

**DECREE 567 OF MARCH 1, 2007**

ISA HEREBY INFORMS TO ITS SHAREHOLDERS OF THE EFFECTS UPON APPLICATION OF DECREE 567 OF MARCH 1, 2007 (FOR TAXABLE YEAR 2008):

For the first time in Colombia, Regulatory Decree 567 of March 1, 2007, provides the tax withholding applicable to dividends and distributions decreed in favor of national investors or partners, which are levied upon thereof pursuant to article 49 of the Tax Code.

In view of the above, for taxable year 2007, 33.43% of dividends decreed in year 2007 are levied in the head of ISA's shareholders. Therefore, tax withholding fees applicable for the 2007 period pursuant to this decree were as follows:

The following tax withholdings were applied to taxpayer corporate entities:

- Domestic 20%
- Foreign (without domicile in the country) 34%

The following tax withholdings were applied to natural persons:

- Income tax filers 20%
- Non-income tax filers and foreigners (without domicile in the country) 34%

For taxable year 2008, 18.04% of dividends decreed in year 2008 are levied in the head of ISA's shareholders. Therefore, tax withholding fees applicable for this period pursuant to this decree will be as follows:

The following tax withholdings were applied to taxpayer corporate entities:

- Domestic 20%
- Foreign (without domicile in the country) 33%

The following tax withholdings were applied to natural persons:

- Income tax filers 20%
- Non-income tax filers and foreigners (without domicile in the country) 33%

Given that at this time ISA is not able to identify the income tax filer condition on natural person shareholders, the company will apply the tax withholding on levied dividends at the maximum rate of 33%, except in the following cases:

- a) If the dividend payable exceeds of 1400 UVT (\$29.364.000).
- b) If the shareholder informs in writing about its condition as income tax filer, in which case he/she should send communication submitting copy of the RUT (Sole Tax Registry) to the shareholder assistance office located at Calle 12 sur # 18-168 en Medellín.

For those subject to the aforementioned withholding who further prove their condition as income tax filers, the company shall proceed with the relevant devolution in the next payment of dividends. The above, given that the process is quite time-consuming and requires shareholders to send written communication to ISA requesting devolution of the withheld value in excess, as well as ISA's prior validation of information in order to proceed with such reimbursement.

In view of the above, income tax filer-shareholder will receive with the payment of dividends:

- The value of the dividend corresponding to shares held (taking into account that the Ex-dividend period.
- The value reimbursed corresponding to 14% or 13% withheld in excess in payments of former dividends will take place in the next payments following submission of the documentation required in connection therewith.

For more information **write to RI@isa.com.co**