



**Annual Emerging Markets
Corporate Conference 2015**
Bank of America Merrill Lynch
Miami, FL. May 27 - 29

Disclaimer

The material that follows is a presentation of general background information about Empresas Públicas de Medellín E.S.P. and its subsidiaries (“EPM”), as of the date of the presentation. The material contained herein is in summary form and does not purport to be complete.

This presentation contains forward-looking statements. Such forward-looking statements are not guarantees of future performance. These factors may cause actual results to be materially different from any future results expressed or implied in such forward-looking statements. In that sense, EPM cannot guarantee future results or events. EPM expressly disclaims any duty to update any of the forward-looking statements, or any other information contained herein.

This presentation does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction, agreement, or contract with EPM. This presentation is for discussion and must be referenced only considering the verbal information provided by EPM, otherwise it would be incomplete. Neither this nor any of its contents may be used for any other purpose without the prior written consent of EPM.

Only with informational purposes and for the convenience of the reader, figures in COP were converted in this presentation to its equivalent in USD (dollars of the United States) using the foreign exchange rate COP/USD 2,576.05 as of March 31, 2015 issued by the Superintendence of Finance of Colombia (*Superintendencia Financiera de Colombia*). These convenience translations are not in accordance with U.S. GAAP and have not been audited. These translations should not be construed as a representation that the Colombian peso amounts were, have been or could be converted into U.S. dollars at those or any other rates.



Agenda

1

EPM Highlights

2

Company
Overview

3

Corporate
Strategy

4

Key Investment
Projects and
Acquisitions

5

Electricity
Market

6

Financial
Results

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 **22.8%**
Transmission **7.9%**
Distribution **24.1%**

Gas



Distribution
and **11.9%**
Commercialization

Water



Water and
Sewage Systems **13.7%**

Market Share

More than **3,8 million**

More than **934 thousand**

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

Customers

3.508 MW Net
Effective Capacity,
86.3% hydraulic

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

Second company in
Colombia

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: USD 5.0 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

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: 30.4%



- > Power house excavation: 73%
- > Spillway excavation: 46%
- > Dam excavation: 46%
- > Access roads, camps, transformers cavern, discharge tunnel portal 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 million

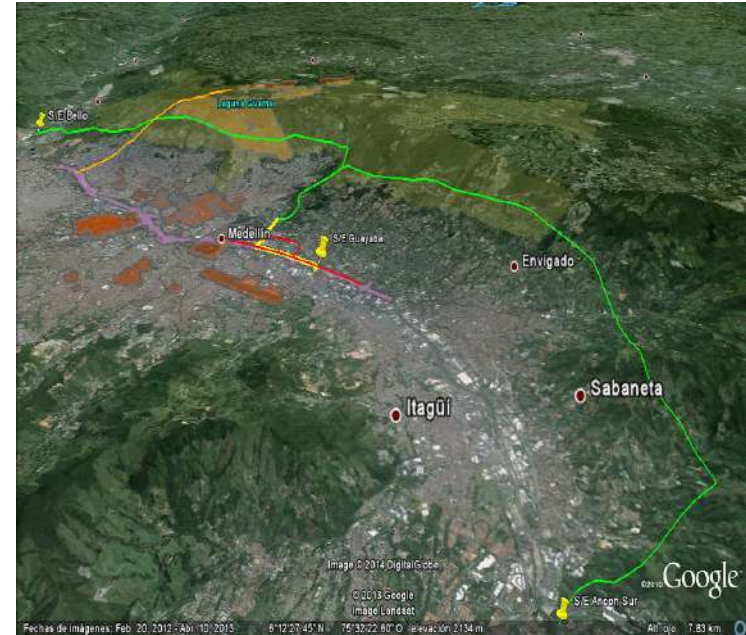


- Substation at 500,000 volts
500 KV transmission line/ 50 km
230 KV transmission line/ 160 km
- **Current progress: 45%**
- **Operations expected to begin in:**
January, 2016

Bello- Guayabal-Ancón 230 kV UPME 04-2013

Total Cost: USD110 million

➤ Invested to date: USD 0.3 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: 45%
- ✓ 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

4. Recent Acquisition

ADASA in Chile



EPM Group, through its subsidiaries in Chile, signed an agreement to acquire 100 % stake in Aguas de Antofagasta SA, Adasa .



Acquisition of the Chilean company Aguas de Antofagasta, **ADASA**, for USD 965 million



The largest investment to date made by EPM Group abroad



We entered the **water purification technology** Sea



Strengthens our presence in the **sector of water and sanitation**



The transaction is **subject to approval** by Empresa Concesionaria de Servicios Sanitarios S.A. (ECONSSA)

ADASA is a leader company in the production of water in the driest desert in the world, Atacama

Best in Applied Technology

- 10 years of experience in desalination treatment plants with capacities for the design, construction and operation thereof.
- The largest desalination plant of sea water in Latin America, 600 lps.
- High standards in the supply of drinking water with national and international quality certifications

Operational efficiency

- 2.11 M3 production per second (30% seawater).
- Best indicator of losses (26.5 %) than the industry average (33.7 %).
- 100% coverage in drinking water and 99.6 % in sewage.
- Service coverage for 7 populations of about 560,000 inhabitants.

Stable and predictable returns

- Concession until 2033.
- Stable regulatory framework for over 25 years.
- 65% of revenues come from regulated market.
- 35 % of revenues come from the block sale of water to mining companies.
- 4.8 % growth in m3/client in the last four years.

Financial soundness

- Revenue: USD 122 million
- Ebitda: USD 71 million
- Net Income: USD 44 million
- 398 Direct jobs
- 365 Indirect jobs

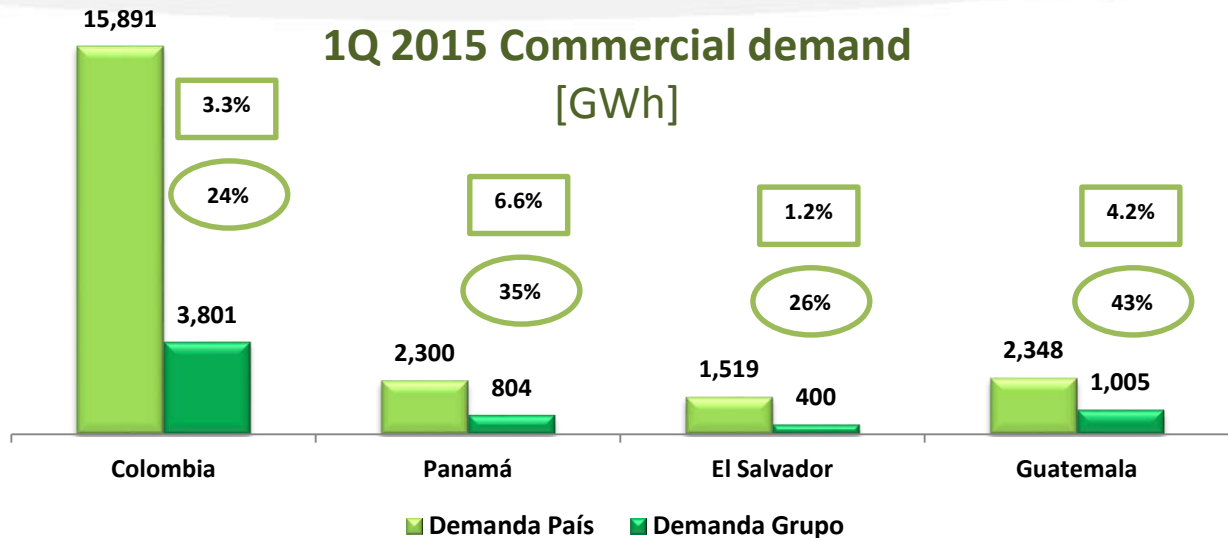
ADASA is a leader company in the production of water in the driest desert in the world, Atacama



- Second investment in Chile after Los Cururos Wind Park.
- Venture in the water and sanitation sector in Chile with a safe and profitable operation.
- Improvement of the risk profile and diversification of EPM's investment portfolio.
- An increase of 33 % and 37% in revenues and EBITDA respectively in relation to the water business of EPM parent company.
- Growth opportunities in the markets of Peru and Chile with the business of desalination.

5. Electricity Market 1Q2015

EPM Group Commercial Demand

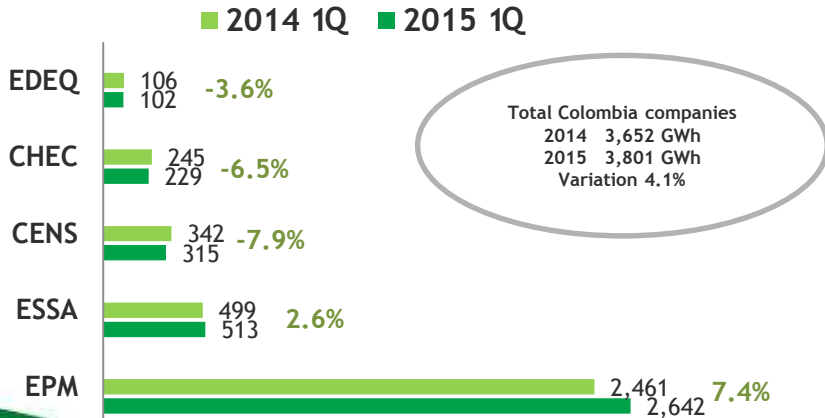


□ % Country's demand variation 2015 vs 2014

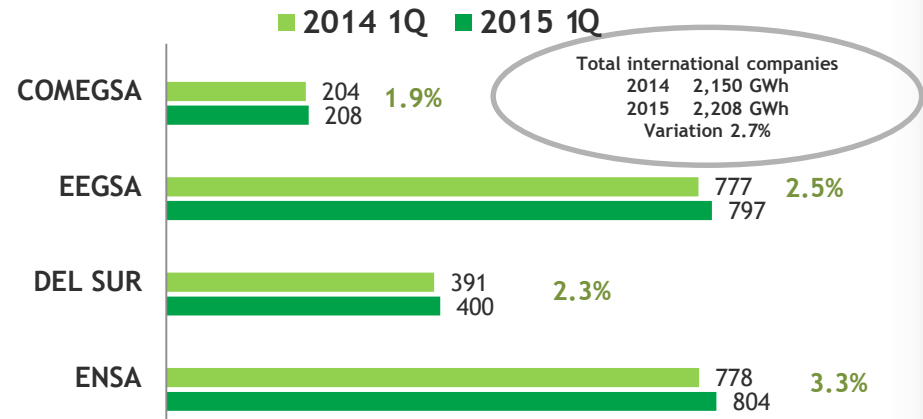
○ % EPM Group country demand's share

Note: We report the commercial demand that depends on customers served directly by each company regardless of the distribution network to which the users are connected. The country's demand reported does not include energy exports.

Colombian companies GWh



International companies GWh

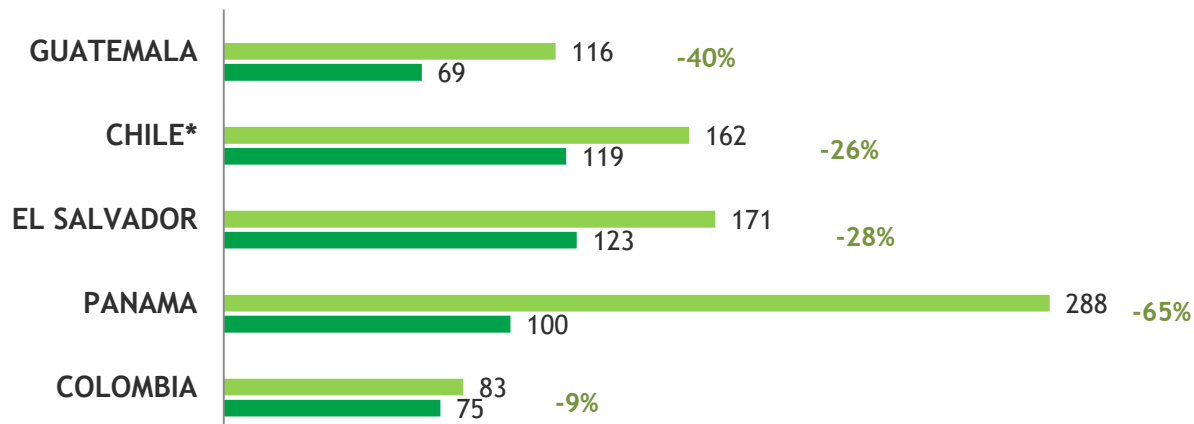


5. Electricity Market 1Q2015

Spot Price USD/MWh and EPM Power Generation (GWh)

Spot Price USD/MWh

■ 2014 1Q ■ 2015 1Q



*In Chile, Pan de Azucar node's price, the closest to EPM's Los Cururos plant.

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

Quarterly average spot prices.

Colombia subsidiaries 1Q2015 Generation [GWh]

3,644

-2.7%

3,547

2014

2015

Since 2015, electricity generation from Colombian subsidiaries was transferred to EPM Matrix

International subsidiaries 1Q2015 Generation [GWh]

■ 2014 ■ 2015

47

13

Cururos
CHILE

Bonyic
PANAMÁ

6. Financial Results

Comparative NIIF vs COLGAAP

Figures in COP billion

Statement of comprehensive income

	NIIF		COLGAAP	
Revenues	COP 11.4		COP 11.5	
EBITDA	COP 3.6		COP 3.5	
Comprehensive income	COP 2.6	↑ 40%	COP 1.8	

Excluding the extraordinary income from the transaction of UNE in 2014, income for the period would be COP 1.6

6. Financial Results

Comparative NIIFvs COLGAAP

Figures in COP billion

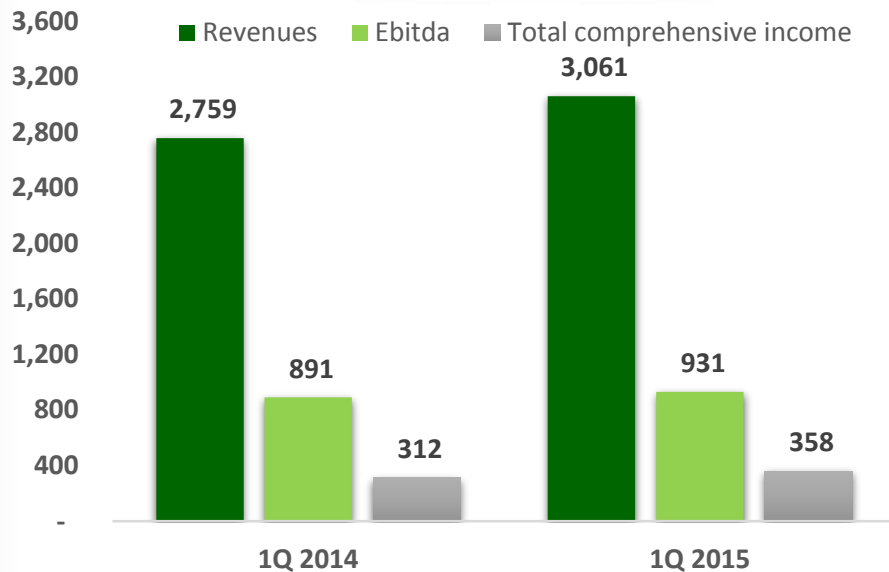
Statement of financial position

	NIIF		COLGAAP
Assets	COP 35.9	↓ -7%	COP 38.7
Liabilities	COP 18.5	↑ 11%	COP 16.6
Equity	COP 17.4	↓ -21%	COP 22.1

6. Financial Results

EPM Group Income Statement

Figures in COP thousand million

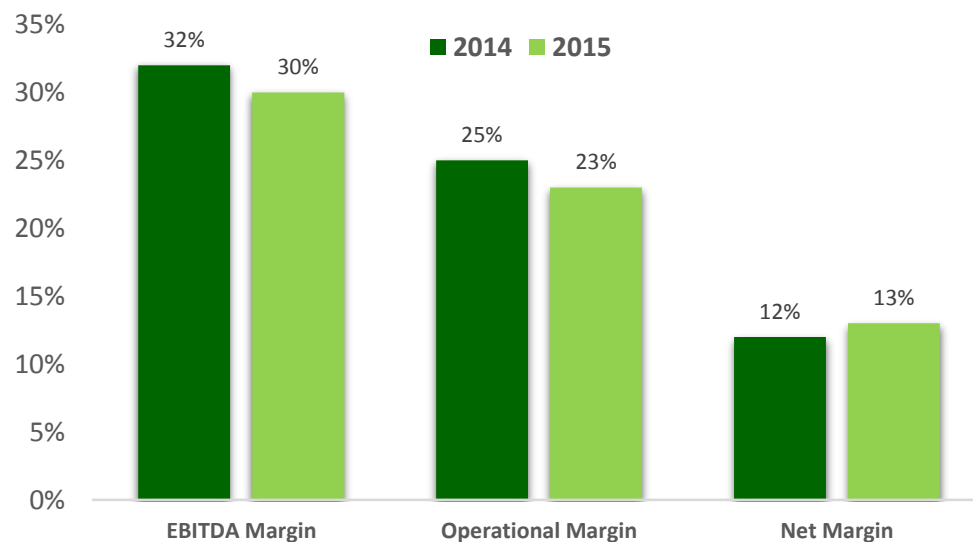


COP variation 2014 - 2015

Revenues: 11%

Ebitda: 4%

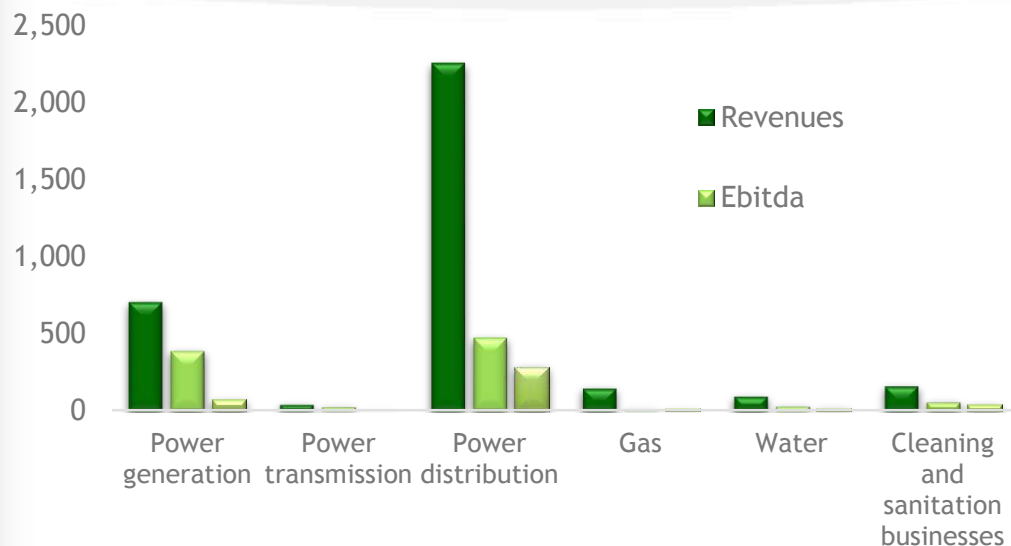
Total comprehensive income: 15%



* 2014 without the effect of the telecommunications subsidiaries

6. Financial Results By Segments and Countries

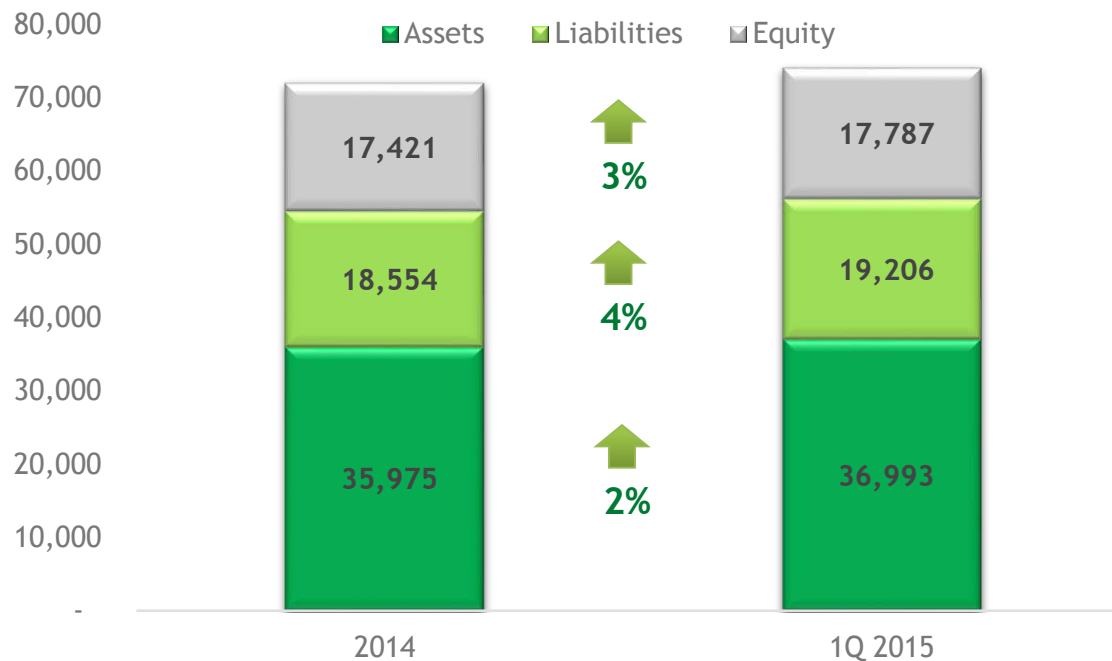
Figures in COP thousand million



6. Financial Results

Statement of financial position

Figures in COP thousand million



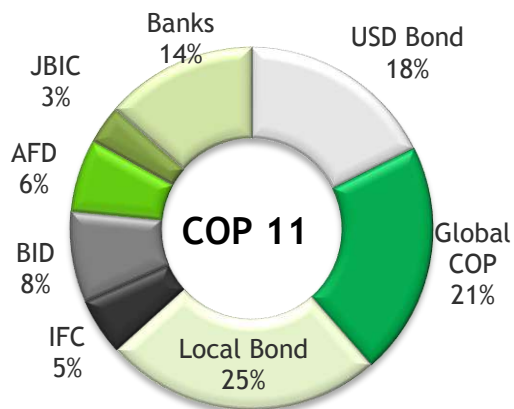
Ratios	2014	2015
Total debt to total assets	50%	52%
Financial debt to total assets	26%	30%
Ebitda/Financial expenses	6.96	6.18
Debt/Ebitda	2.37	3.23

6. Financial Results

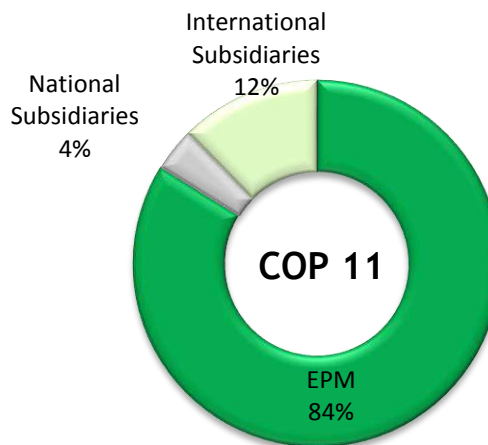
Debt Profile

Figures in COP billion

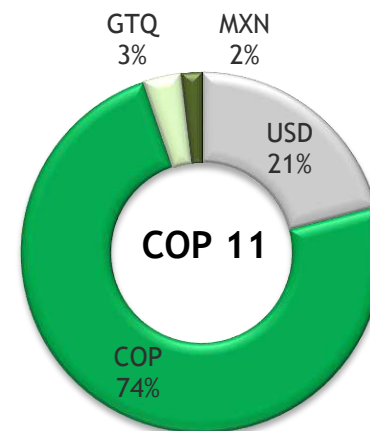
Source



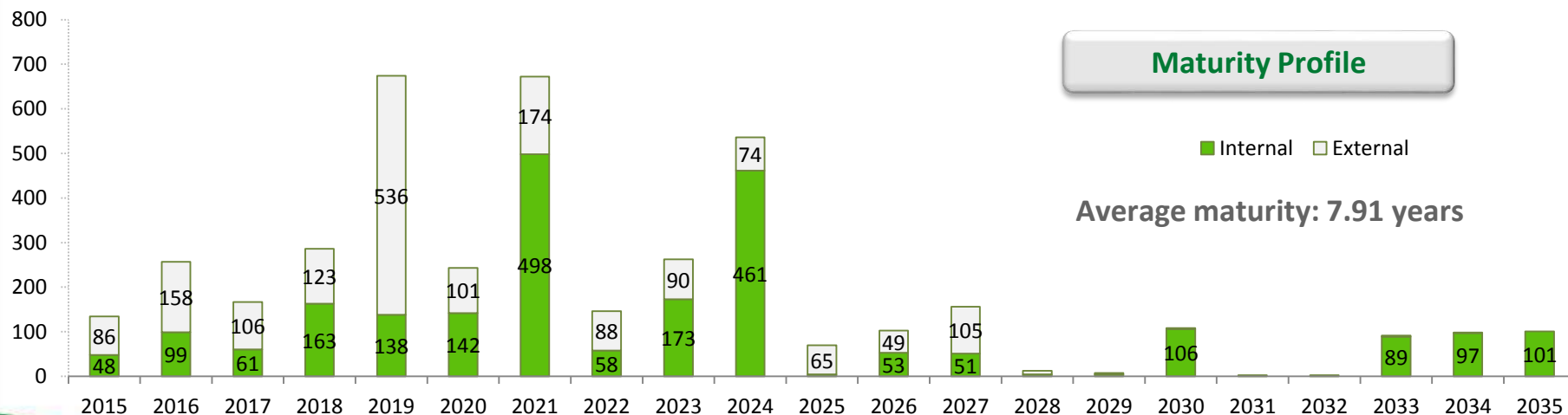
Subsidiary



Currency



Maturity Profile



Average maturity: 7.91 years

6. First Quarter 2015 Financial Results

Cash Flow Hedging - Figures in USD million



- EPM's hedge policy has emphasis on the cash flow.

Cash Flow Hedging	2015	2016	2017
Debt Service	227	260	199
Natural Hedge	66	76	85
Financial Hedge	124	126	38
Total Hedge	190	202	123
Hedge Percentage	83.7%	77.6%	61.8%

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

Catalina López
Investor Relations
Catalina.lopez@epm.com.co

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

ecom
razón