

Grupo•epm<sup>®</sup>

**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





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Company Overview

# 1. Company Overview

## Mission

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



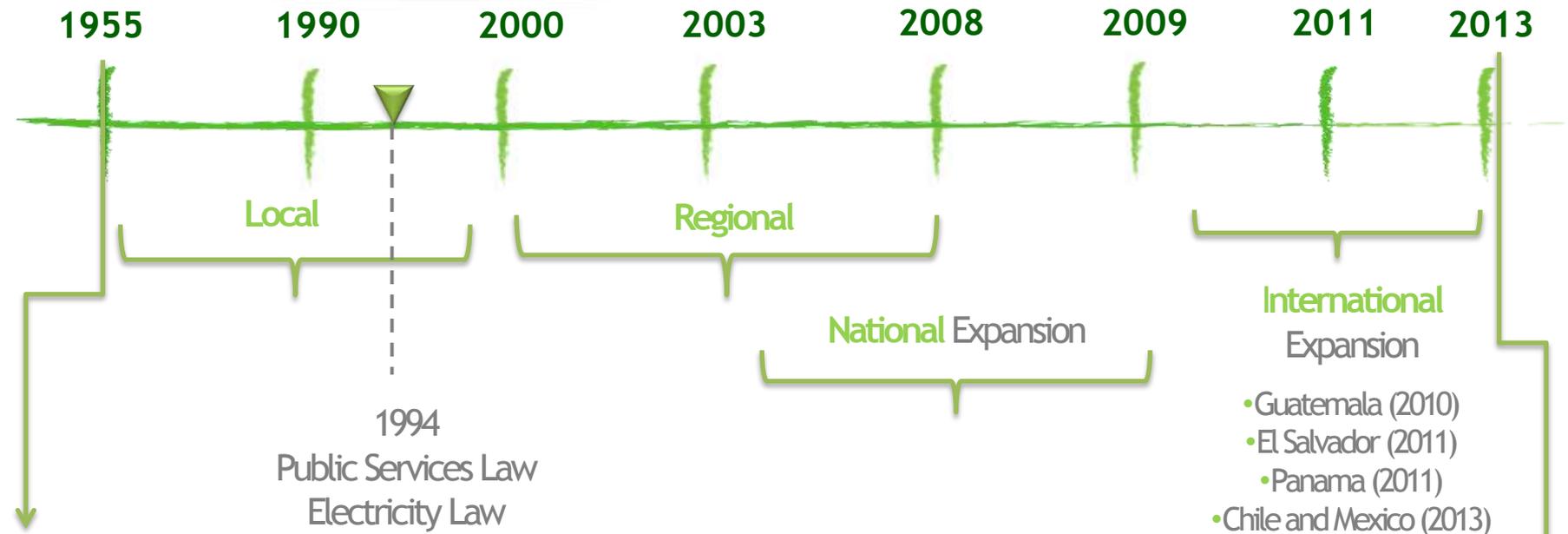
We create equitable **well-being** and **development**.

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



Grupo-epm®

Multi-Latin  
consolidation  
process



# 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



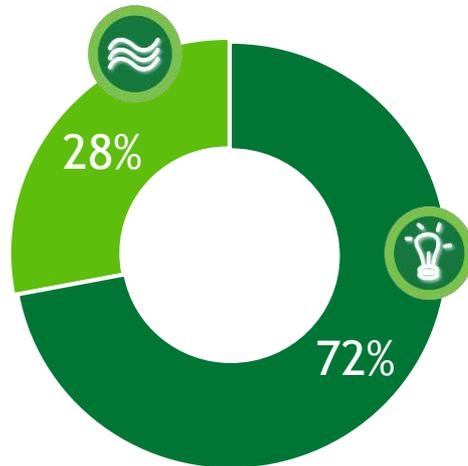
# 2 Investment Plan 2014-2017

# 2. Investment Plan 2014-2017

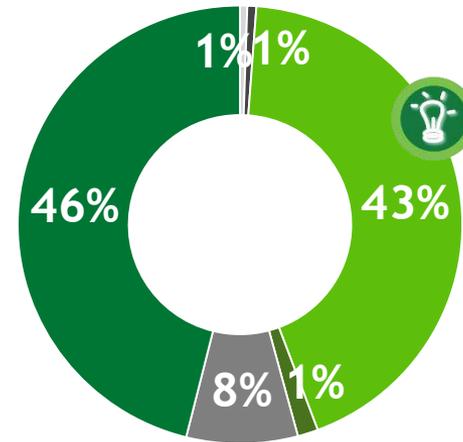
## EPM Group

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%)
<b>Total</b>	<b>1.758</b>	<b>1.681</b>	<b>1.160</b>	<b>944</b>	<b>5.542</b>



■ Energy    ■ Water



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

# 2. Investment Plan 2014-2017

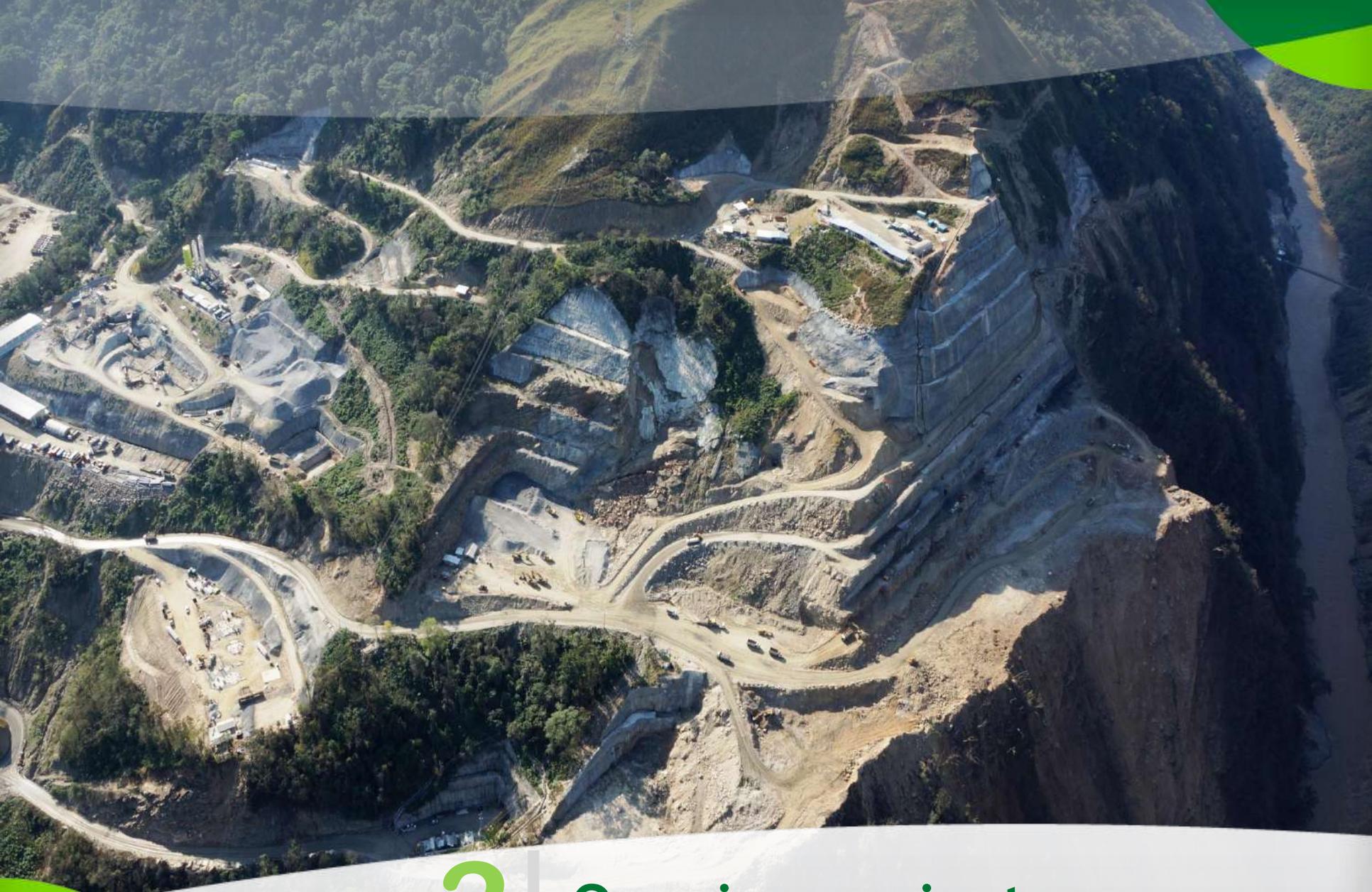
## EPM Group

### Total Investment Plan

USD 5,5 billion

### Financing Sources

✓ EPM Cash flow	3.2 billion	
✓ IADB (Bello WTP)	352 million	} 2.3 billion
✓ Development Agencies	143 million	
✓ Local banks	60 million	
✓ Ongoing transactions	400 million	
✓ Other financial sources	1.3 billion	
✓		
<ul style="list-style-type: none"> <li>• Capital markets: International &amp; Local</li> <li>• Commercial banks: International &amp; Local</li> <li>• Development Agencies</li> <li>• Multilateral Agencies</li> </ul>		



3

Ongoing projects

3<sup>®</sup>

# 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 m<sup>3</sup>
- 💡 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 "Agua 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%



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



Start of operation:  
2013-2015



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.

# 3. Ongoing projects

## EMVARIAS - Waste Management Subsidiary



Cost: USD 17 million



**emvarias**<sup>®</sup>  
EMPRESAS VARIAS DE MEDELLÍN

**Grupo·epm**<sup>®</sup>

### > Prospects for development:

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

### > Upcoming projects:

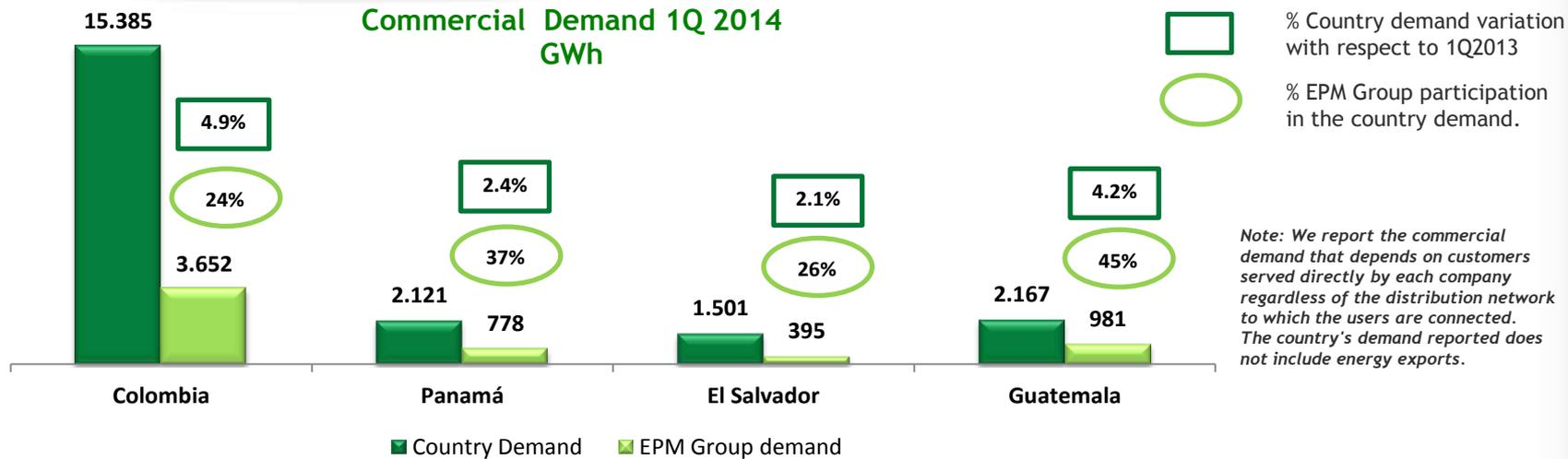
- Strengthening the truck fleet through the renting of 50 waste compactors
- Conversion of the truck fleet to natural gas
- Construction of the leachate treatment plant.



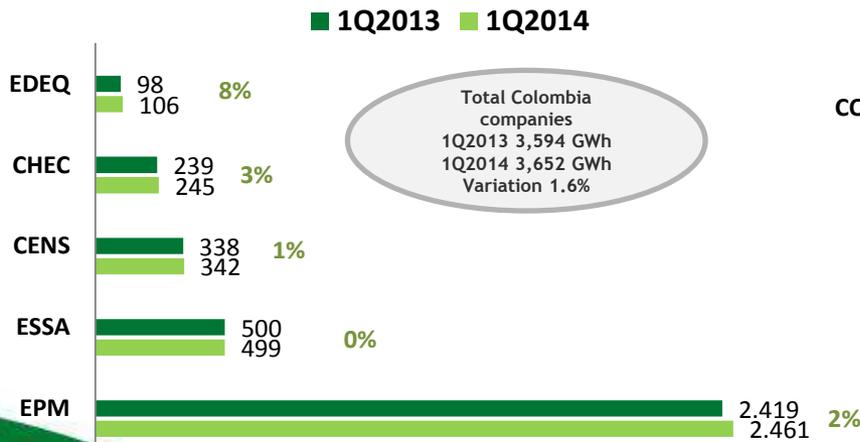
# First Quarter 2014 Financial Results

# 4. First Quarter 2014 Financial Results

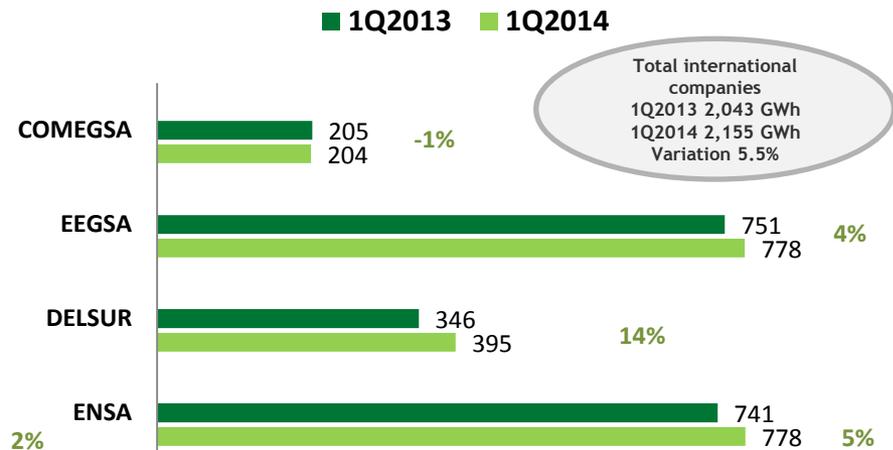
## Commercial Energy Demand



### Colombian EPM companies GWh



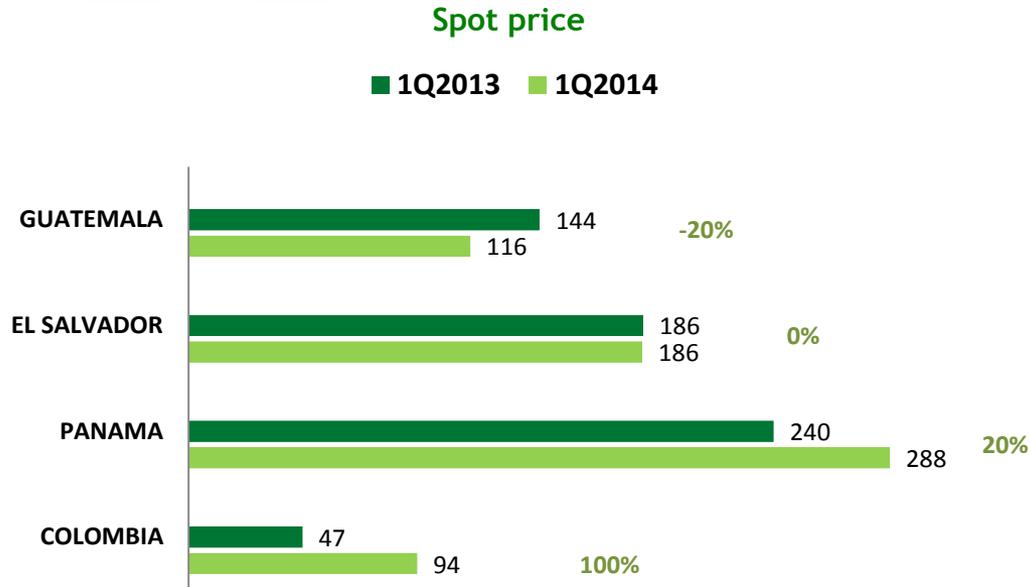
### International EPM companies GWh



# 4. First Quarter 2014 Financial Results

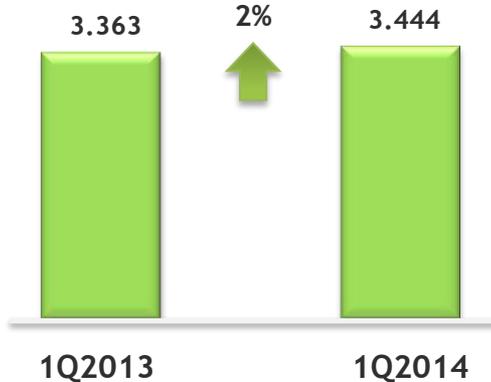
## Energy Market

Spot price USD/MWh and EPM Generation (GWh)

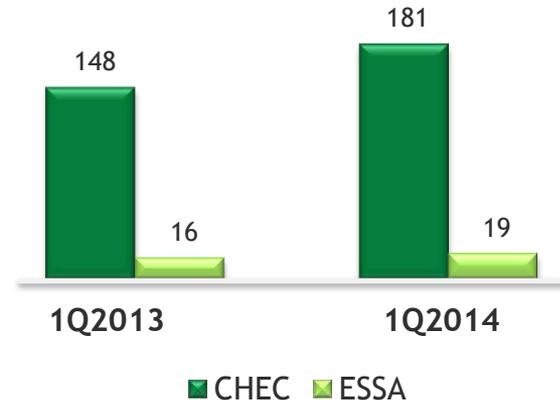


➤ **Note:** Colombia and Guatemala are the countries where the largest component of the energy matrix is hydraulic generation. For this reason their spot prices are comparatively lower and more volatile.

**EPM Parent Company Real Generation**

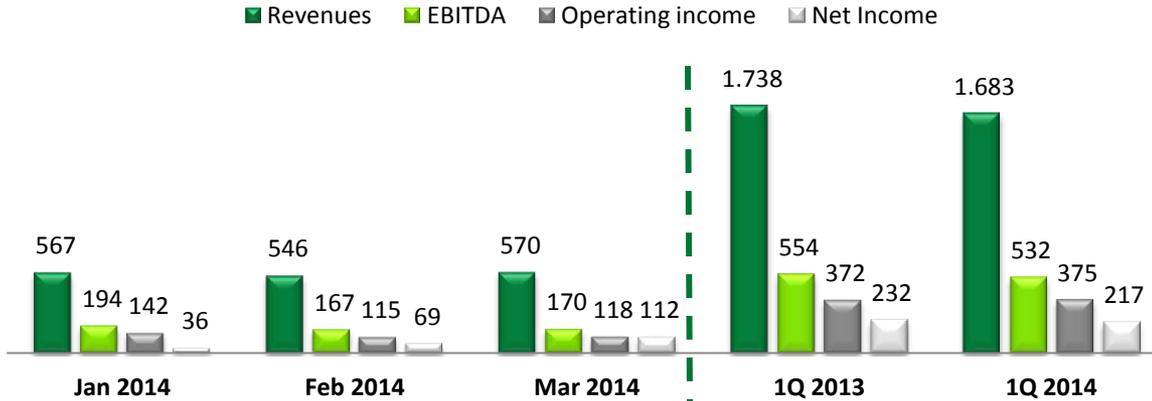


**Subsidiaries Real Generation**



# 4. First Quarter 2014 Financial Results

## EPM Income Statement - Figures in USD million



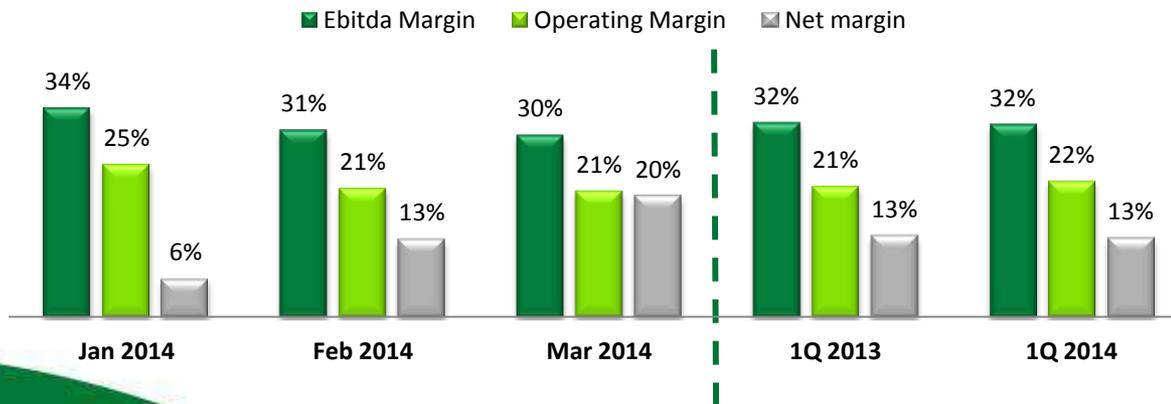
### Variation in dollars 1Q2014 - 1Q2013

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



### Variation in pesos 1Q2014 - 1Q2013

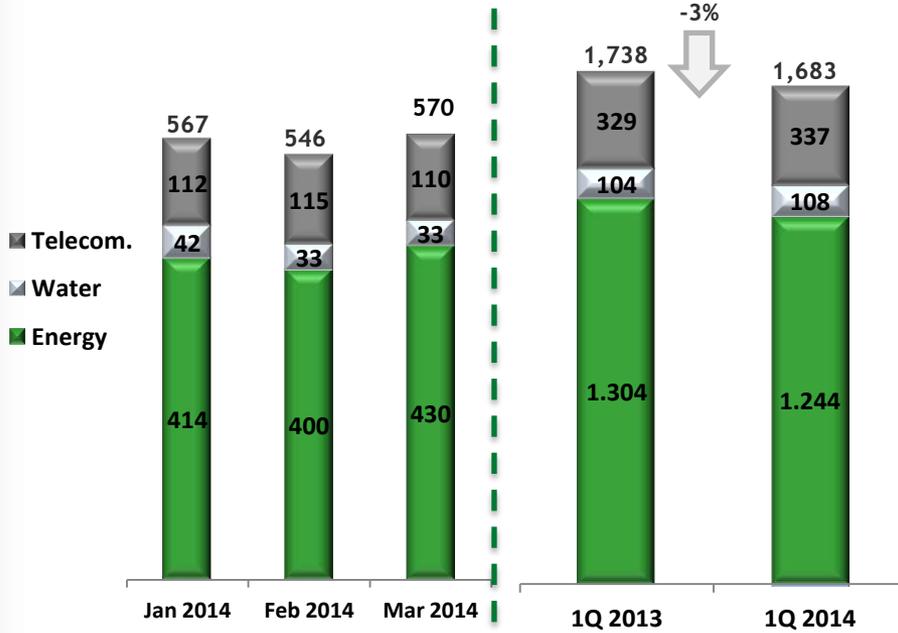
- Revenues: 8%
- Ebitda : 7%
- Net Income: 6%



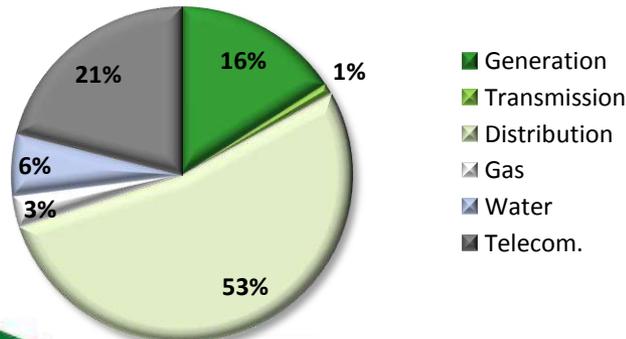
Average exchange rate  
 1Q 2013 COP/USD1,791  
 1Q 2014 COP/USD2,004

# 4. First Quarter 2014 Financial Results

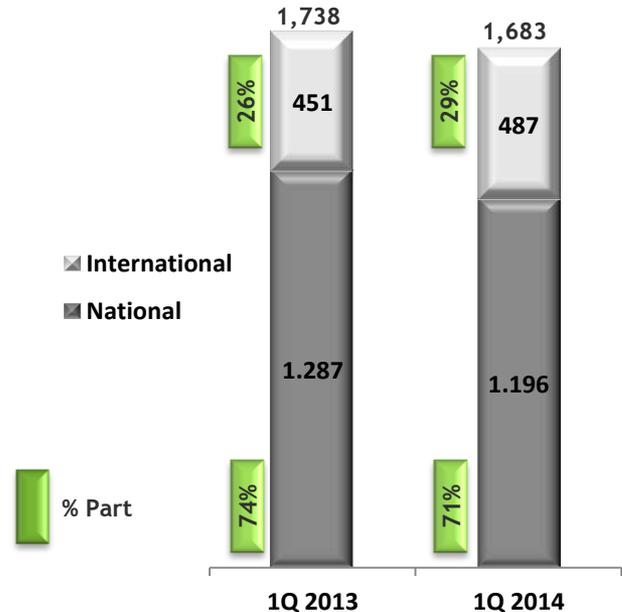
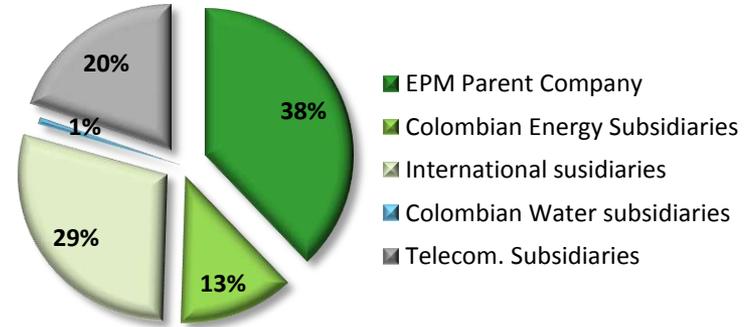
Revenues - Figures in USD million



Breakdown by business line

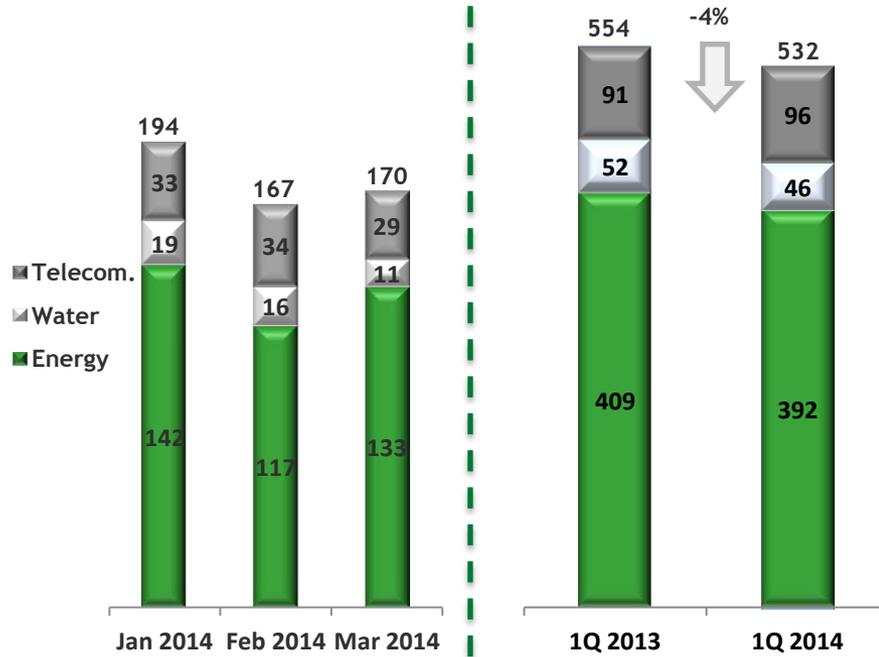


Revenues Breakdown

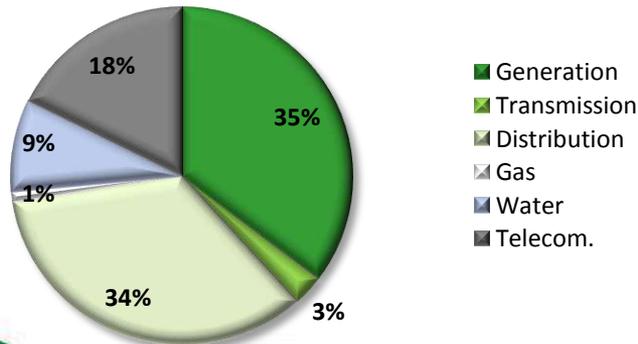


# 4. First Quarter 2014 Financial Results

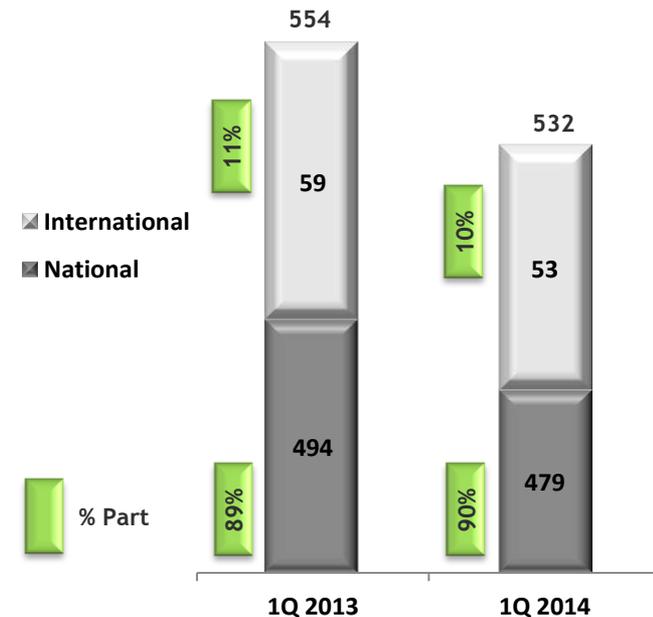
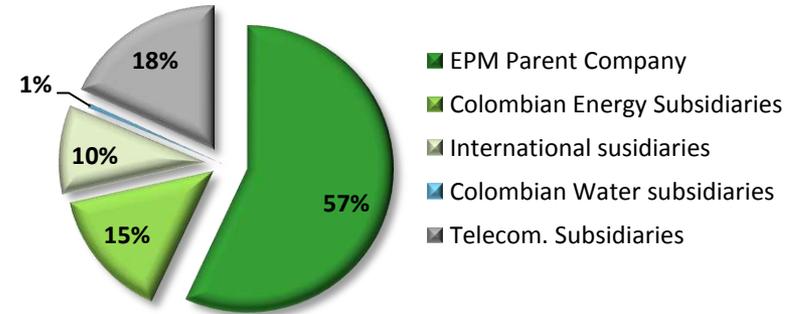
**Ebitda** - Figures in USD million



**Ebitda Breakdown by business line**

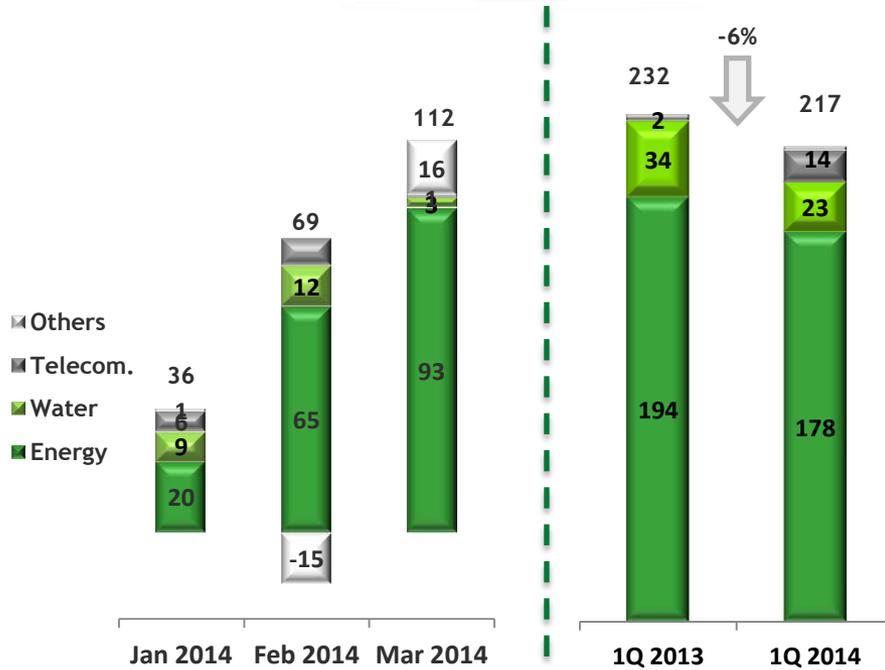


**Ebitda Breakdown**

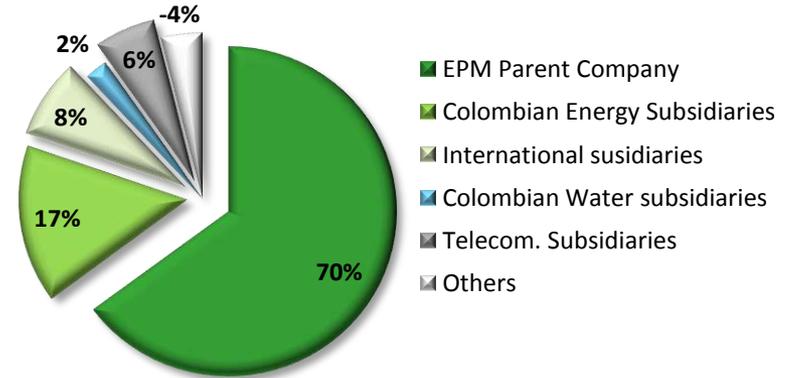


# 4. First Quarter 2014 Financial Results

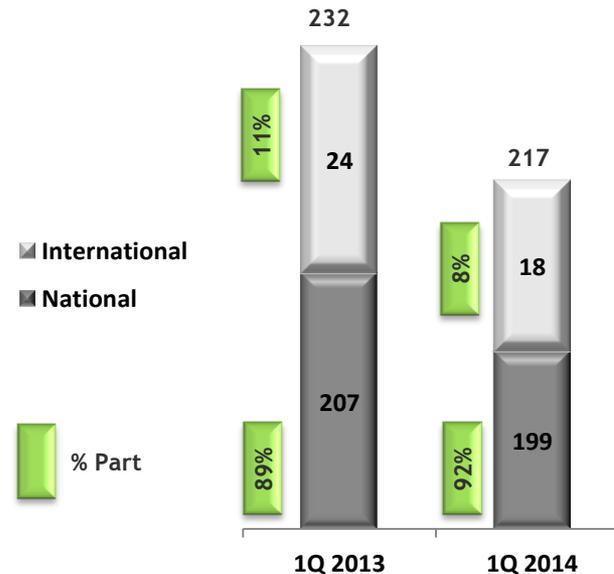
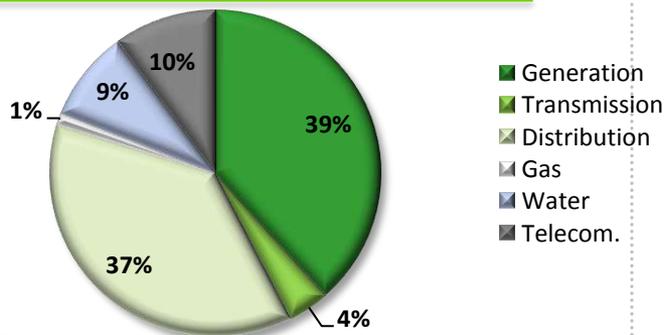
Net Income - Figures in USD million



Breakdown 1Q 2014

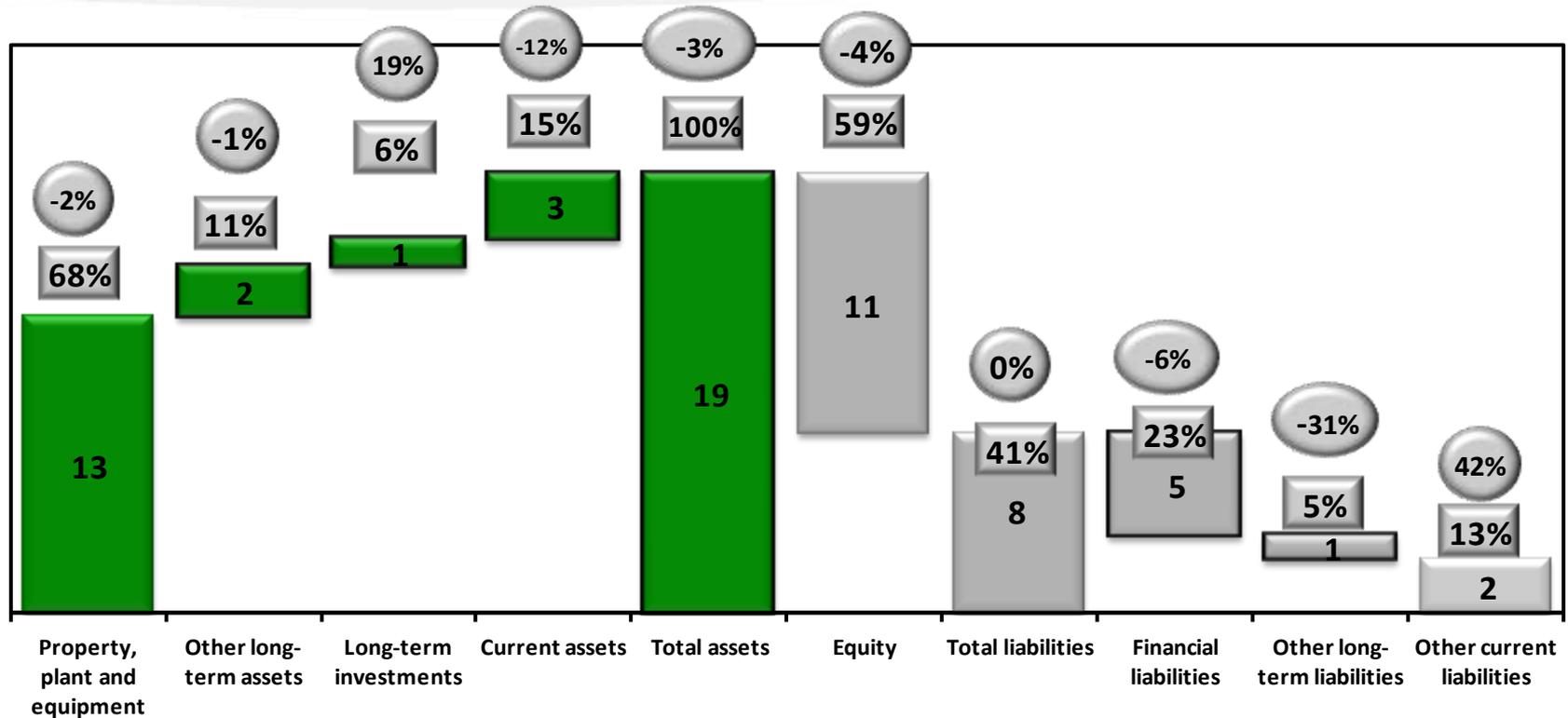


Breakdown by business line



# 4. First Quarter 2014 Financial Results

## Balance Sheet - Figures in USD billion



Corresponds to growth with respect to 2013



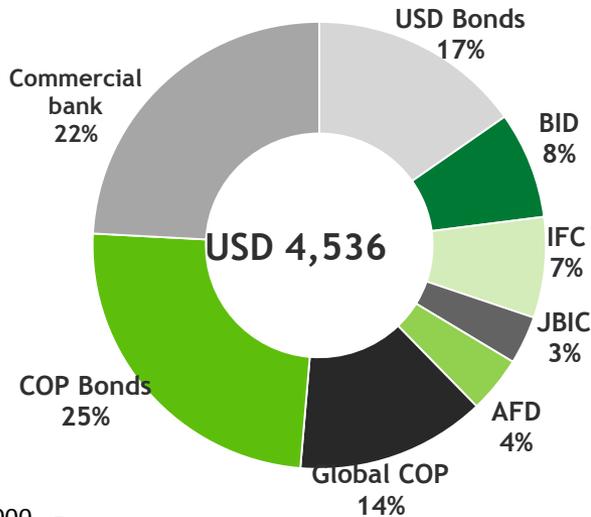
Corresponds to participation with regard to assets

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

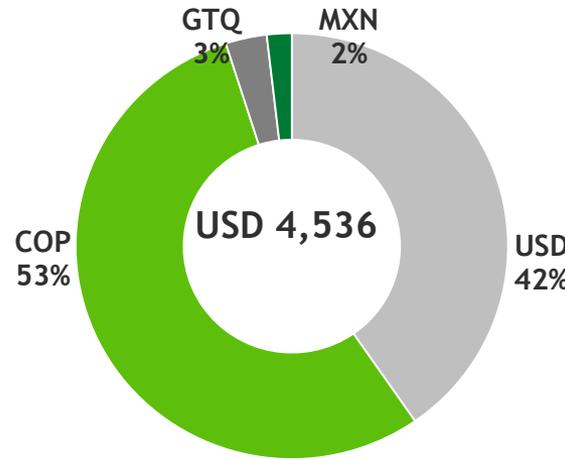
# 4. First Quarter 2014 Financial Results

Debt - Figures in USD million

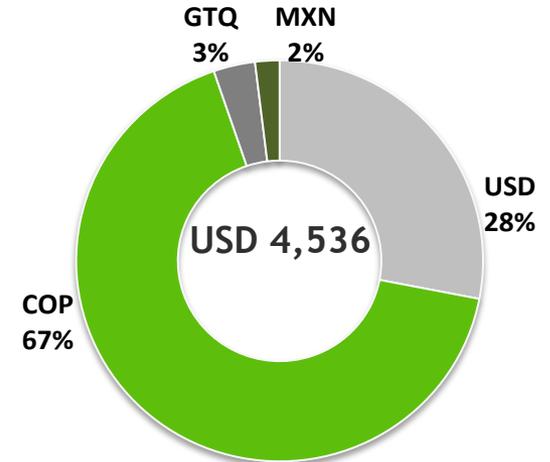
Source



Currency without hedging

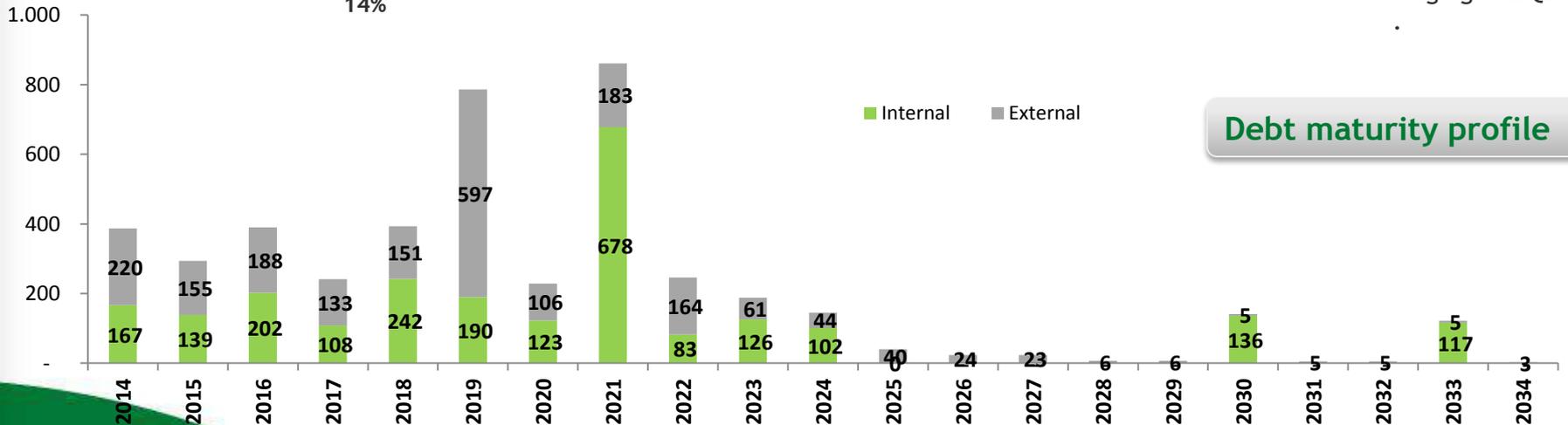


Currency with hedging



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
<b>Total Hedge</b>	<b>186</b>	<b>205</b>	<b>216</b>	<b>126</b>
Hedge Percentage	81.3%	98.0%	95.3%	77.5%

# Gracias

# Grupo·epm<sup>®</sup>

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