

Grupo·epm<sup>®</sup>

**2nd Annual Emerging Markets Corporate  
Conference 2013**

Bank of America Merrill Lynch  
Miami, FL. May 29 - 31.

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# Agenda

1 Company  
Overview

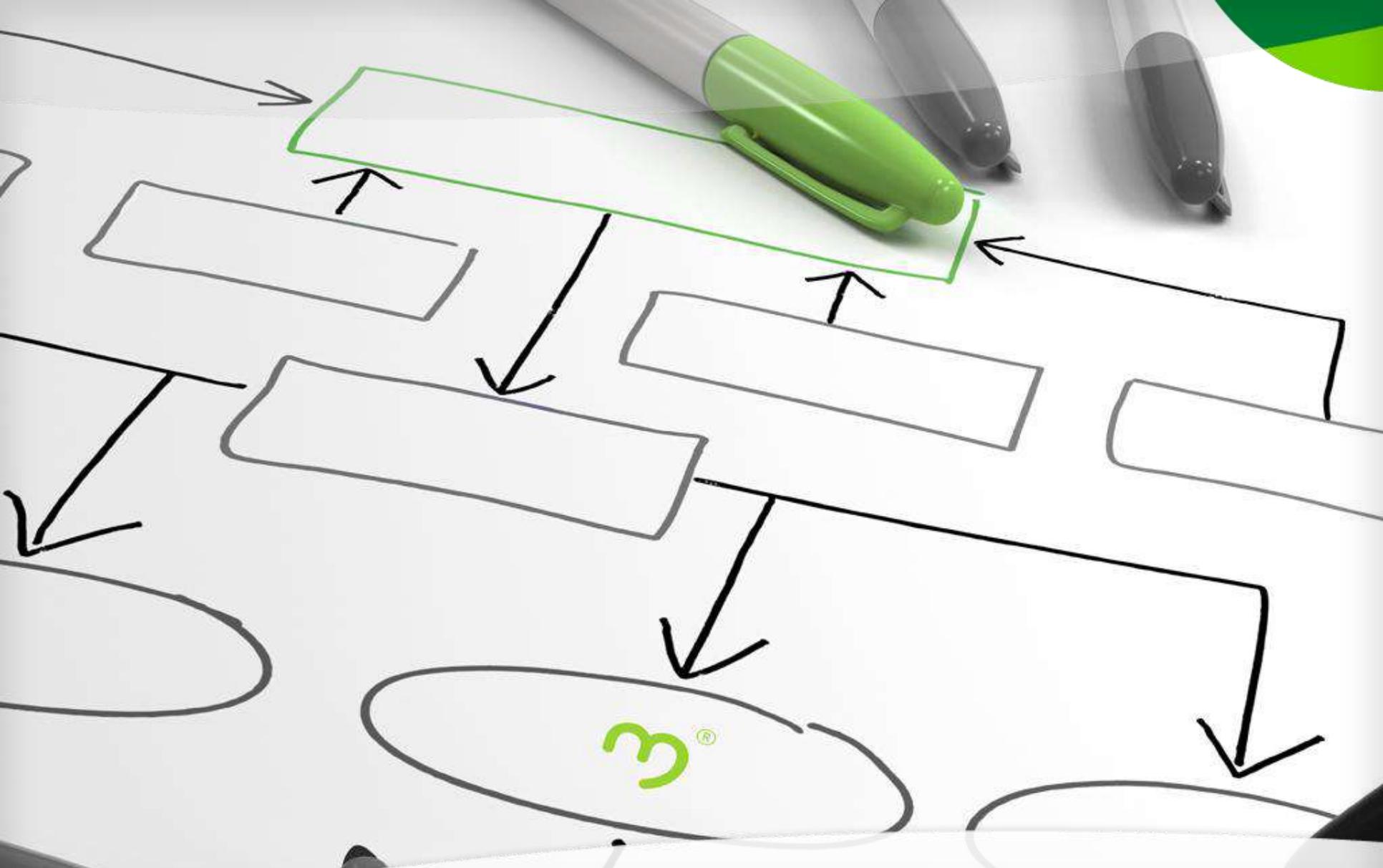
2 Corporate Strategy  
2012-2022

3 Investment Plan  
2013-2016

4 EPM-Millicom

5 Main  
Infrastructure  
projects

6 Highlights and  
Financial  
Results as of  
Fourth Quarter  
2012



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# Company Overview

# Company overview

## EPM Group in Colombia

- Leading and largest multi- utility Company in Colombia \*
- Second Corporate Group in terms of assets: **USD 19,9 billion \***
- Third Corporate Group in terms of net profit: **USD 885 million \***
- We reach a population of more than **13 million people**
- We generate more than **16,000** domestic employments and more than **18,116** external jobs.

\* Position annually reviewed among companies of the Real sector.  
figures as of December 2012

# Company overview

## EPM Group in Latin America



### Geographically diversified:

- Colombia
- Central America: Panama, Guatemala, El Salvador.
- New presence in: Chile and Mexico.

### Ratings EPM (The Parent):

Fitch: **BBB**, outlook:stable

Moody's: **Baa3**, outlook:stable

# Business Units



Parent Company

Grupo-epm

## Energy

Colombia



Central America



## Water

Colombia



## Telecommunications



max seguros epm

EPM Inversiones S.A.

epm  
México

epm  
Chile

epm  
Panamá

# Our presence in Colombia

## Electricity



## Gas



## Water



## Telco



Generation **21.9%**  
 Transmission **8%**  
 Distribution **24.2%**

Distribution and Commercialization **10%**

Water and Sewage Systems **15%**

Phone lines **24.2%**  
 Internet **27.4%**  
 TV **25.5%**

**Market Share**

More than **3,4 million** customers

More than **720 thousand** customers

Water System **994** thousand  
 Sewage System **966** thousand  
 Wastewater Treatment **218** thousand

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

**Customers**

**3.556 MW** Net Effective Capacity, **84%** 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	
<p>ENSA HET</p>	<p>EEGSA TRELEC</p> <p>COMEGSA</p>	<p>DELSUR</p>	<p>Company</p>
<p>376.526</p>	<p>1.024.306</p>	<p>341.134</p>	<p>Customers</p>
<p>2nd electricity distribution company in the country</p> <p>31 MW in construction</p>	<p>1st electricity distribution and commercialization company in the country</p>	<p>2nd electricity distribution company in the country</p>	<p>Key figures</p>
<p>ENSA: BBB Fitch Ratings</p>	<p>EEGSA: BB- S&amp;P Ba3 Moody's</p>	<p>DEL SUR: AA- Fitch Ratings (local)</p>	<p>Ratings</p>



# EPM Group Corporate Strategy

## Growth plan based on sustainability

In 2022  
EPM Group expects  
to position itself  
among the first 50  
multilatinas.



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



-  EPM Market
-  Main targets

### Energy

- Chile
- Peru
- Brasil

### Water

- Mexico
- Peru

# EPM Group Corporate Strategy

As part of our vision



To be a benchmark in operational excellence, reputation and transparency.



To offer an integrated portfolio of competitive solutions in electricity, gas, water, waste collection and information and communication technologies.



To have socially responsible practices with our stakeholders.



Our main purpose



To create shared value with our stakeholders through a performance that balances:



**Financial, economical, social and environmental outcomes**



Promoting the development with equity , in a relationship of mutual benefit in all the regions where we operate.



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# Investment Plan 2013-2016

# Investment Plan 2013-2016

Figures in USD million

	Energy	Water	Telco	Total
<b>EPM Parent Company</b>	3.94 billion (57%)	444 million (6%)		4.38 billion (63%)
<b>Subsidiaries</b>	791 million (15%)	643 million (9%)	1.09 billion (16%)	2.52 billion (36%)
<b>Total</b>	4.73 billion (68%)	1.08 billion (16%)	1.09 million (16%)	6.9 billion

# Investment Plan 2013-2016

Figures in US\$ M

	2013	2014	2015	2016	Total
Energy	1.55 billion	1.03 billion	1.19 billion	952 million	4.72 billion
Water	236 million	405 million	291 million	156 million	1.08 billion
Telco	291 million	261 million	265 million	275 million	1.09 billion
Total Group	2.07 billion	1.69 billion	1.75 billion	1.38 billion	6.91 billion

# Investment Plan 2013-2016

Figures in USD million

## Investment Plan 2013-2016

**Total: USD 6,9 billion**

## Financing Sources

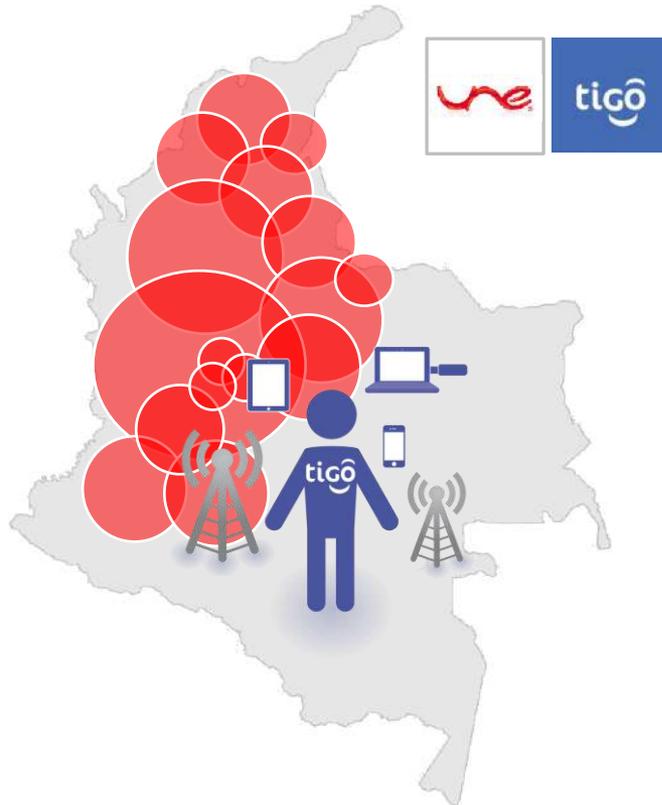
✓ EPM Cash flow	USD 5.3 billion
✓ IADB (Bello WTP)	USD 385 million
✓ Development Agencies	USD 338 million
✓ Other financial sources:	USD 877 million
<ul style="list-style-type: none"> <li>• Capital markets: International &amp; Local</li> <li>• Local commercial banks</li> <li>• Latin American Banks: Commercial &amp; Development Agencies</li> <li>• Multilateral Agencies</li> </ul>	



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EPM-Millicom

# EPM-Millicom



We expect to become Une in the second operator in the country



## Greater geographic coverage

- > Complementary geographic markets.
- > The coverage would reach more than **655** municipalities.



## Higher incomes

- > Fixed and mobile **integration**
- > More integrated services: mobile+Internet+fixed phone + TV
- > Best rates through integrated services
- > Growth in corporate segment.



## Commercial relations

- > Partners for more than 6 years
- > Rental sites, call center, international broadcast Services.
- > **TIGO is the backup of Une in 4G LTE.**

# Corporate structure proposed



Merge between UNE and Millicom Holding



Balanced equity stake between EPM y Millicom

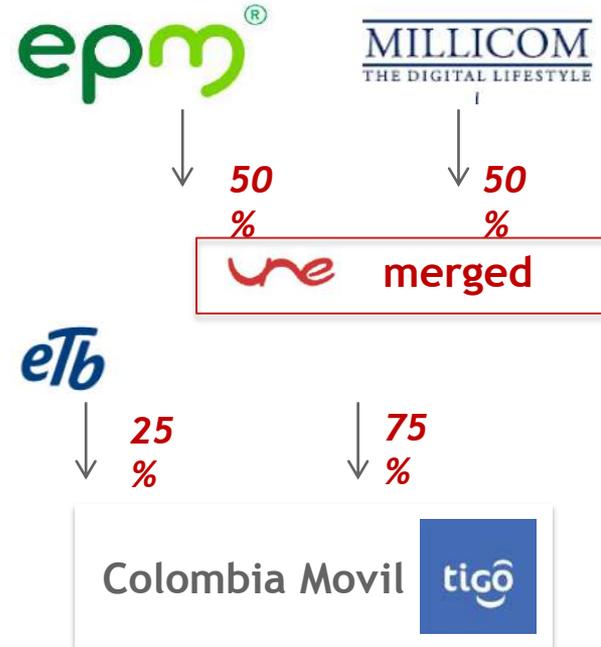


UNE would be the absorbing company and its condition will change to a mixed company

## Current Structure



## Structure proposed





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## Main infrastructure projects



# Ituango Hydroelectric Project

Cost: **USD 5,3 billion**

- 🔦 Dam: 225 m height, 20mn m<sup>3</sup>
- 🔦 Reservoir: 79 km length
- 🔦 Area flooded: 3.800 hectares

- 💡 Installed capacity: 2,400 MW  
8.563 GWh/year
- 💡 8 Francis type turbines: 300MW each
- 💡 Start of operation: Stage I 2018  
Stage II 2022



# Ituango Hydroelectric Project

## Progress of works



### Awarded contracts:

- ✓ Main civil works: Camargo Correa-Concreto - Coninsa Ramon H.
- ✓ Equipment: Alstom Brasil.



Deviation tunnels: **63%**

Power house tunnels: **90%**



Camps: **78%**



Access roads: **90%**



# Bello WasteWater Treatment Plant

## Technical information

- Treatment capacity: 5.0 M3/sec.
- Interceptor: 7.7 Km

## Cost: USD 553 MM

- Sources of financing:  
IADB USD 450 MM



## Progress of works:

- ✓ Awarded contracts: civil works and equipment supply Korean - Spanish consortium “Agua de Aburra HHA: Hyundai Engineering and Acciona Agua.
- ✓ Construction North Interceptor : 2012-2014
- ✓ Start of operation: 2015

# EMVARIAS Project



Council of  
Medellin Approval



Transfer of non-  
productive assets to  
the municipality of  
Medellin



Transform into a  
**shareholder company**



**EPM Group**  
Subsidiary

## Upcoming works:

- Construction of the Transfer Station
- Construction of the Lixivate Treatment Plant
- Renewal of the fleet to natural gas vehicles
- Pneumatic waste collection pilot
- Development of the environmental Park

## Investments

**COP 216.360 MM\***  
Period: 2013 - 2027

# Los Cururos Wind Power Plant - Chile



Capacity: **110MW**

Location: Coquimbo, North of Chile

Start of operation: 2014

Turnkey contract with Vestas Wind System A/S

Investment: **USD 208 million**

Pacífico S.A.: **74MW** - 37 wind turbines  
Cebada S.A.: **42MW** - 21 wind turbines





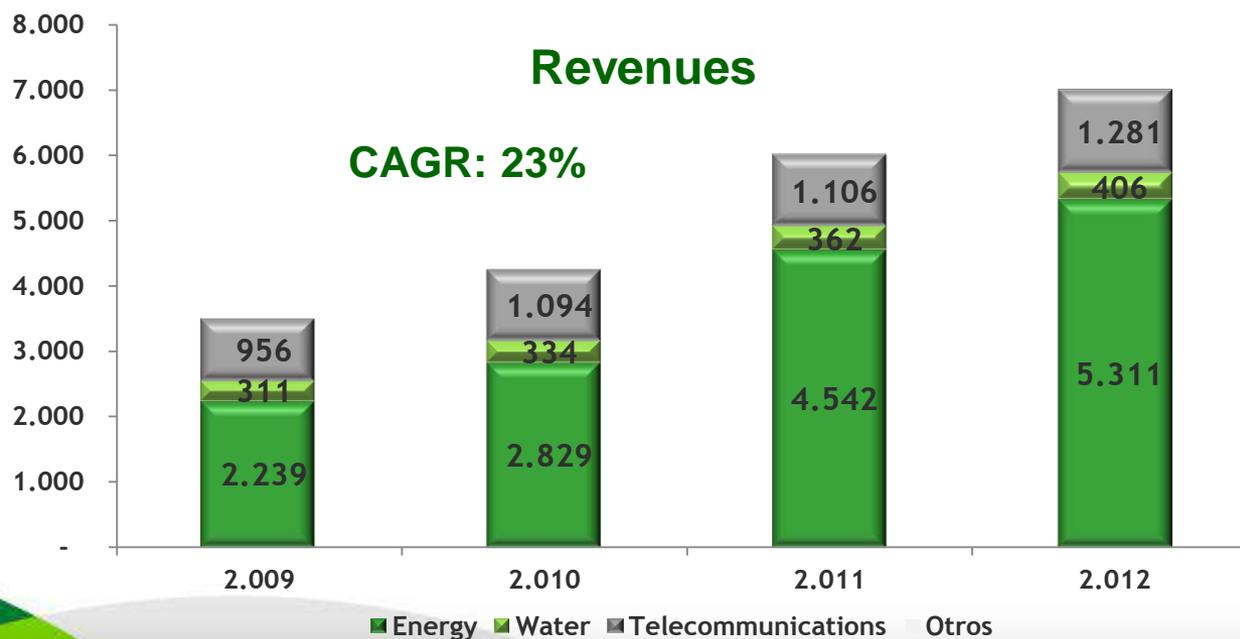
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## Financial Results Fourth Quarter 2012

# Income Statement

Figures in USD million

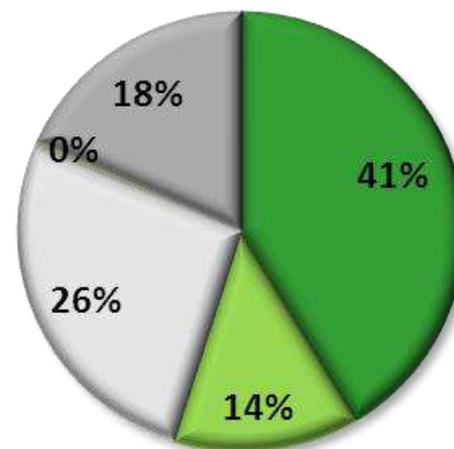
Concept	as of Dec, 2011	as of Dec, 2012	Var. %
Revenues	6,278	7,001	12
Costs and administrative expenses	4,302	4,878	13
EBITDA	1,976	2,123	7
Provisions, deprec. & amortizations	670	790	18
Operating Income	1,306	1,333	2
Others non-operating, nets	(116)	(44)	N.A
Income tax provision	321	350	9
Net Income	822	885	8



# Revenues & Ebitda by geography

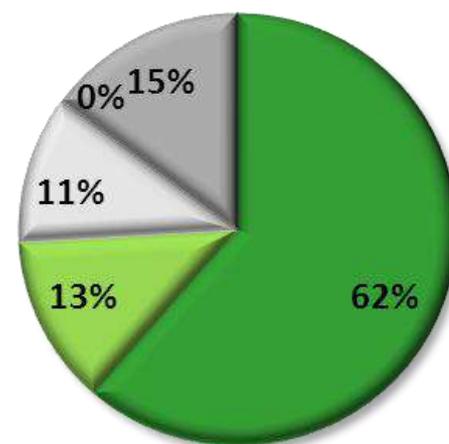
Figures in USD million

Revenue	as of Dec, 2012	Var. prev. year %
EPM Parent Company	2,891	8
Colombian Energy Subs	948	10
Central America Subs	1,854	18
Water subsidiaries	25	27
TELCO subsidiaries	1,281	11
Other	2	(2)
<b>Total revenue</b>	<b>7,001</b>	<b>12</b>



- EPM Parent Company
- Colombian Energy Subs
- Central America Subs
- Water subsidiaries
- TELCO subsidiaries

EBITDA	as of Dec, 2012	Var. prev. year %
EPM Parent Company	1,304	6
Colombian Energy Subs	270	21
Central American Subs	234	9
Water subsidiaries	(2)	N.A
TELCO subsidiaries	315	2
Other	2	10
<b>Total EBITDA</b>	<b>2,123</b>	<b>7</b>



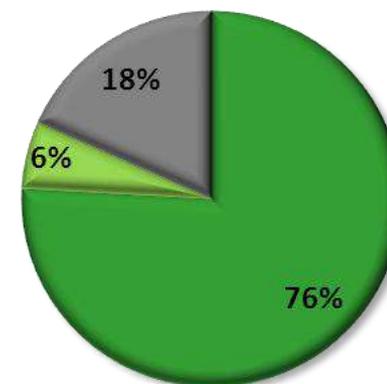
- EPM Parent Company
- Colombian Energy Subs
- Central America Subs
- Water subsidiaries
- TELCO subsidiaries

# Revenues by business unit

Figures in USD million



Revenues	as of Dec, 2012	Var. prev. year %
Energy	5,311	12
Water	406	7
Telecommunications	1,281	11
Other	2	(2)
<b>Total revenues</b>	<b>7,001</b>	<b>12</b>



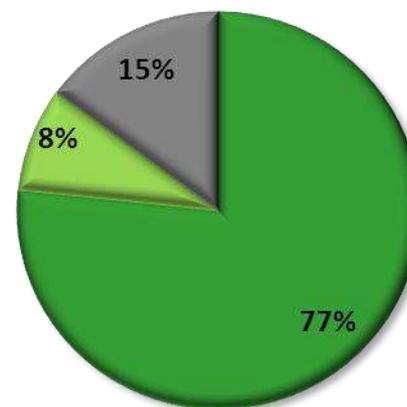
■ Energy ■ Water ■ Telecommunications

# EBITDA by business unit

Figures in USD million

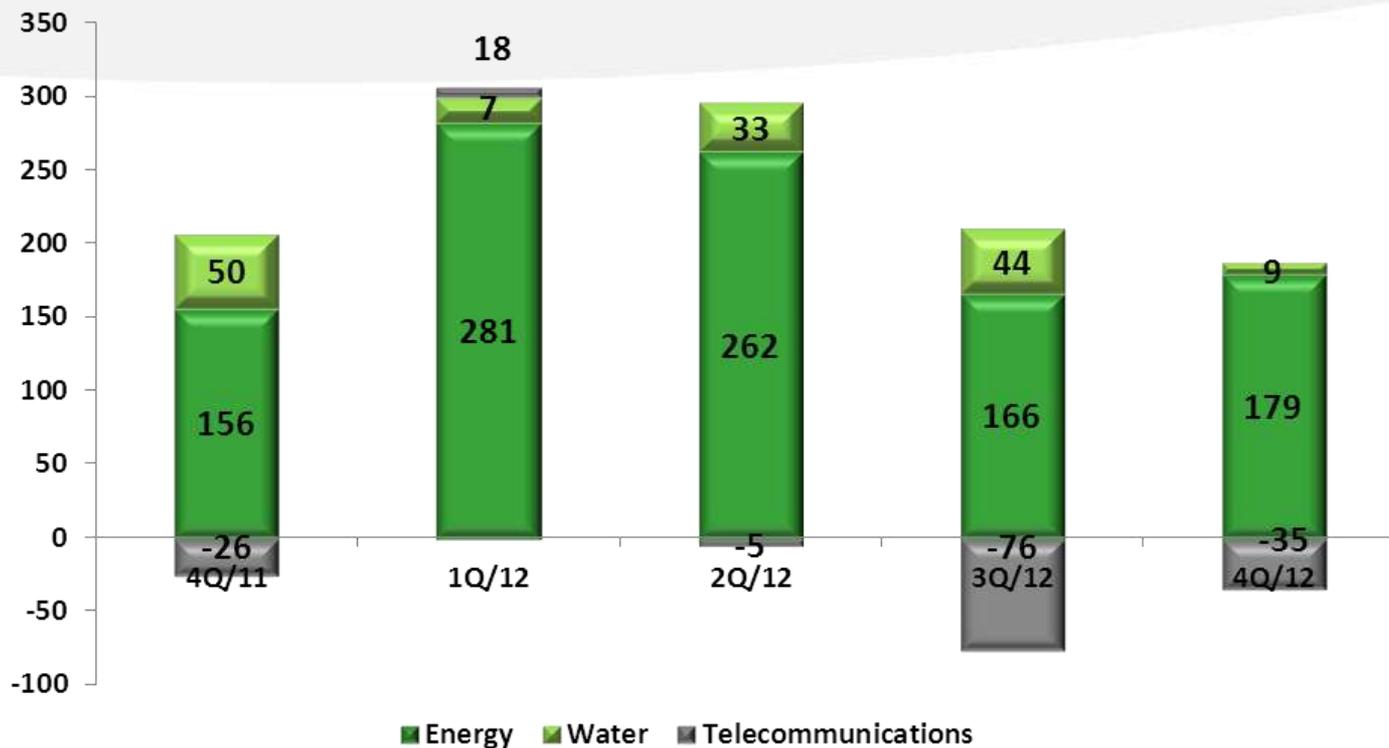


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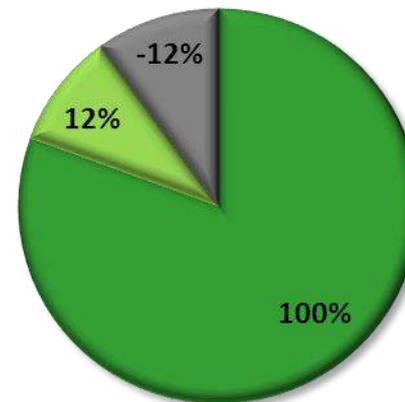


# Net Profit by business unit

Figures in USD million



Net Profit	as of Dec, 2012	Var. prev. year %
Energy	888	21
Water	104	21
Telecommunications	(110)	N.A
Other	3	74
<b>Total Net Profit</b>	<b>885</b>	<b>8</b>

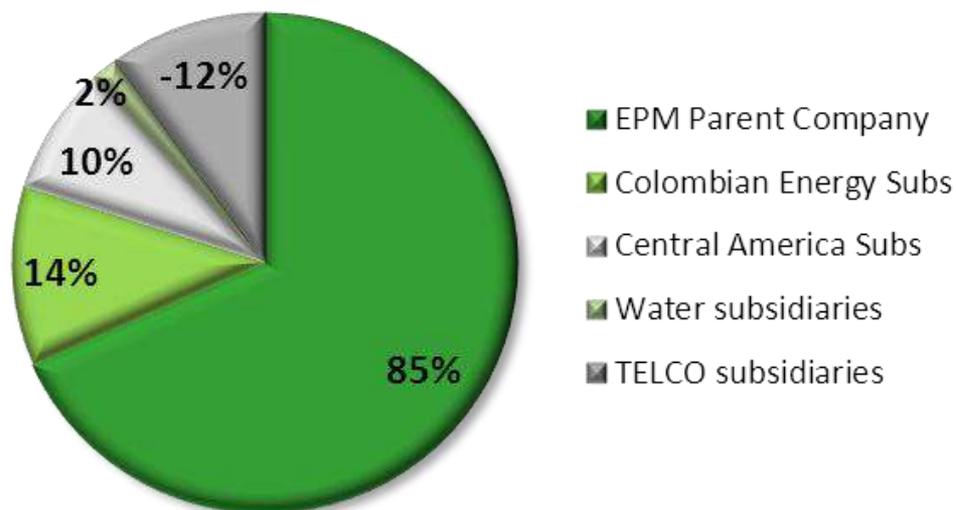


■ Energy ■ Water ■ Telecommunications

# Net Profit by geography

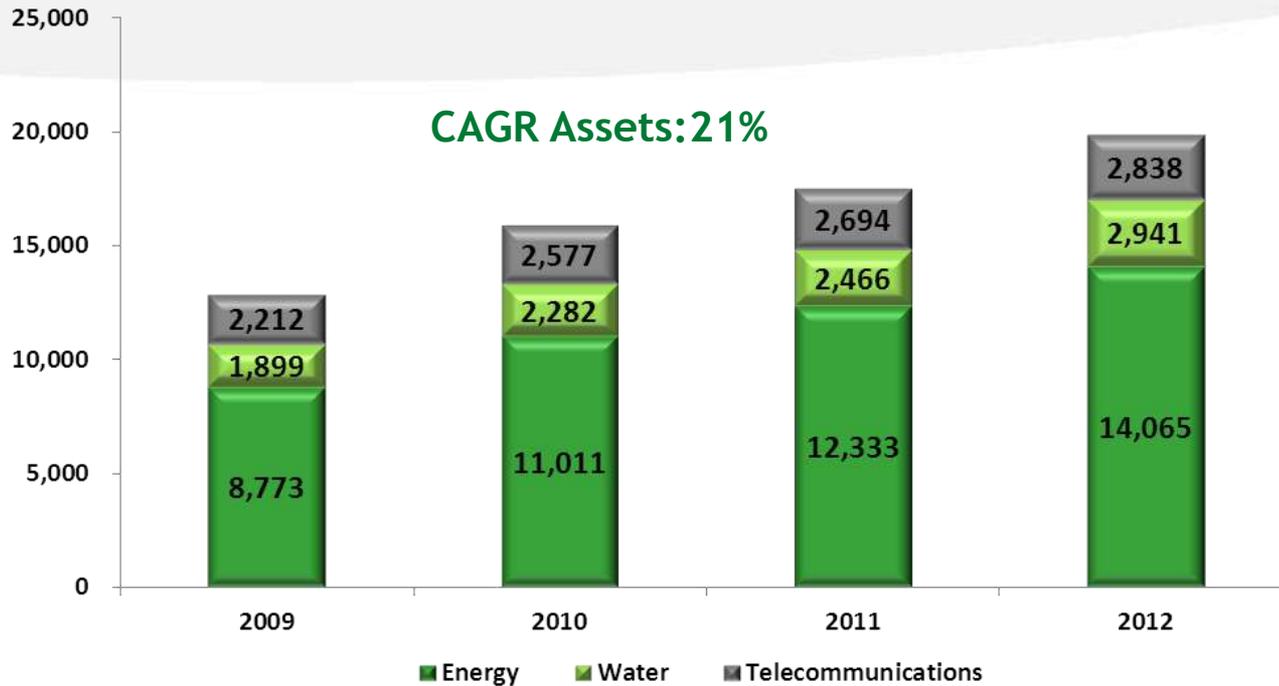
Figures in USD million

Net Profit	as of Dec, 2012	Var. prev. year %
EPM (The parent)	752	24
Energy subsidiaries Colombia	128	22
Energy subsidiaries Centroamérica	92	(4)
Water subsidiaries	19	131
Telecommunication subsidiaries	(110)	N.A
Other	3	74
<b>Total Net Profit</b>	<b>885</b>	<b>8</b>

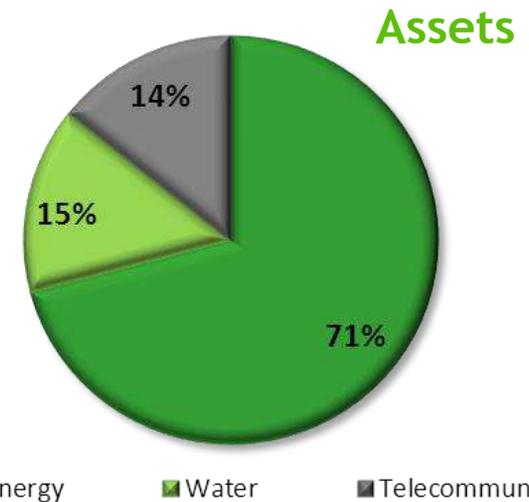


# Balance Sheet

Figures in USD million



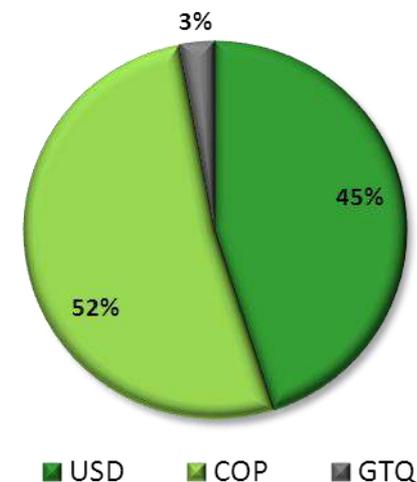
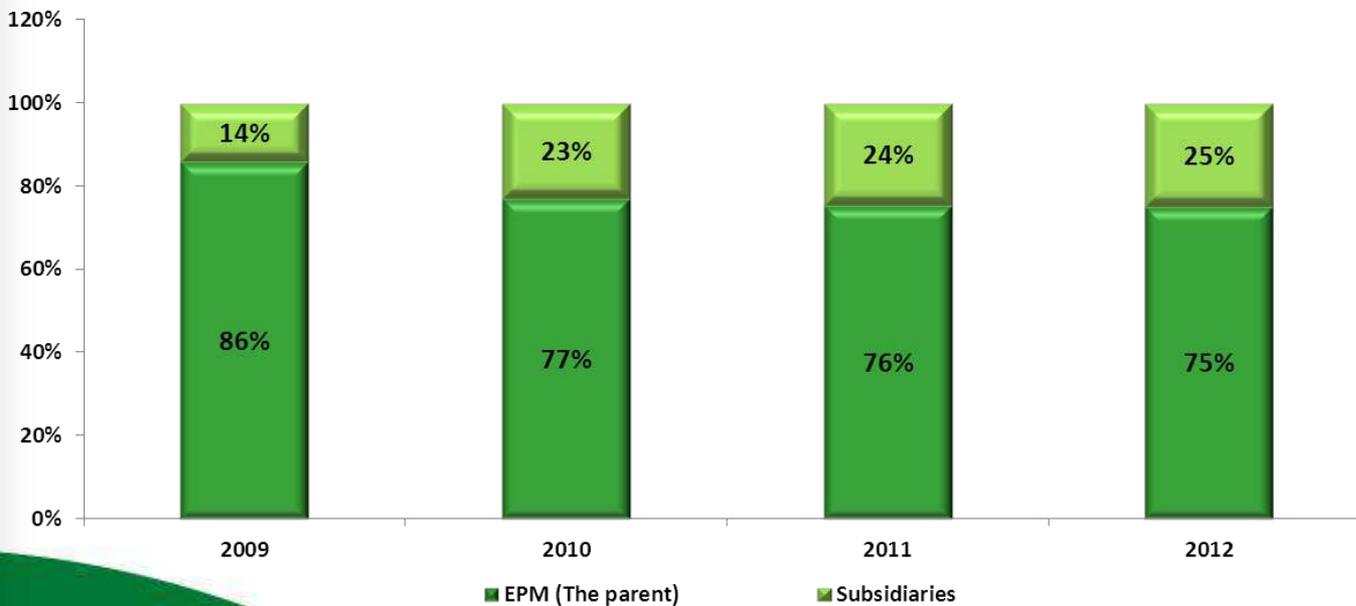
Item	as of Dec, 2012	Share%	Var. prev. year %
<b>Assets</b>	<b>19,951</b>	<b>100</b>	<b>14</b>
Current Assets	3,584	18	17
Non-Current Assets	16,367	82	13
<b>Liabilities</b>	<b>7,467</b>	<b>37</b>	<b>11</b>
Current	1,746	9	(1)
Non-current	5,721	29	16
Minority Interest	574	3	1
<b>Equity</b>	<b>11,910</b>	<b>60</b>	<b>16</b>



# Financial Debt

Figures in USD million

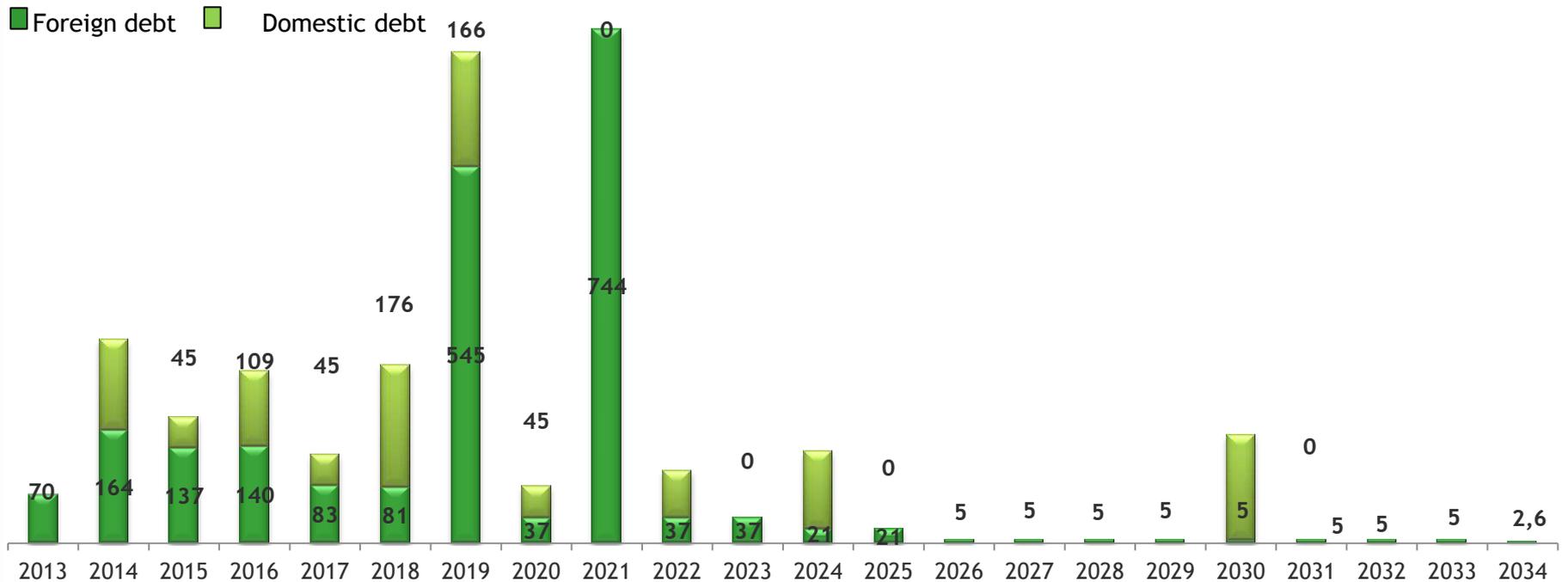
Financial Debt	2009	2010	2011	2012
EPM (The parent)	1,620	2,402	2,712	3,284
Energy subsidiaries Colombia	1	105	55	56
Energy subsidiaries Central America	0	180	352	495
Water subsidiaries	0	43	1	8
Telecommunication subsidiaries	264	389	470	519
<b>Total Financial Debt</b>	<b>1,885</b>	<b>3,119</b>	<b>3,590</b>	<b>4,362</b>



# Financial Debt

Figures in USD million

## Debt maturity profile



# Financial Ratios

Data as of Dec.2012

Ratio	EPM Group 2011	EPM Group 2012	Energy	Water	Teleco.
EBITDA Margin	31%	30%	31%	44%	25%
Operating Margin	21%	19%	24%	29%	-7%
Net Profit Margin	13%	13%	17%	26%	-9%
Liquidity Ratio	1.73	2.05	1.91	5.15	1.28
Total Debt to Total Assets	38%	37%	38%	33%	38%
Financial Debt to Total Assets	21%	22%	23%	20%	18%
ROE	8%	8%	11%	5%	-7%
ROA	4%	5%	6%	4%	-4%
EBITDA/Financial expense	6.66	6.54	6.70	4.60	7.32
Debt/EBITDA	1.96	2.02	1.97	3.23	1.62

Main Figures	2008	2009	2010	2011	2012
Revenues	2,964	3,508	4,258	6,013	7,001
EBITDA	1,107	1,262	1,463	1,874	2,103
EBITDA Margin	37%	36%	34%	31%	30%

# Thank You

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