

Grupo·epm[®]

2Q2017 Report



ROBECOSAM
Sustainability Award
Silver Class 2016



Agenda

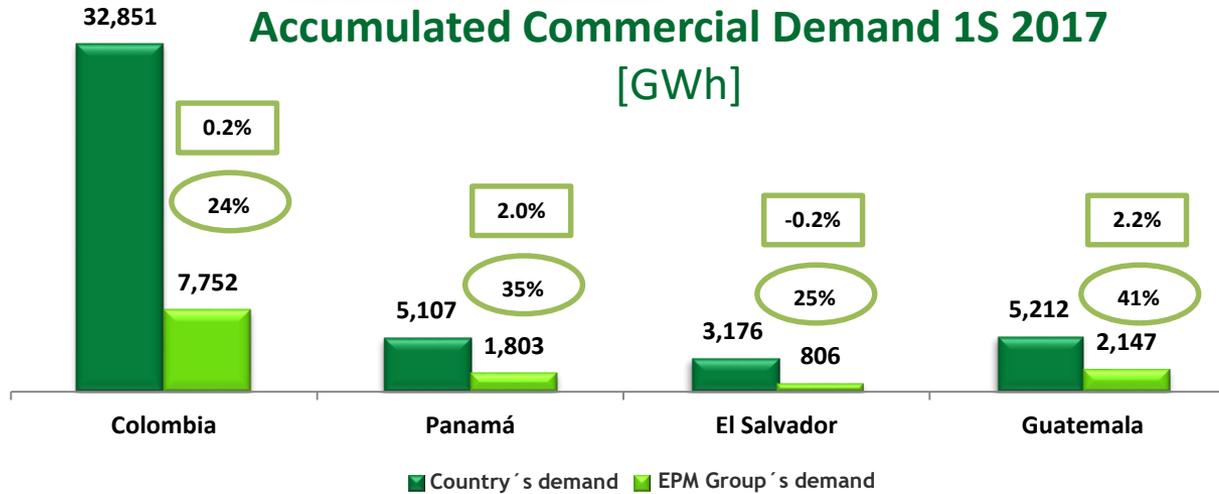


- > Relevant events
- > Energy market
- > Work progress in main project: Ituango
- > Financial results as of June 2017
- > Signed Credit Contracts

Relevant events of the quarter and subsequent to the closing

- ✓ **As of the close of the January-June 2017 period, payments to the Medellín Municipality total COP 785,235 million**, as follows: regular transfers COP 550,438 million, as well as COP 150,000 million as authorized by the Medellín City Council relative to the sale of Isagen shares in 2016.
- ✓ **On June 26th, the Playas generation plant temporarily suspended operations due to a technical incident** happened with a power transformer that caused a fire affecting other equipment. The incident affects 5.6% of EPM's generating capacity. It is estimated that the recovery of the plant means for the company a sum between COP 10,000 and COP 12,000 million on account of deductibles for property damage and loss of revenue which could eventually change depending on the duration of the recovery; all other sums resulting from the event will be indemnified by the insurance policy.
- ✓ **EPM has submitted a conditional binding offer for the acquisition of 100% of the shares of the Colombian company EMPRESAS PÚBLICAS DE RIONEGRO S.A. E.S.P. - EP RIO**, which is the provider of residential utility services of aqueduct and sewage in the municipality of Rionegro (Antioquia). The transaction is of strategic importance but does not imply a material payment at the time of closing, in case the conditions included in the binding offer are fulfilled.

EPM Group Commercial Power Demand

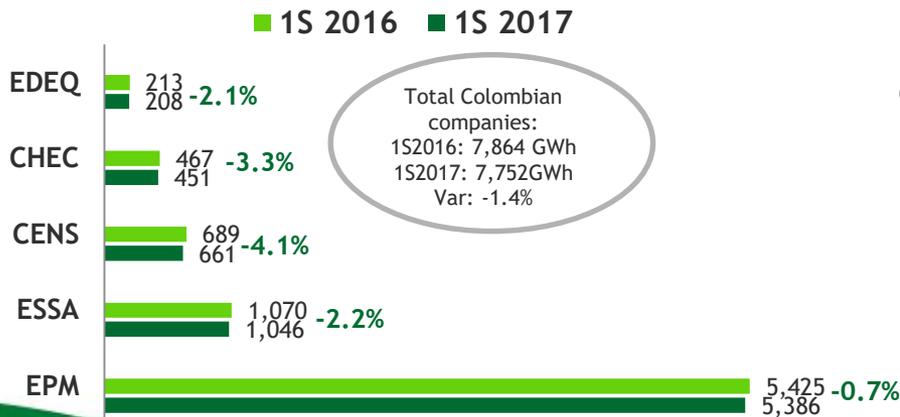


% Country's demand variation 1S2017 vs 1S2016

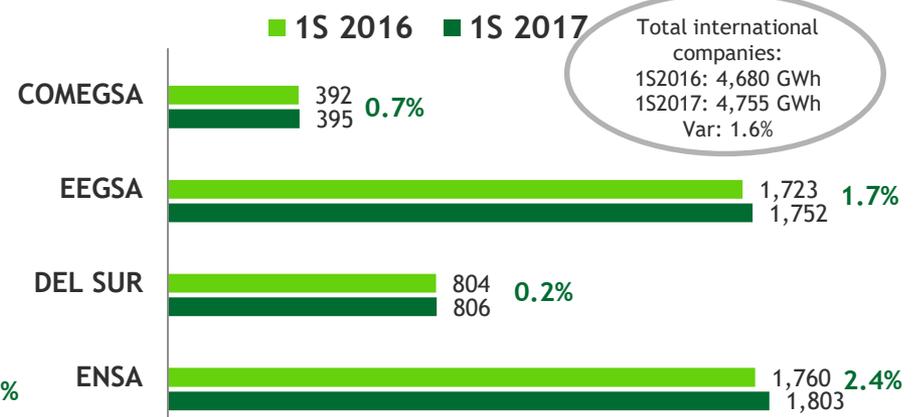
% EPM Group country demand's share.

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

Colombian Companies GWh



Empresas internacionales GWh

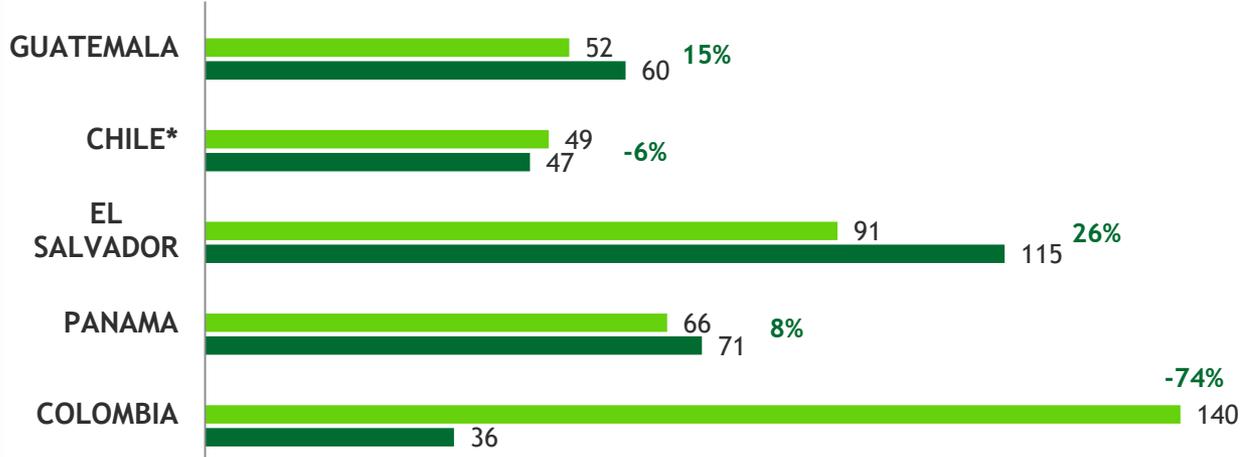


Energy Market

Spot Price USD/MWh and EPM Generation (GWh)

Spot Price USD/MWh

■ 1S 2016 ■ 1S 2017



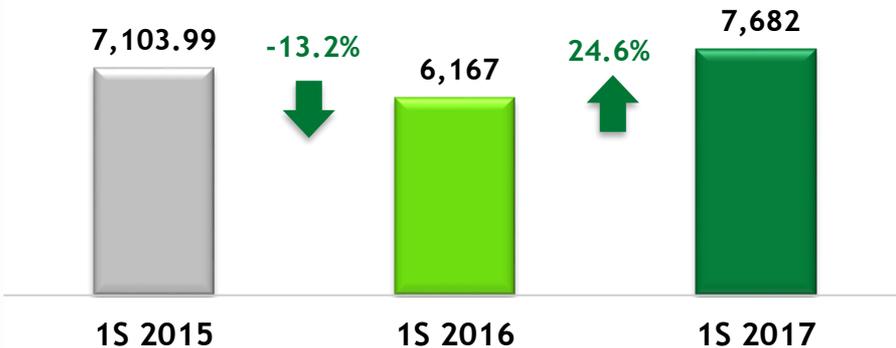
During 1S2017 in Central America, spot price increased, mainly by the increase in fuel prices. In Colombia, neutral conditions in 1S2017 compared to El Niño weather conditions in 1S2016 declined the prices significantly.

Notes:

- Average spot prices in the period.

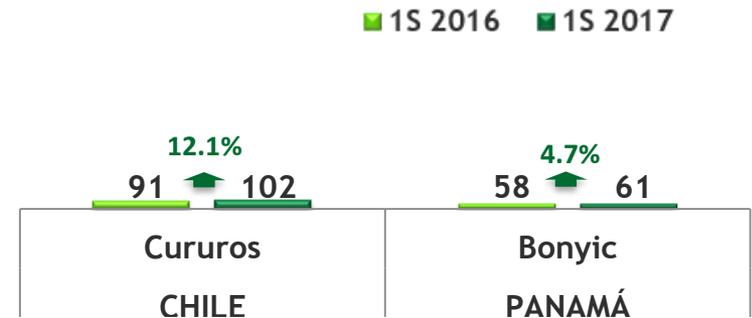
* Price of La Cebada node where EPM's Los Cururos plant is connected.

EPM Group Power Generation in Colombia [GWh]



Starting in 2015, the power generation of the Colombian subsidiaries was integrated into EPM Parent Company.

International Subs. Power Generation [GWh]



Main Infrastructure Project

Ituango Hydroelectric Generation Plant



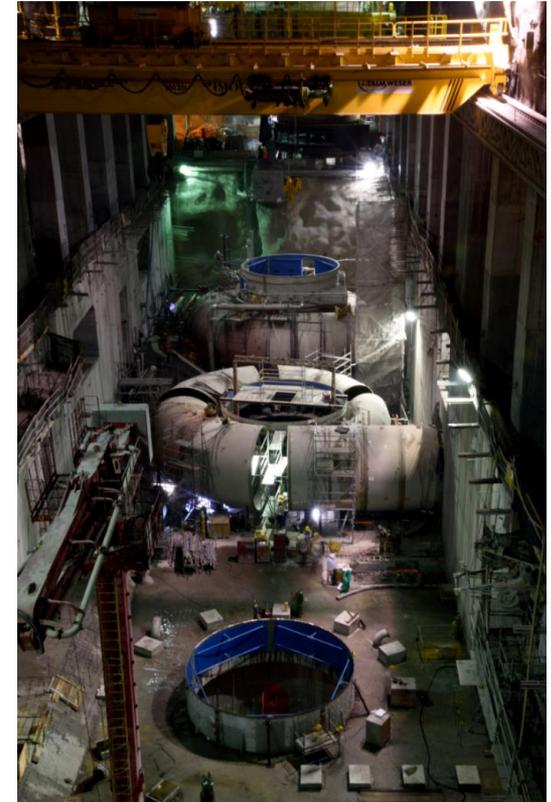
Total work progress as of June 2017: **71.5%**
 Invested to date: **COP 6.71 billion**

Progress in main civil works:

- ✓ The Dam, 225 m high with 20 million m³ of rock is at **64%** of construction.
- ✓ The Spillway, (a channel to control river floods of more than 22,600 m³/s of water and whose construction means excavating 14 million m³ of rock) is at **90%** of construction.
- ✓ The Power house was **concluded**.

Progress in power generation equipments:

- ✓ **1st Stage: 4 turbines** of 300 MW each, **4 generators** of 336 MVA each. The manufacture is at **100%**, the assembly at **70%**.
- ✓ **25 transformers** in total of 112 MVA each. At the North Area, the manufacture is at **100%**, the assembly at **71%**. At the South Area, the manufacture is at **42%**.
- ✓ **2 crane bridges** of 600 tons of total capacity. The manufacture of both is at **100%**. The 1st bridge crane is in operation. The assembly of the 2nd bridge crane is at **92%**.



Power-House:
 Assembly of the equipments
 (turbines and generators).



Transformer Cavern: the assembly of the 12 transformers at the North Area is at 71%.

Main Infrastructure Project

Ituango Hydroelectric Generation Plant



Total cost: COP 11.4 billion



External Civil Works

- **Financing strategy:** 60% debt, 40% equity.
- **Financing allocated to date (including IDB-IIC loan agreement under negotiation):**
COP 7.4 billion
 - Represents 64% of the project's total cost.
 - The proposed financing strategy is fulfilled.
- **Disbursed to date:** COP 3.6 billion (equiv.)
- **Details of Loans Agreements already subscribed or under negotiation**
 - ✓ Local Bonds: COP 867,280 million
 - ✓ Global COP Bonds: COP 965,745 million
 - ✓ Club Deal: USD 450 million
 - ✓ BNDES: USD 111 million
 - ✓ EDC: USD 135 million
 - ✓ IDB-IIC A/B loan: USD 1,000 million (under negotiation)

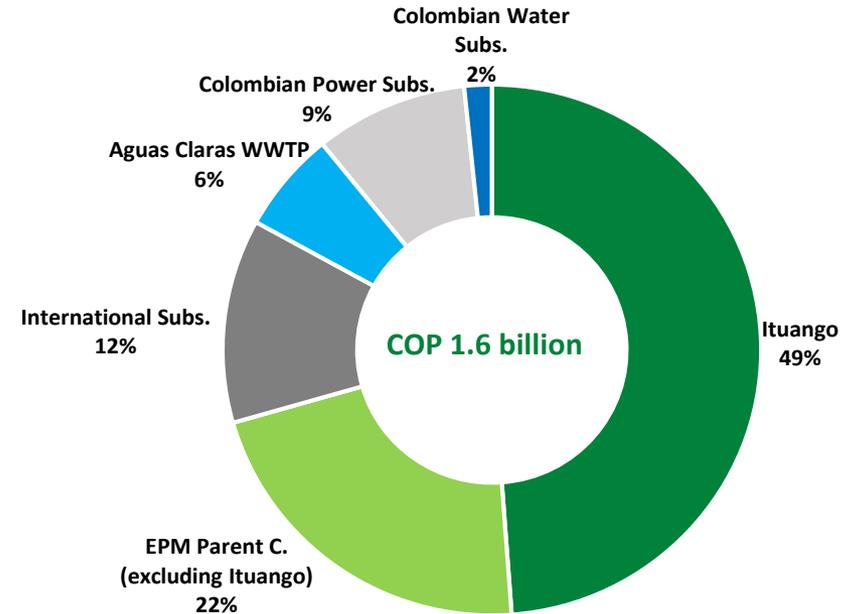
Financial Results as of June 30, 2017

Capex EPM Group

Figures in COP thousand million

EPM Group	1S2016	1S2017
Ituango	595	770
EPM Parent Company (excluding Ituango)	383	343
International Subsidiaries	289	196
Aguas Claras Park Waste-Water Treatment Plant	151	97
Colombian Power Subsidiaries	118	145
Colombian Water Subsidiaries	8	26
Total	1,544	1,577

1S2017 Investments



Power: 82%



Water: 18%

- ✓ EPM Group Investments as of June 2017: **COP 1.6 billion**
- ✓ EPM Group Investments estimated for 2017: **COP 4.1 billion**

Financial Results as of June 30, 2017

Macroeconomic Scenario



CPI: Consumer Price Index

PPI: Producer Price Index

WPI: Wholesale Price Index (Panama and El Salvador)

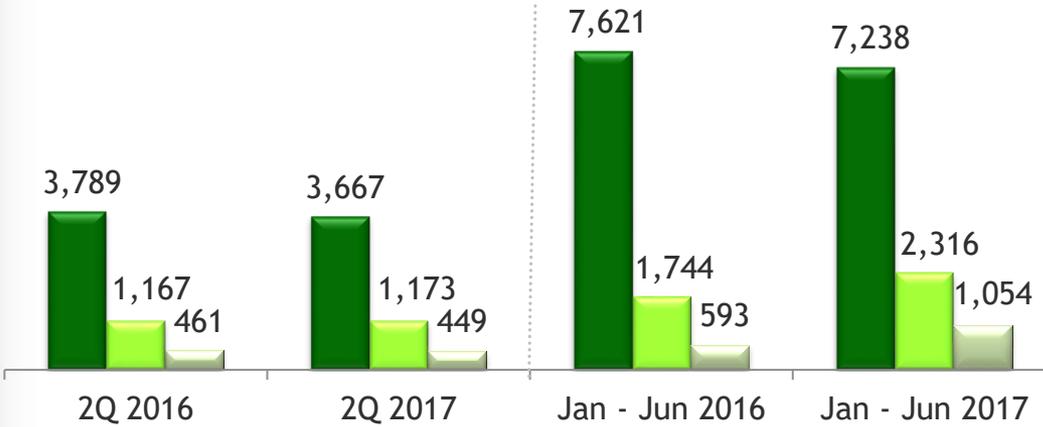
Concept	Colombia	Chile	Guatemala	Panama	Mexico	El Salvador
GDP 1Q2017	1.11%	0.13%	3.00%	6.20%	2.76%	2.33%
CPI (all year round)	3.35%	1.14%	2.55%	0.29%	3.18%	1.53%
CPI (accumulated 12 months)	3.99%	1.70%	4.36%	0.67%	6.31%	0.93%
PPI/WPI (all year round)	-0.09%	0.92% May	N.A.	N.A.	2.09%	0.99% May
PPI/WPI (accumulated 12 months)	-0.84%	7.85% May	N.A.	N.A.	6.69%	-1.07% May
Exchange rate (month-end)	3,038.26	663.21	7.34	N.A.	18.06	N.A.
Devaluation/Revaluation (all year round)	1.25%	-0.61%	-2.49%	N.A.	-12.40%	N.A.

Financial Results as of June 30, 2017

EPM Group Income Statement

Figures in COP thousand million

■ Revenues ■ EBITDA ■ Comprehensive income



Var. 2Q2016 - 2Q2017

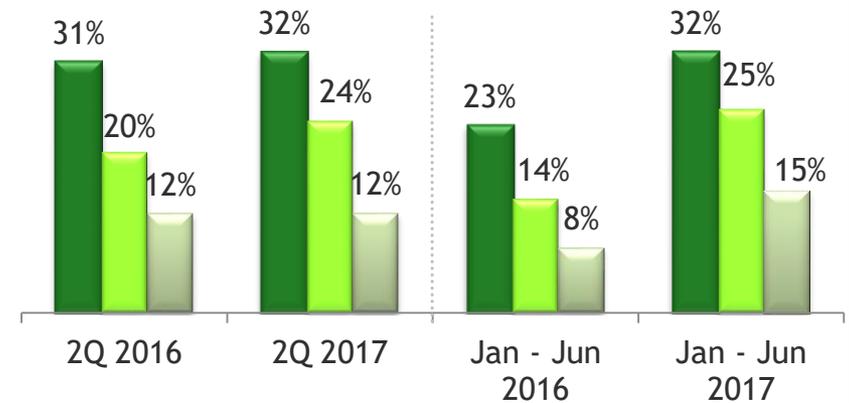
- Revenues: -3%
- EBITDA: 0%
- Comprehensive income: -3%

1S2016 - 1S2017

- Revenues: -5 %
- EBITDA: 33%
- Comprehensive income: 78%

- Revenue declined by 5% explained mainly by the decrease
- EBITDA increased COP 572, 33% with respect to previous year.
- Comprehensive income increased due to higher operating income and lower costs related to El Niño Phenomenon, which occurred in 2016.

■ EBITDA margin ■ Operational margin ■ Net Margin

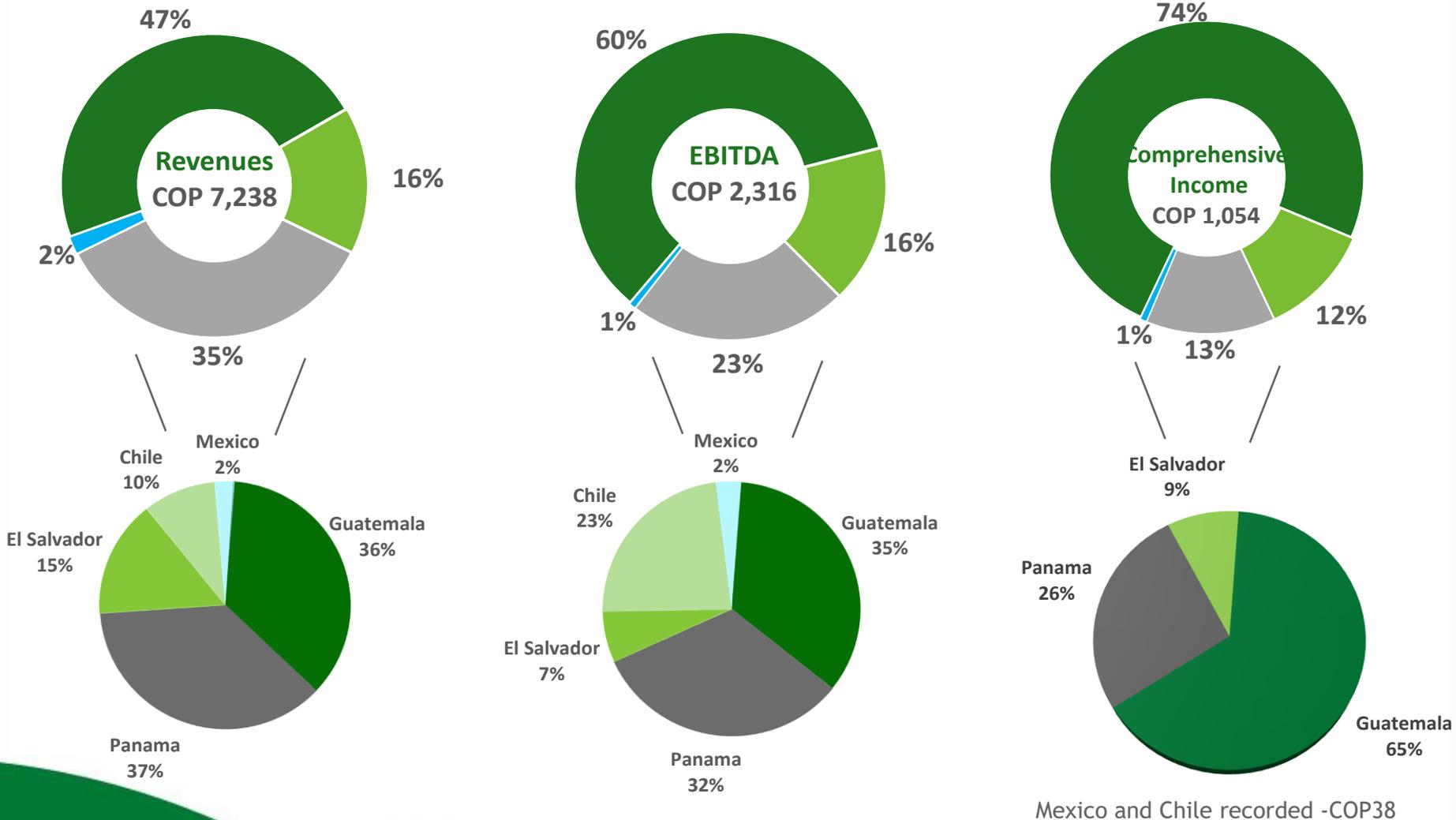


Financial Results as of June 30, 2017

EPM Group by Colombian and International Subsidiaries

Figures in COP thousand million

- EPM
- Colombian Power Subsidiaries
- International Subsidiaries
- Colombian Water Subsidiaries

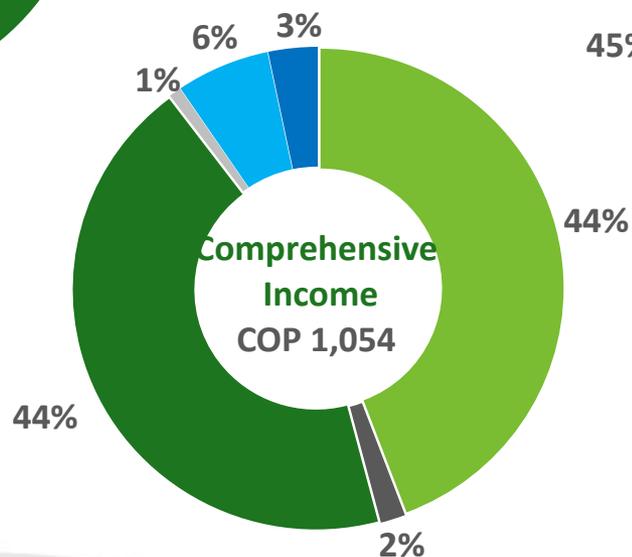
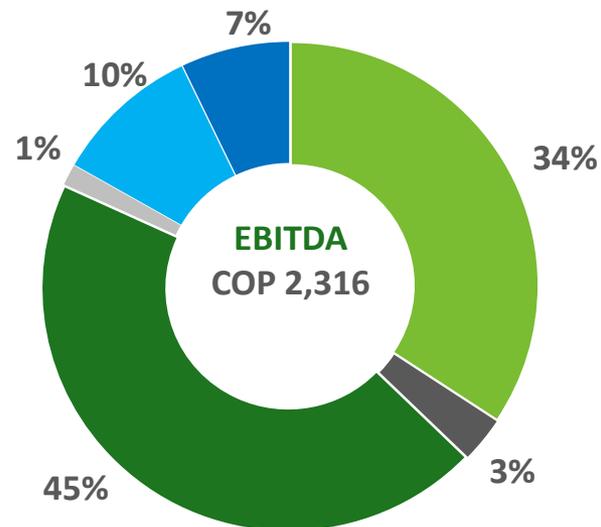
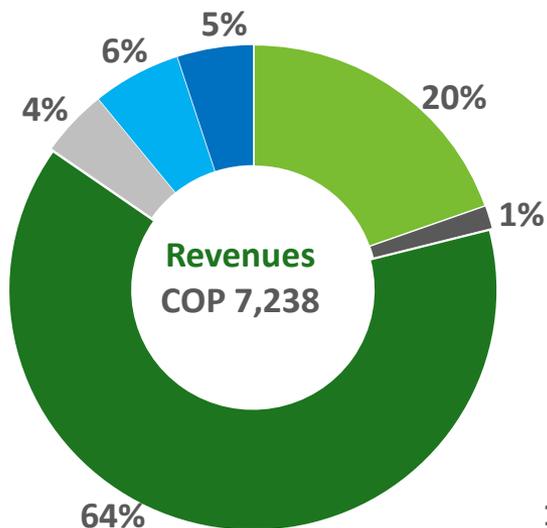


Financial Results as of June 30, 2017

EPM Group by Segments

Figures in COP thousand million

- Power Generation
- Power Transmission
- Power Distribution
- Gas
- Water
- Waste Management



Financial Results as of June 30, 2017

EPM Group - Statement of Financial Position

Figures in COP thousand million



Equity fell by 1% due to the combined effect of the period's higher earnings minus the recognition of surpluses to the Medellin Municipality. COP 785 thousand million have been paid as of June, out of total COP 1.3 billion to be transferred in 2017.

Liabilities increased by 10% with respect to last year; here we highlight the last disbursement of the International Club Deal for Loan COP 1.2 billion.

Ratios	2016	2017
Total debt	56	57
Financial debt	38	38
EBITDA/financial expenses	4.35	5.52
Debt/EBITDA	4.46	3.56

- EBITDA totaled COP 2.3 billion and Total Debt/EBITDA ratio 3.56.
- EPM Group ended the semester with COP 1.7 billion cash position.

EBITDA/Financial expenses



Debt/EBITDA

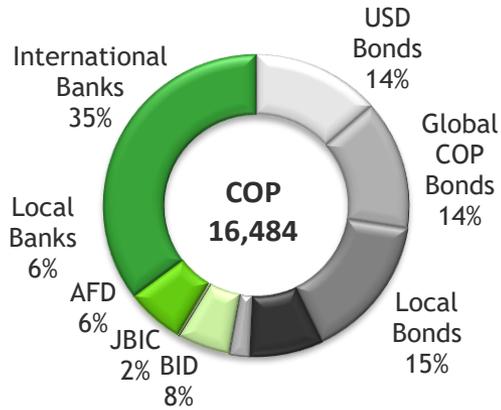


Financial Results as of June 30, 2017

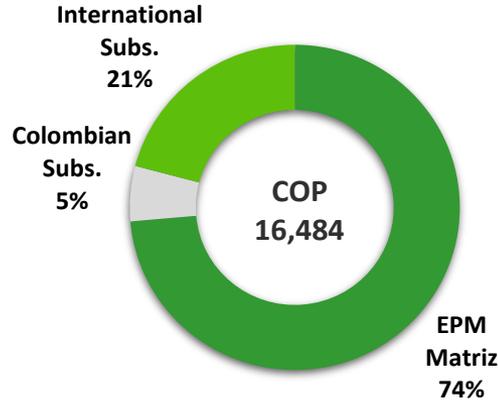
Debt Profile

Figures in COP thousand million

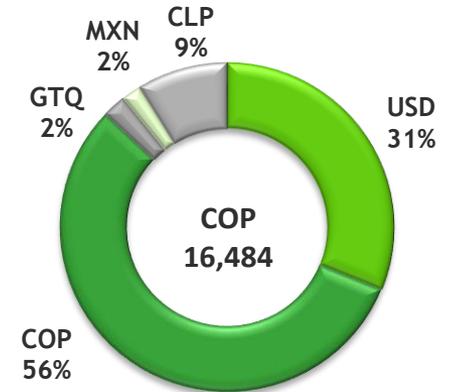
Source



Companies



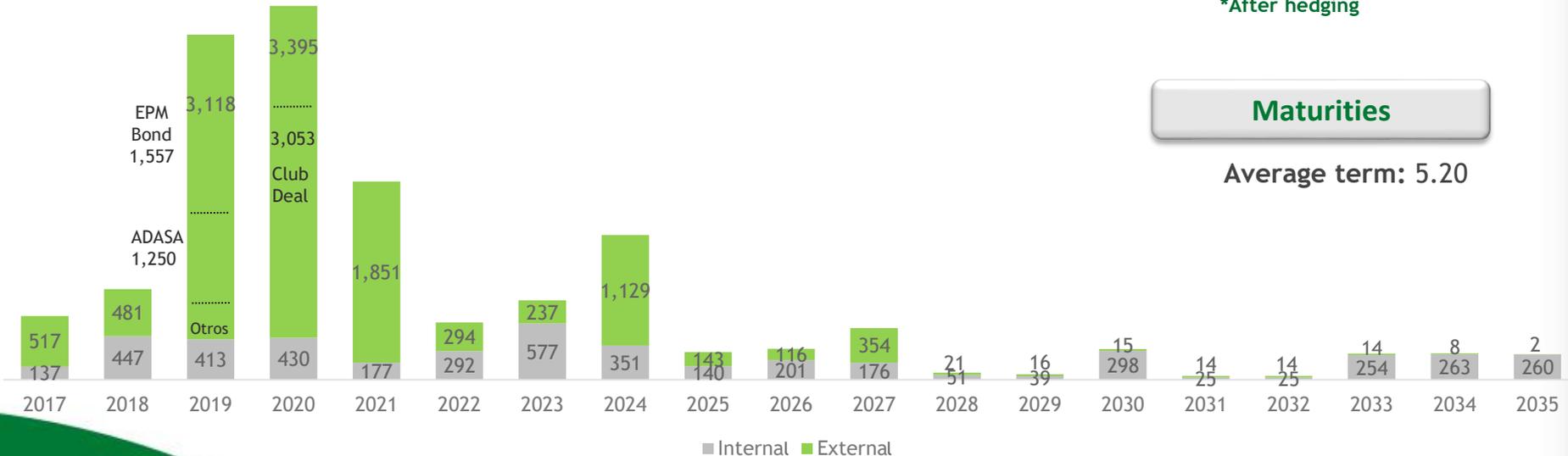
Currency*



*After hedging

Maturities

Average term: 5.20



Signed Credit Contracts

Amount to be disbursed USD 721 million

Figures in USD million

EDC

Amount: USD 300 MM
Balance to be disbursed: USD 300 MM
Availability period: 1 year
Until: 4-Aug-2018
Initial tenor: 6 years
Use of proceeds: 45% Ituango Project
- 55% Investment Plan.

CAF

Amount: USD 200 MM
Balance to be disbursed: USD 200 MM
Availability period: 2 years
Until: 3-Oct-2018
Tenor: 18 years
Use of proceeds: Investment Plan.

BID 2120

Amount: USD 450 MM
Balance to be disbursed: USD 120 MM
Availability period: 9 years
Until: 22-Sep-2018
Tenor: 25 years
Use of proceeds: Aguas Claras Park-
Waste-Water Treatment Plant in
Bello.

BNDES

Amount: USD 112 MM
Balance to be disbursed: USD 101 MM
Availability period: 6.5 years
Until: Dec-2022
Tenor: 23.5 years
Use of proceeds: turbines and
generators for the Ituango Project.

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