

Grupo·epm[®]

3Q2017 Report



ROBECOSAM
Sustainability Award
Silver Class 2016



Agenda



- > Relevant events
- > Energy market
- > Work progress in main project: Ituango
- > Financial results as of Sept. 2017

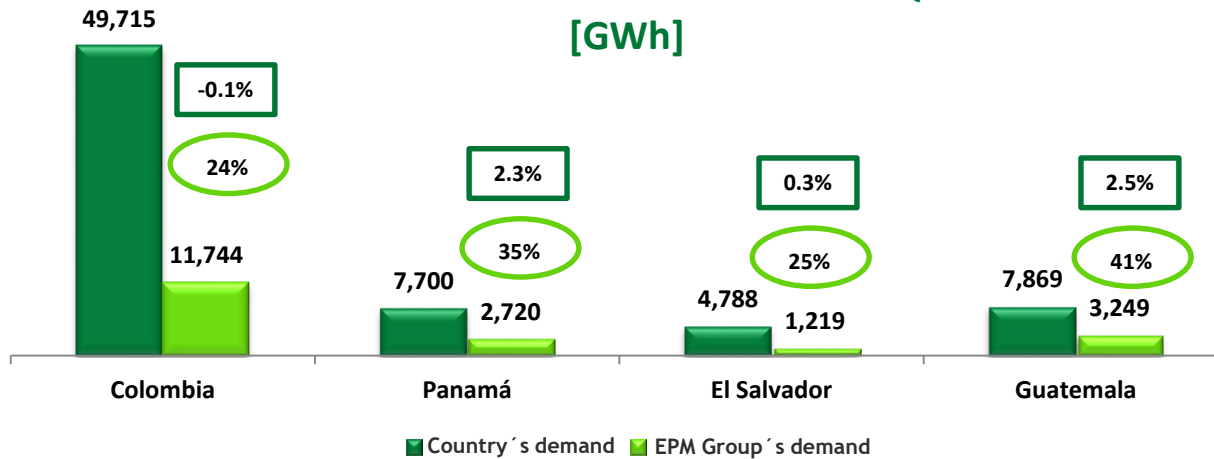
Relevant events of the quarter and subsequent to the closing

- ✓ On July 12, 2017, EPM finished paying the Municipality of Medellin COP 300 thousand million, amount that was agreed for this year from income generated from the sale of shares in ISAGEN S.A.
- ✓ On October 31, 2017, EPM placed bonds in the international capital market for COP 2.3 billion, equivalent to USD 764 million, with a rate of 8.375%, and a 10-year term. The placement was advanced in Colombian pesos, taking advantage of the adequate financial conditions in the international market. The issuance received orders from investors from the United States, Europe, Chile, Peru and Colombia. Approximately 60% was placed to international investors, and 40% to Colombian investors.
- ✓ The transaction through which EPM acquired 100% of the shares of the Colombian company EMPRESAS PÚBLICAS DE RIONEGRO S.A. E.S.P. - EP RIO was closed on November 1st. The EP Rio shares were purchased for COP \$1 for the shareholders, with an investment commitment from EPM of approximately COP\$550 thousand million to improve the provision of public water and sewer services in Rionegro, meeting current and future demand for new housing, and guaranteeing compliance with environmental commitments.
- ✓ On November 10, the first generation unit of the Playas hydroelectric plant went into operation. An important milestone in the recovery process of the plant, after the incident that occurred in June of this year. These first 67 megawatts represent 33% of the installed capacity of the Power Plant.

Energy Market

EPM Group Commercial Power Demand

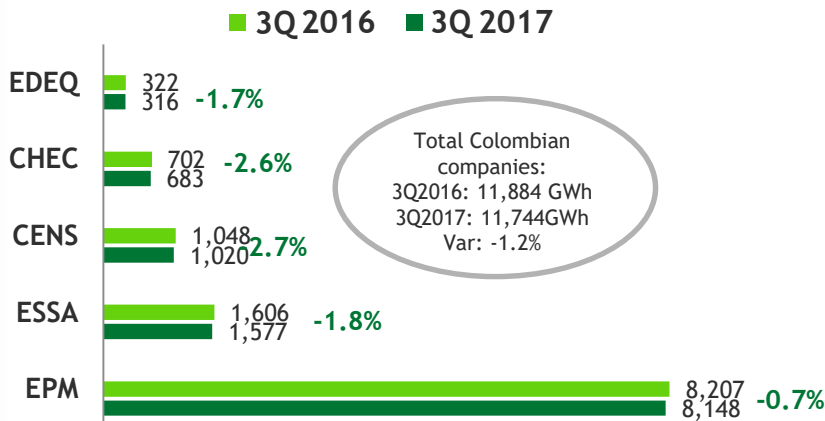
Accumulated Commercial Demand 3Q2017 [GWh]



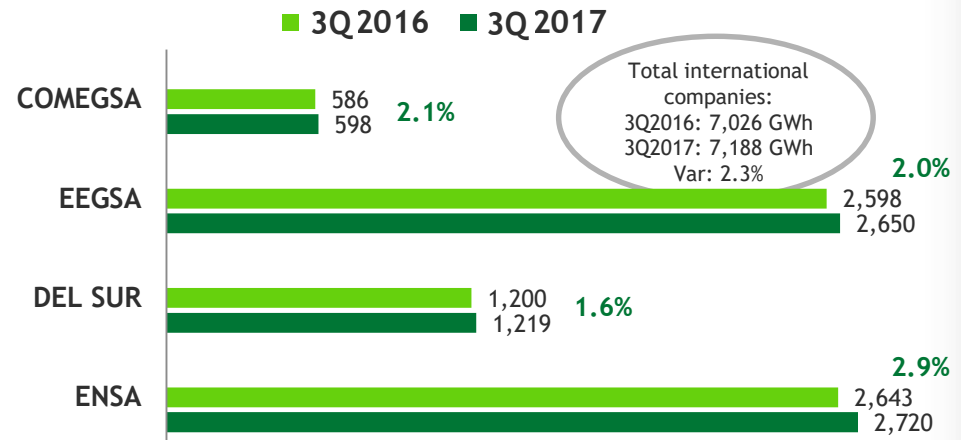
% Country's demand variation 3Q2017 vs 3Q2016
 % EPM Group country demand's share.

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



International Companies GWh

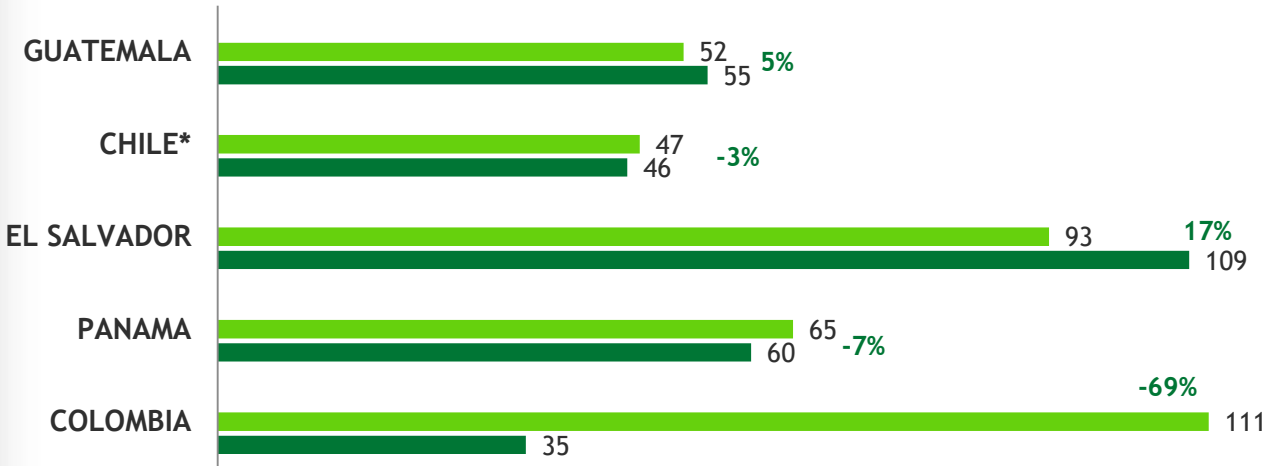


Energy Market

Spot Price USD/MWh and EPM Generation (GWh)

Spot Price USD/MWh

■ 3Q 2016 ■ 3Q 2017



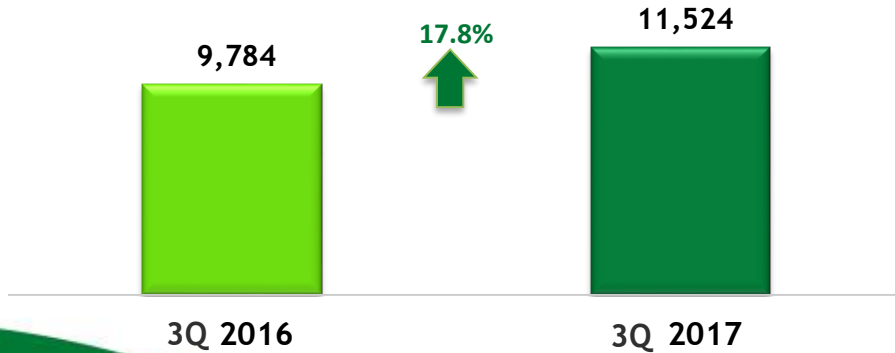
During 3Q2017 in Central America, spot price increased, mainly by the increase in fuel prices. In Colombia, neutral conditions in 2017 compared to El Niño weather conditions in 2016 declined the prices significantly.

Notes:

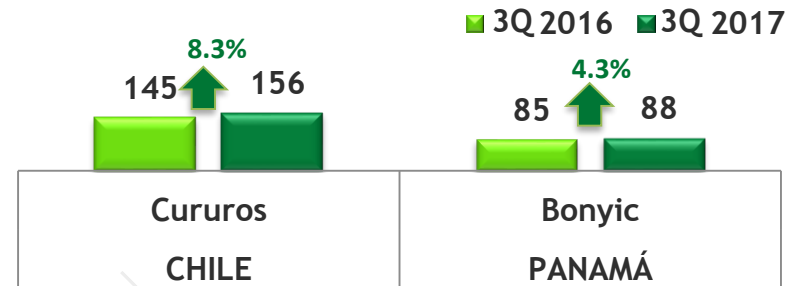
- Average spot prices at the closing 3Q2017.

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

EPM Group Power Generation in Colombia [GWh]



International Subs. Power Generation [GWh]



Main Infrastructure Project

Ituango Hydroelectric Generation Plant



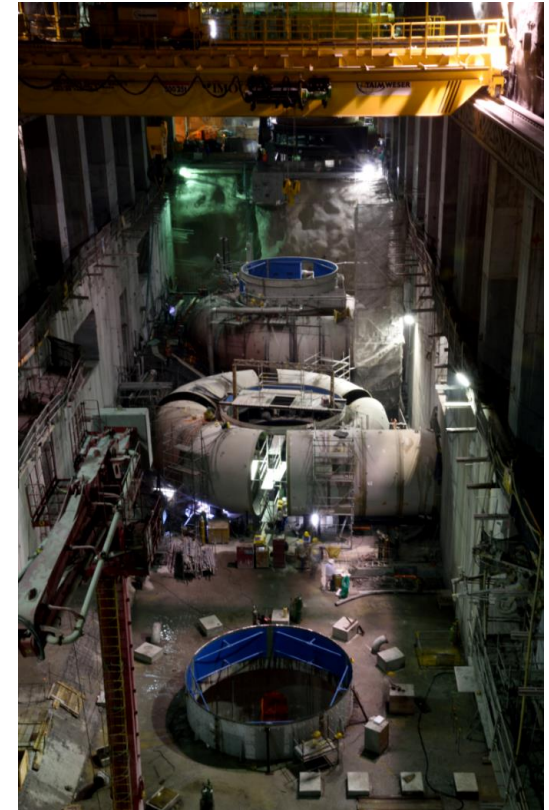
Total work progress as of Sept. 2017: **76.6%**
 Invested to date: **COP 7.2 billion**

Progress in main civil works:

- ✓ The Dam, 225 m high with 20 million m³ of rock is at **71%** 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 **93.6%** 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 **88%**.
- ✓ **25 transformers** in total of 112 MVA each. At the North Area, the manufacture is at **100%**, the assembly at **99%**. At the South Area, the manufacture is at **64%**.
- ✓ **2 bridge cranes** of 600 tons of total capacity are fully operational.



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



Transformer Cavern: the assembly of the 12 transformers at the North Area is at 99%.

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)

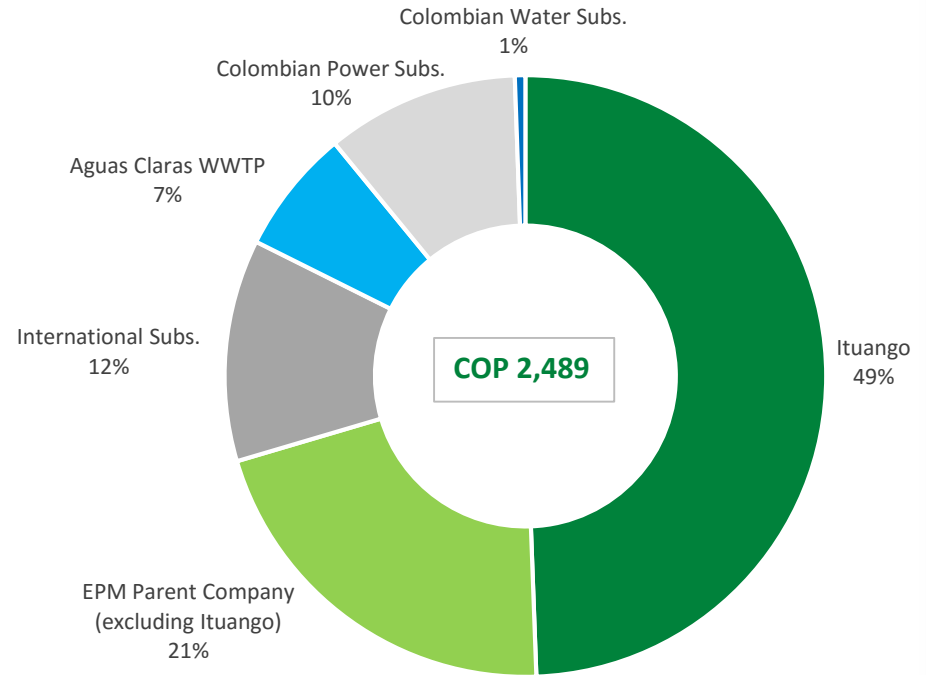
Financial Results as of Sept. 30, 2017

Capex EPM Group

Figures in COP thousand million

Investments as of Sept. 2017

EPM Group	Jan-Sept. 2016	Jan-Sept. 2017
Ituango	923	1230
EPM Parent Company (excluding Ituango)	595	523
International Subsidiaries	411	297
Aguas Claras Park Waste-Water Treatment Plant	223	167
Colombian Power Subsidiaries	215	258
Colombian Water Subsidiaries	11	14
Total	2,378	2,489



Power: 82%



Water: 18%

- ✓ EPM Group Investments as of September 2017: **COP 2.5 billion**
- ✓ EPM Group Investments estimated for 2017: **COP 4.1 billion**

Financial Results as of Sept. 30, 2017

Macroeconomic Scenario



CPI: Consumer Price Index

PPI: Producer Price Index

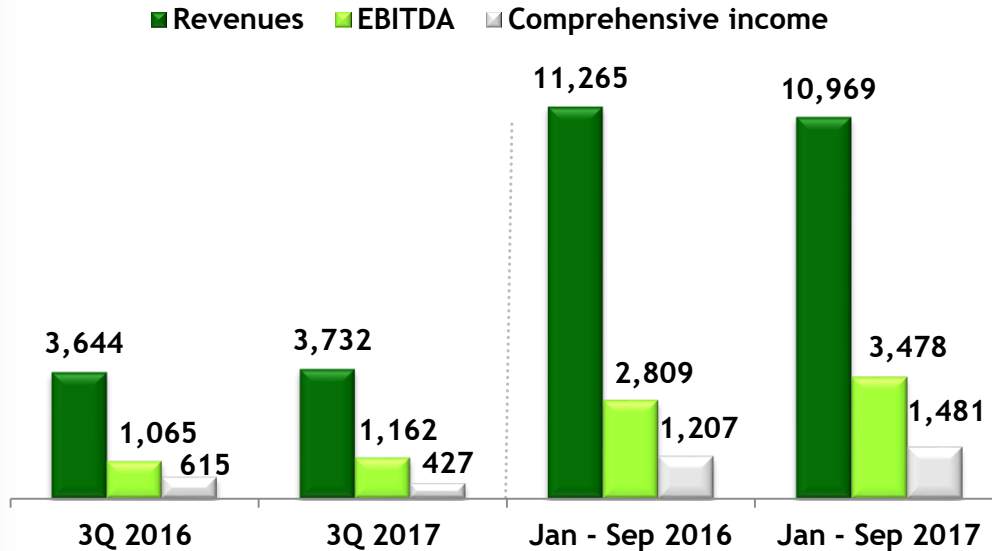
WPI: Wholesale Price Index (Panama and El Salvador)

Concept	Colombia	Chile	Guatemala	Panama	Mexico	El Salvador
GDP 2Q2017	1.30%	0.93%	2.30%	5.44%	1.8%	2.3%
CPI (all year round)	3.49%	1.43%	3.23%	0.67%	4.41%	1.50%
CPI (accumulated 12 months)	3.97%	1.45%	4.36%	0.77%	6.35%	1.56%
PPI/WPI (all year round)	0.49%	4.21%	N.A	N.A.	2.03%	-0.41%
PPI/WPI (accumulated 12 months)	1.18%	12.06%	N.A	N.A.	4.50%	-0.50%
Exchange rate (month-end)	2,936.67	636.85	7.34	N.A.	18.16	N.A.
Devaluation/Revaluation (all year round)	-2.13%	-4.56%	-2.36%	N.A.	-11.93%	N.A.

Financial Results as of September 30, 2017

EPM Group Income Statement

Figures in COP thousand million



Var. 3Q2016 - 3Q2017

2016 - 2017

■ Revenues: 2%

■ Revenues: -3 %

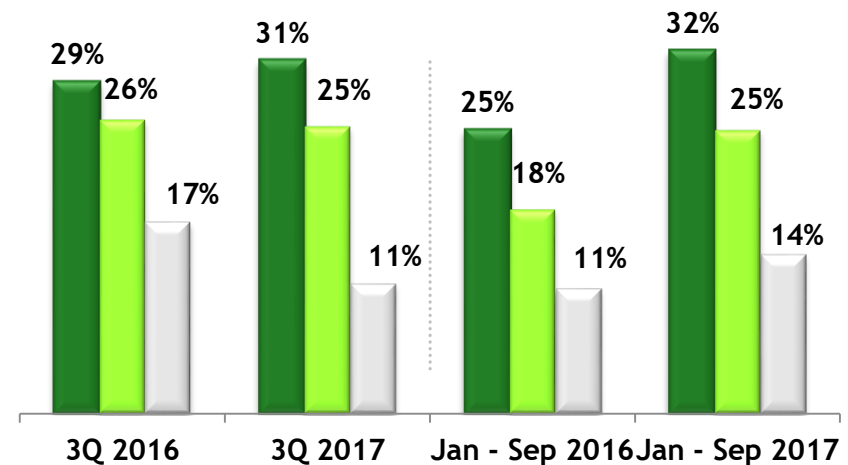
■ EBITDA: 9%

■ EBITDA: 24%

■ Comprehensive income: -30%

■ Comprehensive income: 23%

■ EBITDA margin ■ Operational margin ■ Net Margin



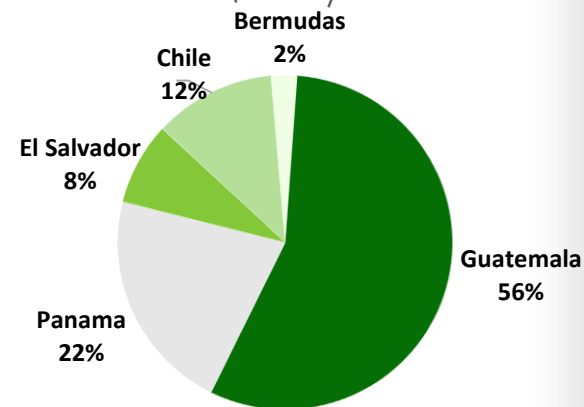
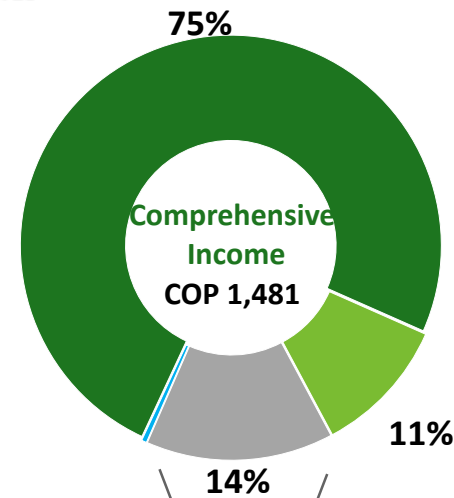
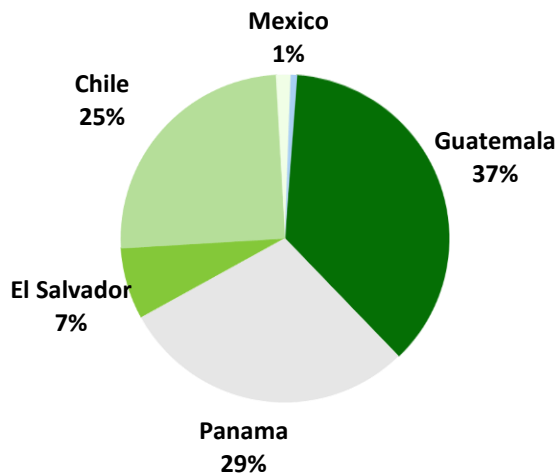
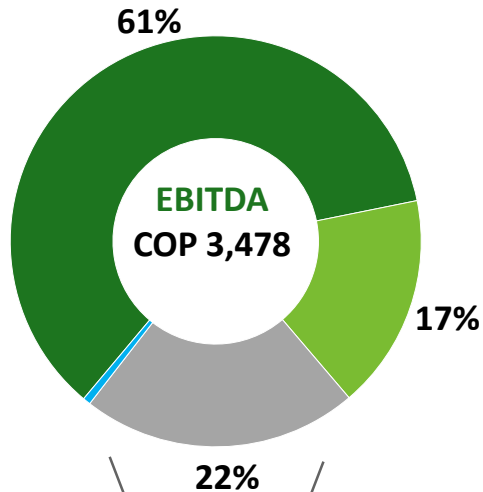
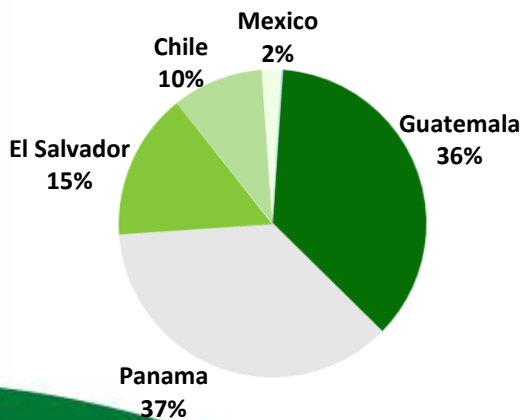
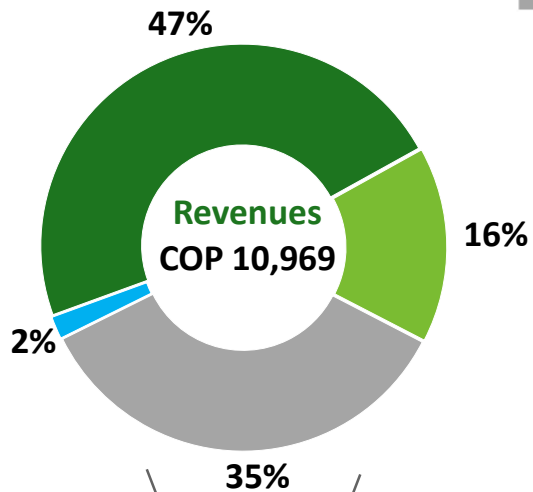
- Revenues declined by 3% explained mainly by the decrease of energy prices in Colombia.
- EBITDA increased COP 669, 24% with respect to previous year.
- Comprehensive income increased due to higher operating income and lower costs related to El Niño Phenomenon, which occurred in 2016.

Financial Results as of September 30, 2017

EPM Group by Colombian and International Subsidiaries

Figures in COP thousand million

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



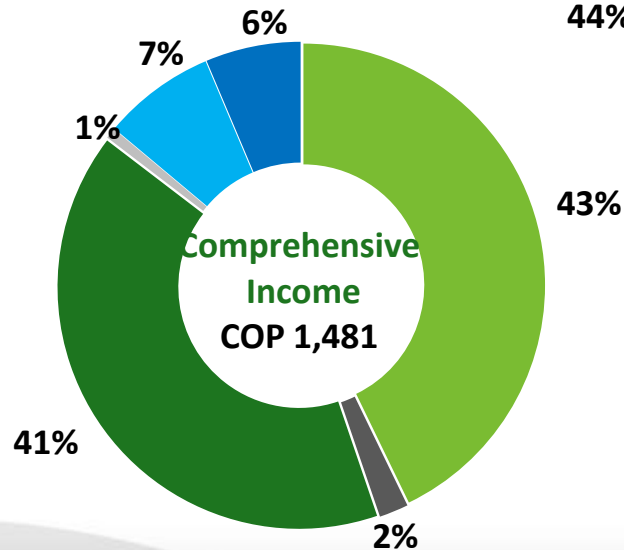
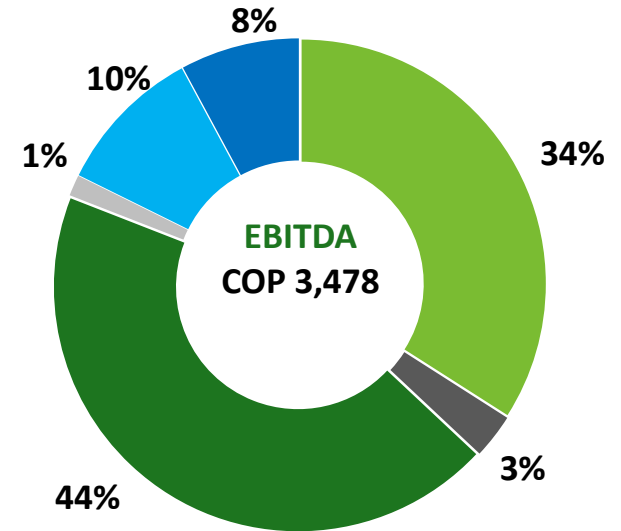
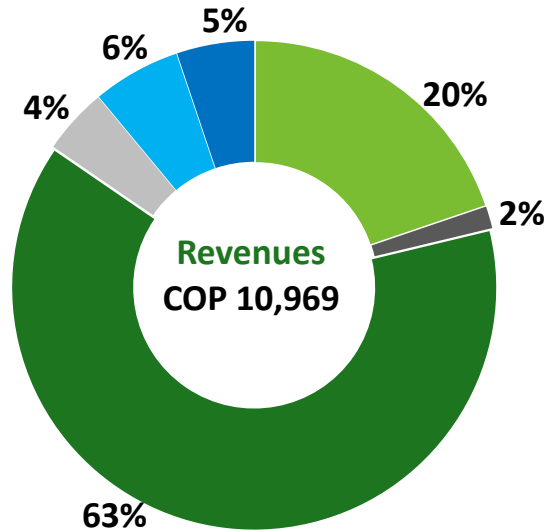
Mexico recorded -COP39

Financial Results as of September 30, 2017

EPM Group by Segments

Figures in COP thousand million

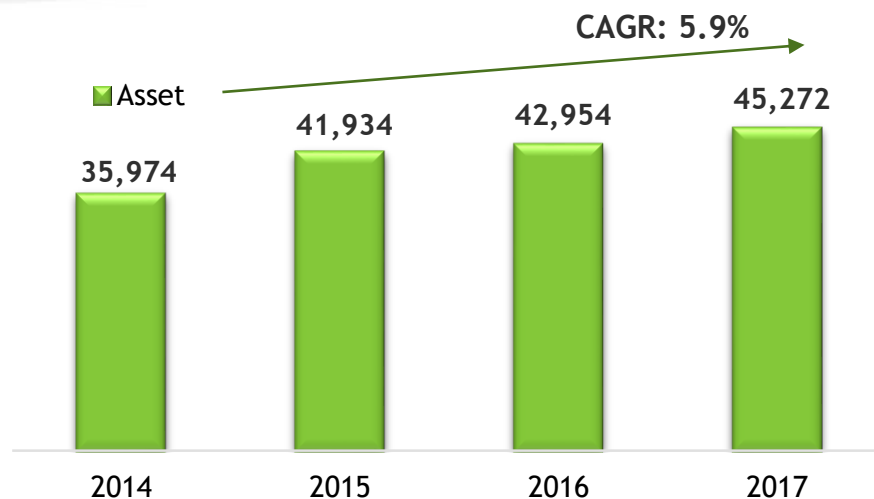
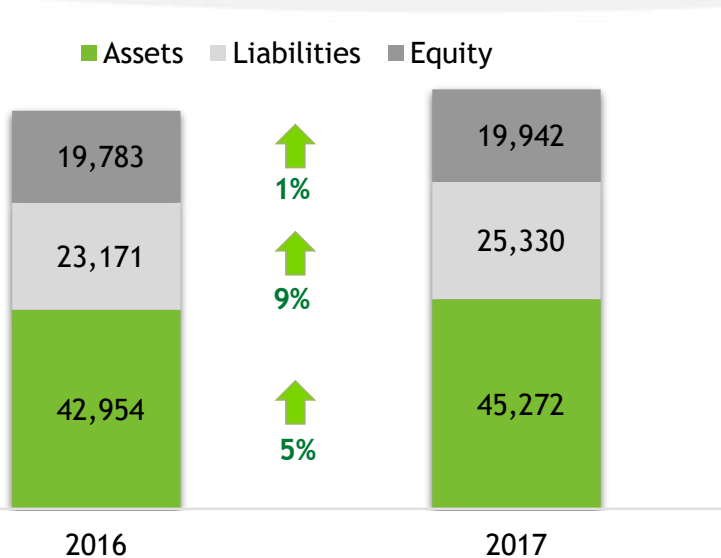
- Power Generation
- Power Transmission
- Power Distribution
- Gas
- Water
- Waste Management



Financial Results as of September 30, 2017

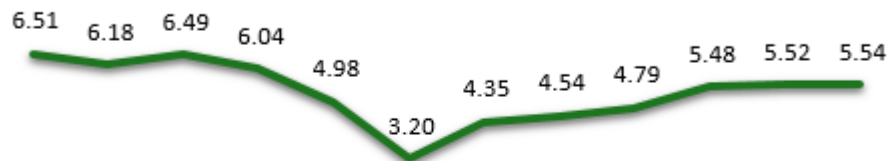
EPM Group - Statement of Financial Position

Figures in COP thousand million

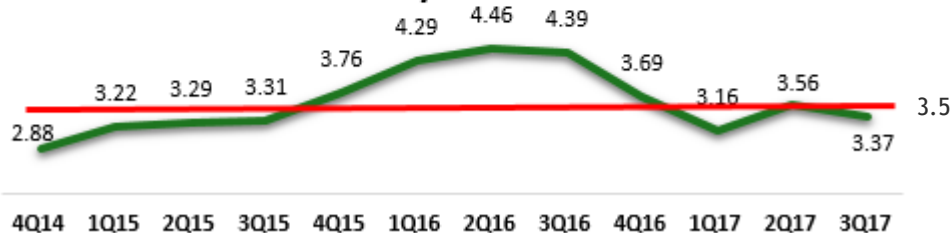


Ratios	2016	2017
Total debt	55	56
Financial debt	37	38
EBITDA/financial expenses	4.54	5.54
(*)Debt/EBITDA	4.39	3.37

EBITDA/Financial expenses



Debt/EBITDA



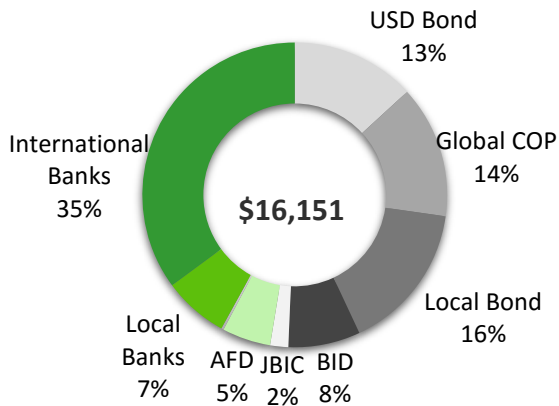
(*) Long Term Debt.

Financial Results as of September 30, 2017

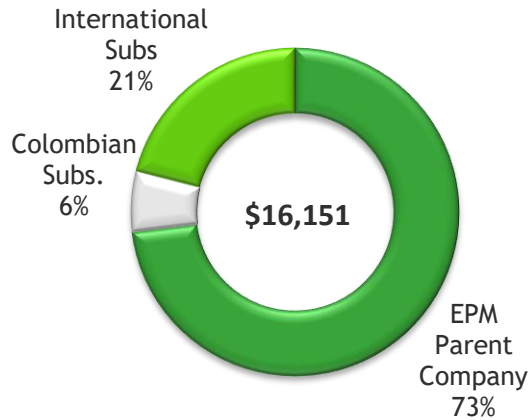
Debt Profile

Figures in COP thousand million

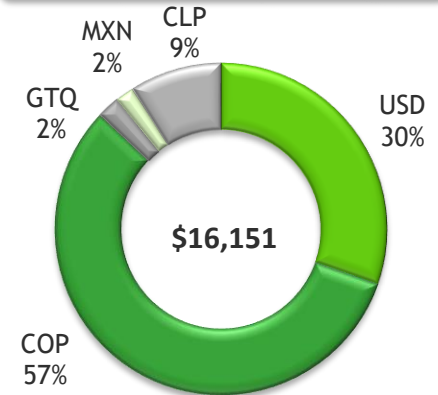
Source



Companies



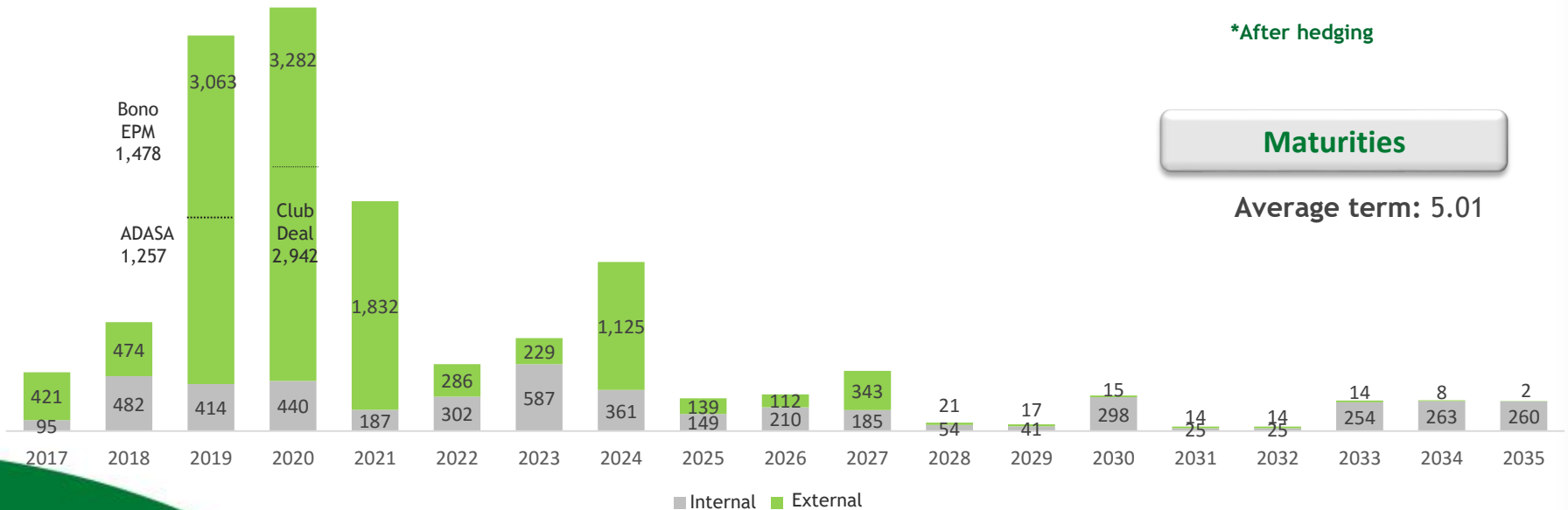
Currency*



*After hedging

Maturities

Average term: 5.01



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- This presentation contains forward-looking statements which are subject to several risks, uncertainties and circumstances relative to the operations and business environments of EPM. These factors could cause actual results to materially differ from any future result, expressed or implied, in such forward-looking statements. Accordingly, EPM cannot guarantee any results or future events. EPM expressly states that it will be under no obligation to update the forward-looking statements or any other information herein contained.
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