



ISA SECOND QUARTER 2013 FINANCIAL RESULTS



Medellín, Colombia, July 31, 2013

ISA S.A. E.S.P. (BVC: ISA; OTC: IESFY) (“ISA” or “the Company”), a Colombian organization engaged in the businesses of Energy Transmission, Road Concessions, Telecommunications Transport and Intelligent Management of Real-Time Systems, today announced the financial results for the second quarter of 2013. Unaudited figures are expressed in millions of Colombian pesos (COP). The consolidation process includes 100% of the companies where ISA holds control and the homologation of the accounting practices of each country (Chile, Brazil and Peru currently report based on IFRS – International Financial Reporting Standards), according to *Generally Accepted Accounting Principles in Colombia* (GAAP).

■ ECONOMIC AND FINANCIAL RESULTS AS OF JUNE 2013

- **Consolidated operating revenues** were COP 1,716,297 million.
- **EBITDA** reached COP 937,587 million, with a 54.6% EBITDA margin.
- **Net income** was COP 217,528 million, with a 19.6% margin before minority interest.
- **Consolidated assets** were COP 27,127,210 million.

For the period ended June 2013, accumulated net income for ISA and its companies was COP 217,528 million, representing a 49.3% increase compared to COP 145,652 million for the same period of the previous year.

Both, the accumulated financial results for the period ended in June 2013 as well as second quarter results, were positively impacted by the recognition as a financial asset (formerly an intangible asset) of the Chilean and Brazilian concessions. This change became effective for the 2013 fiscal period, according to technical concept¹ issued by the General Accounting Office (*Contaduría General de la Nación*, CGN). The concept establishes that prior to the homologation of the financial information and the application of the equity method, it is necessary to determine whether the asset for the concession operator corresponds to a debtor (financial asset) or to an intangible, based on the analysis of the business model and the rights and guarantees stemming from the conditions agreed upon in the concession contract.

¹ CGN Notice N° 20132000017991 of 05-28-2013



In accordance with the above-mentioned, Chilean road concessions and energy transmission concessions in Brazil are classified as financial assets, given that under the remuneration mechanisms provided in the contracts, the assignor guarantees to operator the recovery of the investment.

The main impacts that are generated from the changes from intangible asset to financial asset are the recognition of the accounts receivable balance, removing the intangible assets and the accumulated amortization as well as the recognition of the financial profit (Income Statement) from the accounts receivable, revenues and construction costs, eliminating revenues from toll road from the Chilean road concession, the regulatory remuneration for energy services in the Brazilian concessions and the amortization of the intangible asset.

On the other hand, the results include the effects from the early termination and subsequent renewal of Concession Contract 059/2001 in affiliate CTEEP², and the consolidation of Evrecy Participações Ltda. since the first quarter of 2013.

It is also important to note that the impact from the conversion on the consolidated financial statements generated significant variations in the various items, due to the devaluation effects of the Colombian peso against the Brazilian Real, the U.S. Dollar and the Chilean Peso, with the greatest variations represented in the Brazilian affiliates and subsidiaries³. However, the effect is largely neutralized in the net result.

■ CONSOLIDATED INCOME STATEMENT

Consolidated operating revenues

For the first half of 2013, accumulated operating revenues reached COP 1,716,297 million, a 21.5% or COP 469,903 million decrease compared with the same period of 2012. This was mainly generated by the effects of the early termination and subsequent renewal of Concession Contract 059/2001 in CTEEP.

(Figures in millions)

OPERATING REVENUES	2Q13	2Q12	Change COP	Var. %	2Q13 USD	6M13	6M12	Change COP	Change %	6M13 USD
Energy Transmission	616,739	828,375	-211,636	-25.5%	320	1,142,226	1,709,386	-567,160	-33.2%	592
Road Concessions	224,847	167,986	56,861	33.8%	117	465,523	378,971	86,552	22.8%	241
Telecommunications Transport	34,697	28,426	6,271	22.1%	18	66,135	56,911	9,224	16.2%	34
Intelligent management of real-time systems	23,764	19,750	4,014	20.3%	12	42,413	40,932	1,481	3.6%	22
TOTAL OPERATING REVENUES	900,048	1,044,537	-144,489	-13.8%	467	1,716,297	2,186,200	-469,903	-21.5%	890

In the second quarter of 2013, operating revenues decreased 13.8% given the lower revenues from energy transmission in Brazil.

Composition of accumulated revenues by business

- **Energy Transmission**⁴ contributed COP 1,142,226 million, equivalent to 66.6% of operating revenues for the first half of 2013. This result represented 33.2% decline, compared with the amount reported in the same period in 2012, mainly due to lower revenues from CTEEP. This decrease in Brazil absorbed the

² See Highlights from 4Q12 Results Report

³ COP/BRL average for 2013 was 898.16 vs. 962.36 for 2012

⁴ ISA in Colombia, TRANSELCA, CTEEP, ISA Capital do Brasil, Interligação Elétrica de Minas Gerais, Interligação Elétrica Pinheiros, Interligação Elétrica Serra do Japi, Evrecy Participações Ltda, RED de Energía del Perú, ISA Perú, Transmataro, ISA Bolívia, Proyectos de Infraestructura del Perú.



consolidated revenues from Evrecy Participações Ltda, and higher revenues in Peru that were mainly generated by the entry into operation of the Zapallal Trujillo project in Transmantaro at the end of 2012.

- **Road Concessions⁵** contributed 27.1% of all accumulated revenues (6M13), equal to COP 465,523 million, representing a 22.8% increase compared with the same period last year. This was due to the recognition of concessions as financial assets.
- **Telecommunications Transport⁶** contributed COP 66,135 million, which represented 3.9% of total operating revenues. Accumulated revenues (6M13) increased 16.2% compared to the accumulated revenues reported June 2012, due to new service agreements, mainly in Peru and Colombia.
- **Intelligent Management of Real-Time Systems⁷** accounted for COP 42,413 million equal to 2.5% of all accumulated revenues (6M13) as of June 2013 and increased 3.6% compared with the same period in 2012. This was due to higher regulated revenues in XM, which depend on the levels of investment and expenditures at the Company.

Consolidated revenues by country:

In accumulated terms, the composition of revenues by country is as follows: Colombia contributed 39.1%, Chile 27.2%, Brazil 21.4%, and Peru 11.3%.

(Figures in millions)

	2Q13	2Q12	Change COP	Change. %	2Q13 USD	6M13	6MT12	Change COP	Change %	6M13 USD
Colombia ⁸	343,542	332,833	10,709	3.2%	178	670,304	669,948	356	0.1%	347
Chile ⁹	225,726	168,273	57,453	34.1%	117	467,105	379,867	87,238	23.0%	242
Brazil ¹⁰	219,971	458,211	(238,240)	-52.0%	114	366,713	962,273	-595,560	-61.9%	190
Peru ¹¹	101,443	76,271	25,172	33.0%	53	194,432	155,989	38,443	24.6%	101
Others ¹²	9,366	8,949	417	4.7%	5	17,744	18,123	-379	-2.1%	9
TOTAL	900,048	1,044,537	(144,489)	-13.8%	467	1,716,297	2,186,200	(469,903)	-21.5%	890

Operating costs and expenses

Consolidated operating costs and expenses for the first half of 2013 reached COP 1,008,669 million, a decrease of 6.2% compared with the COP 1,074,967 figure reported for the same period of 2012. This variation was due to the decline in the amortizations and depreciations during the second quarter, particularly due to the change from intangible asset to financial asset of the Chilean and Brazilian concessions, which imply the elimination of the amortization of intangible assets and the inclusion of construction costs from these concessions.

⁵ Ruta del Maipo, Ruta de la Araucanía, Ruta del Maule, Ruta de los Ríos, Ruta del Bosque, INTERVIAL, ISA Inversiones Chile

⁶ INTERNEXA Colombia, INTERNEXA Brasil Operadora, INTERNEXA Participações, INTERNEXA Argentina, INTERNEXA Chile, INTERNEXA Perú

⁷ XM, SIR

⁸ Colombia – ISA, TRANSELCA, INTERNEXA, XM and Sistemas Inteligentes en Red.

⁹ Chile – INTERVIAL Chile, ISA Inversiones Chile, Ruta del Maipo, Ruta de la Araucanía, Ruta de los Ríos, Ruta del Bosque, Ruta del Maule, INTERNEXA Chile.

¹⁰ Brazil – ISA Capital do Brasil, CTEEP, IEMG, IEPINHEIROS, SERRA DO JAPI, INTERNEXA Brasil e INTERNEXA Participações, Evrecy Participações Ltda.

¹¹ Peru – REP, Transmantaro (CTM), ISA Perú, INTERNEXA Perú and PDI.

¹² Others - ISA Bolivia, INTERNEXA Argentina.

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

(Figures in millions)

	2Q13	2Q12	Change COP	Change.. %	2Q13 USD	6M13	6MT12	Change COP	Change.. %	6M13 USD
Sales and operating costs and expenses	441,752	350,032	91,720	26.2%	229	795,203	684,477	110,726	16.2%	412
Depreciation	39,114	42,766	(3,652)	-8.5%	20	77,448	84,966	(7,518)	-8.8%	40
Amortization	(26,465)	142,860	(169,325)	-118.5%	-14	103,523	288,870	(185,347)	-64.2%	54
Provisions	22,336	6,366	15,970	250.9%	12	32,495	16,654	15,841	95.1%	17
TOTAL	476,737	542,024	(65,287)	-12.0%	247	1,008,669	1,074,967	(66,298)	-6.2%	523

The composition of operating costs and expenses by country is as follows: 37.6% in Brazil, 36.8% in Colombia, 13.1% in Chile and 11.2% in Peru.

Operating costs and expenses for the second quarter declined 12.0% as a result of the reasons explained above for the results of the first half of 2013.

Operating income

As a result of the previously mentioned, ISA reached an accumulated operating income of COP 707,628 million for the first half of 2013. This figure was 36.3% below the figure obtained in the same period last year. The operating margin was 41.2%.

Operating income was COP 423,311 million for the second quarter of 2013, 15.8% below the figure reported for the second quarter of 2012, with a 47.0% operating margin.

EBITDA and EBITDA margin

Accumulated EBITDA as of June 2013 reached COP 937,587 million, a 38.2% decrease compared to the figure reported for the same period of 2012, mainly due to lower revenues in Brazil. EBITDA for the second quarter of 2013 was COP 466,700 million, 33.6% lower than the figure obtained in the second quarter of 2012, for the same reasons.

Accumulated EBITDA margin (6M13) reached 54.6%, while EBITDA margin for the second quarter was 51.9%.

Non-operating result (loss)

With respect to the same period last year, the non-operating accumulated result reported a 39.6% improvement. This was explained by:

- **Brazil:** higher financial revenues in CTEEP due to the result of: a) the recognition of interest and financial update on compensation, b) reduction of interest in financial obligations due to lower debt levels, c) higher revenues from deposits and d) increased revenues under the equity method in joint control companies¹³, derived from the recognition of energy concessions as financial assets.
- **Colombia:** lower debt interest expenses, higher revenues from interest on accounts receivable and returns on deposits.

¹³ IEMadeira, IENE, IESUL y IEGaranhuns.



- **Chile:** higher financial expenses mainly due to the financial update on preexisting infrastructure liabilities with the Ministry of Public Works, due to recognition of concessions as financial assets in 2013.
- **Peru:** higher financial expenses due to amortization of capitalized debt costs due to prepayment of Transmantaro's debt, from an international bond issuance under better conditions, in terms of maturity and interest rates; higher interest due to the debt related with the entry into operation of the Zapallal – Trujillo project and higher expenditures due to the exchange rate difference between the U.S. dollar and the Peruvian Sol, over the balances of the accumulated fiscal loans.

The non-operating result in the second quarter improved 15.8% due to the same reasons explained in the first half 2013 results mentioned above.

Taxes

Income tax expenses decreased 48.0%, from COP 243,856 million in the accumulated results at June 2012 to COP 126,699 million in the same period of 2013. This variation was due to the net result of a) lower taxes at CTEEP associated to lower revenues, and b) higher deferred taxes in Chile due to the tax rate increase from 17% to 20%, as defined in the tax reforms announced at the end of 2012.

The composition of income tax by country was 60.9% in Colombia, 17.9% in Chile, 11.9% in Brazil and 7.5% in Peru.

During the second quarter, income tax expenditures declined 55.3% for the same reasons explained in the accumulated result of the year (6M13).

Income before minority interest

Consolidated income before minority interest for the first half of 2013 was COP 335,580 million, a 27.2% decrease compared with the accumulated figure for the period ended June 2012. The net margin before minority interest was 19.6%.

For the first half of 2013, minority interest reached COP 118,052 million, a 62.6% decrease compared with the same period of 2012, explained by lower results in Brazil. Therefore, the margin before minority interest was 22.6% in 2Q13.

In the second quarter of 2013, the minority interest decreased 60.2% compared with the same period of 2012, for the reasons mentioned above.

Net income

As of June 2013, the accumulated net income was COP 217,528 million, representing 49.3% increase compared to the COP 145,652 million reported for the same period of 2012, basically from the impact of the recognition of the Chilean and Brazilian concessions as financial assets, which absorbed the negative effects of the early termination and subsequent renewal of Concession Contract 059/2001 in affiliate CTEEP, mentioned earlier in this report.



■ CONSOLIDATED BALANCE SHEET

Assets

Assets for ISA and its companies totaled COP 27,127,210 million, a 5.3% increase compared to December 2012. This increase was the result of the recognition of the Chilean and Brazilian concessions as financial assets as well as the conversion effects due to the devaluation of the Colombian peso versus the local currencies in the countries where ISA is present.

The geographical distribution by country of the assets was concentrated in Chile, Colombia and Brazil with 33.6%, 27.6% and 27.5%, respectively. Peru has 10.8% of the assets and the remaining 0.4% was located in other countries.

Liabilities

Consolidated liabilities were COP 15,358,952 million a decrease of 0.8%, as a result of the debt amortization in CTEEP as well as lower liabilities due to the preexisting infrastructure in Chile¹⁴, partially offset by the conversion effect and the issue of bonds in Colombia.

The distribution of liabilities by country was 45.5% in Chile, 23.6% in Colombia, 18.0% in Brazil, 12.4% in Peru and the remaining 0.5% in Bolivia and Argentina.

Minority interest

Minority interest reached COP 4,222,030 million, an increase of 1.2% compared to the figure for December 2012. This was due to the conversion effects of the Brazilian companies.

Equity

Equity reached COP 7,546,228 million, a 23.5% increase, compared with COP 6,110,615 million reported in 2012, mainly due to the recognition of the Chilean and Brazilian concessions as financial assets, the conversion effect of foreign affiliates and the results of the period.

■ CONSOLIDATED CASH FLOW

As of June 2013, the figure for cash and cash equivalent was COP 2,760,144 million, an increase of COP 1,083,238 million compared to the end of the 2012 period, basically generated by the receipt of 50% compensation from the early termination and subsequent renewal of Concession Contract 059/2001 in affiliate CTEEP, related to the assets invested after May 2000.

¹⁴ Assets received in operation from MOP for maintenance and administration.



■ DEBT

At the end of June 2013, the consolidated financial debt was COP 9,491,273 million, with 1.1% increase compared to December 2012 (COP 9,392,246 million).

(Figures in millions)

Consolidated debt	Business	Jun-2013	2012	Change COP	Change %	Jun-2013 USD
CHILE		4,401,454	4,329,812	71,642	1.65%	2,282
Ruta del Maipo	Road Concessions	2,275,630	2,197,950	77,680	3.5%	1,180
Ruta del Maule	Road Concessions	409,303	416,594	-7,291	-1.8%	212
Ruta de la Araucanía	Road Concessions	645,338	637,553	7,785	1.2%	335
Ruta del Bosque	Road Concessions	656,604	663,745	-7,141	-1.1%	340
Ruta de los Rios	Road Concessions	382,880	390,523	-7,643	-2.0%	198
Internexa en Chile	Telecommunications Transport	31,700	23,448	8,252	35.2%	16
COLOMBIA		1,902,373	1,776,694	125,679	7.07%	986
ISA Colombia	Energy Transmission	1,541,346	1,424,694	116,652	8.2%	799
Transelca	Energy Transmission	360,000	350,000	10,000	2.9%	187
Internexa	Telecommunications Transport	1,027	2,000	-973	-48.7%	1
BRASIL		1,660,251	2,165,368	-505,117	-23.33%	861
ISA Capital	Energy Transmission	61,055	55,966	5,089	9.1%	32
CTEEP	Energy Transmission	1,384,932	1,885,360	-500,428	-26.5%	718
IEMG	Energy Transmission	43,133	45,305	-2,172	-4.8%	22
IEPINHEIROS	Energy Transmission	96,329	101,308	-4,978	-4.9%	50
Serra Do Japi	Energy Transmission	74,801	77,429	-2,627	-3.4%	39
PERU		1,464,513	1,057,266	407,247	38.52%	759
ISA Perú	Energy Transmission	25,890	26,883	-993	-3.7%	13
REP	Energy Transmission	490,038	432,322	57,715	13.4%	254
Transmantaro	Energy Transmission	933,636	583,915	349,721	59.9%	484
Internexa en Perú	Telecommunications Transport	14,950	14,146	804	5.7%	8
BOLIVIA		55,846	55,457	388	0.70%	29
ISA Bolivia	Energy Transmission	55,846	55,457	388	0.7%	29
ARGENTINA		6,837	7,649	-812	-10.61%	4
Transamerican Telecommunication	Telecommunications Transport	6,837	7,649	-812	-10.6%	4
TOTAL		9,491,273	9,392,246	99,027	1.1%	4,920

The following factors had an impact on the results for second quarter 2013 period:

- In Colombia, ISA carried out the issuance of the Eighth Tranche of Bonds Issuance and Placement Program for COP 220 billion, destined to finance the cash flow needs of the Company during 2013, it exercised a prepayment option for the Third Tranche of the Bonds Issuance and Placement Program for COP 108,865 million and made a service payment to BNP Paribas for USD 1.8 million. These operations allowed the Company to improve its debt portfolio. On the other hand, TRANSELCA received credit disbursements for COP 10 billion also to meet its cash flow requirements for the 2013 period.

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

- TRANSMANTARO in Peru, received disbursements for USD 13 million. It paid credits for USD 34.5 million. It also carried out the First International Bond Issuance under Rule 144A/Regulation S, for USD 450 million, for a 10-year term and a coupon rate of 4.375%, with an oversubscription of 3.1 times. These funds were used to prepay current loans, thereby improving the Company's debt profile.
- ISA Peru paid USD 1.4 million in loans, prepaid a credit held with IFC for USD 6 million and obtained a new credit with Scotiabank for USD 6.6 million, thereby improving the Company's debt profile.

34.0% of debt is denominated in *Unidades de Fomento* -UF- (Chile), 18.9% in Colombian pesos, 15.1% in Brazilian Reais, 30.4%¹⁵ in U.S. dollars and 1.6% in other currencies. Approximately 70% of the debt is located in the capital markets and 30% is located in financial institutions.

82.85% of the debt is long-term and the remaining 17.15% is short-term.

■ CAPEX and INVESTMENTS

ISA's and its companies' approximate accumulated investments at June 2013 reached COP 526,201 million. During the second quarter it added COP 286,081 million to this amount, including direct investments and capital contributions:

- In **Colombia**, investments were made in new construction and connection for substations projects and capital contributions for ISA Peru and Interchile.
- In **Brazil**, CTEEP made capital contributions to IEMADEIRA, IEPINHEIROS and IESUL as well as operating investments, during the second quarter of 2013.
- In **Peru**, certain reinforcement and connection projects, construction projects as well as changes in the configuration of certain substations and expansions were carried out during the second quarter of 2013.

(figures in millions)

	1Q13	2Q13	6M13	%	2013E
Colombia	78,443	78,569	157,011	29.8%	544,792
Brazil	78,220 ¹⁶	138,554	216,775	41.2%	489,162
Peru	68,969	51,731	120,700	22.9%	486,197
Chile	14,451	16,363	30,814	5.9%	13,855
Other	37	865	902	0.2%	1,507
TOTAL	240,120	286,081	526,201	100.0%	1,535,512

The prior information corresponds to the sum of individual investments, not to the result of a consolidation process. Conversion into Colombian pesos was made taking into account the average rate for the quarter.

■ ISA'S RESULTS, INDIVIDUAL

¹⁵ It includes Bond 144A of Maipo having a Swap in UFs

¹⁶ It includes Serra do Japi and Evrecy Participações



Operating income

The operating result for the first six months of 2013 declined 0.1% compared to the same period of 2012, from COP 244,477 million to COP 244,141 million, mainly explained by:

- Lower Operating Revenues of COP 10,814 million, a 2.2% decrease due to lower revenues from construction contracts for third parties and other non-recurrent operating revenues.
- Lower operating costs of COP 10,478 million, a 4.1% decrease compared to June 2012, explained by the net effect of a) lower costs associated to construction projects for third parties, b) decline of depreciation expenses, as a result of the review and update of the remaining life of substation assets for the third quarter of 2012, c) decreased maintenance costs, d) decreased personnel costs and expenses and e) higher contributions and taxes.

Operating income for the second quarter increased 2.2% compared with the second quarter of 2013, as net result of a 0.4% revenue increase and a 1.3% decrease in costs and expenses, due to a lower depreciation.

EBITDA and EBITDA margin

Accumulated EBITDA decreased 3.1%, from COP 310,457 million at June 2012 to COP 300,846 million at June 2013, mainly as a result of lower revenues and costs associated with contracts with third parties as well as higher contributions and taxes. The EBITDA margin went from 62.1% in 6M12 to 61.5% in 6M13.

EBITDA decreased 0.8% during 2Q13, compared to 2Q12.

Non-operating results (losses)

Compared to the accumulated result of June last year, the non-operating result increased COP 78,628 million, from -COP 46,919 million in 2012 to COP 31,709 million in 2013. This was mainly due to the net effect of higher revenues under the equity method, generated by the recognition of the energy transmission concessions in Brazil and road concessions in Chile as financial assets in accordance to Colombian regulation and lower revenues from CTEEP, as a result of the early termination and subsequent renewal of Concession Contract 059/2001.

The non-operating result for the second quarter of 2013 increased 222.7% compared to the same period last year, due to the recognition of Brazilian and Chilean concessions as financial assets.

Taxes

Accumulated income tax provisions for the first six months of 2013 went from COP 51,906 million in 2012 to COP 58,322 million at the end of the same period of 2013, representing an increase of 12.4%. This variation was due to higher fiscal income, derived from lower financial expenses and higher revenues from exchange rate differences from loans to affiliates. For 2Q13, the 10.8% tax increase was due to the same reasons explained for the accumulated results.

Net income

Net income reached in the first half of 2013 was COP 217,528 million, 49.3% above the figure obtained in the same period last year, especially explained by higher revenues from the equity method. The net margin was 44.4%

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

compared to 29.1% reported for 2012. Net income for the second quarter of 2012 increased 218.7% compared to the second quarter of 2012, for the reasons mentioned above.

■ **ISA'S BALANCE SHEET, INDIVIDUAL**

As of the end of the second quarter of 2013, the Company's assets were COP 10,549,945 million, 18.4% above the figure reported at the end of 2012, due to: the recognition of the Brazilian and Chilean concessions as financial asset in accordance with Colombian regulations and the increase derived from the conversion effects on permanent investments; higher investments in construction projects and new funds from the issue of bonds and delegated;

Liabilities were COP 3,009,466 million, representing a 7.8% increase compared to the figure reported at the end of 2012, mainly due to the issuance of bonds and the increase of accounts payable.

At the end of the second quarter 2013, equity was COP 7,540,479 million, 23.2% above the figure reported at the end of 2012. This variation was generated as a result of the change of Brazilian and Chilean concessions as financial assets, the conversion effect of foreign investments and the increase of the results of the period.

■ **ISA'S CASH FLOW, INDIVIDUAL**

At the end of the second quarter of 2013, the figure for cash and cash equivalents was COP 305,938 million, an increase of COP 70,352 million compared to the end of 2012, basically generated by operating activities (COP 380,960 million) and mainly utilized for investment activities (\$ 155.470 million) such as investments in companies and purchase of property, plant and equipment and for the payment of dividends.

■ **HIGHLIGHTS APRIL 2013 – JULY 2013**

May 2013

- ISA acquired 11,304,604 shares, corresponding to 17.07% of ISA Peru S.A., formerly belonging to the Fund for Investment on Infrastructure, Public Utilities and Natural Resources, managed by AC Captales SAFI. Following this transaction, ISA S.A. E.S.P. became the holder of 45.14% of ISA Peru S.A., while TRANSELCA S.A E.S.P. holds 54.86%. The transaction had a value of USD 9,647,006.82.
- ISA placed bonds for COP 220 billion in the local market, corresponding to subseries C9 and C15 of the Eighth Tranche of the Company's Domestic Public Debt Security Placement and Issuance Program. The total amount demanded was COP 436,012 million, oversubscribed 2.9 times (calculated on the amount offered). The funds obtained will be used to finance the Company's cash flow.

June 2013

- ISA's shareholders received a dividend payment, as approved at the Ordinary Shareholders' Meeting held in March 2013. The payment was made in a single installment for COP 188 per share representing a 5.03% increase compared to the 2012 dividend per share and corresponds to 92.4% of the net profit obtained by the Company in the period.

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

- Fitch Ratings affirmed ISA's AAA (col) rating for the Domestic Public Debt Bond Placement and Issuance Program for COP 2.7 trillion. It also affirmed the F1+(col) rating for the commercial papers of up to COP 200 billion, a stable outlook.
- Fitch Ratings-Chicago upgraded the foreign and local currency Issuer Default Rating of ISA S.A. E.S.P. from BBB- to BBB; the international rating was revised from positive to stable.
- Standard & Poor's ratified ISA's international BBB- rating with a stable outlook.
- ISA exercised the prepayment option of the Third Tranche Bonds Issuance and Placement Program for COP 108,865 million, with a price for the exercise corresponding to 4% of the amortized value.
- In Santiago, Chile ISA was awarded a new international public bidding process that will enable the Company to design, finance, build, operate and maintain a 174-km. electricity line in the northern region of the country. It consists of the Encuentro-Lagunas project, the Interconnection of the Norte Grande System (*Sistema Interconectado del Norte Grande –SING–*), a double-circuit 220 kV transmission line, which has perpetual exploitation rights. The project will go into operation in 42 months beginning from the official awarding of the project. Expected annual revenues are USD 5,849,000 and the estimated investment is USD 80,000,000.
- ISA's Board of Directors approved the creation of a new affiliate dedicated to energy transmission, to represent the electricity assets belonging to ISA in Colombia and to manage, operate and maintain them. The new affiliate will be called INTERCOLOMBIA, it will be fully owned by ISA and will follow the corporate governance principles that have characterized ISA, in accordance with the regulations currently in effect. This initiative is part of the strategic update carried out by the Company, which is based on pillars of growth, efficiency and optimization of the investment portfolio, and that seeks to focus on activities that separate the double role played by ISA, in a matrix focused on corporate strategic issues, and an affiliate that will use and optimize the existing capacities to apply them on energy transmission. ISA estimates that INTERCOLOMBIA will begin operations in early 2014.

July 2013

- Camilo Barco Muñoz, ISA's Corporate Chief Financial Officer since 2008, submitted his resignation effective from July 15. Judith Cure Cure, Vice President of Affiliates will take over the role, with ample experience in the Company's financial management.
- In Peru, ISA was awarded the bid to design, finance, build, operate and maintain a 500-kV, 900-km long transmission line and associated substations. Expected annual revenues are approximately USD 41.5 million and the estimated maximum reference investment by Proinversión is approximately USD 412 million. For its implementation, the project will be transferred to Consorcio Transmantaro –CTM- a subsidiary of ISA (60%) and EEB (40%). The Project must be operational in 38 months, beginning from the date of the official awarding of the project, with a concession period of 30 years.



■ INVESTOR RELATIONS – EVENTS AND ACTIVITIES

As part of its communication strategy with the market, which facilitates direct and close interaction of the Company with shareholders and institutional investors, providing information that permits these parties to make a fundamentals-based judgment regarding the value of ISA, during 2013 ISA performed the following events and activities:

- Presentation of 4Q12 and 1Q13 Financial Results (Spanish with simultaneous translation into English)
- Institutional presentation at MILA Day event organized by BVC
- Presence in Chile, Andean Conference, organized by Larrain Vial
- Ordinary Shareholders' Meeting
- Participation in Colombia Inside Out event, held in New York City
- Dialogues between ISA and its Stakeholders, under the Corporate Social Responsibility framework
- Presentation of ISA 2020 Strategic Update project, held in the cities of Bogotá and Medellín
- Conference Calls regarding Colombian Electricity Market and Regulation
- Attention to visits from private investment funds (local and international)
- Ongoing support to analysts and institutional investors regarding concerns regarding ISA and its affiliates
- Supply of ongoing information through Investors' section of ISA's website:
 - ✓ Corporate presentations. All presentations associated with different activities are published in this section
 - ✓ Annual and quarterly financial information of ISA and its affiliate companies
 - ✓ Strategic progress
 - ✓ Investors' Q&A, where specific answers provided to any analyst are published
 - ✓ Schedule of activities, among others.

This report main contain forward-looking statements regarding the performance of ISA and should be taken in good faith by institutions; said forward-looking statements reflect the views of management and are based on currently available information, which assumes risks and uncertainties, including economic conditions and those from other markets, as well as the exchange rate variation and other financial variables respect to which ISA S.A. E.S.P. may not be held responsible, directly or indirectly, for financial operations that the public may conduct in reliance of the information hereby presented.

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

■ DATA ON MARKET AND ADDITIONAL INFORMATION

Exchange rates

EXCHANGE RATES	6M12 average	6M13 Average	Change %	2011 last	Jun-12 last	Change %	2012 last	Jun-13 last	Change %
COP / DOLLAR USD	1,793.83	1,826.83	1.84%	1,942.70	1,784.60	-8.14%	1,768.23	1,929.00	9.09%
REAL / DOLLAR USD	1.86	2.03	9.12%	1.88	2.02	7.76%	2.04	2.22	8.42%
CPL / DOLLAR USD	492.83	478.68	-2.87%	519.20	501.84	-3.34%	479.96	507.16	5.67%
COP / REAL	962.36	898.16	-6.67%	1,035.66	882.90	-14.75%	865.29	870.64	0.62%
COP / CPL	3.64	3.82	4.85%	3.74	3.56	-4.96%	3.68	3.80	3.24%

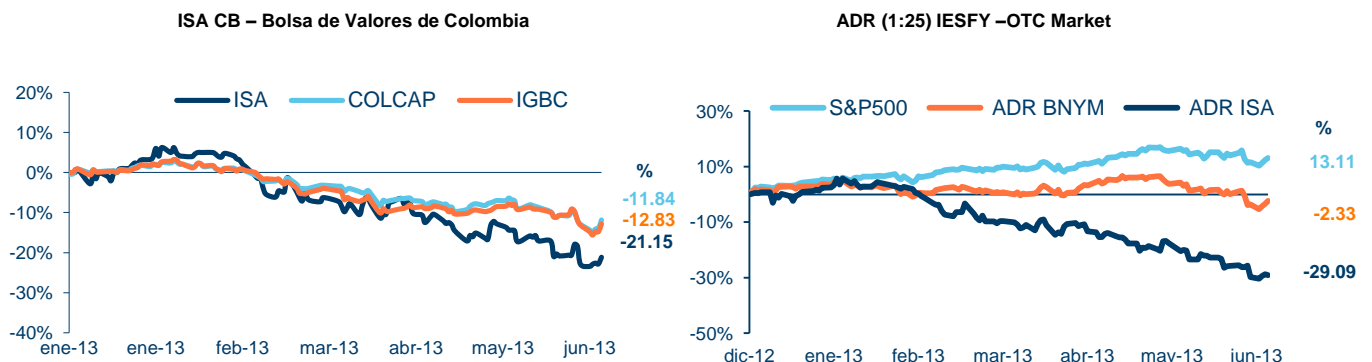
ISA Risk Ratings

<i>Fitch Ratings</i> May 2013	<i>Standard & Poor's</i> December 2012	<i>Moody's</i> December 2012
BBB Stable Outlook	BBB- Stable Outlook	Baa3 Stable Outlook

Stock composition at June 2013

	Number of shares	%
The Colombian Government	569,472,561	51.4%
Private investors (float)	348,226,256	31.4%
EPM- Empresas Públicas de Medellín	112,605,547	10.2%
Companies with public and private capital	77,373,530	7.0%
Subscribed and paid-in Capital	1,107,677,894	100.0%

ISA's share (valuation and multiples)



PVL	RPG	DIVIDEND YIELD	EV/EBITDA
1.11	24.32	2.48%	6.51

...

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

**ISA S.A. E.S.P. - CONSOLIDATED -
INCOME STATEMENT (Unaudited)**
JANUARY – JUNE 2013
Figures in millions of Colombian pesos

	2Q13	2Q12	Change COP	Change %	2Q13 USD	6M13	6M12	Change COP	Change %	6M13 USD
OPERATING REVENUES										
Energy transmission services	557,212	733,488	(176,276)	-24.0%	289	1,033,826	1,504,745	(470,919)	-31.3%	536
Connection charges	44,227	85,249	(41,022)	-48.1%	23	85,752	175,357	(89,605)	-51.1%	44
Dispatch and CND (National Dispatch Center)	11,713	10,028	1,685	16.8%	6	24,171	20,185	3,986	19.7%	13
MEM Services	10,518	8,474	2,044	24.1%	5	15,454	18,048	(2,594)	-14.4%	8
Roads	224,815	167,863	56,952	33.9%	117	465,452	378,812	86,640	22.9%	241
Telecommunications	34,698	28,427	6,271	22.1%	18	66,135	56,911	9,224	16.2%	34
Other services	16,865	11,008	5,857	53.2%	9	25,507	32,142	(6,635)	-20.6%	13
TOTAL OPERATING REVENUES	900,048	1,044,537	(144,489)	-13.8%	467	1,716,297	2,186,200	(469,903)	-21.5%	890
COSTS AND OPERATING EXPENSES										
Operating costs and administration expenses	441,752	350,032	91,720	26.2%	229	795,203	684,477	110,726	16.2%	412
Depreciation	39,114	42,766	(3,652)	-8.5%	20	77,448	84,966	(7,518)	-8.8%	40
Amortization	-26,465	142,860	(169,325)	-118.5%	-14	103,523	288,870	(185,347)	-64.2%	54
Provisions	22,336	6,366	15,970	250.9%	12	32,495	16,654	15,841	95.1%	17
TOTAL COSTS AND OPERATING EXPENSES	476,737	542,024	(65,287)	-12.0%	247	1,008,669	1,074,967	(66,298)	-6.2%	523
Operating Income	423,311	502,513	(79,202)	-15.8%	219	707,628	1,111,233	(403,605)	-36.3%	367
NON - OPERATING REVENUES										
Financial	127,485	27,268	100,217	367.5%	66	230,601	56,626	173,975	307.2%	120
Exchange difference	37,727	52,318	(14,591)	-27.9%	20	119,385	129,877	(10,492)	-8.1%	62
Other	5,618	14,042	(8,424)	-60.0%	3	28,402	21,629	6,773	31.3%	15
Total non-operating revenues	170,830	93,628	77,202	82.5%	89	378,388	208,132	170,256	81.8%	196
NON - OPERATING EXPENSES										
Financial	215,945	267,009	(51,064)	-19.1%	112	437,188	501,094	(63,906)	-12.8%	227
Exchange difference	115,924	11,379	104,545	918.8%	60	172,930	90,235	82,695	91.6%	90
Other	7,288	15,069	(7,781)	-51.6%	4	13,619	23,275	(9,656)	-41.5%	7
Total non-operating expenses	339,157	293,457	45,700	15.6%	176	623,737	614,604	9,133	1.5%	323
Non-operating results	(168,327)	(199,829)	31,502	-15.8%	-87	(245,349)	(406,472)	161,123	-39.6%	-127
Income before taxes	254,984	302,684	(47,700)	-15.8%	132	462,279	704,761	(242,482)	-34.4%	240
Income tax provision	51,566	115,374	(63,808)	-55.3%	27	126,699	243,856	(117,157)	-48.0%	66
Income before minority interests	203,418	187,310	16,108	8.6%	105	335,580	460,905	(125,325)	-27.2%	174
Minority interest (MI)	56,192	141,115	(84,923)	-60.2%	29	118,052	315,253	(197,201)	-62.6%	61
NET INCOME	147,226	46,195	101,031	218.7%	76	217,528	145,652	71,876	49.3%	113
EBITDA	466,700	702,684	(235,984)	-33.6%	242	937,587	1,517,854	(580,267)	-38.2%	486
EBITDA Margin	51.9%	67.3%				54.6%	69.4%			
Operating Margin	47.0%	48.1%				41.2%	50.8%			
Net Margin before MI	22.6%	17.9%				19.6%	21.1%			

Amounts expressed in millions US dollars in this report are for information purposes only, and do not reflect normally utilized accounting conversion techniques. As of June 30, 2013, the exchange rate was of USD 1.00=COP 1,929.00 (Source: Banco de la República de Colombia).

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

**ISA S.A. E.S.P. - CONSOLIDATED -
BALANCE SHEET (Unaudited)**

JANUARY – JUNE 2013

Figures in millions of Colombian pesos

	June 2013	% Part.	2012	Change COP	Change %	June 2013 USD
CURRENT ASSETS						
Cash	444,012	1.6%	429,455	14,557	3.4%	230
Marketable investments	2,316,132	8.5%	1,247,451	1,068,681	85.7%	1,201
Accounts receivable, net	1,332,345	4.9%	2,986,706	(1,654,361)	-55.4%	691
Inventories	110,028	0.4%	112,043	(2,015)	-1.8%	57
Deferred charges and other assets	152,063	0.6%	119,410	32,653	27.3%	79
Total current assets	4,354,580	16.1%	4,895,065	(540,485)	-11.0%	2,257
NON-CURRENT ASSETS						
Long-term investments	824,315	3.0%	707,607	116,708	16.5%	427
Long-term accounts receivable	10,821,468	39.9%	1,916,517	8,904,951	464.6%	5,610
Inventories	60,039	0.2%	58,428	1,611	2.8%	31
Property, plant and equipment, net	3,139,017	11.6%	3,031,437	107,580	3.5%	1,627
Deferred charges and other assets	4,912,929	18.1%	12,148,548	(7,235,619)	-59.6%	2,547
Reappraisal of assets	3,014,862	11.1%	3,013,387	1,475	0.0%	1,563
Total non-current assets	22,772,630	83.9%	20,875,924	1,896,706	9.1%	11,805
TOTAL ASSETS	27,127,210	100.0%	25,770,989	1,356,221	5.3%	14,063
CURRENT LIABILITIES						
Outstanding bonds	406,179	1.5%	412,934	(6,755)	-1.6%	211
Financial liabilities	500,196	1.8%	936,531	(436,335)	-46.6%	259
Accounts payable	993,188	3.7%	1,017,421	(24,233)	-2.4%	515
Labor liabilities	21,471	0.1%	20,919	552	2.6%	11
Accrued liabilities and estimated provisions	210,107	0.8%	176,773	33,334	18.9%	109
Other liabilities	349,759	1.3%	259,299	90,460	34.9%	181
Total current liabilities	2,480,900	9.1%	2,823,877	(342,977)	-12.1%	1,286
LONG-TERM LIABILITIES						
Outstanding bonds	6,681,932	24.6%	5,574,696	1,107,236	19.9%	3,464
Financial liabilities	1,903,116	7.0%	2,468,086	(564,970)	-22.9%	987
Accounts payable	1,152,456	4.2%	1,554,263	(401,807)	-25.9%	597
Labor liabilities	1,362	0.0%	1,433	(71)	-5.0%	1
Accrued liabilities and estimated provisions	804,620	3.0%	767,931	36,689	4.8%	417
Other liabilities	2,334,566	8.6%	2,296,767	37,799	1.6%	1,210
Total long-term liabilities	12,878,052	47.5%	12,663,176	214,876	1.7%	6,676
TOTAL LIABILITIES	15,358,952	56.6%	15,487,053	(128,101)	-0.8%	7,962
Minority interests	4,222,030	15.6%	4,173,321	48,709	1.2%	2,189
Subscribed and paid in capital	36,916	0.1%	36,916	-	0.0%	19
Capital Surplus	1,445,509	5.3%	1,445,509	-	0.0%	749
Reserves	999,186	3.7%	934,492	64,694	6.9%	518
Net income	217,528	0.8%	272,938	(55,410)	-20.3%	113
Cumulative translation adjustment	5,749	0.0%	(9,091)	14,840	163.2%	3
Equity revaluation	415,645	1.5%	415,645	-	0.0%	215
Surplus from asset reappraisals	2,564,763	9.5%	2,563,287	1,476	0.1%	1,330
Surplus from equity method	1,860,932	6.9%	450,919	1,410,013	312.7%	965
Total Shareholders' Equity	7,546,228	27.8%	6,110,615	1,435,613	23.5%	3,912
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	27,127,210	100.0%	25,770,989	1,356,221	5.3%	14,063

Amounts expressed in millions US dollars in this report are for information purposes only, and do not reflect normally utilized accounting conversion techniques. As of June 30, 2013, the exchange rate was of USD 1.00=COP 1,929.00 (Source: Banco de la República de Colombia).

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

**ISA S.A. E.S.P. - CONSOLIDATED -
CASH FLOW STATEMENT (Unaudited)**
JANUARY – JUNE 2013
Figures in millions of Colombian pesos

	2Q13	2Q12	Change COP	Change %	2Q13 USD
Cash flows from operating activities:					
Net income	217,528	145,653	71,875	49%	113
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operational activities:					
Minority interest	118,052	315,253	(197,201)	-63%	61
Depreciation of properties, plant and equipment	77,449	84,966	(7,517)	-9%	40
Amortization of deferred and other assets	103,523	288,870	(185,347)	-64%	54
Amortization of retirement pensions and extralegal benefits – net	16,493	16,130	363	2%	9
Provision for accounts receivable	174	121	53	44%	0
Investment provision	389	70	319	456%	0
Income tax provision	126,699	243,856	(117,157)	-48%	66
Loss in property, plant and equipment disposal and retirement	5,777	9,333	(3,556)	-38%	3
Cost for rights of anticipated renewal of Concession 059/2001 CTEEP	-	9,333	(9,333)	-100%	-
Expense) Income for foreign exchange rate conversion	107,766	(21,224)	128,990	-608%	56
Recovery of provisions	-	(900)	900	-100%	-
Accrued interest and commissions	190,260	320,947	(130,687)	-41%	99
	964,110	1,412,408	(448,298)	-32%	500
Changes in operating assets and liabilities:					
Debtors	126,170	(153,187)	279,357	-182%	65
Receivables for early contract renewal compensation 059/2001	1,344,703	-	1,344,703		697
Inventories	404	18,476	(18,072)	-98%	0
Deferred and other assets	(30,948)	(342,932)	311,984	-91%	(16)
Accounts payable	200,875	316,547	(115,672)	-37%	104
Labor liabilities	481	(21,775)	22,256	-102%	0
Estimated liabilities and provisions	2,314	(191,360)	193,674	-101%	1
Collections in favor of third-parties	(5,802)	188,949	(194,751)	-103%	(3)
Minority interest	(120,315)	(181,766)	61,451	-34%	(62)
Variation Shareholders' equity					
Cash flows in other operations:	1	-			
Retirement pension payments					
Tax payments	(16,210)	(13,780)	(2,430)	18%	(8)
Net cash provided by operating activities	(230,959)	(540,582)	309,623	-57%	(120)
	2,234,823	393,448	1,841,375	468%	1,159
Cash flows from investment activities:					
Variation of permanent and long term investments					
Sale of property, plant and equipment	47,457	93,781	(46,324)	-49%	25
Intangible acquisitions	785	-	785		0
Purchase of property, plant and equipment	(301,252)	-	(301,252)		(156)
Net cash used by investment activities	(174,501)	(110,137)	(64,364)	58%	(90)
	(427,511)	(16,356)	(411,155)	2514%	(222)
Cash flows from financing activities:					
Interest received in cash					
Interest paid in cash	98,195	20,455	77,740	380%	51
Dividends paid	(389,728)	(461,349)	71,621	-16%	(202)
Increase in financial obligations	(208,243)	(245,904)	37,661	-15%	(108)
Bond Issue	171,221	629,566	(458,345)	-73%	89
Payment of financial obligations	1,220,369	-	1,220,369		633
Bond payment	(1,365,899)	(392,341)	(973,558)	248%	(708)
Net cash used by financing activities	(249,989)	(76,640)	(173,348)	226%	(130)
	(724,074)	(526,213)	(197,861)	38%	(375)
Net increase (decrease) in cash and cash equivalents					
Cash and equivalents at the beginning of quarter	1,083,238	(149,121)	1,232,359	-826%	562
CASH AND EQUIVALENTS AT QUARTER END	1,676,906	1,412,951	263,955	19%	869

Amounts expressed in millions of US dollars in this report are for informational purposes only, and do not reflect normally utilized accounting conversion techniques. As of June 30, 2013, the exchange rate was of USD 1.00= COP 1,929.00 (Source: Banco de la República de Colombia).

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

**ISA S.A. E.S.P. - INDIVIDUAL -
INCOME STATEMENT (Unaudited)**

JANUARY – JUNE 2013

Figures in millions of Colombian pesos

	2Q13	2Q12	Change COP	Change %	2Q13 USD	6M13	6M12	Change COP	Change %	6M13 USD
OPERATING REVENUES										
Energy transmission services	212,028	210,968	1,060	0.5%	110	418,944	417,819	1,125	0.3%	217
Connection charges	24,619	23,663	956	4.0%	13	47,937	47,895	42	0.1%	25
Infrastructure Projects	3,008	2,961	47	1.6%	2	4,051	13,248	(9,197)	-69.4%	2
Telecommunications	4,283	4,468	(185)	-4.1%	2	8,994	8,976	18	0.2%	5
Other services	5,141	6,143	(1,002)	-16.3%	3	9,540	12,342	(2,802)	-22.7%	5
TOTAL OPERATING REVENUES	249,079	248,203	876	0.4%	129	489,466	500,280	(10,814)	-2.2%	254
COSTS AND OPERATING EXPENSES										
Operating costs and administration expenses	105,454	102,860	2,594	2.5%	55	197,922	198,190	(268)	-0.1%	103
Depreciation	21,052	26,343	(5,291)	-20.1%	11	42,491	52,903	(10,412)	-19.7%	22
Amortization	1,792	1,809	(17)	-0.9%	1	3,547	3,619	(72)	-2.0%	2
Provisions	958	4	954	23850.0%	0	1,365	1,091	274	25.1%	1
TOTAL COSTS AND OPERATING EXPENSES	129,256	131,016	(1,760)	-1.3%	67	245,325	255,803	(10,478)	-4.1%	127
Operating Income	119,823	117,187	2,636	2.2%	62	244,141	244,477	(336)	-0.1%	127
NON - OPERATING REVENUES										
Financial	6,398	6,530	(132)	-2.0%	3	20,567	17,434	3,133	18.0%	11
Exchange difference	-1,705	1,271	(2,976)	-234.1%	(1)	41,885	11,871	30,014	252.8%	22
Equity Method	111,408	33,085	78,323	236.7%	58	138,855	76,367	62,488	81.8%	72
Other	506	2,657	(2,151)	-81.0%	0	3,299	7,259	(3,960)	-54.6%	2
Total no-operating revenues	116,607	43,543	73,064	167.8%	60	204,606	112,931	91,675	81.2%	106
NON - OPERATING EXPENSES										
Financial	35,777	36,916	(1,139)	-3.1%	19	68,417	75,783	(7,366)	-9.7%	35
Exchange difference	-8,754	1,726	(10,480)	-607.2%	(5)	30,738	26,016	4,722	18.2%	16
Equity Method	33,827	50,099	(16,272)	-32.5%	18	73,622	57,091	16,531	29.0%	38
Other	23	219	(196)	-89.5%	0	120	960	(840)	-87.5%	0
Total no-operating expenses	60,873	88,960	(28,087)	-31.6%	32	172,897	159,850	13,047	8.2%	90
Non-operating results	55,734	(45,417)	101,151	222.7%	29	31,709	(46,919)	78,628	167.6%	16
Income before taxes	175,557	71,770	103,787	144.6%	91	275,850	197,558	78,292	39.6%	143
Income tax provision	28,331	25,575	2,756	10.8%	15	58,322	51,906	6,416	12.4%	30
NET INCOME	147,226	46,195	101,031	218.7%	76	217,528	145,652	71,876	49.3%	113
EBITDA	148,435	149,642	(1,207)	-0.8%	77	300,846	310,457	(9,611)	-3.1%	156
EBITDA margin	59.6%	60.3%				61.5%	62.1%			
Operating margin	48.1%	47.2%				49.9%	48.9%			
Net margin	59.1%	18.6%				44.4%	29.1%			

Amounts expressed in millions US dollars in this report are for information purposes only, and do not reflect normally utilized accounting conversion techniques. As of June 30, 2013, the exchange rate was of USD 1.00=COP 1,929.00 (Source: Banco de la República de Colombia).

...

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

**ISA S.A. E.S.P. - INDIVIDUAL -
BALANCE SHEET (Unaudited)**
JANUARY – JUNE 2013
Figures in millions of Colombian pesos

	June 2013	% Part.	2012	Change COP	Change %	June 2013 USD
CURRENT ASSETS						
Cash	192,536	1.8%	97,797	94,739	96.9%	100
Marketable investments	113,402	1.1%	137,789	(24,387)	-17.7%	59
Accounts receivable, net	612,929	5.8%	529,318	83,611	15.8%	318
Inventories	2,897	0.0%	28,284	(25,387)	-89.8%	2
Deferred charges and other assets	77,163	0.7%	72,658	4,505	6.2%	40
Total current assets	998,927	9.5%	865,846	133,081	15.4%	518
NON-CURRENT ASSETS						
Long-term investments	4,140,425	39.2%	2,727,530	1,412,895	51.8%	2,146
Long-term accounts receivable	17,258	0.2%	14,533	2,725	18.8%	9
Inventories	53,629	0.5%	53,328	301	0.6%	28
Property, plant and equipment, net	2,450,813	23.2%	2,368,664	82,149	3.5%	1,271
Deferred charges and other assets	324,130	3.1%	319,117	5,013	1.6%	168
Reappraisal of assets	2,564,763	24.3%	2,563,287	1,476	0.1%	1,330
Total non-current assets	9,551,018	90.5%	8,046,459	1,504,559	18.7%	4,951
TOTAL ASSETS	10,549,945	100.0%	8,912,305	1,637,640	18.4%	5,469
CURRENT LIABILITIES						
Financial liabilities	110,000	1.0%	110,000	-	0.0%	57
Accounts payable	7,313	0.1%	6,704	609	9.1%	4
Labor liabilities	-	0.0%	31,908	(31,908)	-100.0%	-
Accrued liabilities and estimated provisions	308,025	2.9%	243,363	64,662	26.6%	160
Other liabilities	8,395	0.1%	7,639	756	9.9%	4
	83,750	0.8%	53,173	30,577	57.5%	43
Total current liabilities	17,712	0.2%	11,110	6,602	59.4%	9
LONG-TERM LIABILITIES	535,195	5.1%	463,897	71,298	15.4%	277
Outstanding bonds						
Financial liabilities						
Related parties	1,102,500	10.5%	991,365	111,135	11.2%	572
Accounts payable	321,533	3.0%	316,625	4,908	1.6%	167
Labor liabilities	290,795	2.8%	255,060	35,735	14.0%	151
Accrued liabilities and estimated provisions	17,446	0.2%	50,462	(33,016)	-65.4%	9
Other liabilities	1,362	0.0%	1,433	(71)	-5.0%	1
	138,889	1.3%	136,359	2,530	1.9%	72
Total long-term liabilities	601,746	5.7%	577,398	24,348	4.2%	312
TOTAL LIABILITIES	2,474,271	23.5%	2,328,702	145,569	6.3%	1,283
Subscribed and paid in capital	3,009,466	28.5%	2,792,599	216,867	7.8%	1,560
Capital Surplus						
Reserves	36,916	0.3%	36,916	0	0.0%	19
Net income	1,445,509	13.7%	1,445,509	0	0.0%	749
Surplus from asset reappraisals	999,186	9.5%	934,492	64,694	6.9%	518
Surplus from equity method	217,528	2.1%	272,938	(55,410)	-20.3%	113
Equity revaluation	2,564,763	24.3%	2,563,287	1,476	0.1%	1,330
	1,860,932	17.6%	450,919	1,410,013	312.7%	965
Total Shareholders' Equity	415,645	3.9%	415,645	-	0.0%	215
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	7,540,479	71.5%	6,119,706	1,420,773	23.2%	3,909

Amounts expressed in millions US dollars in this report are for information purposes only, and do not reflect normally utilized accounting conversion techniques. As of June 30, 2013, the exchange rate was of USD 1.00=COP 1,929.00 (Source: Banco de la República de Colombia).

•••

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co

ISA S.A. E.S.P. - INDIVIDUAL -
CASH FLOW STATEMENT (Unaudited)
JANUARY – JUNE 2013
Figures in millions of Colombian pesos

	6M13	6M12	Var. \$	Var. %	6M13 USD
Cash flows from operating activities:					
Net income	217,528	145,653	71,875	49.3%	113
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operational activities:					
Depreciation of properties, plant and equipment	42,491	52,903	(10,412)	-19.7%	22
Amortization of deferred and other assets	3,547	3,619	(72)	-2.0%	2
Amortization of retirement pensions and extralegal benefits – net (Recovery-Write Off) Provision of accounts receivable	9,302	8,366	936	11.2%	5
(Recovery) Provision for investments	(151)	(180)	29	-16.1%	(0)
Income tax provision	36	(144)	180	-125.0%	0
Loss in property, plant and equipment disposal and retirement	58,322	51,906	6,416	12.4%	30
(Expense) Income for foreign exchange rate conversion	38	694	(656)	-94.5%	0
Income for equity method	(10,943)	13,970	(24,913)	-178.3%	(6)
Accrued interest and commissions	(65,233)	(19,275)	(45,958)	238.4%	(34)
	52,322	65,131	(12,809)	-19.7%	27
	307,259	322,643	(15,384)	-4.8%	159
Changes in operating assets and liabilities:					
Debtors	29,614	(11,111)	40,725	-366.5%	15
Inventories	(251)	7,546	(7,797)	-103.3%	(0)
Deferred and other assets	(4,188)	(5,743)	1,555	-27.1%	(2)
Accounts payable	109,629	37,240	72,389	194.4%	57
Labor liabilities	685	606	79	13.0%	0
Estimated liabilities and provisions	(3,060)	(19,276)	16,216	-84.1%	(2)
Other liabilities	42,685	32,804	9,881	30.1%	22
Cash flows in other operations:					
Retirement pension payments	(6,675)	(6,550)	(125)	1.9%	(3)
Payment of taxes and contributions	(94,738)	(90,927)	(3,811)	4.2%	(49)
Net cash provided by operation activities	380,960	267,232	113,728	42.6%	197
Cash flows from investment activities:					
Purchase of permanent and long term investments	(22,787)	(4,330)	(18,457)	426.3%	(12)
Sale of property and equipment	-	412	(412)	-100.0%	-
Purchase of property, plant and equipment	(124,678)	(46,312)	(78,366)	169.2%	(65)
Additions (disposals) of deferred and other assets	(8,005)	-	(8,005)	0.0%	(4)
Net cash used by investment activities	(155,470)	(27,745)	(127,725)	4	(81)
Cash flows from financing activities:					
Interest received in cash	2,799	5,837	(3,038)	-52.0%	1
Interest paid in cash	(57,345)	(66,323)	8,978	-13.5%	(30)
Dividends paid	(208,243)	(245,904)	37,661	-15.3%	(108)
Bonds variation	111,135	-	111,135	0.0%	58
Change in financial obligations	(3,484)	(43,361)	39,878	-92.0%	(2)
Net cash used by financing activities	(155,138)	(349,751)	194,614	-55.6%	(80)
Net increase (decrease) in cash and cash equivalents	70,352	(110,264)	180,617	-163.8%	36
Cash and equivalents at the beginning of the year	235,586	157,173	78,413	49.9%	122
CASH AND EQUIVALENTS AT THE YEAR END	305,938	46,909	259,030	552.2%	159

Amounts expressed in millions US dollars in this report are for information purposes only, and do not reflect normally utilized accounting conversion techniques. As of June 30, 2013, the exchange rate was of USD 1.00= COP 1,929.00 (Source: Banco de la República de Colombia).

...

ISA S.A. E.S.P • Calle 12 Sur 18-168 • Medellín, Colombia

Relacionamiento con Inversionistas

accionesis@isa.com.co • InvestorRelations@isa.com.co • @ISA_Avanza • www.isa.com.co