

Financial Results

2008

March 5, 2009



ISA ECONOMIC GROUP'S NET INCOME AT YEAR END 2008 TOTALLED COP236,593 MILLION

- *EBITDA grew by 16.3%*
- *The group's assets totaled over 14 billion Colombian pesos*

ISA GROUP

ISA economic group posted COP236,593 million net income, 6.7% above budget. These figures show the better operating results obtained by the group.

Operating income grew 33.4% from COP1,286,303 million to COP1,716,148 million, a fact explained by 12.2% increase in revenues and 5.6% drop in expenses.

Changes in operating revenues are primarily explained by:

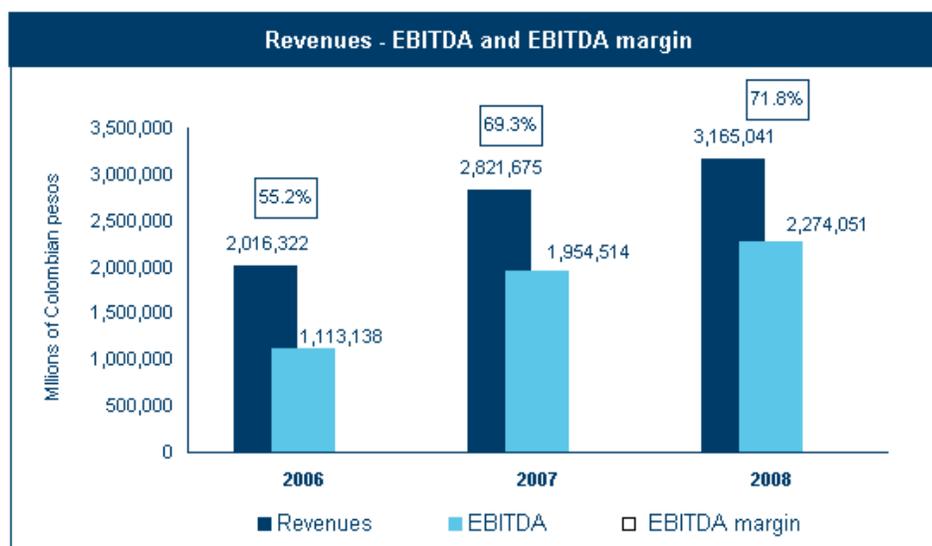
- Respective rises of 9.0% and 9.8% in Colombian PPI and Brazilian IGPM, above historic figures, which resulted in higher revenues for ISA, TRANSELCA and CTEEP.
- Higher revenues for ISA due to commissioning of several fiber-optics projects and the Caño Limon compensation project.
- Higher revenues for CTEEP from invoices to Companhia Paulista de Força e Luz.
- Start of operations of Internexa Peru's affiliate Proyectos de Infraestructura del Perú –PDI–.
- Consolidation of Transnexa's results as a result of 50% participation held in this Ecuadorian company.
- Higher revenues in REP resulting from: greater value of variable used to index revenues, commissioning of expansion of Zapallal-Paramonga-Chimbote line, and new operation and maintenance services delivered to third parties.
- Revenues from commissioning of ISA Bolivia's Arboleda substation.

On the other hand, drop in operating costs and expenses was mainly due to:

- Lower personnel expenses in CTEEP after implementation in 2006 of early retirement plan which permitted gradual reduction of associated expenses.
- Lower expenses associated to provisions for labor contingencies in CTEEP.
- Drop in AOM expenses in TransMantaro resulting from undertaking of management processes by REP.
- Lower amortization of actuarial calculation in ISA and TRANSELCA in 2008 because of accelerated amortization in 2007 of pension liabilities related to voluntary benefits.
- Decrease in ISA Capital do Brasil of goodwill amortization expense as a result of CTEEP's corporate restructuring.

As a result of such increased revenues and optimized costs and expenses, the group's EBITDA equaled COP2,274,051 million, 16.3% up on 2007 (COP1,954,514 million). Of total EBITDA, 58.1% was generated in Brazil, 32.8% in Colombia, 7.6% in Peru, 1.3% in Bolivia and 0.2% in Ecuador.

EBITDA and operating margins increased from 69.3% to 71.8% and from 45.6% to 54.2%, respectively.



Non-operating results fell from -COP21,345 million to -COP468,054 million, which is explained by the fact that in 2007, an unusual year in this respect, subsidiary CTEEP received extra revenues from recovery of contingency provisions, sale of non-productive assets, and negotiation of land tracts with Eletropaulo (CETEMEQ agreement).

Additionally, ISA and ISA Capital do Brasil incurred in increased debt's exchange difference as a consequence of the Peso and Real devaluation versus the US Dollar. In 2008, the Peso and Real devaluations were 11.4% and 31.7%, respectively, as compared to 10.0% and -17.1%, in 2007.

Income tax provision increased 10.6% from COP392,927 million to COP434,723 million due to greater fiscal income recorded and smaller amount of special deduction for investment in productive assets. Of total tax provision, 63.7% was generated in Brazil, 27.9% in Colombia, 6.5% in Peru and 1.9% in Bolivia.

Minority interest 10.7% variation was the result of decreased earnings of the companies where ISA economic group does not hold total ownership.

INCOME STATEMENT	2008	2007	VARIATION		2008* USD
			\$	%	
Operating revenues	3,165,042	2,821,675	343,367	12.2%	1,411
Costs and operating expenses	(1,448,893)	(1,535,372)	86,479	-5.6%	(646)
EBITDA	2,274,051	1,954,514	319,537	16.3%	1,014
Operating Income	1,716,148	1,286,304	429,844	33.4%	765
Non-operating results	(468,053)	(21,345)	(446,708)	2092.8%	(209)
Income tax provision	(434,723)	(392,927)	(41,796)	10.6%	(194)
Minority interests	576,778	646,010	(69,232)	-10.7%	257
Net income	236,593	226,021	10,572	4.7%	105

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

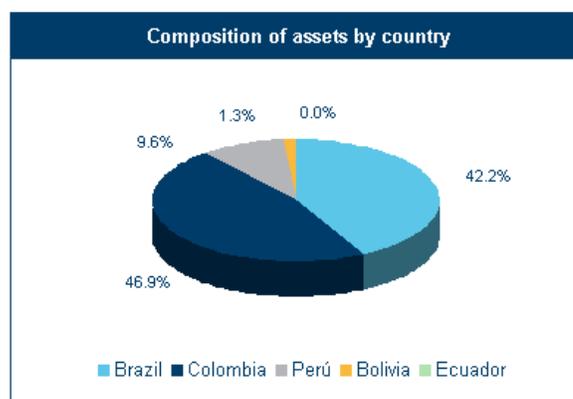
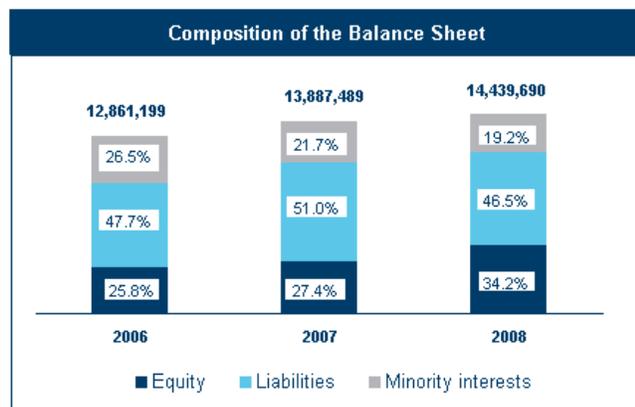
Consolidated Balance Sheet

As of the end of 2008, total assets of ISA economic group stood at COP14,439,690 million, 4% up on 2007, and were geographically distributed as follows: 46.9% in Colombia, 42.2% in Brazil, 9.6% in Peru and 1.3% in Bolivia.

Equity grew by 29.9% as a result of increased revaluation in ISA and Transelca, the inclusion of Internexa Perú's affiliates PDI and Transnexa, and a decline in assets in Brazil explained by the conversion from Reais to Pesos.

Liabilities fell by 5.0% to COP6,721,352 million.

ASSETS STRUCTURE EVOLUTION



As of the end of the period, the economic group's total debt amounted to COP4,654,326 million, 38% denominated in local currency and 62% in foreign currency.

Bonds were the major financing source of the group's debt portfolio with 57.1% share equivalent to COP2,657,125 million.

As part of its growth strategy, ISA economic group will continue working to ensure value generation for its companies, and further consolidating and constructing synergies that generate cash inflows to leverage new investment opportunities, cover debt, and pay dividends.

BALANCE SHEETS	2008	2007	VARIATION		2008* USD
			\$	%	
Total assets	14,439,690	13,887,489	552,201	4.0%	6,436
Total liabilities	6,721,352	7,075,678	(354,326)	-5.0%	2,996
Shareholders' equity	4,941,045	3,802,446	1,138,599	29.9%	2,202
Minority interests	2,777,292	3,009,365	(232,073)	-7.7%	1,238
Ratios					
EBITDA margin	71.8%	69.3%			
Operating margin	54.2%	45.6%			
Return on assets	11.9%	9.3%			
Indebtedness	46.5%	51.0%			

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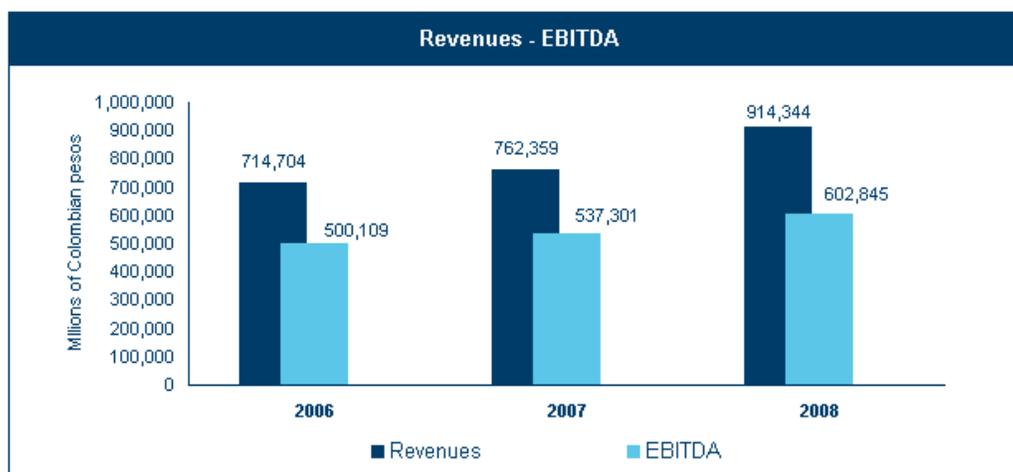
RESULTS OF ISA PARENT COMPANY

As of the end of 2008, Interconexión Eléctrica S.A. exhibited a solid financial position with COP236,593 million net income resulting from its improved operating figures.

During the year, the company obtained COP914,344 million in operating revenues equivalent to 19.9% increase with respect to 2007, and explained mainly by the behavior of the PPI, the new revenues from commissioning of several fiber-optics and connection projects, the purchase of Betania's assets, and the revenues from the Network Normalization Program (PRONE), which affects revenues and expenses in the same amount.

INCOME STATEMENT	2008	2007	VARIATION		2008* USD
			\$	%	
Operating revenues	914,344	762,359	151,985	19.9%	408
Costs and AOM expenses	(324,351)	(243,326)	(81,025)	33.3%	(145)
Depreciation, amortization and provisions	(115,609)	(123,246)	7,637	-6.2%	(52)
Costs and operating expenses	(439,960)	(366,572)	(73,388)	20.0%	(196)
EBITDA	602,845	537,301	65,543	12.2%	269
Operating Income	474,384	395,787	78,597	19.9%	211
Non-operating results	(143,604)	(122,872)	(20,732)	16.9%	(64)
Income tax provision	(94,187)	(46,894)	(47,293)	100.9%	(42)
Net income	236,593	226,021	10,572	4.7%	105

Costs and AOM without pension liabilities expenses, in turn, increased by 33.3% resulting in 12.2% rise in EBITDA (COP602,845 million), given that growth in revenues (COP151,985 million) was greater than in expenses (COP81,025 million).



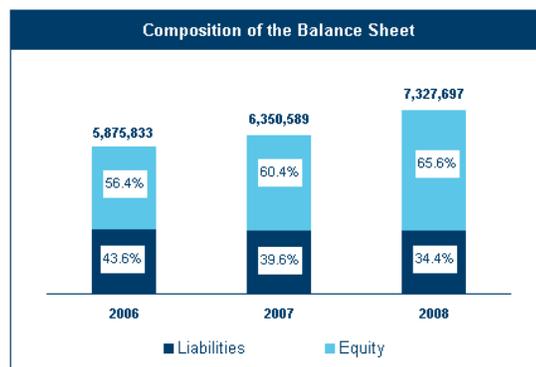
Balance Sheet

The company's assets stood at COP7,327,697 million, 15.4% up on 2007, as a result of their updated technical appraisal. Such higher assets' value made the company's leverage ratio go from 39.6% in 2007 to 34.4% in 2008, and as a consequence, equity grew by 25.5%.

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At the end of the year, debt stood at COP1,713,374 million, 3.0% less than in 2007 (COP1,767,144 million). ISA's measures to improve its debt profile and financial terms need to be highlighted: USD 50 million prepayment of syndicated loan obtained for acquisition of CTEEP, treasury loans for COP82,000 million to finance cash flows during the last quarter, and subscription of COP121,000 million long-term loans.

BALANCE SHEETS	2008	2007	VARIATION		2008* USD
			\$	%	
Total assets	7,327,697	6,350,589	977,108	15.4%	3,266
Total liabilities	2,518,434	2,517,269	1,165	0.0%	1,123
Shareholders' equity	4,809,263	3,833,320	975,943	25.5%	2,144

Ratios		
EBITDA margin	65.9%	70.5%
Operating margin	51.9%	51.9%
Return on assets	6.5%	6.2%
Return on equity	4.9%	5.9%
Indebtedness	34.4%	39.6%

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ISA will continue working to direct its actions toward generation of value availing from the new opportunities offered by the market to increase its revenues, improve its operating costs and expenses structure, and optimize its financial management.

In order to have increased cash surplus and finance new investments, the company will seek access to new structures and operations for debt management that will permit considerable improvement of its profile in terms of average term, length, indebtedness cost, and concentration of payments.

The results disclosed in this document will be presented for the consideration of the Regular Shareholders' Meeting to be held in Medellín this coming March 30.

RELATED INFORMATION

Macroeconomic information - 2008									
IPP ¹	IPC ²	DTF	Libor-6 Months	IGPM ³	Dev. Colombia	COP/USD	Dev. Brazil	BRL/USD	COP/BRL
9.00%	7.67%	10.12%	1.75%	9.81%	11.36%	2,243.59	31.71%	2.33	961.70

1. Producer Price Index Col 2. Consumer Price Index Col. 3. General Index of Market Prices Brazil

Source: Bloomberg

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