



**Annual Emerging Markets
Corporate Conference 2014**

Bank of America Merrill Lynch
Miami, FL. May 28 - 30.

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Agenda



- Company Overview
- Investment Plan 2014-2017
- Ongoing projects
- First Quarter 2014 Financial Results





1. Company Overview

Mission

We are a Colombian state-owned Multi-Latin economic group



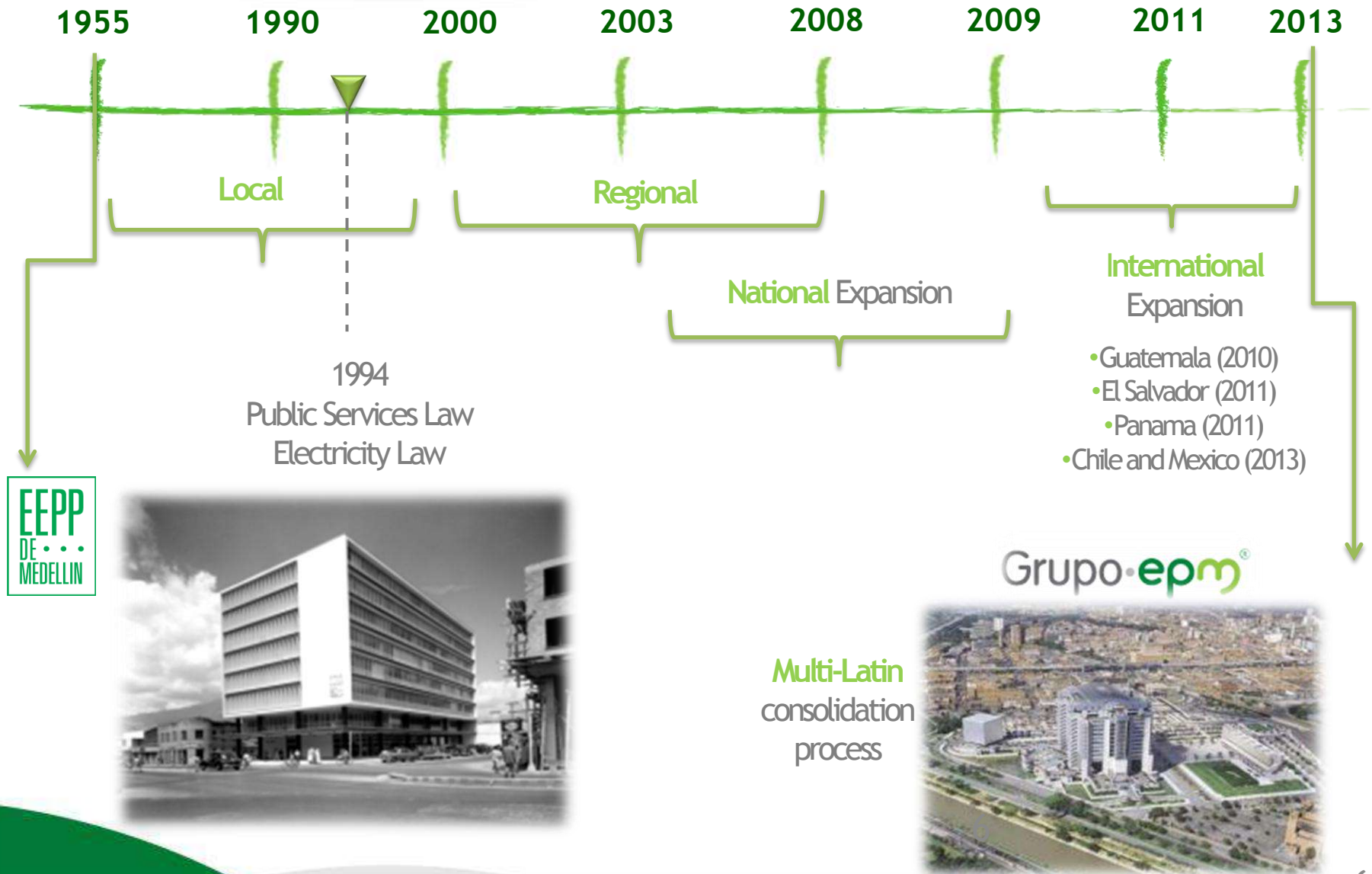
We create equitable **well-being** and **development**.

We provide comprehensive solutions in the fields of electricity and gas, water, solid waste management, and information and communication technologies -ICT-



1. Company Overview

Expansion evolution



1. Company Overview

EPM Group in Latin America



Ratings EPM (The Parent):

- Fitch: **BBB**, Outlook stable.
- Moody's: **Baa3**, Outlook stable.

Geographically diversified:

Corporate group with **57** companies:

- **38** companies in Central America, Chile and Mexico
- **19** companies in Colombia



1. Company Overview

Business Units



Parent Company

Energy

Water and Waste Management

Colombia



Central America



Colombia - Mexico



max seguros epm®

EPM Inversiones S.A.

epm®

México

epm®

Chile



1. Company Overview

Our presence in Colombia

Electricity



Generation **21.8%**
Transmission **8%**
Distribution **24.2%**

More than **3,75 million** customers

3.513 MW Net Effective Capacity,
85.6% hydraulic

Gas



Distribution and Commercialization **11.5%**

More than **815 thousand** customers

Main distributor in the region of Antioquia,
3rd position in Colombia

Water



Water and Sewage Systems **13.7%**

Water System **1** million
Sewage System **1** million
Wastewater Treatment **239** thousand

Second company in Colombia

Market Share

Customers

Key figures

1. Company Overview

Our presence in Central America



Panama	Guatemala	El Salvador	
ENSA HET	EEGSA TRELEC COMEGSA	DELSUR	Company
390.842	1.066.063	351.690	Customers
2nd electricity distribution company in the country 31 MW under construction	1st electricity distribution and commercialization company in the country	2nd electricity distribution company in the country	Key figures
ENSA: BBB Fitch Ratings	EEGSA: BB- S&P Ba1 Moody's	DEL SUR: AA- Fitch Ratings (local)	Ratings

1. Company Overview

Corporate Strategy 2012-2022

Vision: In 2022
EPM Group expects
to position itself
among the first 50
Multi-Latin



- ✓ Revenues equivalent : USD 16 billion.
- ✓ Ebitda : USD 5.5 billion.



 EPM Market
 Main targets

Energy

- Peru
- Chile
- Brasil

Water

- Mexico
- Peru



2

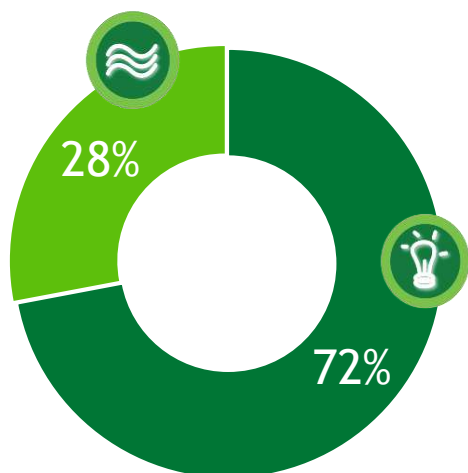
Investment Plan 2014-2017

2. Investment Plan 2014-2017

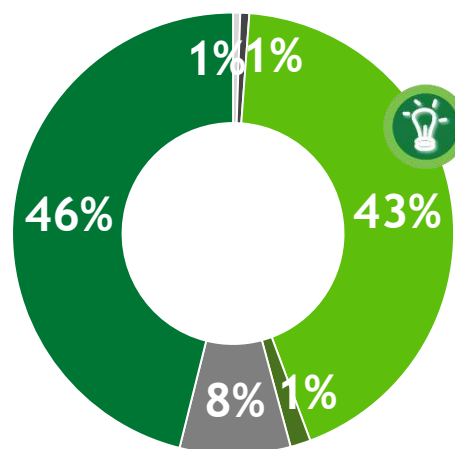
EPM Group

Figures in USD million

EPM Group	2014	2015	2016	2017	Total
EPM	1.244 (71%)	1.177 (70%)	862 (74%)	715 (77%)	3.998 (72%)
Filiales	513 (29%)	504 (30%)	298 (26%)	229 (23%)	1.544 (28%)
Total	1.758	1.681	1.160	944	5.542



■ Energy ■ Water



■ Cururos ■ EMVARIAS
■ Ituango ■ Nueva Esperanza
■ PTAR Bello ■ Otros proyectos

2. Investment Plan 2014-2017

EPM Group

Total Investment Plan

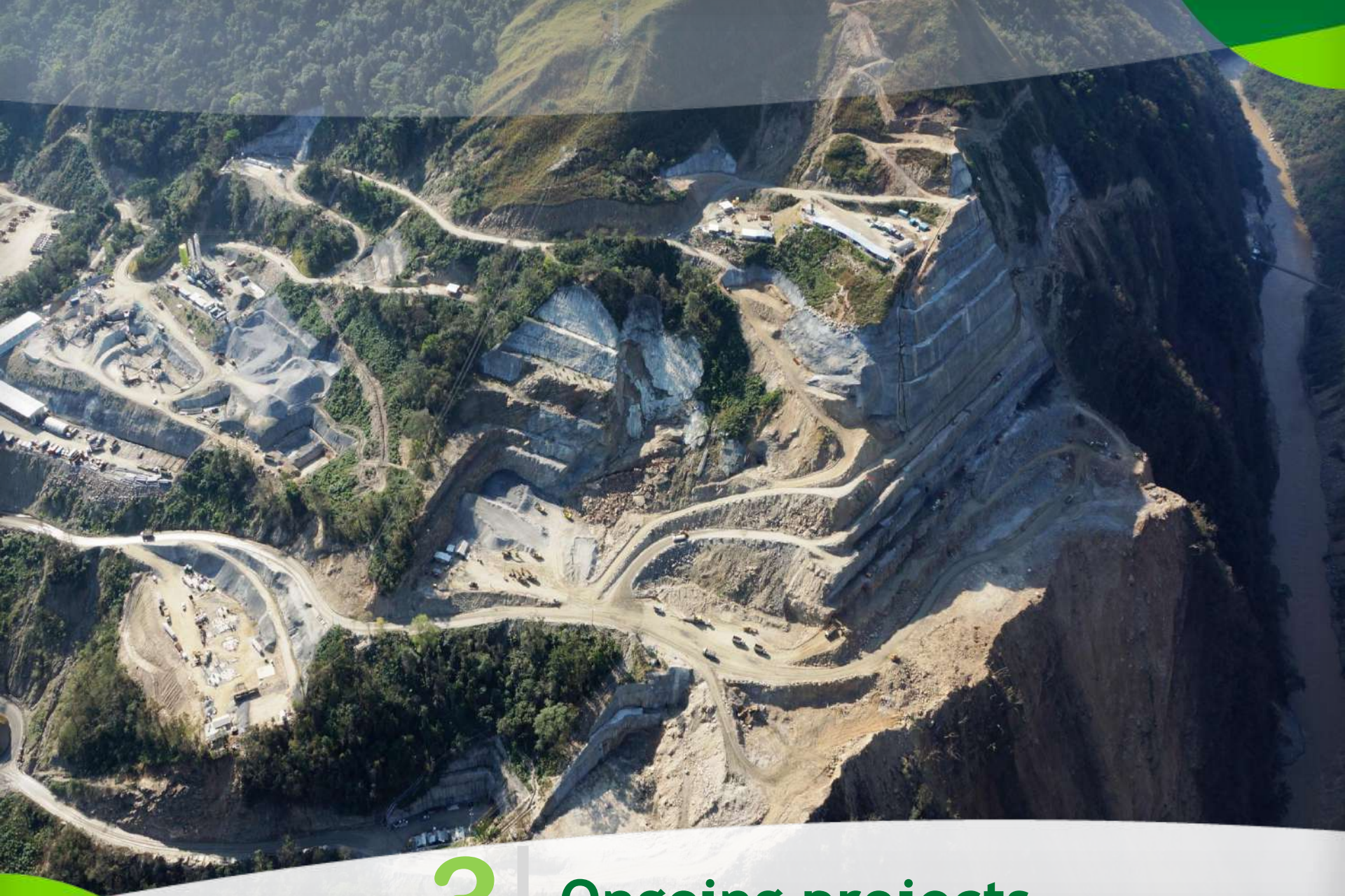
USD 5,5 billion

Financing Sources

✓ EPM Cash flow	3.2 billion
✓ IADB (Bello WTP)	352 million
✓ Development Agencies	143 million
✓ Local banks	60 million
✓ Ongoing transactions	400 million
✓ Other financial sources	1.3 billion

2.3 billion

- ✓
 - Capital markets: International & Local
 - Commercial banks: International & Local
 - Development Agencies
 - Multilateral Agencies



3

Ongoing projects

3. Ongoing projects

Ituango Hydroelectric Project

Cost: USD 5,5 billion



💡 Installed capacity: **2.400 MW** / 8.563 GWh/year

💡 8 Francis turbines: 300MW each

💡 Start of operation: 1st Stage **2018**/2nd Stage **2022**

💡 Dam: 225 m height, 20mn m³

💡 Reservoir: 79 km length

💡 Area flooded: 3.800 hectares

3. Ongoing projects

Ituango Hydroelectric Project



Awarded contracts:

- ✓ Electromechanical equipment:
 - Turbines, generators: Alstom Brasil
 - Transformers: Siemens Transformer Co. Ltd.
 - Travelling Cranes: Imocom S.A.
 - Gates for deviation, adduction and suction tunnels: ATB Riva Calzoni S.p.A.



Deviation tunnel



Total progress: 22%

- Access roads to main civil works, camps and deviation tunnels excavations: 100%
- Cauca river deviation completed
- Ongoing excavations: powerhouse cavern 31%, spillway 24%, discharge tunnel's portal 39%, cofferdam 24.5%, transformers cavern 67%.
- Ongoing manufacture: transformers



Cauca river deviation - Feb.2014

3. Ongoing projects

Bello WasteWater Treatment Plant

Cost: **USD 572 million**

Sources of financing: **IADB USD 450 million**



Treatment capacity: **5.0 M3/sec.**

Start of operation: **2016**

Awarded contracts:

- ✓ Civil works and equipment supply Korean - Spanish consortium "Aguas de Aburra HHA: Hyundai Engineering and Acciona Agua.
- ✓ Construction North Interceptor **2012-2014**: Colombian-Mexican consortium CICE



Total progress: 19%

- Plant: **10%**
- Interceptor: **61%**



Interceptor: **7.7 Km**

3. Ongoing projects

Los Cururos Wind Power Plant - Chile



Cost: USD 228 million

- Capacity: **110MW**
- Location: Coquimbo, North of Chile
- Turnkey contract: **Vestas Wind System A/S**
- Start of operation: **2014**



57 wind turbines: 20 are fully installed

3. Ongoing projects

TICSA - Mexico



Cost: USD 113 millones



100%

EPM Capital México
S.A. de C.V.

80%

Founders

20%



TICSA has 22 years of experience in design, construction and operation of wastewater treatment plants. The company is considered one of the most efficient operators in the Mexican market, which has developed more than 200 solutions for the industrial sector.



Holding company with 14 wastewater treatment plants, 10 of the them are fully operational with a total capacity of 8,160 lps, and the other 4 are under construction with a capacity of 2,120 lps.



Start of operation:
2013-2015

3. Ongoing projects

EMVARIAS - Waste Management Subsidiary



Cost: USD 17 million



emvarias®
EMPRESAS VARIAS DE MEDELLÍN

Grupo·epm®

> Prospects for development:

- Integrated management of solid waste and wastewater
- National and international business growth
- R+D in technology and service

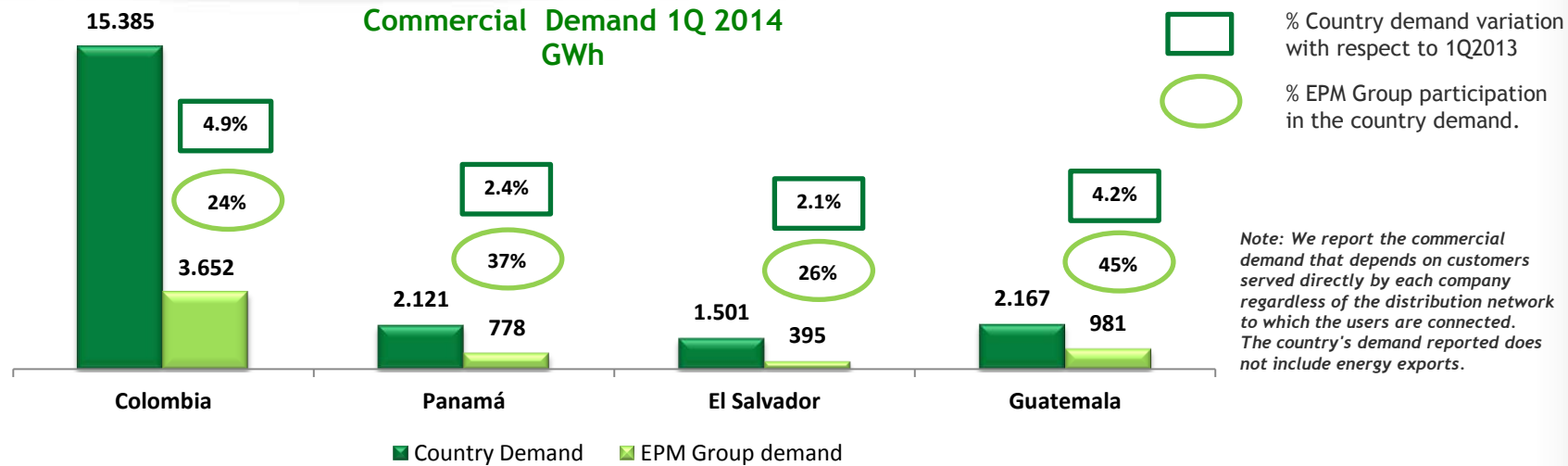
> Upcoming projects:

- Strengthening the truck fleet through the renting of 50 waste compactors
- Conversion of the truck fleet to natural gas
- Construction of the leachate treatment plant.

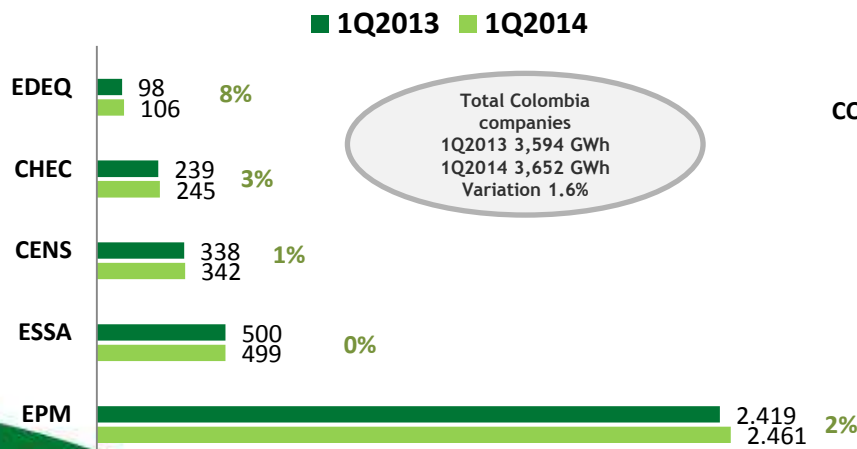


4. First Quarter 2014 Financial Results

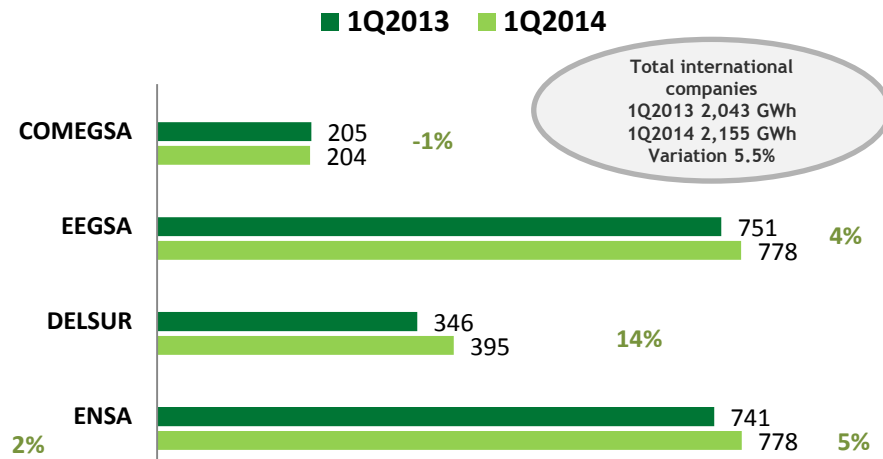
Commercial Energy Demand



Colombian EPM companies GWh



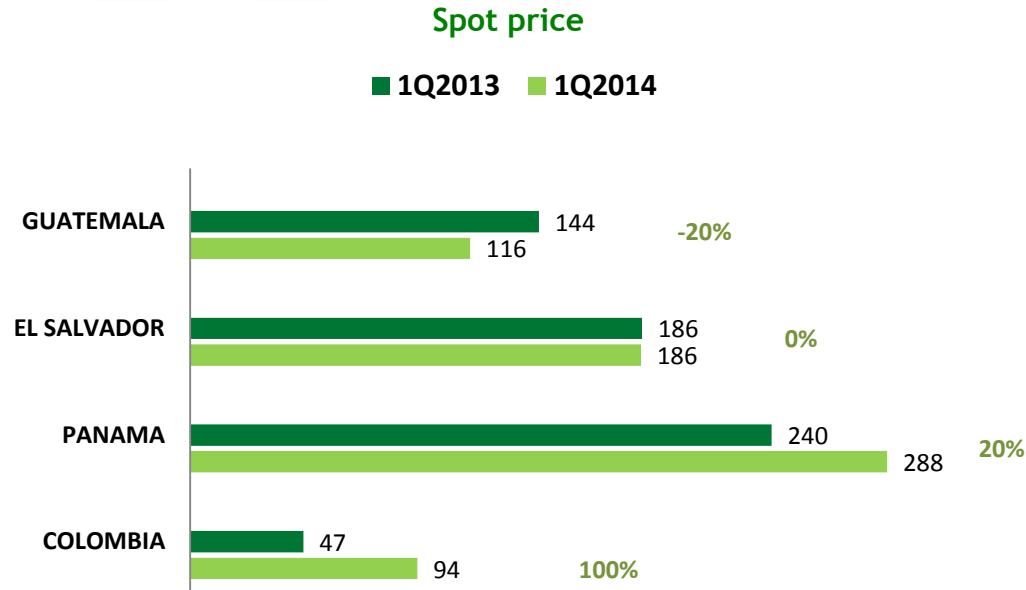
International EPM companies GWh



4. First Quarter 2014 Financial Results

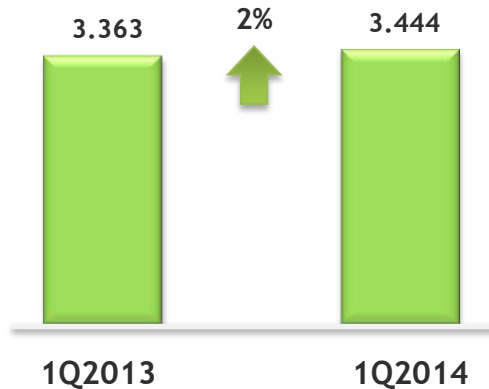
Energy Market

Spot price USD/MWh and EPM Generation (GWh)

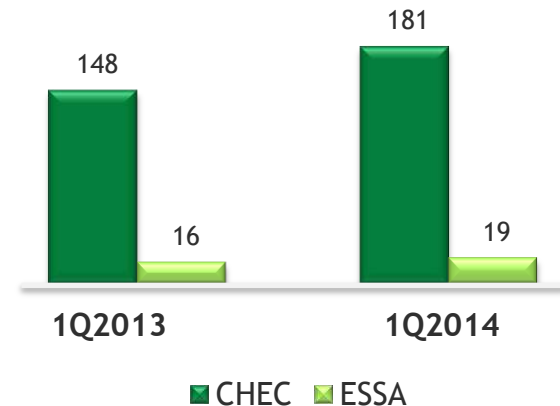


➤ **Note:** Colombia and Guatemala are the countries where the largest component of the energy matrix is hydraulic generation. For this reason their spot prices are comparatively lower and more volatile.

EPM Parent Company Real Generation

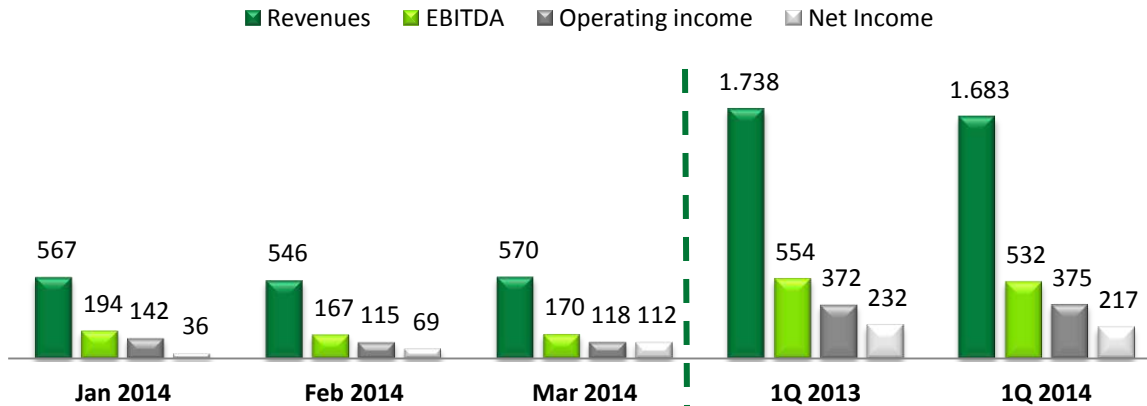


Subsidiaries Real Generation



4. First Quarter 2014 Financial Results

EPM Income Statement - Figures in USD million



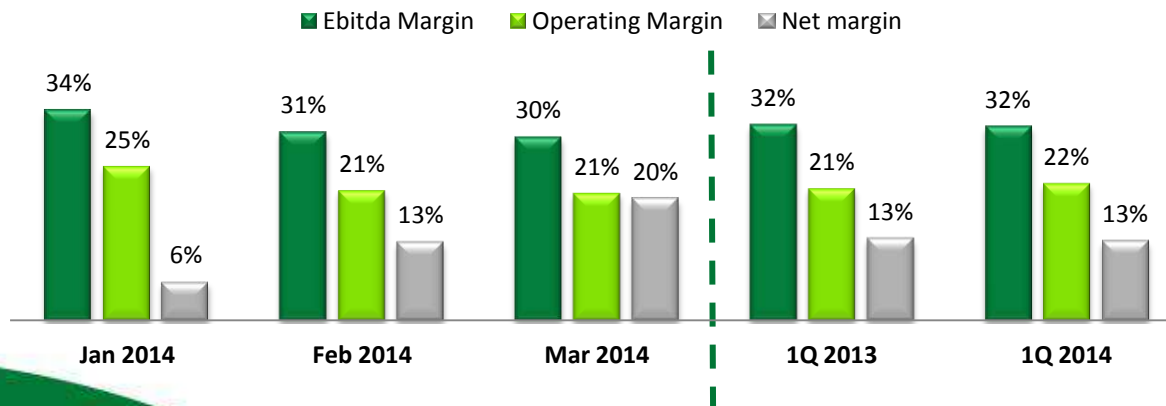
Variation in dollars 1Q2014 - 1Q2013

- Revenues: -3%
- Ebitda : -4%
- Net income: -6%



Variation in pesos 1Q2014 - 1Q2013

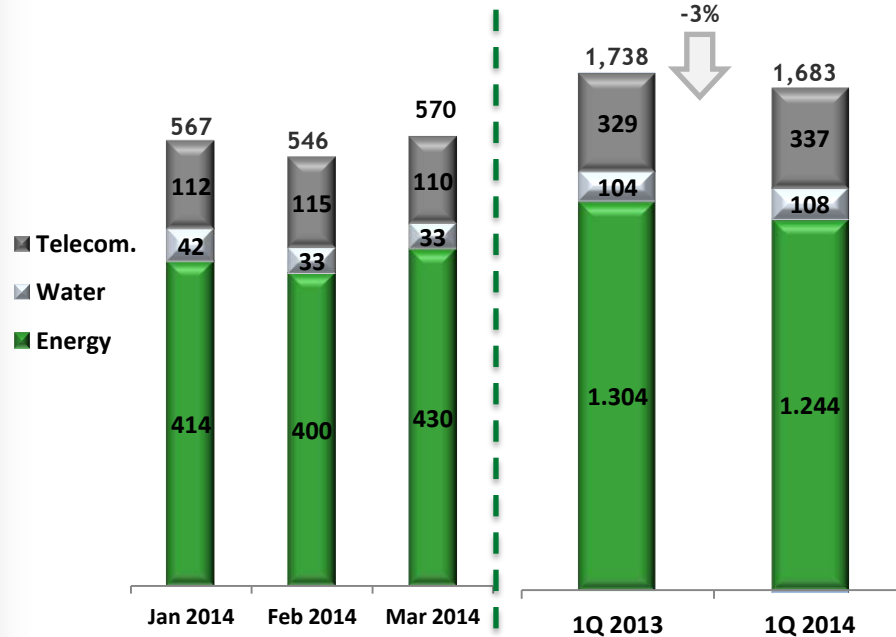
- Revenues: 8%
- Ebitda : 7%
- Net Income: 6%



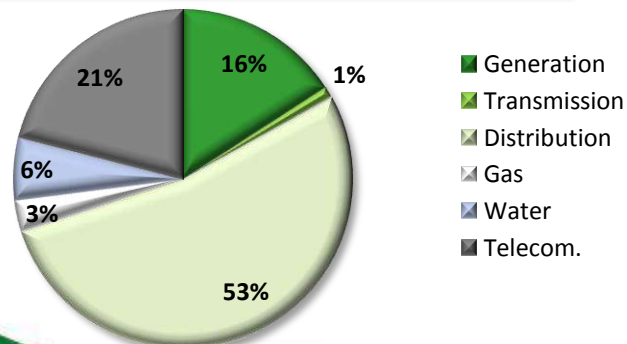
Average exchange rate
 1Q 2013 COP/USD1,791
 1Q 2014 COP/USD2,004

4. First Quarter 2014 Financial Results

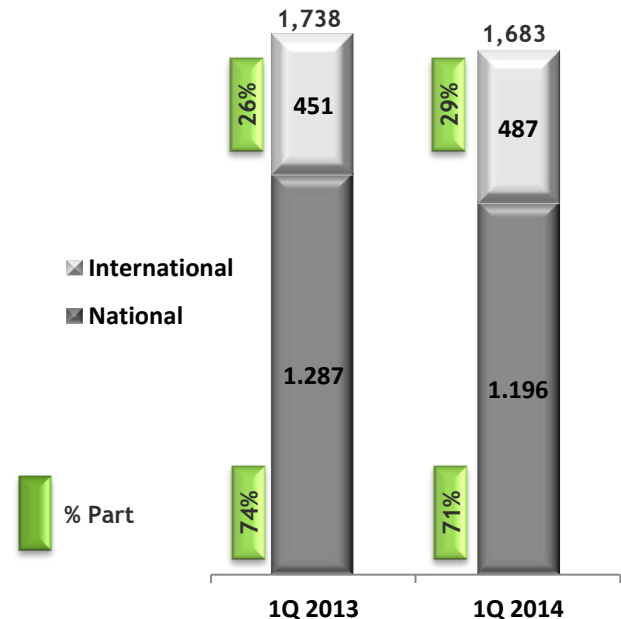
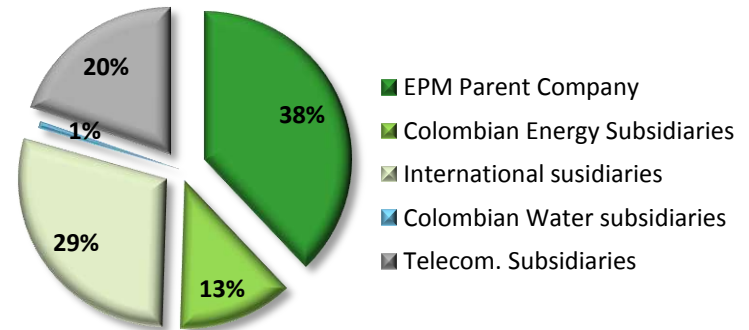
Revenues - Figures in USD million



Breakdown by business line

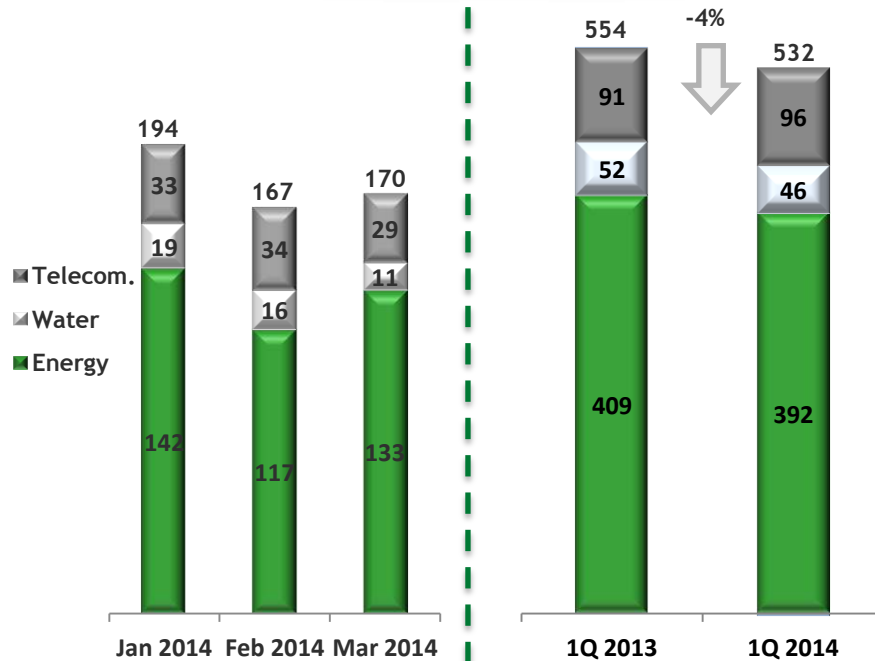


Revenues Breakdown

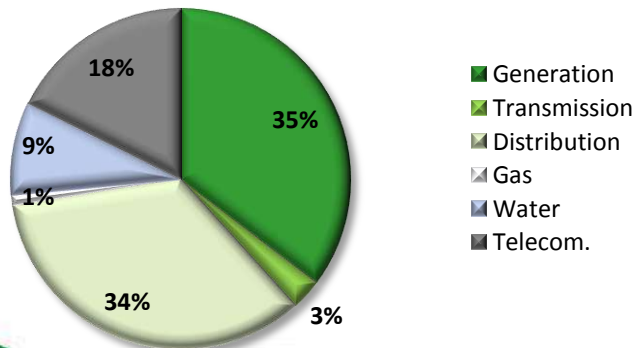


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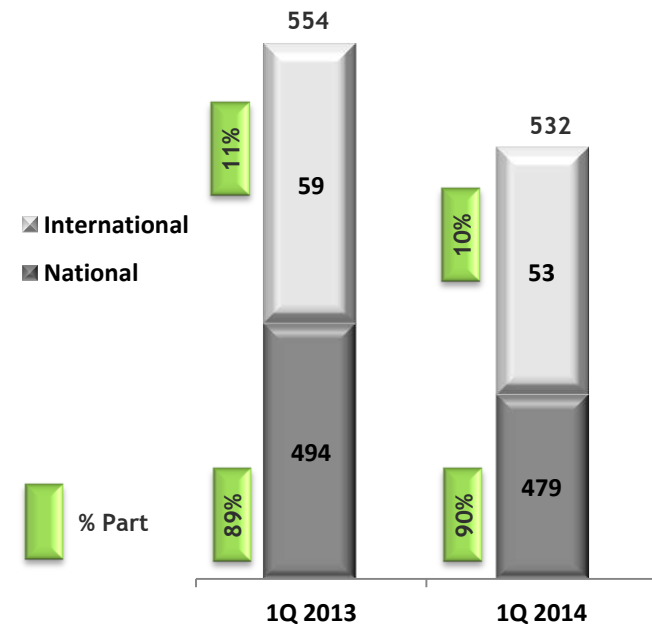
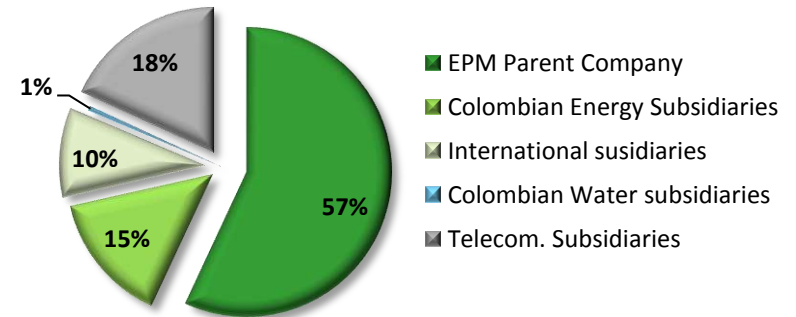
Ebitda - Figures in USD million



Ebitda Breakdown by business line

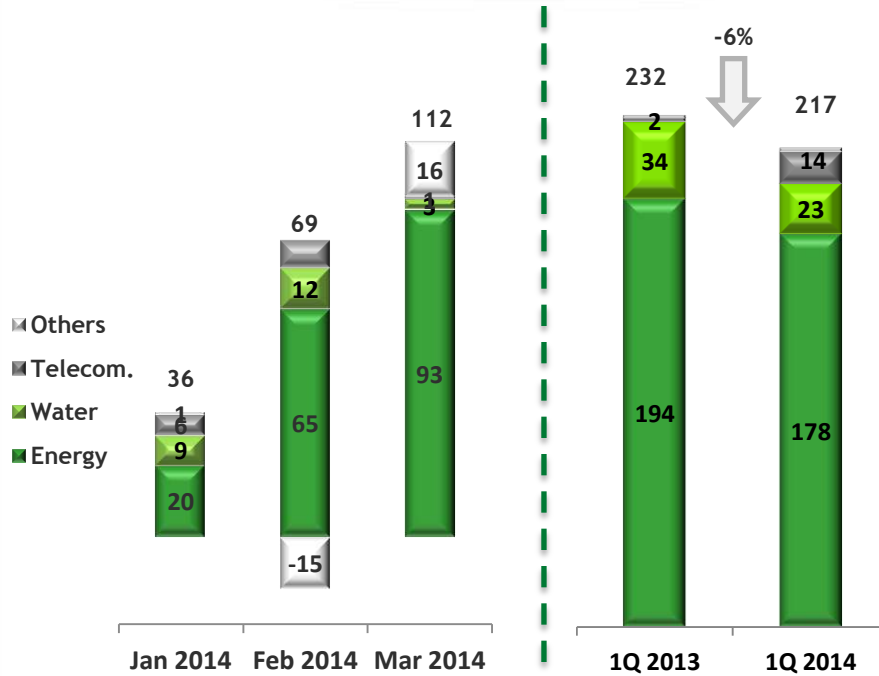


Ebitda Breakdown

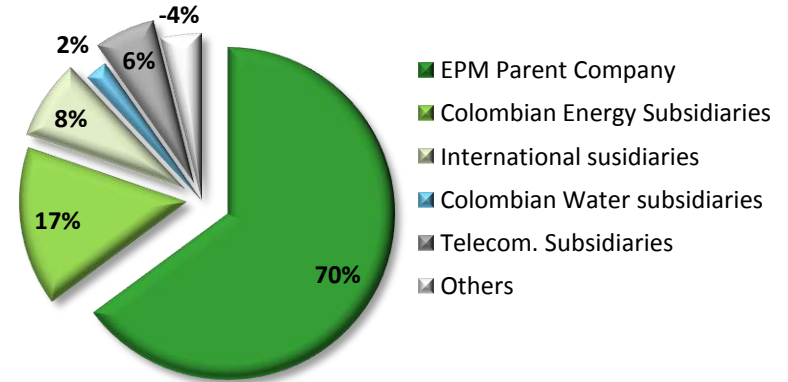


4. First Quarter 2014 Financial Results

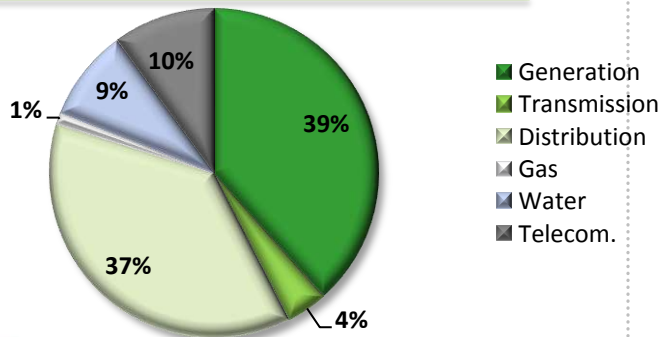
Net Income - Figures in USD million



Breakdown 1Q 2014

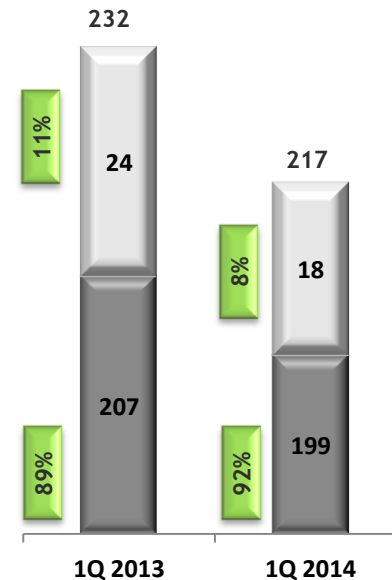


Breakdown by business line



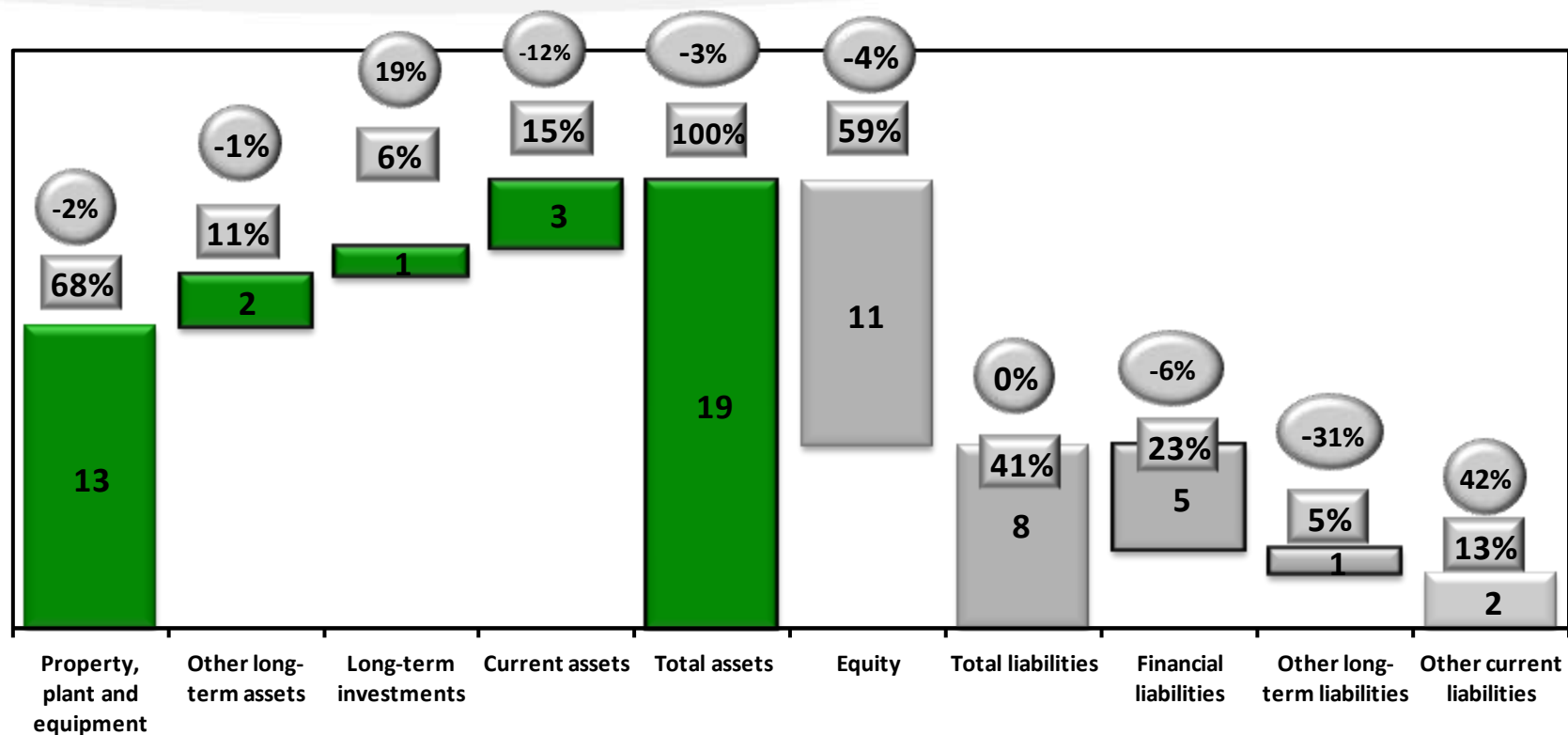
International
National

% Part



4. First Quarter 2014 Financial Results

Balance Sheet - Figures in USD billion



Corresponds to growth with respect to 2013



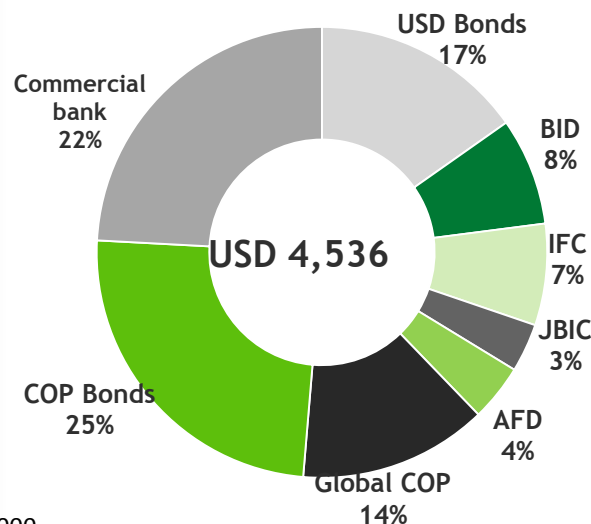
Corresponds to participation with regard to assets

Concept	as of Dic 2013	as of Mar 2014
Total Debt to Total Assets	40%	41%
Financial Debt to Total Assets	24%	23%
Ebitda/Financial expenses	6.91	6.79
Debt/Ebitda	2.43	2.32

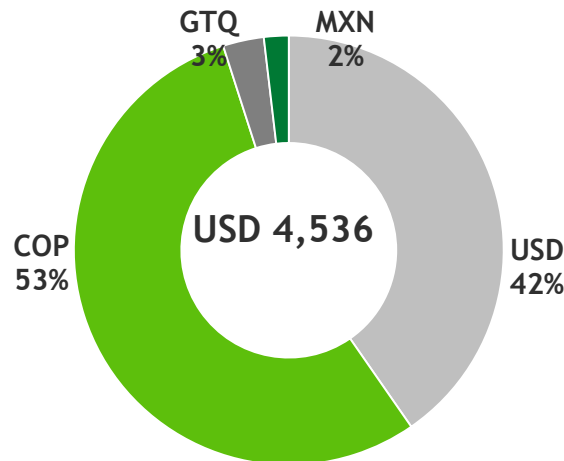
4. First Quarter 2014 Financial Results

Debt - Figures in USD million

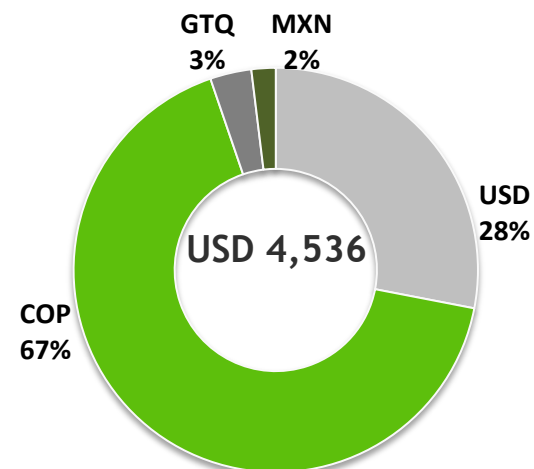
Source



Currency without hedging

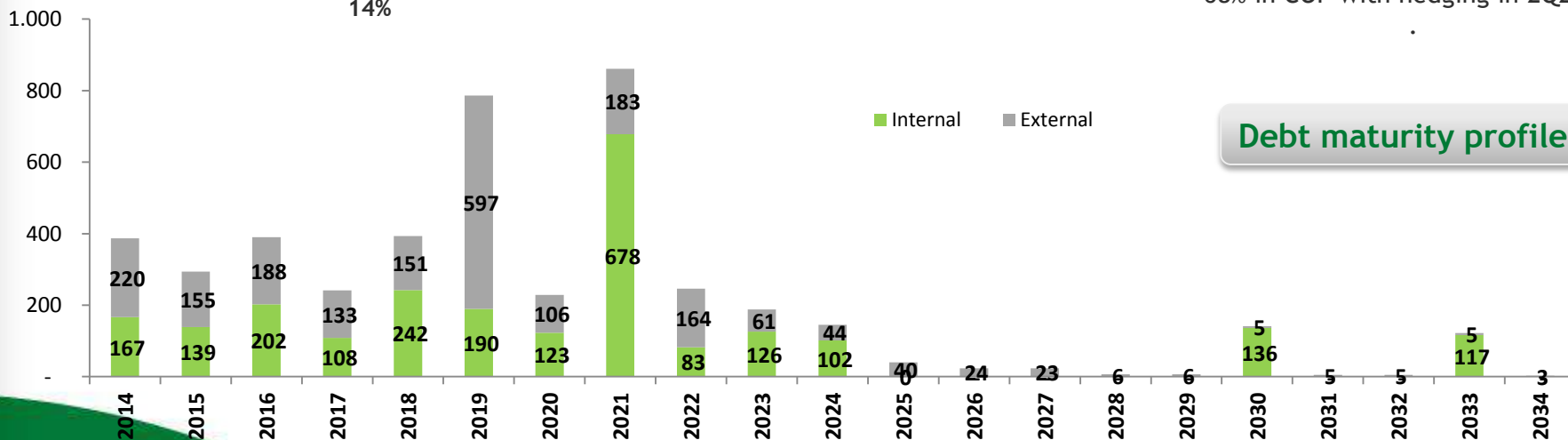


Currency with hedging



68% in COP with hedging in 2Q2014.

Debt maturity profile



4. First Quarter 2014 Financial Results

Cash Flow Hedging - Figures in USD million



- EPM's hedge policy has emphasis on the cash flow.

Cash Flow Hedging	2014	2015	2016	2017
Debt Service	229	209	226	163
Natural Hedge	73	76	86	87
Financial Hedge	113	128	129	39
Total Hedge	186	205	216	126
Hedge Percentage	81.3%	98.0%	95.3%	77.5%

Gracias

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