

# FOURTH QUARTER 2013 RESULTS

Medellín, Colombia

March 4, 2014



**Luis Fernando Alarcón, CEO**  
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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 September 30, 2013, the exchange rate was of USD 1.00 = COP 1,914.65 (Source: Banco de la República de Colombia).**

# AGENDA

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**Operating Highlights**

**Business Line Update**

**Fourth Quarter 2013 Results**

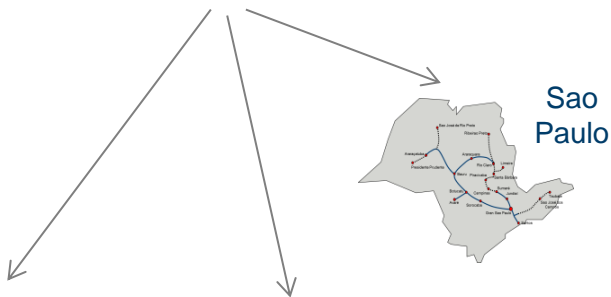
**Q&A**





- Moody's confirmed ISA's corporate rating at Baa3 with a stable outlook.

- CREG – Energy and Gas Regulation Authority approved the asset base and the parameters necessary for determining the remuneration of INTERCOLOMBIA S.A. E.S.P.



- Authorization for the installation of information transportation networks over high-voltage lines conceded to CTEEP in the state of Sao Paulo, Brazil.
- Acquisition of NQT and IPNet, information transportation companies who operate in the state of Rio Janeiro, Brazil.



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- 19 companies in Colombia, Peru, Central America, Bolivia, Brazil and Chile.
- Over than 41,000 circuits of transmission lines in operation.
- Transformation capacity: 74,000 MVA.
- Majority participation in Colombia and Peru, greater transmission operator in the state of Sao Paulo in Brazil, and a Important participation in Bolivia.
- Represent 68% of revenues.

## Perspectives

OPEX and CAPEX efficiencies

Evaluate investment opportunities and invest in those that are relevant for ISA.



- **Colombia**, UPME expansion plan for transmission lines and substations. Estimated value USD1,500 billion.
- **Peru**, Proinversión projects. Three transmission lines. Estimated value USD534 million in 2014.
- **Chile**, CDEC-SIC transmission line projects. Estimated value USD1755 million in 2014.



- Largest toll road concession operator in Chile.
- 907 km of toll road infrastructure in operation.
- Used by over 99 million vehicles in 2013.
- 95 toll plazas.
- 293 bridges, 368 structures (overpasses, connections, among others), 188 pedestrian walkways.
- Design speed is 120 km/hour.

- **Colombia**, ANI Projects– 4G bids. Estimated value USD5 billion in 2014. Concessions where ISA is prequalified:
  - Ibagué-Pto Salgar-Girardot
  - Neiva-Girardot
  - Cruz del Viso-Carreto-Palmar de Varela
  - Santana-Mocoa-Neiva
  - Popayán-Santander de Quilichao
  - Bogota-Villavicencio (Sector 1)

- **Chile**, third runways in Maipo, pedestrian connections in Rios and closed television circuits in Araucanía and Bosque.

## Perspectives

Enter the toll road concession operation in Colombia. →

Develop service and security works in existing roads

# CONNECTIVITY IN INFRASTRUCTURE IN TELECOMMUNICATIONS



- 25,466 km in operation, the largest open information transportation network in South America.
- Presence in Colombia, Ecuador, Peru, Chile, Argentina and Brazil and connection from Venezuela and Bolivia.
- 2.5 Tbps, generated USD 93M in revenues during 2013, with an annual growth rate of 8% in the last 7 years.
- 400 operators serviced, in local as well as national, regional and international needs.
- 150 Gbps in IP capacity in the countries in the region, served from local nodes and international connections via agreements with the most important agents in the industry.

## Perspectives

- Consolidate the operations in Chile, Argentina and Brazil and maintain the position already reached in Colombia, Ecuador and Peru.
- Focus management towards the main alliances with agents that are specialized in the industry, seeking to deepen the leadership position reached in the distribution of Internet traffic in the region.
- Adjust the product offering, to increase regional traffic as well as operator loyalty in the network.





## REAL TIME SYSTEMS

- Planning, coordination and supervision of the SIN operation in Colombia. 24,500 km in lines, 35,200 MVA of transformation, 14,600 MW in installed capacity.
- Planning and operation of the mobility control center of affiliates in Medellin, Colombia.
- Support and maintenance service in control centers in Colombia and Peru.
- Project under construction: Control Center for toll road information Antioquia, Colombia.
- Project under construction: Implementation of information System and Customs Management in Colombia.

## Perspectives

Expand services to other sectors

Strengthen synergistic services within Grupo ISA



## MARKET MANAGEMENT

- Management of commercial exchange programs of the wholesale energy market (Colombia). Payment, management of accounts and billing (COP7.2 trillion)
- 49.5% of property in DERIVEX – negotiations system and registering of operations of financial energy products in Colombia.
- 7.18% of property in CRCC – Central risk agency of the counterparty – compensation service as central operations counterparty

- **Colombia**, Mobility control centers in other cities, asset management system for Grupo ISA, training and certification and certification of strength system operators and market manager in the natural gas market.
- **Chile**, supervision center and works for InterChile.

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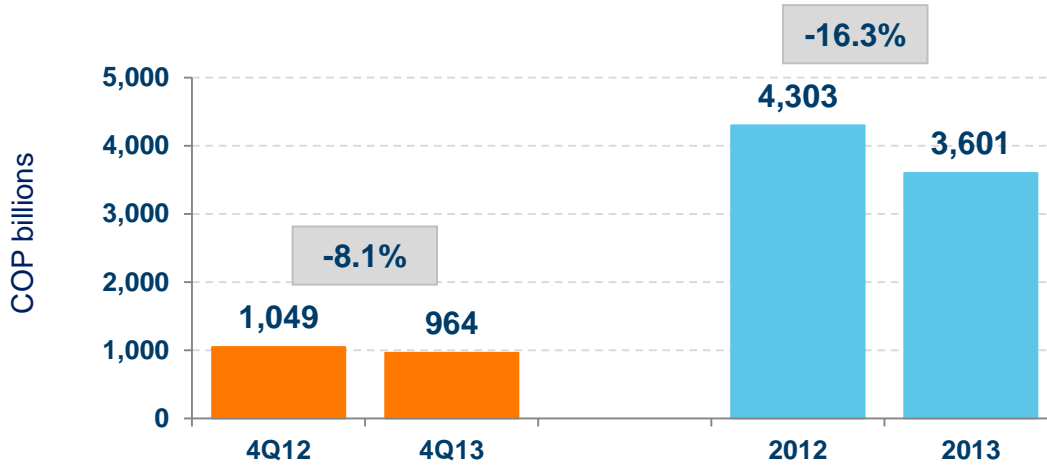
## Fourth quarter financial results included the following :

-  Recognition as a financial asset of concession in Chile and Brazil. This change represented an increase in consolidated net income approximately COP 250,000 million.
-  Consolidation of new energy transmission and telecommunications affiliates in Brazil. It represented an additional net income of COP 4.327 million in the consolidated 2013.
-  Impact from the early termination and subsequent renewal of Concession Contract 059 2001 in affiliate CTEEP, which represented a decrease in operating revenues of approximately 70%.
-  Net effect of the provision of the accounts receivable in CTEEP and ISA Capital do Brasil to the state of Sao Paulo, associated to Rule 4819, with an effect on ISA's net income of COP 15,078 million ISA.
-  Conversion impact from the devaluation effects of the Colombian Peso versus the U.S. Dollar and the revaluation of the Colombian Peso versus the Brazilian Real. This effect is mostly neutralized.

| EXCHANGE RATES    | 2012<br>average | 2013<br>average | Var<br>% | 2012     | 2013     | Var<br>% |
|-------------------|-----------------|-----------------|----------|----------|----------|----------|
| COP / DOLLAR USD  | 1,798.23        | 1,868.90        | 3.9      | 1,768.23 | 1,926.83 | 9.0      |
| REAL / DOLLAR USD | 2.00            | 2.16            | 7.7      | 2.04     | 2.34     | 14.6     |
| CPL / DOLLAR USD  | 486.49          | 495.31          | 1.8      | 479.96   | 524.61   | 9.3      |
| COP / REAL        | 897.45          | 866.03          | (3.5)    | 865.29   | 822.52   | (4.9)    |
| COP/ CPL          | 3.70            | 3.77            | 2.1      | 3.68     | 3.67     | (0.3)    |

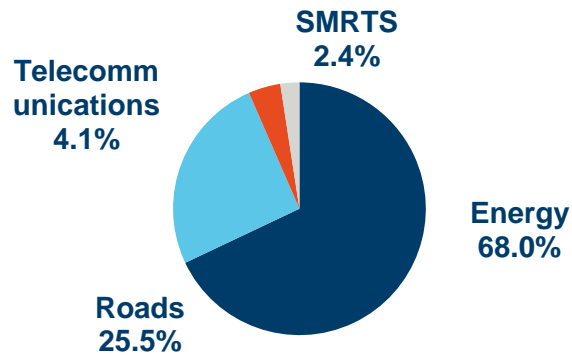
# CONSOLIDATED FINANCIAL RESULTS

## REVENUES



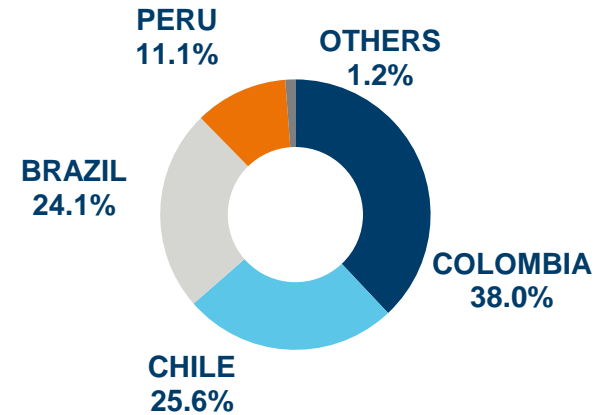
Total **operating revenues** reached COP 3,601 billion / USD 1,869 millions in 4Q13.

### Breakdown by Business – 2013



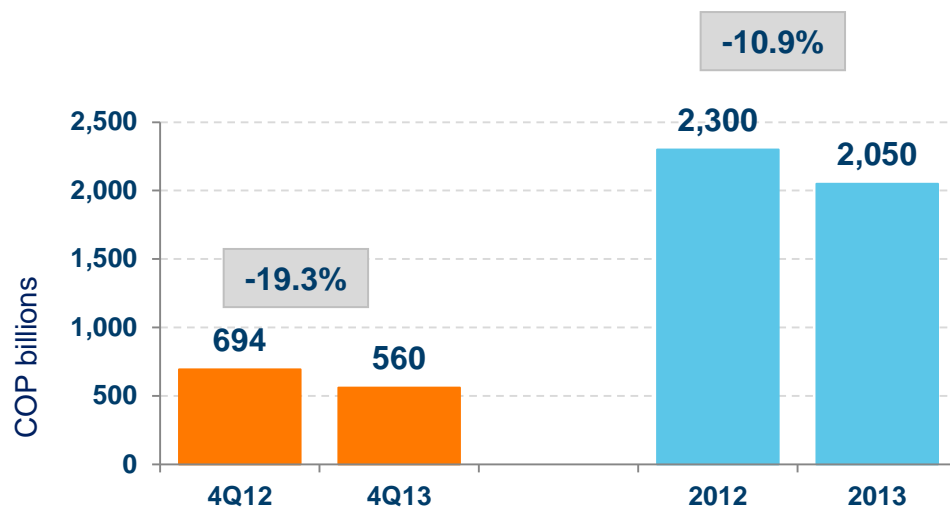
SMRTS: Smart Management of Real Time Systems

### Breakdown by Country – 2013

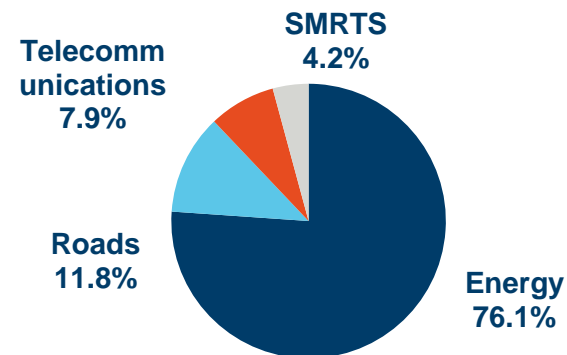


# CONSOLIDATED FINANCIAL RESULTS

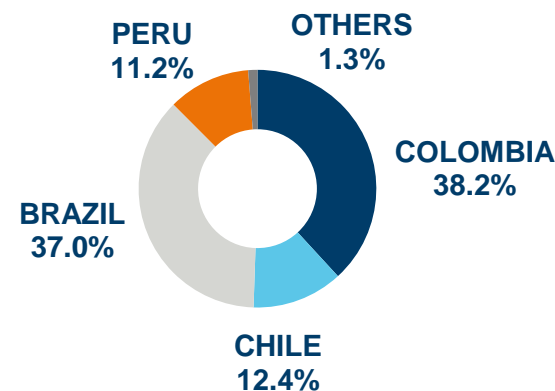
## COSTS AND OPERATING EXPENSES



### Participación por negocio – 2013



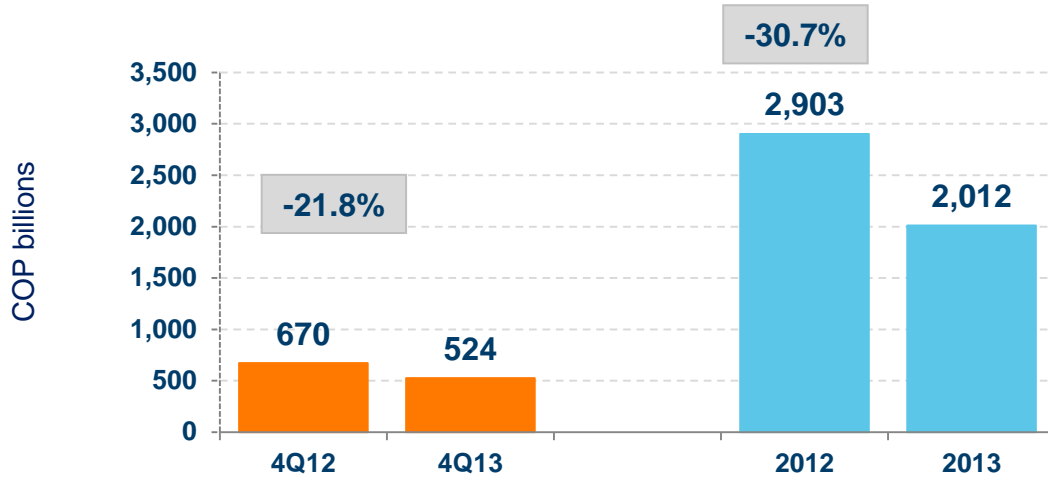
### Participación por país – 2013



|   | COP billions | 3Q12       | 3Q13       | Change \$   | Change %     |
|---|--------------|------------|------------|-------------|--------------|
| AOM Costs and Expenses (ex. Pensions)               |              | 353        | 371        | 18          | 5.2%         |
| Provisions, Depreciation, Amortization and Pensions |              | 179        | 110        | (69)        | -38.4%       |
| <b>Total</b>  |              | <b>532</b> | <b>481</b> | <b>(50)</b> | <b>-9.5%</b> |

# CONSOLIDATED FINANCIAL RESULTS

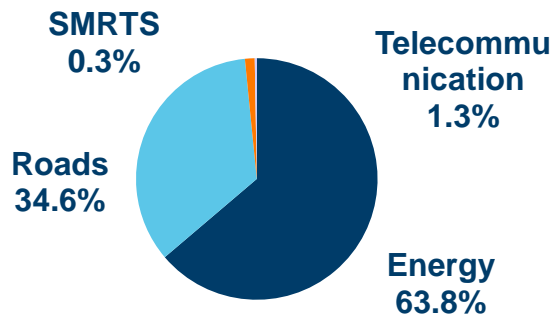
## EBITDA



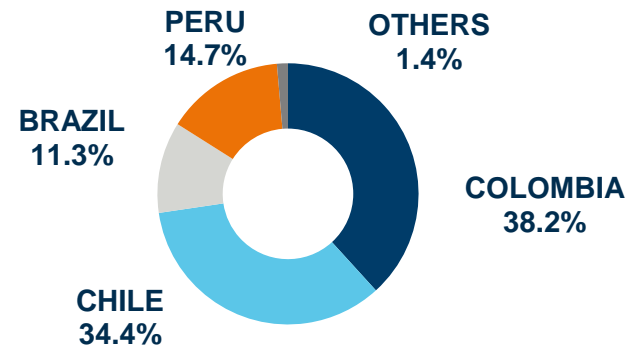
**EBITDA** reached COP 2,012 billion / USD1,044 million in 2013.

**EBITDA Margin** was 55.9% in 2013.

### Breakdown by Business – 2013



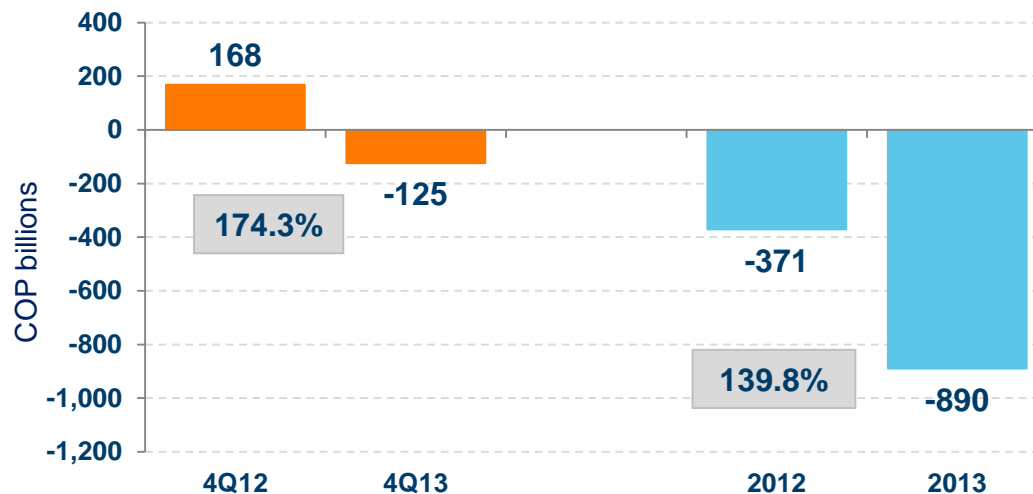
### Breakdown by Country – 2013



# CONSOLIDATED FINANCIAL RESULTS

## NON-OPERATING RESULTS

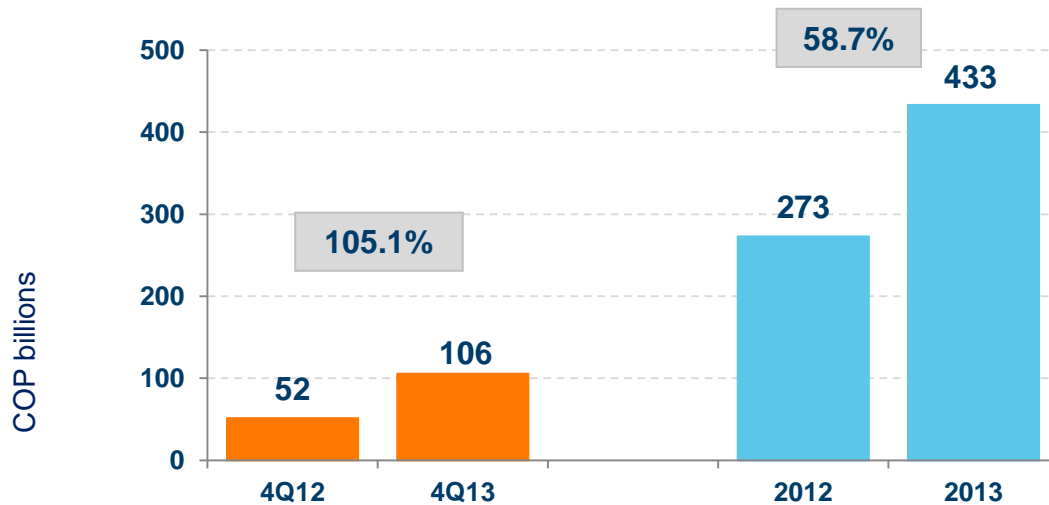
**Non-operating results**  
was –COP 890 billion /  
–USD462 million in 2013.



| <i>COP billions</i> | 4Q12       | 4Q13         | Var. \$      | Var. %         |
|---------------------|------------|--------------|--------------|----------------|
| Financial           | (134)      | (156)        | (21)         | 15.9%          |
| Others              | 302        | 31           | (271)        | -89.7%         |
| <b>TOTAL</b>        | <b>168</b> | <b>(125)</b> | <b>(292)</b> | <b>-174.3%</b> |

# CONSOLIDATED FINANCIAL RESULTS

## NET INCOME



**Net Income** for 4Q13 reached COP 433 million / USD 225 million in 2013.

**Income before minority interest** was 15.8%

**Net Margin** was 12.0%

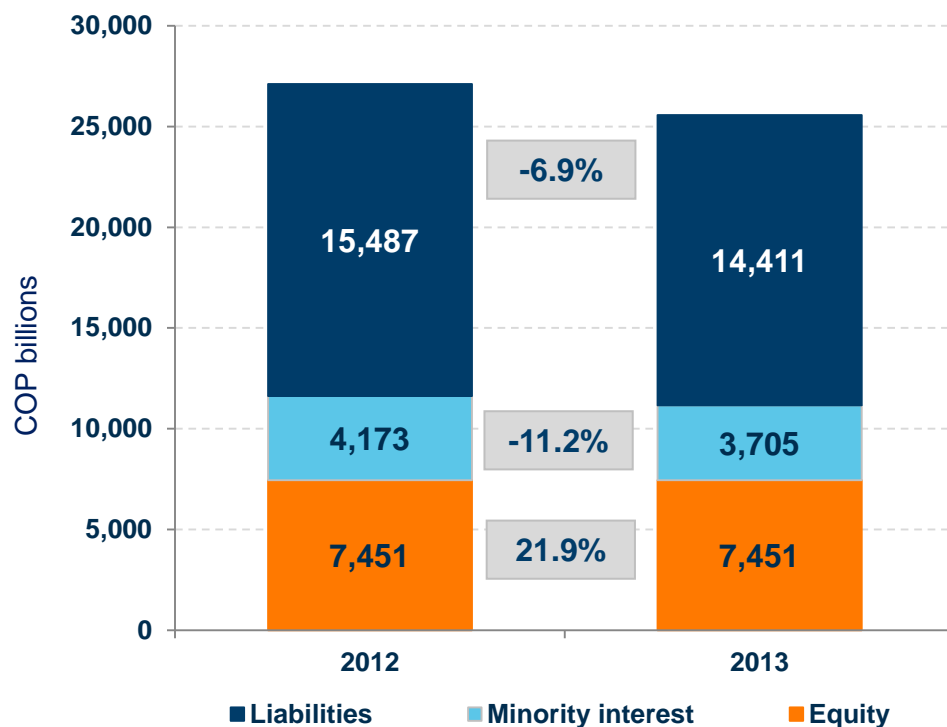
|  | <i>Billions</i> | 4Q12 | 4Q13  | Var. \$ | Var. %  |
|--|-----------------|------|-------|---------|---------|
| <b>Income before taxes</b>             |                 | 404  | (80)  | (484)   | -119.8% |
| Income tax provisions                  |                 | 197  | (85)  | (283)   | -143.2% |
| <b>Income before minority interest</b> |                 | 207  | 5     | (201)   | -97.4%  |
| Minority interest                      |                 | 131  | (104) | (235)   | -179.8% |
| <b>NET INCOME</b>                      |                 | 76   | 110   | 34      | 45.0%   |



# CONSOLIDATED FINANCIAL RESULTS

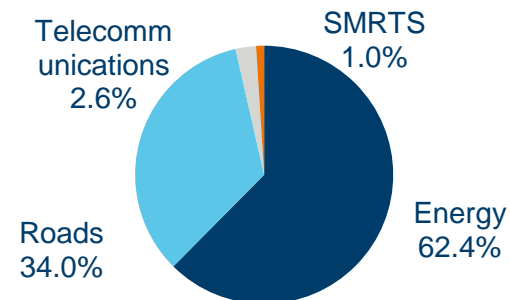
## BALANCE SHEET

Assets 25,567 -0.8% 25,770

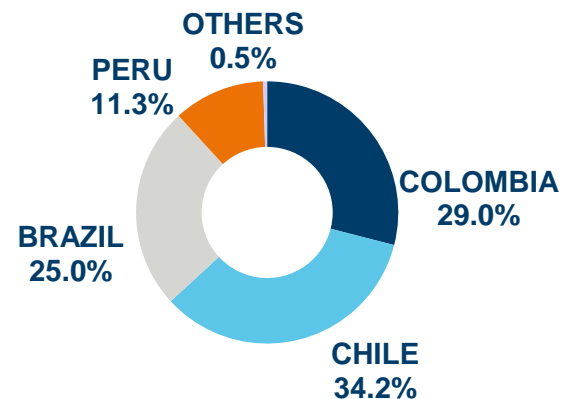


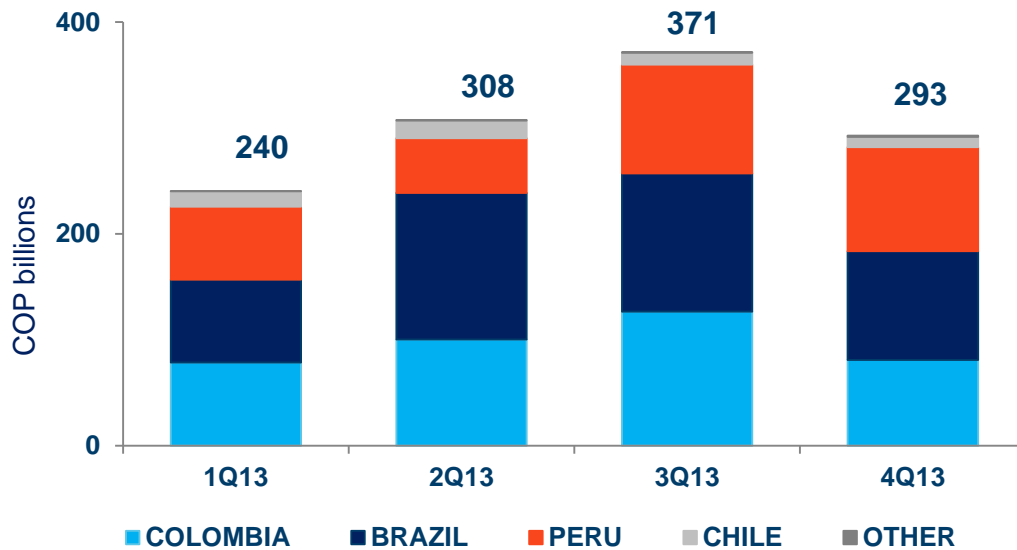
As of December 2013, **assets** totaled COP 25,567 billion / USD13,269 millions.

### Assets by Business – 2013



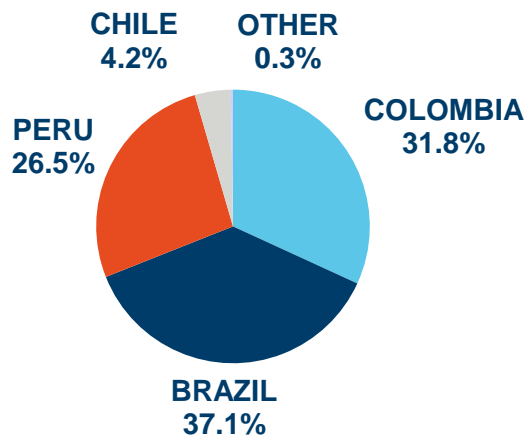
### Assets by Country – 2013





**CAPEX and permanent investments** reached COP 1,212 billion / USD629 million in 4Q13

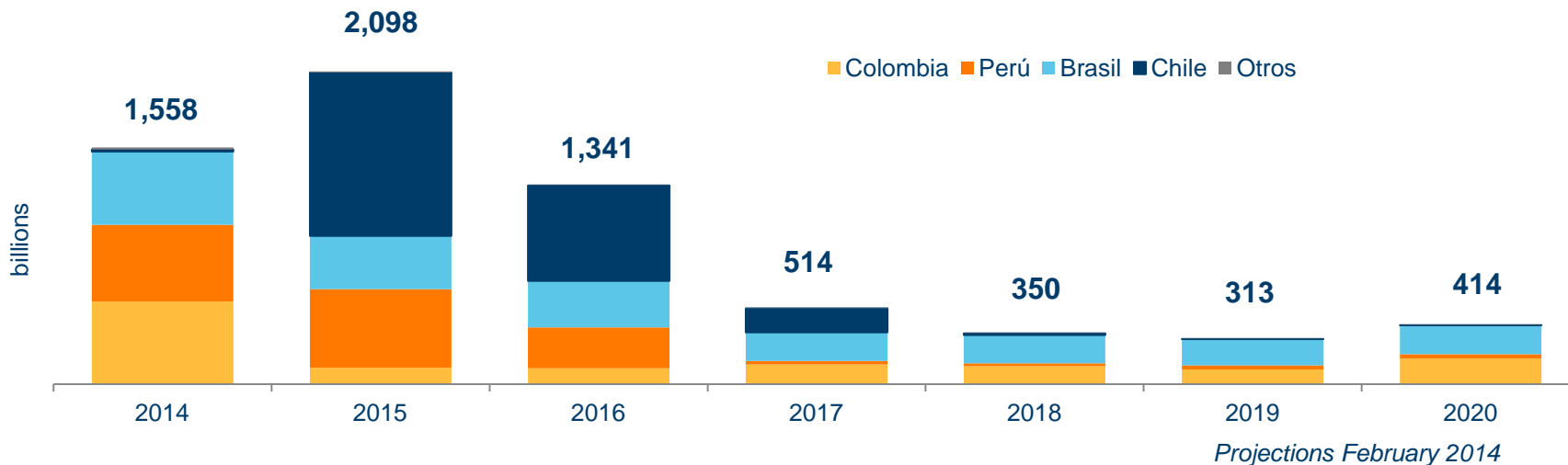
## Breakdown by Country – 2013



## Breakdown by Business

|                              | Billions | 2013 | %  |
|------------------------------|----------|------|----|
| Energy Transmission          | 1,070    |      | 88 |
| Road Concessions             | 43       |      | 4  |
| Telecommunications Transport | 86       |      | 7  |
| SMRTS                        | 14       |      | 1  |

# INVESTMENT PLAN PROJECTS TO DATE

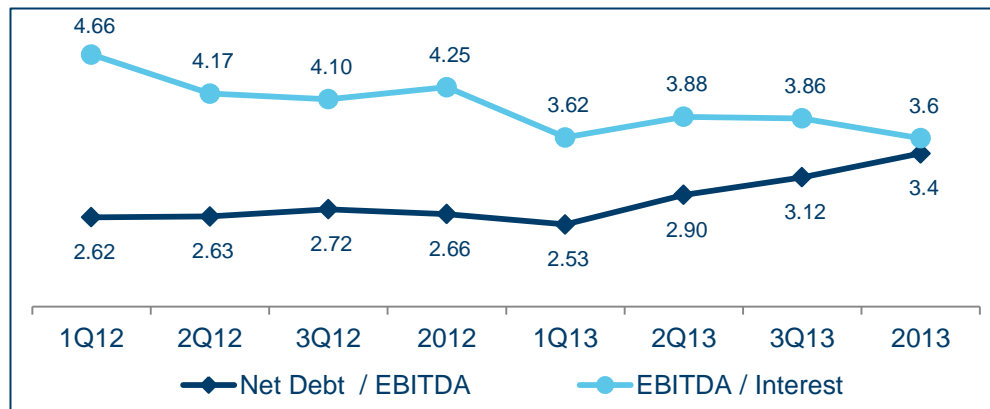


| Investment by country (%) |    |
|---------------------------|----|
| Colombia                  | 20 |
| Peru                      | 22 |
| Brazil                    | 29 |
| Chile                     | 29 |

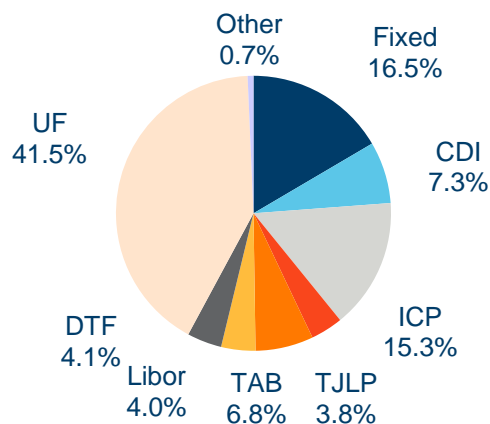
| Investment by business (%) |    |
|----------------------------|----|
| Energy                     | 93 |
| Roads                      | 0  |
| Telecommunications         | 5  |
| SMRTS                      | 2  |

Investment for the next 7 years is estimated at approximately COP 6,586 billion / USD 3,231 million.

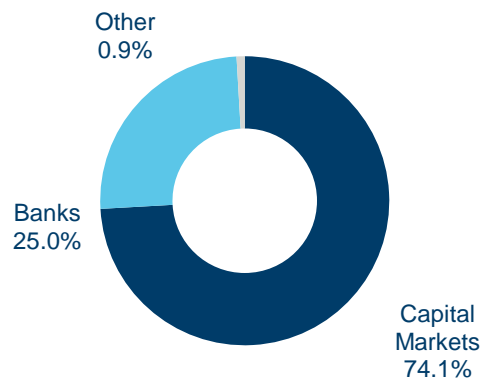
| <i>COP in billions</i> | 2012         | 2013         | Var. %       | 2013 USD     |
|------------------------|--------------|--------------|--------------|--------------|
| CHILE                  | 4,330        | 4,384        | 1.2%         | 2,290        |
| COLOMBIA               | 1,777        | 1,792        | 0.8%         | 936          |
| BRAZIL                 | 2,165        | 1,620        | -25.2%       | 846          |
| PERU                   | 1,057        | 1,462        | 38.3%        | 764          |
| BOLIVIA                | 55           | 51           | -8.4%        | 27           |
| ARGENTINA              | 8            | 8            | 2.2%         | 4            |
| <b>TOTAL</b>           | <b>9,392</b> | <b>9,316</b> | <b>-0.8%</b> | <b>4,866</b> |



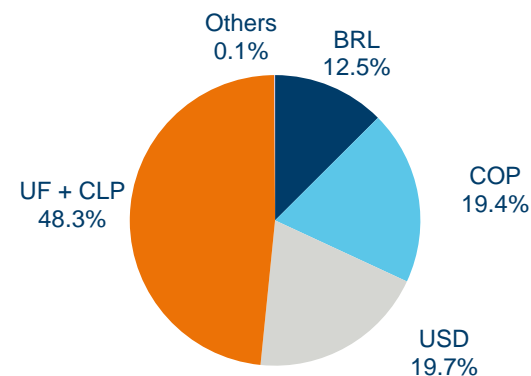
## Breakdown by Rate



## Breakdown by Source



## Breakdown by Currency



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# **Annual Shareholders' Meeting**

**March 28, 2014**

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