/financial expenses	5.54	5.62
Total Long Term Debt/EBITDA	3.37	3.38

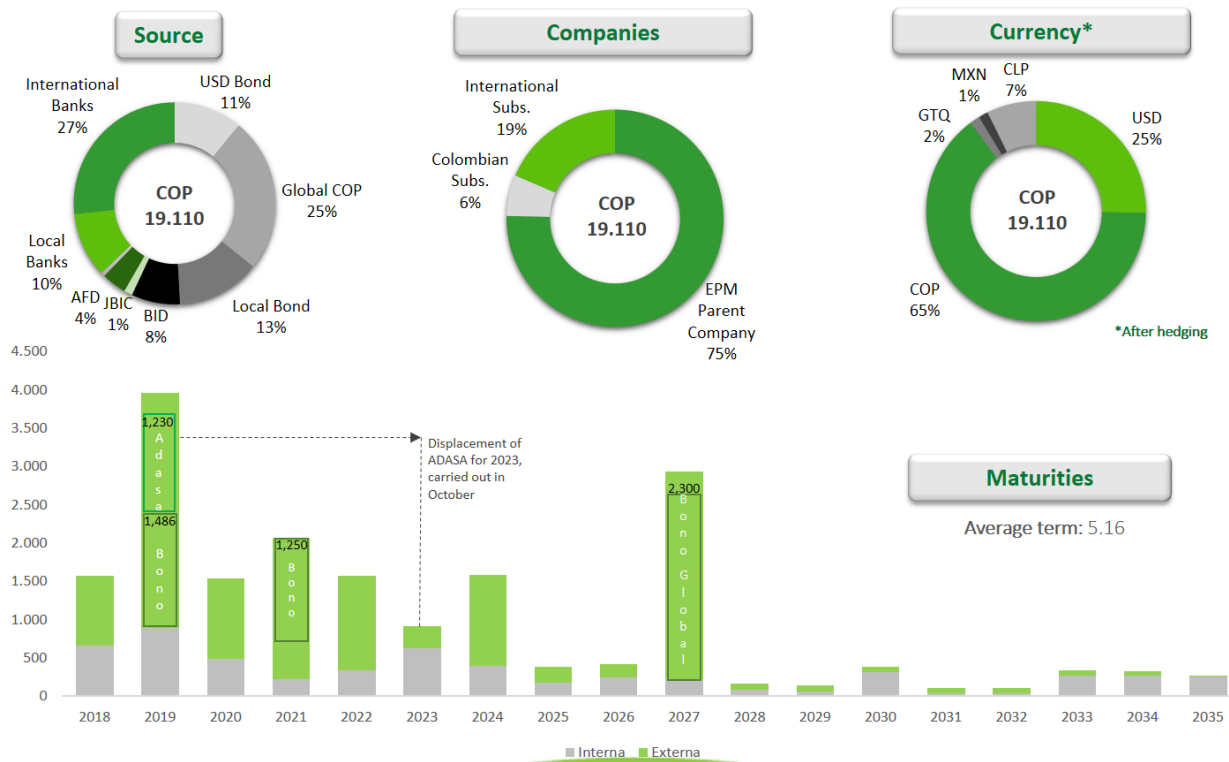


The Group's Total Debt/Total Assets was 58%, 2 percentage point up compared to 2017.

With regard to **debt** ratios:

- The EBITDA/Financial expenses reached 5.62x.
- The Total Debt/EBITDA was 3.38x, 0.12x under the goal of 3.50x.

2.5 DEBT PROFILE



Figures in COP thousand million

- The debt of EPM Group totaled COP 19.1 billion. As to financing source, 23% of debt corresponds to domestic debt, 25% to Pesos-denominated foreign debt, and 52% to foreign debt hired in other currencies.
- Of EPM Group's total debt 75% belongs to EPM parent company.
- As to Natural hedging, from inter-company loans granted to international subsidiaries with revenue linked to the US Dollar, EPM has a balance of USD 212 million.
- At the quarter's close, accumulated foreign-exchange financial hedges totaled USD 648 million.
- As to maturities, EPM parent company holds four international bond issues maturing in 2019, 2021, 2024 and 2027. Years 2019 and 2020 correspond to loans with international banking (AdASA– loan with Scotia Bank and Banco del Estado for USD 414 million and EPM's Club Deal loan for USD 235 million). These values are continuously analyzed taking into account the roll-over alternative in order to adjust to needs and comply with the strategic objectives of EPM Group.

Third Quarter 2018 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the periods from January 1 to September 30, 2018 and 2017
Amounts stated in millions of Colombian pesos

	Notes	September 2018	September 2017	For the three months ended September 30, 2018	For the three months ended September 30, 2017
Continued operations					
Sale of goods	12	33,113	13,658	16,239	4,869
Rendering of services	12	11,671,514	10,722,259	4,052,576	3,645,948
Leases	12	60,367	55,422	21,209	18,997
Other income	13	279,208	176,925	80,588	61,071
Income from ordinary activities		12,044,202	10,968,264	4,170,612	3,730,885
Profit in sale of assets	12	2,736	1,070	465	692
Total income		12,046,938	10,969,334	4,171,077	3,731,577
Costs for rendering services	14	(7,808,557)	(7,156,899)	(2,741,561)	(2,427,309)
Administration expenses	15	(1,107,249)	(966,552)	(309,001)	(309,329)
Impairment loss recognised on trade receivables		(66,388)	(62,717)	(22,350)	(21,878)
Other expenses	16	(95,207)	(56,433)	(12,147)	(27,600)
Financial income	17.1	213,104	198,357	85,199	66,453
Financial expenses	17.2	(772,570)	(741,753)	(267,200)	(265,795)
Net exchange difference	18	(74,462)	140,934	(39,573)	70,042
Equity method in associates and joint business		11,606	(43,304)	(6,361)	(41,977)
Effect by interest in equity investments		66,856	49,772	1	3
Profit before tax		2,414,071	2,330,739	858,084	774,187
Income tax expense		(783,261)	(839,100)	(249,797)	(359,945)
Profit of the period after taxes of continued operations		1,630,810	1,491,639	608,287	414,242
Discontinued operations		-	-	-	-
Profit of the period before net movement in balances of deferred regulatory accounts		1,630,810	1,491,639	608,287	414,242
Net movement in balances of net regulatory accounts related to the result of the period		41,039	(14,921)	(1,499)	18,325
Net movement in deferred tax related to deferred regulatory accounts related to the results of the period		(12,172)	4,632	633	(5,407)
Profit of the period and net movement in balances of deferred regulatory accounts		1,659,677	1,481,350	607,421	427,160
Other comprehensive income, net of taxes					
Items that will not be reclassified subsequently to the result of the period:					
New measurements of defined benefit plans		884	8,739	4,742	(5,611)
Equity investments measured at fair value through equity		(92,371)	416,664	(126,137)	31,548
Income tax related to components that will not be reclassified		954	(41,660)	1	(3,150)
		(90,533)	383,743	(121,394)	22,787
Items that may be reclassified subsequently to the result of the period:					
Cash flow hedging		(8,358)	(18,066)	2,479	17,755
Result recognized of the period		(11,845)	(115,278)	14,857	(107,287)
Reclassification adjustment		3,487	97,212	(12,378)	125,042
Exchange differences for conversion of business abroad		(88,048)	(36,317)	10,974	(64,895)
Income tax related to the components that can be reclassified		(28,637)	10,192	(29,647)	49
Equity method in associates and joint ventures business		(2)	-	(4)	-
		(125,045)	(44,191)	(16,198)	(47,091)
Other comprehensive income, net of taxes		(215,578)	339,552	(137,592)	(24,304)
Total comprehensive income for the period		1,444,099	1,820,902	469,829	402,856
Profit for the period attributable to:					
Owners of the company		1,535,169	1,365,044	568,206	389,151
Non controlling interest		124,508	116,306	39,215	38,009
		1,659,677	1,481,350	607,421	427,160
Total comprehensive income attributable to:					
Controlling interests		1,319,543	1,704,598	429,720	364,852
Non controlling interests		124,556	116,304	40,109	38,004
		1,444,099	1,820,902	469,829	402,856

The accompanying notes are an integral part of the financial statements

EMPRESAS PÚBLICAS DE MEDELLÍN E. S. P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of September 30, 2018 and December 31, 2017

Amounts stated in millions of Colombian pesos

	Notes	September 2018	December 2017
Assets			
Non current assets			
Properties, plant and equipment, net	7	33,139,706	31,480,096
Investment properties		86,914	126,740
Goodwill		2,903,012	3,060,672
Other intangible assets		2,186,757	2,076,453
Investments in associates		1,813,852	1,804,827
Investments in a joint ventures		82	82
Deferred tax assets		246,801	225,317
Trade and other accounts receivables		900,024	874,751
Other financial assets		2,111,175	2,105,782
Other assets		120,447	115,581
Cash and cash equivalents		7,822	-
Total non current assets		43,516,592	41,870,301
Current assets			
Inventories		423,826	372,240
Trade and other accounts receivable		3,179,498	2,752,912
Current tax assets		58,397	415,669
Other financial assets		728,416	265,938
Other assets		474,078	388,561
Cash and cash equivalents		1,777,188	1,191,214
Total Current assets		6,641,403	5,386,534
Total assets		50,157,995	47,256,835
Debit balances of deferred regulatory accounts		90,751	48,842
Total assets and debit balances of deferred regulatory accounts		50,248,746	47,305,677
Equity			
Capital		67	67
Premium on placement of shares		(25,125)	(25,118)
Reserves		2,540,800	3,479,283
Other comprehensive income		2,648,226	2,864,172
Retained earnings		13,423,878	11,505,849
Profit for the period		1,535,169	2,186,302
Equity attributable to controlling interests		20,123,015	20,010,555
Non controlling interests		863,989	857,654
Total equity		20,987,004	20,868,209

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of September 30, 2018 and December 31, 2017

Amounts stated in millions of Colombian pesos

	Notes	September 2018	December 2017
Liabilities			
Non current liabilities			
Credits and loans	10	12,874,414	14,116,243
Trade and other payables		467,478	264,530
Other financial liabilities		509,974	538,470
Employee benefits		937,044	849,558
Income tax payable		62,189	-
Deferred tax liabilities		2,989,356	2,854,341
Provisions	11	366,213	384,345
Other liabilities		115,940	118,607
Total non current liabilities		18,322,608	19,126,094
Current liabilities			
Credits and loans	10	6,235,998	2,842,480
Trade and other payables		3,101,166	2,948,403
Other financial liabilities		370,243	364,878
Employee benefits		223,945	237,959
Income tax payable		198,697	148,088
Taxes, contributions and rates payable		162,469	181,740
Provisions	11	577,027	400,026
Other liabilities		41,422	173,147
Total current liabilities		10,910,967	7,296,721
Total liabilities		29,233,575	26,422,815
Credit balances of deferred regulatory accounts		942	-
Deferred tax liabilities related to balances of deferred regulatory accounts		27,225	14,653
Total liabilities and credit balances of deferred regulatory accounts		29,261,742	26,437,468
Total liabilities and equity		50,248,746	47,305,677

The accompanying notes are an integral part of the financial statements

Third Quarter 2018 Financial Report

EMPRESAS PUBLICAS DE MEDELLIN E.S.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the periods from January 1 to September 30, 2018 and 2017

Amounts stated in millions of Colombian pesos

	2018	2017
Cash flows for operating activities:		
Results of the period	1,659,677	1,481,350
Adjustments to reconcile the net results for the period to the net cash flows used in operating activities:		
Depreciation and amortization of properties, plant and equipment and intangible assets	741,730	699,847
Impairment of property, plant and equipment and intangibles	127	61,736
Impairment of accounts receivable	66,388	62,717
Reversal of loss for impairment of accounts receivable	(40,665)	(35,582)
Result for exchange difference, net	74,462	(140,934)
Result for valuation of financial instruments and hedge accounting	7,967	71,083
Provisions, post-employment and long term defined benefit plans	274,298	38,442
Government subsidies applied	(1,840)	(693)
Deferred income tax	85,631	194,358
Current income tax	697,631	644,742
Participation in the results of investments in associates and joint business	(11,606)	43,304
Interest income	(149,798)	(132,926)
Interest expenses	684,393	621,905
Result for disposal of properties, plant and equipment, intangibles and investment properties	249	1,431
Profit for disposal of financial instruments	-	(23)
Dividends from investments	(66,856)	(49,748)
Other income and expenses not effective, net	(61,936)	(16,232)
	3,959,852	3,544,777
Movements in working capital:		
Variation in inventories	(51,674)	(18,601)
Variation in debtors and other accounts receivable	(527,860)	(332,086)
Variation in other assets	244,534	(112,021)
Variation in creditors and other accounts payable	68,264	551,911
Variation in labor obligations	33,994	25,627
Variation in provisions	(75,067)	(116,210)
Variation in other liabilities	(119,715)	108,104
Interest paid	(884,924)	(956,670)
Income tax paid	(544,370)	(564,404)
Net cash flows originated by operating activities	2,103,034	2,130,427
Cash flows for investment activities:		
Acquisition of property, plant and equipment	(2,587,302)	(2,821,096)
Disposal of property, plant and equipment	12,418	27,745
Acquisition of intangible assets	(120,352)	(29,477)
Disposal of intangible assets	915	19,507
Disposal of investment properties	-	9
Acquisition of investments in financial instruments	(602,916)	(203,995)
Disposal of investments in financial instruments	172,104	69,585
Government Grants	289	-
Interest received	235	-
Dividends received from subsidiaries, associates and joint business	3,442	-
Other dividends received	32,898	27,670
Other cash flows from investment activities	125,916	355,996
Net cash flows used by investment activities	(2,962,353)	(2,554,056)
Cash flows for financing activities:		
Obtaining of public credit and treasury	3,721,788	3,618,653
Payments of public credit and treasury	(1,535,815)	(2,259,065)
Transaction costs due to issuance of debt instruments	(5,296)	(8,303)
Gains or losses on settlement of financial liabilities	-	9,666
Payments of liabilities for financial leasing	(29,095)	-
Dividends or surpluses paid	(806,457)	(1,105,235)
Dividends or surplus paid to non-controlling interests	(106,956)	(63,902)
Payments of capital of derivatives designated as cash flow hedge	(342)	-
Other cash flows from financing activities	218,087	(37,992)
Net cash flows originated by financial activities	1,455,914	153,822
Net cash and cash equivalents increase (decrease)	596,595	(269,807)
Effects of variations in exchange rates in the cash and cash equivalents	(2,799)	19,894
Cash and cash equivalents at the beginning of period	1,191,214	1,194,499
Cash and cash equivalents at the end of the period	1,785,010	944,586
Restricted resources	141,576	155,432

Third Quarter 2018 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

INTERIM CONDENSED SEPARATE STATEMENT OF COMPREHENSIVE INCOME

For the periods from January 1 to September 30, 2018 and 2017

Amounts stated in millions of Colombian pesos

	Notes	2018	2017	For the three months ended September 30 2018	For the three months ended September 30 2017
Continued operations					
Sale of goods	11	30	-	30	-
Rendering of services	11	5,801,172	5,202,408	1,990,440	1,791,789
Leases	11	34,326	34,210	12,148	11,690
Other income	12	197,707	109,890	61,191	45,461
Income from ordinary activities		6,033,235	5,346,508	2,063,809	1,848,940
Profit in sale of assets	11	19,048	642	18,231	491
Total income		6,052,283	5,347,150	2,082,040	1,849,431
Costs for rendering services	13	(3,266,418)	(2,905,614)	(1,125,626)	(992,454)
Administration expenses	14	(697,940)	(529,153)	(177,508)	(167,271)
Impairment loss recognised on trade receivables		(35,997)	(19,728)	(13,740)	(8,086)
Other expenses	15	(80,997)	(32,860)	(6,626)	(22,338)
Financial income	16	203,687	177,699	89,708	61,078
Financial expenses	16	(607,371)	(555,466)	(210,017)	(208,980)
Net exchange difference	17	(21,656)	91,341	(28,430)	52,678
Share of profit of an subsidiaries		373,535	387,078	123,602	226,521
Dividends on equity instruments		64,478	44,176	-	-
Profit before tax		1,983,604	2,004,623	733,403	790,579
Income tax expense		(512,038)	(626,279)	(150,967)	(282,849)
Result of the period after taxes of continued operations		1,471,566	1,378,344	582,436	507,730
Profit for the year		1,471,566	1,378,344	582,436	507,730
<i>Other comprehensive income, net of taxes</i>					
Items that will not be reclassified subsequently to the result of the year					
New measurements of defined benefit plans		(230)	6,265	(275)	(5,778)
Equity investments measured at fair value through equity		(92,371)	416,663	(126,143)	31,542
Income tax related to components that will not be reclassified		450	(41,664)	-	(3,153)
Share of other comprehensive income of subsidiaries		(35,758)	19,575	(15,171)	18,241
		(127,909)	400,839	(141,589)	40,852
Items that may be reclassified subsequently to the result of the year :					
Cash flow hedging		(6,542)	(14,921)	3,105	17,928
Result recognized of the year		(10,029)	(112,133)	15,483	(107,114)
Reclassification adjustment		3,487	97,212	(12,378)	125,042
Income tax related to the components that can be reclassified		(29,177)	9,273	(29,852)	-
Result recognized of the year		(29,177)	9,273	(29,852)	-
Share of other comprehensive income of subsidiaries		(38,430)	(27,896)	95,984	22,446
Results arising during the year		(38,430)	(27,896)	95,984	22,446
		(74,149)	(33,544)	69,237	40,374
Other comprehensive income, net of taxes		(202,058)	367,295	(72,352)	81,226
Total comprehensive income for the year		1,269,508	1,745,639	510,084	588,956

The accompanying notes are an integral part of the financial statements

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

As of September 30, 2018 and December 31, 2017

Amounts stated in millions of Colombian pesos



	Notes	September 2018	December 2017
Assets			
Non current assets			
Properties, plant and equipment, net	7	24,631,360	23,133,509
Investment properties		77,035	116,823
Goodwill		260,951	260,950
Other intangible assets		454,547	401,980
Investments in associates	8	6,712,174	6,823,153
Investments in a joint ventures		2,434,417	2,434,417
Deferred tax assets		99	99
Trade and other accounts receivables		1,977,961	2,006,350
Other financial assets		2,037,864	2,029,035
Other assets		105,361	99,130
Total non current assets		38,691,769	37,305,446
Current assets			
Inventories		111,719	116,484
Trade and other accounts receivable		1,636,531	1,523,523
Current tax assets		(65,714)	237,389
Other financial assets		424,285	63,024
Other assets		149,218	100,568
Cash and cash equivalents		1,056,056	234,526
Total Current assets		3,312,095	2,275,514
Total assets		42,003,864	39,580,960
Liabilities and Equity			
Equity			
Capital		67	67
Reserves		1,961,034	2,951,644
Other comprehensive income		2,724,911	2,926,924
Retained earnings		15,345,308	13,381,162
Profit for the year		1,471,566	2,188,189
Other components of equity		49,995	49,995
Total equity		21,552,881	21,497,981

EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

INTERIM CONDENSED SEPARATE STATEMENT OF FINANCIAL POSITION

As of September 30, 2018 and December 31, 2017

Amounts stated in millions of Colombian pesos



		September	December
	Notes	2018	2017
Liabilities			
Non current liabilities			
Credits and loans	9	10,702,222	10,462,487
Trade and other payables		13,781	15,953
Other financial liabilities		462,913	488,247
Employee benefits		338,567	282,697
Income tax payable		56,027	-
Deferred tax liabilities		2,437,704	2,321,376
Provisions	10	263,623	279,922
Other liabilities		32,227	32,499
Total non current liabilities		14,307,064	13,883,181
Current liabilities			
Credits and loans	9	3,683,077	1,984,843
Trade and other payables		1,588,641	1,363,774
Other financial liabilities		306,718	308,881
Employee benefits		139,543	131,817
Taxes, contributions and rates payable		98,755	104,078
Provisions	10	344,842	172,173
Other liabilities		(17,657)	134,232
Total current liabilities		6,143,919	4,199,798
Total liabilities		20,450,983	18,082,979
Total liabilities and equity		42,003,864	39,580,960

The accompanying notes are an integral part of the financial statements

Third Quarter 2018 Financial Report

EMPRESAS PÚBLICAS DE MEDELLÍN E. S. P.

INTERIM CONDENSED SEPARATE STATEMENTS OF CASH FLOWS

For the period from January 1 to September 30, 2018 and 2017

Figures expressed in millions of Colombian pesos

	Notes	2018	2017
Cash flows for operating activities:			
Results of the period			
		1,471,564	1,378,344
Adjustments to reconcile the net result of the period to the net cash flows used in operating activities:			
		1,318,812	1,009,846
Depreciation and amortization of properties, plant and equipment and intangible assets	13 y 14	385,692	370,327
Impairment of accounts receivable		35,997	19,728
Reversal of loss for impairment of accounts receivable		(26,890)	(27,622)
Result for exchange difference		113,812	(76,815)
Result for valuation of financial instruments and hedge accounting		507,421	450,490
Provisions, post-employment and long term defined benefit plans		188,246	90,774
Deferred income tax		87,601	214,623
Current income tax		424,437	397,723
Result for disposal of properties, plant and equipment, intangibles and investment properties		41,441	-
Dividends from investments		(64,478)	(44,157)
Result for equity method		(373,535)	(387,078)
Other income and expenses not effective		(932)	1,853
		2,790,376	2,388,190
Movements in working capital:			
Variation in inventories		4,765	6,744
Variation in debtors and other accounts receivable		(143,461)	(24,966)
Variation in other assets		(135,015)	(372,728)
Variation in creditors and other accounts payable		69,387	159,705
Variation in labor obligations		43,749	50,112
Variation in provisions		(8,047)	(98,951)
Variation in other liabilities		(109,644)	39,065
		(278,266)	(241,019)
Interest paid		(709,556)	(659,452)
Income taxes paid		(174,985)	(296,690)
Net cash flows originated by operating activities			
		1,627,569	1,191,029
Cash flows for investment activities:			
Acquisition and capitalization of subsidiaries or business, net of cash acquired	8	-	(14,757)
Restitution of capital and premium on placement of shares		12,547	-
Acquisition of property, plant and equipment		(1,691,481)	(1,911,921)
Disposal of property, plant and equipment		-	16,141
Acquisition of intangible assets		(28,483)	(27,845)
Disposal of intangible assets		-	1,585
Acquisition of investments in financial instruments		(367,532)	-
Disposal of investments in financial instruments		(48,152)	128,159
Dividends received from subsidiaries, associates and joint business		383,796	285,364
Other dividends received		33,962	22,086
Loans to related parties		(175,999)	58,047
Other cash flows from investment activities		-	(986)
Net cash flows used by investment activities			
		(1,881,342)	(1,444,127)
Cash flows for financing activities:			
Obtaining of public credit and treasury		2,127,256	1,513,075
Payments of public credit and treasury		(224,001)	(402,186)
Transaction costs due to issuance of debt instruments		(5,296)	-
Payments of liabilities for financial leasing		(29,053)	(672)
Dividends or surpluses paid	6	(806,457)	(1,105,235)
Other cash flows from financial activities		-	(83,569)
Net cash flows (used) / originated by financial activities			
		1,062,449	(78,587)
Net cash and cash equivalents increase			
		808,676	(331,685)
Effects of variations in exchange rates in the cash and cash equivalents		12,854	16,126
Cash and cash equivalents at the beginning of period		234,526	519,078
Cash and cash equivalents at the end of the period			
		1,056,056	203,519
Restricted resources		75,675	83,753

The accompanying notes are an integral part of the financial statements

For more information, contact Investor Relations investorelations@epm.com.co
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