

Investor Presentation

Bank of America Merrill Lynch

Emerging Markets Corporate Conference 2012

Miami, FL May 30 – June 1st

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Agenda

- **Highlights 2011 and First Quarter 2012**
- **Company Overview**
 - Business Units
 - Corporate Governance
 - Environmental, Economic and Social Responsibility
- **Corporate Strategy**
 - Internationalization
 - Growth trajectory
 - Our presence in Central America
- **Financial Performance**

Highlights 2011 and First Quarter 2012

- **Corporate Strategy 2011**

Our goal for 2015 was to reach revenues of US\$ 5 billion.

We already achieved that goal in 2011, with US\$ 6 billion in revenues. Currently we are setting a new goal for 2015 and 2020.

EPM consolidated its control in its recent acquisitions: DECA II (Guatemala), DELSUR (El Salvador) and ENSA (Panama).

2012

Bello Wastewater Treatment Plant: granting of the civil works and equipment supply to the skilled Korean – Spanish consortium “Aguas de Aburra HHA”, Hyundai Engeneering and Acciona Agua.

Ituango's Project construction kick-off. Opened process for indicative financing proposals within the bidding processes.

The Ituango project is expected to be the largest hydroelectric power plant in Colombia, with a total capacity of 2,400 MW.

- **Financial Results**

As of December 2011

40% Revenue Growth

27 % Ebitda Growth

14% Net Income Growth

As of March 2012

19% Revenue Growth

10% Ebitda Growth

24%Net Income Growth

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Highlights 2011 and First Quarter 2012

- **Funding diversification**

2011

Rating upgrade from BBB- to BBB, by Fitch Ratings.

EPM issued a 144A/RegS Global Bond in COP, equivalent to USD \$ 680MM (January).

Closing of IFC A/B Loan of US\$ 349 MM(December).

Closing of IADB loan for US\$10 MM (December).

- **Corporate Responsibility**

2011

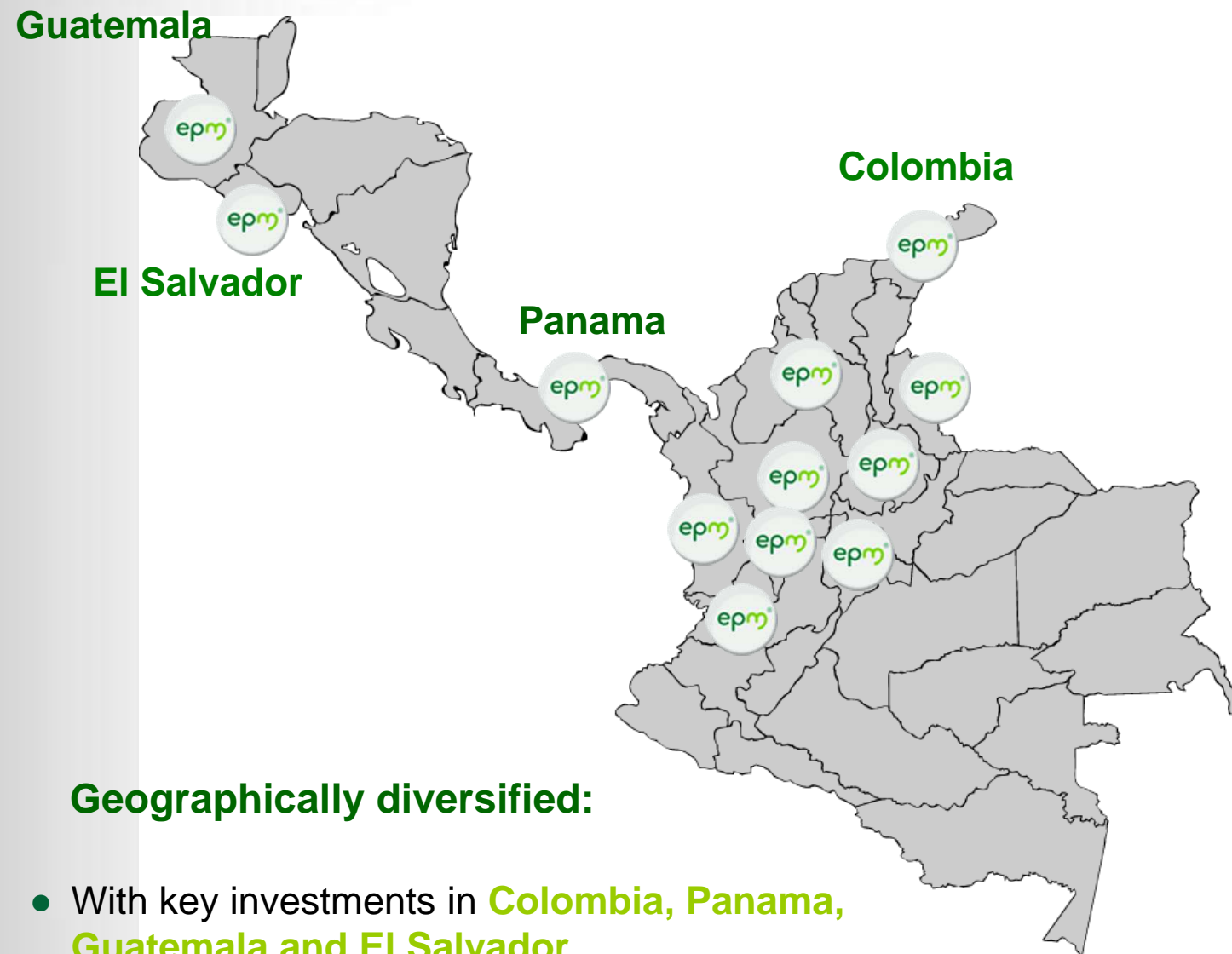
Increase of power supply coverage in faraway rural areas in the region of Antioquia, reaching 42.000 families (Antioquia Iluminada program).

Consolidation of prepaid energy program, reaching a total of 135.867 low income families benefited.

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Leading and Largest Multi-Utility Company in Colombia



Geographically diversified:

- With key investments in **Colombia, Panama, Guatemala and El Salvador.**
- Main **Colombian Markets**: Medellin, Bogota, Manizales, Armenia, Pereira, Bucaramanga, Barranquilla, Cartagena, Cali, Chocó, Cucuta.

EPM corporate group in Colombia as of December 2011:

Second company in terms of assets with US\$ 17.5 billion.

Second company by revenues with US\$ 6 billion.

- **Energy business unit 77% of total ebitda**
- **Water business unit 15% of total ebitda**
- **Telecommunications business unit 8% of total ebitda**

We provide services and utilities to more than 12 million people.

EPM (parent company) Ratings:

Moody's: Baa3

Fitch: BBB

Strong and stable regulatory framework

Independent regulatory bodies

- **CREG** (energy and gas regulatory bureau) is an independent entity established in 1994 to promote market competition.
- **CRA** (water regulatory bureau) is an independent entity which regulates and promotes high quality standards in the sector.
- **CRT** (telecommunications regulatory bureau) promotes competition and investment in the sector.



Strong energy platform

- Energy Exchange platform (1995) has made substantial changes in the energy market (buy/selling dynamics).
- Solid and competitive energy trading platform.
- The Colombian wholesale energy market is based on a competitive market model and operates under open access principles.
- Strong Transmission and Distribution interconnected network.



Favorable tax incentives

- Deduction of 40% for the purchase of productive fixed assets in the energy generation activity by the legal stability contract, until year 2028.

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Business Units

Energy

Colombia



Central America



Water

Colombia



Telecommunications



• **CINCO TELECOM CORP (USA)**

• **Orbitel Comunicaciones Latinoamericanas S.A.U. (Spain)**

• **Orbitel Servicios Internacionales S.A. E.S.P. (Free Trade Zone)**

EPM Inversiones S.A.

max seguros epm

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Corporate Strategy

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Corporate Strategy - Internationalization

Local

1955
EPM

Regional

2000
EADE

2001
San Pedro

2002
Entrerrios

2006
100% of EADE

2007
Yarumal,
Caucasia
EPM-EADE

2008
Campamento

National

2003
CHEC (Caldas)
EDEQ (Quindio)

2007
ISA -
Capitalization

2009
ESSA
(Santander)
CENS (Norte
de Santander)

International

2003
Bonyic (Panama)

2010
DECA II
(Guatemala)
GESA
Genhidro

2011
DELSUR
(El Salvador)
ENSA (Panama)

Multi-latin

2012...
Main targets:

Energy

- Chile
- Peru
- Brasil

Water

- Mexico

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Our presence in Central America



Panama	Guatemala	El Salvador	
ENSA HET	EEGSA TRELEC COMEGSA GENHIDRO	DELSUR	Company
360 thousand	943 thousand	323 thousand	Customers
1 st distribution company in the country 31 MW in construction ENSA: BBB Fitch Ratings	1 st distribution and commercialization company in the country. 10 MW Generation Capacity EEGSA: BB- S&P Ba3 Moody's	2 nd distribution company in the country	Key figures
			Ratings

Strong corporate governance framework



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Environmental, Economic and Social Responsibility

EPM Business Model – purpose: Sustainability

- **Environment, social and economic balance**

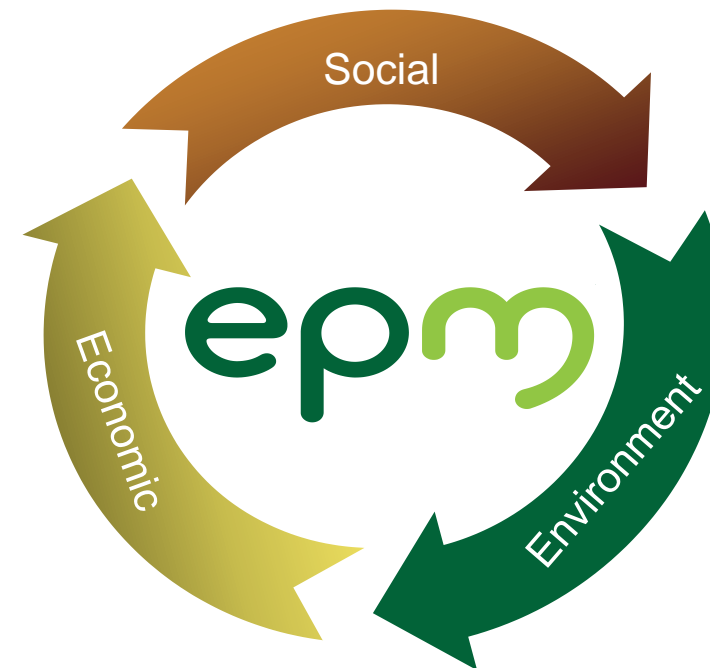
- Leading Environmental Initiatives
- Social Responsibility
- Focus on Sustainable Growth

- **Corporate Values**

- Transparency
- Compromise
- Responsibility
- Reliability
- Innovation

- **World Commitments**

- Global Compact and Millennium Goals
- GRI reporting



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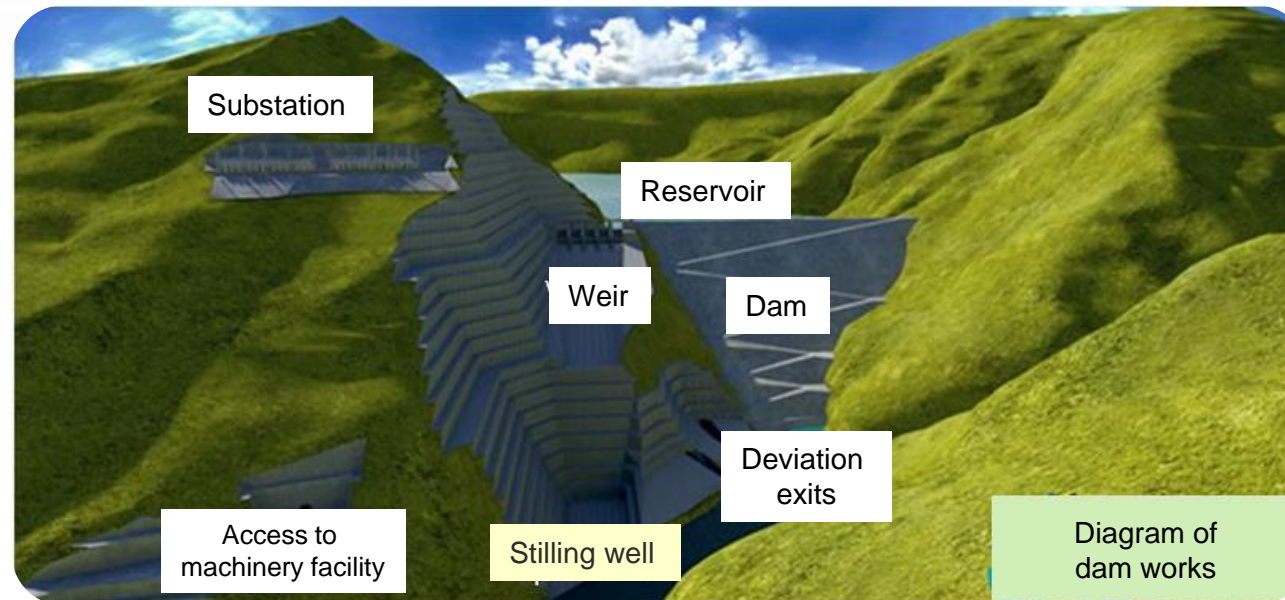
Ongoing Greenfield Projects



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Ongoing greenfield projects

Ituango Hydroelectric Power Plant

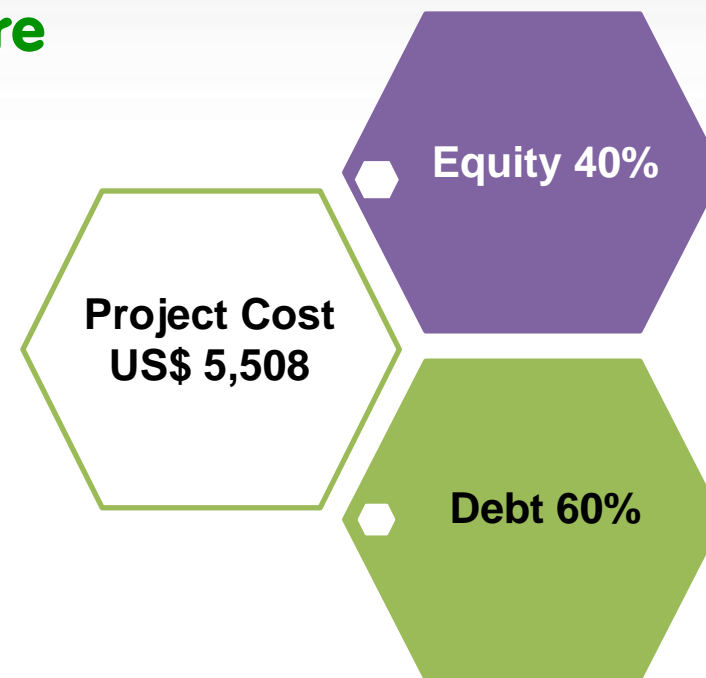


Technical Information	Cost	Financing sources	Status
<p>2400MW - 8 Units</p> <p>Firm energy: 8360 GWh/year</p> <p>Dam: 225 m high .Volume: 20 million m³.</p> <p>Reservoir: 79 km long. Flood area:3,800 Ha.</p> <p>Pipeline tunnels: 8 upper tunnels, 8 charge wells and 8 lower armored tunnels, for a total length of 340 m each tunnel.</p>	<p>US\$ 5,5 billion*</p>	<ul style="list-style-type: none"> ✓ ECA ✓ Multilateral Agencies ✓ Capital Markets ✓ Commercial banks 	<p>Under development/ construction Begin operation: 2018-2022</p> <p>Opened processes: deviation tunnels, camps, main civil works and electromechanical equipment.</p> <p>Bidding processes 2012: secondary equipments (traveling cranes, transformers, gates).</p>

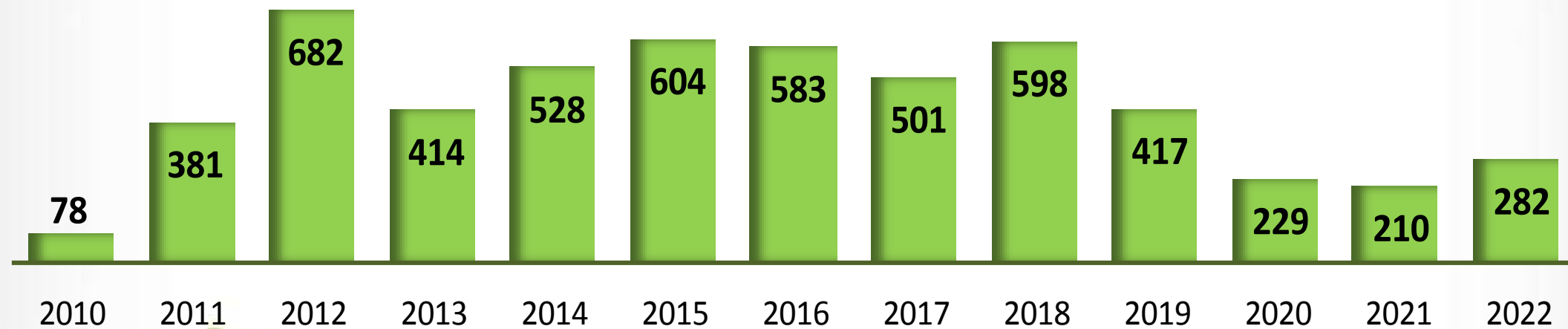
(*)Includes financial expenses and contingencies. US\$ 4.4 billion in constant dollar without financial expenses and contingencies

Funding Strategy

Financial Structure



Investments per year



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Financial Performance



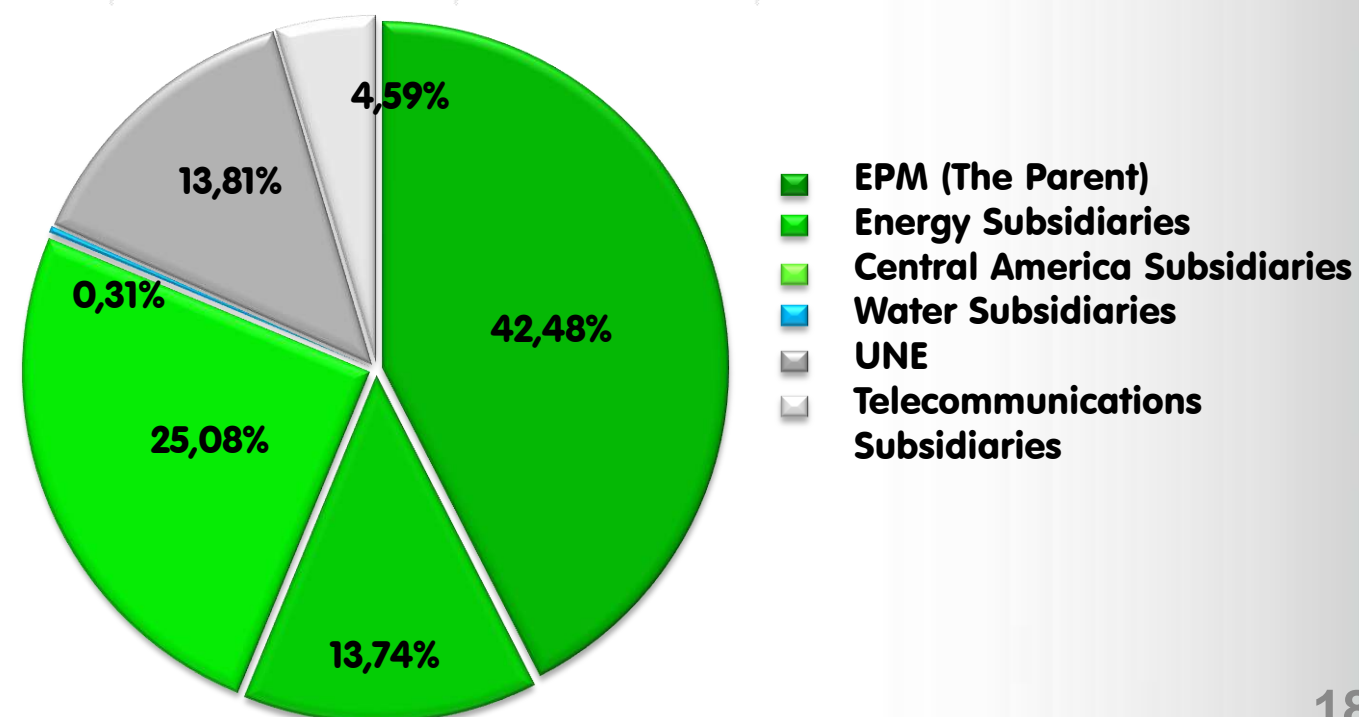
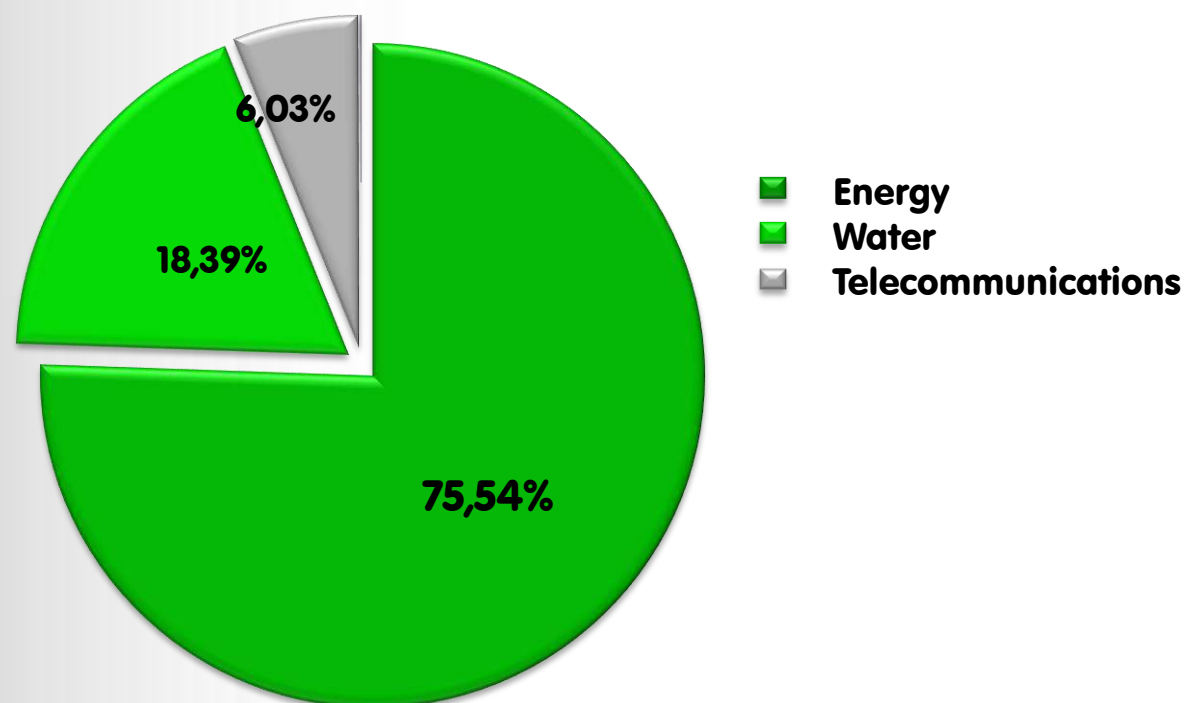
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Income Statement – As of December 2011

Figures in US \$ million

Concept	Dec. 2010	Dec. 2011	Var. %
Revenues	4.258	6.013	41
Costs and administrative expenses	2.794	4.140	48
EBITDA	1.463	1.874	28
Provisions, deprec.& Amortizations	585	623	6
Operating Income	878	1.251	42
Others non operating, nets	9	(111)	N.A
Income tax provision	162	307	90
Net Income	716	788	10

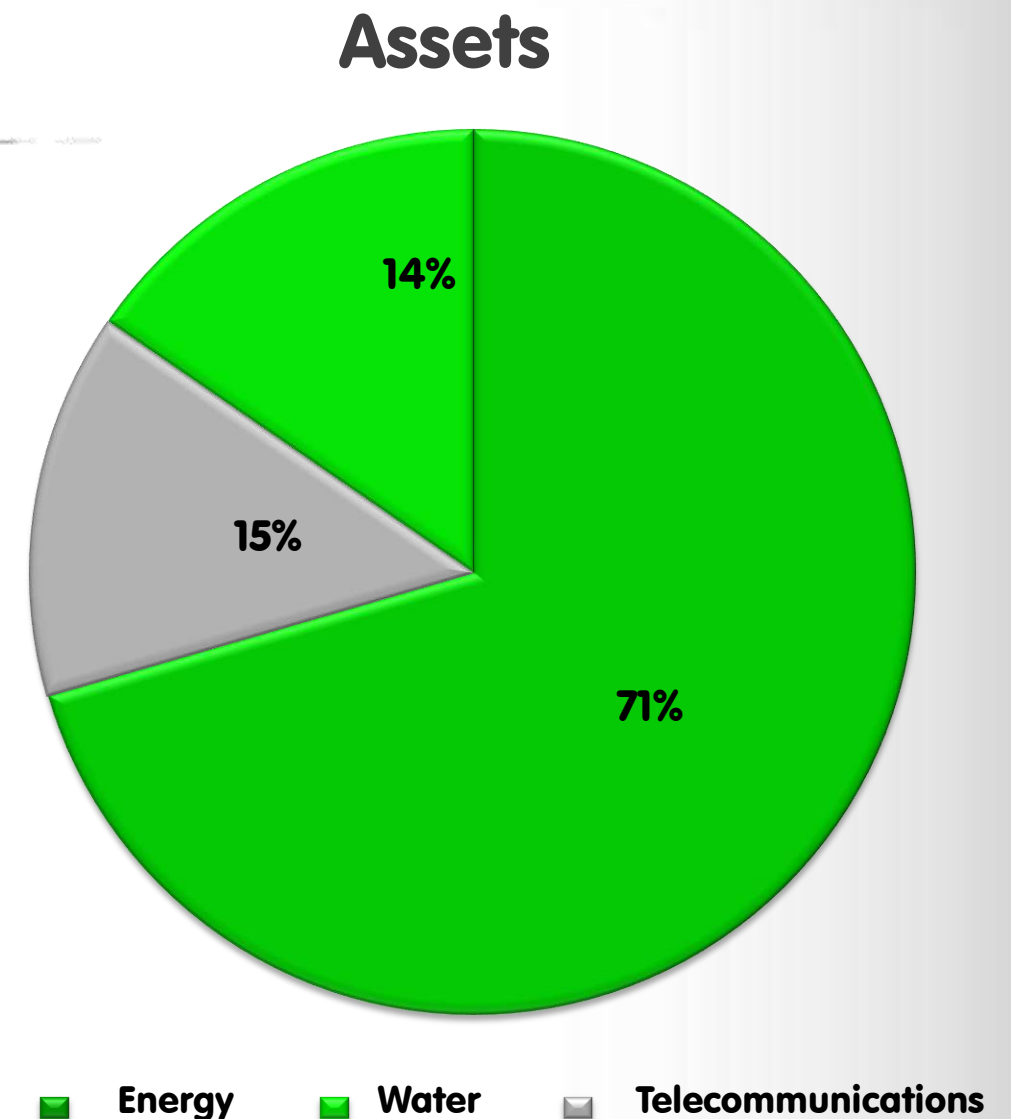
Revenues



Balance Sheet – As of December 2011

Figures in US \$ million

Concept	Dec. 2011	Part. %	YoY%
Assets	17.520	100	10
Current	3.060	17	21
Non current assets	14.460	83	8
Liabilities	6.710	38	15
Current	1.770	10	4
Non current	4.940	28	20
Minority Interest	570	3	23
Equity	10.240	58	7

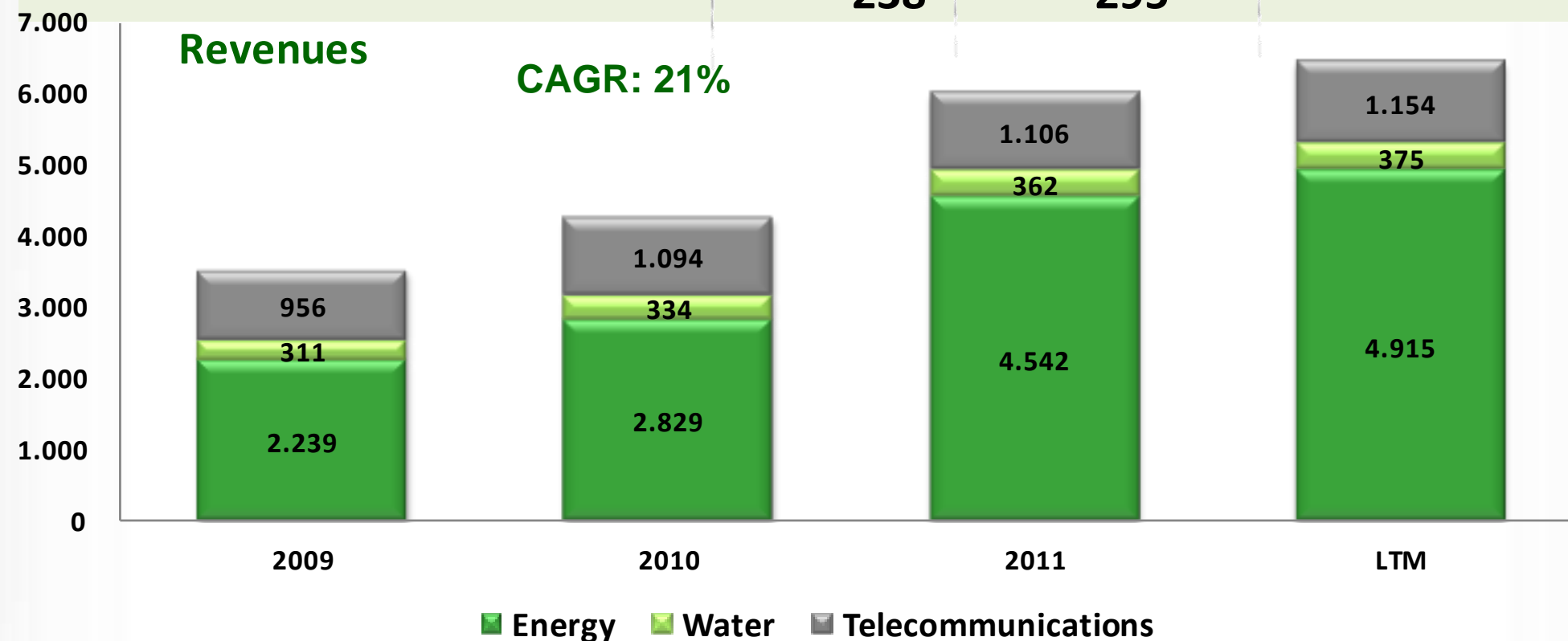


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Income Statement – As of March 2012

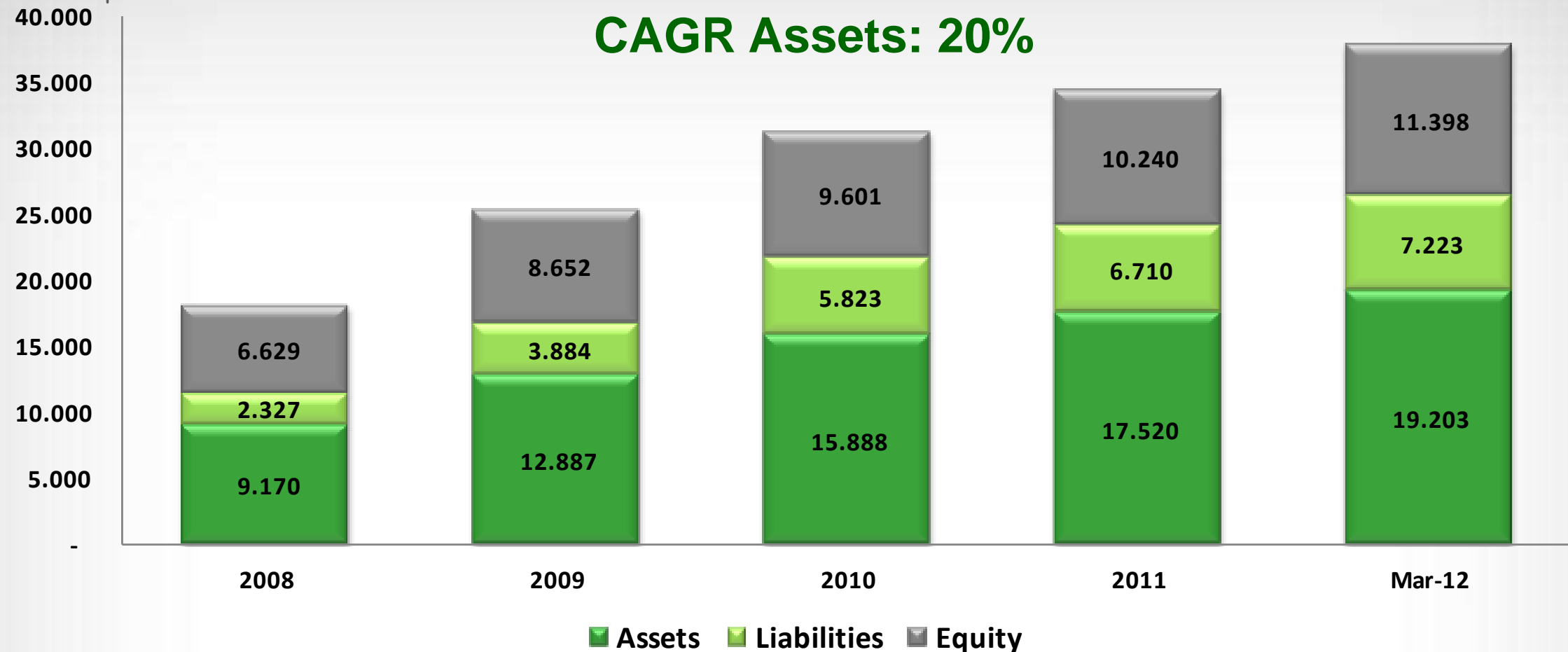
Figures in US \$ million

Concept	March 2011	March 2012	Prev. Year %
Revenues	1.421	1.691	19
Costs and administrative expenses	920	1.138	24
EBITDA	502	553	10
Provisions, deprec.& Amortizations	145	171	18
Operating Income	357	383	7
Others non operating, nets	8	57	634
Income tax provision	112	130	16
Net Income	238	295	24



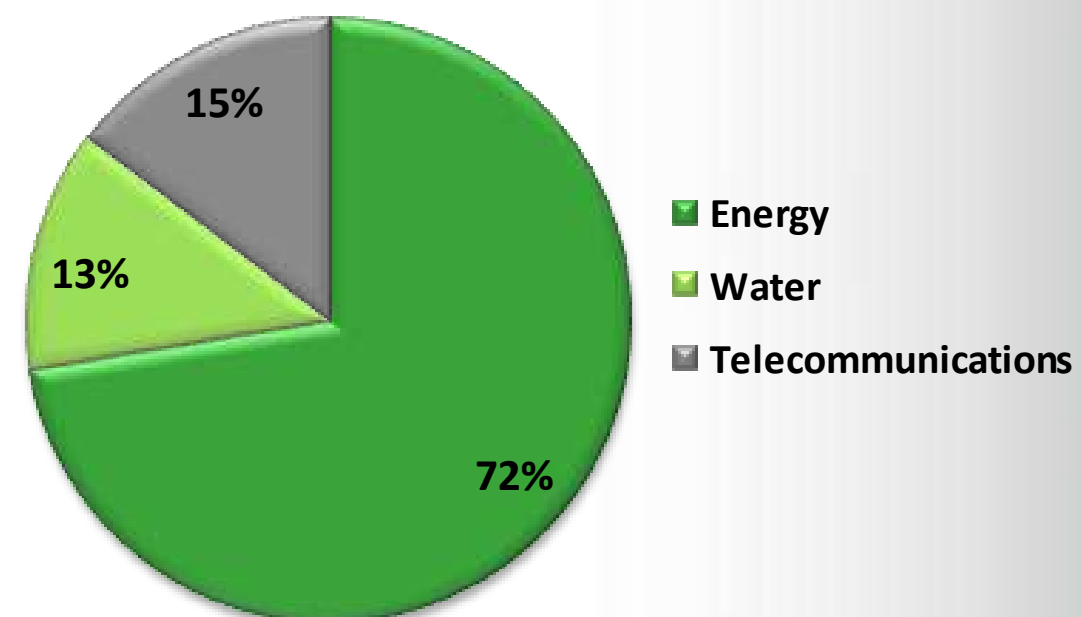
Balance Sheet

Figures in US \$ million



Concept	Mar. 2012	Part.%	% Prev. Year
Assets	19.203	100	10
Current assets	3.522	18	15
Non-current assets	15.681	82	8
Liabilities	7.223	38	8
Current	2.073	11	17
Non-current	5.150	27	4
Minority interest	582	3	2
Equity	11.398	59	11
Financial obligations	3.917	20	6

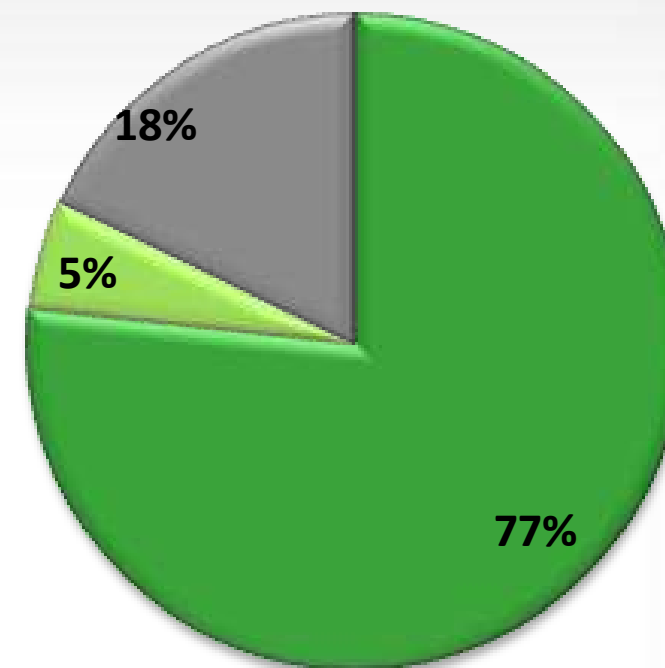
Assets



Revenues distribution

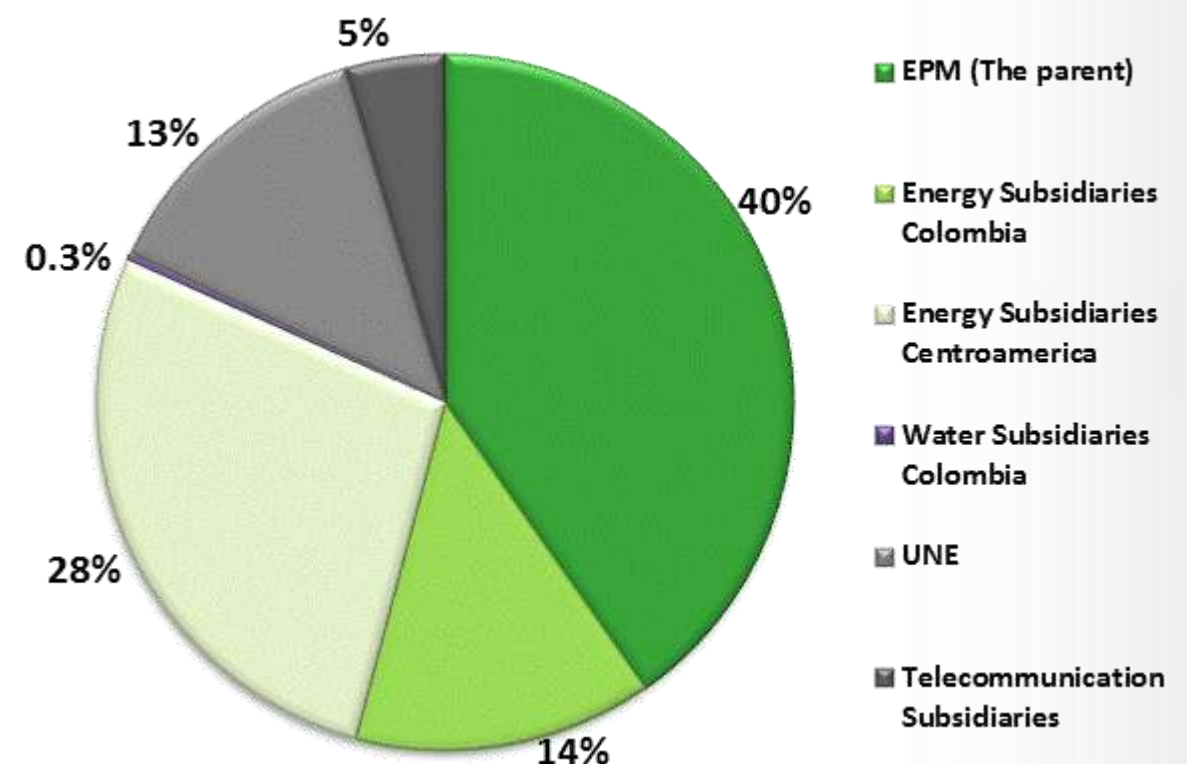
Figures in US \$ million

Concept	Mar. 2012	% Prev. Year
Energy	1.296	24
Water	91	3
Telecommunications	303	6
Others	1	36
Total	1.691	19



■ Energy ■ Water ■ Telecommunications

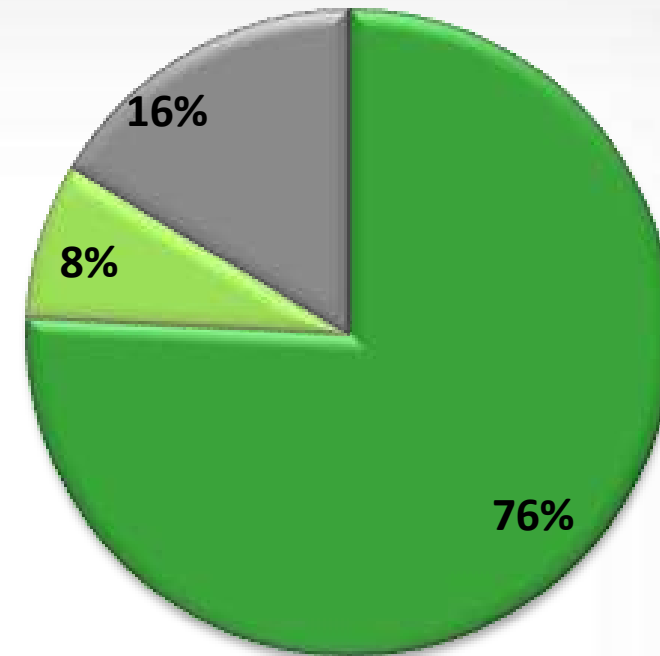
Revenues	Mar. 2012	% Prev. Year
EPM (The parent)	681	13
Energy Subsidiaries Colombia	235	21
Energy Subs. Centroamerica	466	40
Water Subsidiaries Colombia	5	27
UNE	226	13
Telecommunication Subsidiaries	78	(10)
Others	1	36
Total	1.691	19



Ebitda distribution

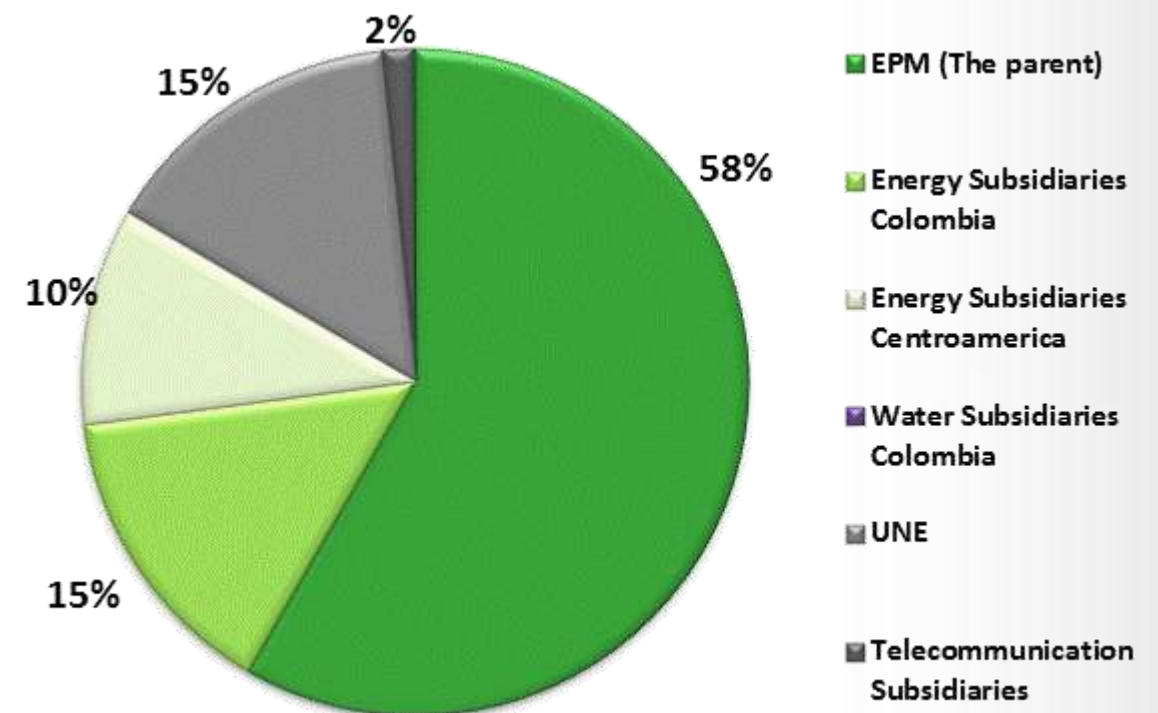
Figures in US \$ million

Concept	Mar. 2012	% Prev. Year
Energy	419	15
Water	43	1
Telecommunications	91	(2)
Others	1	36
Total	553	10



■ Energy ■ Water ■ Telecommunications

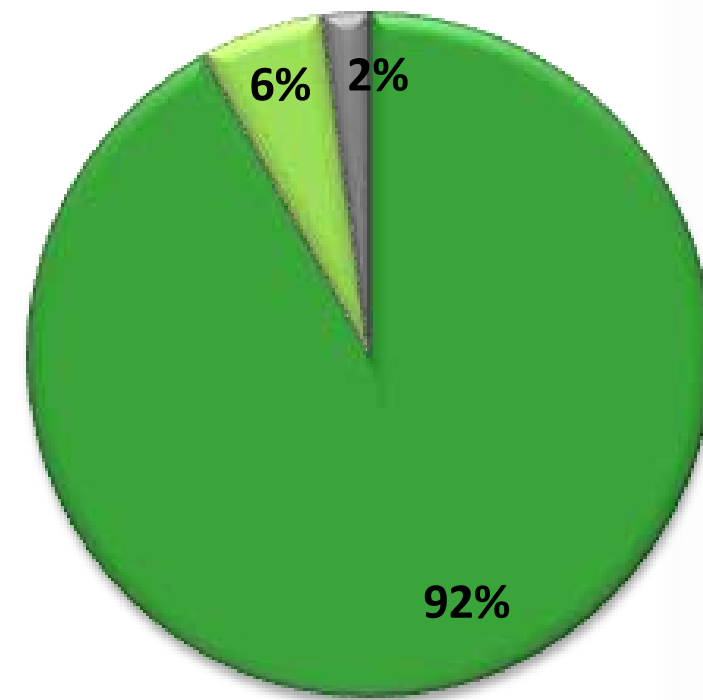
EBITDA	Mar. 2012	% Prev. Year
EPM (The parent)	323	7
Energy Subsidiaries Colombia	81	45
Energy Subs. Centroamerica	58	15
Water Subsidiaries Colombia	(1)	(44)
UNE	82	2
Telecommunication Subsidiaries	8	(30)
Others	1	36
Total	553	10



Net income

Figures in US \$ million

Concept	Mar. 2012	% Prev. Year
Energy	270	34
Water	17	(8)
Telecommunications	6	(61)
Others	1	36
Total	295	24



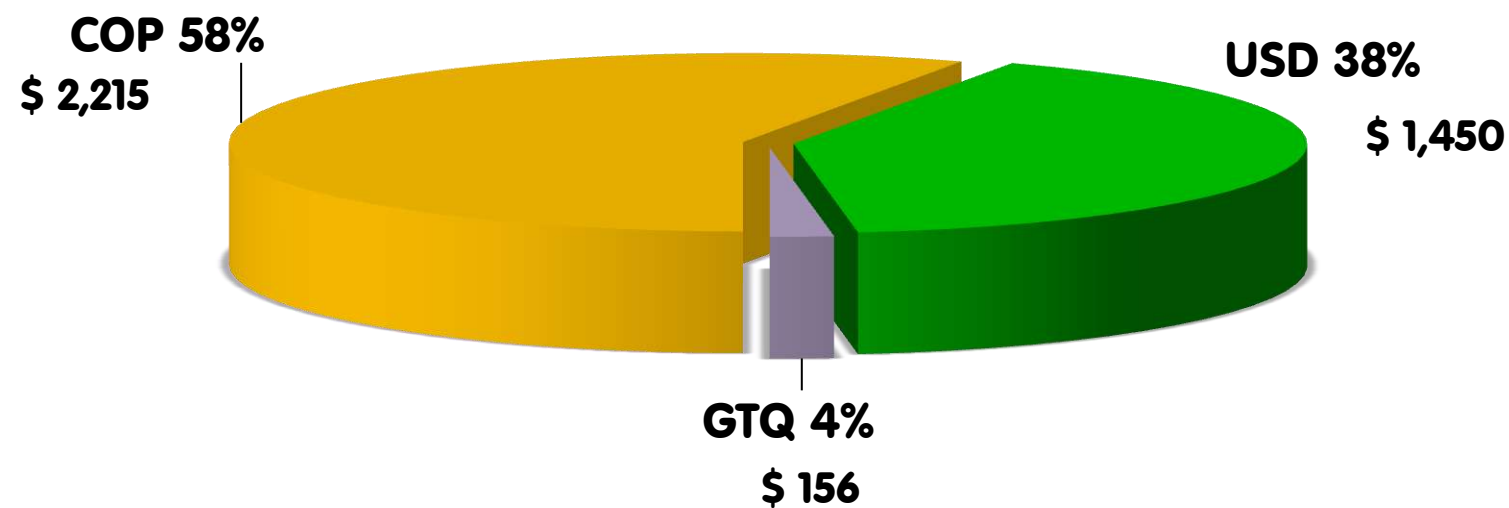
■ Energy ■ Water ■ Telecommunications

Debt Ratios

Debt Composition as of March 2012

Figures in US \$ million

Total Debt: USD 3.821



Debt Ratios	2007	2008	2009	2010	2011	2012
Total indebtedness	27%	25%	30%	37%	38%	38%
Financial indebtedness	10%	11%	16%	20%	21%	20%
Debt/EBITDA	0.86	0.99	1.52	2.15	1.98	1.70

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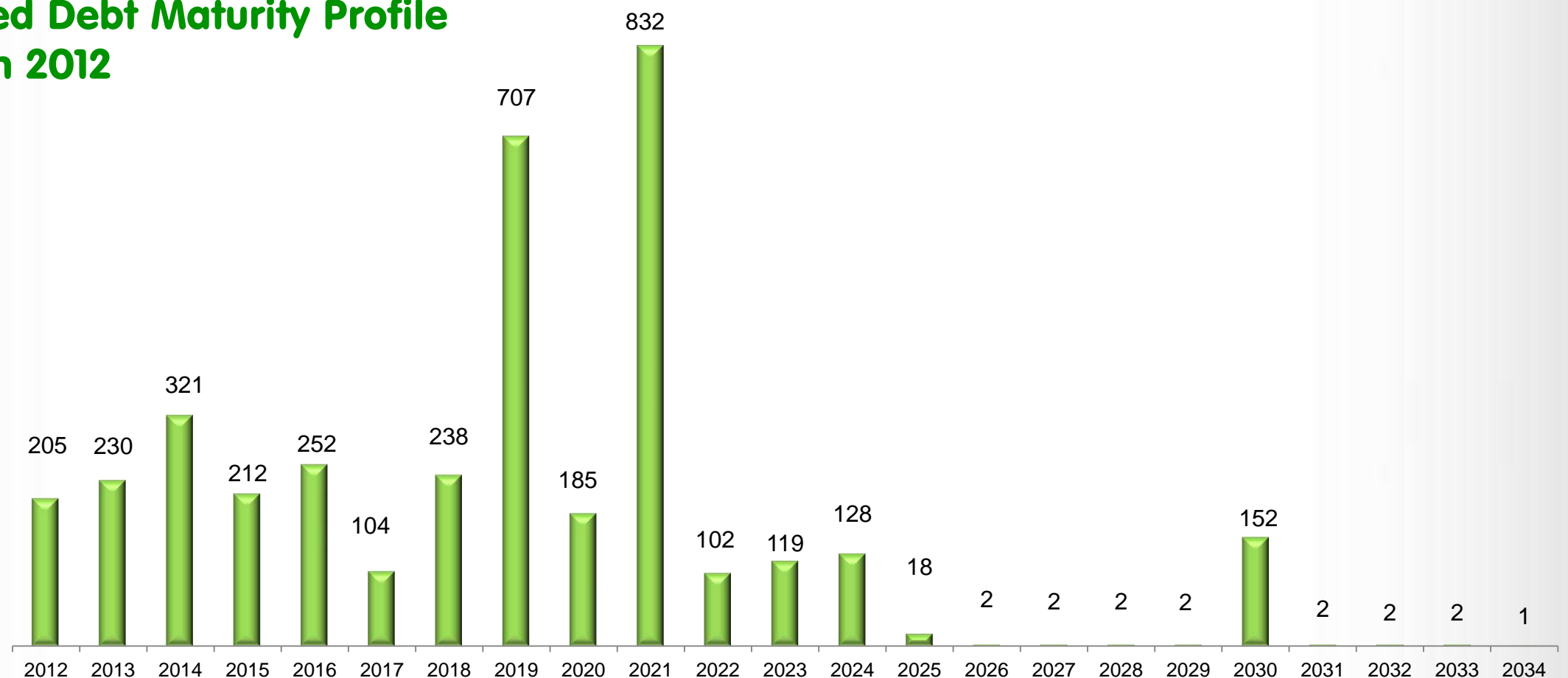
Consolidated Debt

As of March 2012– Figures in US\$

	2007	2008	2009	2010	2011	March 2012
Total Debt	777	955	1.885	3.119	3.590	3.821
EPM Debt	545	657	1.620	2.402	2.712	2.800
Subsidiaries Debt	232	298	265	717	878	1.021

Note: FX rate 2007, 2008, 2009, 2010, 2011, 2012 (COP/USD): 2014,76; 2243,59; 2044,23; 1913,98; 1942,7; 1792,07, respectively

Consolidated Debt Maturity Profile as of March 2012



Note: FX rate March 31, 2012 (COP/USD): 1792,07

Financial Ratios

As of March 2012 - Figures in US \$ million

Concept	EPM Group	Energy	Water	Telco
EBITDA margin	33%	32%	47%	30%
Operating margin	23%	26%	30%	4%
Net income margin	17%	21%	19%	2%
Liquidity	1,70	1,65	5,69	1,11
Total indebtedness	38%	38%	35%	38%
Financial indebtedness	20%	21%	21%	18%
Equity profitability	11%	14%	5%	2%
Asset profitability	6%	8%	3%	1%
EBITDA/Financial expenses	7,24	6,90	11,01	7,73
Debt/EBITDA	1,70	1,66	2,85	1,33

Debt Ratios	2008	2009	2010	2011	LTM
Revenues	2.964	3.508	4.258	6.013	6.446
EBITDA	1.107	1.262	1.463	1.874	1.975
Ebitda Margin	37%	36%	34%	31%	31%

Financial Plan 2012 - 2014

Investment Plan 2012-2014 *

Energy: US \$ 2,97 billion

Water: US \$ 912 MM

Telecommunications: US \$ 779 MM

Total: US \$ 4,62 billion

Note: * It doesn't include new acquisitions

Financing Sources

- ✓ EPM Cash flow US \$ 3,5 billion
- ✓ IDB (Bello Wastewater treatment plant) US \$ 393 MM
- ✓ IDB (Social Financing program) US \$ 10 MM
- ✓ IFC (A/B loan) US \$ 349 MM
(Energy and Water distribution plans)
- ✓ Local Commercial banks US \$ 220 MM
(Telecommunications Infrastructure)
- ✓ Public Credit Agencies US \$ 200 MM
- ✓ Other financial sources
(Capital markets, Commercial Banks, ECA's, etc)

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EPM Highlights

Leading and Largest Multi-Utility Company in Colombia

Attractive Market and Strong Asset Base in Colombia and Central America

Strong and Stable Regulatory Framework

Quasi-Sovereign Nature with a Strong Corporate Governance

Solid Operating Margins and Sound Financial Profile

Experienced Management Team with Unparalleled Industry Knowledge



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