

Medellín, Colombia  
August 1, 2012



## SECOND QUARTER 2012 RESULTS

Luis Fernando Alarcón, CEO  
Camilo Barco, CFO



# AGENDA

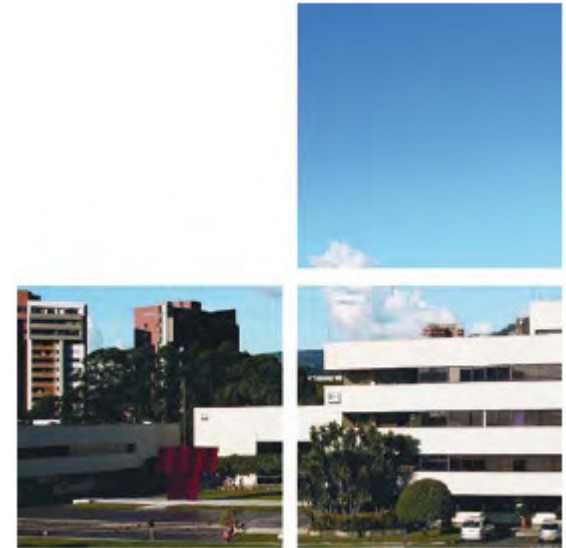


**Operating Highlights**

**Follow-up Strategy**

**Second Quarter 2012 Results**

**Q&A**



## HIGHLIGHTS SECOND QUARTER 2012

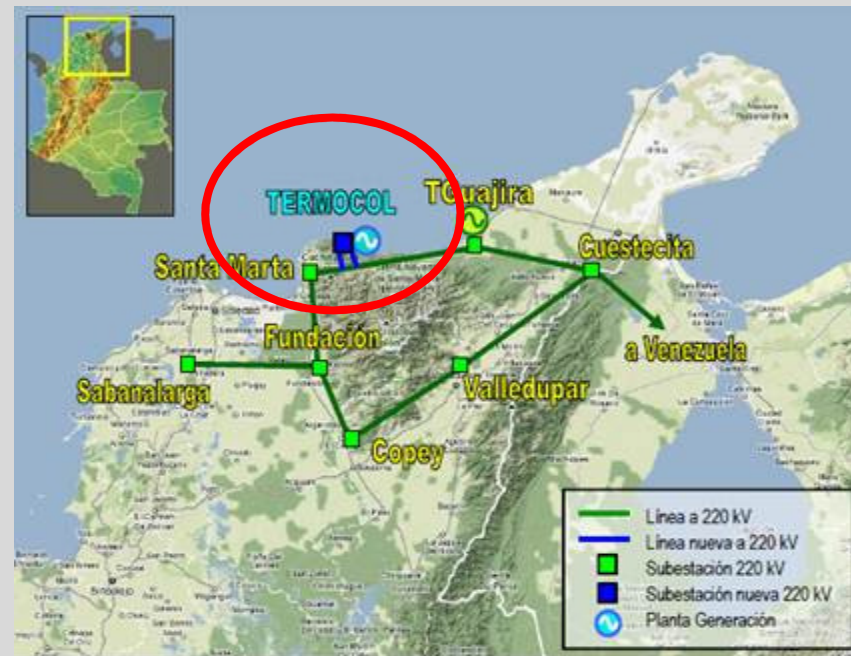
- Presentation of 2011 Sustainability Report and shareholder discussions on Ethics and Human Rights
- 150 participants, including shareholders, investors, clients, suppliers, employees, the Colombian government and community representatives. (40 shareholders)
- Six discussions:
  - One discussion between ISA's CEO and shareholder representatives
  - Five discussions between managers from areas responsible for shareholders.
- Eight discussions with employees



## HIGHLIGHTS SECOND QUARTER 2012

- ISA's shareholders received the dividend payment, for the 2011 period, as approved at the Ordinary Shareholders' Meeting. The payment represented a 4.1% increase compared with the dividend per share for the previous period.
- Fitch Ratings affirmed ISA's 'BBB-' international rating and changed its outlook from Stable to Positive.
- Fitch Ratings Colombia affirmed ISA's AAA rating for the increase of the Domestic Public Debt Bond Issue and Placement Program.

ISA won the public bidding process opened by the Mining-Energy Planning Unit (*Unidad de Planeación Minero Energética – UPME*), for the development of the new Termocol substation, in Magdalena, Colombia, as well as its associated transmission lines.





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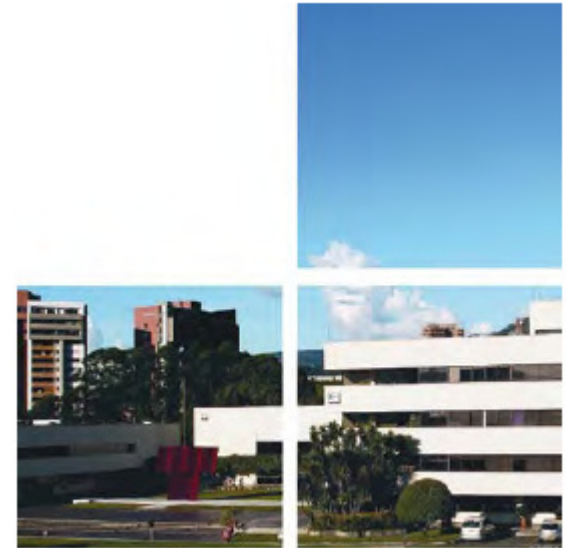


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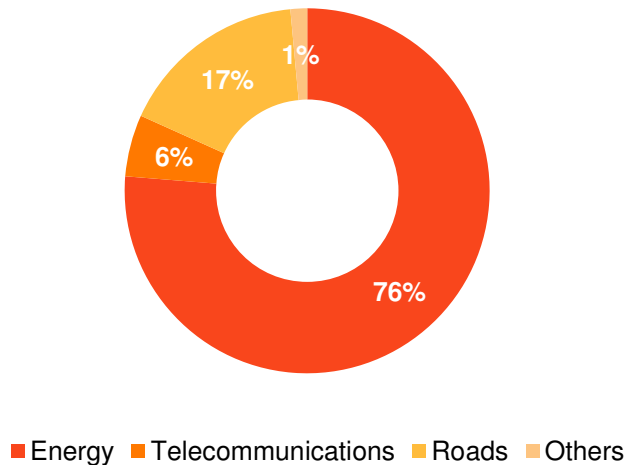


# FOLLOW-UP STRATEGY

## GROWTH AND DIVERSIFICATION

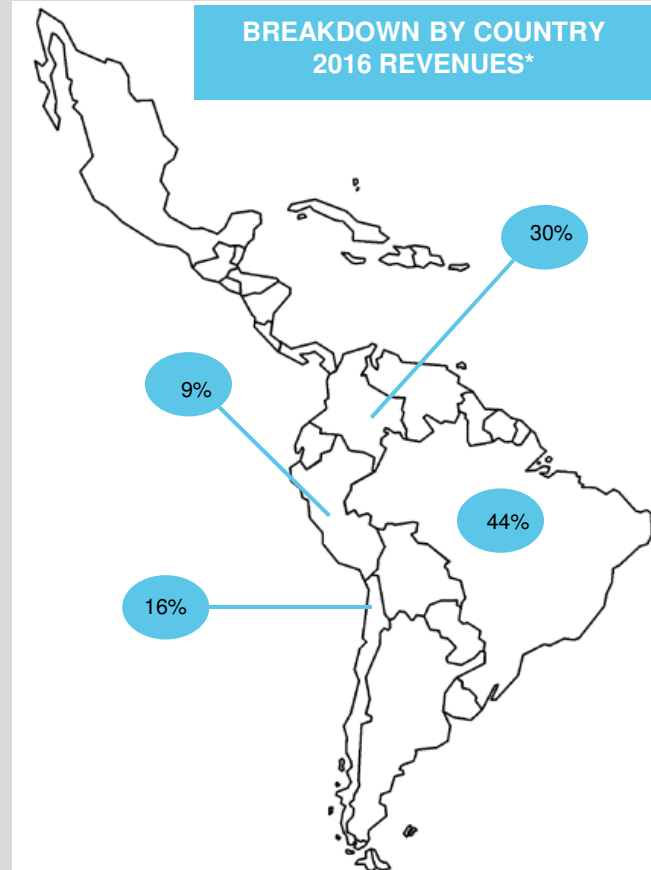
By 2016, ISA is expected to **reach revenues of USD 3.5 billion**  
 Expected revenues for 2012 are USD 2.453 million

BREAKDOWN BY BUSINESS  
 2016 REVENUES\*



**GROWTH WITH PROFITABILITY  
 GENERATE SHAREHOLDER VALUE**

BREAKDOWN BY COUNTRY  
 2016 REVENUES\*



\* With projects in operation and construction

## FOLLOW-UP STRATEGY OPPORTUNITIES FOR NEXT MONTHS

Projects coming into operation in the short term

Country	Company	Date entered into operation	Annual Revenues (millions)	
Colombia	ISA	2013	US\$	1.3
		2012	US\$	2.7
	Transelca	2013	US\$	2.2
Argentina	Internexa en Argentina	2012	US\$	0.01
Peru	Transmantaro	2012	US\$	30.6
		2013	US\$	25.4
	REP	2012	US\$	9.0
		2013	US\$	2.8
Brazil	Internexa en Brasil	2012	US\$	13.2
	IESUL	2012	US\$	1.0
		2013	US\$	1.5
	IEPinheiros	2012	US\$	1.6
		2013	US\$	2.1
	IEMadeira**	2012	US\$	87.2
		2013	US\$	75.1
Serra do Japi	2012	US\$	12.4	

*Estimated data. 1USD = AR\$ 4,525. 1USD = R\$2.02*

*\*\* Shared control company*

Detail of each project is published in the website [www.isa.com.co](http://www.isa.com.co) / investors / Financial Information / Q&





## FOLLOW-UP STRATEGY OPPORTUNITIES FOR NEXT MONTHS

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### Colombia

- UPME Project: Transmission Line 230 kV, 140 Km. Estimated bid date: September 2, 2012.
- Connections projects with Private agents. Second Semester 2012
- Other UPME Project – energy transmission sector. Second semester. Under definition

### Chile

- 2011 Expansion Plan – energy transmission sector: Bidding for several projects, estimated investment of over USD 800 million. Bid date: August 24 – 31, 2012. Award date: October 1, 2012.
- 2012 Expansion Plan – energy transmission sector: Bidding for several projects, estimated investment of over USD 200 million. Bid date: October, 2012.

### Peru

- Three 220-Kv transmission line projects. Estimated bid dates: September, October and November, 2012. Estimated total investment: USD 545 million.

### Brazil

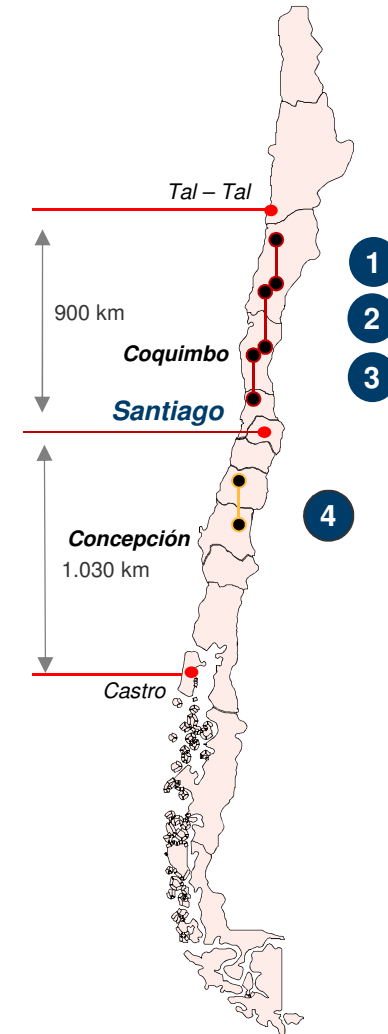
- ANEEL Bidding : Bidding processes 007/2012 and 008/2012. Estimated bid date: September and December, 2012. Estimated investment: R\$ 4.2 trillion and R\$ 2.4 trillion.



# FOLLOW-UP STRATEGY

## CHILE'S EXPANSION PLAN 2012 - 1

Project		V.I. Ref. June '12 (USD MM)	Km / MVA	Term (months)
1	New line Cardones – Maitencillo 2x500kV	83	132,4 km / 1500 MVA	60
2	New line Maitencillo - Pan de Azúcar 2x500kV	138	209,2 km / 1500 MVA	60
3	New line Pan de Azúcar – Polpaico 2x500kV	296	401,8 km / 1500 MVA	60
4	New line Charrúa – Ancoa 500kV	148	196,5km / 1400 MVA	60
	<b>Total</b>	<b>665</b>	<b>939.9 km</b>	



1 / June / 2012

Bid bases publication (CDEC-SIC)

24 / Aug - 31 / Aug

Reception of proposals deadline

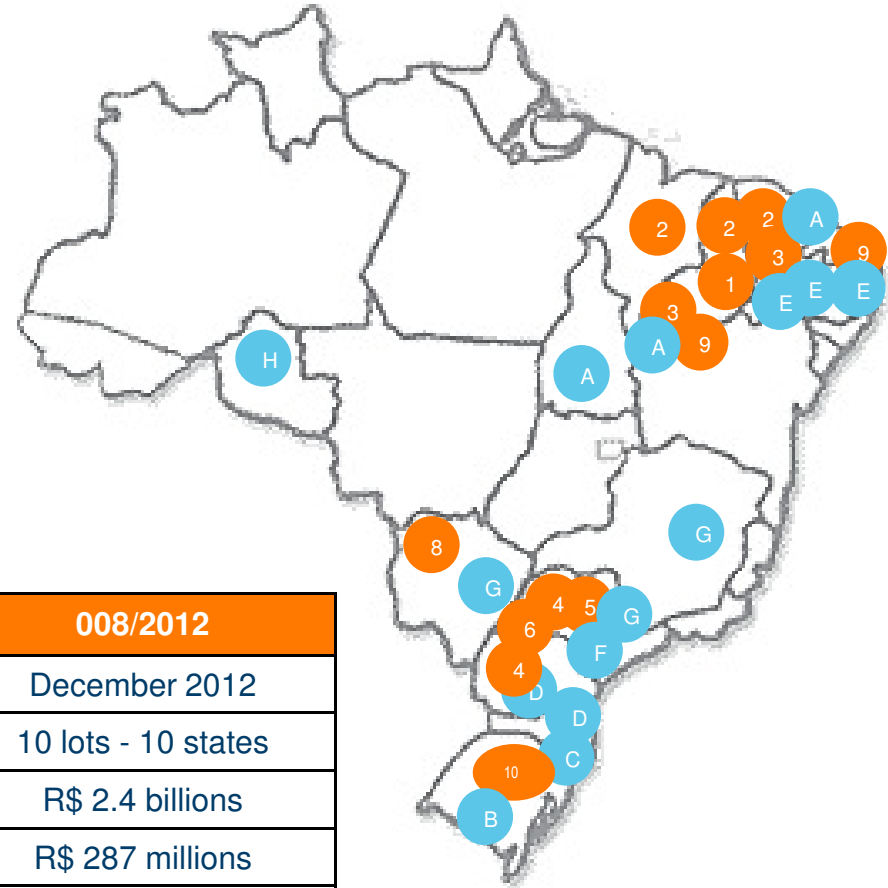
5 / Oct

Adjudication

December 2012

Estimated start of project implementation

## FOLLOW-UP STRATEGY ANEEL 2012 BIDS



	007/2012	008/2012
Expected bid date	September 2012	December 2012
Configuration	8 lots - 9 states	10 lots - 10 states
Estimated investment	R\$ 4.2 billions	R\$ 2.4 billions
RAP total estimada	R\$ 500 millions	R\$ 287 millions
km de líneas de transmisión	4.310	2,862
MVA de transformación	1.910	400

# FOLLOW-UP STRATEGY

## INTERCONEXIÓN COLOMBIA – PANAMÁ (ICP)



- Electric transmission line of 600 km, in direct current (HVDC) technology
- Transport capacity of 300 MW at its first stage (possibility of expansion to 600 MW)

Milestones	Key Dates	Stage
PREQUALIFICATION	June 26	Accomplished
AUCTION (Line Capacity)	August 16	-
EXECUTION OF CONTRACTS	October 1	-



# AGENDA

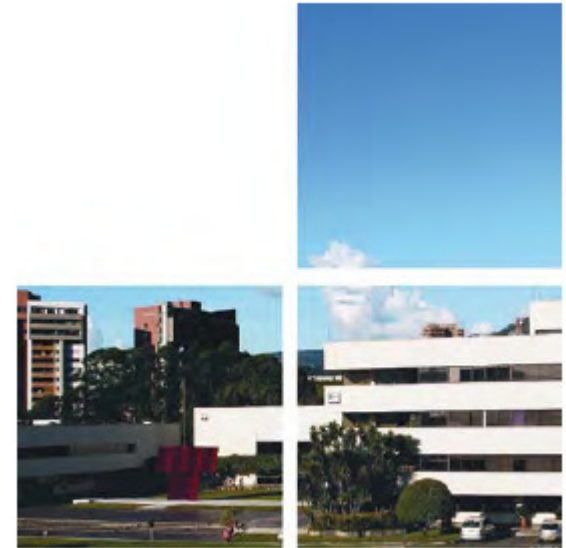


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Macroeconomic Scenario	June 2011	June 2012
<b>COLOMBIA</b>		
PPI	3.9%	-2.2%
CPI	2.52%	2.0%
Colombia Devaluation	-6.99%	-8.14%
COP/USD close	1,780.2	1,784.6
COP/USD average	1,838.4	1,793.8
<b>BRAZIL</b>		
IGPM	3.15%	3.19%
Brazil Devaluation	-6.31%	7.76%
BRL/USD close	1.56	2.02
BRL/USD average	1.63	1.86
<b>CHILE</b>		
CPI	3.44%	2.65%
Chile Devaluation	0.03%	-3.34%
CLP/USD close	468.15	501.84
CLP/USD average	475.54	492.83

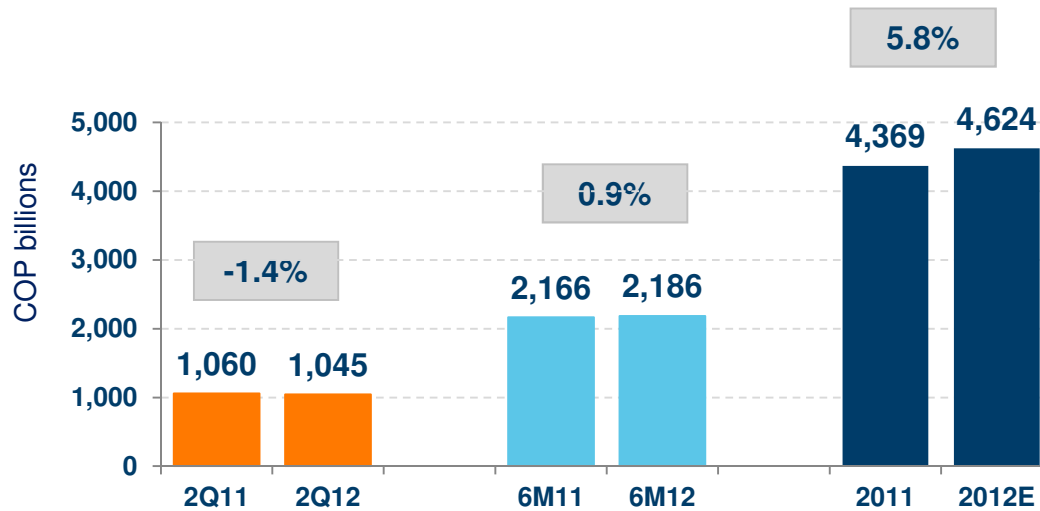
*Revaluation in  
Colombia regarding  
Brazilian Real and  
Chilean peso*

*Controlled inflation*



# CONSOLIDATED FINANCIAL RESULTS

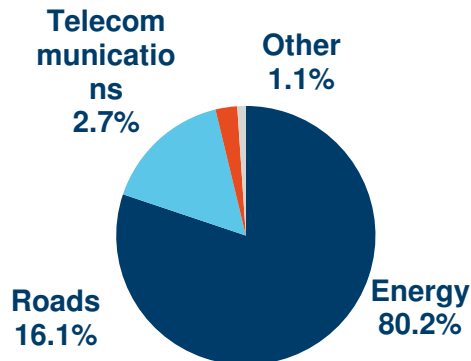
## REVENUES



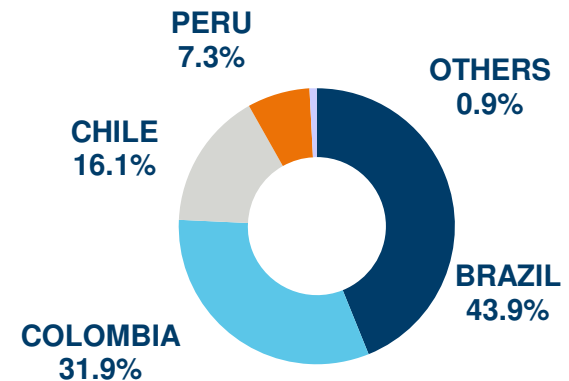
Revenues for **2Q12**: Peru contributed to the increase, while Brazil offset the total due to conversion effects.

**Revenues 2Q12**  
**USD 585 MM**

### Breakdown by Business 2Q12



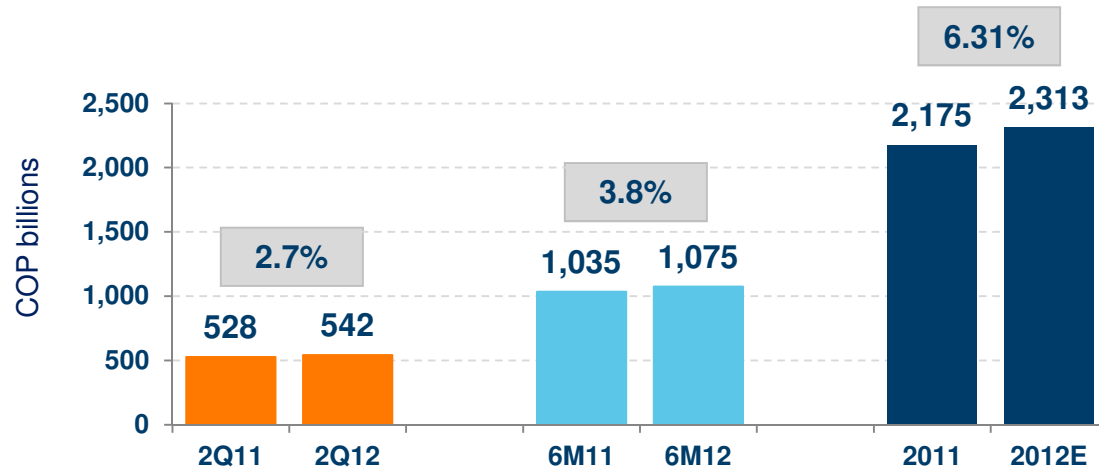
### Breakdown by Country 2Q12



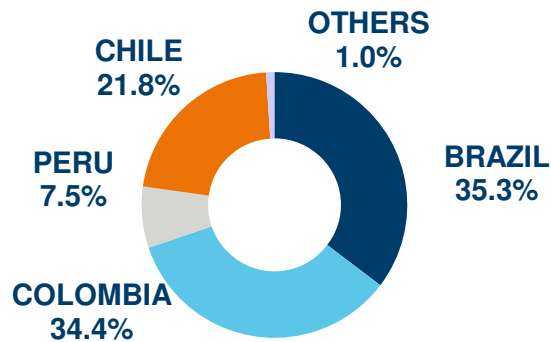


# CONSOLIDATED FINANCIAL RESULTS

## COSTS AND OPERATING EXPENSES



### Breakdown by Country 2Q12



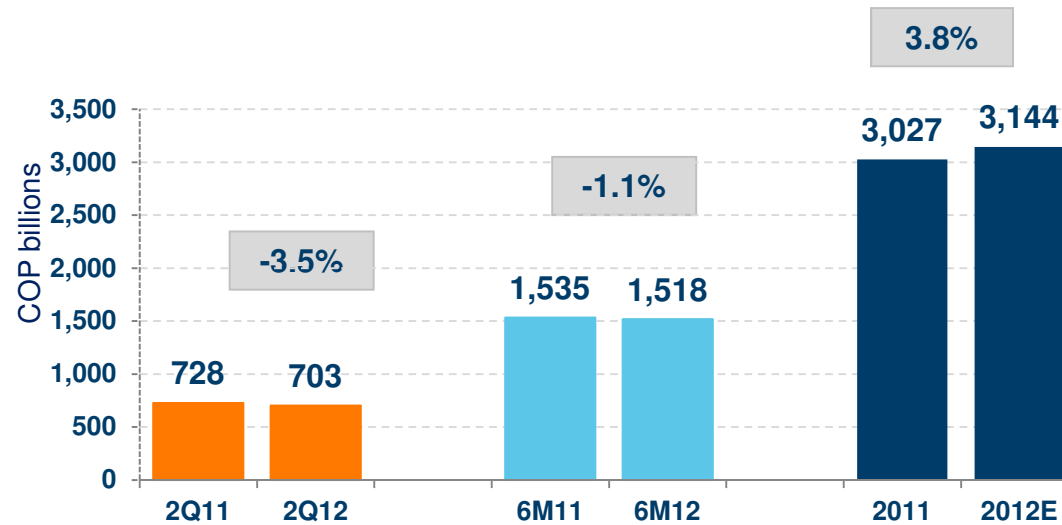
Total Operating expenses and costs reached USD 304 million in the second quarter 2012.

The **operating margin** was **48.1%**.



# CONSOLIDATED FINANCIAL RESULTS

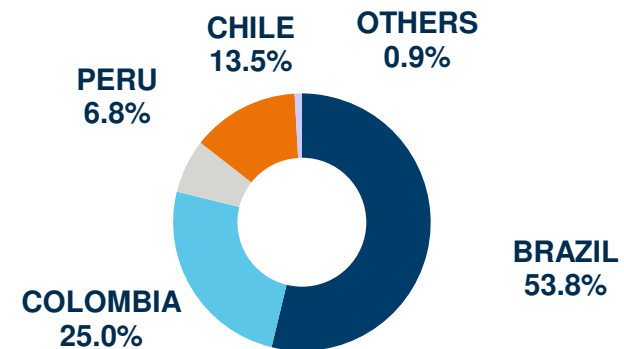
## EBITDA



### Breakdown by Country 2Q12

The largest contribution to EBITDA was the **energy sector with 85%** in 2Q12.

For 2Q12, the **EBITDA** margin was 67.3%.

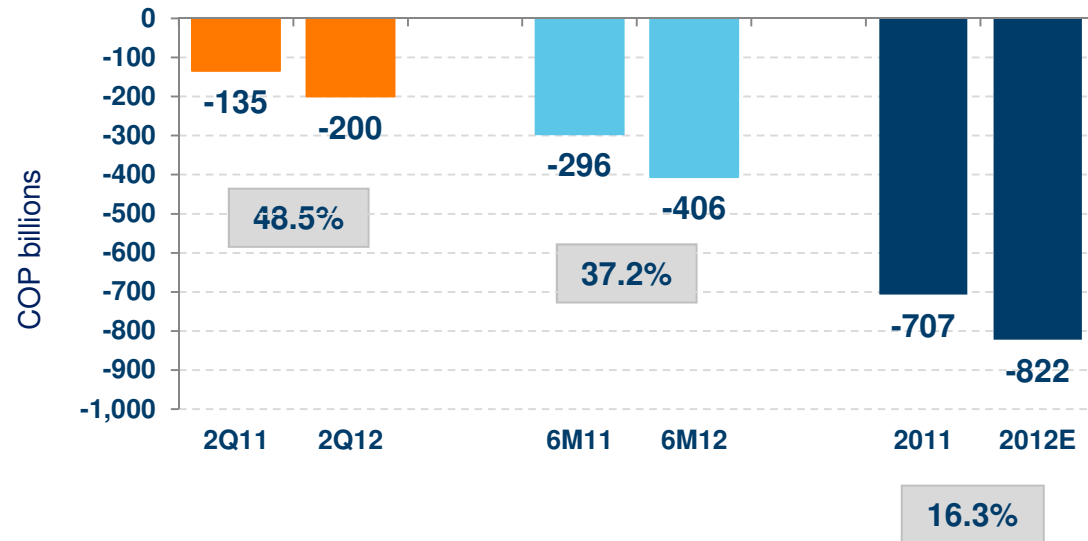




# CONSOLIDATED FINANCIAL RESULTS

## NON-OPERATING RESULTS

Non-operating results were USD -200 million in 2Q12

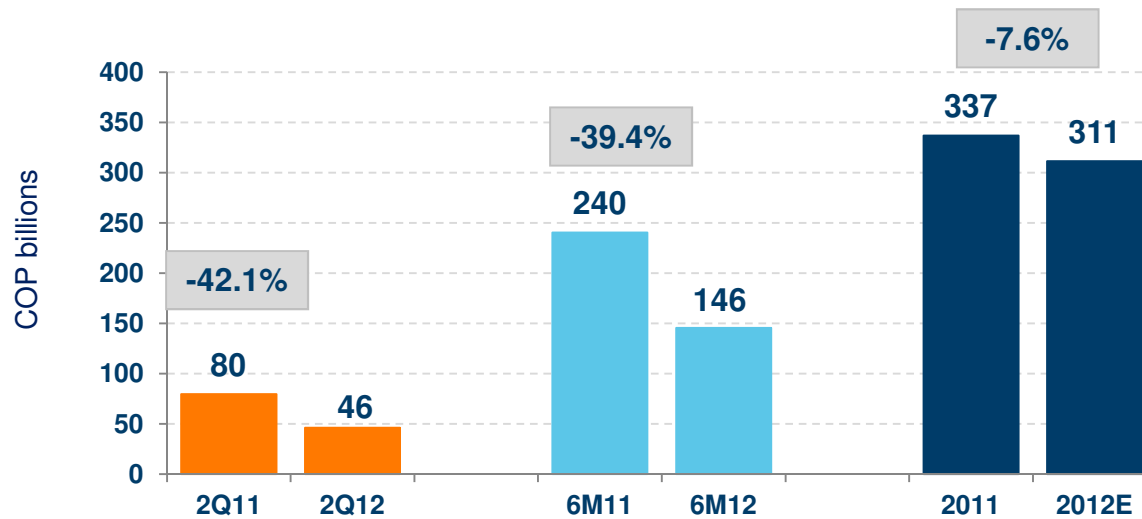


<i>COP billions</i>	2Q11	2Q12	Change COP	Change %
Financial	(142)	(199)	(57)	40.47%
Others	7	(1)	(8)	-114.76%
<b>Total</b>	<b>(135)</b>	<b>(200)</b>	<b>(65)</b>	<b>48.49%</b>



# CONSOLIDATED FINANCIAL RESULTS

## NET INCOME



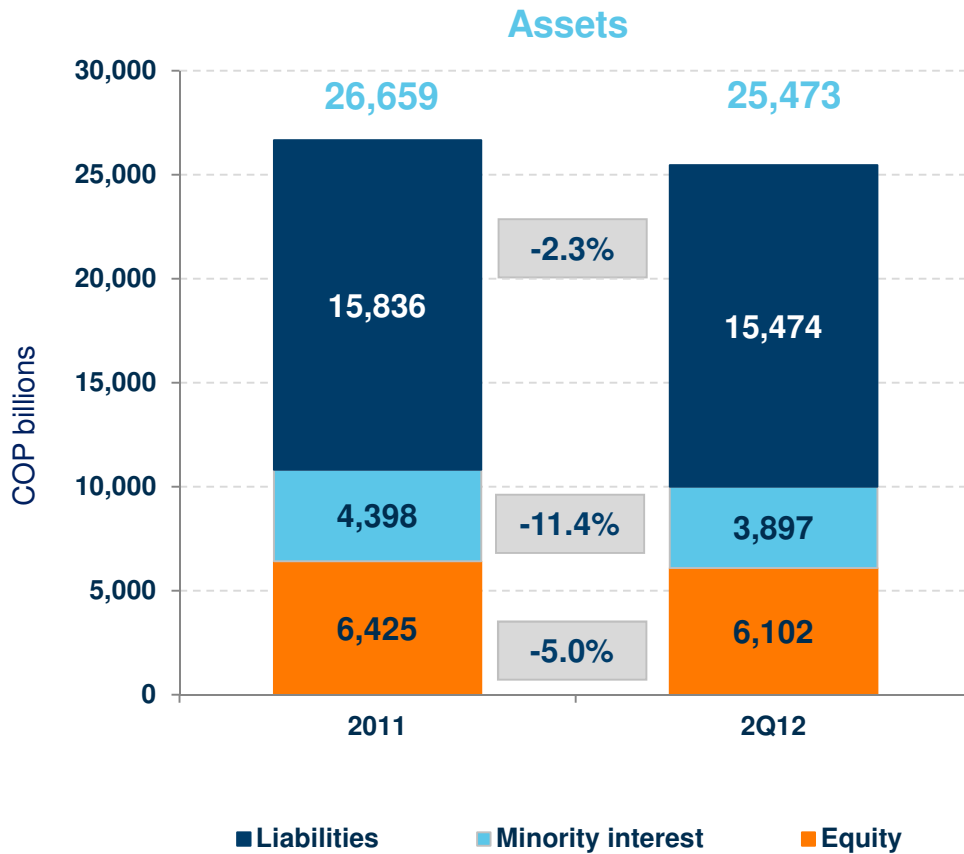
**Net margin** before minority interest was 17.9% for 2Q12

<i>COP billions</i>	2Q11	2Q12	Change COP	Change %
<b>Income before taxes</b>	<b>397</b>	<b>303</b>	<b>(130)</b>	<b>-15.6%</b>
Income tax provisions	132	115	44	22.00%
<b>Income before minority interest</b>	<b>266</b>	<b>187</b>	<b>(174)</b>	<b>-27.40%</b>
Minority interest	186	141	(79)	-20.08%
<b>NET INCOME</b>	<b>80</b>	<b>46</b>	<b>(95)</b>	<b>-39.41%</b>



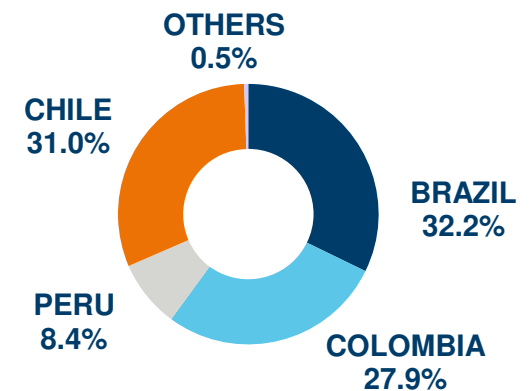
# CONSOLIDATED FINANCIAL RESULTS

## BALANCE SHEET

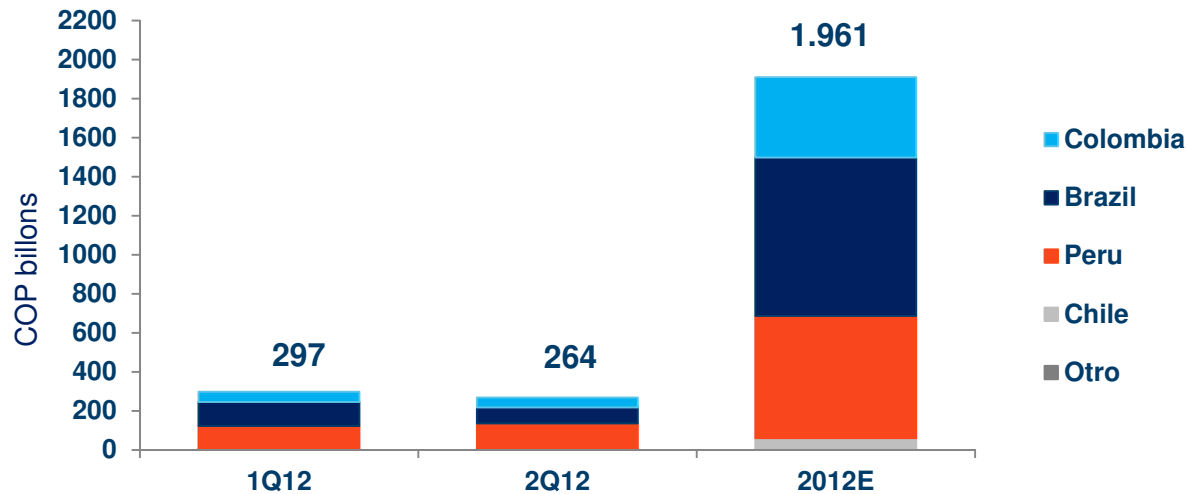


As of June 2012, **assets** decreased 4.5% compared to 2011.

### Assets Breakdown by Country 2Q12

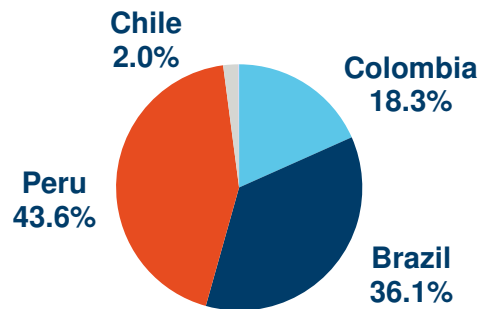


# CAPEX AND PERMANENT INVESTMENTS



CAPEX and permanent investments increased to COP 565 billion at the end of the period

## Breakdown by Country 6M12



## Breakdown by Business

(in billions)	1Q12	2Q12	2012E
Energy	285	247	1,780
Telecommunications	6	21	82
Roads	6	0.4	47



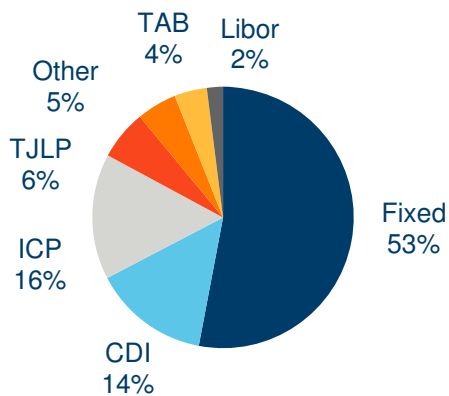
# CONSOLIDATED FINANCIAL DEBT

Exchange rate US\$ 1.00 = COP 1,784.70  
COP in billions, USD in millions

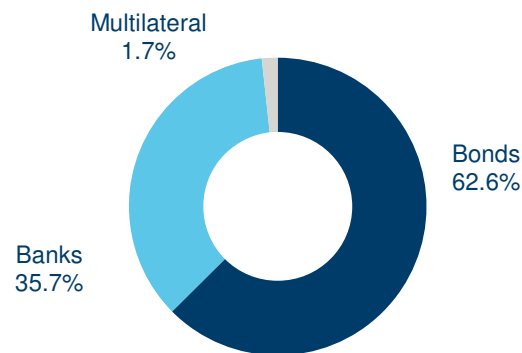
	2Q12	2011	Change \$	Change %	2Q12 USD
CHILE	4,230,051	4,447,373	-217,322	-4.89%	2,370
COLOMBIA	1,856,838	1,907,732	-50,895	-2.67%	1,040
BRAZIL	2,064,533	2,170,000	-187,489	-4.86%	1,111
PERU	965,641	899,902	65,739	7.31%	541
BOLIVIA	60,276	70,303	-10,027	-14.26%	34
ARGENTINA	4,126	0	4,126		2
<b>TOTAL</b>	<b>9,181,464</b>	<b>9,495,310</b>	<b>-399,994</b>	<b>-3.31%</b>	<b>5,099</b>

**Net Debt / EBITDA: 3.1**  
**EBITDA / Interest: 4.7**

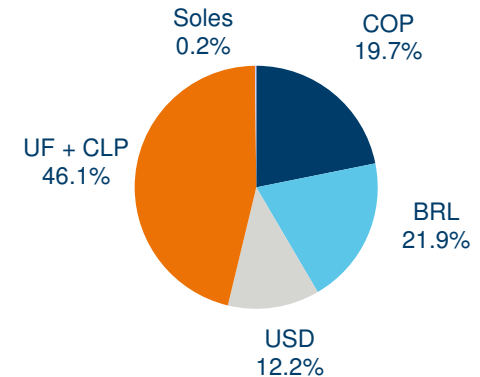
Breakdown by Rate



Breakdown by Source



Breakdown by Currency





# AGENDA

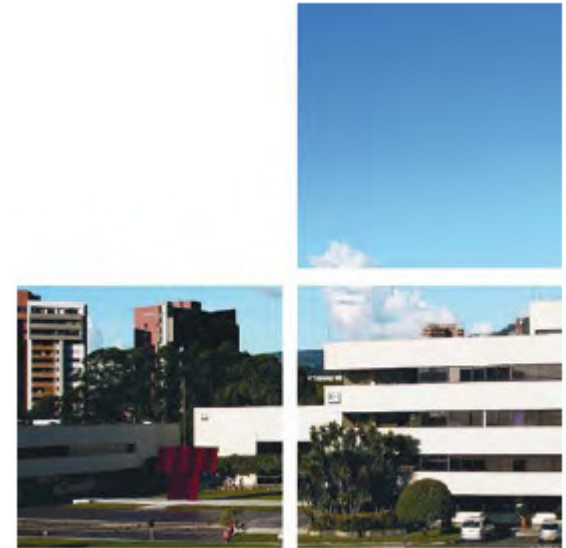


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## DISCLAIMER

Certain statements contained in this report constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Also, these forward-looking statements present our estimates and assumptions only as of the date of this report. Except for our ongoing obligation to disclose material information as required by federal securities laws, we do not intend to update you concerning any future revisions to any forward-looking statements to reflect events or circumstances occurring after the date of this report.

**Amounts expressed in US dollars are for information purposes only, and do not reflect accounting conversion techniques usually applied. As of June 30, 2012, the exchange rate was of USD 1.00 = COP 1,784.70 (Source: Banco de la República de Colombia).**

