

SECOND QUARTER 2015 FINANCIAL RESULTS



Medellín, Colombia, August 4, 2015

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 Intelligent Management of Real-Time Systems, today announced financial results for the second quarter of 2015. 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 International Financial Reporting Standards –IFRS- and the corresponding interpretations thereof –IFRIC- which are applicable in Colombia since January 1, 2015. 2014 results are restated in accordance with IFRS in order to make them comparable with 2015 results.

■ ECONOMIC AND FINANCIAL RESULTS

First Half 2015

- **Consolidated operating revenues** were COP 2.289.150 million.
- **EBITDA** reached COP 1.283.406 million, with a 56,1% EBITDA margin.
- **Net income** was COP 307.838 million, with a 13,4% net margin.

Second Quarter 2015

- **Consolidated operating revenues** were COP 1.132.061 million.
- **EBITDA** reached COP 663.562 million, with a 58,6% EBITDA margin.
- **Net income** was COP 162.477 million, with a 14,4% net margin.

As of June 2015, ISA's accumulated net income reached COP 307.838 million, a net income increase of COP 2.327 million compared to the same period of 2014. This increase was mainly explained by higher revenues from energy transmission, road concessions and telecommunications, lower financial expenses in Chile¹ and the conversion effect of the financial information. This was partially offset by the recognition of the 2015 wealth tax in Colombia and higher expenses due to the increase of the first category rate from 20% to 27% in Chile, effective beginning January 2015.

¹ Due to devaluation of UF vs. Chilean Peso

In the second quarter 2015, there was a 4,9% net income decrease compared to the same period of 2014. This result consolidates the net effect of lower extraordinary revenues given that in 2014 there was a recovery of the balance in favor of PIS and COFINS generated from the purchase of assets in CTEEP which took place in June 2009. Nevertheless, during this quarter, higher returns for receivables from concessions were generated as well as higher revenues from third lanes' construction works, the entry into operation of new projects in Peru and Colombia, higher revenues in Colombia due to an increased PPI and higher devaluation of the Colombian Peso vs. U.S. Dollar. Upon deducting the PIS and COFINS revenue of COP 27 billion, net income for the period would have reached 13,2%.

EXCHANGE RATES	2Q15 average	2Q14 Average	Change %	June 2015 close	2014 close	Change %
COP / DOLLAR USD	2.482,34	1.960,99	26,59%	2.585,11	2.392,46	8,05%
COP / REAL	836,42	853,79	-2,03%	833,21	900,71	-7,49%
COP / CLP	4,00	3,55	12,62%	4,07	3,94	3,39%
REAL / DOLLAR USD	2,97	2,3	29,03%	3,10	2,66	16,64%
CLP / DOLLAR USD	620,89	553,06	12,26%	634,58	606,75	4,59%

The results include the conversion effect of the financial information from foreign subsidiaries, which generated variations throughout various line items of the financial statements, due mainly to the devaluation of the Colombian Peso vs. U.S. Dollar and the Chilean Peso, generating a net result increase for the quarter of COP 11.394 million and an accumulated net result of COP 17.476 million.

■ CONSOLIDATED INCOME STATEMENT

Operating revenues

(figures in COP millions)

OPERATING REVENUES	2Q15	2Q14	Change COP	Change %	2Q15 USD	1S15	1S14	Change COP	Change %	1S15 % USD
Energy Transmission	773.908	711.381	62.527	8,8%	299	1.583.528	1.381.447	202.081	14,6%	613
Road Concessions	265.956	209.877	56.079	26,7%	103	518.268	412.148	106.120	25,7%	200
Telecommunications Transport	65.414	53.671	11.743	21,9%	25	134.908	110.797	24.111	21,8%	52
Intelligent Management of Real-time Systems	26.782	28.351	-1.569	-5,5%	10	52.446	50.132	2.314	4,6%	20
TOTAL	1.132.061	1.003.280	128.780	12,8%	438	2.289.150	1.954.525	334.625	17,1%	886

In the second quarter 2015, operating revenues reached COP 1.132.061 million, a 12,8% increase compared with the same period of 2014. The conversion effect represented a positive impact of COP 86.357 million. The variation of revenues by business was explained by:

- **Energy Transmission** accounted for 68,4% of total operating revenues, equivalent to COP 773.908 million. Compared with the second quarter of 2014, business revenues increased 8,8%, given higher construction revenues, the remuneration adjustment made as of July 2014 and the positive variation of the IGPM/IPCA in Brazil. Also, higher revenues due to an increased PPI, higher devaluation and the entry into operation of new connection projects in Colombia (Sogamoso in August 2014 and Cerromatoso in October 2014) contributed to the positive variation of revenues. On the other hand, there were lower construction revenues in Peru.
- **Road Concessions** contributed COP 265.956 million, representing 23,5% of total revenues. During the period, there were higher revenues from construction works of third lanes, higher financial returns related to receivable from concessions and higher operating revenues. These

events caused a 26,7% increase compared with the revenues reported during the same period of 2014.

- **Telecommunications Transport** contributed 5,8% of total revenues, corresponding to COP 65.414 million. It increased 21,9%, mainly due to the acquisition of new clients.
- **Intelligent Management of Real-Time Systems** generated COP 26.782 million, equal to 2,4% of total revenues for the second quarter of 2015, representing a 5,5% decrease compared with the same period of 2014. The variation was due to lower regulated revenues at XM, which depend on the Company's level of investment and expenditures.

Accumulated revenues reached COP 2.289.150 million, a 17,1% increase compared to the first half of 2014. The conversion effect from foreign subsidiaries reached COP 146.694 million.

Consolidated revenues by country:

During the second quarter of 2015, the revenue composition by country was: Colombia 36,2%, Chile 23,7%, Brazil 21,3% and Peru 16,9%.

(figures in COP millions)

	2Q15	2Q14	Change COP	Change %	2Q15 USD	1S15	1S14	Change COP	Change %	1S15 USD
Colombia	409.436	374.380	35.056	9,4%	158	808.353	740.461	67.892	9,2%	313
Chile	268.444	210.401	58.043	27,6%	104	522.915	414.431	108.484	26,2%	202
Brazil	241.105	206.411	34.694	16,8%	93	481.176	415.005	66.171	15,9%	186
Peru	191.521	199.105	-7.584	-3,8%	74	437.155	358.224	78.931	22,0%	169
Others	21.554	12.983	8.571	66,0%	8	39.552	26.404	13.148	49,8%	15
TOTAL	1.132.061	1.003.280	128.780	12,8%	438	2.289.150	1.954.525	334.625	17,1%	886

Revenues from other countries represented a 66% increase, and include revenues from subsidiary Linear Systems RE, ISA's captive insurance/reinsurance company, which began operating in 2015 and explains the COP 4.057 million variation.

Operating costs and expenses

Operating costs and expenses² of the April-June 2015 period increased 7,4% compared to the second quarter of 2014, from COP 573.188 million to COP 615.687 million. The increase in costs was lower than the increase in revenues, which reached 12,8%. The conversion effect represented an expenditure of COP 47.246 million. The quarterly variation was explained by:

- **Energy Transmission** accounted for 73,8% of total operating costs, equivalent to COP 454.401 million. Compared with the second quarter of 2014, business costs increased by 2,4%, due to higher depreciation from the review of the remaining life of assets and entry into operation of new projects (Sogamoso and Cerromatoso) in Colombia; a higher amortization from projects that entered into operation in Peru, and higher provision of labor contingencies in Brazil; which was offset by lower construction costs and higher maintenance provisions in Peru.
- **Road Concessions** contributed COP 81.257 million equivalent to 13,2% of total costs. During the period, there were higher construction works of third lanes as well as higher expenses for maintenance, professional fees and services from third parties in **Chile**.

² Includes sales and operating costs and management expenses

- **Telecommunications Transport** accounted for 9,1% of total operating costs and expenses, corresponding to COP 56.107 million, representing an increase of 29,5%, and was mainly due to higher depreciation from review of remaining life.
- **Intelligent Management of Real-Time Systems** generated COP 23.921 million equivalent to 3,9% of total revenues for the second quarter of 2015, a 7,6% decrease compared with the same period of 2014. The variation was due to lower costs associated with operating efficiency programs and lower expenses from studies and projects.

(figures in COP millions)

OPERATING COSTS AND EXPENSES	2Q15	2Q14	Change COP	Change %	2Q15 USD	1S15	1S14	Change COP	Change %	1S15 USD
Energy Transmission	454.401	443.855	10.546	2,4%	176	967.228	852.119	115.110	13,5%	374
Road Concessions	81.257	60.122	21.135	35,2%	31	155.199	111.352	43.847	39,4%	60
Telecommunications Transport	56.107	43.314	12.794	29,5%	22	115.433	100.069	15.364	15,4%	45
Intelligent Management of Real-time Systems	23.921	25.898	-1.977	-7,6%	9	44.685	46.468	-1.783	-3,8%	17
TOTAL	615.686	573.188	42.498	7,4%	238	1.282.545	1.110.008	172.538	15,5%	496

The 15,5% accumulated variation was explained by the reasons discussed above, in addition to the recognition of the 2015 wealth tax in Colombia (COP 41.729 million). The accumulated conversion effect, associated to operating costs and expenses, reached COP 80.569 million.

(figures in COP millions)

	2Q15	2Q14	Change COP	Change %	2Q15 USD	1S15	1S14	Change COP	Change %	1S15 USD
Colombia	235.922	210.049	25.873	12,3	91	485.660	426.031	59.630	14,0	188
Chile	85.968	63.726	22.242	34,9	33	164.232	118.607	45.625	38,5	64
Brazil	174.190	145.331	28.859	19,9	67	338.150	296.564	41.586	14,0	131
Peru	108.429	146.635	-38.206	-26,1	42	272.078	254.349	17.729	7,0	105
Others	11.177	7.447	3.730	50,1	4	22.425	14.456	7.969	55,1	9
TOTAL	615.686	573.188	42.498	7,4	238	1.282.545	1.110.008	172.538	15,5	496

The composition of operating costs and expenses by country during the second quarter was: 38,3% in Colombia, 28,3% in Brazil, 17,6% in Peru and 14,0% in Chile.

(figures in COP millions)

	2Q15	2Q14	Change COP	Change %	2Q15 USD	1S15	1S14	Change COP	Change %	1S15 USD
AOM Costs and Expenses	471.422	469.806	1.617	0,3%	182	1.011.031	883.892	127.139	14,4%	391
Depreciation	69.206	54.571	14.635	26,8%	27	134.017	126.194	7.823	6,2%	52
Amortization	52.649	38.283	14.365	37,5%	20	102.519	78.810	23.709	30,1%	40
Provisions	22.409	10.528	11.881	112,8%	9	34.978	21.111	13.867	65,7%	14
Total	615.686	573.188	42.498	7,4%	238	1.282.545	1.110.008	172.538	15,5%	496

Other revenues and expenses and equity method

Other operating revenues/expenses for the second quarter of 2015 decreased COP 25.126 million, 74,7% below the same period of 2014. This variation was due to the fact that in the second quarter of 2014, CTEEP recognized extraordinary revenue from the recovery of a balance in favor of PIS and COFINS for COP27.332 million, generated from the purchase of assets that took place since June 2009, as discussed previously.

In turn, the equity method includes the profits from affiliates where ISA holds a shared control, such as IESUL, IEMADEIRA, GARANHUS, IENNE in Brazil, Transnixa in Ecuador, Derivex in Colombia and Interconexión Eléctrica Colombia-Panamá in Panama. The decrease was COP 3.216 million compared with the second quarter of 2014, due to lower results in Brazil, explained by lower income from CTEEP due to higher operating, administrative and financial expenses from Madeira, entering into operation in 2014 and partially offset with higher returns from the financial asset in GARANHUNS.

EBITDA and EBITDA margin

EBITDA for the second quarter of 2015 increased 22,8% compared with the same period last year, equivalent to COP 123.097 million. This increase was due to higher revenues generated in the Energy Transmission, Road Concessions and Telecommunications businesses and a lower increase of operating costs and expenses compared to the higher revenues. EBITDA margin reached 58,6%, 4,7% higher than the figure reported during the second quarter of 2014.

The accumulated EBITDA increased 18,4% compared to the same period of 2014, from COP 1.084.174 million to COP 1.283.406 million, explained by the reasons discussed previously and decreased by the recognition of the total 2015 wealth tax in Colombia. Accumulated EBITDA margin reached 56,1%.

Income from operating activities

As a result of the aforementioned, ISA reached income from operating activities of COP 538.929 million during the second quarter, 12,0% higher than the figure reported in the same period of 2014. The operating margin was stable at 47,6%, compared with 47,9% reported in 2014. Additionally, results from accumulated operating activities as of June 2015 increased 14,3% compared to the first half of 2014 (COP 1.054.907 million).

Financial revenues/expenses

During the second quarter of 2015, there were higher net financial expenses for COP 60.095 million, representing a 32,1% increase compared to 2Q14. The difference was mainly explained by a conversion effect expenditure of COP 24.138 million, added to the decreased returns of the receivable from the compensation at CTEEP, higher expense from the monetary adjustment of liabilities, increase of expenses from dividends to preferential shareholders in Brazil and higher financial expenses for debt associated to projects that entered into operation in Peru.

Accumulated net financial expenses as of June 2015 reached COP 448.645 million, a 19,9% increase compared to the same period of 2014, explained by the net effect of the same reasons explaining the variations for the second quarter and the decreased expenditure due to the exchange difference in the UF debt in Chile explained by lower increase of the UF as of June 2015, compared with June 2014.

Taxes

2Q15 income tax expense reached COP 69.484 million, which represented a 17,2% increase compared with the second quarter of 2014. This variation was mainly due to the effects of the most recent Colombian tax reform, which includes higher taxes from the creation of the CREE surtax for fiscal year 2015.

The accumulated income tax expense as of June 2015 represented a 45,4% increase compared with the same period of 2014. This variation includes the items discussed above, but also considers higher taxes in Chile due to the rate increase from 20% to 27%.

Comprehensive income (Income before minority Interest)

As a result of the aforementioned items, the consolidated income before minority interest for the second quarter was COP 222.199 million, a decline of COP 12.352 million (5,3%) compared to the same period last year. The decrease is also reflected in the results of the non-controlling interest (minority), due to lower results in Brazil.

Total Comprehensive income of the controlling interest (Net income)

Net income of the second quarter of 2015 was COP 162.477 million, a 4,9% decrease compared with the figure reported in the same period of 2014. The variation was explained by the net effect of higher operating results in Chile, Brazil and Peru, higher financial expenses in Brazil and Peru and higher taxes due to the creation of the CREE surcharge in Colombia as well as a higher deferred tax rate in Chile.

The accumulated result reached COP 307.838 million, a 0,8% increase compared to last year, which includes the recognition of the wealth tax in 2015.

■ CONSOLIDATED BALANCE SHEET

Assets

Assets for ISA and its companies totaled COP 26.299.369 million, a 2,4% increase compared with December 2014. The variation was mainly due to the increase in cash and temporary investments associated to the issuance of bonds in Colombia, higher toll collections in Chile and an increase of construction projects in Colombia, Chile and Peru.

The composition of the assets by country was: 31,2% in Chile, 28,1% in Colombia, 23,9% in Brazil and 16% in Peru.

Liabilities

Consolidated liabilities were COP 16.436.224 million, a 4,3% increase compared with December 2014. The variation was mainly due to the net impact of a greater conversion effect, decreed dividends payable and the issuance of bonds for COP 500 billion in Colombia, a higher debt in Peru por and debt amortizations in Colombia, Chile and Brazil.

The distribution of liabilities by country was 34,6% in Chile, 30,7% in Colombia and 17,0% in Brazil and Peru.

Non-controlling interest (Minority interest)

Minority interest was COP 3.315.809 million, a 5% decrease compared with December last year, mainly due to the revaluation effect of Colombian Peso versus the Brazilian Real and the repurchase of preferential shares of ISA Capital do Brasil.

Comprehensive income from controlling interest (Net income)

Equity reached COP 6.547.336 million, a 2.0% decrease compared with COP 6.420.557 million reported on December 2014, as a result of the higher income generated and the higher conversion effect from foreign subsidiaries that offsets the profit distribution approved at ISA's General Shareholders' Meeting.

■ CONSOLIDATED CASH FLOW

As of June 2015, cash and cash equivalents reached COP 1.881.947 million, an increase of COP 161.148 million compared with December 2014. By the first semester of 2015, cash provided for operations was COP 823.745 million. These funds were used as follows: COP 484.205 million for investment activities, mainly in projects for construction of assets in Peru, Colombia and Chile and COP 178.392 million for financing activities as result of the issuance of ISA's bonds, payment of debt service, financial obligations, bonds and dividends.

■ DEBT

As of June 30, 2015 consolidated financial debt was COP 10.630.820 million, a 4,4% increase compared with December 2014 in Colombian Pesos.

The following events took place during 2Q15, which in addition to the 1Q15 events, explain the main debt variations:

- In Colombia, ISA issued the Ninth Tranche of Bonds for COP 500 billion and amortized Series A of the Sixth Tranche of Bonds for COP 150 billion. In turn, Transelca paid COP 8.875 million towards the loans held with Banco de Bogotá and BBVA and received a new disbursement from Banco de Bogotá for COP 14.590 million.
- Consorcio Transmantaro in Peru, received disbursement of USD 5 million from Nova Scotia and ISA Perú received a disbursement of USD 35 million from Banco de Crédito del Perú and paid loan of USD 5 million with the same bank.
- In Brazil, CTEEP made payments to BNDES for BRL 41,7 million and received a new disbursement for BRL 28,9 million, while its subsidiaries made payments of BRL 5,7 million to BNDES. In turn, ISA Capital Do Brasil made payments of BRL 25 million to its preferential shareholders.
- Ruta del Maipo en Chile, made a payment to Bond 144^a for USD11,6 million.

42,2% of debt is denominated in *Unidades de Fomento* -UF- (Chile), 23,5% in U.S. Dollars, 18,9% in Colombian Pesos, 15,2% in Brazilian Reais and 0,2% in other currencies. Approximately, 69,6% of the debt is placed in the capital markets and 29,8% are in commercial loans.

90,1% of the debt is for a term longer than one year and the remaining 9,9% is short-term.

(figures in COP millions)

Business		June 2015	2014	Change COP	Change %	June 2015 USD
CHILE		4.522.376	4.482.666	39.709	0,9%	1.749
Ruta del Maipo	Road Concessions	2.464.345	2.392.720	71.625	3,0%	953
Ruta del Maule	Road Concessions	352.170	374.837	-22.668	-6,0%	136
Ruta de la Araucanía	Road Concessions	710.174	713.927	-3.753	-0,5%	275
Ruta del Bosque	Road Concessions	620.227	618.439	1.788	0,3%	240
Ruta de los Rios	Road Concessions	338.577	350.673	-12.096	-3,4%	131
Internexa in Chile	Telecommunications Transport	36.883	32.070	4.813	15,0%	14
COLOMBIA		2.095.689	1.785.123	310.566	17,4%	811
ISA Colombia	Energy Transmission	1.697.077	1.383.807	313.270	22,6%	656
Transelca	Energy Transmission	358.612	361.156	-2.544	-0,7%	139
Internexa	Telecommunications Transport	40.000	40.160	-160	-0,4%	15
BRAZIL		1.722.219	1.922.777	-200.558	-10,4%	666
ISA Capital	Energy Transmission	762.296	833.843	-71.547	-8,6%	295
CTEEP	Energy Transmission	697.958	797.166	-99.209	-12,4%	270
IEMG	Energy Transmission	33.071	38.032	-4.961	-13,0%	13
IEPINHEIROS	Energy Transmission	89.246	102.256	-13.010	-12,7%	35
Serra Do Japi	Energy Transmission	60.665	68.373	-7.709	-11,3%	23
Internexa Brazil	Telecommunications Transport	78.984	83.107	-4.123	-5,0%	31
PERU		2.234.285	1.934.281	300.004	15,5%	864
ISA Peru	Energy Transmission	25.029	12.801	12.227	95,5%	10
REP	Energy Transmission	635.312	595.937	39.375	6,6%	246
Transmanto	Energy Transmission	1.563.992	1.315.853	248.139	18,9%	605
Internexa in Peru	Telecommunications Transport	9.953	9.689	263	2,7%	4
BOLIVIA		49.894	51.947	-2.054	-4,0%	19
ISA Bolivia	Telecommunications Transport	49.894	51.947	-2.054	-4,0%	19
ARGENTINA		6.358	6.994	-636	-9,1%	2
Transamerican Telecom	Telecommunications Transport	6.358	6.994	-636	-9,1%	2
TOTAL		10.630.820	10.183.789	447.032	4,4%	4.112
TOTAL USD		4.112	4.257	-144	-3,4%	

■ CAPEX and INVESTMENTS

ISA's and its companies' investments during the second quarter of 2015 totaled COP 431.431 million, explained by the following direct investments and capital contributions:

- In **Colombia**, ISA invested COP 141.136 million in scheduled contributions to companies and the construction of projects such as: the Bacatá and Ituango substations, Chinú-Montería-Urabá transmission line, Cerromatoso-Chinu-Copey Corridor and second Copey transformer, among others. In turn, INTERNEXA Colombia made capital contributions for COP 3.092 million to Internexa Argentina.
- In **Brazil**, investments were concentrated in CTEEP, in operating investments for BRL 44,3 million and capital contributions to IEGARANHUNS, IESUL and IEPinheiros for BRL 43,2 million.
- In **Peru** investments for USD 57,6 million were concentrated in those projects that CTM, REP and ISA Perú have under construction, which include Machupicchu-Abancay-Cotaruse, Mantaro-Montalvo, La Planicie-Industriales and Friaspata-Mollepata, Expansions 13, 14 and 15 to repower substations and extend the capacity of various transmission lines.
- ISA **Bolivia** carried out investments for approximately BOB 16,6 million for the extension of the Sucre substation, which is expected to enter into operation by 3Q15.

- The Chilean road concessions made investments for CLP 6.408 million in the LED lighting project in Maipo, Maule, Ruta de Araucanía and Ruta de los Rios, investments in third lanes of Maipo and other extension projects of toll roads and security cameras.

(figures in COP millions)

	1Q15	2Q15	1S15	%	2015(E)	%
Colombia	111.801	172.674	284.474	29,4	1.090.483	43,5
Peru	148.596	144.074	292.670	39,0	754.768	30,1
Brazil	95.905	82.194	178.099	25,2	399.543	16,0
Chile	23.107	25.951	49.058	6,1	238.389	9,5
Other	1.463	6.538	8.001	0,4	21.153	0,8
TOTAL	380.871	431.431	812.301	100,0	2.504.336	100,0

■ HIGHLIGHTS SECOND QUARTER

- Beginning on April 27, Mr. Carlos Ignacio Mesa Medina began working with ISA as Corporate Auditor. Mr. Carlos Ignacio is a Financial Manager from Politécnico Jaime Isaza Cadavid and Systems Auditing Specialist from Universidad EAFIT; he is a CISA International Auditor certified by ISACA.
- On April 30, ISA's Board of Directors, unanimously appointed Mr. Bernardo Vargas Gibsone as the Company's new Chief Executive Office. Mr. Vargas has been a principal member of ISA's Board of Directors since 2012, until he took office on July 13, 2015. He was also a member and Chairman of the Company's New Business Committee since May 2013 and belonged to the Board of Directors of CTEEP and ISA Capital do Brasil. Mr. Vargas Gibsone is an economist from Universidad de los Andes and holds a MBA from Columbia University.
- On May 7, ISA placed bonds in the local market for COP 500 billion; demand was 2.3 times. The placement was made through the Colombian Stock Exchange (Bolsa de Valores de Colombia, BVC) under the Dutch auction mechanism. The funds obtained from this placement process will be used to finance the Company's cash flow and investments. The placed bonds have the following characteristics:

Series	Term	Amount Offered	Amount Demanded	Amount Awarded	Cut-off rate
C10	10 years	\$400.000	\$197.236	\$100.000	IPC + 3,80% E.A.
C15	15 years		\$239.630	\$120.000	IPC + 4,14% E.A.
C20	20 years		\$478.133	\$280.000	IPC + 4,34% E.A.

Figures in COP millions

- Fitch affirmed ISA's AAA(col) and F1+(col) bond ratings and the BBB international rating in foreign and local currency to ISA. The outlook was stable.

■ SUBSEQUENT EVENTS

- On July 7, 2015, an application for an injunction was granted in order for ANEEL to suspend administrative procedure No. 48500.004452 / 2014-60 (Transfer of Other Transmission

Facilities -DIT-), with suspension of deadlines for submission of claims and to refrain from taking any administrative act until review by ANEEL of the basis Price Bank for Assets.

- On July 17, 2015, ANEEL issued Technical Note 196/2015-SFF / ANEEL with an amount of SE assets for BRL 3,74 billion. The approval by the Directorate of ANEEL in full session is still pending, where CTEEP has the opportunity to submit its arguments on the differences regarding the appraisals and the definition by the Ministry of Finance about the form of payment.
- On July 17, yhe President of Peru, Ollanta Humala, inaugurated the Machu Picchu - Abancay - Cotaruse 370 km, 220 kV Transmission Line, a project aimed at improving the reliability of electricity supply in the Southern area of Peru and the National Grid.
- In Lima, ISA won a new public bid for the design, financing, construction, operation and maintenance of the Carapongo substation and connection links to existing lines. Consorcio Transmantaro -CTM-, a subsidiary of ISA and EEB, will build the same. The project will generate approximate annual revenues for USD 6.57 million for the Company.
- On July 28, ISA's shareholders received the second dividend payment of COP 67 per share (COP 74.214 million), as approved at the General Ordinary Shareholders' meeting held on March 27, 2015.

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.



The IR Recognition granted by the Colombian Securities Exchange (Bolsa de Valores de Colombia S.A) is not a certification of the registered securities or the solvency of the issuer

ISA'S DIRECT AND INDIRECT PARTICIPATION IN SUBSIDIARIES

COMPANY	% ISA's direct	% Indirect	% total	Through the subsidiary
ENERGY				
TRANSELCA S.A. E.S.P.	100,00%	0,00%	100,00%	
RED DE ENERGIA DEL PERÚ –REP	30,00%	30,00%	60,00%	TRANSELCA S.A. E.S.P.
CONSORCIO TRANSMANTARO S.A.	60,00%	0,00%	60,00%	
ISA PERÚ S.A.	45,15%	54,85%	100,00%	TRANSELCA S.A. E.S.P.
ISA BOLIVIA S.A.	51,00%	48,99%	100,00%	TRANSELCA S.A. E.S.P.
		0,01%		INTERNEXA S.A.
CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA	0,00%	37,19%	25,12%	ISA CAPITAL DO BRASIL S.A.
INTERLIGACAO ELETRICA NORTE E NORDESTE S.A. – IENNE	0,00%	25,00%	6,28%	CTEEP
INTERLIGACAO ELETRICA DE MINAS GERAIS S.A. – IEMG –	0,00%	100,00%	25,12%	CTEEP
INTERLIGACAO ELETRICA PINHEIROS S.A. – IEPINHEIROS	0,00%	100,00%	25,12%	CTEEP
INTERLIGACAO ELETRICA SUL S.A. – IESUL	0,00%	50,10%	12,58%	CTEEP
INTERLIGACAO ELETRICA DO MADEIRA S.A. - IEMADEIRA -	0,00%	51,00%	12,81%	CTEEP
INTERLIGACAO ELÉTRICA SERRA DO JAPI	0,00%	100,00%	25,12%	CTEEP
INTERLIGACAO ELÉTRICA GARANHUNS S.A.	0,00%	51,00%	12,81%	CTEEP
EVRECY	0,00%	100,00%	25,12%	CTEEP
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.	50,00%	0,00%	50,00%	Control compartido
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.S ESP	1,17%	97,66%	50,00%	IcplA-PANAMA S.A.
EMPRESA PROPIETARIA DE LA RED S.A. - EPR	11,11%	0,00%	11,11%	
INTERCHILE S.A.	99,99%	0,01%	100,00%	ISA INVERSIONES CHILE LTDA
	99,997%	0,001%	100,00%	INTERNEXA S.A.
		0,001%		ISA PERU
		0,001%		PDI
				INTERVIAL COLOMBIA
ROADS				
INTERVIAL CHILE S.A.	0,00%	55,00%	100,00%	ISA INVERSIONES CHILE LTDA.
		44,99%		ISA INVERSIONES MAULE LTDA.
		0,01%		INTERNEXA S.A.
Ruta del Maipo Sociedad Concesionaria S.A.	0,00%	100,00%	100,00%	INTERVIAL CHILE S.A.
Ruta del Maule Sociedad Concesionaria S.A.	0,00%	100,00%	100,00%	INTERVIAL CHILE S.A.
Ruta del Bosque Sociedad Concesionaria S.A.	0,00%	99,99%	99,99%	INTERVIAL CHILE S.A.
Ruta de los Rios Sociedad Concesionaria S.A.	0,00%	75,00%	75,00%	INTERVIAL CHILE S.A.
Ruta de la Araucanía Sociedad Concesionaria S.A.	0,00%	100,00%	100,00%	INTERVIAL CHILE S.A.
INTERVIAL Colombia S.A.	100,00%	0,00%	100,00%	
TELECOMMUNICATIONS				
INTERNEXA S.A.	99,42%	0,00%	99,42%	TRANSELCA S.A. E.S.P.
INTERNEXA S.A. (PERÚ)	0,00%	100,00%	99,42%	INTERNEXA S.A.
INTERNEXA CHILE S.A.	0,00%	99,00%	98,43%	INTERNEXA S.A.
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES S.A.	0,00%	100,00%	66,85%	INTERNEXA PARTICIPAÇÕES S.A.
Transamerican Telecommunication S.A. (INTERNEXA ARGENTINA S.A.)	0,00%	98,54%	99,42%	INTERNEXA S.A.
	0,00%	1,46%		INTERNEXA PERU
REDCA	0,00%	11,11%	11,05%	INTERNEXA S.A.
TRANSNEXA S.A. E.M.A.	0,00%	5,00%	49,71%	INTERNEXA S.A.
		45,00%		INTERNEXA PERU
NQIG	0,00%	100,00%	66,85%	ITX CAPITAL PARTICIPACOES LTDA
INTERNEXA RIO	0,00%	12,44%	66,85%	ITX CAPITAL PARTICIPACOES LTDA
		87,56%		NQIG
IPNET	0,00%	100,00%	66,85%	ITX CAPITAL PARTICIPACOES LTD
INTELLIGENT MANAGEMENT OF REAL-TIME SYSTEMS				
XM S.A. E.S.P.	99,73%	0,00%	99,73%	
DERIVEX S.A.	0,00%	49,95%	49,84%	XM S.A. E.S.P.
	0,00%	0,03%		INTERNEXA S.A.
Sistemas Inteligentes en Red S.A.S.	15,00%	85,00%	99,77%	XM S.A. E.S.P.
FINANCIAL				
ISA CAPITAL DO BRASIL S.A.	67,540%	0,00%	67,54%	
INTERNEXA PARTICIPAÇÕES S.A.	0,00%	67,24%	66,85%	INTERNEXA S.A.
ISA INVERSIONES CHILE LTDA.		0,00%		INTERNEXA S.A. (PERÚ)
ISA INVERSIONES CHILE LTDA.	100,00%	0,00%	100,00%	INTERNEXA S.A.
ISA INVERSIONES MAULE	100,00%	0,00%	100,00%	INTERNEXA S.A.
Financiera de Desarrollo Nacional S.A.	0,00%	0,00%	0,00%	
CAMARA DE RIESGO CENTRAL DE CONTRAPARTE DE COLOMBIA S.A. - CRCC-	0,00%	7,13%	7,11%	XM S.A. E.S.P.
Linear Systems RE LTD	100,00%		100,00%	
INFRASTRUCTURE				
PROYECTOS DE INFRAESTRUCTURA DEL PERU S.A.C.	99,97%	0,03%	100,00%	TRANSELCA S.A. E.S.P.

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

JANUARY – JUNE 2015

Values expressed in millions of Colombian pesos

	2Q15	2Q14	Change COP	Change %	2Q15 USD	1S15	1S14	Change COP	Change %	1S15 USD
OPERATING REVENUES										
Energy Transmission	712.320	656.470	55.850	8,5%	276	1.458.976	1.269.622	189.354	14,9%	564
Connection charges	48.894	42.715	6.179	14,5%	19	97.404	84.478	12.926	15,3%	38
Dispatch and CND (National Dispatch Center)	7.464	11.779	(4.315)	-36,6%	3	518.248	412.071	106.177	25,8%	200
MEM Services	16.202	13.190	3.012	22,8%	6	14.303	20.326	(6.023)	-29,6%	6
Road Concessions	265.946	209.840	56.106	26,7%	103	32.087	24.231	7.856	32,4%	12
Telecommunications Transport	65.414	53.671	11.743	21,9%	25	134.908	110.797	24.111	21,8%	52
Other operating revenues	15.821	15.616	205	1,3%	6	33.224	33.000	224	0,7%	13
TOTAL OPERATING REVENUES	1.132.061	1.003.281	128.780	12,8%	438	2.289.150	1.954.525	334.625	17,1%	886
Sales and operation costs	439.902	410.283	29.619	7,2%	170	883.582	787.108	96.474	12,3%	342
GROSS PROFIT ON SALES	692.159	592.998	99.161	16,7%	268	1.405.568	1.167.417	238.151	20,4%	544
Overhead expenses	175.785	162.905	12.880	7,9%	68	398.963	322.900	76.063	23,6%	154
Other income (expense) net	8.491	33.617	(25.126)	-74,7%	3	21.140	48.954	(27.814)	-56,8%	8
Net equity method	14.064	17.280	(3.216)	-18,6%	5	27.162	29.816	(2.654)	-8,9%	11
INCOME FROM OPERATING ACTIVITIES	538.929	480.990	57.939	12,0%	208	1.054.907	923.287	131.620	14,3%	408
Financial income	285.089	118.426	166.663	140,7%	110	582.371	288.839	293.532	101,6%	225
Financial expenses	532.335	305.577	226.758	74,2%	206	1.031.016	662.913	368.103	55,5%	399
Income before taxes	291.683	293.839	(2.156)	-0,7%	113	606.262	549.213	57.049	10,4%	235
Income tax provision	69.484	59.288	10.196	0,17%	27	181.022	124.503	56.519	0,45%	70
COMPREHENSIVE INCOME OF YEAR	222.199	234.551	(12.352)	-5,3%	86	425.240	424.710	530	0,1%	164
Non-controlling interest (Minority interest - MI)	59.722	63.713	(3.991)	-6,3%	23	117.402	119.199	(1.797)	-1,5%	45
COMPREHENSIVE INCOME FROM CONTROLLING INTEREST (NET INCOME)	162.477	170.838	(8.361)	-4,9%	63	307.838	305.511	2.327	0,8%	119
OTHER COMPREHENSIVE INCOME³:										
Benefits to employees net of taxes	(1.215)	1.122	(2.337)	-208,3%	0	(2.429)	2.246	(4.675)	-208,1%	-1
Cash flow hedges net of taxes	5.327	6.710	(1.383)	-20,6%	2	(2.734)	(16.286)	13.552	-83,2%	-1
OTHER COMPREHENSIVE INCOME	4.112	7.832	(3.720)	-47,5%	2	(5.163)	(14.040)	8.877	-63,2%	-2
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO										
Controlling interest	165.878	178.173	(12.295)	-6,9%	64	302.037	293.550	8.487	2,9%	117
Non-controlling interest	60.433	64.210	(3.777)	-5,9%	23	118.040	117.120	920	0,8%	46
TOTAL COMPREHENSIVE INCOME OF YEAR	226.311	242.383	(16.072)	-6,6%	88	420.077	410.670	9.407	2,3%	162
EBITDA	663.562	540.465	123.097	22,8%	257	1.283.406	1.084.174	199.232	18,4%	496
EBITDA Margin	58,6%	53,9%				56,1%	55,5%			
Operating Margin	47,6%	47,9%				46,1%	47,2%			
Net Margin before MI	19,6%	23,4%				18,6%	21,7%			
Net Margin	14,4%	17,0%				13,4%	15,6%			

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³ The concept of other comprehensive results corresponds to non-realized gains and losses

ISA S.A. E.S.P. – CONSOLIDATED - INTERIM STATEMENT OF FINANCIAL POSITION (unaudited)

JUNE, 2015

Values expressed in millions of Colombian pesos

	1S15	% Part.	2014	Change \$	Change %	1S15 USD
Current Assets						
Cash and cash equivalent	1.881.947	7%	1.720.799	161.148	9,4%	728
Debtors – net	2.624.326	10,0%	2.730.112	(105.786)	-3,9%	1.015
Inventories – net	184.162	0,7%	108.002	76.160	70,5%	71
Other non-financial assets	121.418	0,5%	61.972	59.446	95,9%	47
Total current assets	4.811.853	18,3%	4.620.885	190.968	4,1%	1.861
Non-Current Assets		0,0%				
Permanent investments - net	1.188.959	4,5%	1.219.754	(30.795)	-2,5%	460
Debtors - net	9.591.948	36,5%	9.564.077	27.871	0,3%	3.710
Inventories - net	57.854	0,2%	59.046	(1.192)	-2,0%	22
Property, plant and equipment - net	5.926.004	22,5%	5.872.631	53.373	0,9%	2.292
Intangibles	4.312.099	16,4%	3.948.156	363.943	9,2%	1.668
Other non-financial assets	39.171	0,1%	8.761	30.410	347,1%	15
Deferred tax	371.481	1,4%	377.403	(5.922)	-1,6%	144
Total non-current assets	21.487.516	81,7%	21.049.828	437.688	2,1%	8.312
TOTAL ASSETS	26.299.369	100,0%	25.670.713	628.656	2,4%	10.173
Current Liabilities						
Outstanding bonds	496.806	1,9%	527.670	(30.864)	-5,8%	192
Financial liabilities	683.117	2,6%	871.138	(188.021)	-21,6%	264
Accounts payable	797.465	3,0%	599.151	198.314	33,1%	308
Labor liabilities	27.839	0,1%	41.108	(13.269)	-32,3%	11
Provisions	612.912	2,3%	635.029	(22.117)	-3,5%	237
Other liabilities	226.060	0,9%	127.132	98.928	77,8%	87
Total current liabilities	2.844.199	10,8%	2.801.228	42.971	1,5%	1.100
Non-current liabilities		0,0%				0
Outstanding bonds	6.586.886	25,0%	6.094.572	492.314	8,1%	2.548
Financial liabilities	2.554.728	9,7%	2.425.282	129.446	5,3%	988
Accounts payable	1.301.098	4,9%	1.373.952	(72.854)	-5,3%	503
Liabilities for employee benefits	414.122	1,6%	414.587	(465)	-0,1%	160
Labor liabilities	2.775	0,0%	-	2.775	0,0%	1
Provisions	222.924	0,8%	209.240	13.684	6,5%	86
Other liabilities	322.979	1,2%	390.775	(67.796)	-17,3%	125
Deferred tax	2.186.513	8,3%	2.049.872	136.641	6,7%	846
Total Non-current liabilities	13.592.025	51,7%	12.958.280	633.745	4,9%	5.258
TOTAL LIABILITIES	16.436.224	62,5%	15.759.508	676.716	4,3%	6.358
Equity						
Subscribed and paid in capital	36.916	0,1%	36.916	-	0%	14
Premium for placement of shares	1.428.128	5,4%	1.428.128	-	0%	552
Reserves	1.491.399	5,7%	1.195.191	296.208	25%	577
Retained earnings	3.282.016	12,5%	3.247.857	34.159	1%	1.270
Comprehensive income of year	307.838	1,2%	509.990	(202.152)	-40%	119
Surplus by equity method	1.039	0,0%	2.475	(1.436)	-58%	0
Equity attributable to controlling interest	6.547.336	24,9%	6.420.557	126.779	2,0%	2.533
Non-controlling interest	3.315.809	12,6%	3.490.648	(174.839)	-5,0%	1.283
TOTAL SHAREHOLDERS' EQUITY	9.863.145	37,5%	9.911.205	(48.060)	-0,5%	3.815
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	26.299.369	100,0%	25.670.713	628.656	2,4%	10.173

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**ISA S.A. E.S.P. - CONSOLIDATED -
CASH FLOW STATEMENT (Unaudited)**
JANUARY - JUNE 2015
Figures in millions of Colombian pesos

	1S15	1S14	Change \$	Change %	1S15 USD
Cash flows from operating activities:					
Net income	307.838	305.511	2.327	1%	119
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operating activities:					
Minority interest	117.402	119.199	(1.797)	-2%	45
Depreciation of properties, plant and equipment	134.017	126.195	7.822	6%	52
Amortization of deferred and other assets	102.519	78.809	23.710	30%	40
Amortization of retirement pensions and extralegal benefits – net	5.287	13.542	(8.255)	-61%	2
Provision for accounts receivable	543	318	225	71%	0
Provisions Contingencies	22.209	2.680	19.529	729%	9
Provisions for Major Maintenance	12.227	18.114	(5.887)	-32%	5
Income tax provision	181.022	124.503	56.519	45%	70
Loss in property, plant and equipment disposal and retirement	-	638	(638)	-100%	-
Expense for foreign exchange rate conversion	482.543	286.623	195.920	68%	187
Equity method with share control	(27.163)	(29.816)	2.653	-9%	(11)
Accrued interest and commissions	315.780	223.309	92.471	41%	122
	1.654.224	1.269.625	384.599	30%	640
Changes in operating assets and liabilities:					
Debtors	(201.580)	(316.503)	114.923	-36%	(78)
Receivables for early contract renewal compensation 059/2001	191.888	244.193	(52.305)	-21%	74
Inventories	(78.407)	(309)	(78.098)	25261%	(30)
Deferred and other assets	(59.874)	4.160	(64.034)	-1539%	(23)
Accounts payable and other liabilities	(204.255)	169.817	(374.072)	-220%	(79)
Labor liabilities	(10.494)	(7.933)	(2.561)	32%	(4)
Estimated liabilities and provisions	(46.373)	(10.707)	(35.666)	333%	(18)
Collections in favor of third parties	(12.448)	7.577	(20.025)	-264%	(5)
Minority interest	(110.444)	(128.394)	17.950	-14%	(43)
Cash flows in other operations:					
Retirement pension payments	(5.561)	(14.418)	8.857	-61%	(2)
Tax payments	(292.931)	(258.031)	(34.900)	14%	(113)
Net cash provided by operating activities	823.745	959.077	(135.332)	-14%	319
Cash flows from investment activities:					
Variation of permanent and long term investments	(32.228)	(115.125)	82.897	-72%	(12)
Intangible acquisitions	-	1.218	(1.218)	-100%	-
Purchase of property, plant and equipment	(277.223)	(290.033)	12.810	-4%	(107)
Net cash used by investment activities	(174.754)	(165.182)	(9.572)	6%	(68)
	(484.205)	(569.122)	84.917	-15%	(187)
Cash flows from financing activities:					
Interest received in cash	18.489	38.868	(20.379)	-52%	7
Interest and commissions paid in cash	(335.150)	(270.066)	(65.084)	24%	(130)
Dividends paid in Cash	(74.214)	-	(74.214)	100%	(29)
Increase in financial obligations	212.114	436.359	(224.245)	-51%	82
Bonds issued	500.000	-	500.000	100%	193
Payment of financial obligations	(255.874)	(458.292)	202.418	-44%	(99)
Bond payment/decrease	(243.756)	(131.381)	(112.375)	86%	(94)
Net cash used by financing activities	(178.392)	(384.512)	206.120	-54%	(69)
Net increase in cash and cash equivalents	161.148	5.443	155.705	2861%	62
Cash and cash equivalents at the beginning of period	1.720.799	1.795.552	(74.753)	-4%	666
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1.881.947	1.800.995	80.951	4%	728

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