



Itaú BBA

3rd Annual LatAm Fixed Income Conference

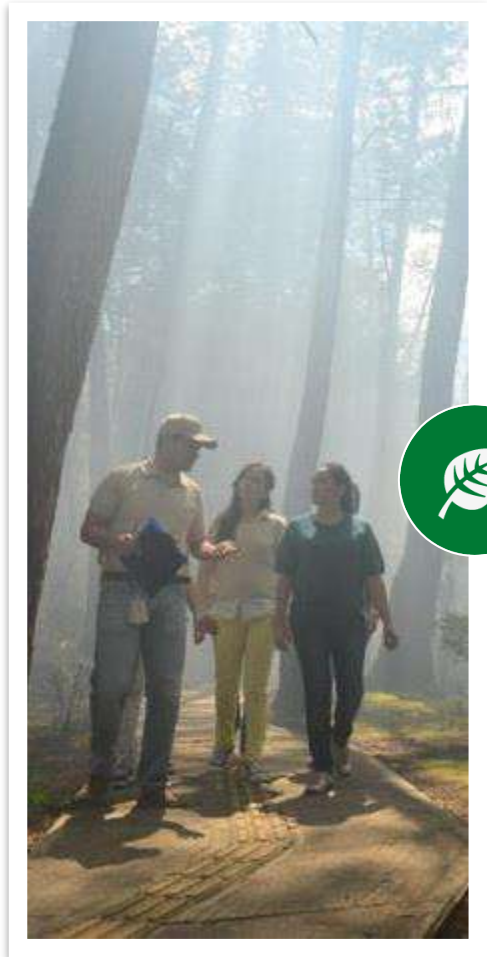
New York, March 2014

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EPM Highlights

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Overview

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Key Investment
Projects and
Acquisitions

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1. EPM highlights

- ✓ Colombia's largest multi-services utility company, with presence in Central America, Mexico and Chile
- ✓ Market leadership in key segments, with an unmatched, vertically-integrated business model and an outstanding operational track record
- ✓ Quasi-sovereign, 100% owned by the Municipality of Medellin with a strong corporate governance model
- ✓ Stable regulatory environment, transparent and supportive of market participants
- ✓ Well thought-out regional expansion strategy, looking to extend dominance in core segments
- ✓ Sound financial profile, with significant cash flow generation and ample access to credit markets

2. Corporate Overview

Purpose: Sustainability

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-



2. Corporate Overview

Sizable, multi-utility conglomerate with a low-risk profile



✓ Headquartered in Medellin, with a growing Latin American portfolio

- Founded in 1955
- Reaches a population of **over 20 million people**
- Targeting Peru, Brazil, Chile and Mexico for expansion

✓ Ratings EPM (Parent):

Fitch: **BBB+** (stable outlook), Moody's: **Baa3**, (positive outlook)

✓ Low-risk profile and strong credit metrics

- Stable regulatory environment
- Transparent corporate governance
- Diversified revenue sources

2. Company Overview

Our presence in Colombia

Electricity



Generation **20.5%**
Transmission **7.9%**
Distribution **24.1%**

More than **3,8 million**

3.508 MW Net
Effective Capacity,
86.3% hydraulic

Gas



Distribution
and **11.9%**
Commercialization

More than **934 thousand**

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

Water



Water
and **13.7%**
Sewage Systems

Water System **1 million**
Sewage System **1 million**
Wastewater
Treatment **228 thousand**

Second company in
Colombia

**Market
Share**

Customers

**Key
figures**

2. 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	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

2. Company Overview

Our presence in Panama, Chile and Mexico

Bonyic - hydro-generation power plant Panama

Total Cost: USD 314 million

- ✓ Installed capacity: 31.8 MW



- ✓ Full commercial operation: **February, 2015**
- > The Bonyic plant, built by Hidroecológica del Teribe S.A. (HET), an EPM Group company, is located in the Changuinola district, Bocas del Toro province, in Panama's Northeast on the border with Costa Rica.
- > The project's environmental management and work with native communities in its influence area exemplary.

Los Cururos Wind Power Plant Chile

Total Cost: USD 228 million



- ✓ Installed capacity: 110 MW
- ✓ 57 turbines
- ✓ Full commercial operation: **July, 2014**
- > Location: Coquimbo, North of Chile
- Turnkey contract: Vestas Wind System A/S

2. Company Overview

Our presence in Panama, Chile and Mexico

Acquisition: TICSА - Mexico



Cost: USD 113 millones



100%

EPM Capital México
S.A. de C.V.

80%

Founders

20%



Tecnología
Intercontinental,
S.A. de C.V.



TICSA has 25 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, 11 of the them are fully operational with a total capacity of 8,160 lps, and the other 3 are under construction with a capacity of 2,120 lps.



Start of operation:
2013-2015

3. Corporate Strategy

Expand dominance in core businesses and further LatAm expansion



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



Revenues equivalent : USD16bn
Ebitda : USD5.5bn

➤ Investment Plan 2015-2018: USD5.0 bn

- 80% energy, 20% water
- Largest investments include the Ituango hydroelectric project and the Bello waste water treatment plant
- 72% Parent Company, 28% Subsidiaries

➤ Bulk of investments to be funded via internally generated cash flow (~60%)

- Complementary financing sources include:

Capital markets (local and international)
Commercial banks (local and international)
Development banks & Multilaterals

4.Key Investment Projects: Ituango Hydroelectric Project

Installed capacity: 2.400 MW 17.9% of total Colombian installed capacity



Total cost : USD 5.5 billion



- > Start of operation: 1st Stage: 2018/2nd Stage: 2022
- > Invested to date: USD 1.3 billion



Total progress: 27.7%



- > Power house excavation: 69%
- > Tailrace tunnel portal: 61%
- > Spillway excavation: 40%
- > Dam excavation: 36%
- > Access roads, camps, transformers cavern and works for the diversion tunnels 100%
- > Cauca River deviation completed

4. Key Investment Projects

Electricity transmission in Colombia

Nueva Esperanza - Bogota and Cundinamarca

Total Cost: USD138 million

➤ Invested to date: USD 56.21 million

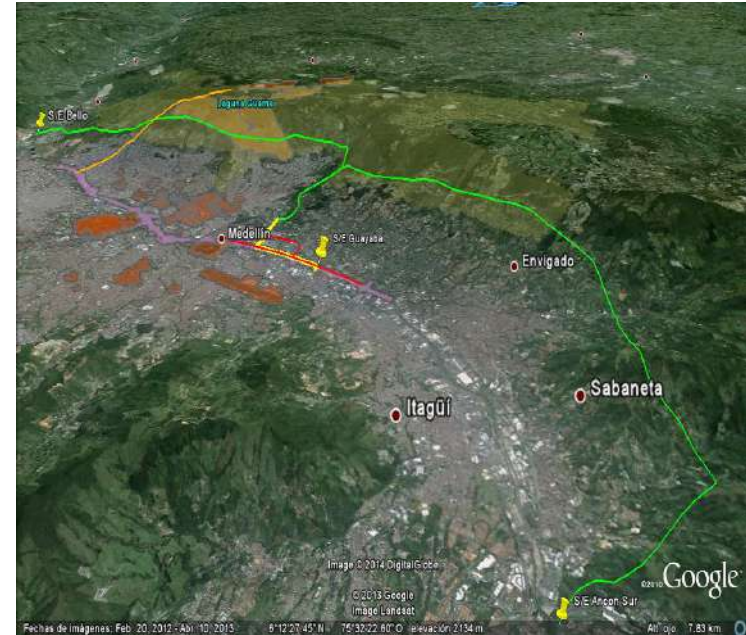


- Substation at 500,000 volts
500 KV transmission line/ 50 km
230 KV transmission line/ 160 km
- **Current progress: 41.72%**
- **Operations expected to begin in:**
January, 2016

Bello- Guayabal-Ancón 230 kV UPME 04-2013

Total Cost: USD110 million

➤ Invested to date: USD 0.15 million



- Guayabal Substation at 230,000 volts
Two transmission lines/ 48 km
- **Current progress:** Designs of civil works and underground transmission line: completed
- **Operations expected to begin in:**
November, 2016

4. Key Investment Projects

Electricity transmission in Guatemala

Total Cost: USD 62.4 million



National Transmission Expansion Plan 2014 (PETNAC)

- Transportista Eléctrica Centroamericana S.A. (TRELEC), a company of EPM Group in Guatemala, won an international bidding to design and construct 160 kilometers of lines at 69 kV together with 12 substations at 230, 138 and 69 kV to supply high-quality electric energy to the Guatemalan southeastern region.
- The provinces of Escuintla, Jutiapa, Jalapa, Santa Rosa, Zacapa and Chiquimula will benefit from this project.

- Operations expected to begin in: January, 2019



4. Key Investment Projects

Bello Wastewater treatment plant in Colombia

Total Cost: USD 580 million



Treatment capacity: 5.0 M3/sec.

- ✓ Operations expected to begin in 2016
- ✓ Current progress: 42.2%
- ✓ Invested to date: USD 163 million
- ✓ Financing: IADB → USD 450 million
- ✓ EPM will recover costs through a regulated tariff

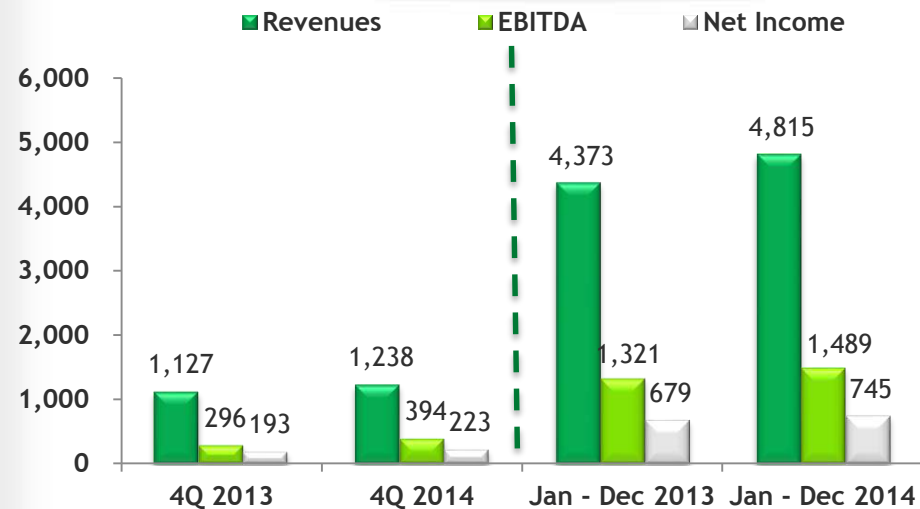


m5 stretch of the discharge canal

Financial Results

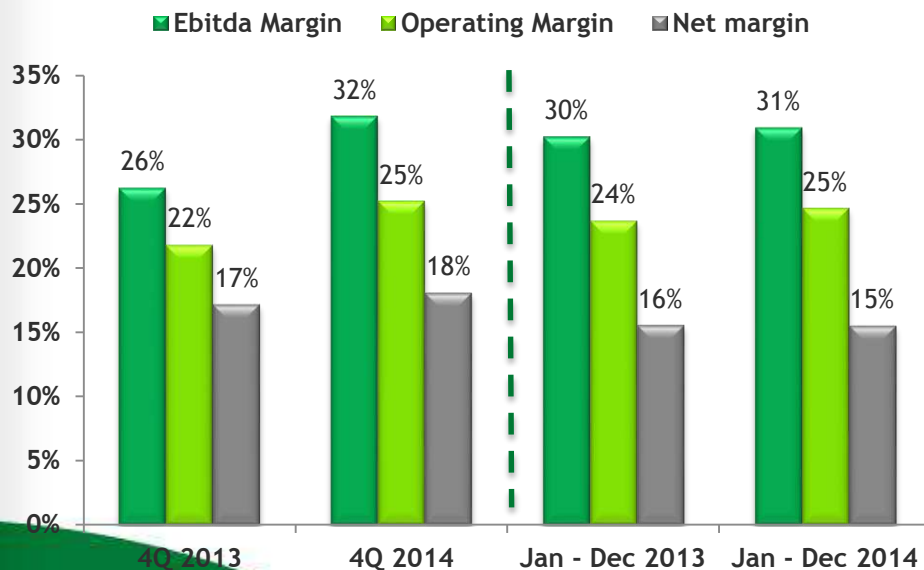
EPM Group Income Statement

Figures in USD millions



Variation in dollars 2014 - 2013

- Revenues: 10%
- Ebitda : 13%
- Net Income: 10%

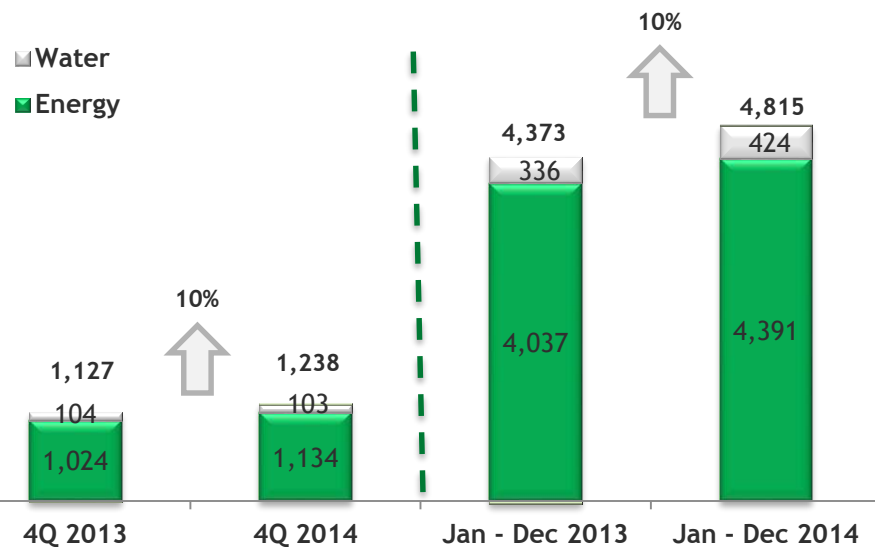


Figures in COP were converted to USD at an exchange rate of COP/USD2,392.46 (December 2014)

Financial Results

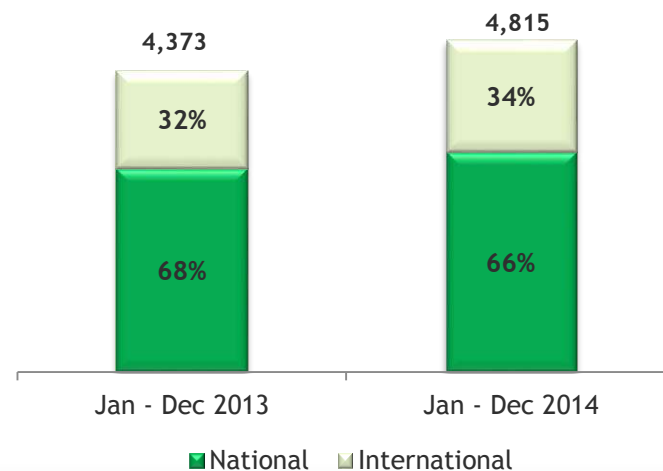
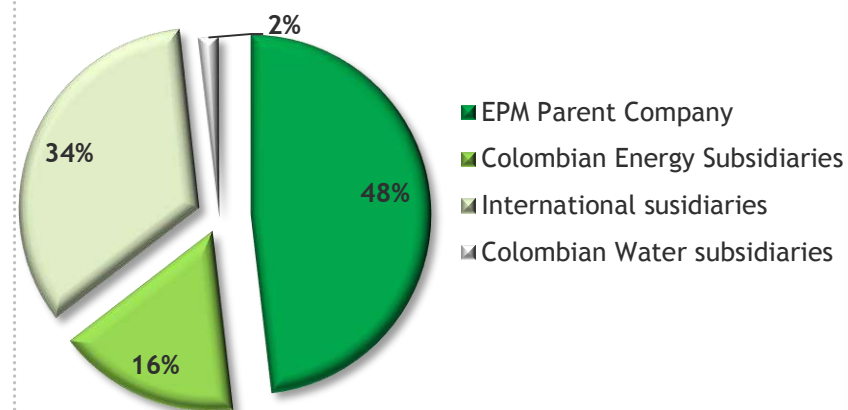
Revenue

Figures in USD millions



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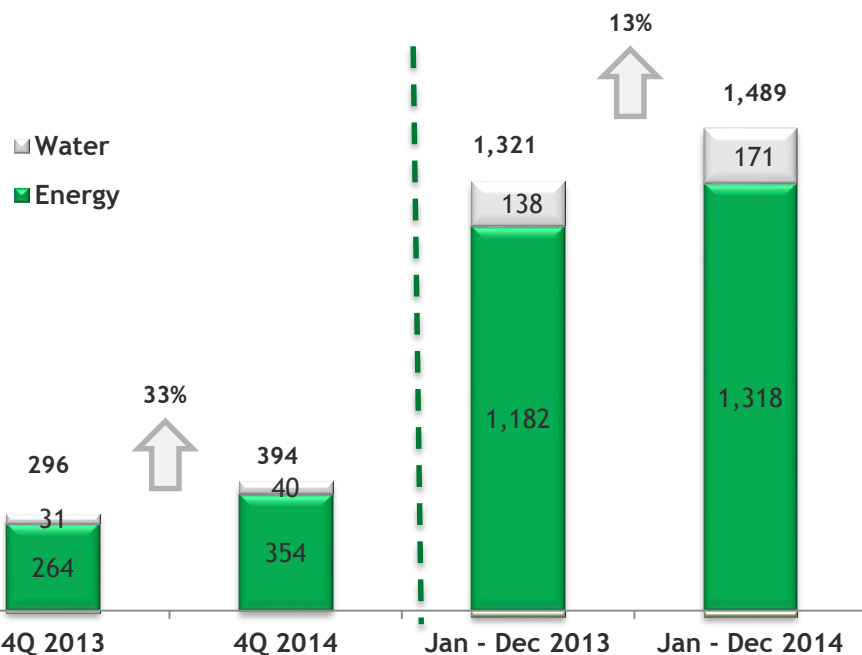
Revenues breakdown as of Dec. 2014



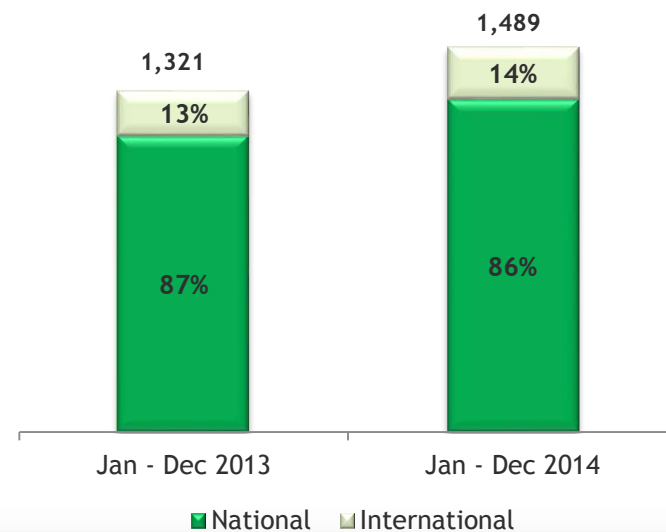
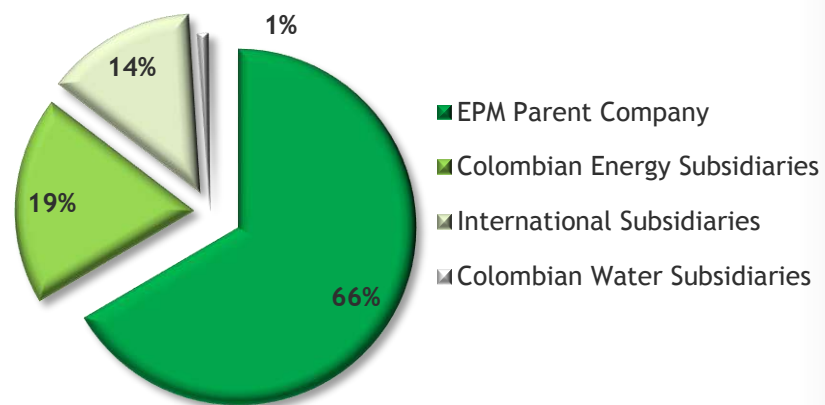
Financial Results

Ebitda

Figures in USD millions



Ebitda Breakdown as of Dec. 2014

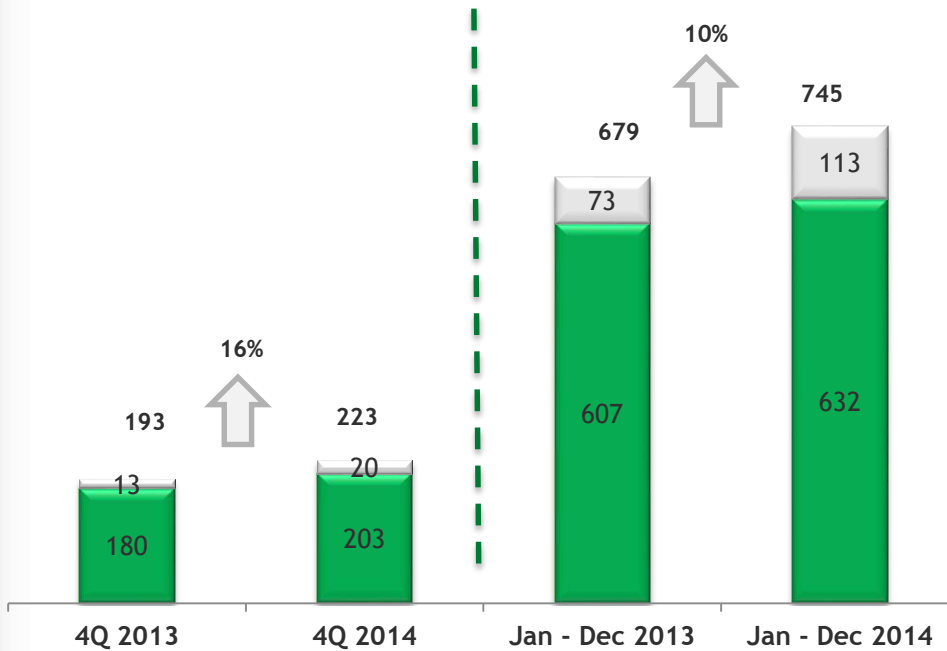


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Financial Results

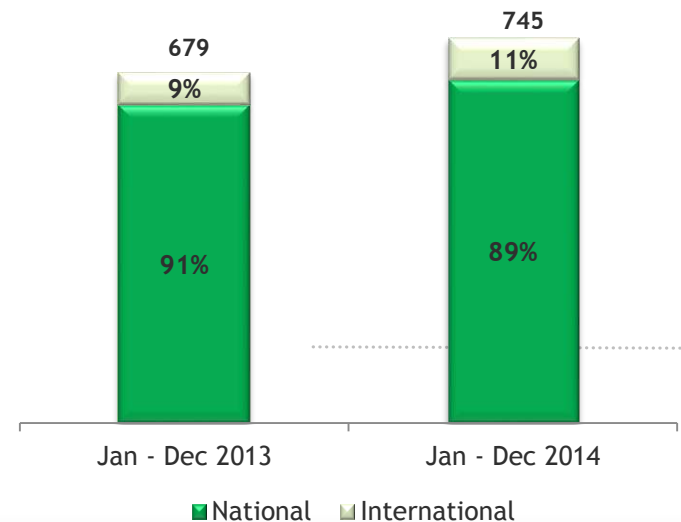
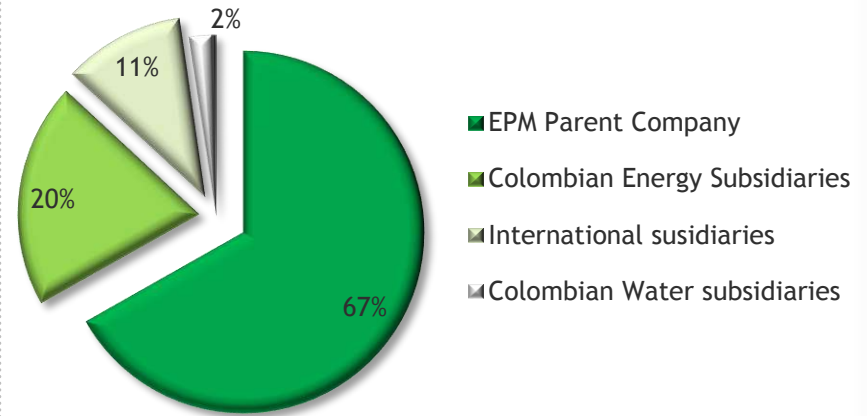
Net Income

Figures in USD millions



Figures in COP were converted to USD at an exchange rate of COP/USD2,392.46 (December 2014)

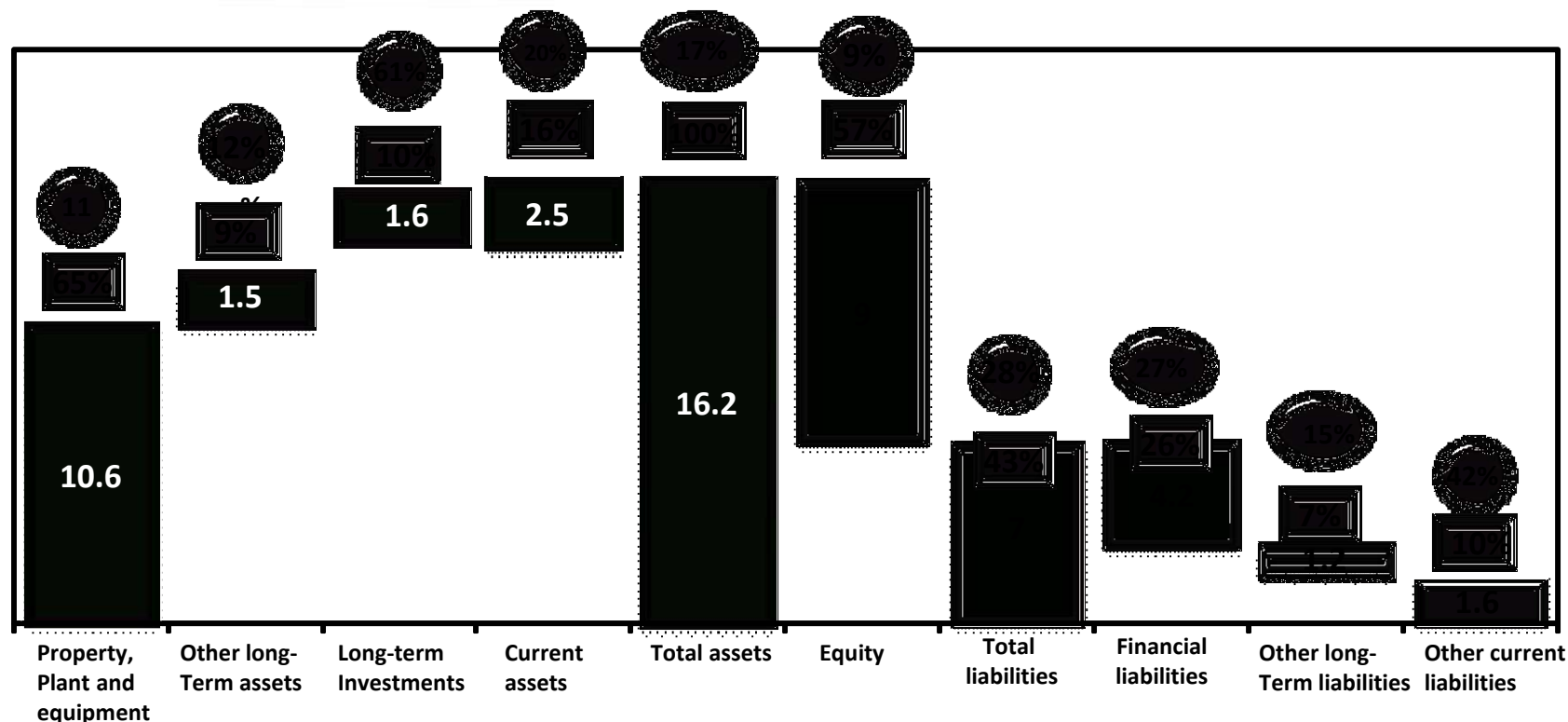
Net Income Breakdown as of Dec. 2014



Financial Results

Balance Sheet

Figures in USD billions



Corresponds to growth with respect to Dec. 2013



Corresponds to the participation with regard to the assets

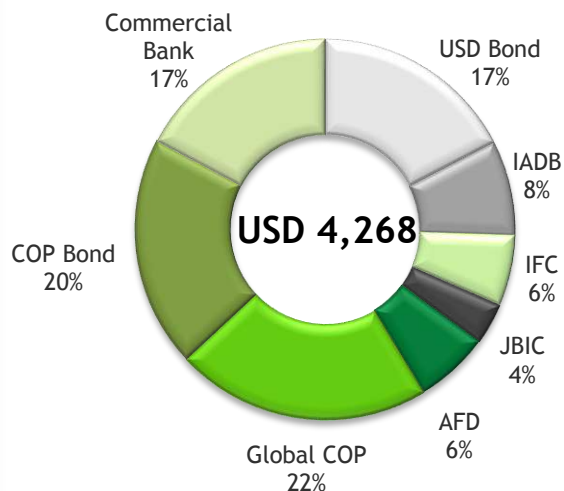
Concept	As of Dec. 2013	As of Dec 2014
Total debt to Total assets	40%	43%
Financial debt to Total assets	24%	26%
Ebitda/Financial expenses	6.91	6.33
Debt/Ebitda	2.43	2.84

Financial Results

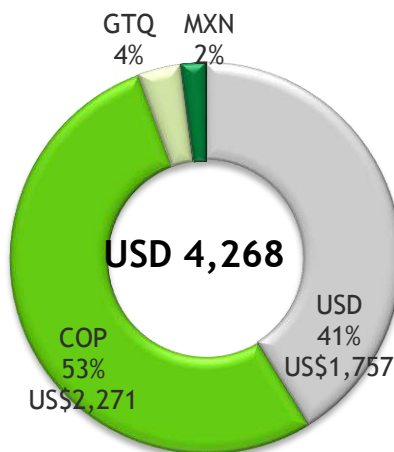
Debt profile

Figures in USD millions

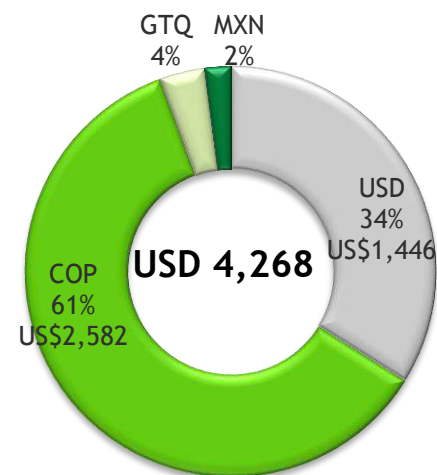
Sources



Currency

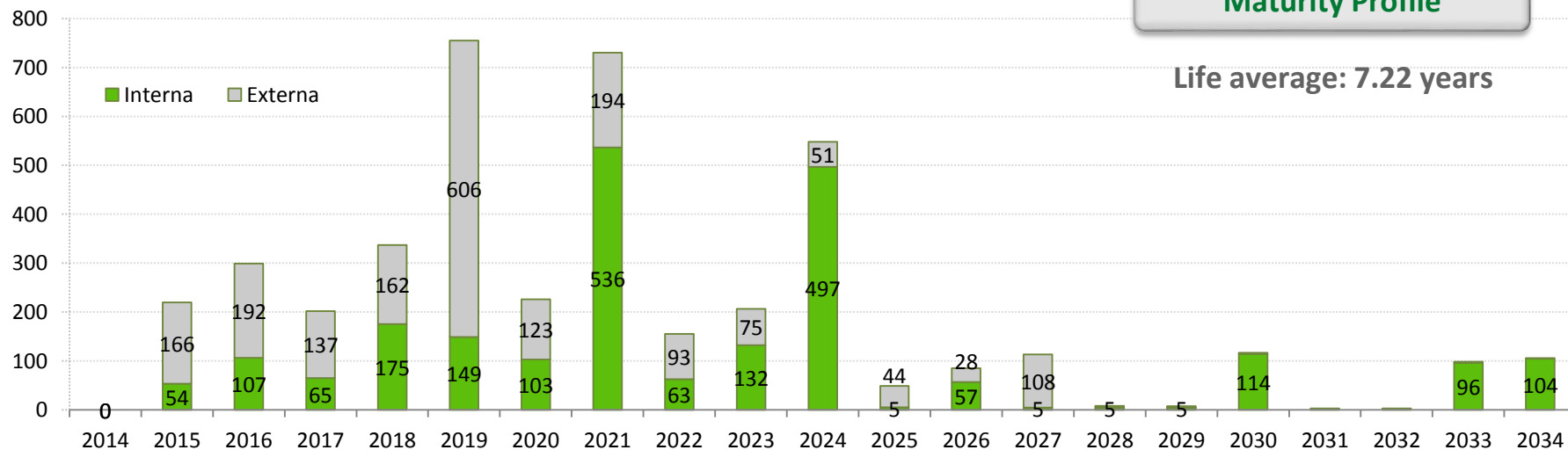


Currency on a post swap basis



Maturity Profile

Life average: 7.22 years



Gracias

Grupo·epm[®]

www.epm.com.co

investorelations@epm.com.co

Juan Carlos Sampedro
Head of Debt and Capital Markets
Juan.sampedro@epm.com.co

Mary Sol Londoño
Financial Analyst
Debt and Capital Markets
mary.londono@epm.com.co

Preferir los medios digitales antes que imprimir
es estar **en armonía con el ambiente**

eco
razón