

Information bulletin

Medellin, November 1st, 2013

Emvarias, a new subsidiary of the EPM [*Empresas Públicas de Medellín* (Public Services Company of Medellín)] Group

- Emvarias is the country's biggest company in the provision of public waste management services.
- The Mayor of Medellín says the city will see very important developments in technology and service
- The company will keep its name and brand and will continue operating from its current premises

Emvarias became, on Friday, a new subsidiary of the EPM Group, which acquired 99.9% of the shares belonging to the Municipality of Medellín, in a transaction which reached COP 136,951 million and which allowed the conglomerate to widen its portfolio to include services in waste management and the collection of solid residues.

The remaining 0.1% of the shares was bought by Olaya Herrera Airport, the Empresa de Desarrollo Urbano (EDU), the Empresa para la Seguridad Urbana (ESU) and the Instituto Social de Vivienda y Hábitat de Medellín (ISVIMED), facilitating partners in the new joint stock company, with a stake of 0.025% each.

In Agreement 21, of May 17th, 2013, the Medellín City Council approved the transformation of Emvarias from an Industrial and Commercial Company of the State into an Official Utility Company, organized as a joint stock company, which allowed the Municipality to have decentralized entities as partners. It was precisely this transformation which opened the way for the sale which was formalized today in a special ceremony by the Mayor of Medellín, Aníbal Gaviria Correa, and the General Manager of EPM and leader of the EPM Group, Juan Esteban Calle Restrepo.

Highlighting the advantages of the arrival of Emvarias in the EPM Group, the local office-holder said that “aspects such as quality and the extension of services will

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be consolidated. But not just that, consideration will be given to many other fields related to the integration of water, energy, gas and waste collection services”.

For his part, Calle Restrepo said that for the business conglomerate it is “a great joy to receive Emvarias into the family, because we admire the services it provides in the city, the love its employees have for what they do, and because it is one of the icons of the public sector in Medellin”.

The Manager of Emvarias, Javier Ignacio Hurtado, who has been confirmed in his position, said that “for 49 years we have with commitment and responsibility built a company that is a byword for service, which is close to our users and which is part of Medellin’s heritage. That is what we want to share with the EPM Group so that together we can promote the sustainability of new territories and contribute to ensuring welfare and quality of life for all their inhabitants”.

Acquired goods

Agreement 21 also approved the transfer of real estate properties belonging to Emvarias to the Municipality of Medellin, including the markets of Campo Valdés, Flórez, La América, La Minorista and commercial premises in La Mayorista. This also included the shares which Emvarias has in Central Ganadera, UNE, Terminales de Transporte, Sin Escombros, BBVA and Orbitel.

In terms of operating assets, the new subsidiary of the EPM Group has the La Pradera Landfill, the Curva de Rodas Landfill (at post-closure stage), three bases of operations located in the sectors of Central Ganadera, San Juan and Plaza Minorista, and its central offices.

They also have a motorized fleet made up of 123 compactors, 3 frontal compactors, 15 NPR compactors, 7 street-sweepers, 11 dumper trucks, 7 tanker trucks, 2 mini-loaders, 1 tow truck, 5 vans, 4 vacuum-cleaners and 4 motorcycles.

Adding talent, adding synergies

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The 277 workers linked to Emvarias will keep their current salary and benefit conditions, and the Collective Bargaining Agreement will be respected.

The more than 1,500 contractors who today provide their services will continue performing their work. For their part, the resources to pay the 516 pensioners have been provided for and will continue to be the responsibility of the subsidiary.

Commenting on this, Calle Restrepo said that “Emvarias is an added value for the EPM Group. We hope to add to the talent that Emvarias has, to accelerate its investment programs and bring new technology into the whole service of waste collection and the management of solid residues. It’s definitely a winning proposition for the staff and workers of Emvarias, for the city and for the EPM Group”.

The new Board of Directors of Emvarias is made up of Juan Esteban Calle Restrepo, General Manager and leader of the EPM Group, Ana Mercedes Villegas Mejía, Executive Vice President of Business Management of the EPM Group, and Carlos Alberto Mesa Posada. Luis Alberto Sanín Correa and Jorge Antonio Yepes Vélez were elected as substitute members.

Looking to the future

With the entry of Emvarias, the EPM Group consolidates its position in the provision of public waste management services, which it already offers in Quibdó, Chocó, through its subsidiary Aguas Nacionales S.A E.S.P. The arrival of the emblematic company from Antioquia brings with it new opportunities and challenges to grow and win new markets, always with the aim of building areas that are sustainable and competitive.

“We hope in the future to significantly strengthen the ambitious investment plans that Emvarias has. Some of the company’s long-held dreams, like the conversion of its fleet, the development of an environmental park and the solid residues transfer station - a lot of very interesting projects that Emvarias has had on file, and we now hope to contribute so that these can become reality”, Calle Restrepo added.

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Context

EPM Group

EPM was established 58 years ago as a company for utility services, with administrative and budgetary autonomy, belonging to the Municipality of Medellín.

Today it is still state-owned and leads an international group made up of 59 companies, 21 of them in Colombia and the rest in Guatemala, El Salvador, Panama, Chile, Mexico, United States and Spain, in the following sectors: electrical energy, natural gas, drinking water, sanitation, information and communications technology, and now waste management and the collection of solid residues with the arrival of Emvarias. The EPM Group generates 15,000 direct jobs and 25,000 indirect ones.

The EPM Group is the second-largest in Colombia and the biggest in utility services. It serves more than 13 million Colombians and another 7 million clients in Central America. By 2020 it is seeking to become one of the 50-largest companies in Latin America, a target which places emphasis on the sustainability of its territories.

Emvarias

Emvarias, the new subsidiary of the EPM Group, was founded 49 years ago. It provides services in municipal waste collection, especially of solid residues, and complementary activities in transportation, sweeping and cleaning public highways and areas, treating, recycling and disposing of residues, cutting grass and pruning trees located in public highways and areas. It is a leading company in the provision of public waste management for the home in the Valley of Aburrá.

More information

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