



FINANCIAL RESULTS 2016



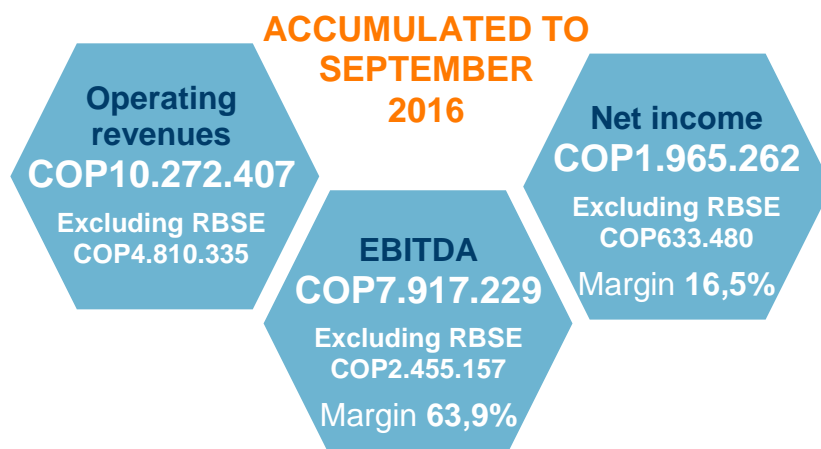
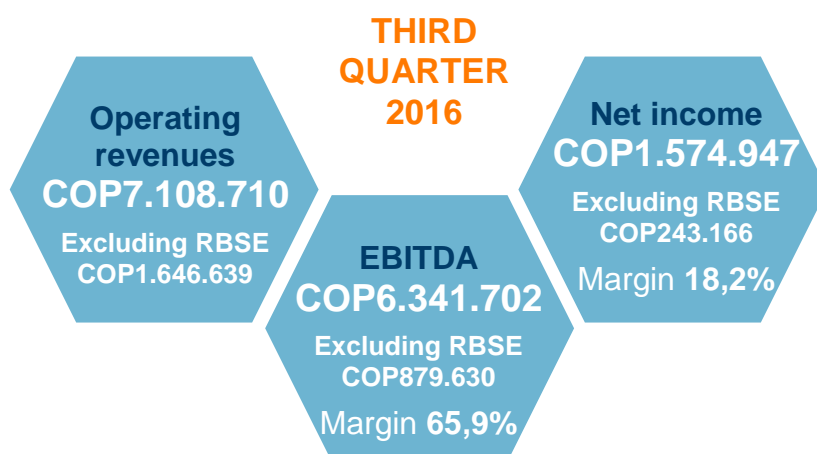
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ISA S.A. E.S.P. (BVC: ISA; OTC: IESFY) ISA S.A. E.S.P. (BVC: ISA; OTC: IESFY) ("ISA" or "the Company"), a Colombian organization engaged in the businesses of Energy Transmission, Toll Road Concessions, Telecommunications Transport and Real-Time Systems Management, today announced financial results for the third quarter of 2016. The unaudited figures are expressed in millions of Colombian pesos (COP). The consolidation process includes 100% of the companies where ISA holds control, in accordance with the implementation of Standards of Accounting and Financial Reporting in Colombia -NCIF-, for its acronym in Spanish, adopted by law 1314 of 2009, regulatory decree 2784 of 2012, as amended, and resolution 743 of 2013, as amended, issued by the General Accounting Office.

ECONOMIC AND FINANCIAL RESULTS CONSOLIDATED

Figures in millions



**Net and EBITDA margins excluding construction and recognition of Basic Network of the Existing System RBSE values*

■ ECONOMIC AND FINANCIAL RESULTS

Considerations

Following Technical Note announcement and upon the initiation of the explanatory public hearings in Brazil related to the recognition of RBSE (value of basic network in the existing system), the Company considered that sufficient conditions existed for the recognition of CTEEP (ISA's subsidiary) during this quarter.

Under IFRS, this includes updating the receivables and future cash flows of the financial asset. The accounts that affect the recognition of the RBSE values in the Income Statement are the following: operating revenues (COP5,5 trillion), costs for taxes (COP1,7 trillion), balance sheet accounts affected are accounts receivable (COP6,4 trillion) and accounts payable related to taxes and contributions (COP2,6 trillion).

This fact is of material importance as it means that operational revenues are multiplied by 4,5 and taxes are multiplied by 15, for the quarterly period, in the income statement.

Results

ISA's accumulated net income to September 2016 was COP1.965.262 million. Excluding the effect of recognition of the RBSE values, accumulated profit was COP633.480 million, representing a net income increase of COP73.353 million, equivalent to an increase of 13,1% compared with the same period last year. The increase was mainly due to higher revenues in Energy Transmission, Toll Roads and Telecommunications businesses; and higher results in companies where it has joint control, partially offset by the higher financial expenses previously mentioned, higher major maintenance costs in Chile and higher provisions.

Net income amounted to COP1.574.947 million in the third quarter of 2016, with an increase of 525,6% compared with the same period in 2015. Excluding the value recognition of the Brazilian RBSE, net income totaled COP243.165 million for the period, a decrease of 3,4% versus the same period in 2015. This variation was mainly explained by non-recurring provisions explained later, without which growth would be 4.1%. The net result also consolidates higher revenues from TRM in Colombia, the payment of new projects put into operation in Colombia and Peru and the higher profits in the Brazilian companies in which we have joint control.

EXCHANGE RATES	3Q16 average	3Q15 average	Change %	Sep.2016 close	Sep.2015 close	Change %
COP/ DOLLAR USD	2.949,65	2.942,77	0,23%	2879,95	3.121,94	-7,75%
COP/ REAL	908,37	829,42	9,52%	887,18	785,81	12,90%
COP/ CLP	4,46	4,35	2,55%	4,38	4,47	-2,05%
REAL / DOLLAR USD	3,25	3,55	-8,48%	3,25	3,97	-18,29%
CLP / DOLLAR USD	661,37	676,66	-2,26%	658,02	698,72	-5,82%

The results also included the conversion effects for the financial information of foreign subsidiaries that generated variations in various line items of the financial statements, mainly due to the devaluation of the Colombian peso versus the dollar and the Chilean peso. This generated a net income increase of COP1.431.000 during the quarter and of COP32.619 million for the first nine months.

■ CONSOLIDATED INCOME STATEMENT

Operating revenues by business¹

(figures in COP millions)

OPERATING REVENUES	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Energy Transmission	6.699.545	1.076.709	5.622.836	522,2%	2.326	9.013.911	2.660.237	6.353.674	238,8%	3.130
Energy Transmission (NR ²)	1.237.474	1.076.709	160.765	14,9%	430	3.551.839	2.660.237	891.602	33,5%	1.233
Road Concessions	296.769	272.801	23.968	8,8%	103	907.326	791.069	116.257	14,7%	315
Telecommunications	80.852	76.260	4.592	6,0%	28	250.040	211.168	38.872	18,4%	87
Management of Real-time Systems	31.544	28.284	3.261	11,5%	11	101.130	80.730	20.400	25,3%	35
TOTAL	7.108.710	1.454.054	5.654.657	388,9%	2.468	10.272.407	3.743.204	6.529.203	174,4%	1.670
TOTAL(NR)	1.646.639	1.454.054	192.586	13,2%	572	4.810.335	3.743.204	1.067.131	28,5%	1.670

During the third quarter of 2016, operating revenues amounted to COP7.108.710 million and COP10.272.407 million for the first nine months. Both figures include the value recognition of RBSE in CTEEP, which explains the significant increase when compared with the corresponding periods of the previous year.

Excluding RBSE recognition, operating revenues reached COP1.646.639 million, a 13,2% increase over the same quarter of 2015. The conversion effect for the period represented a positive impact of COP45.899 million. For the nine month period, operating revenues totaled COP4.810.335 million, an increase of COP1.067.131 million, or 28,5% compared to the same period last year.

Operating revenues by country

(figures in COP millions)

OPERATING REVENUES	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Colombia	485.546	422.596	62.950	14,9%	169	1.458.508	1.230.949	227.559	18,5%	506
Chile	302.012	275.890	26.122	9,5%	105	922.806	798.805	124.001	15,5%	320
Brazil	5.855.657	399.308	5.456.349	1366,5%	2.033	6.367.510	880.484	5.487.026	623,2%	2.211
Brazil(NR)	393.586	399.308	-5.722	-1,4%	137	905.438	880.484	24.954	2,8%	314
Peru	437.107	331.637	105.470	31,8%	152	1.427.472	768.792	658.680	85,7%	496
Others	28.387	24.621	3.766	15,3%	10	96.110	64.173	31.937	49,8%	33
TOTAL	7.108.710	1.454.054	5.654.657	388,9%	2.468	10.272.407	3.743.204	6.529.203	174,4%	3.567
TOTAL(NR)	1.646.639	1.454.054	192.586	13,2%	572	4.810.335	3.743.204	1.067.131	28,5%	1.670

During the third quarter of the year, the composition of the total revenues by country without RBSE recognition was; Colombia 29,5%, Peru 26,5%, Brazil 23,9%, and Chile 18,3%.

¹ Includes the operational revenues plus revenues from construction.

² NR: No recognition of the value of RBSE.

THIRD QUARTER 2016 FINANCIAL RESULTS



Revenues from construction³ was COP311.056 million, an increase of 32,4% or COP76.161 million compared with 3Q15. For the nine month period, these revenues reached COP968.900 million, a 90,35% increase. The aforementioned figures were due to the greater dynamics of the Energy Transmission projects under construction, particularly in Peru. It is worth mentioning that energy transmission projects in Chile are beginning to show similar dynamic tendencies.

(figures in COP millions)

OPERATION INCOME (EXC. CONSTRUCTION)	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Energy Transmission	6.419.188	858.982	5.560.206	647,3%	2.229	8.121.985	2.216.467	5.905.518	266,4%	2.820
Energy Transmission(NR)	957.117	858.982	98.135	11,4%	333	2.659.913	2.216.467	443.446	20,0%	923
Road Concessions	266.069	255.633	10.437	4,1%	92	830.352	726.217	104.135	14,3%	288
Telecommunications	80.852	76.260	4.592	6,0%	28	250.040	211.168	38.872	18,4%	87
Management of Real-time Systems	31.544	28.284	3.261	11,5%	11	101.131	80.730	20.400	25,3%	35
TOTAL	6.797.654	1.219.158	5.578.496	457,6%	2.360	9.303.508	3.234.582	6.068.925	187,6%	3.231
TOTAL(NR)	1.335.583	1.219.158	116.425	9,5%	464	3.841.436	3.234.582	606.853	18,8%	1.334

Excluding the value recognition of RBSE in Brazil for COP5.462.071 million, operational revenues for the third quarter reached COP1.335.583 million, a 9,5% increase compared with the same period in 2015. Variation by business is explained as follows:

- **Energy Transmission** contributed 71,7% of total operational revenues, or COP957.117 million. Compared with the same period in 2015, revenues increased by 11,4% with the entry into operation of El Bosque substation expansion during September 2015, the La Reforma and Copey substations and the Statcom projects in Bacatá in December 2015. Also included were the higher revenues from the funds administered for FAER, PRONE and FOES⁴ as well as a greater devaluation in Colombia. In Brazil, there were greater revenues from the concession and in Peru, for the entry into operation of the Machupicchu-Abancay-Cotaruse project in August 2015.
- **Road Concessions** contributed COP266.069 million equivalent to 19,9% of the total. During the period, there were higher revenues from the concession and higher revenues from operating services and maintenance. These represented a 4,1% increase compared with revenues for 3Q15. It is important to consider that some of the concessions are approaching their maturity dates. Thus, their revenues are lower due to the reduction in accounts receivable. This does not imply a cash decrease, as this amount is related to toll collections.
- **Telecommunications** contributed 6,1% of total revenues, corresponding to COP80.852 million, an increase of 6% compared with the same quarter in 2015. This variation was mainly the result of growth in IP service sales, additional information storage and videoconferencing in Colombia, as well as new customers in Chile and Brazil.
- **Real-Time System Management** generated COP31.544 million, equivalent to 2,4% of total revenues for the third quarter of 2016. The abovementioned represents a 11,5% increase compared with 3Q15. The variation was due to higher regulated revenues during this period.

Nine-month operating revenues reached COP3.841.435 million, an increase of 18,8% versus the same period in 2015. Excluding FAER, FOES, and PRONE, this figure was 16,0%.

³ In NCIF, construction activities related to a concession must be posted in both revenues and costs. Energy Transmission Projects in Colombia and Chile are not considered as concessions under NCIF standards; therefore, they are accounted for as fixed assets.

⁴ Contributions to the Fund for the Electrification of Interconnected Rural Areas, Standardization Power Networks Programme and Social Energy Fund, the latter as of 2016.

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(figures in COP millions)

OPERATION INCOME (EXC. CONSTRUCTION)	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Colombia	485.546	422.596	62.950	14,9%	169	1.458.508	1.230.949	227.559	18,5%	506
Chile	271.312	258.722	12.590	4,9%	94	845.832	733.953	111.879	15,2%	294
Brazil	5.810.881	317.117	5.493.764	1732,4%	2.018	6.272.385	699.844	5.572.540	796,3%	2.178
Brazil(NR)	348.810	317.117	31.693	10,0%	121	810.313	699.844	110.469	15,8%	281
Peru	201.527	196.101	5.426	2,8%	70	630.672	505.662	125.009	24,7%	219
Others	28.387	24.621	3.766	15,3%	10	96.110	64.173	31.937	49,8%	33
TOTAL	6.797.654	1.219.158	5.578.496	457,6%	2.360	9.303.508	3.234.582	6.068.925	187,6%	3.231
TOTAL(NR)	1.335.583	1.219.158	116.425	9,5%	464	3.841.436	3.234.582	606.853	18,80%	1.334

Operational revenues by country, excluding the recognition of RBSE for 3Q15 was as follows: Colombia 36,4%, Brazil 26,1%, Chile 20,3% and Peru 15,1%.

Operating costs and expenses by business

Operational costs and expenses⁵ for the third quarter of 2016 increased by 23,3%, compared to the same period of 2015. The conversion effect for the period represented an expense of COP29.434 million and explains 3.9% of this increase. For the accumulated nine months, costs and expenses reached COP2.815.387 million, an increase of 38,3%, compared to the accumulated nine months of the previous year.

(figures in COP millions)

OPERATING COSTS AND EXPENSES	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Energy Transmission	722.610	591.073	131.537	22,3%	251	2.202.500	1.558.301	644.199	41,3%	764
Road Concessions	97.121	72.258	24.863	34,4%	34	302.279	227.457	74.822	32,9%	105
Telecommunications	80.210	65.942	14.268	21,6%	28	224.705	181.494	43.212	23,8%	78
Management of Real-time Systems	28.327	23.680	4.647	19,6%	10	85.903	68.365	17.537	25,7%	30
TOTAL	928.268	752.953	175.315	23,3%	323	2.815.387	2.035.617	779.770	38,3%	977

The composition of operational costs and expenses by country during 3Q16 was: 37,2% in Peru, 31,1% in Colombia, 19% in Brazil, and 11,1% in Chile.

(figures in COP millions)

OPERATING COSTS AND EXPENSES	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Colombia	288.302	224.871	63.431	28,2%	100	873.969	710.531	163.438	23,0%	303
Chile	102.634	77.453	25.181	32,5%	36	322.662	241.685	80.977	33,5%	112
Brazil	176.294	207.789	-31.495	-15,2%	61	456.468	546.058	-89.590	-16,4%	158
Peru	345.408	229.163	116.245	50,7%	120	1.101.966	501.241	600.725	119,8%	383
Other	15.629	13.676	1.953	14,3%	5	60.321	36.101	24.221	67,1%	21
TOTAL	928.268	752.953	175.315	23,3%	323	2.815.387	2.035.617	779.770	38,3%	977

OPERATING COSTS AND EXPENSES	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Sales and operation costs and expenses	770.163	606.220	163.943	27,0%	267	2.365.045	1.617.369	747.676	46,2%	821
Depreciation	64.684	68.561	-3.876	-5,7%	22	201.802	202.577	-775	-0,4%	70
Amortization	61.806	60.274	1.532	2,5%	21	188.875	162.793	26.082	16,0%	66
Provisions	31.613	17.897	13.716	76,6%	11	59.664	52.876	6.789	12,8%	21
TOTAL	928.268	752.953	175.315	23,3%	322	2.815.387	2.035.617	779.770	38,3%	977

Construction costs reached COP301.789 million during the third quarter, a 33,6% increase, compared with 3Q15.

⁵ Includes costs for sales and operations, administration expenses and construction costs.

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(figures in COP millions)

OPERATING COSTS AND EXPENSES (EXC. CONSTRUCTION)	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Energy Transmission	447.315	378.683	68.632	18,1%	155	1.327.340	1.127.630	199.709	17,7%	460
Road Concessions	70.627	58.697	11.930	20,3%	25	235.727	172.375	63.353	36,8%	82
Telecommunications	80.210	65.942	14.268	21,6%	28	224.705	181.494	43.212	23,8%	78
Management of Real-time Systems	28.327	23.680	4.647	19,6%	10	85.903	68.365	17.537	25,7%	30
TOTAL	626.479	527.002	99.477	18,9%	218	1.873.675	1.549.864	323.811	20,9%	650

Excluding construction, administrative and operating costs and expenses for the third quarter of 2016 was COP626.479 million, an increase of 18,9%.

The variation in costs and expenses, excluding construction, for the third quarter was due to:

- **Energy Transmission**, which contributed 71,4% of the total, experienced greater expenses principally due to the provisions of Electricaribe shares (COP10.107 million), higher operational expenses related with the new projects and greater contributions by FAER, PRONE and FOES of COP36.827 million in Colombia⁶. Excluding contributions, operating and administrative expenses grew by 12,6%.
- **Road Concessions**, contributed 11,3% of the total, with increased maintenance and operating expenses of COP11.930 million, or 20,3%, compared with the third quarter of 2015. This variation was mainly the result of the 96,0% increase in major maintenance associated with specific cycles that depend on traffic flow in Ruta del Maule, Araucanía, Bosque and Maipo concessions.
- **Telecommunications** contributed 12,8%, or COP80.210 million, of total operational costs and expenses. Telecommunications increased by 21,6% due to higher operational costs related to higher revenues and greater portfolio provisions in Brazil for COP3.958 million.
- **Real-Time Systems Management** was COP28.327 million, or 4,5% of total costs for the third quarter of 2016. This figure represented a 19,6% increase compared with the same period for 2015 and was due to higher expenses for project studies related with the *El Niño* weather phenomenon in XM.

Operating costs and expenses by country

The composition of operational costs and expenses by country was: 46% in Colombia, 21,6% in Brazil, 17,7% in Peru and 12,2% in Chile.

(figures in COP millions)

OPERATING COSTS AND EXPENSES (EXC. CONSTRUCTION)	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Colombia	288.302	224.871	63.431	28,2%	100	873.969	710.531	163.438	23,0%	303
Chile	76.140	63.892	12.248	19,2%	26	256.111	186.603	69.508	37,2%	89
Brazil	135.431	130.935	4.496	3,4%	47	369.913	378.516	-8.603	-2,3%	128
Peru	110.975	93.627	17.348	18,5%	39	313.360	238.111	75.249	31,6%	109
Other	15.629	13.676	1.953	14,3%	5	60.321	36.101	24.221	67,1%	21
TOTAL	626.479	527.002	99.477	18,9%	218	1.873.675	1.549.864	323.811	20,9%	650

⁶ The resources from these administered portfolios are recognized both in revenues as well as expenses.

Finally, operating costs and expenses for the first nine months of 2016 were COP1.873.675 million, an increase of 20,9% above the previous year, mainly due to the same reasons that affected the quarterly figures. These costs included COP101.540 million more contributions from FAER, FOES and PRONE compared with September 2015, without which the increase in operating expenses would have been 15,1%, which favorably compares with the 16,0% increase in operational revenues.

Equity method and other revenues and expenses

The equity method, which includes earnings of the subsidiaries where ISA has joint control, increased by 95,3% during the third quarter of 2016 compared with 3Q15, from COP85.014 million to COP166.017 million. The variation was mainly explained by the higher profits from the financial assets of IEMadeira and IEGaranhus in Brazil (COP80.740 million). For the first nine months of the year, this figure increased by 77,2% compared the same period of 2015 for the same reasons.

Other net income and expenses for the period were - COP5.862 million with a reduction of COP11.247 million compared with the same quarter of 2015, due to higher revenues in Colombia from the recovery from litigations totaling COP3.000 million COP5.993 million in compensation for a transformer. This variation was positively offset by the sale of preferred CTEEP shares in August 2016 for COP4.419.000. For the first nine months of the year, this figure declined by 89,9% at the accrual level, due to the above reasons, in addition to recovery for damages related with assets during 2016.

EBITDA and EBITDA margin

EBITDA for the third quarter of 2016 increased by COP5.491.709 million compared with the same period of the previous year. This increase was mainly due to the recognition of RBSE amounts. Excluding this effect, the EBITDA increase was COP29.637 million and was explained by higher operating revenues. In percentage terms, EBITDA grew 3,5% compared with the same period of the previous year and the EBITDA margin was 53,4% vs. 58,5% of 3Q15.

Excluding the effect of construction, the margin for the quarter reached 65,2% compared with 68,9% the previous year. Excluding contributions from FAER, PRONE and FOES, which, while having corresponding costs, lowered the EBITDA margin. Without these contributions, the EBITDA margin reached 68,5% in 3Q16 vs. 70,6% of 3Q15.

At September 2016, EBITDA increased 271,1% compared to the same period of the previous year, including the recognition of the RBSE amounts and 15,1% excluding the recognition of the RBSE amounts. The nine-month EBITDA margin was 51,0%. Excluding the effect of construction, the EBITDA margin stood at 63,2% and also excluding contributions, reached 67,1%, compared with 67,7% in the same period of 2015.

Revenues from operating activities

As a result of the aforementioned, for the third quarter of 2016, ISA reached a profit in operating activities of COP6.340.597 million and excluding the effect of recognition of the RBSE, this amount was COP880.587 million. Operating revenues increased by 11,3% when compared with the same period of the previous year. The operating margin stood at 53,5% based on the abovementioned reasons. Excluding construction, the operating margin for the period reached 65,17%. Revenues from

operating activities for the first nine months of 2016 were COP2.200.350 million, up 19,1% compared with the same period of the previous year.

Financial revenues/expenses

During the third quarter of 2016, net financial expenses reached COP285.283 million, which represented a 23,1% increase compared with 3Q15. The variation was due to higher expenses from the debt used to finance new projects under construction as well as movement of the macroeconomic variables to which the group debt is indexed in the various countries where ISA operates.

Financial expenses at September 2016 totaled COP796.353.000, an increase of 17,0% with respect to the same period in 2015.

(figures in COP millions)

FINANCIAL REVENUES / EXPENSES	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
Net financial	-223.523	-156.306	-67.218	43,0'	-78	-671.018	-500.861	-170.157	34,0%	-233
Net foreign exchange difference	-61.761	-75.441	13.680	-18,1'	-21	-125.337	-180.061	54.724	-30,4%	-44
TOTAL	-285.283	-231.747	-53.536	23,1'	-99	-796.353	-680.920	-115.433	17,0%	-277

It is worth mentioning that debt management operations took place in Chile and Colombia, which generated expense reductions.

Taxes

Income tax expenses for the third quarter reached COP1.985.303 million, representing an increase of COP1.838.152 million, and was mainly attributable to deferred tax associated with the recognition of RBSE. The income tax expense for the first nine months was also affected for the same reason and represented an increase of 582,1% over the same period of 2015.

Excluding the recognition of the RBSE value, taxes for the quarter totaled COP128.199 million. For the accumulated, taxes totaled COP381,259 million, an increase of 16.2% compared to the figure reported in 9M15.

Comprehensive revenues (revenues before minority Interest) and non-controlling interest

As a result of the abovementioned, consolidated third-quarter profit before minority interest was COP4.070.011 million and represented an increase of 886,4% over the same period of 2015. The non-controlling interest, however increased by 1451,1%, given the registration of the recognition of the values of the RBSE and stronger results in Brazil. These events also explained the 855,4% increase in nine month revenues.

Excluding the recognition of RBSE, profits before minority interests were COP467.105 million for the third quarter of 2016, an increase of 13,2% compared with the third quarter of 2015. This represented COP1.022.738 million, 22,0% higher than the figure reported for the first nine months of 2015.

Comprehensive income of the controlling interest (Net income)

Net income for the third quarter of 2016 was COP1.574.947 million, representing an increase of 525,6% compared with the figure reported for the same period in 2015. As discussed above in the detailed results, the variation consolidates the recognition of the RBSE values in CTEEP, higher operating results and increased results from companies in Brazil in which ISA has joint control; this was partially offset by higher financial expenses and taxes. For the first nine months of 2016, this figure was COP1.965.262 million for the first nine months of the year. Excluding the effect of recognition in Brazil, net income for the quarter was COP633.480 million, a 13,1% increase versus the first nine months of 2015.

Net margin for the third quarter of 2016 was 17,5% and 15,8% for the nine month period, excluding construction and value recognition of RBSE in CTEEP.

■ CONSOLIDATED BALANCE SHEET

Assets

Assets for ISA and its companies reached COP36.998.678 million, an increase of 31,6% compared with December 2015. This was the result of the value recognition for RBSE in Brazil that raised account receivable financial assets by COP6.406.219 million and higher construction projects in Colombia, Chile and Peru. The cash balance was the result of the bond issuance in Colombia and contributions and debt disbursement in INTERCHILE.

The composition of assets by country was: 37,8% in Brazil, 26,5% in Chile, 19,8% in Colombia and 15,3% in Peru.

Liabilities

Consolidated liabilities were COP21.093.574 million, up 26,2% compared to December 2015. This variation was due to the deferred tax in Brazil for the recognition of RBSE (COP2.611.116 million), the higher level of debt contracted to support construction projects in Colombia, Chile and Peru and dividends declared at ISA's Ordinary Shareholders' Meeting, which was offset by the amortization of debt in Brazil.

The distribution of liabilities by country was 30,2% in Chile, 27,5% in Brazil, 24,1% in Colombia and 17,8% in Peru.

Non-controlling interest (Minority interest)

Minority interest was COP6.502.339 million, representing an increase of 83,0% compared to December of the previous year, as a result of the value recognition of RBSE and stronger results in Brazil.

Equity attributable to holders of controlling interest

Equity was COP9.402.765 million compared to COP7.840.224 million reported in December 2015, an increase of 19,9% as a result of the value recognition of RBSE in CTEEP, the lower conversion effect of the foreign subsidiaries and the dividends approved at ISA's Ordinary Shareholders' Meeting.

■ CONSOLIDATED CASH FLOW

As of September 2016, cash and cash equivalents reached COP1.441.880 million, an increase of COP412.630 million compared with December 2015. Accumulated to September 2016, cash provided for operations reached COP1.420.562 million. Financing activities generated COP571.615 million, as the net result of new debt for COP2.388.083 million and debt amortization for COP1.622.316 million. Investment activities totaled COP1.579.547 million, mainly for asset construction projects in Peru, Colombia and Chile.

Las actividades de financiación generaron \$571.615 millones, como resultado neto de nueva deuda por \$2.388.083 millones y la amortización de la deuda por \$1.622.316 millones.

■ DEBT

On September 30, 2016 consolidated financial debt amounted to COP12.469.491 million, reflecting an increase of 10,8% compared to December 2015.

The changes are explained by a conversion effect of - COP145.871 million, plus the following debt:

- In **Colombia**, ISA issued the Tenth Tranche of a Securities Program for COP400.000 million and the payment for maturity of the second tranche for COP150.000 million. In addition, local bank loans were used to finance the cash flow and the investment plan: ISA COP250.000 million, Internexa COP17.400 million and Transelca COP16,000 million. Internexa paid loans for COP5.333.000.
- In **Peru**, various subsidiaries took action to finance their respective investment plans: REP amortized bonds for USD COP24,8 million and received a COP40 million working capital disbursement; the Transmantaro Consortium received long-term disbursements for COP40 million and short-term disbursements of USD COP103,5 million. Meanwhile, ISA Peru received disbursements for USD COP25 million and made debt payments of US COP9 million.
- In **Brazil**, CTEEP received a disbursement from BNDES for BRL660.232 and issued debentures for BRL149 million for its operation. Additionally, it paid loans for BRL21 million. Meanwhile, ISA Capital do Brasil made payments to preferred shareholders for BRL79 million and Internexa in Brazil received a disbursement of BRL16 million to finance cash flow.
- ISA **Bolivia** paid IDB and CAF loans for USD COP4,8 million.
- In **Chile**, the following operations took place: Ruta del Maipo made payments to 144A bondholders for USD COP14,3 million; Ruta del Maule signed a debt refinancing for UF2,3 million

THIRD QUARTER 2016 FINANCIAL RESULTS



and paid a bridge loan for CLP30.953 million; Ruta del Bosque made payments to Series A holders for UF771.413 and Ruta de la Araucanía and Ruta de los Ríos made syndicated loan payments of UF1.262.994. Interchile received a disbursement of USD149,9 million and CLP7.494 million.

(figures in COP millions)

Consolidated Debt	Business	Sep. 2016	2015	Change COP	Change %	Sep. 2016 USD
CHILE		4.961.781	4.620.914	340.867	7,4%	1.723
Ruta del Maipo	Road Concessions	2.685.998	2.681.269	4.729	0,2%	933
Ruta del Maule	Road Concessions	222.011	149.433	72.577	48,6%	77
Ruta de la Araucanía	Road Concessions	682.516	761.760	-79.244	-10,4%	237
Ruta del Bosque	Road Concessions	559.548	639.936	-80.389	-12,6%	194
Ruta de los Ríos	Road Concessions	296.298	351.108	-54.810	-15,6%	103
Internexa in Chile	Telecommunications	28.745	37.407	-8.662	-23,2%	10
Interchile	Energy Transmission	486.666		486.666		169
COLOMBIA		2.626.537	2.111.930	514.606	24,4%	912
ISA Colombia	Energy Transmission	2.195.470	1.708.930	486.539	28,5%	762
Transelca	Energy Transmission	379.000	363.000	16.000	4,4%	132
Internexa	Telecommunications Transport	52.067	40.000	12.067	30,2%	18
BRAZIL		1.876.504	1.695.502	181.002	10,7%	652
ISA Capital	Energy Transmission	731.536	738.234	-6.698	-0,9%	254
CTEEP	Energy Transmission	897.649	710.055	187.595	26,4%	312
IEMG	Energy Transmission	29.594	29.970	-376	-1,3%	10
IEPINHEIROS	Energy Transmission	78.659	80.440	-1.781	-2,2%	27
Serra Do Japi	Energy Transmission	57.198	56.035	1.163	2,1%	20
Internexa Brazil	Telecommunications Transport	81.868	80.768	1.100	1,4%	28
PERU		2.966.781	2.767.712	199.069	7,2%	1.030
ISA Peru	Energy Transmission	76.895	33.741	43.154	127,9%	27
REP	Energy Transmission	730.164	772.954	-42.790	-5,5%	254
Transmanto	Energy Transmission	2.141.243	1.952.671	188.571	9,7%	744
Internexa in Peru	Telecommunications Transport	18.480	8.346	10.134	121,4%	6
BOLIVIA		34.740	53.188	-18.448	-34,7%	12
ISA Bolivia	Energy Transmission	34.740	53.188	-18.448	-34,7%	12
ARGENTINA		3.149	3.895	-746	-19,2%	1
Transamerican Telecom	Telecommunications Transport	3.149	3.895	-746	-19,2%	1
TOTAL		12.469.491	11.253.141	1.216.350	10,8%	4.330
TOTAL USD		4.330	3.573	588	21,2%	

35,7% of the debt is denominated in UFs (Chile), 29,5% in US dollars, 20,4% in Colombian pesos, 14,0% in Brazilian reais and 0,4% in other currencies.

Approximately 62,2% of the debt is placed in the capital markets and 37,3% is in commercial loans. 85,9% of the debt is for a term greater than one year and the remaining 14,1% is short-term debt.

■ CAPEX and INVESTMENTS

Investments of ISA and its companies during the third quarter of 2016 totaled COP684.361.000, as per the following direct investments and capital contributions:

- In **Colombia**, ISA invested COP133.713 million in projects under construction, including the new Ituango substation, the Chinú-Montería-Urabá line, Cerromatoso, Caracolí and Compensation Valledupar substations, among others.
- In **Peru**, investments of COP202.734 million focused on various construction projects, such as expansion 3 in ISA Peru, which became operational during the quarter, the Mantaro-Montalvo, Planicie-Industrialesz, Friaspata-Mollepata transmission lines, the Carapongo substation and extensions 13, 17 and Cotaruse in the Transmantaro Consortium.
- In **Chile**, progress was made with the use of ISA contributions in power transmission projects for the Cardones - Maitencillo, Maitencillo-Pan de Azucar lines, Encuentro-Lagunas new line, Pan de Azucar-Polpaico, Encuentro-Lagunas Third Circuit and the transformation of the Cardones, Maitencillo and Pan de Azucar substations. Road concession companies made investments in projects such as LED lighting and third lanes in Maipo section II; in addition to the CCTV project in the Araucanía Route.
- In **Brazil**, CTEEP made capital contributions to its subsidiary, IESUL, for BRL 2,8 million. Internexa Brazil made investments in submarine and optical fiber cables in the state of Sao Paulo for BRL 44,69 million.

(figures in COP millions)

CAPEX	1Q16	2Q16	3Q16	9M16	%	2016(E)	%
Colombia	93.892	116.070	133.713	343.675	14,8	708.590	16,2
Peru	345.603	302.364	202.734	850.700	40,8	1.688.783	40,2
Brasil	52.281	38.561	52.884	143.726	6,2	364.896	6,8
Chile	456.508	23.815	291.223	771.545	37,9	1.402.662	36,5
Otro	2.349	731	3.807	6.888	0,3	1.442,52	0,3
TOTAL	950.633	481.541	684.361	2.116.535	100,0	4.166.373	100,0

■ SECOND QUARTER HIGHLIGHTS AND SUBSEQUENT EVENTS

- On July 26, 2016, ISA's shareholders received a first dividend payment of COP144 per share: COP114 corresponded to the ordinary dividend and COP30 to the extraordinary dividend. This payment was made in accordance with the provisions of the Annual Ordinary Shareholders' Meeting that took place in March 2016, according to which the Company must make a total dividend payout of COP319.011.000, payable in two installments.
- After adjusting the ratings outlook for Colombia from stable to negative, on July 26, Fitch Ratings adjusted the perspective for ISA from stable to negative. At the same time, it confirmed the Company's BBB + long-term credit rating.
- Diana Cristina Posada, who has served as ISA's Vice President of Organizational Talent since 2013, will assume a new role in business management for INTERVIAL, INTERCHILE and INTERNEXA, subsidiaries of ISA in Chile.
- S&P Global Ratings confirmed ISA's BBB debt rating. The outlook remained negative. The report states that the rating reflects ISA's leadership position in the design, construction, operation and management of linear infrastructure systems in energy transmission, telecommunications, and toll road concessions. The complete report can be viewed at the Company's web site: www.isa.co.

- For the second consecutive year, ISA was included in the Dow Jones Sustainability Index -DJSI- confirming it as one of the stock exchange-listed companies with the best sustainability practices in the world. ISA distinguished itself in the category of *Emerging Markets in the Public Service Sector*. This year only three companies in the world, whose main business is the energy transmission, became part of the index. ISA was one of the two Latin American companies to be included in the Dow Jones index, in recognition for the quality of its sustainable management. ISA obtained the maximum score of 100 points in the biodiversity and transmission categories; it also achieved the best score in the industry in the categories of information security and cyber sSecurity. ISA also distinguished itself in the categories of stakeholder relations; Safety, Occupational Health; Corporate Citizenship and Philanthropy; Social Management, and Risk Management and Crisis Management.
- ISA distributed the individual and consolidated financial statements for the first, second and third quarters of 2015 under IFRS to the Colombian Financial Superintendence (in XBRL taxonomy). The difference with those first published, was due to the application of the equity method of accounting for subsidiaries, joint ventures and associates in its separate financial statements; in accordance with the provisions of Article 11 of Decree 2496 of 2015, paragraph 2. The quarterly financial statements published in 2016 are compared to those already adjusted for 2015.
- The Colombian Stock Exchange approved ISA Issuers Recognition - IR for another year. Since the creation of this recognition, ISA has complied with best practices for disclosure and investor relations (Investor Relations, IR). Among other requirements, it is essential to have a communications channel that allows the issuer to position the Company as well as to strengthen confidence and credibility amidst the investment community.
- CTEEP, an ISA subsidiary, made an announcement regarding the opening of the Public Hearing by the Brazilian Electricity Regulatory Agency, which will be held from October 14 until November 14, for assistance and additional information on the calculation of cost of capital to be used for the Permitted Annual Income of transmission concessionaires.

This report may contain forward-looking statements regarding the performance of ISA and should be taken in good faith by institutions; said forward-looking statements reflect management's views 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 variations and other financial variables with 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 herein presented.

THIRD QUARTER 2016 FINANCIAL RESULTS



■ ISA'S DIRECT AND INDIRECT PARTICIPATION IN SUBSIDIARIES

Sector	Company	Country	% ISA's direct	% ISA's indirect	% Total	Through the subsidiary:
ENERGY	TRANSELCA S.A. E.S.P.	Colombia	99,997%	0,000%	99,997%	
	RED DE ENERGIA DEL PERU -REP	Peru	30,000%	30,000%	59,999%	TRANSELCA S.A. E.S.P.
	CONSORCIO TRANSMANTARO S.A.	Peru	60,000%	0,000%	60,000%	
	ISA PERU S.A.	Peru	45,146%	54,854%	99,999%	TRANSELCA S.A. E.S.P.
	ISA BOLIVIA S.A.	Bolivia	51,000%	48,990%	99,999%	TRANSELCA S.A. E.S.P.
				0,010%		INTERNEXA S.A.
	CTEEP	Brazil	0,000%	36,964%	26,038%	ISA CAPITAL DO BRASIL S.A.
	INTERLIGACAO ELETRICA NORTE E NORDESTE S.A. – IENNE	Brazil	0,000%	25,000%	6,509%	CTEEP
	INTERLIGACAO ELETRICA DE MINAS GERAIS S.A. – IEMG –	Brazil	0,000%	100,000%	26,038%	CTEEP
	INTERLIGACAO ELETRICA PINHEIROS S.A. - IEPINHEIROS	Brazil	0,000%	99,999%	26,037%	CTEEP
	INTERLIGACAO ELETRICA SUL S.A. - IESUL	Brazil	0,000%	50,000%	13,019%	CTEEP
	INTERLIGACAO ELETRICA DO MADEIRA S.A. - IEMADEIRA -	Brazil	0,000%	51,000%	13,279%	CTEEP
	INTERLIGACAO ELÉTRICA SERRA DO JAPI	Brazil	0,000%	99,999%	26,037%	CTEEP
	INTERLIGACAO ELÉTRICA GARANHUNS S.A.	Brazil	0,000%	51,000%	13,279%	CTEEP
	EVRECY	Brazil	0,000%	100,000%	26,038%	CTEEP
	INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.	Panama	50,000%	0,000%	50,000%	Control compartido
	INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.S ESP	Colombia	1,172%	97,656%	50,000%	INTERC. ELÉCT. COL-PANAMA
	EMPRESA PROPIETARIA DE LA RED S.A. - EPR	América C.	11,111%	0,000%	11,111%	
	INTERCHILE S.A.	Chile	82,350%	17,650%	100,000%	ISA INVERSIONES CHILE LTDA
			99,997%	0,001%		INTERNEXA S.A.
	INTERCOLOMBIA S.A. E.S.P.	Colombia		0,001%	100,000%	ISA PERU S.A.
				0,001%		PROY. INFRA. DEL PERÚ S.A.C.
				0,001%		INTERVAL COLOMBIA S.A.S
FINANCIAL	ISA CAPITAL DO BRAZIL S.A.	Brazil	70,440%	0,000%	70,440%	
	INTERNEXA PARTICIPAÇÕES S.A.	Brazil	0,000%	67,242%	66,851%	INTERNEXA S.A.
				0,000%		INTERNEXA S.A. (PERÚ)
	ISA INVERSIONES CHILE LTDA.	Chile	100,000%	0,000%	100,000%	INTERNEXA S.A.
	ISA INVERSIONES MAULE	Chile	100,000%	0,000%	100,000%	INTERNEXA S.A.
	ISA INVERSIONES TOLTEN	Chile	0,000%	0,010%	100,000%	ISA INVERSIONES CHILE LTDA.
				99,990%		Interval Chile
	Financiera de Desarrollo Nacional S.A.	Colombia	0,001%	0,000%	0,001%	
	CAMARA DE RIESGO CENTRAL DE CONTRAPARTE -CRCC-	Colombia	0,000%	8,020%	7,998%	XM S.A. E.S.P.
	Linear Systems RE LTD	Bermuda	100,000%		100,000%	
TELECOMUNICATIONS	ITX CAPITAL PARTICIPACOES LTDA.	Brazil	0,000%	100,000%	66,851%	INTERNEXA PARTICIPAÇÕES
	INTERNEXA S.A.	Colombia	99,420%	0,000%	99,420%	TRANSELCA S.A. E.S.P.
	INTERNEXA S.A. (PERU)	Peru	0,000%	100,000%	99,420%	INTERNEXA S.A.
	INTERNEXA CHILE S.A.	Chile	0,000%	99,000%	98,425%	INTERNEXA S.A.
	INTERNEXA BRAZIL OPERADORA DE TELECOMUNICAÇÕES	Brazil	0,000%	100,000%	66,851%	INTERNEXA PARTICIPAÇÕES
	Transamerican Telecommunication S.A. (INTERNEXA ARGENTINA)	Argentina	0,000%	99,100%	99,420%	INTERNEXA S.A.
			0,000%	0,900%		INTERNEXA PERU
	REDCA	América C.	0,000%	11,110%	11,046%	INTERNEXA S.A.
	TRANSNEXA S.A. E.M.A.	Ecuador	0,000%	5,000%	49,710%	INTERNEXA S.A.
				45,000%		INTERNEXA PERU
INFRASTRUCTURE	PROYECTOS DE INFRAESTRUCTURA DEL PERU S.A.C.	Peru	99,967%	0,033%	100,000%	TRANSELCA S.A. E.S.P.
MRTS	XM S.A. E.S.P.	Colombia	99,730%	0,000%	99,730%	
	DERIVEX S.A.	Colombia	0,000%	49,950%	49,840%	XM S.A. E.S.P.
			0,000%	0,025%		INTERNEXA S.A.
Toll Roads	Sistemas Inteligentes en Red S.A.S.	Colombia	15,000%	85,000%	99,771%	XM S.A. E.S.P.
			0,000%	54,990%		ISA INVERSIONES CHILE LTDA.
	INTERVAL CHILE S.A.	Chile		45,000%	100,000%	ISA INVERSIONES MAULE
				0,010%		INTERNEXA S.A.
	Ruta del Maipo Sociedad Concesionaria S.A.	Chile	0,000%	100,000%	100,000%	INTERVAL CHILE S.A.
			0,000%	0,000%		ISA Tolten
	Ruta del Maipo Sociedad Concesionaria S.A.	Chile	0,000%	99,999%	100,000%	INTERVAL CHILE S.A.
			0,000%	0,001%		ISA Tolten
	Ruta del Bosque Sociedad Concesionaria S.A.	Chile	0,000%	99,991%	100,000%	INTERVAL CHILE S.A.
			0,000%	0,009%		ISA Tolten
	Ruta de los Rios Sociedad Concesionaria S.A.	Chile	0,000%	75,000%	75,000%	INTERVAL CHILE S.A.
			0,000%	100,000%		INTERVAL CHILE S.A.
	Ruta de la Araucanía Sociedad Concesionaria S.A.	Chile	0,000%	0,000%	100,000%	ISA Tolten
	INTERVAL Colombia S.A	Colombia	100,000%	0,000%	100,000%	

THIRD QUARTER 2016 FINANCIAL RESULTS



ISA S.A. E.S.P. - CONSOLIDATED - COMPREHENSIVE INCOME STATEMENT (unaudited)

JANUARY – SEPTEMBER 2016

Values expressed in millions of Colombian pesos

	3Q16	3Q15	Change COP	Change %	3Q16 USD	9M16	9M15	Change COP	Change %	9M16 USD
OPERATING REVENUES										
Energy Transmission	6.631.624	1.016.710	5.614.914	552,3%	2.303	8.817.816	2.475.686	6.342.130	256,2%	3.062
Connection charges	53.544	51.563	1.981	3,8%	19	160.080	148.967	11.113	7,5%	56
Dispatch and CND (National Dispatch Center)	20.056	16.321	3.735	22,9%	7	56.121	48.408	7.713	15,9%	19
MEM Services	6.782	7.400	(618)	-8,4%	2	30.627	21.703	8.924	41,1%	11
Road Concessions	296.757	272.790	23.967	8,8%	103	907.324	791.038	116.286	14,7%	315
Telecommunications Transport	80.852	76.260	4.592	6,0%	28	250.040	211.168	38.872	18,4%	87
Other operating revenues	19.095	13.010	6.085	46,8%	7	50.397	46.234	4.163	9,0%	17
TOTAL OPERATING REVENUES	7.108.710	1.454.054	5.654.656	388,9%	2.468	10.272.405	3.743.204	6.529.201	174,4%	3.567
Sales and operation costs	688.593	552.558	136.035	24,6%	239	2.119.814	1.436.139	683.675	47,6%	736
GROSS PROFIT ON SALES	6.420.117	901.496	5.518.621	612,2%	2.229	8.152.591	2.307.065	5.845.526	253,4%	2.831
Overhead expenses	239.675	200.395	39.280	19,6%	83	695.573	599.478	96.095	16,0%	242
Other income (expense) net	(5.862)	5.385	(11.247)	-208,9%	(2)	2.711	26.886	(24.175)	-89,9%	1
Net equity method	166.017	85.014	81.003	95,3%	58	200.633	113.195	87.438	77,2%	70
INCOME FROM OPERATING ACTIVITIES	6.340.597	791.500	5.549.097	701,1%	2.202	7.660.362	1.847.668	5.812.694	314,6%	2.660
Financial income	107.954	253.832	(145.878)	-57,5%	37	569.454	837.351	(267.897)	-32,0%	198
Financial expenses	393.237	485.577	(92.340)	-19,0%	137	1.365.808	1.518.273	(152.465)	-10,0%	474
Income before taxes	6.055.314	559.755	5.495.559	981,8%	2.103	6.864.008	1.166.746	5.697.262	488,3%	2.383
Income tax provision	1.985.303	147.151	1.838.152	1249,2%	689	2.238.364	328.172	1.910.192	582,1%	777
COMPREHENSIVE INCOME	4.070.011	412.603	3.657.408	886,4%	1.413	4.625.644	838.574	3.787.070	451,6%	1.606
Minority Interest	2.495.064	160.861	2.334.203	1451,1%	866	2.660.382	278.447	2.381.935	855,4%	924
Net Income	1.574.947	251.743	1.323.204	525,6%	547	1.965.262	560.127	1.405.135	250,9%	682
NET INCOME										
Net income attributable:										
Net Income From Controlling Interest	1.574.947	251.743	1.323.204	525,6%	547	1.965.262	560.127	1.405.135	250,9%	682
Net Income from Non-controlling interest	2.495.064	160.861	2.334.203	1451,1%	866	2.660.382	278.447	2.381.935	855,4%	924
TOTAL NET INCOME OF THE YEAR	4.070.011	412.603	3.657.408			4.625.644	838.574	3.787.070		1.606
Actuarial revenues/losses by defined benefit plans, net of taxes.										
Revenues (losses) by cash coverage, net of taxes.	(9.226)	15.580	(24.806)	-159,2%	(3)	(36.646)	14.963	(51.609)	-344,9%	
Revenues (losses) by exchange rates differences, net of taxes.	69.564	384.406	(314.842)	-81,9%	24	(47.064)	505.943	(553.007)	-109,3%	
Revenues (losses) by deferred tax.										
ANOTHER COMPREHENSIVE RESULT	60.338	399.986	(339.648)	-84,9%	21	(83.710)	520.906	(604.616)	-116,1%	
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO										
Controlling interest	1.635.285	651.729	983.556	150,9%	568	1.881.552	1.081.033	800.519	74,1%	653
Non-controlling interest	2.495.064	160.861	2.334.203	1451,1%	866	2.660.382	278.447	2.381.935	855,4%	924
TOTAL COMPREHENSIVE INCOME OF YEAR	4.130.349	812.589	3.317.760	408,3%	1.434	4.541.934	1.359.480	3.182.454	234,1%	1.577
EBITDA	6.341.702	849.993	5.491.709	646,1%	2.202	7.917.229	2.133.280	5.783.948	271,1%	2.749
EBITDA Margin	89,2%	58,5%	30,8%			77,1%	57,0%	20,1%		
Operating Margin	89,2%	54,4%	34,8%			74,6%	49,4%	25,2%		
Net Margin before MI	57,3%	28,4%	28,9%			45,0%	22,4%	22,6%		
Net Margin	22,2%	17,3%	4,8%			19,1%	15,0%	4,2%		
REFINED CONSTRUCTION AND RECOGNITION RBSE										
EBITDA Margin	65,2%	69,0%	-3,8%			63,2%	65,2%	-2,0%		
Operating Margin	65,2%	64,2%	1,1%			56,6%	56,4%	0,2%		
Net Margin before MI	34,3%	33,1%	1,2%			25,9%	25,2%	0,7%		
Net Margin	17,5%	19,9%	-2,4%			15,8%	16,6%	-0,8%		

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 September 30, 2016, the exchange rate was of USD 1.00= COP2.879.95 (Source: Banco de la República).

THIRD QUARTER 2016 FINANCIAL RESULTS



ISA S.A. E.S.P. – CONSOLIDATED - BALANCE SHEET (unaudited) SEPTEMBER 2016

Values expressed in millions of Colombian Pesos

	Sep. 2016	% Part.	2015	Change COP	Change %	Sep. 2016 USD
Current Assets						
Cash and cash equivalent	1.441.880	4%	1.029.250	412.630	40,1%	501
Current financial assets	3.094.003	9%	2.587.369	506.634	19,6%	1.074
Other current financial assets	474.692	1%	292.190	182.502	62,5%	165
Inventories – net	104.420	1%	148.013	(43.593)	-29,5%	36
Other current non-financial assets	336.209	1%	193.782	142.427	73,5%	117
Total current assets	5.451.204	15%	4.250.604	1.200.600	28,2%	1.893
Non-Current Assets						
Restricted cash	26.174	0%	46.553	(20.379)	-43,8%	9
Investments in joint control	1.545.619	4%	1.204.681	340.938	28,3%	537
Financial instruments	16.274	0%	25.757	(9.483)	-36,8%	6
Financial assets	16.334.239	35%	9.947.885	6.386.354	64,2%	5.672
Inventories - net	89.755	0%	81.726	8.029	9,8%	31
Property, plant and equipment - net	7.275.243	24%	6.707.058	568.185	8,5%	2.526
Intangibles	5.745.858	19%	5.451.014	294.844	5,4%	1.995
Other non-financial assets	71.753	0%	77.700	(5.947)	-7,7%	25
Deferred tax	442.559	1%	319.892	122.667	38,3%	154
Total non-current assets	31.547.474	85%	23.862.266	7.685.208	32,2%	10.954
TOTAL ASSETS	36.998.678	100%	28.112.870	8.885.808	31,6%	12.847
Current Liabilities						
Current financial liabilities	1.713.026		1.540.247	172.779	11,2%	595
Current accounts payable	926.116		685.079	241.037	35,2%	322
Current employee benefits	78.894		66.195	12.699	19,2%	27
Current tax liabilities	344.675		235.978	108.697	46,1%	120
Provisions	486.639		472.780	13.859	2,9%	169
Other current non-financial liabilities	202.275		226.282	(24.007)	-10,6%	70
Total current liabilities	3.751.625		3.226.561	525.064	16,3%	1.303
Non-current liabilities						
Financial liabilities	10.460.727		9.382.032	1.078.695	11,5%	3.632
Accounts payable	1.064.064		1.151.775	(87.711)	-7,6%	369
Tax liabilities	992.135		230.852	761.283	329,8%	344
Employee benefits	436.562		422.835	13.727	3,2%	152
Provisions	295.428		264.043	31.385	11,9%	103
Other non-financial liabilities	296.246		304.528	(8.282)	-2,7%	103
Deferred tax	3.796.787		1.737.191	2.059.596	118,6%	1.318
Total non-current liabilities	17.341.949		13.493.256	3.848.693	28,5%	6.022
TOTAL LIABILITIES	21.093.574		16.719.817	4.373.757	26,2%	7.324
Equity						
Subscribed and paid in capital	36.916		36.916	-	0,0%	13
Premium for placement of shares	1.428.128		1.428.128	-	0,0%	496
Reserves	1.878.709		1.491.399	387.310	26,0%	652
Retained earnings	3.232.906		3.237.680	(4.774)	-0,1%	1.123
Income of the year	1.965.262		701.548	1.263.714	180,1%	682
Other comprehensive income	860.844		944.553	(83.709)	-8,9%	299
Equity attributable to controlling interest	9.402.765		7.840.224	1.562.541	19,9%	3.265
Non-controlling interest	6.502.339		3.552.829	2.949.510	83,0%	2.258
TOTAL SHAREHOLDERS' EQUITY	15.905.104		11.393.053	4.512.051	39,6%	5.523
TOTAL LIABILITIES AND EQUITY	36.998.678		28.112.870	8.885.808	31,6%	12.847

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

JANUARY – SEPTEMBER 2016
Figures in millions of Colombian pesos

	9M16	9M15	Change COP	Change %	9M16 USD
Cash flows from operating activities:					
Net income	1.965.262	308.385	1.656.877	537%	682
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operating activities:					
Minority interest	2.660.382	117.586	2.542.796	2162%	924
Depreciation of properties, plant and equipment	201.802	134.017	67.785	51%	70
Amortization of deferred and other assets	188.876	102.519	86.357	84%	66
Amortization of retirement pensions and extralegal benefits – net	9.867	5.287	4.580	87%	3
Provision for accounts receivable	10.290	543	9.747	1795%	4
Provision for inventory protection	(48)	-	(48)	100%	(0)
Provisions Contingencies	19.204	-	19.204	100%	7
Provisions for Major Maintenance	7.596	22.209	(14.613)	-66%	3
Income tax provision	22.623	12.227	10.396	85%	8
Loss on the sale and retirement of property, plant and equipment	2.238.364	181.021	2.057.343	1137%	777
Expense for foreign exchange rate conversion	449	-	449	100%	0
Equity method with share control	274.435	482.343	(207.908)	-43%	95
Accrued interest and commissions	(200.632)	(28.181)	(172.451)	612%	(70)
	722.851	374.134	348.717	93%	251
Changes in operating assets and liabilities:					
Debtors	(6.653.301)	(201.580)	(6.451.721)	3201%	(2.310)
Collection (causation) for compensation anticipated contract renewal 059/2001	-	191.888	(191.888)	-100%	-
Inventories	29.969	(78.407)	108.376	-138%	10
Deferred and other assets	(383.144)	27.212	(410.356)	-1508%	(133)
Accounts payable and other liabilities	408.056	(204.242)	612.298	-300%	142
Labor liabilities	12.699	(13.269)	25.968	-196%	4
Estimated liabilities and provisions	(325.295)	(43.599)	(281.696)	646%	(113)
Collections in favor of third parties	(5.355)	(12.448)	7.093	-57%	(2)
Minority interest	69.766	(110.444)	180.210	-163%	24
Cash flows in other operations:					
Retirement pension payments	216.210	(5.561)	221.771	-3988%	75
Tax payments	(70.364)	(292.931)	222.567	-76%	(24)
Net cash provided by operating activities	1.420.562	968.709	451.853	47%	493
Cash flows from investment activities:					
Variation of permanent and long term investments	(84.898)	(32.228)	(52.670)	163%	(29)
Intangible acquisitions	(706.062)	(273.368)	(432.694)	158%	(245)
Purchase of property, plant and equipment	(788.587)	(178.475)	(610.112)	342%	(274)
Net cash used by investment activities	(1.579.547)	(484.071)	(1.095.476)	226%	(548)
Cash flows from financing activities:					
Interest received in cash	984	18.489	(17.505)	-95%	0
Interest and commissions paid in cash	(615.550)	(335.151)	(280.399)	84%	(214)
Dividends paid in Cash	-	(74.214)	74.214	-100%	-
Increase in financial obligations	1.429.171	212.114	1.217.057	574%	496
Bonds issued	958.912	500.000	458.912	92%	333
Payment of financial obligations	(654.496)	(255.874)	(398.622)	156%	(227)
Bond payment/decrease	(547.406)	(243.756)	(303.650)	125%	(190)
Net cash provided by financing activities	571.615	(178.392)	750.007	-420%	198
Net increase in cash and cash equivalents	412.630	306.246	106.384	35%	143
Cash and cash equivalents at the beginning of period	1.029.250	1.313.630	106.384	8%	
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1.441.880	1.619.876	212.768	13%	501

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