



Empresas Públicas de Medellín

Emerging Markets Corporate Conference

Miami, March of 2010

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estamos ahí.

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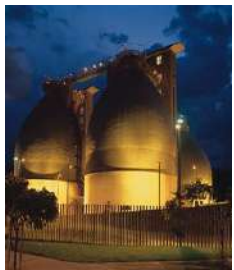
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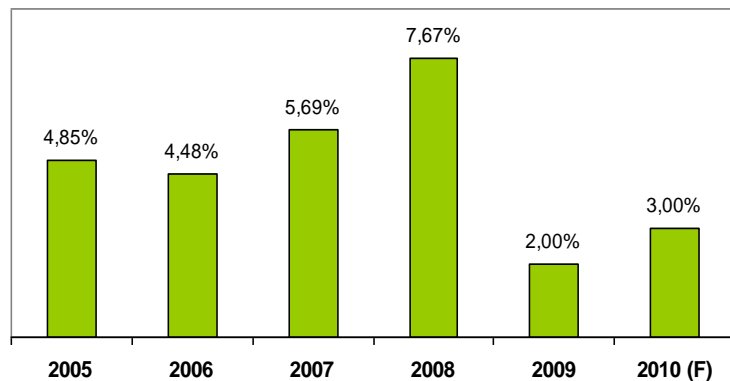
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Agenda

- Company Overview
- Business Group EPM
- EPM's Infrastructure highlights
- EPM's Environmental, Economic and Social Responsibility
- Financial Performance
- EPM's highlights

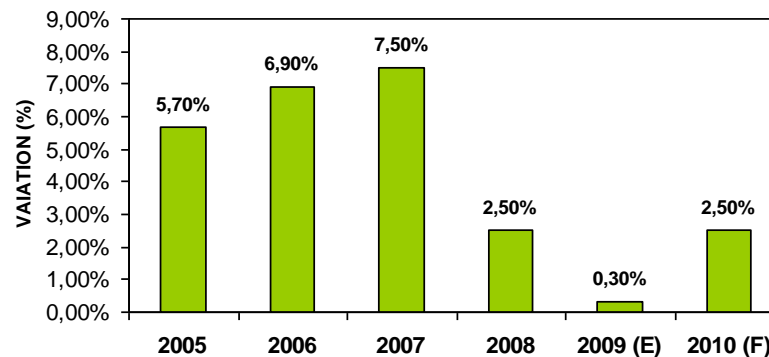


Consumer Price Index



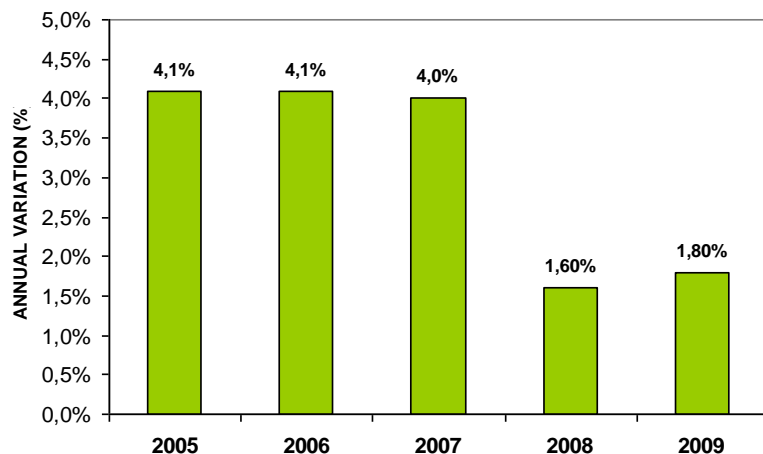
Source: DANE (National Bureau of Statistics) and Banco de la República (Central Bank)

GDP Annual Growth



Sources: DANE and Ministry of Treasury

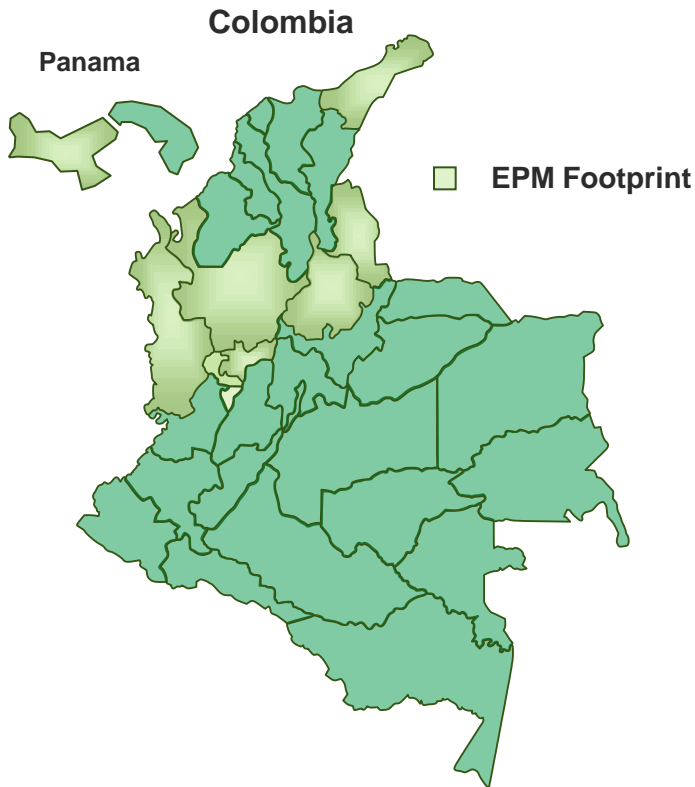
Accumulated Electricity Demand



Source: XM S.A.

→ Company Overview

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We are:

- A municipal Industrial & Commercial Company
- Administrative and financial autonomy
- Founded in 1955
- Our sole owner is The Municipality of Medellín
- Strategic Business Groups:
 - Power
 - Water
 - Telecommunications
- Investments in Colombia and Panamá
- Main Market:
 - Medellín
 - Municipalities of the Aburrá Valley
 - Total covered population: 3.6 million
- Other Domestic Markets:
 - Bogotá, Manizales, Armenia, Pereira, Bucaramanga, Barranquilla, Cartagena, Cali
- International Presence:
 - Panamá (Hidroecológica del Teribe -HET)

EPM's Ratings

Moody's

Fitch *

Foreign Currency

Baa3 Stable outlook

BBB-

Domestic Currency

Baa3 Stable outlook

BBB-

* Upgraded in September 2009



EPM Corporate Structure

Strategic Business Group

Business Group

Power

Water

Telecommunications

Strategic Business Groups

Power Generation

Power Transmission and Distribution

Gas Distribution and Commercialization

Metropolitan Area

Water Infrastructure Solutions

Small towns and rural

Households and Persons

International

Corporates

Small Enterprises

Industries / Business



Aguas Nacionales EPM

Aguas de Urabá

Aguas de Occidente

Aguas del Oriente

Aguas del Atrato

Aguas Nacionales EPM



OSI
OCL (España)
CTC (USA)



Strategic Business Unit (Matrix - Affiliate)

Non controlled Investments (Isa, Isagen, Ituango, etc)

EPM Group Infrastructure

Power

- Market share in Colombia:
 - Generation 21%
 - Electricity Distribution: 25%
 - Gas: 11%
- 25 Hydroelectrical plants, 1 Termo Plant, 1 Wind plant.
- 2.598 MW total installed net effective generation capacity
- 59,623 kilometers of transmission and distribution lines
- 70% of the company's EBITDA

Water

- 17% market share in Colombia
- 20m³/sec Water treatment capacity
- 12% of the company's Ebitda

Telecommunications

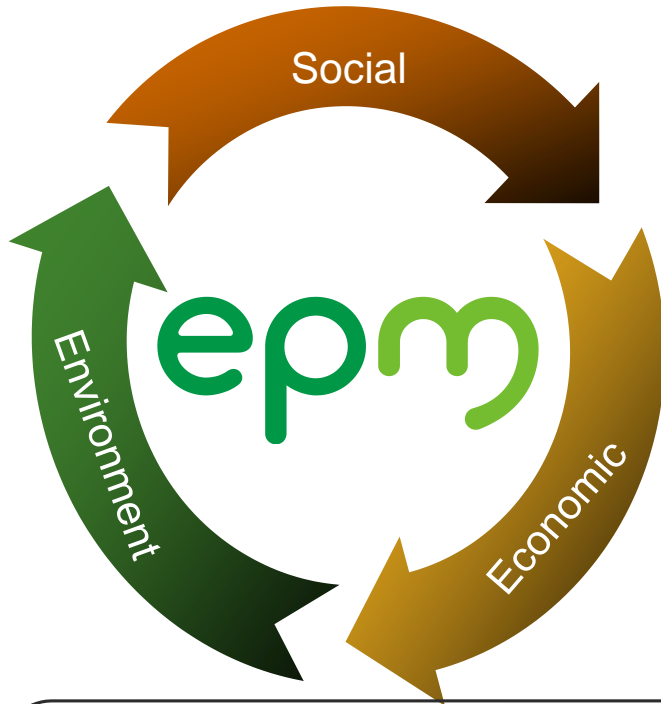
- UNE is the third largest wholesale telecommunications provider in Colombia
- Largest internet service provider in Colombia and leading long distance services; business presence in U.S. and Spain
- Operates in all the lines of Telecomm business: Voice, Internet, TV cable, data, etc.
- 18% of the company's EBITDA



Environmental, Economic and Social Responsibility have contributed to EPM's Sustainable Growth

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EPM Business Model Drivers



Environment, Social, Economic Equilibrium

- Only wind generation plant in Colombia
- Social focus programs – pre paid energy plan to serve low income consumer energy needs
- Proven track record of growth and profitability

● Focus on Sustainable Growth

- Enterprise development and sustainability
- Sustainable human development

● Leading Environmental Initiatives

- Fully compliant with multilateral agencies standards
- Integral environmental management model

● High Corporate Governance Standards

- Corporate governance code
- Annual corporate governance report
- Governance agreement with Municipality

● Social Responsibility

- Collaborative actions with communities
- Alliances (win – win)

● Corporate Values

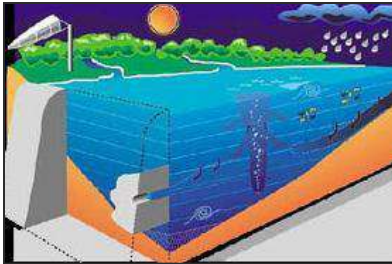
- Transparency, Compromise, Responsibility, Reliability and Innovation

● World Signs

- Global Compact and Millennium Goals
- GRI reporting

Representative environmental projects

- Comprehensive and appropriate management of reservoirs



Insights into the dynamics of physicochemical and biotic processes prevailing in the reservoirs to ensure adequate management of water resources.

- Wind energy farms (Guajira – Northern Colombia and new project in pre-feasibility stage)



Implementing two wind farms with 200MW and 400MW generation capacity at La Guajira, integrated to the National Interconnected System I – SIN.

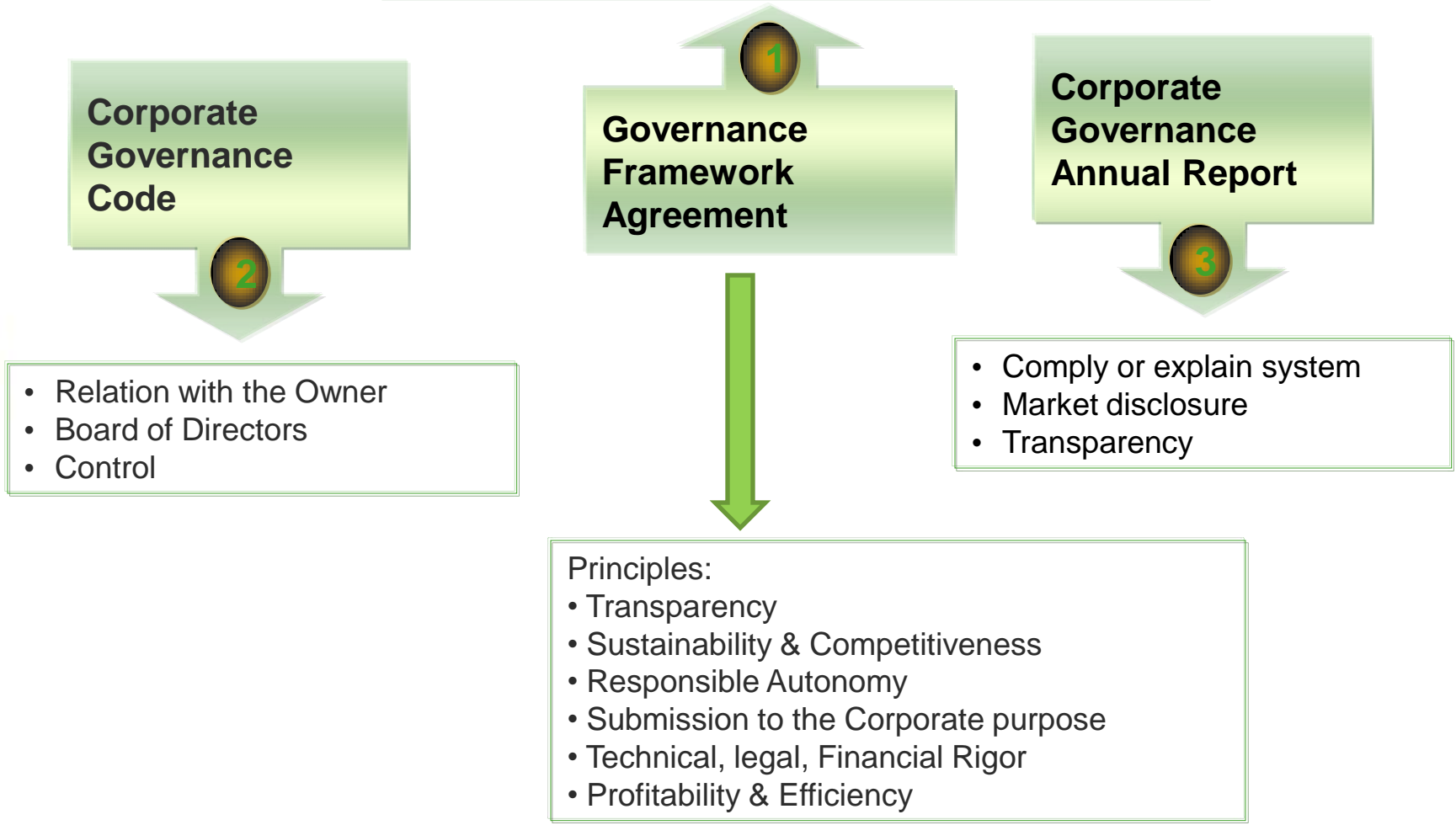
- Electric Vehicles (prefeasibility study)

Asociation among:





To characterize and quantify the energy, electrical, environmental, regulatory and business resulting from the massification of electric vehicles in Colombia.

EPM – Municipality Relations





Main greenfield power development projects in Colombia

	General Information	Sources
	<ul style="list-style-type: none"> Firm energy: 3,106 GWh/year US\$1.33 bn 81% has been invested Financed through the IDB, JBIC guarantee facility 	<p>Financial alternatives considered are:</p> <ul style="list-style-type: none"> Bonds Local and international markets Local and international commercial bonds Export Credit Agencies and multilateral facilities
	<ul style="list-style-type: none"> Bello WWTP Secondary Treatment (Start up 2013) Q (m3/s) 5.0 - BOD (ton/d) 123 Interceptor - Length 8 km - Diameter 2.2m US\$540,1 million 	

Porce III – 660 MW

Bello WasteWater Treatment Plant (WWTP)

Projects under early stage of development: Porce IV

Other projects under early stages of consideration including Project Ituango

Targeted International expansion in generation and distribution

Fitch Ratings Upgraded EPM Corporate rating and \$500 MM Bonds rating to BBB-

Fitch mentioned in its report that “...*The rating upgrades are due to:*

- The increased geographic diversification of the company
- Strong performance of the company and its continued operations with limited government intervention
- Low business risk profile
- Strong financial profile, characterized by strong cash flow generation, low leverage and healthy interest coverage and liquidity
- The company's growth strategy is considered aggressive and large...
- Low exposure to regulatory risk“...

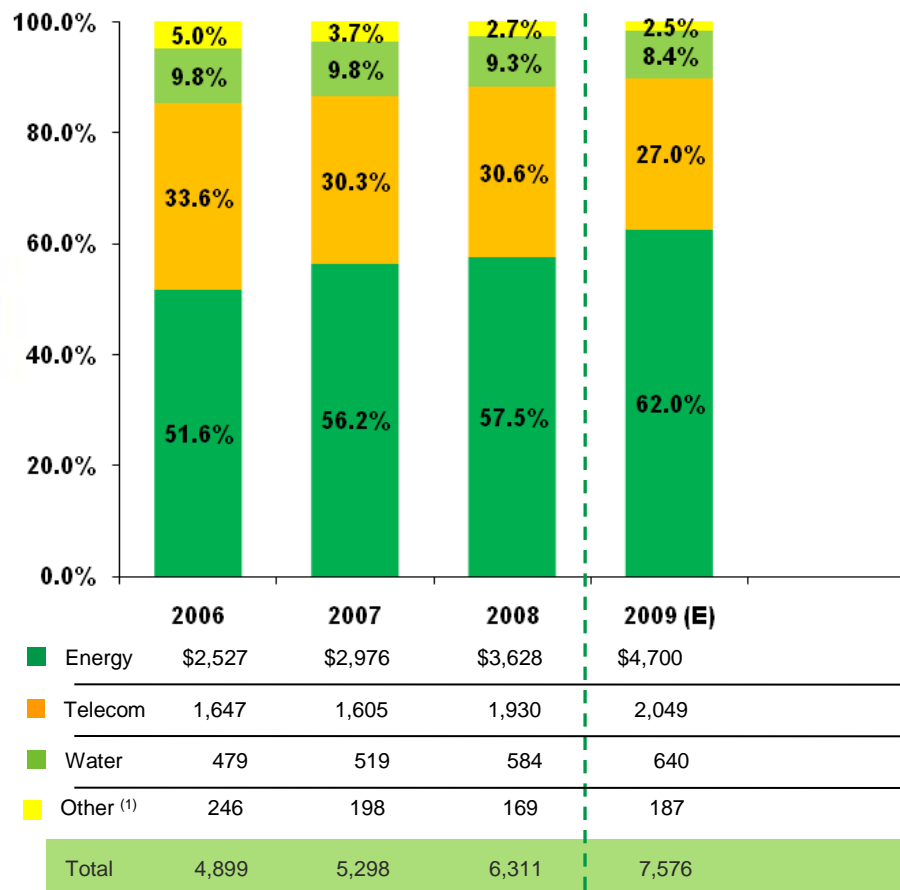
Moody's had rated EPM with Baa3 on July 2009

Key rating considerations

- Leading position in several market segments of its diversified business operations.
- Stable and Transparent Regulatory Environment with some concerns about full independence of the Regulatory bodies.
- Stable cash flow derived from the relatively predictable and transparent regulatory environment
- Reasonable ability to recover costs on a timely manner and acceptable rates of return.



Diversified Revenue Sources



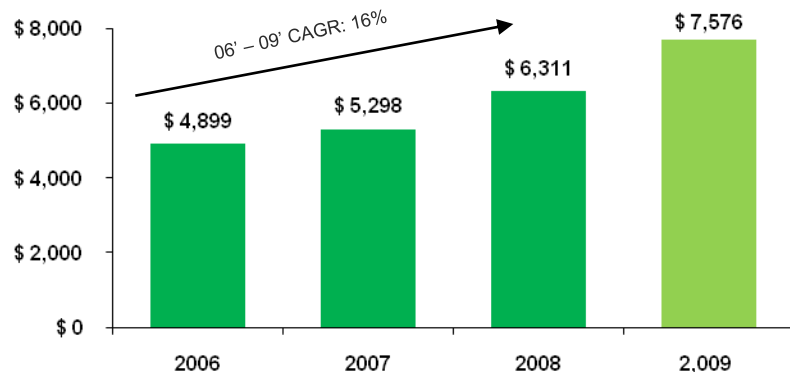
Selected Financials as of Dec.2009 (E)

COP bn	2007	2008	2009 (E)
Revenue	\$5,298	\$6,311	\$7,576
Adjusted EBITDA ⁽³⁾	2,087	2,357	2,771
EBITDA Margin %	39%	37%	36,6%
CAPEX	1,377	1,635	2,197
Total Assets	17,739	20,574	26,359
Total Liabilities	4,711	5,220	7,956
Equity	12,331	14,872	17,686
Key Ratios			
Total Debt / EBITDA	0.8x	0.9x	1.5X
EBITDA / Interest Expense ⁽²⁾	10.7x	13.2x	12.5X

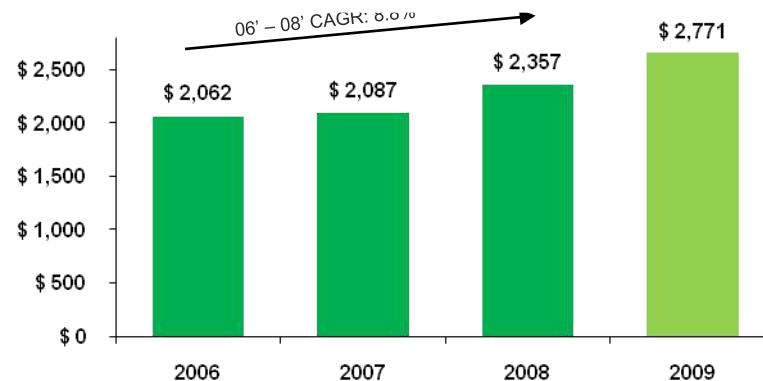
(1) Includes technical assistance, IT services, management and operation of the energy market, fees charged to third parties for billing services and sales of equipment. (2) Interest expense from financial obligations. (3) Consolidated Adjusted EBITDA is calculated by adding (i) depreciation and amortization (included in cost of sales and administrative expenses) (ii) certain provisions which do not constitute cash charges, and (iii) non-cash pension plan expense resulting from increases in pension contributions due to changes in actuarial calculations, to operating income.



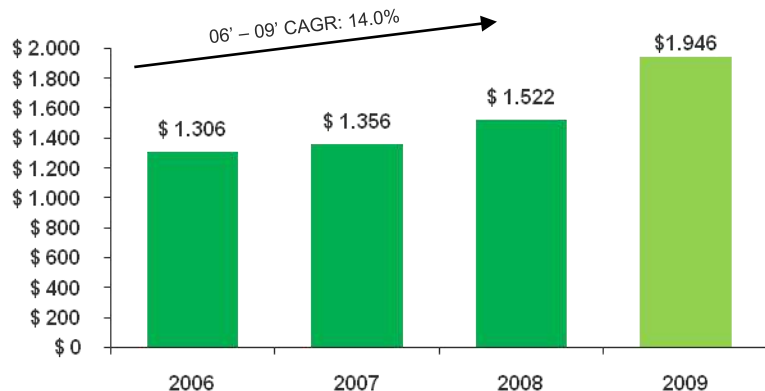
Revenue



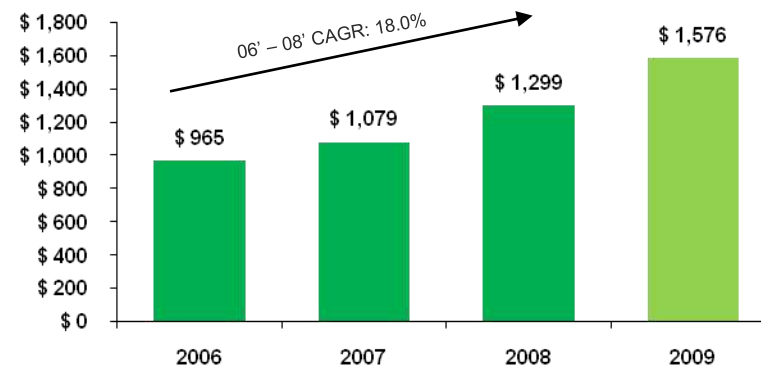
Adjusted EBITDA⁽¹⁾



Operating Income



Net Income



Note: 2009 figures as of December 31, 2009 (Estimated). Figures in COP bn.

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INCOME STATEMENT *Estimated as of December 2009* *(in Colombian pesos million)*

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	2009	2008	VARIATION
Operating Revenues	7,575,652	6,311,104	20%
Cost of Sales	(4,002,206)	(3,300,596)	21%
GROSS PROFIT	3,573,446	3,010,508	19%
Administrative Expenses	(802,889)	(653,769)	23%
Adjusted EBITDA	2,770,557	2,356,739	18%
Provision, Depreciation and Amortization	(824,623)	(834,817)	-1%
OPERATING INCOME	1,945,934	1,521,922	28%
NON-OPERATING INCOME	(73,151)	81,286	N.A
Income Tax Provision	(267,085)	(279,766)	-5%
Minority Interest	(30,043)	(24,226)	24%
Net Income	1,575,656	1,299,216	21%

EPM's highlights

Strong and Stable Regulatory Framework

Quasi-Sovereign Nature with a Strong Corporate Governance

Leading and Largest Multi-Utility Company in Colombia

Attractive Market and Strong Asset Base

Solid Operating Margins and Financial Profile

Experienced Management Team with wide Industry Knowledge



EMPRESAS PÚBLICAS DE MEDELLÍN E.S.P.

**Carrera 58 No. 42-125
Medellín, Colombia
Tel: (57 4) 3805871
Fax: (57 4) 3806771
www.epm.com.co**

**Oscar Herrera Restrepo
Chief Financial Officer
Oscar.herrera@epm.com.co**

**Juan Carlos Sampedro Tobón
Chief Capital Management Unit
Juan.sampedro@epm.com.co**

**Catalina López Cadavid
Investor Relation Officer
Capital Management Unit
Catalina.Lopez@epm.com.co**