



ISA FOURTH QUARTER 2013 FINANCIAL RESULTS

Medellín, Colombia, March 3, 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 fourth quarter of 2013. The 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 (GAAP) in Colombia*.

■ ECONOMIC AND FINANCIAL RESULTS BY THE END OF 2013

- **Consolidated operating revenues** were COP 3,601,325 million.
- **EBITDA** reached COP 2,011,674 million, with a 55.9% EBITDA margin.
- **Net income** was COP 433,048 million, with a 15.8% margin before minority interest.
- **Consolidated assets** were COP 25,567,362 million.

For the period ended December 2013, accumulated net income for ISA and its companies was COP 433,048 million, representing a 58.7% increase compared to the same period of the previous year.

Both, the accumulated financial results for the period ended in December 2013 as well as the fourth quarter results were positively impacted by the recognition as a financial asset (formerly an intangible asset) of the Chilean and Brazilian concessions¹. As was explained in detail during the second quarter of 2013, the General Accounting Office (*Contaduría General de la Nación*), in an attempt to properly reflect the economic reality of concessions, issued a technical concept that enables to determine whether the asset for a 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.

On the other hand, the results include the impact from the early termination and subsequent renewal of Concession Contract 059/2001 in affiliate CTEEP², the net effect of the provision of the account receivable from the state of Sao Paulo in connection with Law 4819 in CTEEP and ISA Capital do Brasil in Brazil¹ and the

¹ See Highlights from 3Q13 Results Report

² See Highlights from 4Q12 Results Report

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consolidation of Evrecy Participações Ltda. in the first quarter of 2013 and of ITX Capital Participações Ltda and its subsidiaries Nelson Quintas Investimentos Globais Ltda. (NQIG), IPNET Servicios de Internet Ltda. and Nelson Quintas Telecomunicações do Brasil Ltda. (NQT) in the last quarter of 2013.

In addition, the conversion of the financial information of the foreign affiliates and subsidiaries generated variations in the various items of the financial statements, due to the devaluation effects of the Colombian peso against the U.S. Dollar and the revaluation of the Colombian peso against the Brazilian Real. However, the effect of the variations on the exchange rate is neutralized in the net result.

EXCHANGE RATES	2012 average	2013 average	Var %	2012 close	2013 close	Var %
COP / US DOLLAR	1,798.23	1,868.90	3.9	1,768.23	1,926.83	9.0
REAL / US DOLLAR	2.00	2.16	7.7	2.04	2.34	14.6
CPL / US DOLLAR	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 INCOME STATEMENT

Consolidated operating revenues

For the period ended December 2013, accumulated operating revenues reached COP 3,601,325 million, a 16.3% or COP 701,750 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 in CTEEP, which absorbed the increase obtained in other countries.

(Figures in millions)

OPERATING REVENUES	4Q13	4Q12	Change COP	Change %	4Q13 USD	2013	2012	Change COP	Change %	2013 USD
Energy Transmission	670,791	807,158	-136,367	-16.9%	348	2,447,554	3,352,610	-905,056	-27.0%	1,276
Road Concessions	232,701	189,695	43,006	22.7%	121	918,264	747,606	170,658	22.8%	477
Telecommunications Transport	37,703	29,398	8,305	28.3%	20	148,218	113,687	34,531	30.4%	71
Intelligent Management of Real-time Systems	22,962	23,175	-213	-0.9%	12	87,288	89,172	-1,884	-2.1%	45
TOTAL OPERATING REVENUES	964,157	1,049,426	-85,269	-8.1%	500	3,601,325	4,303,075	-701,750	-16.3%	1,869

In the fourth quarter of 2013, operating revenues decreased 8.1% given the lower revenues from energy transmission in Brazil.

Composition of accumulated revenues by business

- **Energy Transmission** contributed COP 2,447,554 million, equivalent to 69.6% of the accumulated operating revenues of 2013. This result represented a 27.0% 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 consolidated revenues from Evrecy Participações Ltda, and higher revenues in Peru that

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were mainly generated by the entry into operation of the Zapallal Trujillo project in Transmantaro at the end of 2012.

- **Road Concessions** contributed 25.5% of all accumulated revenues for the period ended December 2013, equal to COP 918,264 million, representing a 22.8% increase compared with the same period last year. This was due to the recognition of the financial returns associated with the treatment of concessions as financial assets.
- **Telecommunications Transport** contributed COP 148,218 million, which represented 3.9% of total operating revenues. The accumulated revenues for the period ended December 2013 increased 30.4% compared with the accumulated revenues reported on December 2012, due to new service agreements, mainly in Peru and Colombia.
- **Intelligent Management of Real-Time Systems** accounted for COP 87,288 million equal to 2.4% of all accumulated revenues as of December 2013 and decreased 2.1% compared with the same period in 2012. This was due to lower regulated revenues in XM, which depend on the levels of investment and expenditures at the Company.

The variations of the fourth quarter showing an increase in the Road Concessions and Telecommunications Transport businesses and decreased revenues in the Energy Transmission and Intelligent Management of Real-Time Systems businesses were due to the same reasons affecting the accumulated results.

Consolidated revenues by country:

In accumulated terms, the composition of revenues by country is as follows: Colombia contributed 38.0%, Chile 25.6%, Brazil 24.1% and Peru 11.1%.

(Figures in millions)

	4Q13	4Q12	Change COP	Change %	4Q13 USD	2013	2012	Change COP	Change %	2013 USD
Colombia	348,661	354,534	-5,873	-1.7%	181	1,367,581	1,361,386	6,195	0.5%	710
Chile	233,248	190,838	42,410	22.2%	121	921,789	750,489	171,300	22.8%	478
Brazil	258,877	414,988	-156,111	-37.6%	134	867,922	1,838,547	970,625	-52.8%	450
Peru	109,042	79,915	29,127	36.4%	57	400,823	316,968	83,855	26.5%	208
Others	14,329	9,151	5,178	56.6%	7	43,210	35,685	7,525	21.1%	22
TOTAL	964,157	1,049,426	-85,269	-8.1%	500	3,601,325	4,303,075	701,750	-16.3%	1,869

Operating costs and expenses

Consolidated operating costs and expenses for 2013 decreased 10.9% (COP 2,050,226 million) compared with the figure reported for the same period of 2012. This variation was due to the decline in the amortizations and depreciations due to the elimination of the amortization of intangible assets of road concessions in Chile and energy transmission in Brazil, recognized as financial assets since 2013, partially offset by the inclusion of construction costs from these concessions.

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(Figures in millions)

	4Q13	4QT12	Change COP	Change %	4Q13 USD	2013	2012	Change COP	Change %	2013 USD
Sales and operating costs and expenses	450,766	386,504	64,262	16.6%	234	1,624,665	1,432,459	192,206	13.4%	843
Depreciations	38,747	40,089	-1,342	-3.3%	20	156,827	155,971	856	0.5%	81
Amortizations	53,893	230,474	-176,581	-76.6%	28	205,340	655,753	-450,413	-68.7%	107
Provisions	16,898	36,821	-19,923	-54.1%	9	63,394	56,175	7,219	12.9%	33
TOTAL	560,304	693,888	133,584	-19.3%	291	2,050,226	2,300,358	-250,132	-10.9%	1,064

The composition of operating costs and expenses by country is as follows: 38.2% in Colombia, 37.0% in Brazil, 12.4% in Chile and 11.2% in Peru.

Operating costs and expenses for the fourth quarter declined 19.3% as a result of the reasons explained above for the results of the accumulated 2013.

Operating income

As a result of the previously mentioned, ISA reached an accumulated consolidated operating income of COP 1,551,099 million for 2013. This figure was 22.6% below the figure obtained in the same period last year, basically due to the decrease in revenues in Brazil. This was partially offset by the elimination of the amortization of the intangible asset in the Chilean and Brazilian concessions. The operating margin was 43.1%.

The operating income was COP 403,853 million for the fourth quarter of 2013, 13.6% above the figure reported for the fourth quarter of 2012, since in 2012 included the partial amortization (61%) of ISA Capital do Brasil's goodwill, derived from the anticipated renewal of concession contract 059/2001. The operating margin for the quarter increased 8 percentage points to reach 41.9%.

EBITDA and EBITDA margin

Accumulated consolidated EBITDA as of December 2013 was COP 2,011,674 million, a 30.7% decrease compared to the figure reported for the same period of 2012, mainly due to lower revenues in Brazil. EBITDA for the fourth quarter of 2013 was COP 524,272 million, 21.8% lower than the figure obtained in the fourth quarter of 2012, for the same reasons.

While the impact in revenues was high, the EBITDA margin was partially offset by cost reduction efforts that lowered the impact. Accumulated EBITDA at December 2013 reached 55.9%, while EBITDA margin for the fourth quarter was 54.4%.

Non-operating result (loss)

As of December 2013, the non-operating accumulated result generated a 139.8% expenditure increase compared to the same period of 2012. This behavior was explained by:

- **Brazil:** higher non-operating expenses as a result of the net effect of the provision of the account receivable from the state of Sao Paulo associated to Law 4819 in CTEEP and ISA Capital do Brasil, which was partially offset by higher profitability and lower financial expenses.

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- **Chile:** higher financial expenses, mainly due to the financial update on preexisting infrastructure liabilities with the Ministry of Public Works.
- **Peru:** higher financial expenses due to the prepayment of Transmantaro's debt; higher interest expenditure due to the debt related with the Zapallal – Trujillo project and higher expenditures due to the exchange rate difference between the U.S. dollar and the Peruvian Sol³ on the balance of the accumulated fiscal credit.

The non-operating result in the fourth quarter showed higher expenditures of 174.3%, due to the reasons affecting the accumulated 2013 results.

Taxes

Income tax expenses decreased 86.2%, from COP 666,488 million in the accumulated results at December 2012 to COP 91,648 million in the same period of 2013. This variation was mainly due to lower taxes at CTEEP associated to lower revenues and the deferred tax in favor generated by the provision of the account receivable from the state of Sao Paulo associated to law 4819 and the higher tax from the payment of new assets during 2012.

The composition of income tax by country was: Colombia COP 149,487 million, Brazil COP -126,012 million, Chile COP 22,010 million, Peru COP 40,481 million, and COP 5,682 million in other countries.

During the fourth quarter of 2013, income tax expenditures decreased 77.7% explained for the same reasons in the accumulated result of 2013.

Income before minority interest

Consolidated income before minority interest for the accumulated period of 2013 was COP 569,943 million, a 41.0% decrease compared with the figure for the same period of 2012. The net margin before minority interest was 15.8% for the accumulated result and 23.8% for the fourth quarter.

In 2013, minority interest reached COP 136,895 million, an 80.2% decrease compared with the same period of 2012, explained by lower results in Brazil. In 4Q13, the minority interest decreased 50.0% compared with the same period of 2012, due to the fact that in the fourth quarter of 2012, the Company reported payments for new assets at CTEEP.

Net income

As of December 2013, the accumulated net income was COP 433,048 million, representing 58.7% increase compared to COP 272,938 million reported in the same period of 2012, basically due to the positive impact of the recognition of the Chilean and Brazilian concessions as financial assets, as a result of the analysis of the business model and rights and guarantees of the agreed-upon conditions in the concession contract. This absorbed the negative effects of the early termination and subsequent renewal of Concession Contract 059/2001, considering that only 37.80% is collected by ISA Capital do Brasil.

³ PEN/USD 2013 Close = 2,796 vs 2012 Close = 2,551



■ CONSOLIDATED BALANCE SHEET

Assets

Assets for ISA and its companies totaled COP 25,567,362 million, a 0.8% decrease compared to December 2012. This slight variation was due to the net effect of the provision of the account receivable from the state of Sao Paulo associated to Law 4819⁴, the inclusion of the financial assets into the Brazilian and Chilean concessions and lower cash due to debt amortization in Brazil, among others.

The geographical distribution by country of the assets was concentrated in Chile, Colombia, Brazil and Peru with 34.2%, 28.9%, 25.1% and 11.3%, respectively.

Liabilities

Consolidated liabilities were COP 14,411,340 million, a decrease of 6.9%, as a result of the debt amortization in CTEEP and decreased liabilities for preexisting infrastructure in Chile.

The distribution of liabilities by country was 46.1% in Chile, 24.2% in Colombia, 15.9% in Brazil, 13.3% in Peru and the remaining 0.5% in Bolivia and Argentina.

Minority Interest

Minority interest reached COP 3,704,545 million, an 11.2% decrease compared with the amount reported in December 2012; this situation was due to the partial repurchase of ISA Capital do Brasil's preferential shares and lower results in CTEEP.

Equity

Equity reached COP 7,451,477 million, a 21.9% increase compared with COP 6,110,615 million reported in 2012, mainly due to the recognition of the Brazilian and Chilean concessions as financial assets and the results for the period.

■ CONSOLIDATED CASH FLOW

As of December 2013, the figure for cash and cash equivalent was COP 1,820,189 million, an increase of COP 143,283 million compared to the end of the 2012 period.

In 2013, the cash provided by operations reached COP 2,693,976 million, which included the partial collection of payment for the new assets at CTEEP. These resources were used as follows: COP 933,383 million in investment activities, COP 1,409,066 in financing activities and COP 208,244 million were used towards dividend payments.

⁴ Without the provision associated with the accounts receivable from the State of Sao Paolo, assets would have increased by 1%.



■ DEBT

At the end of December 2013, the consolidated financial debt was COP 8,698,468 million, a 7.4% decrease compared to December 2012; this was mainly due to the decrease in the debt in Brazil.

48.0% of debt was denominated in *Unidades de Fomento* -UF- (Chile), 19.4% in Colombian Pesos, 12.5% in Brazilian Reais, 19.7% in U.S. Dollars and 0.4% in other currencies. Approximately 74.1% of the debt is placed in the capital market and 25.0% in commercial loans.

93.3% of the debt is long-term and the remaining 6.7% is short-term.

(Figures in millions)

Consolidated debt	Business	2013	2012	Change COP	Change %	2013 USD
CHILE		4,217,278	4,329,812	-112,534	-2.6%	2,189
Ruta del Maipo	Road Concessions	2,193,030	2,197,950	-4,919	-0.2%	1,138
Ruta del Maule	Road Concessions	374,749	416,594	-41,845	-10.0%	194
Ruta de la Araucanía	Road Concessions	673,479	637,553	35,926	5.6%	350
Ruta del Bosque	Road Concessions	595,211	663,745	-68,534	-10.3%	309
Ruta de los Rios	Road Concessions	352,006	390,523	-38,517	-9.9%	183
Internexa in Chile	Telecommunications Transport	28,802	23,448	5,355	22.8%	15
COLOMBIA		1,788,574	1,776,694	11,880	0.7%	928
ISA Colombia	Energy Transmission	1,427,574	1,424,694	2,880	0.2%	741
Transelca	Energy Transmission	361,000	350,000	11,000	3.1%	187
Internexa	Telecommunications Transport	-	2,000	-2,000	-100.0%	-
BRAZIL		1,169,464	2,165,368	-995,904	-46.0%	607
ISA Capital	Energy Transmission	60,986	55,966	5,020	9.0%	32
CTEEP	Energy Transmission	792,084	1,885,360	-1,093,277	-58.0%	411
IEMG	Energy Transmission	38,898	45,305	-6,407	-14.1%	20
IEPINHEIROS	Energy Transmission	105,205	101,308	3,897	3.8%	55
Serra Do Japi	Energy Transmission	67,924	77,429	-9,505	-12.3%	35
Internexa Participacoes	Telecommunications Transport	74,230		74,230		39
Internexa Capital	Telecommunications Transport	10,869		10,869		6
Internexa Brasil	Telecommunications Transport	19,268		19,268		10
PERU		1,464,947	1,057,266	407,681	38.6%	760
ISA Perú	Energy Transmission	23,359	26,883	-3,524	-13.1%	12
REP	Energy Transmission	444,389	432,322	12,067	2.8%	231
Transmantaro	Energy Transmission	984,610	583,915	400,695	68.6%	511
Internexa in Peru	Telecommunications Transport	12,589	14,146	-1,557	-11.0%	7
BOLIVIA		51,134	55,457	-4,323	-7.8%	27
ISA Bolivia	Energy Transmission	51,134	55,457	-4,323	-7.8%	27
ARGENTINA		7,071	7,649	-578	-7.6%	4
Transamerican Telecom	Telecommunications Transport	7,071	7,649	-578	-7.6%	4
TOTAL		8,698,468	9,392,246	-693,779	-7.4%	4,514

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The following facts that impacted this result took place during the year:

- In **Chile**, Ruta de la Araucanía restructured its debt, which generated a decrease of the rate and the release of funds by the adjustment of reserve funds for the debt payment.
- In **Colombia**, ISA conducted a placement of bonds to finance the Company's cash flow in the amount of COP 220 billion, and exercised the Prepayment option of bonds of the Third Tranche of its Bond Program in the amount of COP 108,865 million. In addition, it canceled bonds of the Fifth Tranche of Securities Program in the amount of COP 110 billion. In turn, Transelca obtained a loan for COP 11 billion to finance its cash flow.
- In **Brazil**, CTEEP repaid credits for BRL 400 million and USD 149 million. Additionally, it made an anticipated payment for the issue of debentures for BRL 700 million and conducted a new issue of debentures for BRL 500 million, obtaining the extension of the average life of its debt and a reduction of its indebtedness. INTERNEXA's companies in Brazil obtained the following loans: Internexa Participações in the amount of BRL 90.1 million; Internexa Capital in the amount of USD 13.2 million and Internexa Brasil in the amount of USD 10 million. In addition, IEPinheiros entered into a new agreement with BNDES and obtained disbursements for BRL 23.5 million in order to finance the construction of concession substations.
- In **Peru**, Consorcio Transmantaro – CTM carried out an international issue under Rule 144A and Regulation S for USD 450 million Senior Unsecured Notes to repay bank liabilities as well as a subordinated debt with REP. This 10-year issuance was oversubscribed by 3.1x, with an issuance price of 99.002% and an effective annual coupon rate of 4.375% reaching a rate of return to maturity of 4.5%. Additionally, CTM (via a fiduciary scheme) structured the financing of the "Trujillo – Chiclayo transmission line" project via a syndicated loan with Banco de Credito del Peru, thus obtaining disbursements during 2013 for USD 51 million, in order to attend the needs of the project.
- REP carried out two bond issuances for the amounts of USD 10 million and PEN 77.3 million for the early payment of the standing issues of the First Program, as well as the third issue of the Second Corporate Bond Program; it amortized the issue of Commercial Papers in the amount of USD 15 million and prepaid a financial lease for USD 2.2 million. ISA PERU prepaid the loan held with the International Finance Corporation (IFC) in the amount of USD 6 million and entered into a loan agreement for USD 6.7 million.

■ CAPEX and INVESTMENTS

ISA's and its companies' investments during the fourth quarter totaled COP 282,886 million. The accumulated result of 2013 reached COP 1,212,425 million, including direct investments and capital contributions.

- In **Colombia**, ISA invested COP 276,381 million, for the construction of transmission projects, replacement of assets and contributions to companies; TRANSELCA invested COP 38,143 million in operating assets and expansion projects; INTERNEXA invested COP 57,903 million in the expansion of its optic fiber network and capital contributions to its affiliates in Argentina and Brazil; in turn, XM allocated COP 13,664 million to new technological developments and capitalizations in Derivex and CRCC.
- In **Brazil**, investments were made for COP 450,232 million, of which COP 396,097 million were executed by CTEEP for grid reinforcements and capital contributions to those companies where it holds an interest.

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Also, PINHEIROS, SERRA DO JAPI, EVRECY and IEMG invested COP 51,762 million in the construction of its assets.

- In **Perú**, COP 321,494 million were invested mostly by Transmantaro in the implementation of projects awarded by the Peruvian Government (COP 213,343 million), while REP invested COP 91,931 million in the expansion of its electrical grid. On the other hand, INTERNEXA invested COP 14,347 million in the expansion of the optic fiber network.
- In **Chile**, investments totaled COP 51,515 million, mostly executed by Ruta del Maipo in the implementation of the landscape urban project in Santiago's Southern Access.

(Figures in millions)

	1Q13	2Q13	3Q13	4Q13	2013	%
Colombia	78,443	100,216	126,552	80,880	386,091	31.8
Brazil	78,220	138,554	130,535	102,922	450,232	37.1
Peru	68,969	51,731	102,683	98,111	321,494	26.5
Chile	14,451	16,363	11,182	9,519	51,515	4.2
Other	37	865	739	1,453	3,094	0.3
TOTAL	240,120	307,729	371,690	292,886	1,212,425	100.0

■ ISA'S RESULTS, INDIVIDUAL

Operating income

The operating result for the twelve months of 2013 increased 0.1% compared to the same period of 2012, from COP 489,180 million to COP 489,548 million. This increase was mainly due to lower operating costs for COP 12,098 million, explained by an efficiency of maintenance costs, lower costs associated to construction projects for third parties and 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.

The operating income for the fourth quarter decreased 9.1% compared with the fourth quarter of 2012 as net result of a 3.7% revenue decrease, specially connection revenues, and a 1.0% increase in costs and expenses, for fees paid to capture savings in the provisioning of assets; this effect is expected will be recovered in the coming years.

EBITDA and EBITDA margin

Accumulated EBITDA at December 2013 decreased 0.9%, from COP 610,062 million in 2012 to COP 604,356 million in 2013, as a result of lower operating revenues, mainly those associated to construction contracts with third parties. The EBITDA margin was 60.6%. On the other hand, the EBITDA decreased 9.7% compared with 4Q12, due to the same reasons of the accumulated result.

Non-operating results (losses)

Compared to the accumulated result of December 2012, the non-operating result increased COP 175,304 million, from COP -114,717 million in 2012 to COP 60,587 million in 2013, mainly due to:

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- Higher revenues under the equity method of foreign affiliates, mainly in Chile.
- Higher financial returns, revenues due to exchange rate difference in loans and lower financial expenses due to the optimization of debt costs.
- Higher revenues due to the exchange difference on loans to affiliates, due to the devaluation effects of the Colombian peso against the U.S. dollar.

The non-operating result for the fourth quarter of 2013 increased COP 67,324 million compared with the same period of 2012, due to higher revenues under the equity method generated by the recognition of Brazilian and Chilean concessions as financial assets and lower financial expenses.

Taxes

Income tax provision increased 15.3% for the twelve months of 2013. This variation was due to higher fiscal income, derived from lower financial expenses and higher revenues from the exchange difference.

Tax provision increased 7.9% in the fourth quarter, compared with the same period of 2012 due to the same reasons explained for the accumulated result.

Net income

Net income in 2013 ended with COP 433,048 million, a 58.7% increase compared to 2012, mainly due to higher net income in Chile from the positive impact from the recognition of the economic reality of the toll road concessions as a financial asset. In turn, the net margin went from 27.1% in 2012 to 43.4% in 2013.

Net income for the fourth quarter increased 105.1% compared with the fourth quarter of 2012, especially due to higher revenues under the equity method in companies with control. The net margin for the quarter was 42.0% compared to 19.7% for the same period last year.

■ ISA'S BALANCE SHEET, INDIVIDUAL

As of the end of 2013, the Company's assets were COP 10,266,517 million, 15.2% above the figure reported at the end of 2012. The increase was basically due to the recognition of Brazilian and Chilean concessions as financial assets under Colombian regulation, included in the permanent investment item.

Liabilities were COP 2,818,975 million, representing a 0.9% increase compared with the figure reported at the end of 2012, mainly due to the increase of other liabilities for UPME deferred revenues.

Equity at the end of 2013 was COP 7,447,542 million, 21.7% 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 and the increase of the results of the period.

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■ ISA'S CASH FLOW, INDIVIDUAL

At the end of 2013, the figure for cash and cash equivalents was COP 315,233 million, an increase of COP 79,648 million compared to the end of 2012.

In 2013, the cash provided by the operations reached COP 563,933 million. These resources were allocated as follows: COP 168,605 million were utilized for investment activities, COP 107,437 million for financing activities and COP 208,244 million were used for the payment of dividends.

■ HIGHLIGHTS OCTOBER 2013 – DECEMBER 2013

Relevant Information

- ISA's Board of Directors, at meeting 738, unanimously approved to hold the Regular Shareholders' Meeting on March 28, 2014. This meeting shall take place in the city of Medellín.
- The *Agencia Nacional de Energía Eléctrica de Brasil* (ANEEL) authorized to enter into a contract between CTEEP (ISA's subsidiary) and INTERNEXA (ISA's affiliate) to install information transmission networks on high-voltage lines granted to CTEEP in the state of Sao Paulo, Brazil.
- The International Finance Corporation -IFC-, and IFC GIF BRASIL - Fondo de Inversión -GIF- and INTERNEXA, entered into an agreement that will enable the financing and structuring of telecommunications and IT projects in Brazil. These entities will support the implementation of this sort of projects by incorporating capital in INTERNEXA's Brazilian affiliate Internexa Participações S.A.
- Interconexión Eléctrica S.A. E.S.P., prior authorization of its Board of Directors No.739, disbursed an external loan on October 28, 2013 in the amount of USD41 million in favor of Internexa Participações. These funds will be used to finance the Investment Plan of its affiliate in Brazil.
- ISA's affiliate INTERNEXA S.A., acquired an information transmission network company operating in the State of Rio de Janeiro, Brazil as part of its expansion strategy, to improve its value offer and enable the enlargement of its customer portfolio. This operation was made for BRL190 million.
- Mr. Carlos Alberto Rodríguez López accepted position as Vice-President of Corporate Finance beginning December 9, 2013.
- Moody's affirmed corporate credit rating Baa3, with a stable outlook to ISA. The determining factors for the rating included the ownership structure, the new corporate strategy, a transparent regulatory framework and a limited exposure supported by cash flows, the prudent financing of growth initiatives, especially in the toll road concessions sector, among other reasons.
- The Bondholder Meeting was held, with a 59.50% quorum, with the assistance of Fiduciaria Corficolombiana S.A. as legal representative of the bondholders, in which ISA was authorized to amend its corporate purpose.
- The Energy and Gas Regulatory Commission -CREG- approved the basis for assets and the guidelines required to determine the remuneration of INTERCOLOMBIA S.A. E.S.P., ISA's new affiliate engaged in the

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energy transmission business in the country and the representation of the assets of ISA's National Transmission System, both in the existing grid, as well as the grid built under bidding processes.

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.

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ISA'S DIRECT AND INDIRECT PARTICIPATION IN SUBSIDIARIES

COMPANY	% ISA's direct	% Indirect	Through the subsidiary:
ENERGY			
TRANSELCA S.A. E.S.P.	99.9973%	0.0000%	
RED DE ENERGIA DEL PERÚ –REP	30.0000%	30.0000%	TRANSELCA S.A. E.S.P.
CONSORCIO TRANSMANTARO S.A.	60.0000%	0.0000%	
ISA PERÚ S.A.	45.1464%	54.8536%	TRANSELCA S.A. E.S.P.
ISA BOLIVIA S.A.	50.9999%	48.9900%	TRANSELCA S.A. E.S.P.
		0.0101%	INTERNEXA S.A.
CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA -	0.0000%	37.8053%	ISA CAPITAL DO BRASIL S.A.
INTERLIGACAO ELETRICA NORTE E NORDESTE S.A. – IENNE	0.0000%	25.0000%	CTEEP
INTERLIGACAO ELETRICA DE MINAS GERAIS S.A. – IEMG –	0.0000%	100.0000%	CTEEP
INTERLIGAÇÃO ELETRICA PINHEIROS S.A. – IEPINHEIROS	0.0000%	99.9990%	CTEEP
INTERLIGAÇÃO ELETRICA SUL S.A. – IESUL	0.0000%	50.1000%	CTEEP
INTERLIGAÇÃO ELETRICA DO MADEIRA S.A. - IEMADEIRA -	0.0000%	51.0000%	CTEEP
INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI	0.0000%	99.9990%	CTEEP
INTERLIGAÇÃO ELÉTRICA GARANHUNS S.A.	0.0000%	51.0000%	CTEEP
EVRECY	0.0000%	100.0000%	CTEEP
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.	50.0000%	0.0000%	
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.S ESP	50.0000%	0.0000%	
EMPRESA PROPIETARIA DE LA RED S.A. - EPR (*)	11.1111%	0.0000%	
INTERCHILE S.A.	99.9000%	0.1000%	ISA INVERSIONES CHILE LTDA
INTERCOLOMBIA S.A. E.S.P.	99.9973%	0.0007%	INTERNEXA S.A. E.S.P.
		0.0007%	ISA PERU
		0.0007%	PDI
		0.0007%	INTERVIAL COLOMBIA
ROADS			
INTERVIAL CHILE S.A.	0.0000%	55.0000%	ISA INVERSIONES CHILE LTDA.
		44.9900%	ISA INVERSIONES MAULE LTDA.
		0.0100%	INTERNEXA S.A.
Ruta del Maipo Sociedad Concesionaria S.A.	0.0000%	99.9999%	INTERVIAL CHILE S.A.
Ruta del Maule Sociedad Concesionaria S.A.	0.0000%	99.9993%	INTERVIAL CHILE S.A.
Ruta del Bosque Sociedad Concesionaria S.A.	0.0000%	99.9909%	INTERVIAL CHILE S.A.
Ruta de los Rios Sociedad Concesionaria S.A.	0.0000%	75.0000%	INTERVIAL CHILE S.A.
Ruta de la Araucanía Sociedad Concesionaria S.A.	0.0000%	99.9999%	INTERVIAL CHILE S.A.
INTERVIAL Colombia S.A	100.0000%	0.0000%	
TELECOMMUNICATIONS			
INTERNEXA S.A.	99.2745%	0.0000%	TRANSELCA S.A. E.S.P.
INTERNEXA S.A. (PERÚ)	0.0000%	100.00%	INTERNEXA S.A.
INTERNEXA CHILE S.A.	0.0000%	99.0000%	INTERNEXA S.A.
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES S.A.	0.0000%	100.00%	INTERNEXA PARTICIPAÇÕES S.A.
Transamerican Telecommunication S.A. (INTERNEXA ARGENTINA S.A.)	0.0000%	98.54%	INTERNEXA S.A.
	0.0000%	1.4600%	INTERNEXA PERU
REDCA	0.0000%	11.00%	INTERNEXA S.A
TRANSNEXA S.A. E.M.A.	0.0000%	5.0000%	INTERNEXA S.A.
		45.0000%	INTERNEXA PERU
ITX CAPITAL PARTICIPACOES LTDA.	0.0000%	100.0000%	INTERNEXA PARTICIPAÇÕES S.A.
NQIG	0.0000%	100.0000%	ITX CAPITAL PARTICIPACOES LTDA.
NQT	0.0000%	12.4400%	ITX CAPITAL PARTICIPACOES LTDA.
		87.5600%	NQIG
IPNET	0.0000%	100.0000%	ITX CAPITAL PARTICIPACOES LTDA.
INTELLIGENT MANAGEMENT OF REAL-TIME SYSTEMS			
XM S.A. E.S.P.	99.7303%	0.0000%	
DERIVEX S.A.	0.0000%	49.9500%	XM S.A. E.S.P.
	0.0000%	0.0250%	INTERNEXA S.A.
Sistemas Inteligentes en Red S.A.S.	15.0000%	85.0000%	XM S.A. E.S.P.
XM S.A. E.S.P.	99.7303%	0.0000%	
FINANCIAL			
ISA CAPITAL DO BRASIL S.A.	63.3202%		
INTERNEXA PARTICIPAÇÕES S.A.	0.0000%	99.9999%	INTERNEXA S.A.
ISA INVERSIONES CHILE LTDA.	99.9998%	0.0002%	INTERNEXA S.A. E.S.P.
ISA INVERSIONES MAULE	99.9998%	0.0002%	INTERNEXA S.A. E.S.P.
Financiera de Desarrollo Nacional S.A. (antes FEN)	0.0007%	0.0000%	
CAMARA DE RIESGO CENTRAL DE CONTRAPARTE DE COLOMBIA S.A. -CRCC-	0.0000%	7.1254%	XM S.A. E.S.P.
ISA CAPITAL DO BRASIL S.A.	63.3202%		
INFRASTRUCTURE			
PROYECTOS DE INFRAESTRUCTURA DEL PERU S.A.C.	99.9667%	0.0333%	TRANSELCA S.A. E.S.P.

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

JANUARY – DECEMBER 2013

Figures in millions of Colombian pesos

	4Q13	4Q12	Change COP	Var. %	4Q13 USD	2013	2012	Change COP	Change %	2013 USD
OPERATING REVENUES										
Energy transmission services	603,617	694,438	(90,821)	-13.1%	313	2,226,573	2,919,517	(692,944)	-23.7%	1,156
Connection charges	44,550	93,984	(49,434)	-52.6%	23	176,499	356,399	(179,900)	-50.5%	92
Dispatch and CND (National Dispatch Center)	10,995	11,765	(770)	-6.5%	6	46,146	41,712	4,434	10.6%	24
MEM Services	9,271	10,173	(902)	-8.9%	5	34,109	41,126	(7,017)	-17.1%	18
Roads	232,670	189,657	43,013	22.7%	121	918,131	747,369	170,762	22.8%	476
Telecommunications	46,969	29,133	17,836	61.2%	24	148,630	113,810	34,820	30.6%	77
Other services	16,085	20,276	(4,191)	-20.7%	8	51,237	83,142	(31,905)	-38.4%	27
TOTAL OPERATING REVENUES	964,157	1,049,426	(85,269)	-8.1%	500	3,601,325	4,303,075	(701,750)	-16.3%	1,869
COSTS AND OPERATING EXPENSES										
Operating costs and administration expenses	450,766	386,504	64,262	16.6%	234	1,624,665	1,432,459	192,206	13.4%	843
Depreciation	38,747	40,089	(1,342)	-3.3%	20	156,827	155,971	856	0.5%	81
Amortization	53,893	230,474	(176,581)	-76.6%	28	205,340	655,753	(450,413)	-68.7%	107
Provisions	16,898	36,821	(19,923)	-54.1%	9	63,394	56,175	7,219	12.9%	33
TOTAL COSTS AND OPERATING EXPENSES	560,304	693,888	(133,584)	-19.3%	291	2,050,226	2,300,358	(250,132)	-10.9%	1,064
Operating Income	403,853	355,538	48,315	13.6%	210	1,551,099	2,002,717	(451,618)	-22.6%	805
NON - OPERATING REVENUES										
Financial	93,008	88,757	4,251	4.8%	48	515,319	237,571	277,748	116.9%	267
Exchange difference	74,098	108,129	(34,031)	-31.5%	38	312,808	214,762	98,046	45.7%	162
Other	27,315	2,616,405	(2,589,090)	-99.0%	14	61,507	2,661,821	(2,600,314)	-97.7%	32
Total non-operating revenues	194,421	2,813,291	(2,618,870)	-93.1%	101	889,634	3,114,154	(2,224,520)	-71.4%	462
NON - OPERATING EXPENSES										
Financial	189,498	180,694	8,804	4.9%	98	896,815	954,744	(57,929)	-6.1%	465
Exchange difference	133,204	150,473	(17,269)	-11.5%	69	421,346	195,456	225,890	115.6%	219
Other	-3,676	2,314,455	(2,318,131)	-100.2%	-2	460,981	2,334,856	(1,873,875)	-80.3%	239
Total non-operating expenses	319,026	2,645,622	(2,326,596)	-87.9%	166	1,779,142	3,485,056	(1,705,914)	-48.9%	923
Non-operating results	(124,605)	167,669	(292,274)	-174.3%	-65	(889,508)	(370,902)	(518,606)	139.8%	-462
Income before taxes	279,248	523,207	(243,959)	-46.6%	145	661,591	1,631,815	(970,224)	-59.5%	343
Income tax provision	50,237	225,331	(175,094)	-77.7%	26	91,648	666,488	(574,840)	-86.2%	48
Income before minority interests	229,011	297,876	(68,865)	-23.1%	119	569,943	965,327	(395,384)	-41.0%	296
Minority interest (MI)	123,271	246,325	(123,054)	-50.0%	64	136,895	692,389	(555,494)	-80.2%	71
NET INCOME	105,740	51,551	54,189	105.1%	55	433,048	272,938	160,110	58.7%	225
EBITDA	524,272	670,419	(146,147)	-21.8%	272	2,011,673	2,903,107	(891,434)	-30.7%	1,044
EBITDA Margin	54.4%	63.9%				55.9%	67.5%			
Operating Margin	41.9%	33.9%				43.1%	46.5%			
Net Margin before MI	23.8%	28.4%				15.8%	22.4%			
Net Margin	11.0%	4.9%				12.0%	6.3%			

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 December 31, 2013, the exchange rate was of USD 1.00=COP 1,926.83 (Source: Banco de la República de Colombia).

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**ISA S.A. E.S.P. - CONSOLIDATED -
BALANCE SHEET (Unaudited)
DECEMBER 2013**
Figures in millions of Colombian pesos

	2013	% Part.	2012	Change COP	Change %	2013 USD
CURRENT ASSETS						
Cash	479,739	1.9%	429,455	50,284	11.7%	249
Marketable investments	1,340,450	5.2%	1,247,451	92,999	7.5%	696
Accounts receivable, net	2,287,334	8.9%	2,988,625	(701,291)	-23.5%	1,187
Inventories	111,129	0.4%	112,043	(914)	-0.8%	58
Deferred charges and other assets	129,359	0.5%	119,410	9,949	8.3%	67
Total current assets	4,348,011	17.0%	4,896,984	(548,973)	-11.2%	2,257
NON-CURRENT ASSETS						
Long-term investments	956,785	3.7%	707,607	249,178	35.2%	497
Long-term accounts receivable	8,964,725	35.1%	1,914,598	7,050,127	368.2%	4,653
Inventories	59,503	0.2%	58,428	1,075	1.8%	31
Property, plant and equipment, net	3,208,813	12.6%	3,031,437	177,376	5.9%	1,665
Deferred charges and other assets	5,147,845	20.1%	12,148,548	(7,000,703)	-57.6%	2,672
Reappraisal of assets	2,881,680	11.3%	3,013,387	(131,707)	-4.4%	1,496
Total non-current assets	21,219,351	83.0%	20,874,005	345,346	1.7%	11,013
TOTAL ASSETS	25,567,362	100.0%	25,770,989	(203,627)	-0.8%	13,269
CURRENT LIABILITIES						
Outstanding bonds	300,097	1.2%	412,934	(112,837)	-27.3%	156
Financial liabilities	284,054	1.1%	936,531	(652,477)	-69.7%	147
Accounts payable	838,539	3.3%	1,017,421	(178,882)	-17.6%	435
Labor liabilities	32,220	0.1%	20,919	11,301	54.0%	17
Accrued liabilities and estimated provisions	201,856	0.8%	176,773	25,083	14.2%	105
Other liabilities	380,538	1.5%	259,299	121,239	46.8%	197
Total current liabilities	2,037,304	8.0%	2,823,877	(786,573)	-27.9%	1,057
LONG-TERM LIABILITIES						
Outstanding bonds	6,145,715	24.0%	5,574,696	571,019	10.2%	3,190
Financial liabilities	1,968,602	7.7%	2,468,086	(499,484)	-20.2%	1,022
Accounts payable	1,120,718	4.4%	1,554,263	(433,545)	-27.9%	582
Labor liabilities	1,483	0.0%	1,433	50	3.5%	1
Accrued liabilities and estimated provisions	791,543	3.1%	767,931	23,612	3.1%	411
Other liabilities	2,345,975	9.2%	2,296,767	49,208	2.1%	1,218
Total long-term liabilities	12,374,036	48.4%	12,663,176	(289,140)	-2.3%	6,422
TOTAL LIABILITIES	14,411,340	56.4%	15,487,053	(1,075,713)	-6.9%	7,479
Minority interests						
Minority interests	3,704,545	14.5%	4,173,321	(468,776)	-11.2%	1,923
Subscribed and paid in capital	36,916	0.1%	36,916	-	0.0%	19
Capital Surplus	1,445,509	5.7%	1,445,509	-	0.0%	750
Reserves	999,186	3.9%	934,492	64,694	6.9%	519
Net income	433,048	1.7%	272,938	160,110	58.7%	225
Cumulative translation adjustment	3,935	0.0%	(9,091)	13,026	143.3%	2
Equity revaluation	415,645	1.6%	415,645	-	0.0%	216
Surplus from asset reappraisals	2,542,404	9.9%	2,563,287	(20,883)	-0.8%	1,319
Surplus from equity method	1,574,834	6.2%	450,919	1,123,915	249.2%	817
Total Shareholders' Equity	7,451,477	29.1%	6,110,615	1,340,862	21.9%	3,867
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	25,567,362	100.0%	25,770,989	(203,627)	-0.8%	13,269

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ISA S.A. E.S.P. - CONSOLIDATED - CASH FLOW STATEMENT (Unaudited)

JANUARY – DECEMBER 2013

Figures in millions of Colombian pesos

	2013	2012	Change COP	Change %	2013 USD
Cash flows from operating activities:					
Net income	433,048	272,938	160,110	59%	225
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operating activities:					
Minority interest	136,895	692,389	(555,494)	-80%	71
Depreciation of properties, plant and equipment	156,827	155,971	856	1%	81
Amortization of deferred and other assets	205,340	655,753	(450,413)	-69%	107
Amortization of retirement pensions and extralegal benefits – net	35,014	32,492	2,522	8%	18
Provision for accounts receivable	451,987	1,002	450,985	45008%	235
Inventory provision	300	-	300		0
Investment provision	349	(64)	413	-645%	0
Income tax provision	91,648	666,488	(574,840)	-86%	48
Loss in property, plant, equipment and rights disposal and retirement	4,058	1,553	2,505	161%	2
Cost for disposal of rights of anticipated renewal of contract 059/2001 in CTEEP	-	2,300,318	(2,300,318)	-100%	-
Income (expense) for foreign exchange rate conversion	316,401	33,973	282,428	831%	164
Equity method with share control	(152,118)	-	(152,118)		(79)
Recovery of provisions	-	(1,458)	1,458	-100%	-
Accrued interest and commissions	451,753	639,512	(187,759)	-29%	234
	2,131,502	5,450,867	(3,319,365)	-61%	1,106
Changes in operating assets and liabilities:					
Debtors	(413,334)	(164,325)	(249,009)	152%	(215)
Receivables for early contract renewal compensation 059/2001	1,896,606	(2,551,859)	4,448,465	-174%	984
Inventories	449	(77,441)	77,890	-101%	0
Deferred and other assets	(8,840)	13,510	(22,350)	-165%	(5)
Deferred costs for debt restructuring in Chile					
Accounts payable and other liabilities	37,981	219,713	(181,732)	-83%	20
Labor liabilities	11,351	2,997	8,354	279%	6
Estimated liabilities and provisions	30,870	5,192	25,678	495%	16
Collections in favor of fourth parties	27,854	215,759	(187,905)	-87%	14
Minority interest	(534,347)	(291,584)	(242,763)	83%	(277)
Variation Shareholders' equity	-	666	(666)	-100%	-
Cash flows in other operations:					
Retirement pension payments	(26,873)	(26,327)	(546)	2%	(14)
Tax payments	(459,242)	(646,582)	187,340	-29%	(238)
Net cash provided by operating activities	2,693,976	2,150,586	543,390	25%	1,398
Cash flows from investment activities:					
Variation of permanent and long term investments	(63,178)	6,105	(69,283)	-1135%	(33)
Sale of property, plant and equipment	970	612	358	58%	1
Intangible acquisitions	(533,313)	(818,612)	285,299	-35%	(277)
Purchase of property, plant and equipment	(337,862)	(245,485)	(92,377)	38%	(175)
Net cash used by investment activities	(933,383)	(1,057,380)	123,997	-12%	(484)
Cash flows from financing activities:					
Interest received in cash	124,646	44,045	80,601	183%	65
Interest and commissions paid in cash	(616,617)	(926,607)	309,990	-33%	(320)
Dividends paid in cash	(208,244)	(245,904)	37,660	-15%	(108)
Increase in financial obligations	370,894	1,427,340	(1,056,446)	-74%	192
Bond Issue	1,567,686	767,727	799,959	104%	814
Payment of financial obligations	(1,666,112)	(1,434,917)	(231,195)	16%	(865)
Bond payment/decrease	(1,189,563)	(460,935)	(728,628)	158%	(617)
Issue of shares					
Net cash (used by) provided for financing activities	(1,617,310)	(829,251)	(788,059)	95%	(839)
Net increase in cash and cash equivalents	143,283	263,955	(120,672)	-46%	74
Cash and cash equivalents at the beginning of period	1,676,906	1,412,951	263,955	19%	870
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,820,189	1,676,906	143,283	9%	945

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

	4Q13	4Q12	Change COP	Change %	4Q13 USD	2013	2012	Change COP	Change %	2013 USD
OPERATING REVENUES										
Energy transmission services	214,096	210,842	3,254	1.5%	111	848,541	837,892	10,649	1.3%	440
Connection charges	24,584	30,053	(5,469)	-18.2%	13	98,241	100,928	(2,687)	-2.7%	51
Infrastructure Projects	1,768	9,762	(7,994)	-81.9%	1	10,757	29,500	(18,743)	-63.5%	6
Telecommunications	4,861	4,550	311	6.8%	3	18,403	17,853	550	3.1%	10
Other services	6,248	6,034	214	3.5%	3	21,186	22,685	(1,499)	-6.6%	11
TOTAL OPERATING REVENUES	251,557	261,241	(9,684)	-3.7%	131	997,128	1,008,858	(11,730)	-1.2%	517
COSTS AND OPERATING EXPENSES										
Operating costs and administration expenses	116,742	111,586	5,156	4.6%	61	410,269	416,449	(6,180)	-1.5%	213
Depreciation	22,120	23,506	(1,386)	-5.9%	11	87,183	91,773	(4,590)	-5.0%	45
Amortization	1,969	1,897	72	3.8%	1	7,469	7,411	58	0.8%	4
Provisions	197	2,643	(2,446)	-92.5%	0	2,659	4,045	(1,386)	-34.3%	1
TOTAL COSTS AND OPERATING EXPENSES	141,028	139,632	1,396	1.0%	73	507,580	519,678	(12,098)	-2.3%	263
Operating Income	110,529	121,609	(11,080)	-9.1%	57	489,548	489,180	368	0.1%	254
NON - OPERATING REVENUES										
Financial	7,418	7,980	(562)	-7.0%	4	35,468	31,329	4,139	13.2%	18
Exchange difference	2,669	9,312	(6,643)	-71.3%	1	46,534	20,865	25,669	123.0%	24
Equity Method	83,695	22,595	61,100	270.4%	43	284,874	145,063	139,811	96.4%	148
Other	2,415	5,226	(2,811)	-53.8%	1	6,919	14,623	(7,704)	-52.7%	4
Total no-operating revenues	96,197	45,113	51,084	113.2%	50	373,795	211,880	161,915	76.4%	194
NON - OPERATING EXPENSES										
Financial	31,730	35,121	(3,391)	-9.7%	16	131,658	151,608	(19,950)	-13.2%	68
Exchange difference	1,046	11,567	(10,521)	-91.0%	1	36,387	36,190	197	0.5%	19
Equity Method	37,783	41,993	(4,210)	-10.0%	20	142,139	136,964	5,175	3.8%	74
Other	2,467	585	1,882	321.7%	1	3,024	1,835	1,189	64.8%	2
Total no-operating expenses	73,026	89,266	(16,240)	-18.2%	38	313,208	326,597	(13,389)	-4.1%	163
Non-operating results	23,171	(44,153)	67,324	152.5%	12	60,587	(114,717)	175,304	152.8%	31
Income before taxes	133,700	77,456	56,244	72.6%	69	550,135	374,463	175,672	46.9%	286
Income tax provision	27,960	25,902	2,058	7.9%	15	117,087	101,525	15,562	15.3%	61
NET INCOME	105,740	51,554	54,186	105.1%	55	433,048	272,938	160,110	58.7%	225
EBITDA										
EBITDA	138,966	153,959	(14,993)	-9.7%	72	604,356	610,062	(5,706)	-0.9%	314
EBITDA margin	55.2%	58.9%				60.6%	60.5%			
Operating margin	43.9%	46.6%				49.1%	48.5%			
Net margin	42.0%	19.7%				43.4%	27.1%			

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

	2013	% Part.	2012	Change COP	Change %	2013 USD
CURRENT ASSETS						
Cash	137,167	1.3%	97,797	39,370	40.3%	71
Marketable investments	178,066	1.7%	137,789	40,277	29.2%	92
Accounts receivable, net	518,018	5.0%	529,318	(11,300)	-2.1%	269
Inventories	2,898	0.0%	28,284	(25,386)	-89.8%	2
Deferred charges and other assets	63,375	0.6%	72,658	(9,283)	-12.8%	33
Total current assets	899,524	8.8%	865,846	33,678	3.9%	467
NON-CURRENT ASSETS						
Long-term investments	3,933,010	38.3%	2,727,530	1,205,480	44.2%	2,041
Long-term accounts receivable	16,667	0.2%	14,533	2,134	14.7%	9
Inventories	51,967	0.5%	53,328	(1,361)	-2.6%	27
Property, plant and equipment, net	2,493,039	24.3%	2,368,664	124,375	5.3%	1,294
Deferred charges and other assets	329,906	3.2%	319,117	10,789	3.4%	171
Reappraisal of assets	2,542,404	24.8%	2,563,287	(20,883)	-0.8%	1,319
Total non-current assets	9,366,993	91.2%	8,046,459	1,320,534	16.4%	4,861
TOTAL ASSETS	10,266,517	100.0%	8,912,305	1,354,212	15.2%	5,328
CURRENT LIABILITIES						
Outstanding Bonds	-	0.0%	110,000	(110,000)	-100.0%	-
Financial liabilities	7,305	0.1%	6,704	601	9.0%	4
Related financial parties	45,859	0.4%	31,908	13,951	43.7%	24
Accounts payable	235,833	2.3%	243,363	(7,530)	-3.1%	122
Labor liabilities	12,341	0.1%	7,639	4,702	61.6%	6
Accrued liabilities and estimated provisions	27,728	0.3%	53,173	(25,445)	-47.9%	14
Other liabilities	9,327	0.1%	11,110	(1,783)	-16.0%	5
Total current liabilities	338,393	3.3%	463,897	(125,504)	-27.1%	176
LONG-TERM LIABILITIES						
Outstanding bonds	1,102,500	10.7%	991,365	111,135	11.2%	572
Financial liabilities	317,769	3.1%	316,625	1,144	0.4%	165
Related parties	244,885	2.4%	255,060	(10,175)	-4.0%	127
Accounts payable	17,211	0.2%	50,462	(33,251)	-65.9%	9
Labor liabilities	1,483	0.0%	1,433	50	3.5%	1
Accrued liabilities and estimated provisions	141,428	1.4%	136,359	5,069	3.7%	73
Other liabilities	655,307	6.4%	577,398	77,909	13.5%	340
Total long-term liabilities	2,480,583	24.2%	2,328,702	151,881	6.5%	1,287
TOTAL LIABILITIES	2,818,976	27.5%	2,792,599	26,377	0.9%	1,463
Subscribed and paid in capital	36,916	0.4%	36,916	0	0.0%	19
Capital Surplus	1,445,509	14.1%	1,445,509	0	0.0%	750
Reserves	999,186	9.7%	934,492	64,694	6.9%	519
Net income	433,048	4.2%	272,938	160,110	58.7%	225
Surplus from asset reappraisals	2,542,404	24.8%	2,563,287	(20,883)	-0.8%	1,319
Surplus from equity method	1,574,833	15.3%	450,919	1,123,914	249.2%	817
Equity revaluation	415,645	4.0%	415,645	-	0.0%	216
Total Shareholders' Equity	7,447,541	72.5%	6,119,706	1,327,835	21.7%	3,865
TOTAL LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	10,266,517	100.0%	8,912,305	1,354,212	15.2%	5,328

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

	2013	2012	Var. COP	Var. %	2013 USD
Cash flows from operating activities:					
Net income	433,048	272,938	160,110	58.7%	225
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operational activities:					
Depreciation of properties, plant and equipment	87,183	91,773	(4,590)	-5.0%	45
Amortization of deferred and other assets	7,469	7,412	57	0.8%	4
Amortization of retirement pensions and extralegal benefits – net (Recovery-Write Off) Provision of accounts receivable	17,497	17,652	(155)	-0.9%	9
(Recovery) Provision for investments	(2,456)	344	(2,800)	-814.0%	(1)
Recovery provision for investments	300	(257)	557	-216.7%	0
Income tax provision	(241)	(44)	(197)	447.7%	(0)
Loss in property, plant and equipment disposal and retirement (Expense) Income for foreign exchange rate conversion	117,087	101,525	15,562	15.3%	61
Income for equity method	519	1,135	(616)	-54.3%	0
Accrued interest and commissions	(11,008)	15,247	(26,255)	-172.2%	(6)
	(142,735)	(8,099)	(134,636)	1662.4%	(74)
	103,225	129,053	(25,828)	-20.0%	54
	609,888	628,679	(18,791)	-3.0%	317
Changes in operating assets and liabilities:					
Debtors	35,891	110,836	(74,945)	-67.6%	19
Inventories	1,800	(19,471)	21,271	-109.2%	1
Deferred and other assets	2,234	(187)	2,421	-1294.7%	1
Accounts payable	119,943	139,361	(19,418)	-13.9%	62
Labor liabilities	4,752	640	4,112	642.5%	2
Estimated liabilities and provisions	(119,614)	(78,623)	(40,991)	52.1%	(62)
Other liabilities	121,533	59,893	61,640	102.9%	63
Cash flows in other operations:					
Retirement pension payments	(12,238)	(12,421)	183	-1.5%	(6)
Payment of taxes and contributions	(200,256)	(185,206)	(15,050)	8.1%	(104)
Net cash provided by operation activities	563,933	643,501	(79,568)	-12.4%	293
Cash flows from investment activities:					
Purchase of permanent and long term investments	(58,532)	(7,165)	(51,367)	716.9%	(30)
Dividends received	120,974	64,885	56,089	86.4%	63
Sale of property, plant and equipment	-	412	(412)	-100.0%	-
Reimbursement of education costs	-	37,282	(37,282)	-100.0%	-
Purchase of property, plant and equipment	(226,237)	(114,260)	(111,977)	98.0%	(117)
Additions (disposals) of deferred and other assets	(4,810)	(9,508)	4,698	-49.4%	(2)
Net cash (used by) provided for investment activities	(168,605)	(28,354)	(140,251)	6.5%	(88)
Cash flows from financing activities:					
Interest received in cash	14,462	13,302	1,160	8.7%	8
Interest paid in cash	(115,787)	(186,132)	70,345	-37.8%	(60)
Dividends paid	(208,244)	(245,904)	37,660	-15.3%	(108)
Increase in financial liabilities	-	71,410	(71,410)	-100.0%	-
Bond issue	220,000	-	220,000	-	114
Payment of financial liabilities	(7,247)	(215,421)	208,175	-96.6%	(4)
Bond payment	(218,865)	-	(218,865)	0.0%	(114)
Increase in loans with economically related entities	-	26,011	(26,011)	-100.0%	-
Net cash used by financing activities	(315,681)	(536,734)	221,054	-41.2%	(164)
Net increase in cash and cash equivalents	79,647	78,413	1,235	1.6%	41
Cash and cash equivalents at the beginning of the year	235,586	157,173	78,413	49.9%	122
CASH AND CASH EQUIVALENTS AT THE YEAR END	315,233	235,586	79,648	33.8%	164

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