

**EPM Fourth Quarter 2015 Earnings Results**  
**April 05, 2016**

Host and Speaker: Jorge Andres Tabares Angel, EPM Group Executive Vice President of Corporate Finance and Investment Management.

**Presentation:**

Operator^ Welcome to the Q4 2015 EPM Earnings Conference Call.

My name is Richard and I will be your operator for today's call. At this time, all participants are in a listen-only mode. Later, we will conduct a question and answer session.

Please note that this conference is being recorded.

The host and speaker will be Mr. Jorge Andres Tabares, Executive Vice President of Corporate Finance and Investment Management of EPM Group.

Before I leave you with your host, let me remind you to take a look at the disclaimer of today's presentation.

Now, I will give the floor to Mr. Tabares.

Jorge Andres Tabares Angel^ Thank you. Good afternoon and thank you everybody for connecting to our quarterly call.

Let's move to page four. I start by saying a brief balance of the year 2015. It was a challenging year due to the hydrology conditions associated with El Nino climatic phenomenon. The energy generation cost increased due to the need to use thermal power La Sierra to replace hydraulic generations since October.

The Colombian peso depreciation also had an impact on the financial statements and the leverage of the group. Despite these conditions, the group made significant progress in its growth strategy both organic and non-organic providing additional diversification in EPM's group portfolio.

Regarding financials, EPM Group had a consolidated revenue of COP13.9 billion, growing 18% with and EBITDA of COP3.6 billion Colombian pesos, which remained flat. And net income of COP1 billion down 25% after excluding the one-time profit in fact from the Une Millicom merger.

Furthermore, it's to be noted that in 2015, EPM transferred to its owner, the Municipality of Medellin COP991.131 million. That's equivalent to around US\$358 million. That's just part of the ordinary and extraordinary transfers which are equivalent to 55% of last

year's net income. This is the same percent as that we have transferred to the city over the last five years.

Speaking of our main projects, the Ituango Hydroelectric Plant has a satisfactory total progress of 42.1%. And we highlight an 86% progress in excavations in the powerhouse. Also in the water business, the Aguas Claras Plant Park has a 65% total progress. Both projects are contributing significantly to the country development.

Regarding the growth consolidation strategy, we highlight the acquisition of Aguas de Antofagasta, ADASA in June, 2015. Also the full year contribution of the Los Cururos Wind Park in Chile and the startup of operations of the Bonyic Hydropower Plant in Panama.

In September of last year, Fitch ratings ratified EPM's rating at BBB+ in the international level which is one notch above that of the Republic of Colombia, and AAA local both with a stable outlook. Likewise, Moody's ratified a positive outlook to EPM's rating at Baa3.

With regards to corporate social responsibility and corporate citizenship, we have advanced significantly in every front, taking that more communities and families have access to high quality public utilities and contributing to the territories comprehensive development.

In relation to user satisfaction, on our reputation national/internationally, we ranked number four in the [Merico] 2015 reputation survey. And we were selected as the most admired company in Colombias, Cifras and Conceptos Opinion Panel.

Based on the opinion of clients regarding their satisfaction towards power supply services, EPM was honored with the PIER international award in 2015 in the gold category. This is the commission, La Comisión de Integración Eléctrica Regional.

And to conclude the briefing of 2015, EPM, the only Colombian company active in multi-services and water industries occupies a prominent position in the DOW Jones sustainability index where it achieved 90%, three points below the sector leading company for which it received for the second time the silver award in the sustainability year book 2016 in January of this year. And this is advancing from bronze last year.

Now, let's take a look at the relevant facts of the fourth quarter.

Among the most relevant facts during the quarter, we highlight the following. Regarding our operation with the Veolia Group which is a world benchmark in optimized resource management, we subscribed a framework agreement through which the parties commit themselves to an ESCO, Energy Services Company type of corporation. This corporation will be controlled by EPM and will have as its purpose the developing, installation, financing, operation and maintenance of projects to enhance energy efficiency and the

competitiveness of companies in the region. Plan to focus in Mexico, Chile, Colombia, Peru, Guatemala, Costa Rica, Salvador and Panama.

Part of this strategy is what decided in the corporation we provide exclusive services in engineering, supplying and construction of technical solutions, as well as operations and maintenance of each of the energy efficiency projects.

Regarding financial issues, we highlight two relevant facts. In November of 2015, our board of directors approve the budget for 2016 at COP2.4 billion for the EPM parent company of which COP2.3 billion will be invested in infrastructure projects.

For the 2016-2019 period, the total infrastructure investment budget approved for the EMP parent company was 7.3 billion pesos. That's around US\$2.4 billion. And includes the continuation and execution of important projects, such as the Ituango power plant, and the Aguas Claras waste water treatment plant in [Bello Antioch].

In the same period, investments of EPM Group subsidiaries will total COP4.5 billion. And this weighted total investments at the group level in infrastructure will be COP11.8 billion, which is equivalent to US\$3.9 billion during the four year period.

Of this, 78% will be in the power business, and 22% in the water business.

Looking at geographies, 81% will be invested in Colombia and 19% in foreign subsidiaries.

Furthermore, in December of 2015, we subscribed a \$1 billion loan agreement with U.S., European and Japanese banks. Under a Club Deal morality subscribed by seven banks in total. The five year loan with our rate of libor plus 1.4% as a single capital payment upon maturity, no guarantees, is repayable without penalties and can be disbursed in the 12 month period ending in 2016. This operation provides the organization fresh buns for 2016 to finance its general investment plan including the construction of Ituango. And we disbursed \$200 million in December -- sorry, in January, the first \$200 million disbursement of this loan.

Likewise we highlight the good financial result posted by [ALASKA] for 2015, closing in line with expectations with growth rate of 16% in revenues and 8% in EBITDA with respect to 2014.

To the weather situation. The countries going to and which has intensified in the last months, I'll provide an illustration of the situation and its impact on EPM power generation. Let's go to page six then.

The El Nino phenomenon forecast models currently yield 100% probability that the phenomenon in 2015 will continue until February, March and April of 2016, and 75% of probability that it will last until the April, May, June quarter.

The probability that it will continue after June is lower than 40%.

The first chart illustrating the hydrology evolution shows EPM in deficit since the beginning of 2015. In fact, since late 2014. The National Interconnection System, SIN for its Spanish initials, is in deficit since September of 2015. Given this deficit, our reservoirs have been managed responsibly. That's the reason why starting in July 2015 and during the remaining of the year, the aggregated level of the reservoir has been kept above 60% in order to save water for the dry season. That's shown in the second chart.

By the end of March of 2016, EPM was at 50% in its general aggregate reservoir level, while the theme stood at 25%.

Thanks to this measure for saved water in 2016, it was possible to use the reservoirs during the present dry season, except for the reservoir of El Penol due to an incident at the Guatape Hydroelectric plant that I will explain later.

EPM average hydrology for 2015 was at 67%, which is equivalent to a deficit of 3.5 gigawatt/hour day. The SIN average hydrology was at 80%, equivalent to a deficit of 22.1 gigawatt/hour day.

In March, EPM's contributions in terms of water coming to the reservoirs, we're at 14.0 gigawatt/hour per day in average versus 27.8 gigawatt/hour per day historically, representing a deficit of 13.8 gigawatt/hour per day.

The figure for the SIN are as follows. The average contributions were at 38.8 versus 66.3 historically, representing a deficit of 27.5 gigawatt/hour per day.

In order for the aggregated reservoirs to stand this dry spell, a continuous thermal generation of approximately 85 gigawatt/hour per day has been necessary.

The average thermal generation in March was actually 91 gigawatt/hour per day.

It's important to note that despite the dry season, the country has the thermal plants capacity needed to cover the deficit and avoid a possible rationing of energy.

Going to page seven. The power demand forecast in the scenario of the Ministry of Mines through the UPME was restated in October 2015 because of the behavior of the actual demand was above forecast. Since that date, actual demand has been between the low and medium scenarios. For March, demand was 4.8% below the average scenario of the UPME, showing some moderation in energy consumption probably as a result of multiple campaigns to save energy by the government and other companies in the sector.

Moving to page eight. Generation has been higher than long term energy sales contract except in July, August, November and December of 2015 when the decision was to protect reservoir levels and to buy energy at lower prices as to happen of energy accumulated in the reservoirs during the months when El Nino impact is the strongest.

In March, the main cause of the declining generation was the incident at Guatape plant. EPM's deficit in generation for July was 7%, for August 9%, November 12% and December 5%. This is again the contracted energy. In November, it was hi gear due to maintenance at La Sierra plant, a plant maintenance.

Since May 2015, in average, the La Sierra thermal plant has generated 5 gigawatt/hour per day with gas as the fuel. And the Dorada thermal plant which is a property of our subsidiary check is generating since September of 2015. Starting September 22nd, an important milestone occurred in Colombia when the firm energy obligations commitments of the reliability charge was activated implying the continuous generation of La Sierra using gas and/or liquid fuel to complement needs depending on the gas availability.

On the other hand, in October, the spot price increased about 1,100 pesos per kilowatt/hour. To avoid further market impact, the Ministry of Mines and Energy and the CREG which is the regulatory commission, cut the price of energy at 75% achieving the moderation of energy cost between 800 and 900 pesos per kilowatt/hour.

Flip to page nine. EPM bought gas in order to operate half of La Sierra plant starting in May 10, 2015. Since May 2015, the capacity of EPM's reservoir has been used in the responsible way, lowering its levels, less than in a normal hydrology year. Investments were carried out to ensure liquid fuel supply for thermal plants. EPM bought gas from Ecopetrol, for the one year period starting in November 2015 to allow the partial operation of La Sierra and Dorada plants.

The Termobarranca plant is a 48 megawatt capacity installed and owned by ESSA, our subsidiary, once reincorporated to the market in late 2016 in order to deliver 1.1 gigawatt/hour per day to the Colombian energy system. And that was with the Ministry of Mines and Energy and the CREG so that the spot price is capped and the scarcity price is adjusted to historical levels.

Finally in order to mitigate the impact on presidential customers, we adopted the called tariff option in order to defer over time the regulatory increments in the energy tariff.

Moving to page10. With regards to the economic impact on EPM, in 2015 El Nino phenomenon had an impact on EPM of COP321,000 million. And the impact on the EPM Group was COP421,000 million.

Looking forward, we expect an impact of COP293,000 million for 2016. That's less than \$100 million for 2016.

In 2015, our thermal generation total 1,212 gigawatt/hour, which means increased operating cost. And we generated 11,985 gigawatt/hour of hydro generation.

Despite the impact of El Nino phenomenon, the net income of EPM individually considered as of December 2016 was equal to COP1.48 billion, basically flat versus 2014.

We maintained that net income level thanks to fiscal optimization in which we pay income tax for COP372,000 million, significantly lower than 2014, and also because of the benefits of the portfolio diversification.

We had revenue not affected by El Nino even geography in different businesses. And also due to dividends from [ULE] for COP234,000 million.

Now, turn to the next slide.

In Colombia, the power demand in 2015 total 66,000 gigawatt/hour is equivalent to 4.1% growth in regards to previous year. Such growth rate is above the historical average of 3%. The growth of the residential sector which was 5.5% in the regulated market was the most dynamic due to the country's temperature increase caused by El Nino phenomenon that is due to electricity consumption for cooling ventilation, air conditioning, irrigation pumping, et cetera.

However, the unregulated demand in non-residential shows tempered growth at close 1.7% due to the deceleration of the Colombian economy caused by default in revenues and investments of the mining and energy sectors. This is the oil and commodities price drop.

And the flow of capital to the USA with the consequent evaluation of the peso, imports became more expensive and increasing inflation.

On the left the high gust energy demand growth rate in the industry occur at the end of the year.

In Central America, in Panama, the growth rate for power demand was 8.8% with a recovery of the positive growth rate of the last five years after the deceleration of 2014 [40%] to has caused by the energy savings program developing in the country in 2014 to country restrictions in electricity supply that they had then.

In El Salvador, power demand growth rate was 4%, a high rate when considering that the average of the last five years was 2.6%. This high consumption during 2015 is explained by the fact that it was the horrid year in the last three decades.

In Guatemala, electricity consumption for 2015 was 4.8% while the annual average for the last five years was 3.5%. The lower electricity cost caused by the strong expansion of the [conti] electricity supply, the economic environment and the temperature combined resulted in high consumption.

Looking at the consumption of the EPM Group companies. The aggregate power demand of the EPM Group in Colombia grew at 4.9% in 2015, basically due to high [grid] residential consumption resulting from both the weather effect and the arrival of new customers to the group that as we have explained until April of last year were saved by [Enermon], the trade that has grown from the market.

The negative growth rate of some subsidiaries in Colombia are explained by the transfer of the non-regulated users to the market of the EPM parring company, a fact which shows in the high growth in the EPM commercial demand of 8.1%.

Isolating the effects of customer movements between traders, the high demand growth of [Ereca Check] with rates higher than 5% in 2015 resulting mainly from the coffee boom deserved to be highlighted.

The demand growth of the companies in the Santander region is essentially explained by the weather effect.

Lastly it is noted that the EPM Group in Colombia retained 24% participation in the electricity trading activity.

Looking at the international picture, the companies of EPM Group recorded positive demand growth 5.4% as a whole. Del Sur in El Salvador and ESSA in Panama recorded the highest growth rate in the period under analysis. Basically due to temperature increase and the reaction of demand to the lower electricity cost originated by the drop in fuel cost.

EEGSA in Guatemala had positive growth rates of a lower than the country's total. This explained because this company covers urban areas where utilities coverage has reached comparatively high levels.

Regarding COMEGSA in Guatemala, the large consumer's segment demand is still on the rise despite being at an ever more competed market niche in the country.

Going to the next slide. Regarding the spot price formation in Colombia, in a typical year hydrogenation represents close to 70% of the total electricity output, a fact that translates into the possibility of lower cost relative to other countries, but it also generates higher volatility and increased systems vulnerability to weather phenomenon as is currently the case with El Nino.

We've already mentioned just to this weather phenomena, rainfall levels have significantly dropped in the countries in mid-2015 causing high electricity price in the spot market. As to be taken into account that the companies of EPM Group head against spot market volatility via long term contract. Country average price of \$57 per megawatt/hour.

However, the country in general is undergoing a complex situation due to it as reflected in the spot price spike. On the other hand, after isolating the exchange rate effect given the high devaluation of the Colombian peso versus U.S. dollar last year, the highest in 20 years, and the increase of the average spot price for the year relatively to the preceding year as 67%.

In Guatemala where the energy generation ethics consist of 62% from renewal sources mostly hydro, with 37% of its total. In general, there is over-supply in the power sector in Guatemala. [Prenasetu], a 110 megawatt hydrogenation plant went online in August 2014. And most recently Jaguar, with 266 megawatt/hour, which is a coal-fired generation plant began operations.

In general term, there is an over-expansion of generation in the system that together with fuel prices fall, caused electricity prices to sink minus 31%. The power system in El Salvador depends to a large extent on thermal generation, and as a consequence, the drop in international oil prices caused a highly significant decrease in spot prices of 28%.

Rainfall levels have also decreased in Panama as a consequence of El Nino. However prices have been below \$100 per megawatt/hour due to the entrance of new hydro, wind and solar projects and to the international price decline for coal and oil derivatives.

In Chile at La Cebada note to which EPM Los Cururos wind party is assigned, there is a decline in the spot price due to the effect of El Nino which in this country, higher water inflows in the southern reservoirs, additionally ice melting has been higher than expected, leaning increased availability of hydraulic energy in the system.

Moreover, widespread renewal technology such as wind and solar and the low price of fuels have kept electricity prices below, and that's below \$80 per megawatt/hour.

Providing actual generation of EPM Group, in Colombia during the second half of 2015, 12 most rivers in the EPM system were below historical averages causing lower generation with respect to 2014 and increasing the probability of lower [reviews] flows in Colombia and its effects of rising the spot prices as already mentioned.

Note that it started in 2015, generators CHEC and ESSA had been directly represented by EPM parent company.

The international level in June 2014, EPM Group started commercial operations of the Los Cururos Wind Park in Chile with the full impact in 2015 and in January 2015 Bonyic hydro plant started operations in Panama.

Let's turn to the next slide and take a look at the progress of our main projects.

Most important project we have is Ituango which has a total of work progress of 42.1% as of February of this year. The main works of the project, we have 86% project in excavation of the powerhouse and the 69% in the steel way. The down fields are at 29%.

The total project investment as of December 2016 is COP4.2 billion, equivalent to US\$2.1 billion converted at the date of the investment per year. And the investment between January and February of 2016 has been COP247,000 million which is equivalent to \$78 million.

In general, the progress advances according to budget and schedule.

The progress of Aguas Claras waste water treatment plant, our main project in the water business is 65% including the key components of plant interceptor, [branchers], and bio solid drain. So the treatment plant, the progress of civil work is 79%, while the mechanical component 75% complete, and the electrical component is 26%.

The construction of the main tunnel for the north interceptor has reached 100% of the length, which is 7.7 kilometers. The interceptor accumulated progress of 95%.

The project's total investment up to December 2015, COP694,000 million, equivalent to US\$258 million, the investment between January and February of 2016 is COP54,000 million or around US\$17 million.

Moving now to the macroeconomic scenario.

We would like to highlight that the year 2015 close with moderate world growth and high uncertainty [bulging] the development of emerging economies with possible downward revision for a worldwide growth. China growth rate was the lowest in a few years caused the volatility of exchange rates and financial markets. And the downward adjustment to prices of commodity and fuels.

So the countries in the region where EPM has operations, the economic dynamics were moderate with growth rate slightly above last year's except for Colombia and Guatemala where they were lower. In general, this come through end of the year amid volatile financial markets with highest price decline for commodities and fuels, sometimes which is expected -- something which is expected to affect 2016 performance.

After inflation, Colombia and Guatemala and El Salvador showing increased inflation rates, the largest inflation increase was that of Colombia, almost doubling previous years. All other countries have lower inflation rates. The main causes for these are the increasing [foot stop] price due to El Nino, the increase in imported good prices caused by the devaluation, and the drop in international oil prices.

Regarding the foreign exchange market, all the currencies of the countries where we operate and not take to the U.S. dollar suffered significant devaluation, with Guatemala showing the lowest. This was mainly due to the price volatility of fuels and commodities, especially copper, the deterioration of the terms of trade and director investment as well as the expectation of an increasing interest rate in the U.S.

Let's turn to the financials.

The EPM Group produce the following financial results from its operations. The consolidate revenue totaled COP13.9 billion with 18% in growth with respect to the same period last year. The EBITDA notably is through that COP3.6 billion is basically the same result as in December 2014, and equivalent to an EBITDA margin of 26%.

The period's comprehensive results total COP1 billion with 8% margins and a 58% decline, excluding the effect of the extraordinary dividends of UNE in 2014, the comprehensive income percentage of decline of 25%.

Here, I would like to call the attention to the 58% decline in the group income as compared to last year, explained mainly by the higher exchange different expense which is through that COP543,000 million.

We also had a COP421,000 million impact of El Nino. And the recognition in August of 2014 of the extraordinary revenue of the UNE Millicom transaction where dividends worth only COP1 billion were declared for EPM.

As to the January-December margins, only net margin had significant variation, 16 percentage points down, mainly because of the exchange gain loss which is a non-cash event.

Let's now look at the next slide.

We highlight regarding the total consolidated revenue. The EPM parent company accounts for less than half, 48%. There's an 18% increase with regards to the same period of last year, resulting from the tight indexation associated with high gain inflation rate.

International subsidiaries account for 35% of the total with a 25% increase with regard to the same period of 2014.

Here we underscore the Central American subsidiary with COP544,000 million increase which is explained by the devaluation of the peso versus the U.S. dollar. The Colombian power subsidiaries contributed with 15% of the total and show an 8% increase. The remaining 2% corresponds to the water business with a 2% increase.

Regarding the group's EBITDA, we underline the EPM parent company with 62% participation and a 9% decline with respect to the same period last year, as mentioned due to the higher cost associated with El Nino.

International subsidiaries accounted for 25% of the EBITDA with an 85% increase over the last period. Let me repeat that which I think is a very important fact. The international subsidiaries accounted for 25% of the EBITDA of the group.

As to the Colombian power subsidiaries, their contribution was 12%, equivalent to a 32% decrease versus last year due to higher market types. And lastly we have the water subsidiaries accountable for the remaining 1%.

Of the results of the EPM Group subsidiaries as a whole, we highlight the individual results of EPM parent company which were very positive remaining flat despite very adverse conditions for the year related to the progress already mentioned, and also because of the negative effect of the tax law amendment which implied recording additional COP123,000 million expense coming mainly from the tax and wealth.

Regarding international subsidiaries, we underscore the contribution of our [assets] revenue for COP240,000 million. This is accounting for six months that we have the subsidiary under our ownership.

And [TICSA] subsidiary in Mexico with revenue that was COP111,000 million higher than 2014.

Head in Panama in turn contributed revenue for COP48,000 million after starting commercial operations in 2015.

The cost of Central American subsidiaries decreased also. In consolidated terms, they appear higher as a result of the higher exchange rate in Colombia. [DECA] and Del Sur show COP59,000 million, and ENSA COP106,000 million.

Here I wanted to highlight again the [ALASKA] operational results. On a pro forma basis as of December of 2015 excluding the merger, the revenues stood at CLP85,000 million with a 16% increase versus 2014. And the EBITDA grew by CLP43,000 million, showing an 8% increase over the same period of last year.

In 2015, the regulated market consumption of [ALASKA] in terms of cubic meters was 39,000 representing 75% of the volume sold, and a 2% increase with respect to 2014.

And the non-regulated market consumption was 12,000 cubic meters. This is 1.2% more than in 2014, and representing 25% of the total sales.

The Colombian power subsidiaries recorded COP2.1 billion in revenue where we underline the CHEC with trading revenue that was COP31,000 million higher.

Here, the regulated market recorded consumption that was 29 gigawatt hour higher increased generation and tariffs showing COP15,000 million higher. And also the contribution of distribution with COP15,000 million associated with the demand growth.

The ESSA demand was 33 gigawatt/hour larger and the real average tariff was 22 Colombian pesos per kilowatt/hour higher.

In sense where the regulated market posted increased revenue for COP39,000 million associated with 43 gigawatt/hour more sold. This is mostly the residential sector.

As to the results by segment, let's move to page 17. The power business accounts for 90% of the revenue, 80% of the EBITDA and 77% of the group's net income. We highlight here the distribution segment with COP239,000 million growth thanks to higher energy consumption in the residential and non-residential regulated market. Higher volume shows quantity transported in the regional transmission system, STR in Spanish, and higher demand and PPI increase in the local distribution system as the early response.

On the other hand, the generation segment, revenues increase 15% with regard to the same period a year ago due to higher revenues resulting from higher sales price in contracts and revenues from energy obligations associated with the reliability charge and the AGC services.

And the gas business, [que] gas services grew by 36% as a result of the increased number of clients, more sales in more municipalities in the [Antiochia] region, and higher tariff resulting from a higher exchange rate.

And the water business, the provision of water and sanitation services grew by COP408,000 million. For the revenue of any subsidiary [ADASA] reserved to be mentioned together with the higher revenue of [TICSAS] subsidiaries and the increased recorded EPM's parent company resulting from tariff indexation associated with higher inflation.

Move now to the balance sheet.

The total group assets, total COP42 billion with an increase of 17% for higher investments for the purchase of [ADASA] and the projects of Ituango and Aguas Claras stand out.

The group liabilities total COP22 billion with a 24% increase associated with the COP4.2 billion growth in financial indebtedness resulting from devaluation effect worth of COP1.4 billion.

EPM parent company issued domestic bonds for COP630,000 million. And with this [bonds loans] from the [French] Development Agency and the IDB in total for less than COP400,000 million.

And Aguas de Antofagasta received two disbursements for COP616,000 million extended by Scotia Bank and [Banco Estal] in Chile.

The period's equity totaled COP18.8 billion with a growth of 8%.

Regarding our ratios, we highlighted that the total group's debt to total assets amounted to 55%, 2 percentage points up on 2014. Financial debt to total assets was 37%. And

debt coverage ratio for the quarter end were EBITDA to financial expenses of 4.98 times, and debt to EBITDA was 3.76 times.

Debt to EBITDA covenant exits 3.5 times due to the impact of the EBITDA [closing] of the El Nino phenomenon and the effect of the peso depreciation which caused debt balance increase by COP1.4 billion.

As of March 31st 2016, AFD, BID and JBIC granted EPM with waivers for the debt/EBITDA covenant as of December 2016. EPM expects to return to debt to EBITDA ratio equals for under 3.5 times during 2017.

We continue with the debt profile in the next slide.

The debt of EPM Group totaled COP14.7 million. The financial source, 30% of the debt corresponds to the domestic debt, 15% for pesos denominated foreign debt, and 55% to foreign debt higher in other currencies.

Of EPM's total debt 73% belongs to EPM parent company.

In order to optimize the cost of debt, the loan by the IFC, International Finance Corporation, was prepaid a height of maturity for an amount of COP657, 000 million including principal and interests. As to maturity, EPM parent company hold true international bonds issues maturing 2019, 2021 and 2024. These values are continuously analyzed taking into account the rollover alternative in order to adjust the needs and comply with the strategic objectives of the EPM Group.

We turn now to relevant facts subsequent to the quarter.

UNE Telecommunications of 2015 operational results. The consolidated revenue had a 7.3 growth equivalent to an additional COP364, 000 million. The EBITDA had an 11% growth. And in number of business lines, the fixed business lines had a 7.1 growth rate.

In the merger process, 160 synergy initiatives were identified for a total of \$2 billion of synergy in a five year period. And that has been progressing towards the target very successfully.

Move to page 21.

Subsequent to the closing of last year, we will outline a few facts.

On January 1st, the Engineer Jorge Londono De la Cuesta took office as the new CEO of the company and leader of the EPM Group. He was appointed by the Mayor of Medellin, Federico Gutierrez Zuluaga to lead the organization for the next four years. He's a computer engineer of [AFFID] University and has attended as CEO under the [Arciado] de los Santos in [Double Tap]. During his 27 years as CEO in [Bummer Gallup], he lead the strategies for market research and consulting, business analytics and social media.

His administration guideline focusing at corporate cause of dealing in harmony with financial, social, environmental results that contributes to development of sustainable and competitive territories, ranging equitable well-being and development. Also, consolidation of the power and water business in Colombia and acquisitions abroad.

Furthermore, the mayor of Medellin, Federico Gutierrez, as Chairman of EPM's board confirmed five board members and announced in January the appointment of the board members for the next four years including the three representatives of clients, users chosen among the conflict spokesperson registered by the committees of development of social control over residential public utilities in Medellin.

The new members of EPM's maximum directorial body combined experience, technical and academic rigor, social sensitivity and independence.

Move to page 22.

To illustrate the relevant fact mentioned already that occurred after the quarter closing, on February 15th, Guatape which is our hydropower plant located in the Eastern [Antiochia] province 68 miles from Medellin, and with 560 megawatt generation capacity contributing to 4% of the country total generation, temporarily suspended its operations due to a technical incident which caused us fire in the powerhouse access tunnel. The fire partially destroyed the cables that evacuate the plant's energy from the powerhouse to the power substation. The analysis initially immediately to find the cause of failures to rule out the possibility of the fire being due to malicious acts.

It was also verified that all the powerhouse equipment including turbine generators, transformers, were in perfect condition. A search was started to find supplier for the cables that needed to be replaced, and also analysis of alternatives were conducted with suppliers. EPM employees travel to Mexico for cables with the technical capabilities were available and carry out technical revisions. And then a large logistics operation was necessary to impart them.

It's necessary to mention that the power plant particularly the cables that were damaged have always undergone a strict predictive maintenance plan which is rigorously and permanently to fulfill under the advising and assistance of international companies specializing the subject. This plant consists a series of activities that are carried out every two months, every six months and every year, and includes oil thermography and analysis of 150 different points in the whole cable system.

Additionally, maintenance activities of EPM's energy generation, plants are projected four years in advance with the following issues having to be taken into account. That's the procurement of materials, eventual advisory and technical assistance by specialized firms, coordination between plants to avoid two or more plants undergoing major maintenance simultaneously.

The plant established is continuously adjusted and every year the projection for next year becomes the integrated maintenance plant.

This plant is systematically controlled making possible the automation -- the automatic issuance and strict monitoring of work orders to perform the plant activity.

These maintenance activities are timely, reported to [XM], which is the Colombian wholesale energy market administrator and operator, who makes sure that major maintenance do not coincide with those of other companies in the sector. Sometimes that could jeopardize the reliable attention of demand.

Additionally as part of our asset management process, we determine how the main assets must be administered from its inception to the end of the useful life and final disposal. EPM conducts technical analysis to determine the adequate moment for the placement of different assets or components.

In the specific case of the power cables of Guatape power plant, through studies of the remaining useful life were conducted by international firm experts in these types of cables. The last of these studies was carried out in 2013 with the conclusion that this cable system had [16] years of remaining useful life estimated with a 95% reliability.

Based on such analysis, another technical examination EPM determined it was not yet time to replace the cable systems. So this cable technology is no longer used for this kind of application. This total year adequate for other uses such as energy transmission to the submarine cables, and many plants feel by the time of Guatape power plant still have similar power cables in operation.

Here, I wanted to mention that the plant has 12 high voltage power cables distributed in four banks of three cables each. They are manufactured with technology of the mid-'50s, consisting of a cable with a copper conductor currently with an oiled impregnated popper jacket. The oil also circulating inside the conductor. The mix of paper and oil constitutes the isolation. The jacket is coated and lead and a taping that add to the isolation.

Turn to the next slide.

So the fire destroyed 400 meters of the cable. And it was determined that the remaining cables are not in condition of being safely used. The company opted for the definitive replacement of the cables with dry cables, the technology used nowadays for these projects, which were acquired from the Mexican subsidiary of the [Netherland], [Base Room], [Presmian].

The supplier had 30,000 meters of cable available in Mexico, and we brought them on all the equipment necessary to the project by plane in order to accelerate the repair. It was a complex and important logistics operations that was conducted very successfully.

The repair works of the cable are worth close to \$25 million and will be covered to a large extent by the insurance policy.

The high cost of the incident will be plant loss of revenue, business interruption and their available insurance policy. And the insurance policy deductibles. Together, it's estimated between COP200, 000 million and COP300, 000 million.

We also have conducted extensive efforts in order to be able to evacuate water from the reservoir for it to be generated in the downstream power plants in order to deliver that energy to the system in Colombia.

Finally I'll say that on March 16th, after analyzing the full situation of Guatape and El Nino for EPM, each rate then decided to issue publication ratifying our ratings as Triple A for Colombia and Triple B Plus internationally, with a complete understanding of the situation.

I conclude here our presentation of the fourth quarter results. I'm sorry it was a bit longer. But we thought that the El Nino and Guatape situations deserved some details. And I now will be pleased to answer any questions you may have.

### **Q&A Session**

P: Pablo Lubbert; MetLife; Analyst

P: Mitchell Moss; Lord Abbett; Analyst

Operator^ Thank you. We will now begin the question and answer session.

(Operator Instructions)

And we have a question on the line from [Pablo Luberg] from MetLife. Please go ahead.

Pablo Luberg^ Hi, thank you for taking the question. It's about the [covenant], the waiver that you get from the banks. And can you provide more details about the waiver, how long it's going to last and is there a new ratio? And what's the level of the ratio according to the waiver, or if the covenant will not be measured during the period that you mentioned in the presentation.

Jorge Andres Tabares Angel^ Sure. Thank you for the question.

So far, we have secured the covenant, the waiver for the measured covenant at December 2015. And the reason is that because we wanted to issue our financial statements during March. We wanted to make sure that we have those waivers at hand. And despite having had very detailed conversations in October with the three banks, they asked us to only formally provide or request the waiver after we have the actual number. And the actual number was 3.76 as mentioned. So we had to kind of rush to get those waivers in order

to have them at hand for the issuance of the financial statements of the comment of the external auditor, Deloitte.

So we are now negotiating with them the remaining date. We expect that we're going to be above that covenant as I mentioned throughout this year. And at some point in 2017, we will be online with 3.5.

Verbally they have told us that there is no problem, but at this point, we do not have in writing the acceptance of the covenant of the waiver for this year, for 2016.

The three loans have different measurement periods. One is in December, the other one is in June, and the other one is every three quarters -- every quarter, sorry. Every three months. So we'll be having those conversations with the intent of having a longer terms waiver from the banks.

The dialog has been very open, very constructive. And as I said, the only reason we did not get the 2015 and 2016 was because we really needed in a hurry in order to avoid having to disclose or closing the books without having the waiver at hand.

Pablo Luberg^ Okay.

Jorge Andres Tabares Angel^Is that clear?

Pablo Luberg^ Let me check if I understood correctly. So you've got the waiver for December 2015, but you didn't get the waiver for all the work for 2016. And that's what you are negotiating now?

Jorge Andres Tabares Angel^That's correct. So there is one loan that we have to measure in March, at the end of March. The other one that we have to measure again is the covenant in June, and the other one in December.

Pablo Luberg^ Okay, thank you.

Jorge Andres Tabares Angel^ Sure.

Operator^ Our last question on the line comes from Mitchell Moss from Lord Abbett. Please go ahead.

Mitchell Moss^ Hi. Just talking about the debt to EBITDA leverage ratio, I'm not sure if I [missed] this. But can you give me some sense on how much of it exceeding 3.5 times was due to the El Nino? I mean, I realized that, you know, in terms of leverage, I guess, in rough terms of leverage versus rather in the dollar amounts and how much has to do with peso depreciation.

Jorge Andres Tabares Angel^ Sure. So the main impact was an increasing the debt level due to the depreciation which is a non-cash effect. And that is an impact on the

denominator of COP1.4 billion. So that's roughly 10% more debt in the measurement of the covenant.

And the EBITDA impact was COP446 at the group level, thousand million. So that's out of the COP3.6 billion EBITDA that we delivered.

Mitchell Moss^And going forward, I see that you talk about getting back to under this 3.5 times level starting in 2017. Are you contemplating any type of comfort or headroom, I guess in it so that if maybe it's not a currency issue, maybe it's another weather phenomenon, maybe it's something else. But you know, obviously there's a big difference between being under, you know, at 3.49 times debt to EBITDA versus being at 3.2 times debt to EBITDA.

Are you guys seeing about any type of cushion?

Jorge Andres Tabares Angel^So the way we're managing currently as we wanted to be within the 3.5 let's say as soon as possible, the first thing is that we are not investing non-organically, we're not making any acquisitions for the time being. So we're in a pause in that.

Secondly, we're trying to reduce cost and increase our efficiency in order to again be more profitable and improve the picture of the covenant.

In the long term, as soon as we put our Ituango project on the line, the covenant declines very rapidly. What we have established as the target is to be within the 3.5. We want to be investment grade. And looking further out where Ituango is online, we will expect that is going to be with below 3.5 and probably with a cushion as you were mentioning. But we prefer not to make those types of projections so early in time.

Mitchell Moss^ Okay, thank you.

Operator^And at this time, I see we have no further questions.

Jorge Andres Tabares Angel^We appreciate. We remain opened to questions via our typical connecting people and please do not hesitate to come to ask questions as you think is important. Thank you all.

Operator^ Thank you ladies and gentlemen. This concludes today's conference. Thank you for participating and you may now disconnect.