

Grupo·epm[®]

1st Annual Itaú BBA LatAm Fixed Income Conference
New York, NY, March 11-12 , 2013

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Agenda

- Company Overview
- Corporate Strategy 2012-2022
- Investment Plan 2013-2016
- Ituango Hydroelectric Project
- Bello Wastewater Treatment Plant
- Highlights and Financial Results as of Fourth Quarter 2012



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
- *Second Corporate Group **by revenues:** USD 7.0 billion
- We reach a population of more than **13 million people (including Central America).**

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

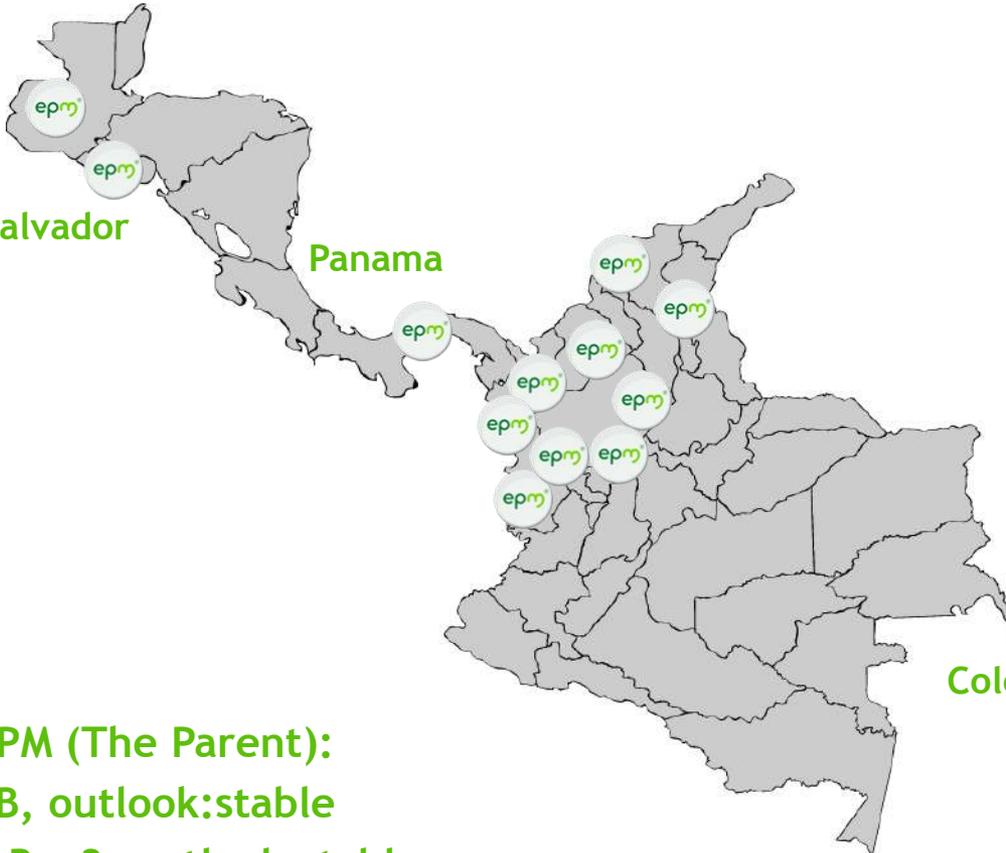
Leading and Largest Multi-Utility Company in Colombia

Guatemala

El Salvador

Panama

Colombia



Geographically diversified:

- Colombia, Panama, Guatemala and El Salvador.
- Main **Colombian Markets:** Medellin, Manizales, Armenia, Pereira, Bucaramanga, Barranquilla, Cartagena, Cucuta.

Ratings EPM (The Parent):

Fitch: **BBB**, outlook:stable

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

Business Units



Parent Company

Grupo-epm

Energy

Colombia



Ituango



Central America



Water

Colombia



Telecommunications



max seguros epm

EPM Inversiones S.A.

epm

México

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	
ENSA HET	EEGSA TRELEC COMEGSA	DELSUR	Company
376.526	1.024.306	341.134	Customers
2nd electricity distribution company in the country 31 MW in construction	1st electricity distribution and commercialization company in the country 10 MW Generation Capacity	2nd electricity distribution company in the country	Key figures
ENSA: BBB Fitch Ratings	EEGSA: BB- S&P Ba3 Moody´s	DEL SUR: AA- Fitch Ratings (local)	Ratings



Corporate Strategy 2012-2022

EPM Group Corporate Strategy

Growth Plan based on sustainability

2012 -2022:

- ✓ Revenues equivalent to US \$16 billion.
- ✓ Ebitda to US \$ 5.5 billion.

In 2022, EPM Group expects to position itself among the first **50 multilatinas** in terms of revenues, with an emphasis on Colombia, Central America, Brazil, Chile, Peru and Mexico.



Energy

- Chile
- Peru
- Brasil

Water

- Mexico
- Peru

EPM Group Corporate Strategy

✓ **Balance between** financial, economical, social and environmental outcomes.

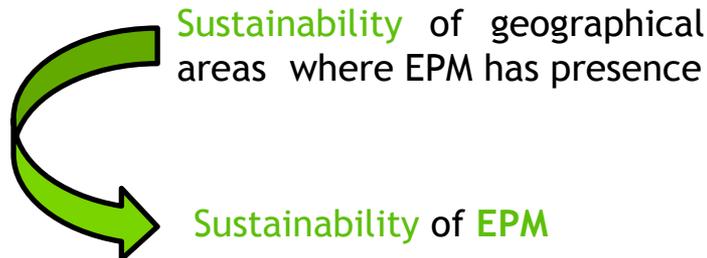
✓ **The Corporate Social responsibility (CSR)** promotes setting up economical, social and environmental conditions to increase the sustainability of the area where the Group has presence.



✓ **Cash flow generation from the companies of the Group EPM**
Expenditures optimization, decrease in the cash cycle and revenues maximization.

✓ **Investment Management**
Optimization of capital invested in : expansion, replacement and modernization of the operating assets of the current businesses and acquisitions of new companies.

✓ **Indebtedness Management**
Development of the investment financing strategy





Investment Plan 2013-2016

Investment Plan 2013-2016

Figures in USD million

	Energy	Water	Telco	Total
EPM Parent Company	3.94 billion (57%)	444 million (6%)		4.38 billion (63%)
Subsidiaries	791 million (15%)	643 million (9%)	1.09 billion (16%)	2.52 billion (36%)
Total	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"> • Capital markets: International & Local • Local commercial banks • Latin American Banks: Commercial & Development Agencies • Multilateral Agencies 	



Ituango Hydroelectric Project

Main features

Cost: USD 5,3 bln

Installed Capacity: 2,400 MW.
8.563 GWh/year
8 Francis type turbines: 300MW each

Dam: 225 m height,
20mn m³

Reservoir: 79 km length
Area flooded:: 3.800 hectares

Status/ under construction

- **Start of operation:**

- ✓ Stage I 2018
- ✓ Stage II 2022

- **Awarded contracts:**

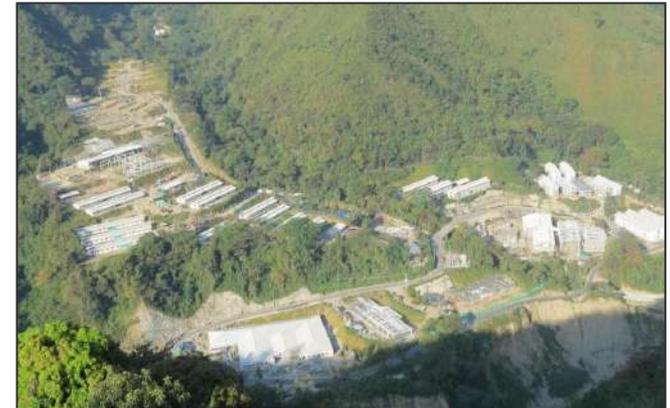
- ✓ Main civil works:
Camargo Correa-
Concreto and
Coninsa Ramon H.
- ✓ Equipment:
Alstom Brasil.

Progress of works:

- ✓ Access roads to main civil work locations : 90%



- ✓ Camps: 78%



Status/ under construction

Progress of works:

- ✓Tunnels: 2.011 m
Excavations: 63%
Entrance portal: 8%
Exit portal: 90%



- ✓Access to the powerhouse: 891m
Excavations: 90%
Entrance portal: 100%



Bello Wastewater Treatment Plant



Technical information

Cost

Sources of financing

Status

Bello Plant

Treatment capacity
DBO5
Suspended solids
% removal DBO5 y SST

5.0 m3/sec
 123 t/day
 120 t/day
 80%

USD 469.3 mn

IADB
 USD450 mn

Under construction:
 2012-2015

- Start of operation: Sept 2015
- Design and construction North Interceptor: 2011-2014
- Design and construction of branches:2014-2016
- Construction and equipment supply: Sept 2012-2015

North Interceptor

Diameter
Length
Construction system
Connections to connectors

2.2 - 2.4 m.
 7.7 km.
 Tunnel
 Diameter 1.2
 Length 0.5
 km

USD 83.8 mn

Awarded contracts:

- Civil works and equipment supply to the skilled Korean - Spanish consortium "Aguas de Aburra HHA: Hyundai Engineering and Acciona Agua.



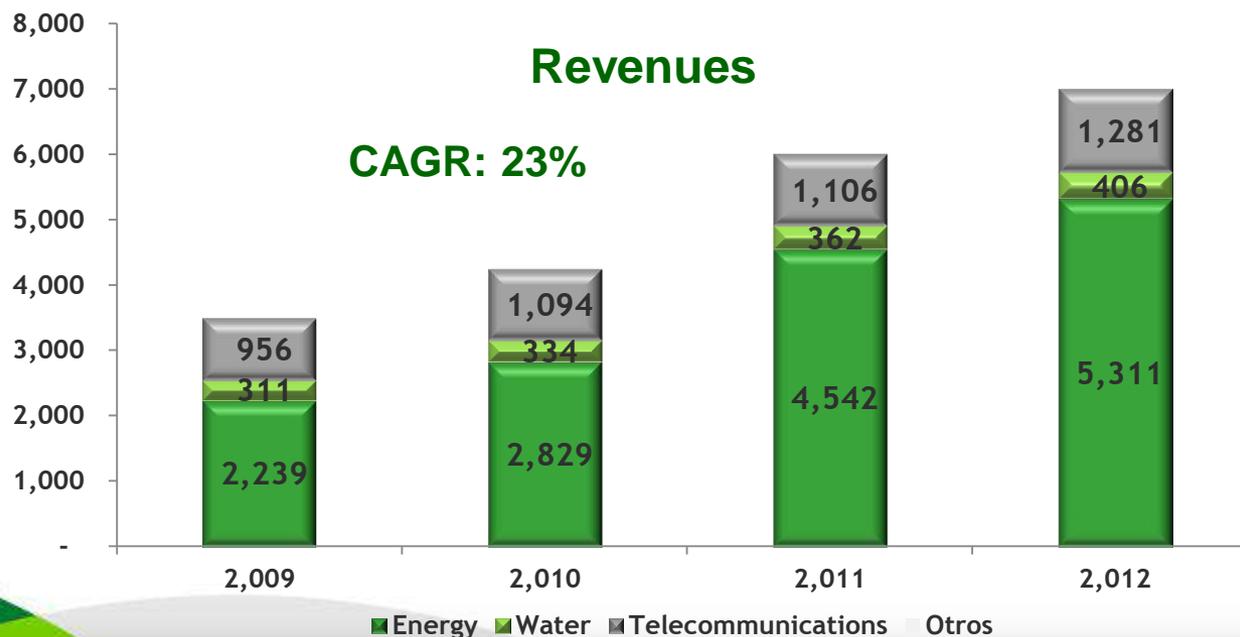
Financial Results

Fourth Quarter 2012

Income Statement

Figures in USD million

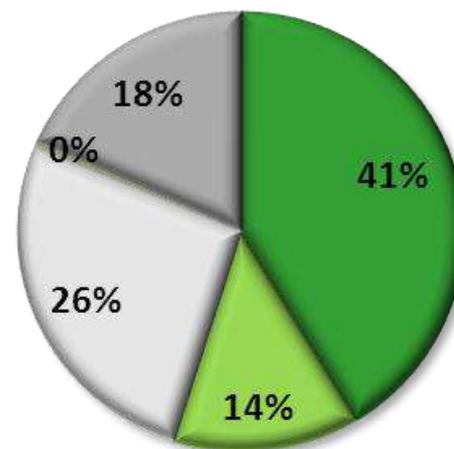
Concept	as of Dec, 2011	as of Dec, 2012	Var. %
Revenues	6,278	7,001	12
Costs and administrative expenses	4,302	4,878	13
EBITDA	1,976	2,123	7
Provisions, deprec. & amortizations	670	790	18
Operating Income	1,306	1,333	2
Others non-operating, nets	(116)	(44)	N.A
Income tax provision	321	350	9
Net Income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



Revenues & Ebitda by geography

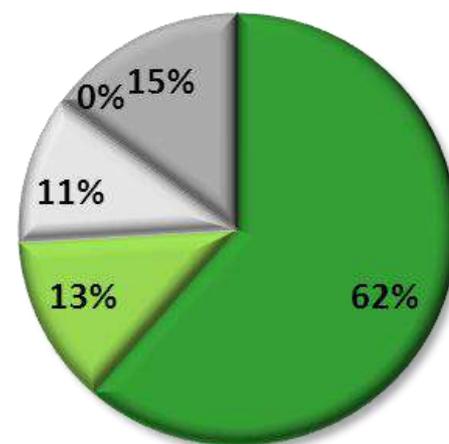
Figures in USD million

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)
Total revenue	7,001	12



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

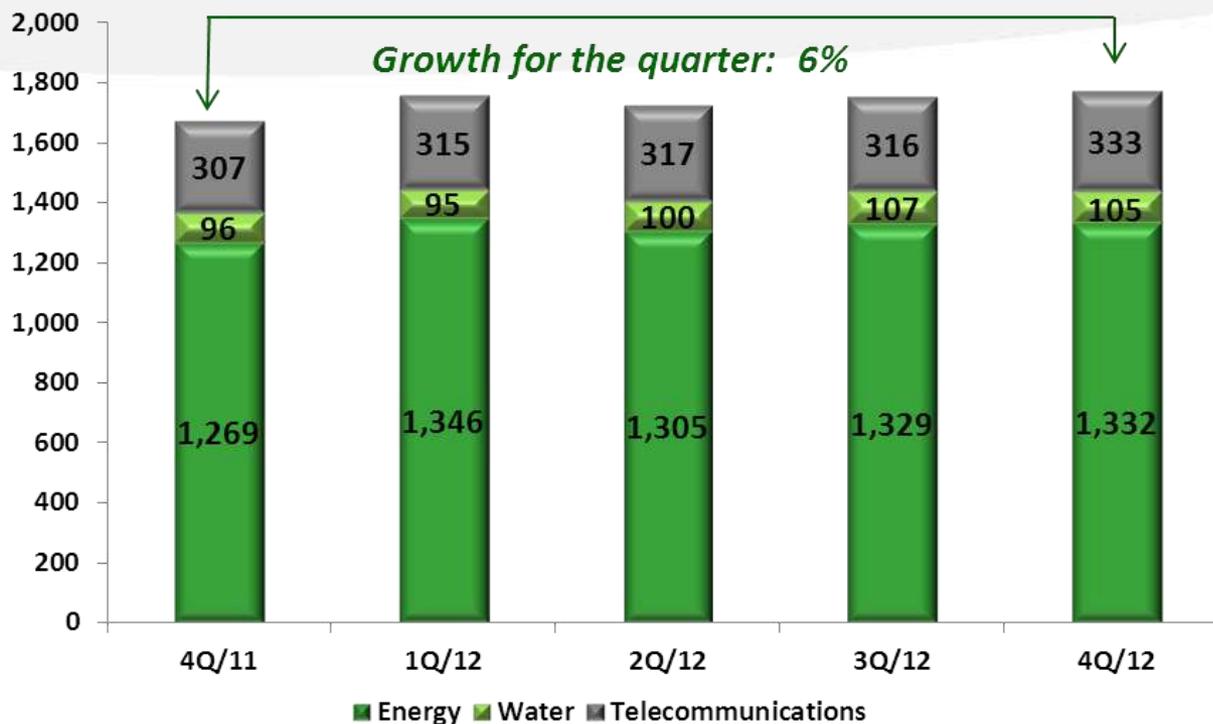
EBITDA	as of Dec, 2012	Var. prev. year %
EPM Parent Company	1,304	6
Colombian Energy Subs	270	21
Central American Subs	234	9
Water subsidiaries	(2)	N.A
TELCO subsidiaries	315	2
Other	2	10
Total EBITDA	2,123	7



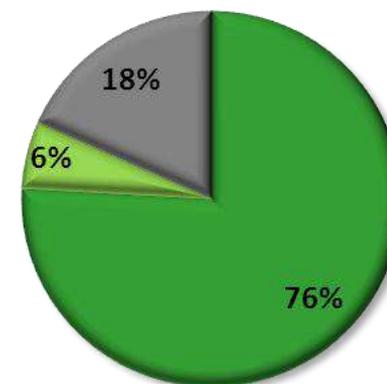
- EPM Parent Company
- Colombian Energy Subs
- Central America Subs
- Water subsidiaries
- TELCO subsidiaries

Revenues by business unit

Figures in USD million



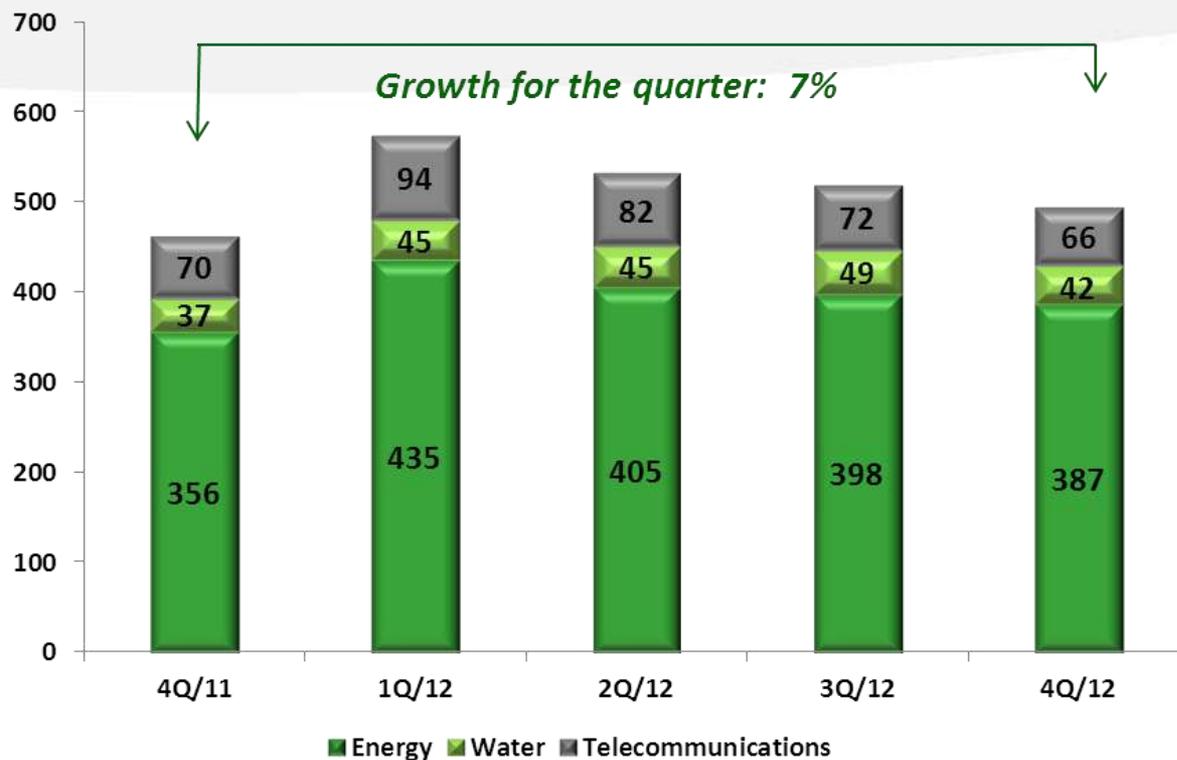
Revenues	as of Dec, 2012	Var. prev. year %
Energy	5,311	12
Water	406	7
Telecommunications	1,281	11
Other	2	(2)
Total revenues	7,001	12



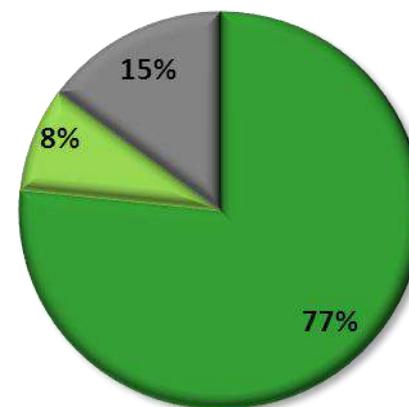
■ Energy ■ Water ■ Telecommunications

EBITDA by business unit

Figures in USD million



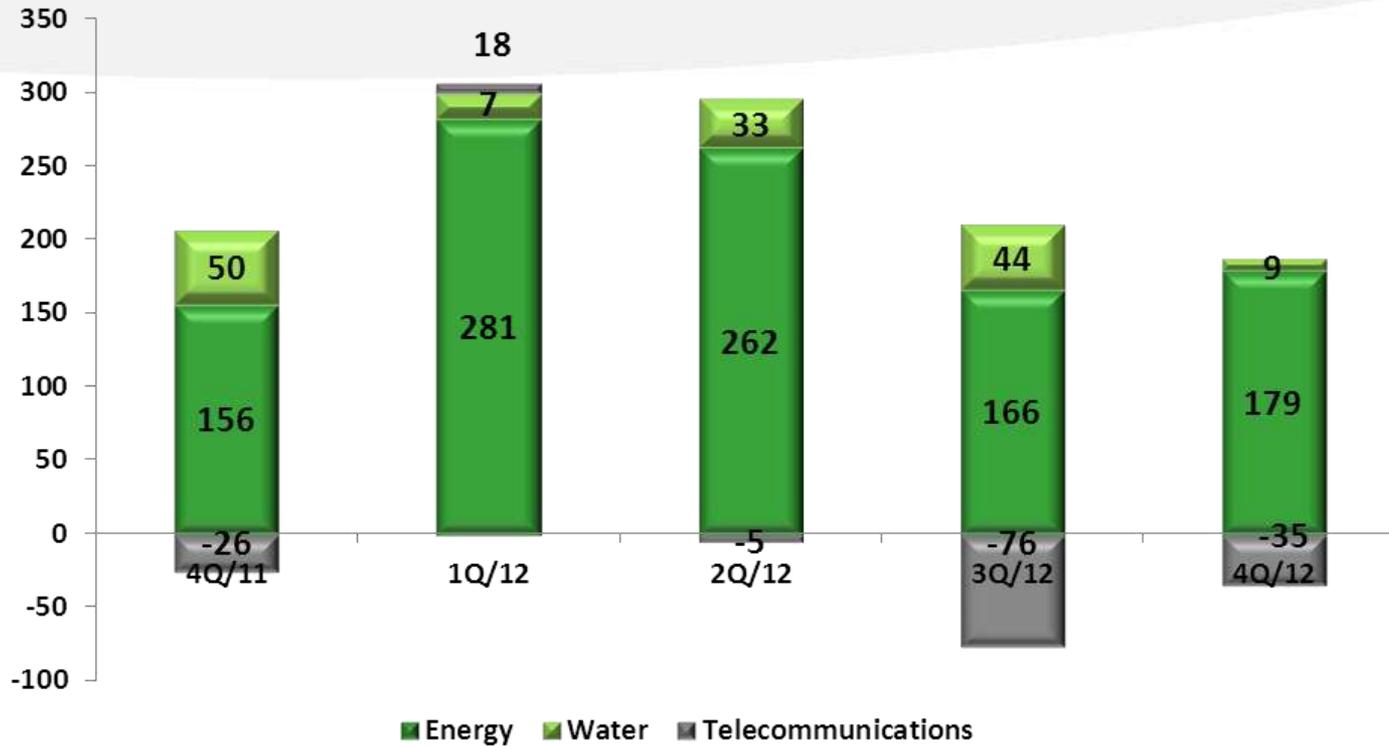
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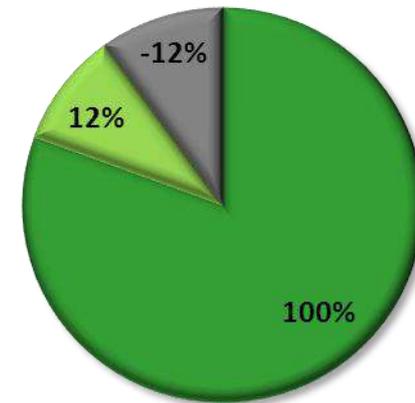
■ Energy ■ Water ■ Telecommunications

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
Total Net Profit	885	8

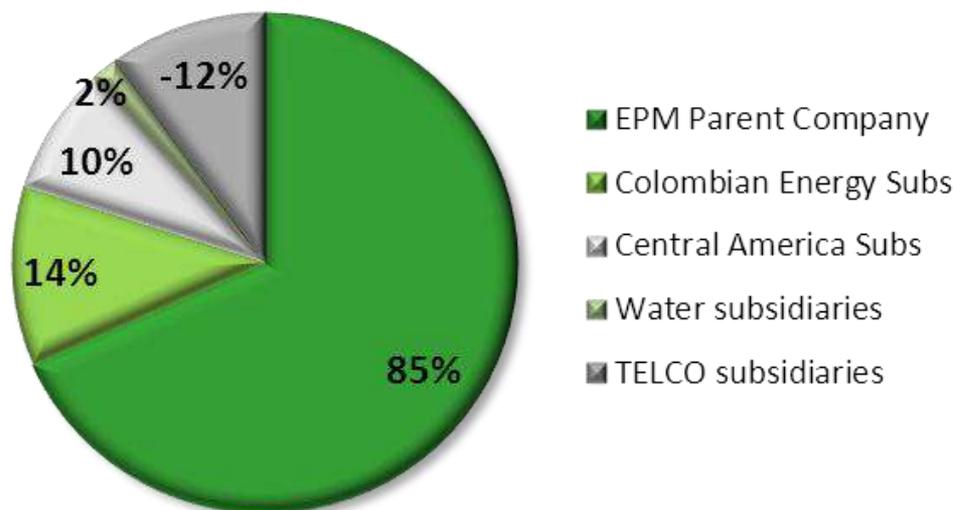


■ Energy ■ Water ■ Telecommunications

Net Profit by geography

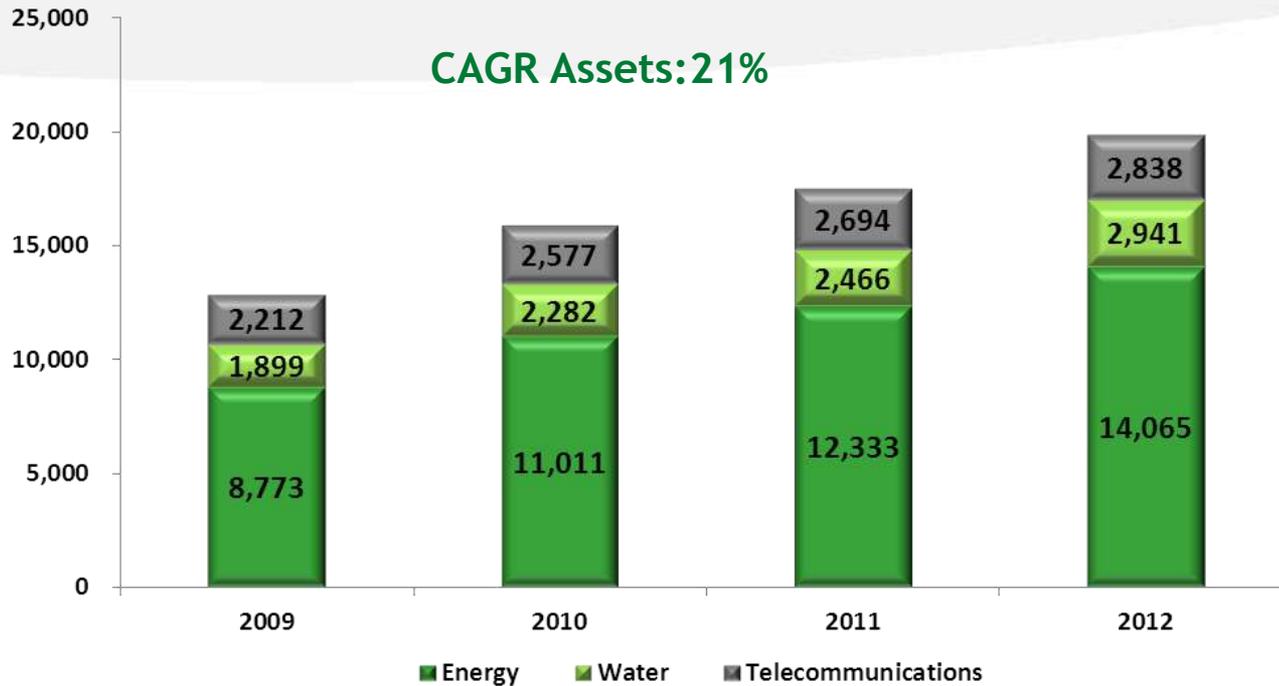
Figures in USD million

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
Total Net Profit	885	8

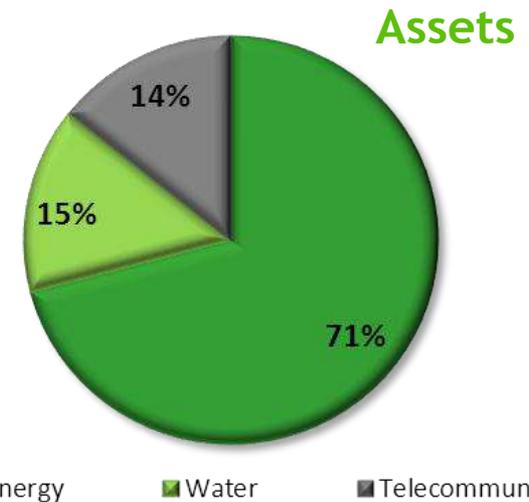


Balance Sheet

Figures in USD million



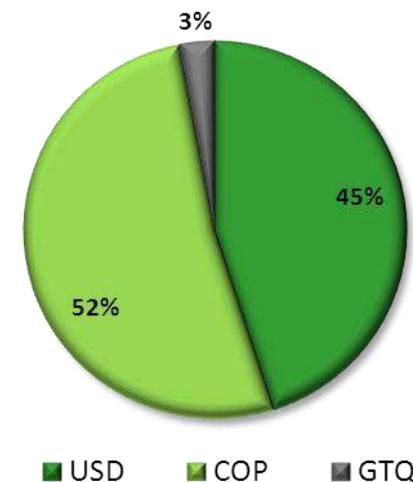
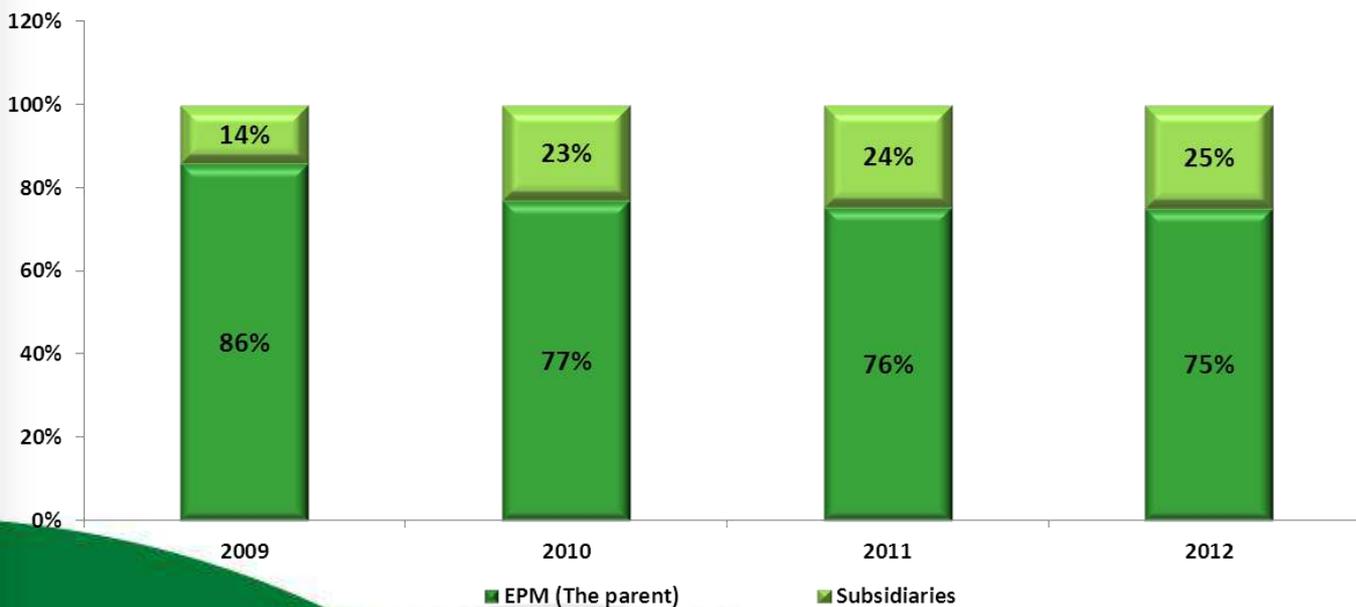
Item	as of Dec, 2012	Share%	Var. prev. year %
Assets	19,951	100	14
Current Assets	3,584	18	17
Non-Current Assets	16,367	82	13
Liabilities	7,467	37	11
Current	1,746	9	(1)
Non-current	5,721	29	16
Minority Interest	574	3	1
Equity	11,910	60	16



Financial Debt

Figures in USD million

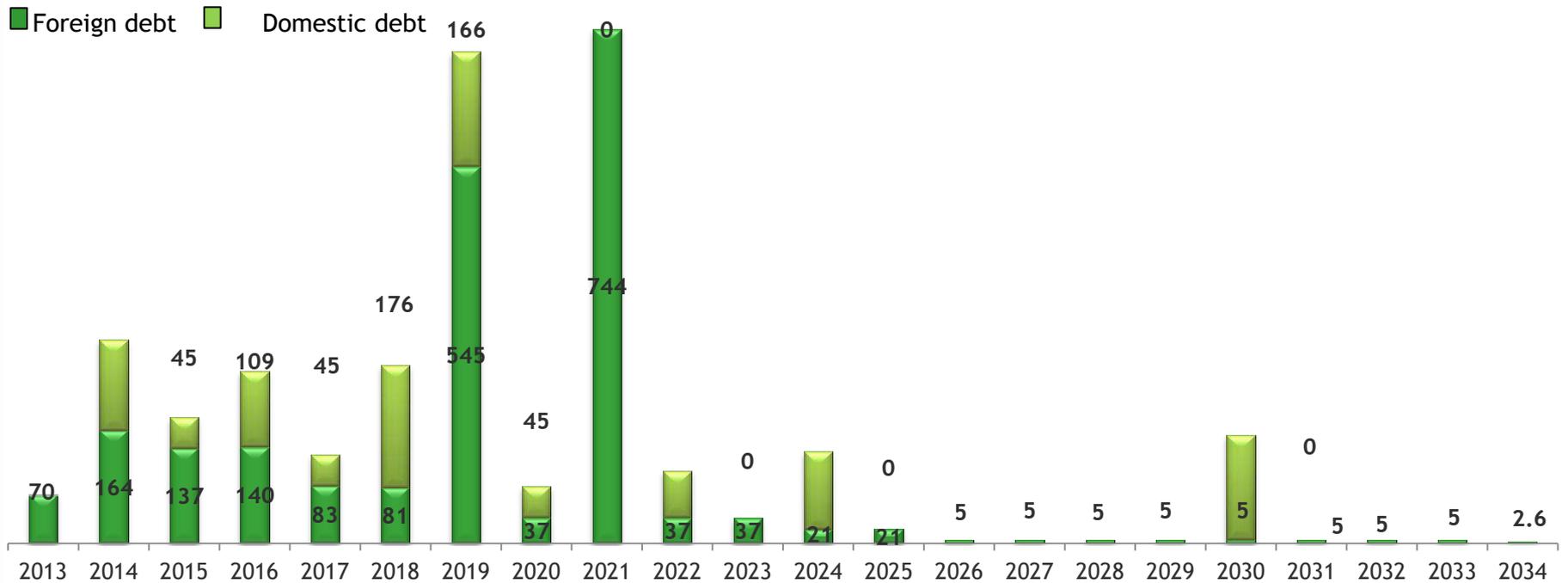
Financial Debt	2009	2010	2011	2012
EPM (The parent)	1,620	2,402	2,712	3,284
Energy subsidiaries Colombia	1	105	55	56
Energy subsidiaries Central America	0	180	352	495
Water subsidiaries	0	43	1	8
Telecommunication subsidiaries	264	389	470	519
Total Financial Debt	1,885	3,119	3,590	4,362



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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