

Executive Financial Report

Third Quarter 2014



Highlights

Summary of the main achievements as of September 2014:

Strategy and Growth

- The public deed formalizing the merger between UNE and Millicom Spain Cable S.L was signed on August 14th. As a result of the merger, Millicom took operating control of the company. Accordingly, our investment in UNE and its affiliates will be recognized in our consolidated financial statements using the equity method.
- EPM withdrew from the City Council the draft for Ordinance 267, related to the eventual sale of Isagen. EPM was looking to improve its strategic position in the process.

Investment Projects

- Los Cururos wind farm located in Chile's Northern region started commercial operations on July 23th. Los Cururos is EPM's first investment in Chile.

Corporate Social Responsibility

- EPM received a rating of 93 points out of 100 in the Transparencia por Colombia evaluation. This rating is 2 points higher than last year's. EPM was classified in the "low corruption risk" bracket.

Financial

- On July 29th, EPM issued a COP 500,000 million bond with 6, 12 and 20 year maturity tranches. The offering was over demanded 2.9 times.
- On September 3rd, EPM placed a COP 965,745 million (USD 500 million equivalent) 10 year global bond in the international market. The yield at the offering was 7,625 % and it was over demanded 4 times. This was the third global bond issued by EPM and the second one denominated in Colombian pesos. With the proceeds of the offerings we are pre-funding the cash needed for the construction of the Ituango project in 2015.
- The rating agencies improved our international credit rating. Moody's changed the outlook of the Baa3 rating from stable to positive and Fitch raised our rating from BBB to BBB+.

EPM Group figures

(In millions of USD)

Income statement

Concept	as of September 2013	as of September 2014	Var. %
Revenues	4,730	4,219	-11%
Costs and administrative expenses	3,291	2,928	-11%
EBITDA	1,439	1,291	-10%
Provisions, deprec. & amortizations	490	260	-47%
Operating Income	949	1,032	9%
Others non-operating, nets	-90	-111	24%
Income tax provision	247	262	6%
Net Income	573	616	7%

Exchange rates: as of September, 2014: COP 2,028 /USD.

As explained at the beginning of the presentation, once the merger between UNE and Millicom became effective, figures of both UNE and its subsidiaries are no longer consolidated into the Group's figures.

The main impact of UNE is observed in revenue and EBITDA figures with reductions of 11% and 10%, respectively. Net income grew by 7%.

As with financial results, margins are also affected by UNE's figures, with increases in every case: one percentage point in EBITDA margin, 4 percentage points in operating margin and 3 percentage points in net margin.

Revenue

Revenues	Jan - Sep 2014	Var. Prev Year	Share %
EPM Parent Company	2,027	4%	48%
Colombian Energy Subsidiaries	685	8%	16%
International subsidiaries	1,432	15%	34%
Colombian Water subsidiaries	73	358%	2%
Telecom. Subsidiaries	0	-100%	0%
Others	2	-13%	0%
Total Revenues	4,219	-11%	100%

Accumulated revenue as of September 2014 **fell by 11%** with respect to same period of last year; this is explained mainly by the reversal of UNE's accrued revenue for USD

679 million given that this subsidiary is no longer consolidated into the Group's figures.

An analysis of revenue, excluding the Telecommunications business unit, **shows 10% increase in the Water and Energy business units**; the following facts stand out:

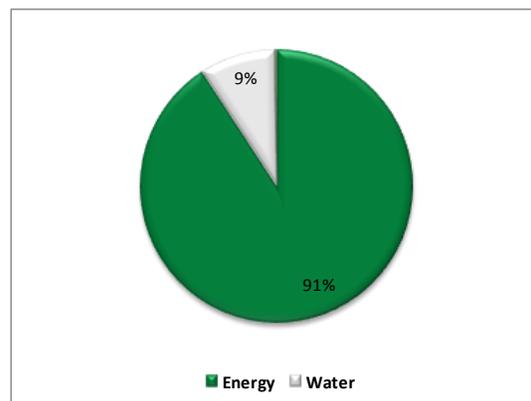
Foreign subsidiaries contributed with 34% of the Group's total revenue, a fact that is explained mainly by the behavior of ENSA in Panama where higher energy demand and higher energy prices resulted in 30% increase in revenue.

Water subsidiaries in Colombia, which accounted for 2% of the Group's revenue, grew by 12% as a result of the contributions of subsidiaries Aguas de Urabá and Aguas del Oriente Antioqueño.

EPM Parent Company, which accounted for 48% of the Group's revenue increased its participation by 4% on account of a better price triggered by the rise in IPP, and also because of higher sales together with EMCALI and increased provision of Automatic Generation Control (AGC) service.

Of the Group's revenue in the third quarter of 2014, 66% corresponded to operations in Colombia and 34% to foreign subsidiaries.

Revenue breakdown by business unit:



As of September 2014, the Energy business unit accounted for 91% of the Group's consolidated revenue and the Water business unit for 9%.

EBITDA

EBITDA	Jan - Sep 2014	Var. Prev Year	Share %
EPM Parent Company	861	1%	67%
Colombian Energy Subsidiaries	242	23%	19%
International Subsidiaries	171	9%	13%
Colombian Water Subsidiaries	15	-800%	1%
Telecom. Subsidiaries	0	-100%	0%
Others	2	-15%	0%
Total Ebitda	1,291	-10%	100%

As of September 2014, EBITDA **decreased by 10%** with respect to same period of last year. As mentioned, all reversals of UNE's figures were recorded in September since this subsidiary is no longer included in the Group's consolidated figures.

An analysis of EBITDA, excluding the Telecommunications business unit, **shows a 7% increase in the Water and Energy business units**; the following facts stand out:

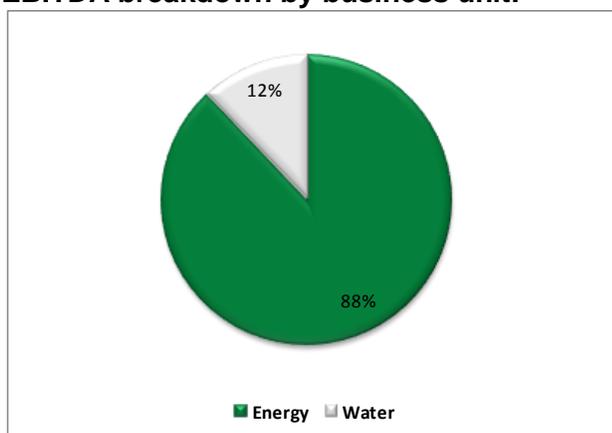
EPM Parent Company accounted for 67% of the Group's EBITDA, mainly as a result of increased revenues due to higher energy

prices and to the provision of the AGC service.

The Colombian energy subsidiaries accounted for 19% of the Group's EBITDA, mainly due to increased energy sales in the regulated market.

Of the Group's EBITDA during the third quarter of 2014, 87% corresponded to operations in Colombia and 13% to the subsidiaries abroad.

EBITDA breakdown by business unit:



The Energy business unit participated with 88% of the Group's consolidated EBITDA and the Water business unit with 12%.

Net income

Net Income	Jan - Sep 2014	Var. Prev Year	Share %
EPM Parent Company	427	17%	69%
Colombian Energy Subsidiaries	128	3%	21%
International subsidiaries	43	-30%	7%
Colombian Water subsidiaries	16	239%	3%
Telecom. Subsidiaries	0	-100%	0%
Others	2	117%	0%
Total Net Income	616	7%	100%

As of September of 2014, **net income increased by 7%** with respect to same period of last year; the following stand out:

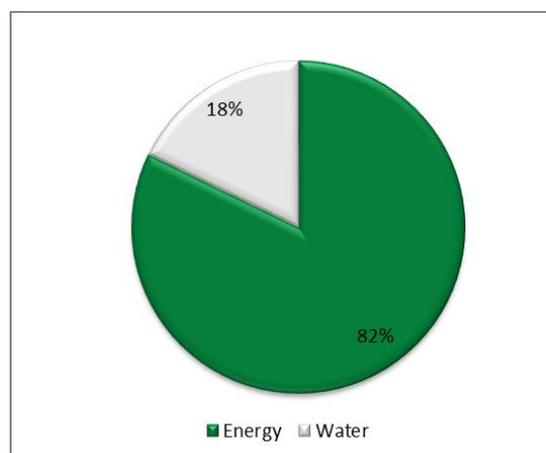
EPM Parent Company, which participated with 69% of net income, showed 17% increase mainly due to earnings obtained in trust rights and from the valuation of liquidity investments which in turn were benefited from the composition readjustment of the JP Morgan index.

The Colombian energy subsidiaries, which participated with 21% of the Group's net income, increased by 3% mainly as a result of energy sales.

Water subsidiaries in Colombia, which accounted for 3% of net income, increased by 239% as a result of the addition of EMVARIAS to the EPM Group.

Of the Group's net income during the third quarter of 2014, 93% corresponded to operations in Colombia and 7% to the foreign subsidiaries.

Net income breakdown by business unit:



The Energy business unit participated with 82% of the Group's consolidated net income and the Water business unit with 18%.

Balance Sheet

Balance Sheet	Jan - Sep 2014	Var. Prev Year	Share %
Assets	18,429	-5%	100%
Current Assets	3,109	3%	17%
Non-Current Assets	15,320	-6%	83%
Liabilities	7,459	-3%	40%
Current	1,745	-18%	9%
Non-Current	5,714	3%	31%
Minority Interest	413	-18%	2%
Equity	11,655	4%	63%

The Group's total assets amounted to **USD 18.4 billion** with a 7% decrease. The Energy business unit contributed with 71% of the Group's assets and the Water business unit with 16%; the remaining 13% corresponds to the Others segment, mostly Group's investments in non-controlled companies.

The Group's consolidated liabilities totaled **USD 7.4 billion** and fell by 2% with respect to December of 2013. This effect is explained by the exclusion of UNE's liabilities, which are offset in part by the recent issues of domestic and international bonds.

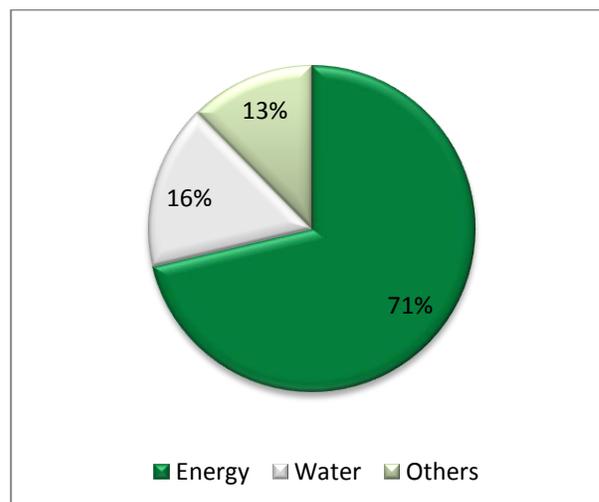
Equity amounted to **USD 11 billion**, 8% down, and includes USD 413 million of minority interest.

The Group's Total Debt / Total Assets ratio is 40%. Financial Debt at 26% is two percentage points higher than that of 2013 due to a decrease in assets.

Of the Group's total liabilities, financial liabilities represent 63% and help finance, to a large extent, property, plant and equipment, which in turn account for 66% of the Group's total assets.

Debt coverage ratios for the third quarter of 2014 are EBITDA/Financial Expenses = 6.40x; Debt/EBITDA = 2.76x.

Assets breakdown by business unit:



Ratios

Ratio	EPM Group 2013	EPM Group 2014	Energy	Water
EBITDA Margin	30%	31%	30%	41%
Net Profit Margin	12%	15%	15%	29%
Total Debt to Total Assets	40%	40%	45%	26%
Financial Debt to Total Assets	23%	26%	29%	9%
EBITDA/Financial expense	7.06	6.4	8.97	10.38
Debt/EBITDA	2.18	2.76	2.47	1.34

Supplementary information

In USD million

Income Statement

Concept	2011	Share %	2012	Share %	2013	Share %	LTM	Share %
Revenues	5,716	38	6,162	8	6,402	4	5,891	(8)
Costs and administrative expenses	3,917	44	4,284	9	4,532	6	4,169	(8)
EBITDA	1,799	26	1,878	4	1,870	(0)	1,722	(8)
Provisions, deprec. & amortizations	610	7	700	15	633	(10)	403	(36)
Operating Income	1,189	39	1,178	(1)	1,237	5	1,319	7
Other Non-operating, nets	(105)	N.A	(35)	N.A	(90)	157	(111)	24
Income tax provisions	292	85	310	6	295	(5)	310	5
Net Income	749	7	785	5	801	2	843	5

Balance Sheet

