Executive Financial Report
Fourth quarter of 2013

Grupo·epm®

Relevant facts

Summary of the main achievements as of December 2013:

Strategy and Growth

- Businesses that shore up the growth of EPM Group were substantiated during 2013 consolidating its position in Colombia and Panama and permitting the entrance to target markets in Chile and Mexico.

  - Establishment of EPM Chile in March of 2013 as holding company to buttress the growth plan in the South American continent. EPM Chile concluded negotiations to establish the Los Cururos wind park with 110 MW capacity, a project to be executed under the turnkey modality in association with Danish company Vestas and investment worth close to USD 220 million. The park is expected to start operations in the second half of 2014 generating annual revenues between USD 40 and 45 million.

  - Acquisition of TICSA in Mexico in September of 2013. EPM, through its subsidiary EPM Capital México S. A. de C. V., conducted capitalization for USD 113 million of Mexican company Tecnología Intercontinental SAPI de C.V., TICSA, equivalent to 80% of shares.

- In November, the Shareholders' Meeting of UNE EPM TELECOMUNICACIONES S. A. approved commitment and common project for transborder merger establishing the terms for the merger, where UNE EPM Telecomunicaciones S. A. will be the absorbing corporation and Millicom Spain Cable, S.L. the absorbed corporation. The Meeting also approved the special-purpose financial statements, basis of the merger. We are currently expecting approval by the Superintendency of Industry and Commerce to execute the merger.

- In November, Empresas Varias de Medellin S. A. E. S. P. (Emvarias) became a new subsidiary of EPM Group upon acquisition of 99.9% of shares owned by the City of Medellin, in a transaction worth COP 136,951 million that permitted the Group to expand its portfolio of waste management services. Emvarias, established on Friday, September 11, 1964, is a leading company in the public service of street cleaning and garbage collection in Colombia, with operations in Medellin and service to more than 707,000 customers/users.

- PDG, EPM's subsidiary in Panama, won the bidding process, thus maintaining 51% of shares of Elektra Noreste S.A. –ENSA– and renewing concession until 2028 (15 years). ENSA distributed electric energy to 390,842 customers in 2013.

Operations

EPM continued to consolidate its presence in the gas segment in the regional market with service supply to homes and natural gas vehicle service stations in 43 municipalities and 786,130 customers served along 2013 (15% increase with respect to last year).

Investment Projects

In 2013, EPM Group invested USD 1.5 billion in projects, among which, the following stand out: Ituango hydroelectric power plant for USD 812 million, Cururos project (Chile) for USD 180 million, rural electrification for USD 40 million, Bello waste-water treatment plant for USD 48 million, and Nueva Esperanza energy transmission project for USD 31 million.

Regarding Ituango hydroelectric power plant, we highlight its inclusion in the balance sheet of EPM in order to optimize the project cost through the benefits of the legal stability contract.

Corporate Social Responsibility

The second voluntary measurement under Dow Jones Sustainability Index was conducted. With a rating of 77 points out of 100, EPM became one of the world's most sustainability-committed companies in the Multi-utilities and Water sector, above 89% of similar companies, and only three points below Suez Environment, the leading company. These results significantly exceed last year's and place us as the company in the Multi-utilities and Water sector with the most renowned environmental management. Thanks to this rating, EPM received the silver award in the mentioned sector and was listed in the The Sustainability Yearbook 2014.

In terms of coverage, during 2013, Home Enabling program, which is aimed at low-income population, provided a total of 20,393 electric power installations, 93,588 Gas installations and 2,615 Water facilities. The program offers low cost and flexible financing terms for network installation. Lighted Antioquia Program provided the electric power supply to 19,925 rural households. Around 80,000 people benefited with this program. Regarding Prepaid Energy program, 12,695 new installations were linked to accounts already in default or at default risk; for the benefit of 50,780 people.

Organizational Model

November of 2013 saw implementation of the new organizational model for EPM Parent Company, resulting from the EPM Beyond Borders Program, whose goal is to improve EPM Group's governance and competitiveness.

Financial

- As to financial matters, placement of domestic bonds worth COP 367,280 million (approximately USD 189 million) with 5, 10 and 20 year terms, stands out. Upon conclusion of the auction, EPM received demands for more than COP 925,000 million (approximately USD 477 million), equivalent to 2.6 x the amount offered. These funds will be earmarked for execution of the Ituango project.

- EPM received from the Colombian Stock Exchange –BVC– the "IR Recognition" for issuers, honoring it as one of the most noteworthy Colombian companies in adoption of best practices for relations with investors. BVC promotes this initiative taking into consideration the relevance of having sufficient and timely information when making investment decisions and in order to make the Colombian market more attractive for investment.

- In Colombia, the tax law enacted in 2013 implied lower tax benefit related to special deduction on income-producing assets as well as additional cost related to new CREE tax.

EPM Group figures

(In USD million)

Income statement

4Q 2012	4Q 2013	Var.%	Concept	as of Dic, 2012	as of Dic, 2013	Var.%
1.796	**1.814**	**1**	**Revenues**	**7.001**	**6.948**	**(0,8)**
1.308	1.347	3	Costs and administrative expenses	4.882	4.919	2
488	**468**	**(4)**	**EBITDA**	**2.119**	**2.029**	**(4)**
205	156	(24)	Provisions, deprec. & amortizations	790	687	(13)
283	**312**	**10**	**Operating Income**	**1.329**	**1.342**	**1**
(17)	(0)	N.A	Others non-operating, nets	(40)	(98)	N.A
96	53	(45)	Income tax provision	350	320	(8)
154	**247**	**61**	**Net Income**	**885**	**869**	**(2)**

Average exchange rates used for 2013 and 2012 were COP 1,869 and COP 1,798, respectively.

Revenues in 2013 totaled USD 6.9 billion, with a slight 0.8% decrease with respect to former year explained by the FX impact. COP exchange rate with respect to the dollar for 2012 and 2013 stood at COP 1,768/USD and COP 1,927/USD, respectively, for 8.97% devaluation. Excluding the FX impact, revenues increased by 3%.

In Colombia, revenues of the Generation business unit were affected by lower rains, which implied careful management of generation plants and their associated reservoirs, seeking to minimize economic impact without risking compliance of reliability commitments of the country's electric energy supply.

EBITDA stood at USD 2 billion, 4% down as a result of the FX impact. Excluding FX, EBITDA slightly fell by 0.6% in reason of the higher increase in effective costs and expenses (6%) with respect to revenues (4%). Costs increased in the Distribution segment due to higher energy purchases in the energy stock exchange at a higher price. Additionally, the 7% decline of EBITDA in the Generation business unit had an effect on such results due to lower revenues in 2013 as a consequence of decreased energy output.

Operating income at USD 1.3 billion increased by 1%. Without taking into account devaluation, operating income increased 5% mainly due to behavior of provisions, depreciation and amortization which fell in subsidiary UNE; this company wrote off its long-distance license, adjusted its depreciation policy for assets of domiciliary internal networks, and wrote off other assets that were under replacement process due to obsolescence.

Net Income amounted to USD 869 million, with 2% decrease explained by non-operational activities representing USD 98 million net expense, mainly from increase in non-operational expenses, explained in turn, by USD 84 million FX impact caused by 8.97% devaluation.

Operating and Net margins remained stable along 2013 with respect to 2012. EBITDA margin fell by 1% as a result of higher increase in effective costs and expenses than in revenues due to the reasons stated when describing EBITDA behavior.

Revenues

Revenue	as of Dic, 2013	Var. prev. year %	Share %
EPM Parent Company	2,841	(2)	41
Colombian Energy Subs	927	(2)	13
Central America Subs	1,817	(2)	26
Water subsidiaries	36	48	1
TELCO subsidiaries	1,324	3	19
Other	3	24	0
Total revenue	**6,948**	**(0.8)**	**100**

Revenues for 4Q2013 decreased slightly by 0.8% with respect to same period of last year. Excluding the devaluation effect, revenues increased by 3%. The following facts deserve to be mentioned:

- EPM Parent Company, which participated with 41% of the Group's revenue, presented 3% increase in the Distribution segment as a result of higher 55 GWh demand in energy sales to the regulated market. However, there was a decrease in the Generation segment explained by the 1,108 GWh decline in energy output as a result of the low water inflows and the need to increase the reservoirs' reserves; additionally, the Producer Price Index –PPI–, according to which, prices of energy sold under contracts are indexed, suffered 0.49% accumulated decrease along 2013. Nonetheless, EPM stood as the second generator agent in the country in relation to its size (measured as commercial net revenue/installed capacity) and was able to take reservoirs to a reasonably safe level in energy terms to start 2014. As of December 31 of 2013, EPM's total aggregated volume of reservoirs, and particularly that of El Peñol reservoir, stood, respectively, at 73% and 69% of their useful volume.

- Energy subsidiaries in Colombia, which accounted for 13% of the Group's revenues, grew by 2% due to increase of 110 GWh and 67 Gwh in energy trading in the regulated market served by ESSA and CENS, respectively, and explained by growth in the residential and commercial sectors.

- Subsidiaries in Central America, which accounted for 26% of the Group's revenues, grew by 2%, as a result of the behavior of DELSUR:

  In El Salvador, DELSUR experienced revenue increase due to growth of energy demand and other associated revenues (mainly, construction of works for third parties and higher revenue from utility pole attachment fees).

  In Guatemala, revenues exhibited a decline due mainly to COMEGSA's decreased domestic and export sales derived from falls in real average price and sales volume.

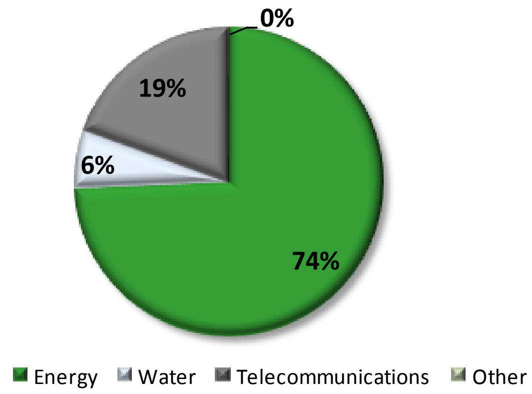
  In Panama, ENSA presented a slight decrease in revenue due mainly to the fact that the pass-through cost overruns declined, as a result, in turn, of a lower energy price.

- Revenues from telecommunications services, which accounted for 19% of the Group's revenues, increased by 7% as a result of increase in UNE of revenues from television, Internet, data and mobility (the 4G LTE product, which started last year, contributed with USD 14 million). Likewise, mention has to be made of its subsidiary Emtelco, which individually grew by 60% after incorporation of new customers (DIAN, Fiduciaria Bancolombia, Antioquia Province Government, Conconcreto, and El Colombiano, among others).

- EPM Group carries out activities that have no direct relation to the operation of energy, water and telecommunications services. Figures associated to such activities are recorded under the Others segment, whose figures are not significant for the Group's results. Equity investments in non-controlled companies, collection for third parties, Max Seguros insurance company, Social Financing (EPM card), among others, are included in this segment.

  Of the Group's revenue during 2013, 74% corresponded to operations in Colombia and 26% to the subsidiaries in Central America.

Revenues breakdown by business unit:



The Energy business unit accounted for 74% of the Group's consolidated revenues in 2013. The Telecommunications business unit participated with 19% and Water with 6%.

EBITDA

EBITDA	As of Dec 2013	Prev. year variation %	Share %
EPM Parent Company	1,192	(8)	59
Colombian Energy Subsidiaries	276	2	14
Central America Subsidiaries	225	(4)	11
Water Subsidiaries	(5)	N.A	(0)
Telecom. Subsidiaries	339	8	17
Other	2	(17)	0
Total EBITDA	**2,029**	**(4)**	**100**

For 4Q2013, EBITDA decreased by 4% with respect to same period of last year. Excluding the devaluation effect, EBITDA decreased by 0.6%. The following facts deserve to be mentioned:

- EPM Parent Company, which accounted for 59% of the Group's EBITDA, fell by 6%, mainly as a result of the drop in revenues of the Generation segment, already mentioned, and of the cost rise for the Distribution segment due to increased energy purchases in the pool at a higher price.

- Energy subsidiaries in Colombia, accountable for 14% of the Group's EBITDA, grew by 6%, due mainly to the decline in CHEC of fuel purchases and expenses associated to Termodorada thermal plant upon termination of the PPA contract (Power Purchase Agreement).

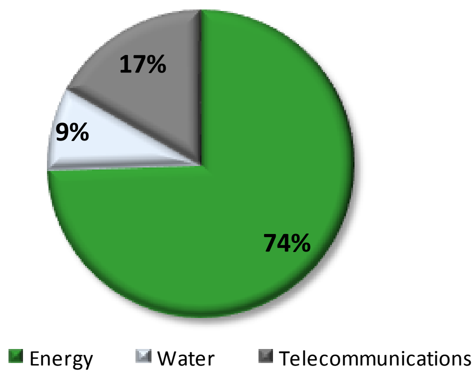
  Subsidiaries in Central America, which represented 11% of the Group's EBITDA, had no significant variation (0.3%). Such results were affected in turn by DECA's results, due to both decreased energy demand from Guatemala and COMEGSA's reduced revenue from exports.

- Telecommunications subsidiaries with 17% of the Group's EBITDA grew by

12% as a result of increased Television, Internet and Data revenues.

Of the Group's EBITDA during 2013, 89% corresponded to operations in Colombia and 11% to the subsidiaries in Central America.

EBITDA breakdown by business unit:



The Energy business unit participated with 74% of the Group's consolidated EBITDA, the Water business unit with 9%, and the Telecommunications business unit with 17%.

Net income

Net Income	As of Dec 2013	Prev. year variation %	Share %
EPM Parent Company	589	(22)	68
Colombian Energy Subsidiaries	179	40	21
Central America Subsidiaries	80	(13)	9
Water Subsidiaries	6	(72)	1
Telecom. Subsidiaries	15	N.A	2
Other	2	(36)	0
Total Net Income	**869**	**(2)**	**100**

For 4Q2013, net income decreased by 2% with respect to same period of last year. Excluding the devaluation effect, net income decreased by 2%. The following facts deserve to be mentioned:

- EPM Parent Company, accountable for 68% of net income, fell by 6% due to the aforementioned EBITDA decline and to increased non-operational expenses such as USD 84 million FX expense explained in turn by the period's 8.97% devaluation.

- Energy subsidiaries in Colombia, which participated with 21% of the Group's net income, increased by 45%, explained by 17% growth in their operational income resulting from lower expenses of allowance for doubtful accounts and actuarial estimate and higher non-operational revenues from recovery of allowance for doubtful accounts, lawsuits and demands.

- Subsidiaries in Central America, with 9% of the Group's net income, fell by 10% mainly due to higher financial expenses, loss in value of portfolios and higher expense from FX.

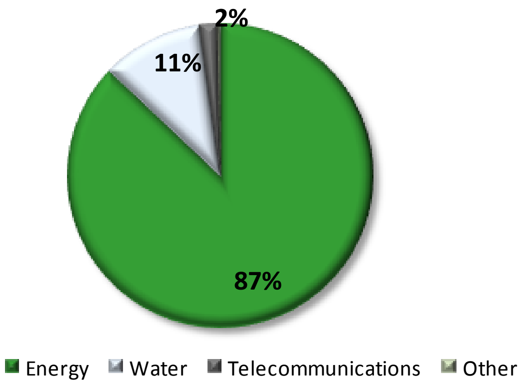
- Telecommunications subsidiaries participated with 2% of the Group's net income increasing their results due to better operating results during the period. Additionally, in 2013, UNE wrote off its long-distance license as well as other assets due to their obsolescence.

- Water subsidiaries, which participated with 1% of net income, fell by 70% as a result of decreased financial yields in Aguas Nacionales, given that cash generated in 2012 was used in 2013 for the construction of the Waste-Water Treatment Plant –PTAR–.

- EPM Parent Company participates with 68% of the Group's Net Income, 17% down on 2012 as a result of the increased participation of the Colombian subsidiaries, mainly those in the Telecommunications segment, segment which went from USD 110 million loss in 2012 to USD 17 million profit in 2013.

- Of the Group's net income during 2013, 91% corresponded to operations in Colombia and 9% to the subsidiaries in Central America.

Breakdown of net income by business unit:



The Energy business unit participated with 87% of the Group's consolidated income, the Water business unit with 11%, and the Telecommunications business unit with 2%.

Balance Sheet

Item	As of Dec 2013	Prev. year variation %	Share %
Assets	**19,877**	**(0)**	**100**
Current Assets	3,273	(9)	16
Non-Current Assets	16,603	1	84
Liabilities	**7,932**	**6**	**40**
Current Liabilities	2,166	24	11
Non-current Liabilities	5,765	1	29
Minority Interest	503	(12)	3
Equity	**11,442**	**(4)**	**58**

Closing exchange rates for 2013 and 2012 were COP 1,927 and COP 1,768, respectively.

The Group's total assets amounted to USD 20 billion with a slight 0.4% decrease.
Assets expressed in Colombian pesos, excluding the FX impact, grew 9%.

The Group's consolidated liabilities amounted to USD 8 billion, 6% up on 2012, as a result, mainly, of 10% increase in financial liabilities. Liabilities expressed in Colombian pesos, excluding the FX impact, grew 16%. Such growth is explained mainly by the increase in financial liabilities, among which, the following stand out: new loan for EPM Parent Company with L'Agence Française de Développement - AFD - for USD 195 million, loan for UNE with local banks for USD 265 million, and the domestic bonds issue carried out in December for USD 189 million.

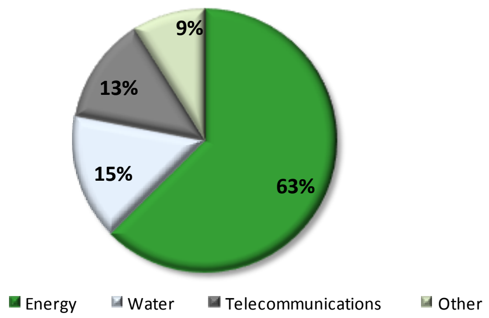
Equity amounted to USD 12 billion (including USD 0.5 billion of default interest) 4% down on 2012.

The Group's total indebtedness amounts to 40% (37% in 2012). Financial indebtedness stands at 24%, 2 percentage points above that of 2012.

Of the Group's total liabilities, financial liabilities represent 60% and help finance, to a large extent, property, plant and equipment which in turn account for 67% of the Group's total assets.

Debt coverage ratios in 2013: EBITDA/Financial Expenses = 6.91x; Debt/EBITDA = 2.43x.

Assets breakdown by business unit:



The Energy business unit participated with 63% of the Group's assets, the Water business unit with 15%, and the Telecommunications business unit with 13%. The remaining 9% corresponds to the Others segment which includes the Group's investments in non-controlled companies.

Ratios

Ratio	EPM Group 2012	EPM Group 2013	Energy	Water	Telecom.
EBITDA Margin	30%	29%	30%	41%	25%
Net Margin	13%	13%	14%	22%	1%
Total Debt / Total Assets	37%	40%	39%	25%	47%
Financial Debt / Total Assets	22%	24%	23%	8%	26%
EBITDA/Financial expenses	6.52	6.91	9.44	17.63	9.02
Financial Debt/EBITDA	2.02	2.43	1.93	1.38	2.06

Main Figures	2009	2010	2011	2012	2013
Revenues	3,508	4,258	6,278	7,001	6,948
EBITDA	1,262	1,463	1,976	2,119	2,029
EBITDA Margin	36%	34%	31%	30%	29%

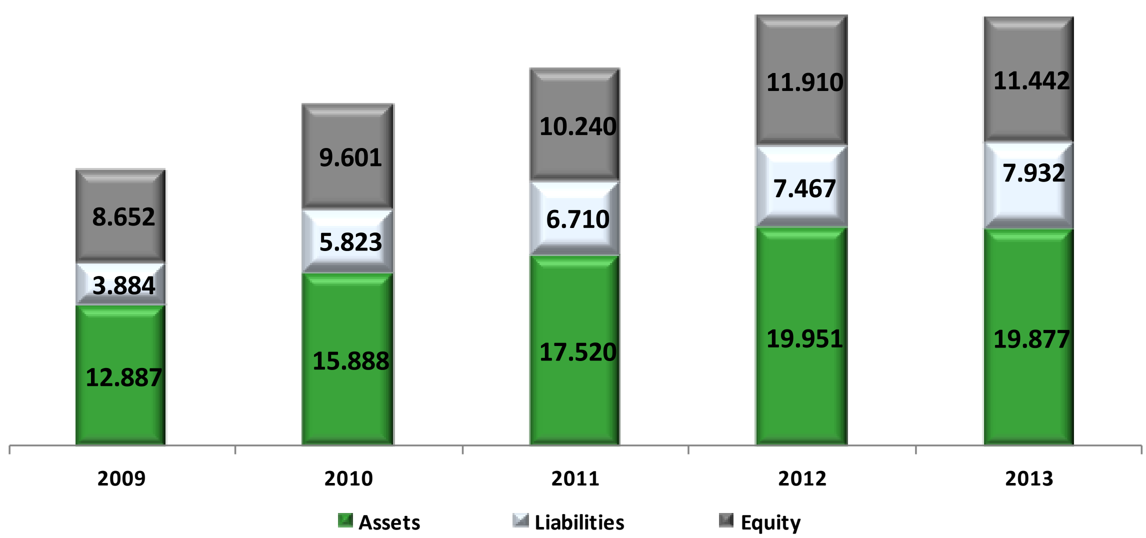
Supplementary information
Figures in USD million

Income Statement

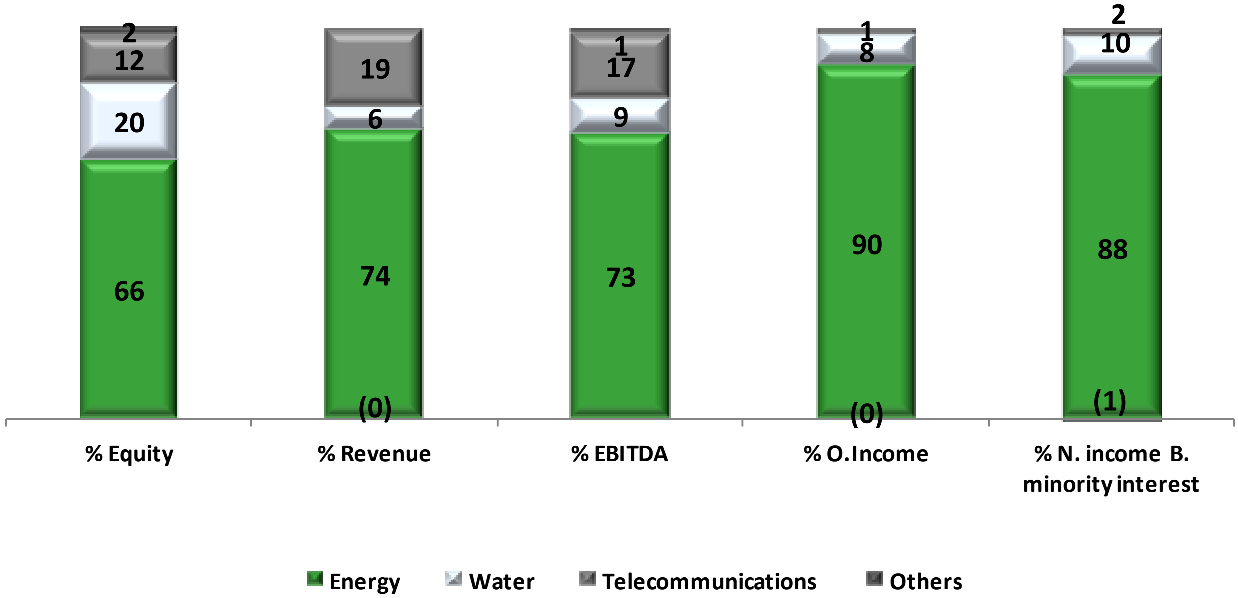
Concept	2010	Var.%	2011	Var.%	2012	Var.%	2013	Var.%
Revenues	**4,258**	**21**	**6,278**	**47**	**7,001**	**12**	**6,948**	**(0.8)**
Costs and administrative expenses	2,794	24	4,302	54	4,882	13	4,919	1
EBITDA	**1,463**	**16**	**1,976**	**35**	**2,119**	**7**	**2,029**	**(4)**
Provisions, deprec. & amortizations	585	36	670	15	790	18	687	(13)
Operating Income	**878**	**6**	**1,306**	**49**	**1,329**	**2**	**1,342**	**1**
Others non-operating, nets	9	(78)	(116)	N.A	(40)	(66)	(98)	147
Income tax provision	162	30	321	98	350	9	320	(8)
Net Income	**716**	**(3)**	**822**	**15**	**885**	**8**	**869**	**(2)**

Average growth rate of revenues in the last 4 years is 19%.

Balance Sheet



Share



2
12
20
66
19
6
74
(0)
1
17
9
73
1
8
90
(0)
2
10
88
(1)
% Equity
% Revenue
% EBITDA
% O.Income
% N. income B. minority interest
Energy
Water
Telecommunications
Others