

**INTERCONEXION ELÉCTRICA S.A. E.S.P.
STATEMENTS OF INCOME
AT DECEMBER 31, 2008 AND 2007**



(Amounts expressed in millions of Colombian pesos)

*As of 12.31.2008 USD 1.00=COP 2,243.59 (Source: Banco de la República de Colombia). Amounts expressed in thousands US dollars are for information purposes only, and do not reflect accounting techniques usually applied

	2008	2007	Var. \$	Var. %	2008*
OPERATING REVENUES					
Energy transmission services	779,776	663,771	116,005	17.5%	347,557
Connection charges	72,186	58,109	14,077	24.2%	32,174
Infrastructure Projects	27,290	10,968	16,322	148.8%	12,164
Telecommunications	16,403	11,944	4,459	37.3%	7,311
Other services	18,689	17,567	1,122	6.4%	8,330
TOTAL OPERATING REVENUES	914,344	762,359	151,985	19.9%	407,536
COSTS AND OPERATING EXPENSES					
Operating costs and administration expenses	324,350	243,326	81,024	33.3%	144,567
Depreciation	105,319	98,088	7,231	7.4%	46,942
Amortization	7,241	22,417	(15,176)	-67.7%	3,227
Provisions	3,050	2,741	309	11.3%	1,359
TOTAL COSTS AND OPERATING EXPENSES	439,960	366,572	73,388	20.0%	196,096
Operating Income	474,384	395,787	78,597	19.9%	211,440
NON - OPERATING REVENUES					
Financial	10,797	7,875	2,922	37.1%	4,812
Exchange difference	152,937	122,258	30,679	25.1%	68,166
Equity Method	72,148	59,259			32,157
Other	17,316	10,744	6,572	61.2%	7,718
Total no-operating revenues	253,198	200,136	53,062	26.5%	112,854
NON - OPERATING EXPENSES					
Financial	204,012	222,648	(18,636)	-8.4%	90,931
Exchange difference	165,580	16,323	149,257	914.4%	73,801
Equity Method	9,627	61,751	(52,124)	-84.4%	
Other	17,583	22,286	(4,703)	-21.1%	7,837
Total no-operating expenses	396,802	323,008	73,794	22.8%	176,860
Non-operating results	(143,604)	(122,872)	(20,732)	16.9%	(64,006)
Income before taxes	330,780	272,915	57,865	21.2%	147,433
income tax provision	94,187	46,894	47,293	100.9%	41,980
NET INCOME	236,593	226,021	10,572	4.7%	105,453

INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.
BALANCE SHEETS
AT DECEMBER 31, 2008 AND 2007



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	2008	% Part.	2007	Var. \$	Var. %	2008*
ASSET						
CURRENT ASSETS						
Cash	45,326	0.6%	50,688	(5,362)	-10.6%	20,202
Investments and derivative instruments	196,778	2.7%	150,445	46,333	30.8%	87,707
Accounts receivable, net	201,828	2.8%	171,216	30,612	17.9%	89,958
Inventories	1,872	0.0%	3,096	(1,224)	-39.5%	834
Deferred charges and other assets	97,230	1.3%	8,558	88,672	1036.1%	43,337
Total current assets	543,034	7.4%	384,003	159,031	41.4%	242,038
NON - CURRENT ASSETS						
Long-term investments	1,735,050	23.7%	1,691,651	43,399	2.6%	773,336
Long-term accounts receivable	29,017	0.4%	34,690	(5,673)	-16.4%	12,933
Inventories	60,891	0.8%	56,586	4,305	7.6%	27,140
Property, plant and equipment, net	2,442,825	33.3%	2,487,376	(44,551)	-1.8%	1,088,802
Deferred charges and other assets	331,574	4.5%	394,763	(63,189)	-16.0%	147,787
Reappraisal of assets	2,185,306	29.8%	1,301,520	883,786	67.9%	974,022
Total non- current assets	6,784,663	92.6%	5,966,586	818,077	13.7%	3,024,021
TOTAL ASSETS	7,327,697	100.0%	6,350,589	977,108	15.4%	3,266,059

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BALANCE SHEETS
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LIABILITIES AND SHAREHOLDERS' EQUITY	2008	% Part.	2007	Var. \$	Var. %	2008*
CURRENT LIABILITIES						
Outstanding bonds	102,938	1.4%		102,938		45,881
Financial liabilities	269,695	3.7%	395,167	(125,472)	-31.8%	120,207
Hedging operations	-	0.0%	137	(137)	-100.0%	-
Accounts payable	125,807	1.7%	161,497	(35,690)	-22.1%	56,074
Labor liabilities	6,495	0.1%	5,354	1,141	21.3%	2,895
Accrued liabilities and estimated provisions	51,708	0.7%	24,766	26,942	108.8%	23,047
Other liabilities	1,189	0.0%	1,224	(35)	-2.9%	530
Total current liabilities	557,832	7.6%	588,145	(30,313)	-5.2%	248,634
LONG-TERM LIABILITIES						
Outstanding bonds	821,865	11.2%	817,882	3,983	0.5%	366,317
Financial liabilities	518,876	7.1%	554,095	(35,219)	-6.4%	231,270
Related parties	259,768		258,355			
Accounts payable	42,753	0.6%	18,953	23,800	125.6%	19,056
Labor liabilities	1,323	0.0%	1,085	238	21.9%	590
Accrued liabilities and estimated provisions	121,136	1.7%	119,377	1,759	1.5%	53,992
Other liabilities	194,881	2.7%	159,377	35,504	22.3%	86,861
Total long-term liabilities	1,960,602	26.8%	1,929,124	31,478	1.6%	873,868
TOTAL LIABILITIES	2,518,434	34.4%	2,517,269	1,165	0.0%	1,122,502
SHAREHOLDERS' EQUITY						
Subscribed an aid-in capital	35,866	0.5%	35,866	-	0.0%	15,986
Capital Surplus	1,062,361	14.5%	1,062,361	-	0.0%	473,509
Reserves	431,872	5.9%	356,444	75,428	21.2%	192,491
Net income	236,593	3.2%	226,021	10,572	4.7%	105,453
Surplus from assets reappraisals	2,185,306	29.8%	1,301,520	883,786	67.9%	974,022
Surplus from equity method	245,073	3.3%	218,742	26,331	12.0%	109,233
Equity revaluation	612,192	8.4%	632,366	(20,174)	-3.2%	272,863
Total Shareholders' Equity	4,809,263	65.6%	3,833,320	975,943	25.5%	2,143,557
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,327,697	100.0%	6,350,589	977,108	15.4%	3,266,059

INTERCONEXIÓN ELÉCTRICA S.A. E.S.P.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007



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	2008	2007	2008*
Cash flow from operating activities:			
Net income	236,593	226,021	105,453
Add (less) – Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of property, plant and equipment	105,319	98,088	46,942
Amortization of deferred charges and other assets	7,241	22,417	3,227
Amortization of retirement pensions and fringe benefits	12,851	17,674	5,728
Allowance for doubtful accounts	1,255	4,902	559
Recovery of allowance for doubtful accounts	(3,970)	(3,419)	(1,769)
Provision for inventory protection (recovery)	374	(40)	167
Recovery of provisions for investments	(2,324)	575	(1,036)
Income tax provision	(94,187)	(46,894)	(41,980)
Loss (gain) on sale and retirement of property, plant and equipment	2,773	3,727	1,236
Exchange difference expense	35,015	(101,105)	15,607
(Income) loss from equity method	(62,521)	2,492	(27,866)
Interest and commissions accrued	187,576	201,824	83,605
	425,995	426,262	189,872
Changes in operating assets and liabilities:			
Debtors	(19,399)	(4,559)	(8,646)
Inventories	(3,455)	(1,231)	(1,540)
Deferred charges and other assets	518	5,602	231
Accounts payable	115,072	151,678	51,289
Labor liabilities	1,379	513	615
Accrued liabilities and estimated provisions	121,129	58,583	53,989
Other liabilities	35,469	16,116	15,809
Cash flow in other operations:			
Payment of retirement pensions	(11,092)	(10,258)	(4,944)
Payment of taxes	(187,238)	(99,977)	(83,455)
Net cash provided by operating activities	478,378	542,729	213,220
Cash flow from investment activities:			
Acquisition of long-term investments	(13,315)	(344,627)	(5,935)
Decrease in long-term investments - dividends received	39,261	44,446	17,499
Decrease in long-term investments	24,377	4,705	10,865
Product on the sale of property, plant and equipment	143	7,874	64
Acquisition of property, plant and equipment	(79,105)	(130,094)	(35,258)
Additions to deferred charges and other assets	(17,590)	883	(7,840)
Net cash used in investment activities	(46,229)	(416,813)	(20,605)
Cash flow from financing activities:			
Interest received in cash	3,587	3,036	1,599
Interest paid in cash	(182,570)	(204,216)	(81,374)
Dividends paid	(147,379)	(126,653)	(65,689)
Increase in financial liabilities	203,000	378,153	90,480
Bond issues	104,500	-	46,577
Payment of financial liabilities	(373,592)	(434,327)	(166,515)
Decrease in hedging operations	(137)	-	(61)
Decrease in Related Parties	1,413	-	630
Increase in equity	-	399,047	-
Net cash (used in) provided by financing activities	(391,178)	15,040	(174,354)
Increase (decrease) in cash and cash equivalents - Net	40,971	140,956	18,261
Cash and cash equivalents at the beginning of the year	201,133	60,177	89,648
Cash and cash equivalents at the end of the year	242,104	201,133	107,909