

Grupo·epm[®]

Disclaimer

This document was prepared by EPM for the purpose of providing interested parties with the company's financial information.

This document may include strategy discussions as well as prospective declarations regarding the probable progress of EPM's business areas. They include information relating to the company's estimations or expectations concerning its future and operating results. Potential investors and the market in general must recognize that the information contained herein does not represent any guarantee of performance, risks and uncertainties that may occur or come to fruition. Real results may vary or differ from those anticipated in this document, due to a number of factors that are beyond the control of the company. Neither EPM, nor its advisers, officials, employees, directors or agents, or any representative will assume any responsibility regarding the performance of the real events of the company, should it differ from that which is provided. Conversely, EPM's advisers, employees, directors or agents do not have any obligation to update, correct, modify or adjust this presentation of information with respect to events that occur following this communication.

This presentation is for the purposes of debate only and must be referenced by solely considering the verbal information provided by EPM, otherwise it will be rendered incomplete. Neither this, nor any of its content may be used for any other purpose without the prior written consent of EPM.

Agenda

- **Company Overview**
 - Our presence in Colombia
 - Our presence in Central America
- **Corporate Strategy**
- **Ituango Hydroelectric Project**
- **Investment Plan**
- **Highlights and Financial Results as of Second Quater 2012**



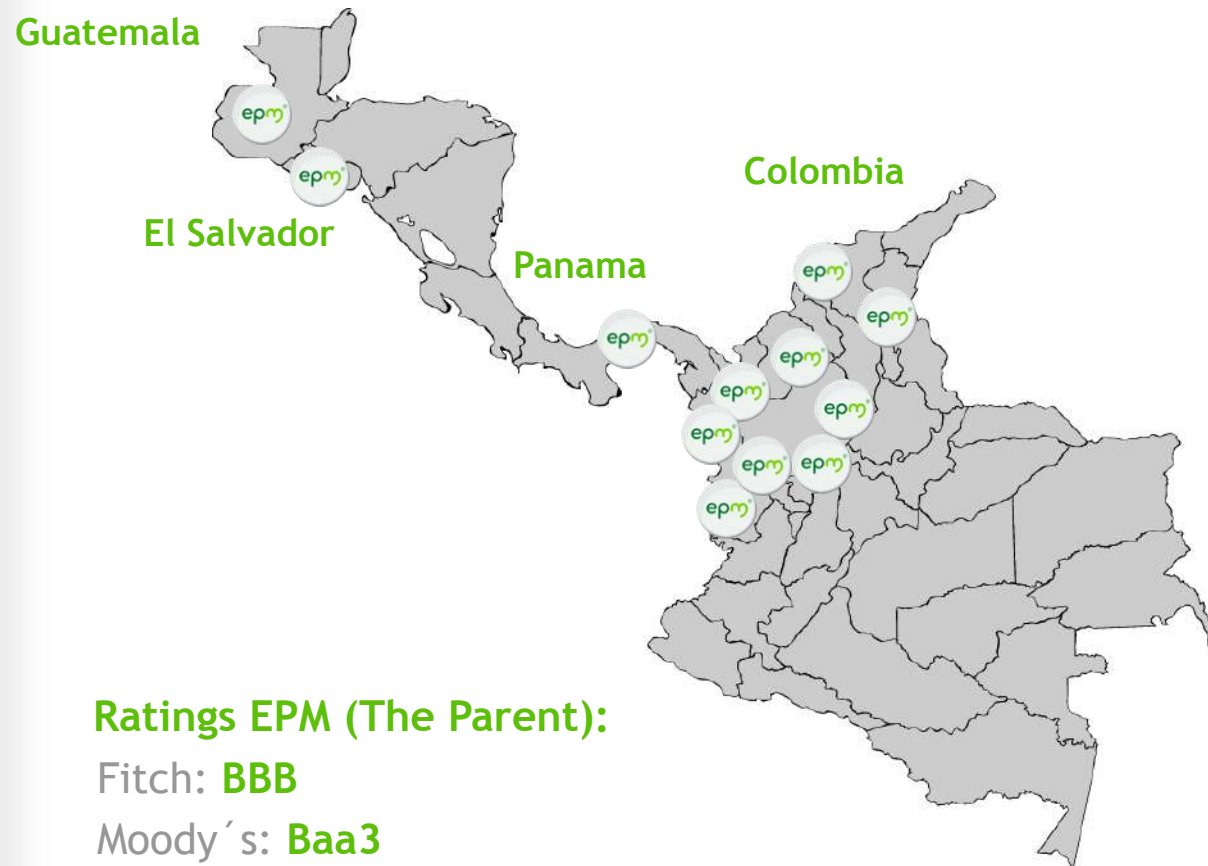
Company Overview

Group EPM in Colombia

- *Leading and largest multi- utility Company in Colombia
- *Second Corporate Group **in terms of assets:** US\$ 17 billion
- *Second Corporate Group **by revenues:** US\$ 6 billion
- We reach a population of more than **12 million people (including Central America).**

*Position annually reviewed , December 2011

Leading and Largest Multi-Utility Company in Colombia



44 Subsidiaries:

24 international and 20 national.

Geographically diversified:

- Colombia, Panama, Guatemala and El Salvador.
- Main **Colombian Markets:** Medellin, Bogota, Manizales, Armenia, Pereira, Bucaramanga, Barranquilla, Cartagena, Cali, Choco, Cucuta.

Business Units



Parent Company

Energy

Colombia

Central America



Water

Colombia



Telecommunications



- **CINCO TELECOM CORP (USA)**
- **Orbitel Comunicaciones Latinoamericanas S.A.U. (Spain)**
- **Orbitel Servicios Internacionales S.A. E.S.P. (Free Trade Zone)**

Our presence in Colombia

Energy



Gas



Water



Telco



Generation **22.7%**
Transmission **7.9%**
Distribution **24%**

Distribution
and
Commerc. **10%**

Water
and
Sewage Systems **20%**

Phone lines **24.2%**
Internet **27%**
TV **25.9%**

**Market
Share**

More than **3,4 million**
customers

More than **615**
thousand customers

Water System **972** thousand
Sewage System **943** thousand
Wastewater
Treatment **600** thousand

Fixed Phone
Lines **1.7** million
TV suscriptions **1** million
Internet **1** million

Customers

3.619 MW Net
Effective Capacity,
85% hydraulic

Main distributor in
the region of Antioquia,
4th position in
Colombia

Second
company in
Colombia

3rd
Telecommunication
Company in Colombia

**Key
figures**

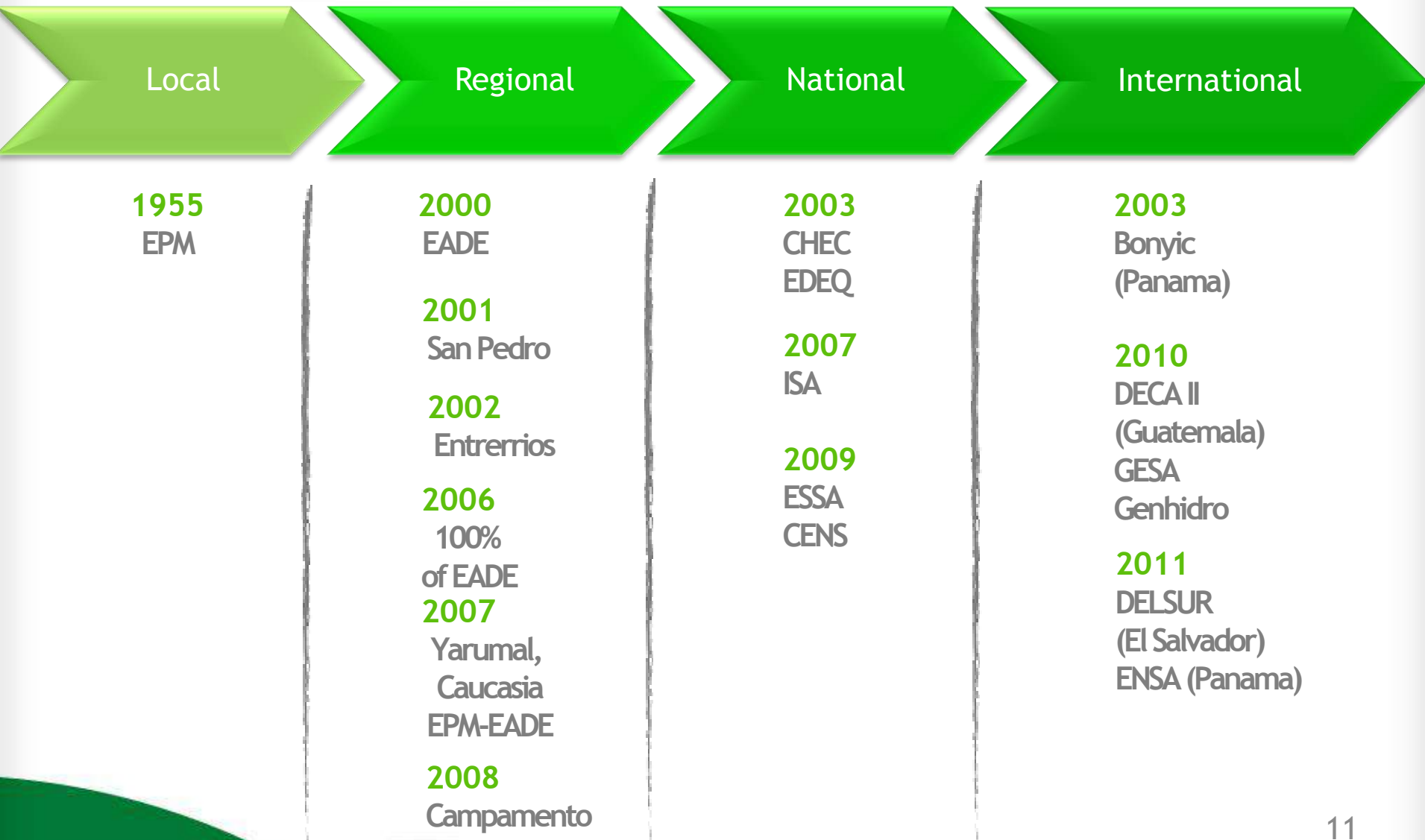
Our presence in Central America

Panama	Guatemala	El Salvador	
ENSA HET	EEGSA TRELEC COMECSA GENHIDRO	DELSUR	Company
360 thousand	943 thousand	323 thousand	Customers
1st distribution company in the country 31 MW in construction	1st distribution and commercialization company in the country 10 MW Generation Capacity	2nd distribution company in the country	Key figures
ENSA: BBB Fitch Ratings	EEGSA: BB- S&P Ba3 Moody's		Ratings



Corporate Strategy

Corporate Strategy - Internationalization



Group EPM Corporate Strategy

Growth Plan based on sustainability

2005 -2015:

“In 2015, the Corporate EPM Group will be a corporation with income sales equivalent to U.S.\$ 5 billion, of which 60% will be obtained in Colombia and 40% abroad”.

2012 -2022:

- ✓ Under definition
- ✓ In terms of ebitda





Ituango Hydroelectric Project



Project advantages

Competitive cost in power generation

- Competitive costs in construction (around US\$ 1.259/kW) before adjustments, unforeseen and financial costs.
- High reliability and capacity of power generation to the market and to intensive industries in energy consumption.
- High water availability: the second largest river in Colombia (Cauca River).



Low environmental impact

- Low ratio of floodplain and installed capacity of the project.
- Concentration of infrastructure works: short tunnels, low geological risk.
- Less than 200 families should be relocated.
- Almost no infrastructure affected



Technical information

Cost

Financing Sources

Status

Installed capacity

Energy

OEF

Dam

Reservoir:

- Length

- Useful volume

- Area flooded

2.400 MW

8.563 GWh/year

4.567 GWh/year

225m height, 20mn m³

79 km lenght

975 mn m³

3.800 hectares

USD\$ 5,3 bill.*

- ECA
- Multilateral Agencies
- Capital Markets
- Commercial Banks

- Under construction
- Start of operation:
- Stage I 2018
- Stage II 2022

* Includes financial and unforeseen costs

Main Bidding Processes

Awarded Contracts

- ✓ Major engineering civil works

Consortium CCC Ituango:
Camargo Correa S.A.-Concreto and
Coninsa Ramon H.
Cost COP: \$1.85 billion



- ✓ Electro mechanic equipment

Alstom Brasil Energia E Transporte Ltda.
Cost : USD\$ 123.5 million (turbines)
Cost : USD\$ 102 million (generators)

Main Bidding Processes



Ongoing Contracts

- Secondary Roads, camps and sub-station infrastructure.
- DeviationTunnels, access and corridor for engine room.
- Line and 110Kw sub-station construction.
- Project Supervision.
- Environment quality supervision.

Remaining Bids for 2012

- Transformers Elevators
- Sluice-gates



Investment Plan

Investment Plan

Figures in US\$ MM

Investment Plan 2012-2014 *

Energy: US \$ 2,97 billion

Water: US \$ 912 MM

Telecommunications: US \$ 779 MM

Total: US \$ 4,62 billion

Note: * It doesn't include new acquisitions

Financing Sources

✓ EPM Cash flow	US \$ 3,5 billion
✓ IDB (Bello Wastewater treatment plant)	US \$ 393 MM
✓ IDB (Social Financing program)	US \$ 10 MM
✓ IFC (A/B loan)	US \$ 349 MM
(Energy and Water distribution plans)	
✓ Local Commercial banks	US \$ 220 MM
(Telecommunications Infrastructure)	
✓ Public Credit Agencies	US \$ 200 MM
✓ Other financial sources	
(Capital markets, Commercial Banks, ECA's, etc)	

Highlights and Financial Results

Second Quarter 2012



Highlights 2 Quarter 2012

- EPM (Parent Company) Capex was US\$ 110 MM for the quarter, Driven by the investment in Ituango project (USD\$88 MM)
- EBITDA raised 10% over the same quarter of last year
- Revenues increased 16% over the same quarter of 2011
- EPM (Group) Capex for the first half of the year was USD\$500 million. Ituango, Porce III and Bonyic in Panama received the largest share of capital investments.
- We incorporated in Panama the holding company for our controlling interest in Del Sur (AEI El Salvador Holdings S.A.) The holdco was domiciled in Cayman Island.

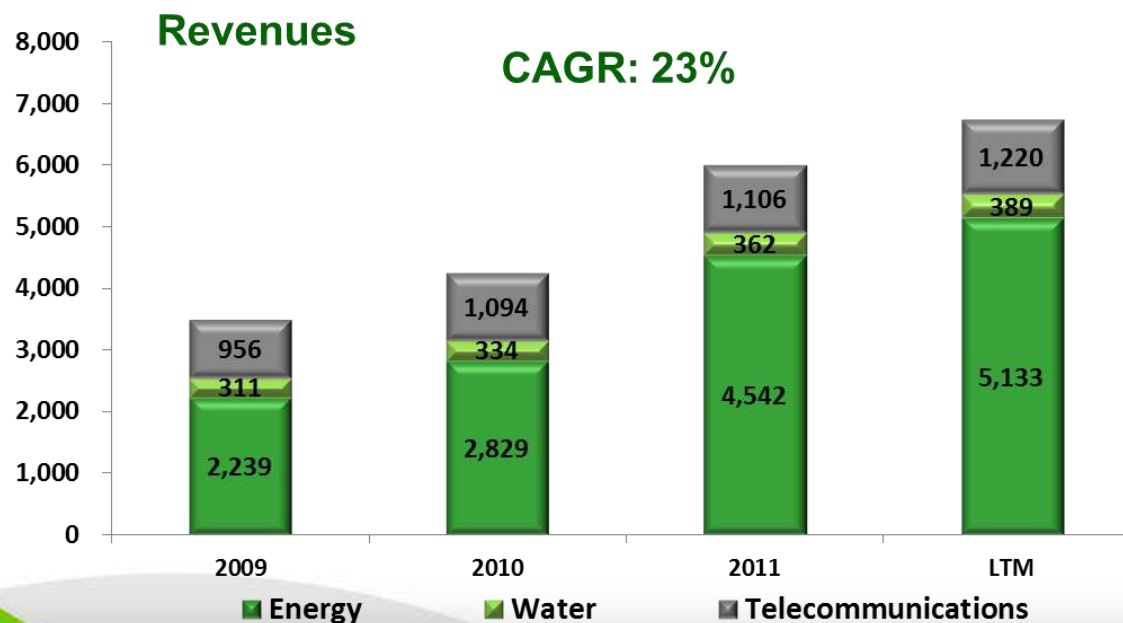


Financial Results

Income Statement

Figures in US\$ MM

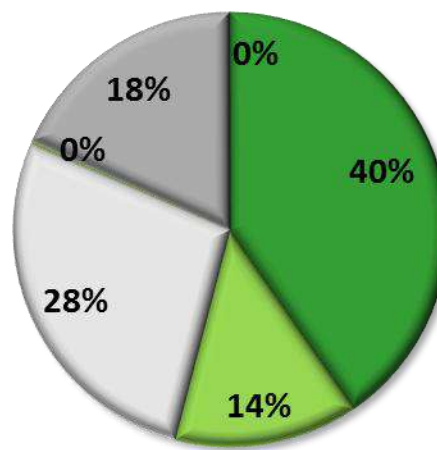
2Q 2011	2Q2012	Var.%	Concept	to June 2011	to June 2012	Var.%
1,527	1,726	13	Revenues	2,997	3,487	16
1,039	1,193	15	Costs and administrative expenses	1,990	2,377	19
488	534	9	EBITDA	1,007	1,110	10
153	159	3	Provisions, deprec. & amortizations	303	336	11
335	375	12	Operating Income	704	774	10
3	(46)	N.A	Others non-operating, nets	11	13	17
85	27	(68)	Income tax provision	201	163	(19)
242	292	20	Net Income	488	598	23



Revenues by geography

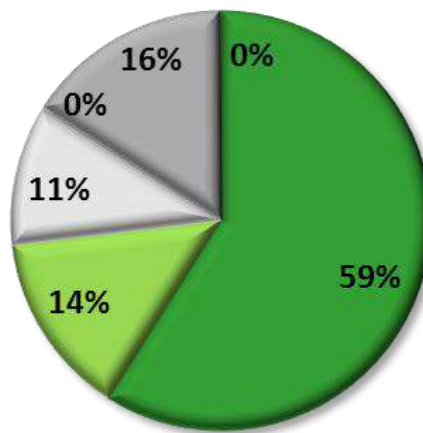
Figures in US\$ MM

Revenues	to June 2012	Var. prev. year %
EPM Parent Company	1,407	11
Colombian Energy Subs	479	16
Central America Subs	955	28
Water subsidiaries	11	34
TELCO subsidiaries	634	12
Other	2	53
Total revenues	3,487	16



- EPM (The parent) (40)
- Energy subsidiaries Colombia (14)
- Energy subsidiaries Centroamérica (28)
- Water subsidiaries (0)
- Telecommunication subsidiaries (18)
- Other (0)

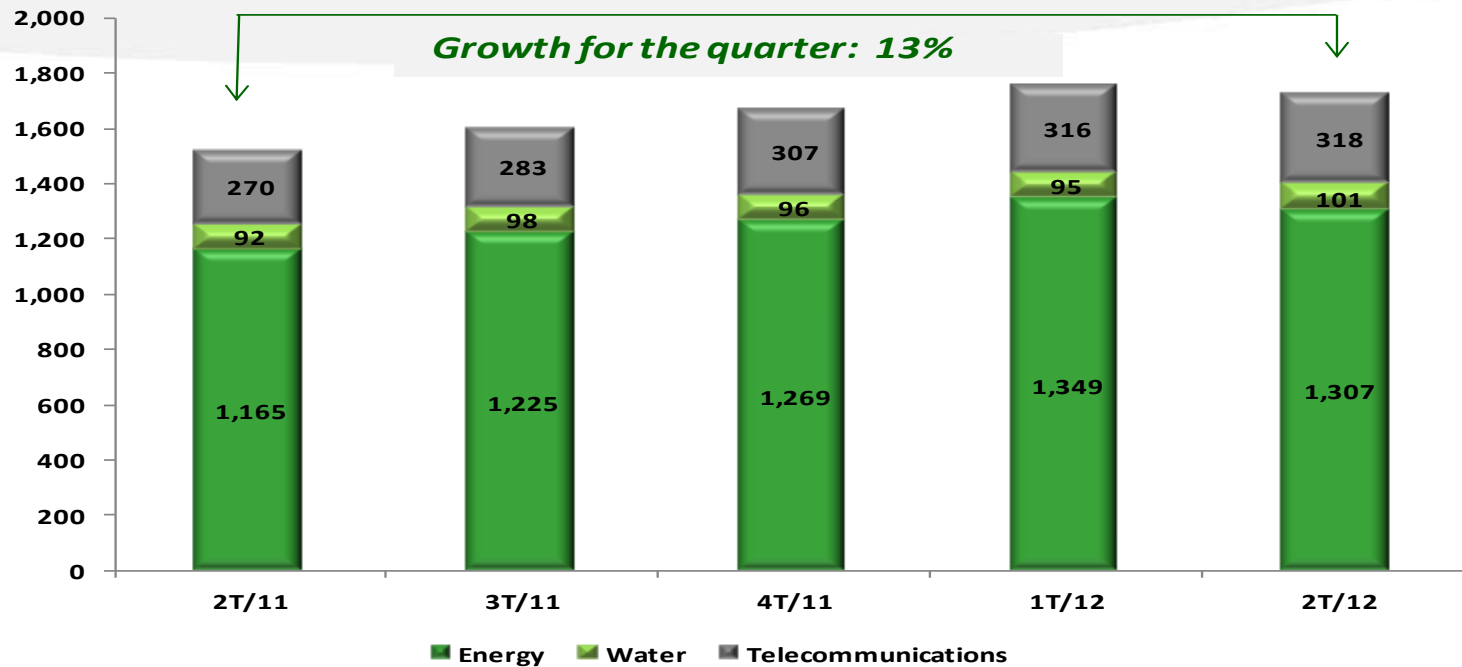
EBITDA	to June 2012	Var. prev. year %
EPM Parent Company	657	5
Colombian Energy Subs	157	29
Central American Subs	120	10
Water subsidiaries	(2)	N.A
TELCO subsidiaries	176	16
Other	1	64
Total EBITDA	1,110	10



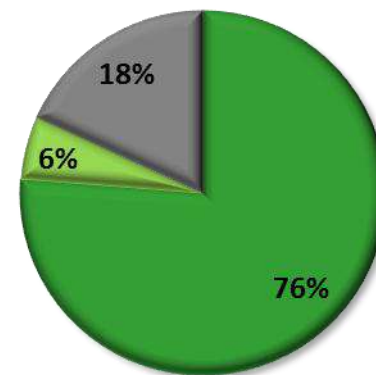
- EPM (The parent) (59)
- Energy subsidiaries Colombia (14)
- Energy subsidiaries Centroamérica (11)
- Water subsidiaries (0)
- Telecommunication subsidiaries (16)
- Other (0)

Revenues by business unit

Figures in US\$ MM



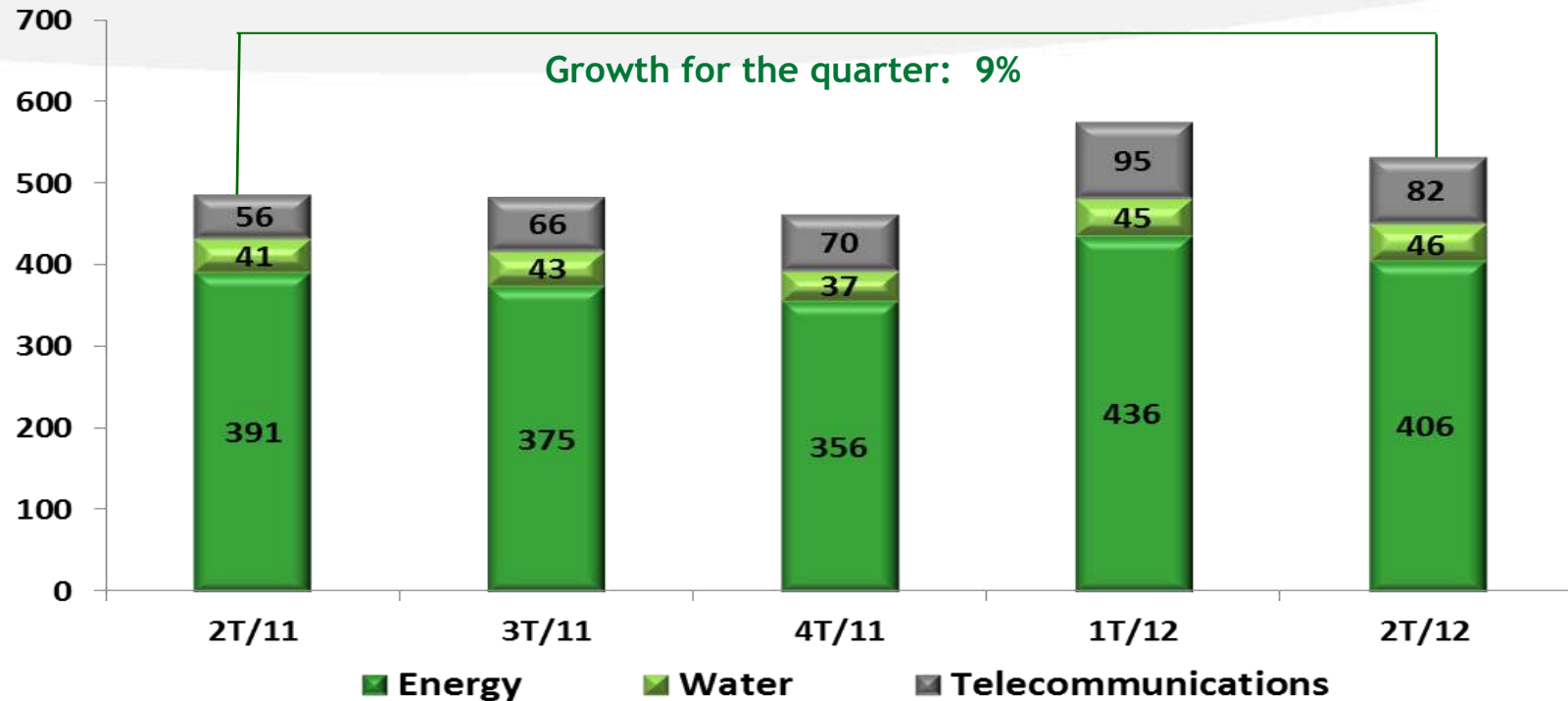
Revenues	to June 2012	Var. prev. year %
Energy	2,656	18
Water	195	6
Telecommunications	634	12
Other	2	53
Total revenues	3,487	16



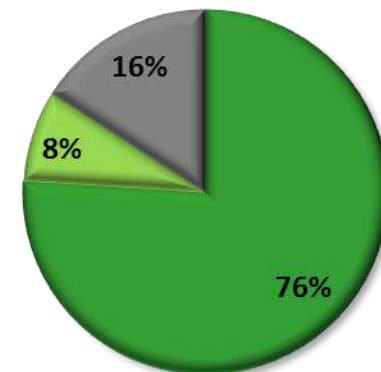
Energy Water Telecommunications

EBITDA by business unit

Figures in US\$ MM



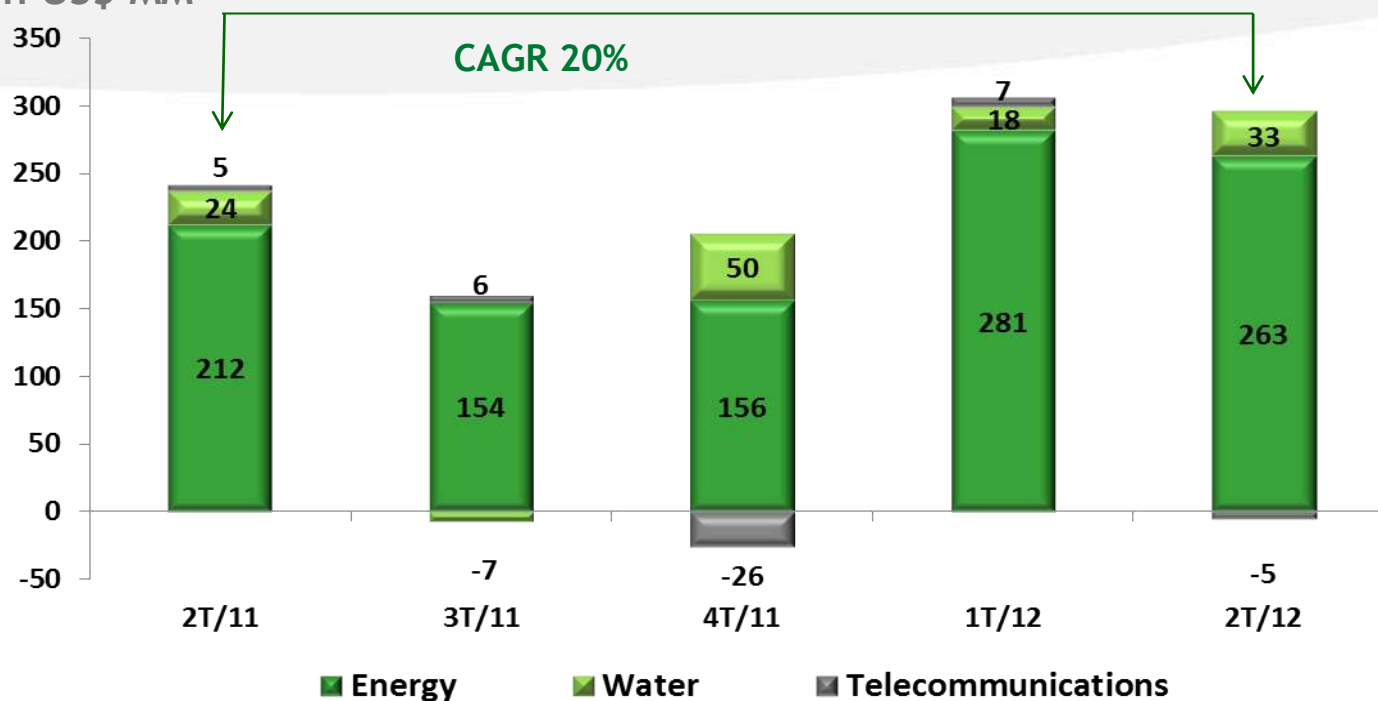
EBITDA	to June 2012	Var. prev. year %
Energy	842	10
Water	90	7
Telecommunications	176	16
Other	1	0
Total EBITDA	1,110	10



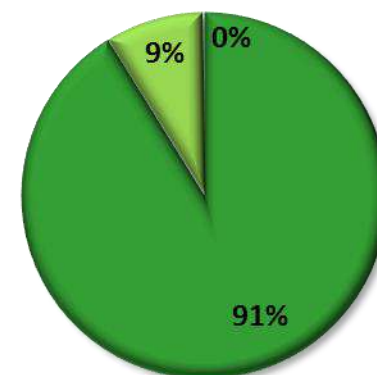
■ Energy ■ Water ■ Telecommunications

Net Profit by business unit

Figures in US\$ MM



Net Profit	June 2012	Var. prev. year %
Energy	544	30
Water	51	18
Telecommunications	1	(93)
Other	1	0
Total Net Profit	598	23

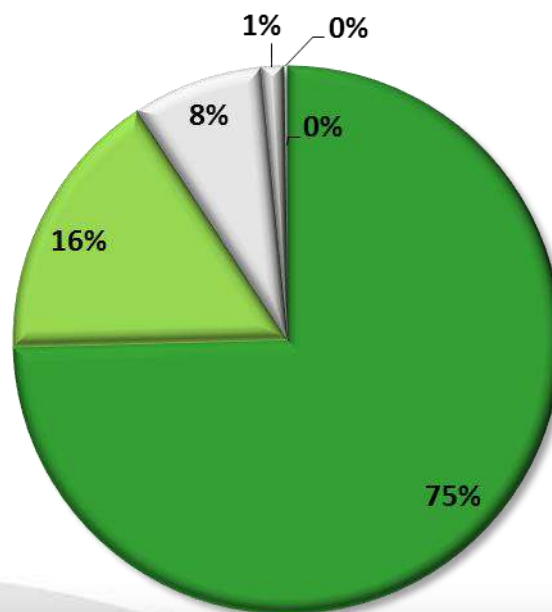


■ Energy ■ Water ■ Telecommunications

Net Profit by geography

Figures in US\$ MM

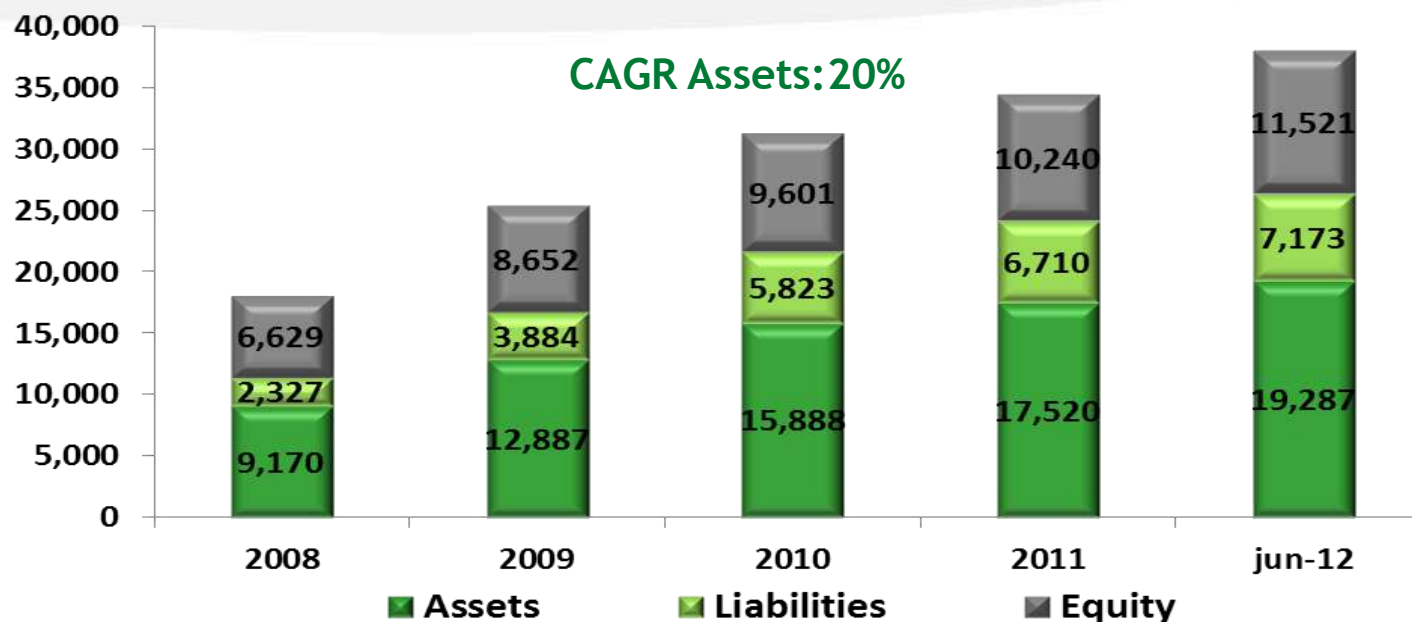
Net Profit	to June 2012	Var. prev. year %
EPM (The parent)	446	29
Energy subsidiaries Colombia	97	54
Energy subsidiaries Centroamérica	46	(5)
Water subsidiaries	8	18
Telecommunication subsidiaries	1	(93)
Other	0	0
Total Net Profit	598	23



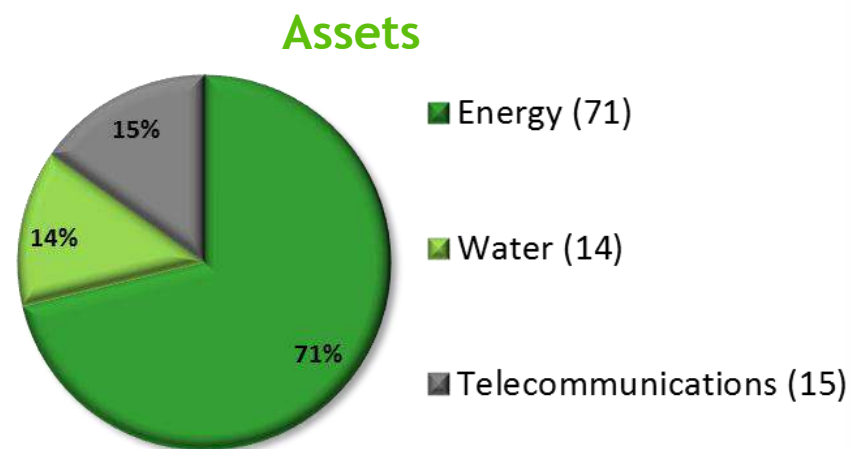
- EPM (The parent) (67)
- Energy subsidiaries Colombia (14)
- Energy subsidiaries Centroamérica (7)
- Water subsidiaries (1)
- Telecommunications
- Other (0)

Balance Sheet

Figures in US\$ MM



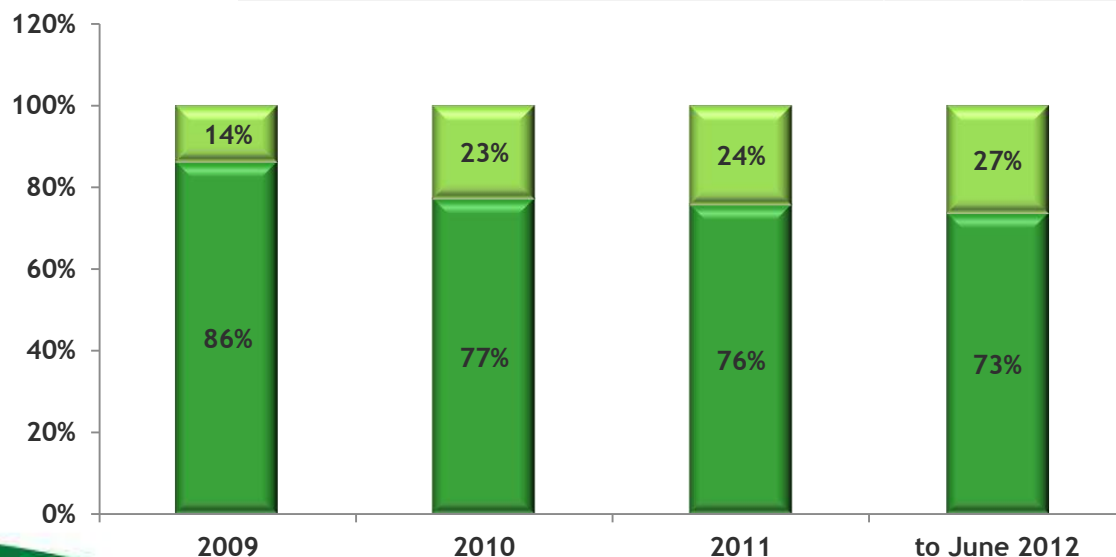
Item	June 2012	Share %	Var. prev. year %
Assets	19,287	100	10
Current Assets	3,153	16	3
Non-Current Assets	16,134	84	12
Liabilities	7,173	37	7
Current	2,048	11	16
Non-current	5,125	27	4
Minority Interest	592	3	4
Equity	11,521	60	13



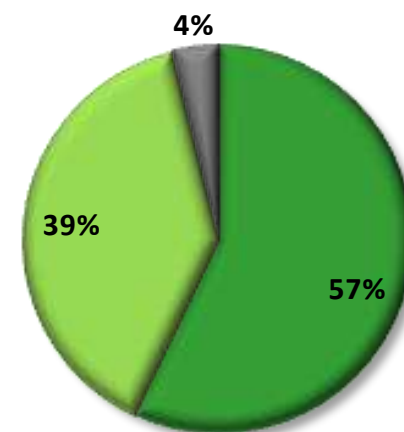
Financial Debt

Figures in US\$ MM

Financial Debt	2009	2010	2011	to June 2012
EPM (The parent)	1,620	2,402	2,712	2,818
Energy subsidiaries Colombia	1	105	55	37
Energy subsidiaries Centroamérica	0	180	352	497
Water subsidiaries	0	43	1	5
Telecommunication subsidiaries	264	389	470	478
Total Financial Debt	1,885	3,119	3,590	3,835



■ EPM (The parent) ■ Subsidiaries

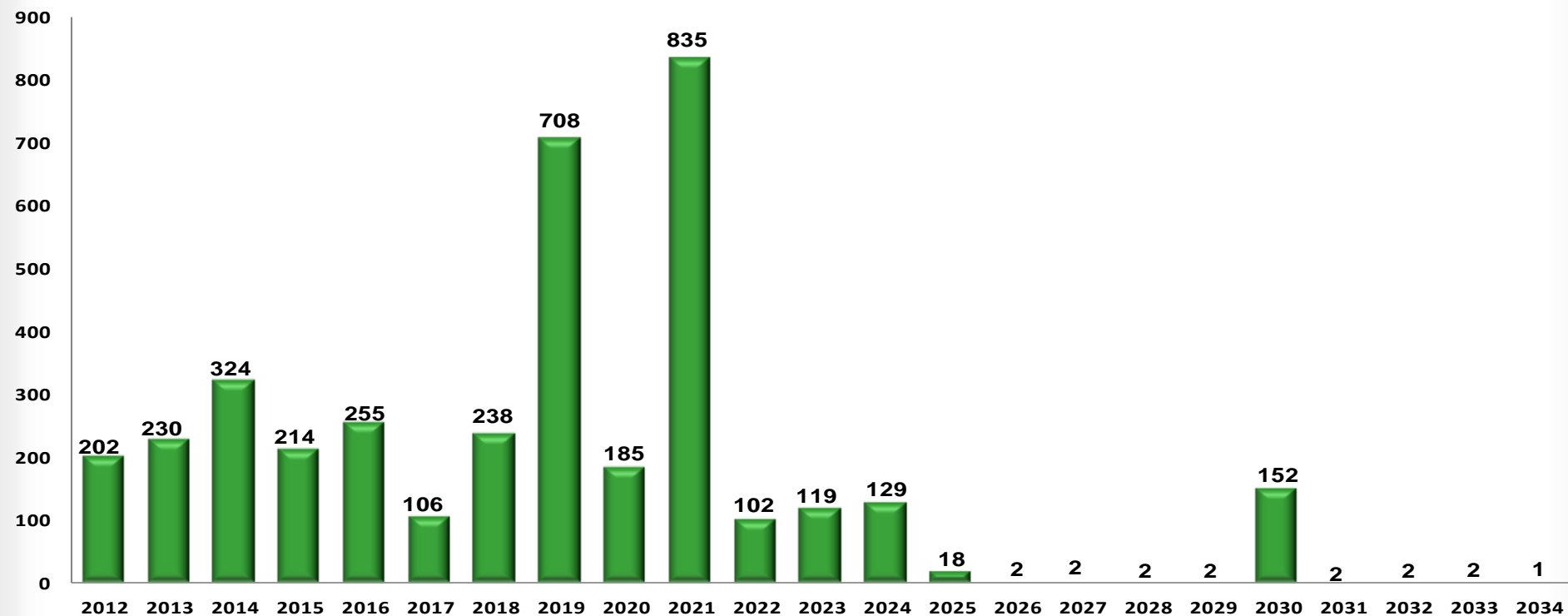


■ COP ■ USD ■ Quetzales

Financial Debt

Figures in US\$ MM

Debt maturity profile



Financial Debt EPM (The parent)

Figures in US\$ MM

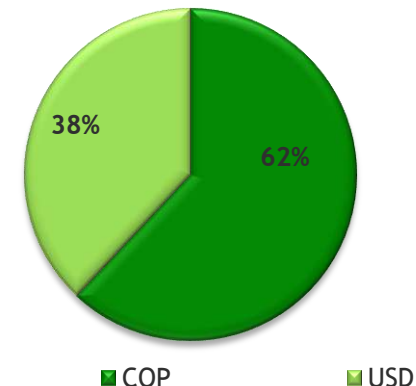
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
External Debt Service	100	115	113	83	83	83	82	582	73	73
Derivatives ¹	87	79	78	49	32	-	-	-	-	-
Natural Hedges ²	149	57	82	83	88	92	98	102	107	111
Total Hedges	236	136	160	132	120	92	98	102	107	111

¹ Using financial instruments

² Dividend Foreign Subsidiaries

AVERAGE HEDGE RATIO (%)	Considering	
	Only Derivatives	Natural Hedges and Derivatives
2012-2014	75%	165%
2012-2016	64%	160%

Currency composition



Financial Ratios

Ratio	EPM Group	Energy	Water	Telecommunications
EBITDA Margin	32%	32%	46%	28%
Operating Margin	22%	26%	30%	5%
Net Profit Margin	17%	20%	26%	0%
Liquidity Ratio	1.54	1.37	4.52	1.13
Total Debt to Total Assets	37%	38%	35%	37%
Financial Debt to Total Assets	20%	21%	21%	17%
ROE	10%	13%	6%	0%
ROA	6%	8%	4%	0%
EBITDA/Financial expense	6.89	6.58	11.10	7.03
Debt/EBITDA	1.76	1.71	2.99	1.42

Main Figures	2008	2009	2010	2011	LTM
Revenues	2,964	3,508	4,258	6,013	6,745
EBITDA	1,107	1,262	1,463	1,874	2,051
EBITDA Margin	37%	36%	34%	31%	30%

Grupo·epm[®]