



Empresas Públicas de Medellín

September, 2010

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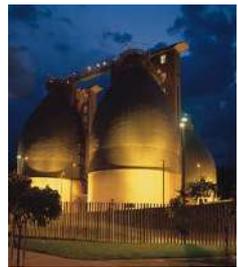
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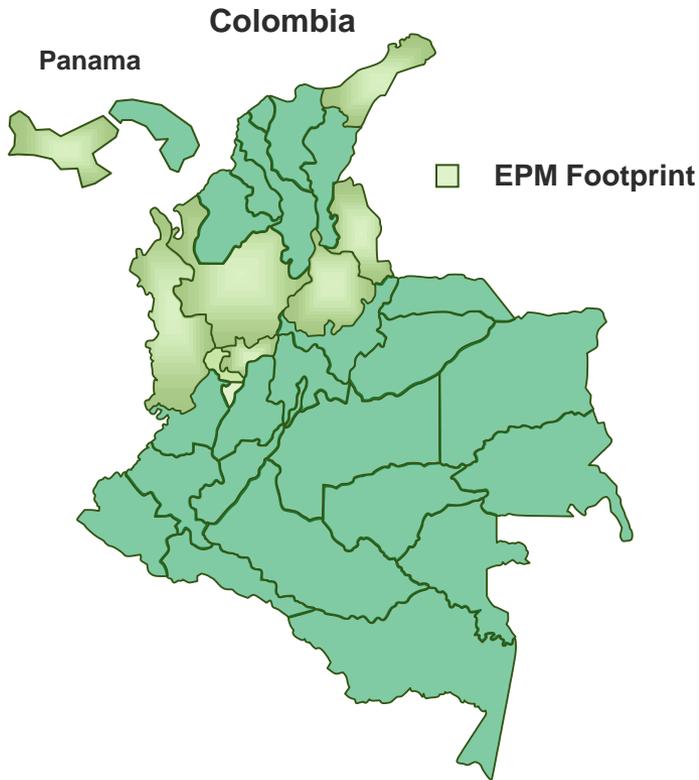
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Agenda

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



→ Company Overview



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, Chocó, Cúcuta
- International Presence:
 - Panamá (Hidroecológica del Teribe -HET)

EPM's Ratings

Moody's

Fitch *

Foreign Currency

Baa3 Stable outlook

BBB-

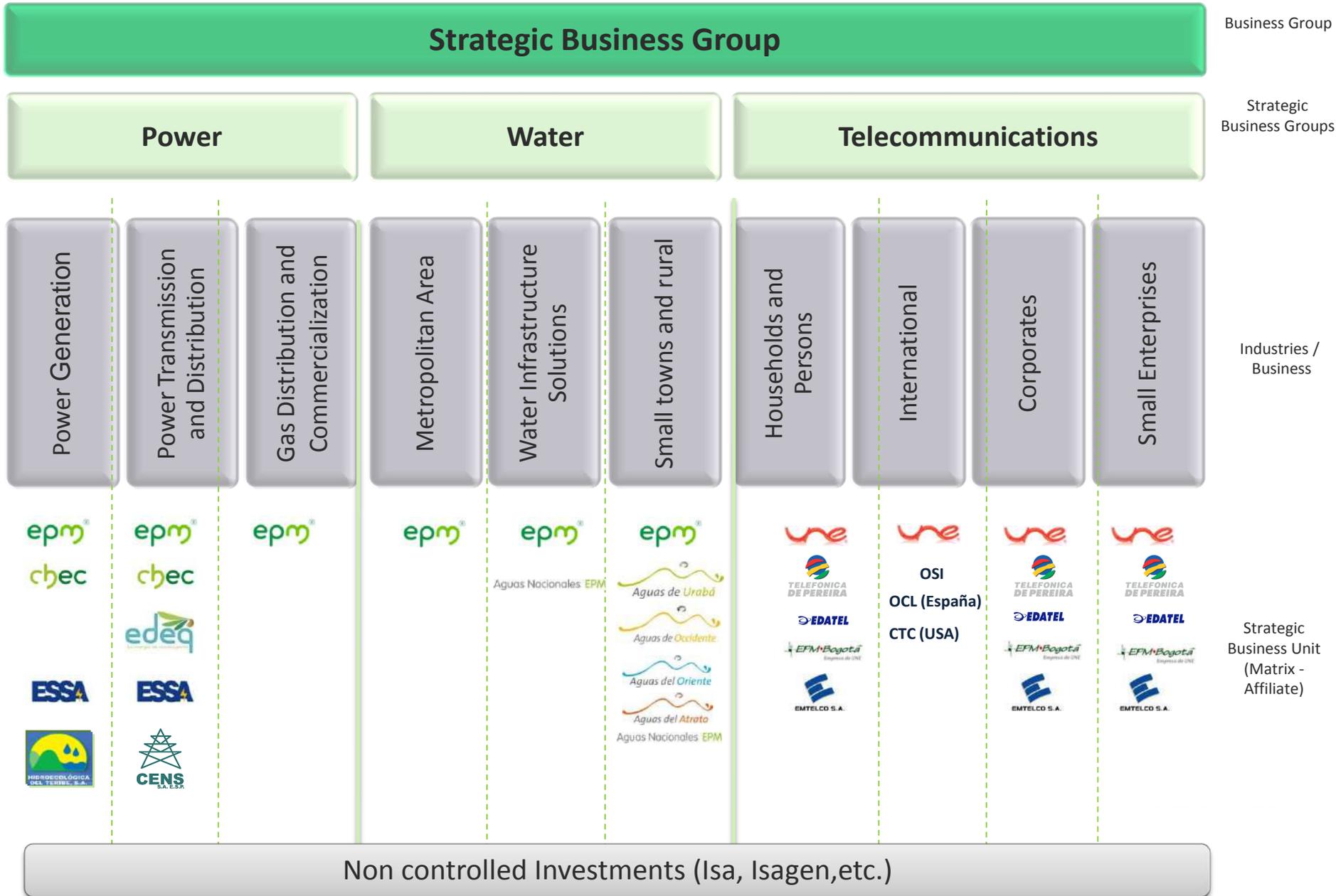
Domestic Currency

Baa3 Stable outlook

BBB-

* Upgraded in September 2009

→ EPM Corporate Structure



EPM Group Infrastructure

Power

- Market share in Colombia:
 - Generation 19%
 - Electricity Distribution: 25%
 - Gas: 9%
- 25 Hydroelectrical plants, 1 Termo Plant, 1 Wind plant.
- 2.884 MW total installed net effective generation capacity
- 162,299 kilometers of transmission and distribution lines
- 67% of the company's EBITDA

Water

- 17% market share in Colombia
- 20m³/sec Water treatment capacity
- 9% 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.
- 24% of the company's EBITDA

→ EPM Corporate Governance Structure

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EPM – Municipality Relations

Corporate Governance Code

- Relation with the Owner
- Board of Directors
- Control

Governance Framework Agreement

Principles:

- Transparency
- Sustainability & Competitiveness
- Responsible Autonomy
- Submission to the Corporate purpose
- Technical, legal, Financial Rigor
- Profitability & Efficiency

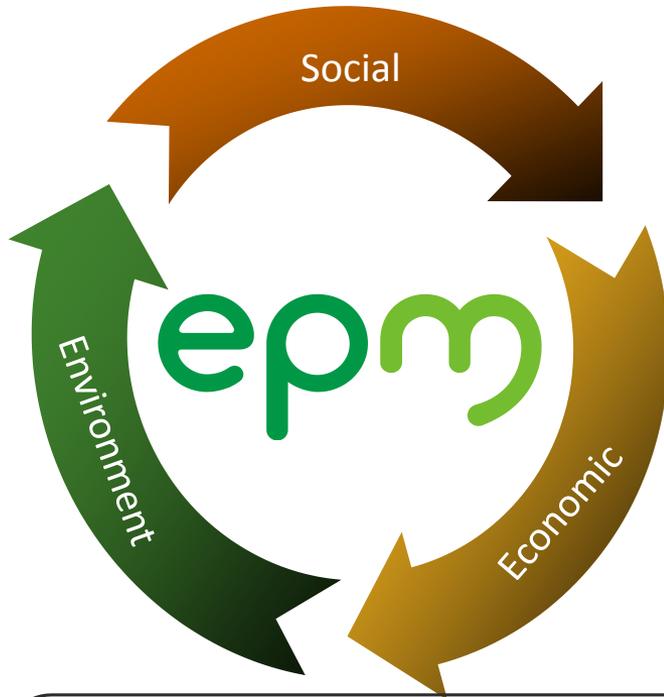
Corporate Governance Annual Report

- Comply or explain system
- Market disclosure
- Transparency



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

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
- Climate Change Initiative

● 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

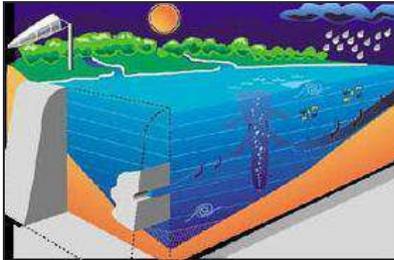
- Global Compact and Millennium Goals
- GRI reporting



→ Environmental Management as one of EPM's Strengths

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.





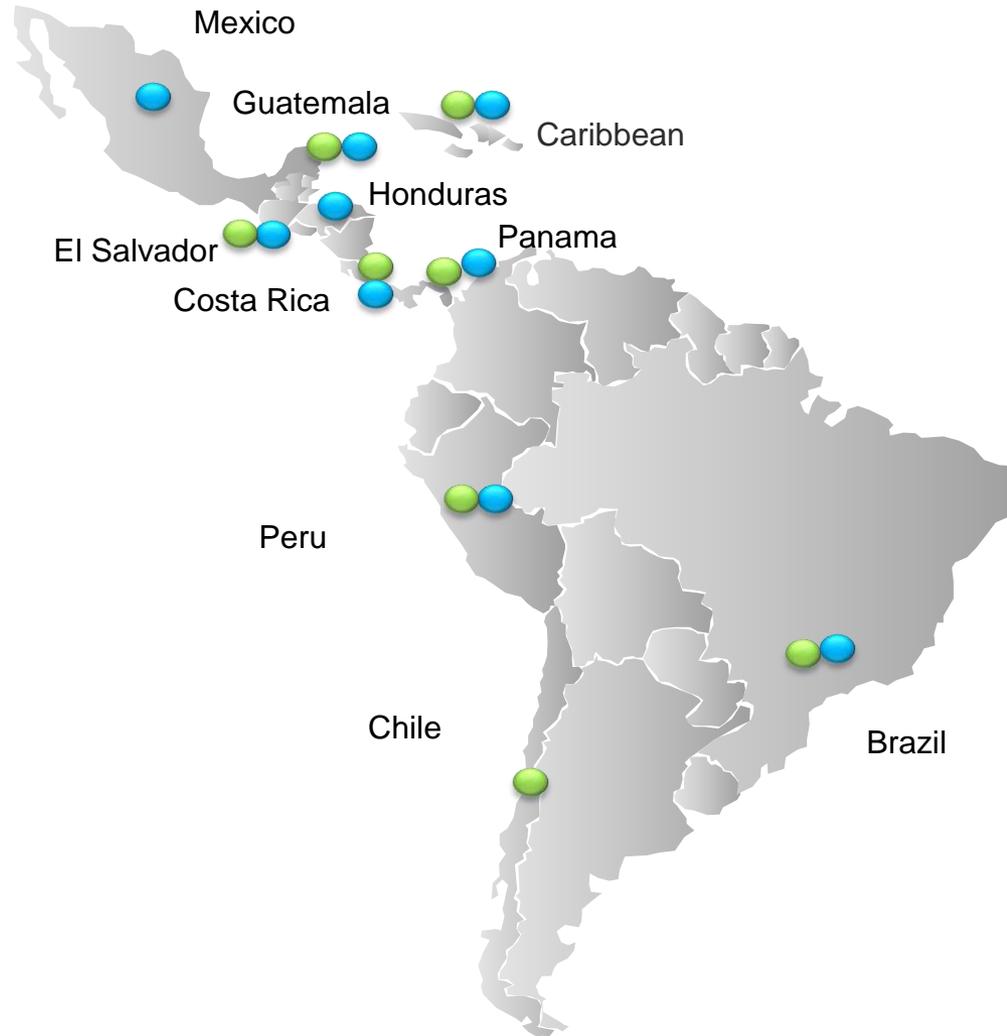
Main Greenfield Ongoing Projects

	Installed Capacity	Cost	General Information	Status
	660 MW	US\$ 1,330 m	Firm energy: 3,363 GWh/year, during 10 years. Financed through the IDB, JBIC guarantee facility.	Beginning Operations at the end of 2010 - Total Investment US\$ 1,131 m. 81% has been invested
	400 MW	US\$ 1,085 m	Firm energy: 962 GWh/year during 20 years. Average energy: 2,600 GWh/year. In conjunction with Porcell will increase EPM's capacity by 40% .	Design Phase Beginning Operations in December 2015 Investment US\$ 21 m
	2400 MW	US\$ 3,243M	Firm energy: 1,085 GWh/year, during 20 years. Shareholding: EPM - 46,33% Gobernación de Antioquia-IDEA 52%	Design and construction of roads. Beginning Operations in December 2017-2020
	5 m3/s	US\$ 540 m	Bello WWTP Secondary Treatment Start up 2013. BOD (ton/d) 123. Interceptor - Length 8 km - Diameter 2.2m	Design Phase Beginning Operations at the end of 2013 - Investment US\$ 4,4 m

The sources financial alternatives considered are: bonds (local and international markets), local and international commercial bank facilities, Export Credit Agencies and multilateral facilities.



Internationalization strategy – Target market



The target market is constantly adjusted according to market conditions

- Water
- Energy

→ EPM Group – Forecasted Investment Plan

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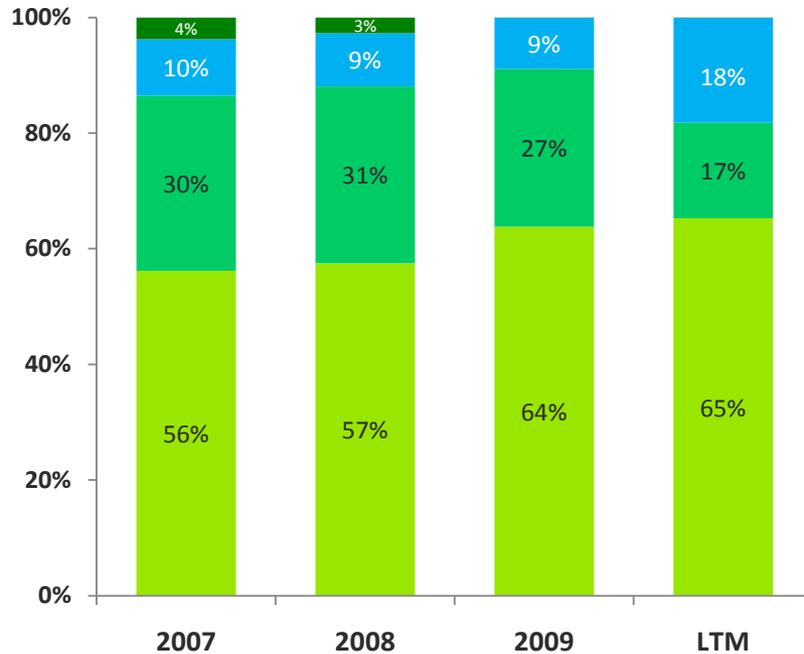
<i>EPM's Strategic Business Groups</i>	<i>Period 2011 - 2013</i>	<i>Period 2011 - 2015</i>
<i>Water</i>	<i>574</i>	<i>771</i>
<i>Energy</i>	<i>2,615</i>	<i>3,362</i>
<i>Telecom</i>	<i>747</i>	<i>1,238</i>
<i>Total investment</i>	<i>3,936</i>	<i>5,381</i>

Note: Figures in US\$ million

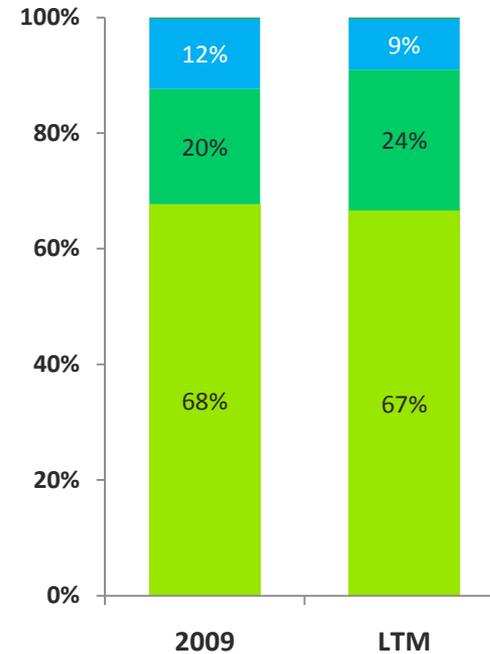


Sources by each EPM's strategic business group

Net Operating Revenue Sources



EBITDA Sources



	2007	2008	2009	LTM
Energy	1.399	1.704	2.239	2.558
Telecom	755	906	956	647
Water	244	274	311	710
Other	93	80	2	2
Total	2.491	2.964	3.508	3.918

	2009	LTM
Energy	854	914
Telecom	252	334
Water	154	121
Other	2	3
Total	1.262	1.371

Note: Figures in US\$ m

LTM as of June 30, 2010

FX rate 2007, 2008, 2009, June 30, 2010 (COP/USD): 2.126,78, 2.129,18, 2.143,91, 2.037,57, respectively.



EPM Consolidated Balance Sheet As Of June 30, 2010 - 2009

	June 30, 2010 *	June 30, 2009 *	% Var
CURRENT ASSETS	2.146	1.645	30%
Cash and cash equivalents	299	226	33%
Investments securities	804	490	64%
Other assets	1.043	929	12%
NON - CURRENT ASSETS	11.705	9.332	25%
Long-term investments, net	1.319	938	41%
Property, plant and equipment, net	9.139	7.449	23%
Other assets	1.247	945	32%
TOTAL ASSET	13.851	10.977	26%

	June 30, 2010 *	June 30, 2009 *	% Var
CURRENT LIABILITIES	1.054	891	18%
Financial obligations	124	117	6%
Accounts payable	568	468	21%
Other liabilities	362	305	19%
NON-CURRENT LIABILITIES	3.082	2.237	38%
Financial obligations	2.047	1.413	45%
Other liabilities	1.036	824	26%
TOTAL LIABILITIES	4.137	3.127	32%
EQUITY	9.351	7.521	24%
TOTAL LIABILITIES AND EQUITY	13.851	10.977	26%

Note: Figures in US\$ m
 FX rate as of June 30, 2010 (COP/USD): 1.916,46.

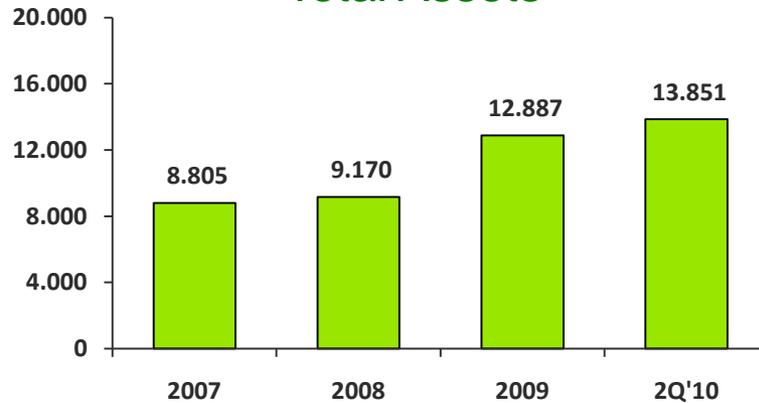
* Unaudited



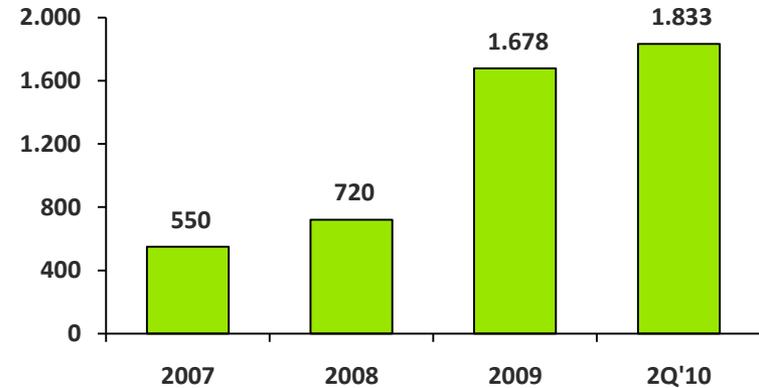
Consolidated Balance Sheet Summary

(December 09, 08, 07, 2Q'10)

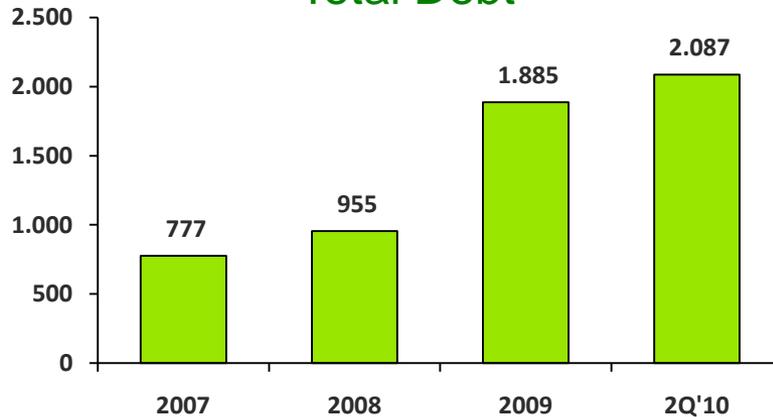
Total Assets



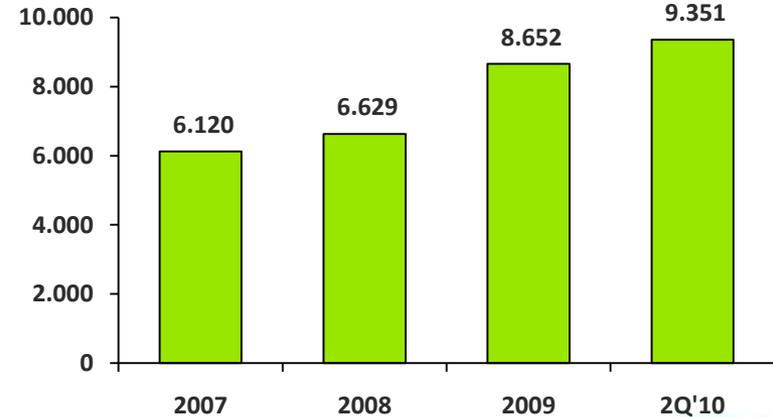
Net Debt



Total Debt



Equity



Note: Figures in US\$ m

FX rate 2007, 2008, 2009, 2Q'10 (COP/USD): 2.014,76, 2.243,59, 2.044,23, 1.916,46, respectively.





Consolidated income statement as of June 2010 - 2009

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	June 30, 2010 *	June 30, 2009 *	% Var
OPERATING REVENUES, NET	2.010	1.780	13%
Cost of sales	(1.117)	(944)	18%
GROSS PROFIT	893	836	7%
Administrative expenses	(194)	(182)	7%
EBITDA	699	654	7%
Provision, depreciation and amortization	(251)	(221)	14%
OPERATING INCOME	448	433	3%
Non-operating income	44	51	-12%
NET INCOME	359	368	-2%

Note: Figures in US\$ m
FX rate as of June 30, 2010 (COP/USD): 2.037,57

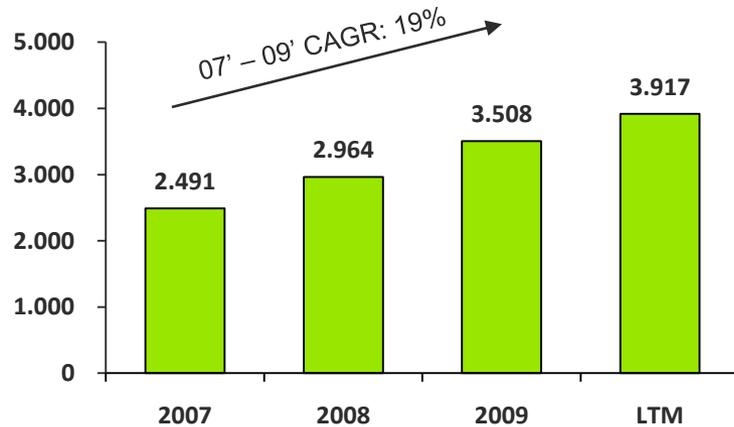
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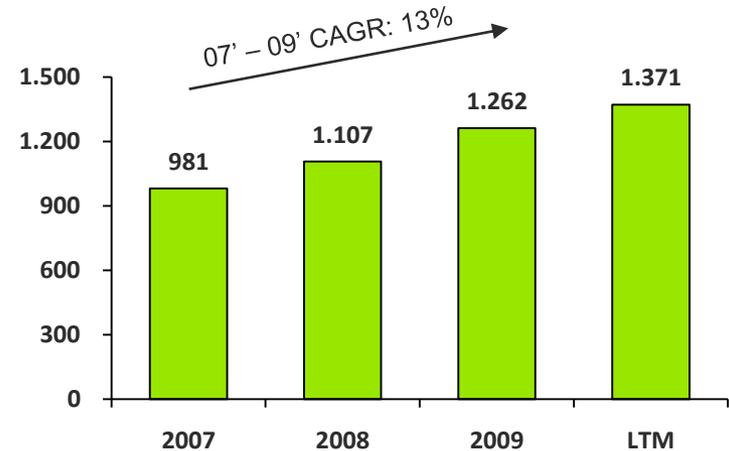
Consolidated Income Statement Summary

(December 09, 08, 07, LTM)

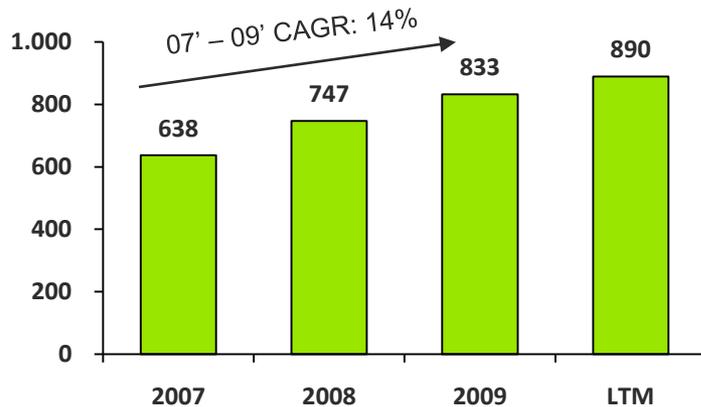
Operating Revenues



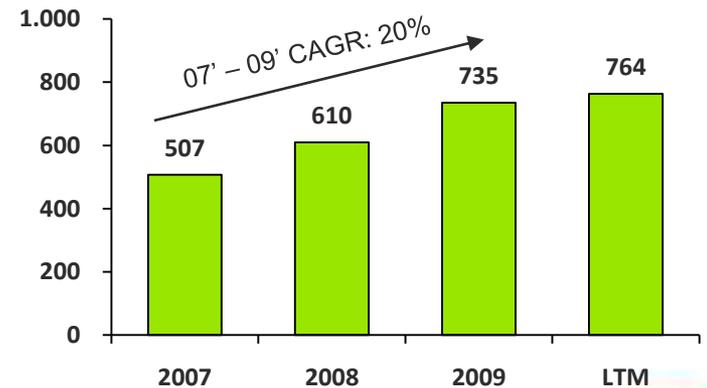
EBITDA



Operating Income



Net Income



Note: Figures in US\$ m

LTM as of June 30, 2010

FX rate 2007, 2008, 2009, June 30, 2010 (COP/USD): 2.126,78, 2.129,18, 2.143,91, 2.037,57, respectively.



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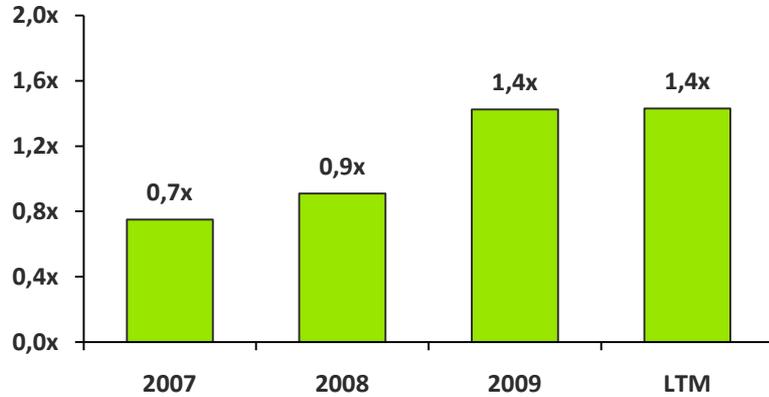
Consolidated Financial Ratios

	Jun-10	Dec-2009	Dec-2008
EBITDA Margin	35%	36%	37%
Operation Margin	23%	24%	25%
Net Income Margin	20%	21%	21%
Current ratio	2,04	1,85	1,80
Total Indebtedness	30%	30%	25%
Financial Indebtedness	16%	16%	11%
Return on Equity (LTM)	8,94%	8,91%	8,74%
Total Debt / EBITDA (LTM)	1,47	1,43	0,91
Net Debt / EBITDA (LTM)	1,26	1,27	0,69
EBITDA / Interest Expense	12,45	12,31	13,17

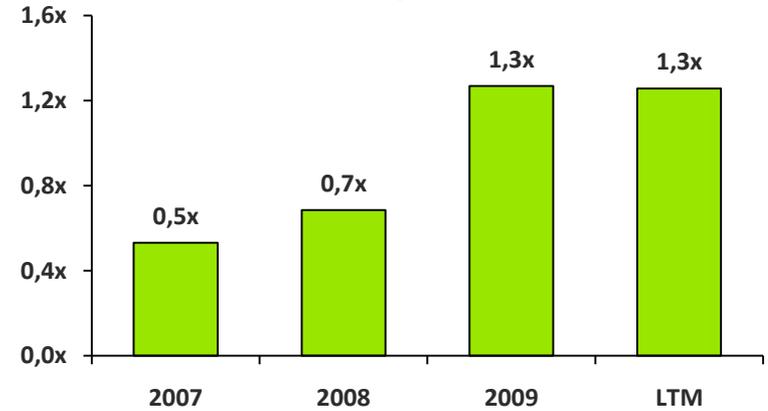


Key Credit Ratios

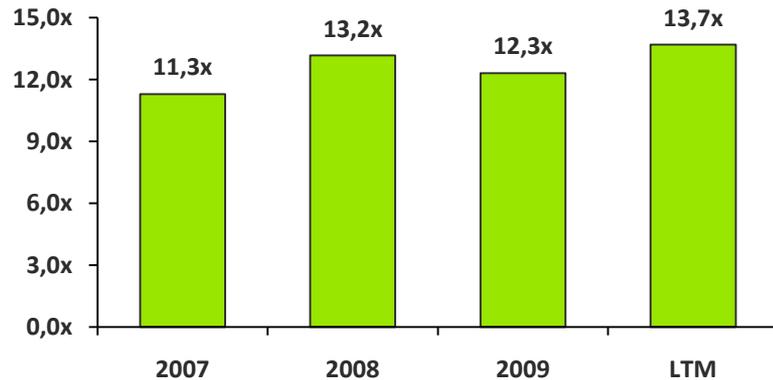
Total Debt / EBITDA



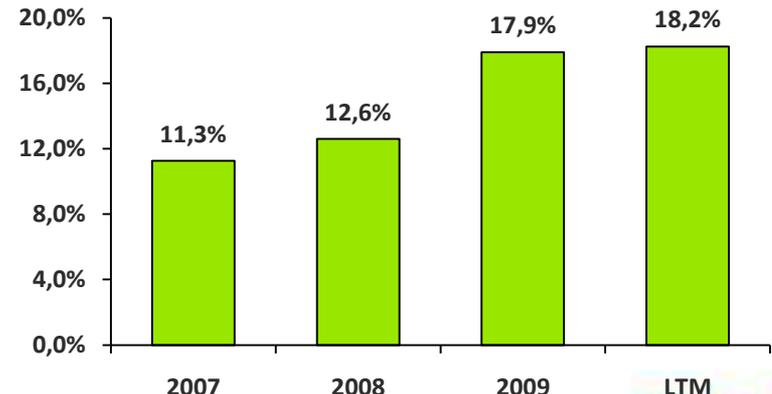
Net Debt / EBITDA



EBITDA / Interest Expense



Total Debt / Total Capitalization



Note: LTM figures as of June 30, 2010



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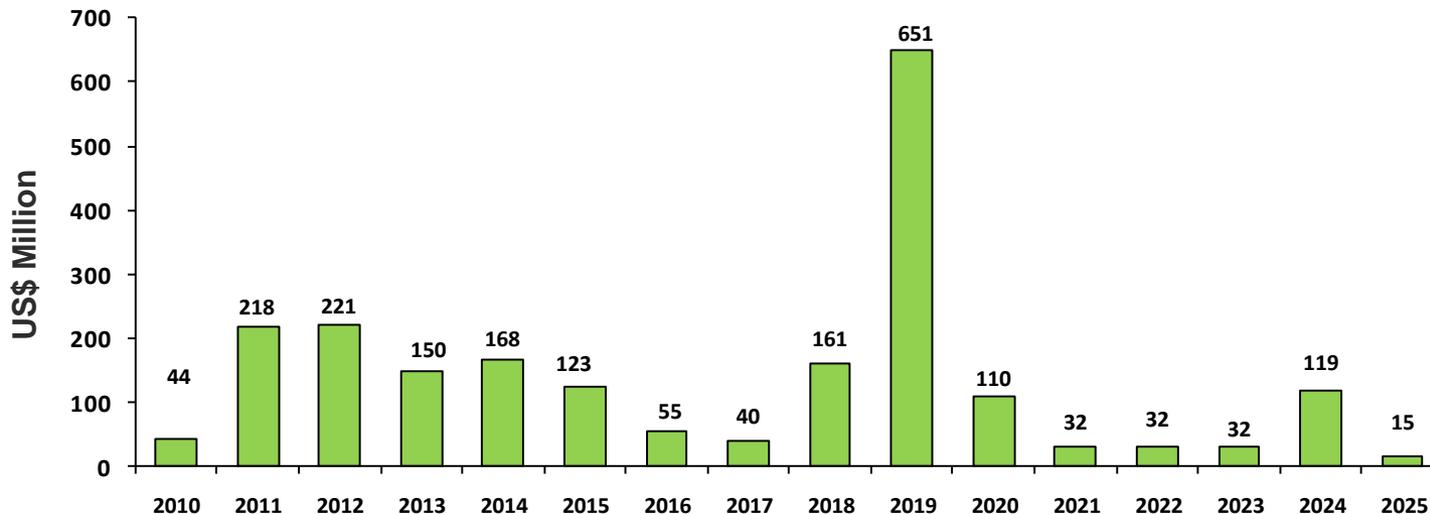
Consolidated Debt

As of June 2010 – Figures in US\$ m

	2007	2008	2009	2010
Total Debt	777	955	1.885	2.171
EPM Debt	545	657	1.620	1.731
Subsidiaries Debt*	232	298	265	440

Note: FX rate 2007, 2008, 2009, 2Q'10 (COP/USD): 2.014,76, 2.243,59, 2.044,23, 1.916,46, respectively.

Consolidated Debt Maturity Profile as of June 2010



Note: FX rate (COP/USD): 1.916,46.

Foreign Currency Ratings

Fitch Ratings Upgraded EPM Corporate rating and US\$500 m 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 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.

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



Contact Information

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

investorelations@epm.co

Federico Restrepo Posada

Chief Executive Officer

Federico.restrepo@epm.com.co

Paula Restrepo

Corporate Responsibility Officer

Paula.restrepo@epm.com.co

Oscar Herrera Restrepo

Chief Financial Officer

Oscar.herrera@epm.com.co