

THIRD QUARTER 2015 FINANCIAL RESULTS



Medellín, Colombia, November 3, 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 third 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 updated in accordance with IFRS in order to make them comparable with 2015 results.

■ ECONOMIC AND FINANCIAL RESULTS

Third Quarter 2015

- **Consolidated operating revenues** were COP 1.454.053 million.
- **EBITDA** reached COP 849.874 million, with a 58,4% EBITDA margin.
- **Net income** was COP 256.786 million, with a 17,7% net margin.

Nine Months at September 30, 2015

- **Consolidated operating revenues** were COP 3.743.203 million.
- **EBITDA** reached COP 2.133.280 million, with a 57,0% EBITDA margin.
- **Net income** was COP 564.624 million, with a 15,1% net margin.

During the third quarter of 2015 net income increased by 117,8%, equivalent to COP 138.882 million compared to the same period of 2014. During this period, the revenue increase was higher than the expenditure increase, mainly due to higher revenues from the remuneration adjustment made in July 2015 and the positive variation of the IGPM/IPCA in Brazil, the higher revenues from the entry into operation of projects and a favorable behavior of macroeconomic variables (higher PPI and higher devaluation) in Colombia as well as higher construction revenues in Peru. The revenue increase was partially offset by higher financial expenses during the period, given that the debt is indexed to CPI, and CPI levels have surpassed last year's levels.

As of September 2015, ISA's accumulated net income reached COP 564.624 million, an increase of COP 141.209 million, compared with the same period of 2014, equal to a variation of 33,3%. This increase was a result of the abovementioned factors, in addition to higher revenues from the entry into operation of the Machupichu - Cotaruse project in Peru, lower financial expenses in Chilean UFs¹ and was partially offset by the recognition of the total 2015 wealth tax in Colombia.

EXCHANGE RATES	3Q15 average	3Q14 average	Change %	Sep. 2015 close	2014 close	Change %
COP / DOLLAR USD	2.942,77	1.909,60	54,10%	3.121,94	2.392,46	30,49%
COP / REAL	837,75	839,32	-0,19%	785,81	900,71	-12,76%
COP/ CLP	4,08	3,49	16,98%	4,43	3,94	12,44%
REAL / DOLLAR USD	3,55	2,28	56,03%	3,97	2,66	49,25%
CLP / DOLLAR USD	676,66	576,31	17,41%	704,68	606,75	16,14%

Results also include the conversion effect of the financial information from foreign subsidiaries, which generated variations throughout several line items of the financial statements. This was due mainly to the devaluation of the Colombian Peso vs. the U.S. Dollar and the Chilean Peso, which generated a net increase for the quarter of COP 9.369 million and COP 26.846 million for the accumulated result for the year.

■ CONSOLIDATED INCOME STATEMENT

Operating revenues

(figures in COP millions)

OPERATING REVENUES	3Q15	3Q14	Change COP	Change %	3Q15 USD	9M15	9M14	Change COP	Change %	9M15 USD
Energy Transmission	1.076.709	801.108	275.600	34,4%	345	2.660.237	2.182.555	477.681	21,9%	852
Road Concessions	272.801	202.221	70.580	34,9%	87	791.068	614.369	176.700	28,8%	253
Telecommunications Transport	76.260	59.759	16.500	27,6%	24	211.168	170.557	40.611	23,8%	68
Intelligent Management of Real-time Systems	28.284	29.797	-1.513	-5,1%	9	80.730	79.929	801	1,0%	26
TOTAL	1.454.053	1.092.885	361.168	33,0%	466	3.743.203	3.047.410	695.793	22,8%	1.199

In the third quarter of 2015, operating revenues reached COP 1.454.053 million, a 33,0% increase compared with the same period of 2014. In turn, the conversion effect for the period represented a positive impact of COP 166.807 million.

The revenue variation for the quarter by business was explained by:

- **Energy Transmission** accounted for 74,0% of total operating revenues, equivalent to COP 1.076.709 million compared with the third quarter of 2014. Business revenues increased 34,4%, given the higher revenues in Brazil due to the remuneration adjustment that were made during July 2015, higher construction revenues and the positive variation of the IGPM/IPCA in Brazil. In Colombia, there were higher revenues due to an increased PPI, higher devaluation for revenues

¹ Due to lesser devaluation of UF vs. the Chilean Peso. Sep. 2014 = 3,68%, Sep. 2015 = 2,92%

from UPMES, the entry into operation of Sogamoso project and expansion of the Cerromatoso substation. On the other hand, there were higher construction revenues related to the Mantaro-Montalvo project in Peru.

- **Road Concessions** contributed COP 272.801 million, corresponding to 18,8% of total revenues. Higher revenues during the period were due to the conversion effect of the Chilean Peso to the Colombian Peso, increased revenues from higher financial returns related to receivables from concessions and from third lane construction works. These events caused a 34,9% increase compared with the revenues reported during the same period of 2014.
- **Telecommunications Transport** contributed 5,2% of total revenues, corresponding to COP 76.260 million. This was a 27,6% increase that was mainly due to IP sales growth (internet) because of the acquisition of new clients in Colombia.
- **Intelligent Management of Real-Time Systems** generated COP 28.283 million, equal to 1,9% of total revenues for the third quarter of 2015, representing a 5,1% decrease compared with the same period of 2014. This variation was due to higher revenues in 2014 derived from non-regulated projects.

Accumulated revenues reached COP 3.743.203 million, a 22,8% increase compared to September 2014, as the result of the same events of the quarter, added to the entry into operation of projects in Peru. In turn, the conversion effect from foreign subsidiaries reached COP 313.501 million.

Consolidated revenues by country:

During the third quarter of 2015, the revenue composition by country was: Colombia 29,1%, 27,5% Brazil, 22,8% Peru and 19,0% Chile.

(figures in COP millions)

	3Q15	3Q14	Change COP	Change %	3Q15 USD	9M15	9M14	Change COP	Change %	9M15 USD
Colombia	422.596	375.113	47.483	12,7%	135	1.230.949	1.115.574	115.375	10,3%	394
Chile	275.890	204.262	71.628	35,1%	88	798.805	618.693	180.112	29,1%	256
Brazil	399.308	310.506	88.802	28,6%	128	880.484	725.511	154.973	21,4%	282
Peru	331.637	189.031	142.606	75,4%	106	768.791	547.255	221.536	40,5%	246
Others	24.622	13.973	10.649	76,2%	8	64.174	40.377	23.797	58,9%	21
TOTAL	1.454.053	1.092.885	361.168	33,0%	466	3.743.203	3.047.410	695.793	22,8%	1.199

As discussed above, the variation of revenues from other countries includes the conversion effect; for Peru, it represents COP 99.569 million of the variation and for Chile, COP 64.422 million.

Operating costs and expenses

Operating costs and expenses² for the July-September 2015 period increased 25,9% compared to the third quarter of 2014, from COP 598.032 million to COP 753.071 million. This increase is lower than the revenue increase, which for the period was 33,0%. However, this increase is favorable

² Includes sales and operating costs and management expenses

compared with the 34,4% increase of revenues. The conversion effect represented an expenditure of COP 89.808 million.

The quarterly variation was explained by:

- **Energy Transmission** accounted for 78,5% of total operating costs, equivalent to COP 591.073 million. Compared with the third quarter of 2014, business costs increased 27,2%, due to higher construction costs in Brazil and Peru, and the entry into operation of new projects in Colombia and Peru. However, this was a favorable increase versus the revenue increase of 34.4%.
- **Road Concessions** contributed COP 72.258 million corresponding to 9,6% of total costs. During the period, there were added third lane construction works as well as higher expenses for maintenance, professional fees and services from third parties in Chile, representing a variation of 19,9% compared to the 34.4% revenue increase from this line item.
- **Telecommunications Transport** contributed 8,8% of total operating costs and expenses, corresponding to COP 66.060 million. This line item increased by 31,4%, mainly due to higher communications equipment leasing costs and dark fiber for the provision of services to new clients; these revenues will be reflected in the future.
- **Intelligent Management of Real-Time Systems** generated COP 23.680 million equal to 3,1% of total costs for the third quarter of 2015, a 4,1% increase compared with the same period of 2014.

(figures in COP millions)

OPERATING COSTS AND EXPENSES	3Q15	3Q14	Change COP	Change %	3Q15 USD	9M15	9M14	Change COP	Change %	9M15 USD
Energy Transmission	591.073	464.742	126.331	27,2%	189	1.558.301	1.316.860	241.441	18,3%	499
Road Concessions	72.258	60.270	11.987	19,9%	23	227.457	171.623	55.834	32,5%	73
Telecommunications Transport	66.060	50.282	15.778	31,4%	21	181.494	150.351	31.143	20,7%	58
Intelligent Management of Real-time Systems	23.680	22.737	943	4,1%	8	68.365	69.205	-840	-1,2%	22
TOTAL	753.071	598.032	155.039	25,9%	241	2.035.616	1.708.039	327.577	19,2%	652

The 19,2% 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) and a higher amortization from the entry into operation of projects in Peru (COP 7.795 million). The accumulated conversion effect reached COP 170.377 million. The accumulated revenues increase of 22,8% was higher than costs and expenses (19,2%).

(figures in COP millions)

	3Q15	3Q14	Change COP	Change %	3Q15 USD	9M15	9M14	Change COP	Change %	9M15 USD
Colombia	224.871	213.695	11.176	5,2%	72	710.531	639.726	70.805	11,1%	228
Chile	77.453	64.457	12.997	20,2%	25	241.685	183.064	58.622	32,0%	77
Brazil	207.908	183.445	24.463	13,3%	67	546.058	480.009	66.048	13,8%	175
Peru	229.163	128.495	100.667	78,3%	73	501.241	382.845	118.396	30,9%	161
Others	13.676	7.940	5.737	72,3%	4	36.101	22.396	13.705	61,2%	12
TOTAL	753.071	598.032	155.039	25,9%	241	2.035.616	1.708.039	327.577	19,2%	652

The composition of operating costs and expenses by country during the third quarter was: 30,4% in Peru, 29,9% in Colombia, 27,6% in Brazil and 10,3% in Chile.

(figures in COP millions)

	3Q15	3Q14	Change COF	Change %	3Q15 USD	9M15	9M14	Change COF	Change %	9M15 USD
AOM Costs and Expenses	606.339	474.663	131.676	27,7%	194	1.617.369	1.358.555	258.815	19,1%	518
Depreciation	68.561	63.868	4.692	7,3%	22	202.577	190.062	12.515	6,6%	65
Amortization	60.274	37.516	22.759	60,7%	19	162.793	116.325	46.468	39,9%	52
Provisions	17.897	21.985	-4.088	-18,6%	6	52.876	43.096	9.779	22,7%	17
Total	753.071	598.032	155.039	25,9%	241	2.035.616	1.708.039	327.577	19,2%	652

Other revenues and expenses and equity method

Other operating revenues/expenses for the third quarter of 2015 decreased COP 29.926 million, compared to the same period of 2014. This variation was caused by the fact that during the third quarter of 2014, CTEEP recognized an extraordinary expenditure from the writing-off of financial assets with the compensation for COP 18.574 million and the recognition of obsolete IT assets for COP 6.843 million. In accumulated terms, other income and expenses increased COP 2,111 million and also include, in addition to the aforementioned items during the quarter, CTEEP's recognition of extraordinary revenue from the recovery of a balance in favor of PIS and COFINS for COP 27.332 million --- generated from the purchase of assets that took place since June 2009, during the second quarter of 2014.

In turn, the equity method, which includes profits from affiliates where ISA holds a shared control, increased COP 55.318 million compared to 3Q14. The positive variation was mainly due to higher results in Brazil, given the remuneration adjustment made on July 2015, where IEMADEIRA contributed the most, with 83% of the total.

EBITDA and EBITDA margin

EBITDA for the third quarter of 2015 increased 36,5% compared with the same period last year, equivalent to COP 227.135 million. This increase was due to higher revenues generated in the Energy Transmission, Road Concessions and Telecommunications businesses and to a lower increase of operating costs and expenses compared to the higher revenues. EBITDA margin reached 58,4%, 2,6% higher than the figure reported during the third quarter of 2014.

The accumulated EBITDA increased 25,0% compared to the same period of 2014, from COP 1.706.912 million to COP 2.133.280 million, explained previously and offset by the recognition of the total 2015 wealth tax in Colombia during 1Q. Accumulated EBITDA margin reached 57,0%, 1,0% higher than the previous year.

Income from operating activities

As a result of the aforementioned, ISA reached income from operating activities of COP 790.385 million during the third quarter, 58,4% higher than the figure reported in the same period of 2014. The operating margin shifted from 45,7% to 54,4%. Additionally, results from accumulated operating activities as of September 2015 increased 29,7% compared to the same period of 2014 (COP 1.422.300 million).

Financial revenues/expenses

During the third quarter of 2015 there were net financial expenses for COP 62.578 million, representing a 37,0% increase compared to 3Q14. The difference was mainly explained by a negative conversion effect of COP 44.009 million, added to the decreased revenues of financial returns and the monetary updating of the compensation at CTEEP, higher expense from the monetary adjustment of liabilities at ISA Capital do Brasil as a result of the negative exchange difference in Brazil, given the higher devaluation rate of the Brazilian Real versus the U.S. Dollar during 2015 compared to 2014³.

Accumulated net financial expenses as of September 2015 reached COP 680.215 million, a 25,3% increase compared to the same period of 2014. This variation, which in addition to the reasons discussed for the quarter, was also due to the net effect of a higher dividend payment in Brazil (preferential shares), higher financial expenses in Peru, associated to the new debt from the projects that entered into operation, and the lower expenditures due to the exchange rate difference in the UF debt in Chile (at September 2015, the UF devaluation loss was greater than that of the Chilean peso loss).

FINANCIAL REVENUES AND EXPENSES	3Q15	3Q14	Change \$	Change %	3Q15 USD	9M15	9M14	Change \$	Change %	9M15 USD
Financials, Net	-156.298	-126.864	-29.434	23,2%	-50	-500.861	-336.907	-163.954	48,7%	-160
Net Exchange difference	-75.272	-42.129	-33.143	78,7%	-24	-179.355	-206.159	26.804	-13,0%	-57
TOTAL	-231.570	-168.993	-62.577	37,0%	-74	-680.216	-543.067	-137.149	25,3%	-218

In general, the above was due to the higher inflation rates and interest rates, which have been rising throughout Latin America.

Taxes

3Q15 income tax expense reached COP 141.844 million, which represented a 4,7% increase compared to the third quarter of 2014. This variation was mainly due to the net effect of a higher tax expenses in Colombia, as a result of the most recent tax reform in that country (CREE surtax) for 2015, higher taxes in Brazil and Peru due to stronger results. This was partially offset by lower taxes in Chile due to the recognition of the higher rate (from 20% to 27%) in September 2014 for the first nine months of the year.

The accumulated income tax expense as of September 2015 increased 24,2% compared with the same period of 2014. This variation includes the items discussed for the quarter, upon recognizing the tax reforms that took place in Chile and Colombia.

Comprehensive income (income before minority Interest)

As a result of the aforementioned items, the consolidated income before minority interest for the third quarter reached COP 416.969 million, an increase of 114,3% (COP 222.380 million) compared to the same period last year.

³ UF / CLP Sep. 2014 = 24.168 Sep. 2015 = 25.347

On the other hand, there was an increase of 108,9% in the non-controlling interest (minority), due to higher results in Brazil, mainly due to the remuneration adjustment made in July 2015 and the positive variation of IGPM/IPCA.

Total comprehensive income of the controlling interest (Net income)

Net income for the third quarter of 2015 reached COP 256.786 million, a 117,8% increase compared with the figure reported in the same period of 2014. The variation was explained by higher results in Chile, Peru, Brazil and Colombia as well as higher results in non-controlled companies, where two specific events were included: the annual tariff update in Brazil and lower taxes in Chile, as discussed above.

The accumulated result reached COP 564.624 million, a 33,3% increase compared to last year.

■ CONSOLIDATED BALANCE SHEET

Assets

Assets for ISA and its companies totaled COP 28.193.015 million, a 9,8% increase compared with December 2014. The variation was mainly due to the conversion effect, increase in cash and temporary investments related to the issuance of bonds in Colombia, higher inventories in Peru and an increase of construction projects in Colombia, Chile and Peru.

The composition of the assets by country was: 32,4% in Chile, 26,3% in Colombia, 21,9% in Brazil and 18,6% in Peru.

Liabilities

Consolidated liabilities were COP 17.579.203 million, a 11,5% increase compared with December 2014. The variation was mainly due to the conversion effect, the issuance of bonds for COP 500 billion in Colombia, dividends defined by ISA, higher debt in Peru, partially offset by debt amortizations in Colombia, Chile and Brazil.

The distribution of liabilities by country was 35,3% in Chile, 28,7% in Colombia, 19,9% in Peru and 15.5% in Brazil.

Non-controlling interest (Minority interest)

Minority interest was COP 3.404.785 million, a 2,5% decrease compared to December of last year, 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 7.209.027 million, a 12,3% increase compared with COP 6.420.557 million reported on December 2014. The variation was explained by higher income generated and higher conversion effect from foreign subsidiaries, which offsets the profit distribution approved at ISA's General Ordinary Shareholders' Meeting.

■ CONSOLIDATED CASH FLOW

As of September 2015, cash and cash equivalents reached COP 2.045.977 million, an increase of COP 353.184 million compared with December 2014. By the third quarter of 2015, cash provided for operations was COP 1.713.118 million. These funds were used as follows: COP 876.556 million for investment activities, mainly in projects for construction of assets in Peru, Colombia and Chile and COP 483.378 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 September 30 2015 consolidated financial debt was COP 11.465.160 million, a 12,6% increase compared with December 2014 in Colombian Pesos. The increase was largely explained by an effect of restatement in Colombian Pesos equal to COP 1.282.844 million. In actual terms, only the debt in Colombia and Peru have increased so far this year, by COP 302.356 million and USD 54 thousand respectively.

The following events took place during 3Q15, which in addition to the 1S15 events, explain the main debt variations:

- Transelca repaid COP 23.465 million to the loans held with Banco de Bogotá and BBVA. The company paid back in its entirety a loan held with Banco de Bogotá for USD3,2 million, which was due in September and received a new disbursement from BBVA for COP 45.000 million for the 2015 investment plan.
- In Brazil, CTEEP made scheduled payments to loans with BNDES for BRL5,8 million. In turn, the subsidiaries paid BRL6,6 million to the same institution.
- ISA Bolivia paid to BID and CAF USD 2,4 million as per scheduled amortizations.
- Ruta del Bosque, Araucanía and Rios paid UF1.092.550 in accordance with the amortization charts.

42,6% of debt is denominated in *Unidades de Fomento* -UF- (Chile), 26,3% in U.S. Dollars, 17,7% in Colombian Pesos, 13,2% in Brazilian Reais and 0,3% in other currencies. Approximately 70,8% of the debt is placed in the capital markets and 28,6% are in commercial loans.

(figures in COP millions)

Business		Sep. 2015	2014	Change COP	Change %	Sep. 2015 USD
CHILE		4.928.879	4.482.666	446.213	10,0%	1.579
Ruta del Maipo	Road Concessions	2.748.689	2.392.720	355.969	14,9%	880
Ruta del Maule	Road Concessions	394.642	374.837	19.805	5,3%	126
Ruta de la Araucanía	Road Concessions	759.014	713.927	45.087	6,3%	243
Ruta del Bosque	Road Concessions	637.669	618.439	19.230	3,1%	204
Ruta de los Ríos	Road Concessions	349.842	350.673	-831	-0,2%	112
Internexa in Chile	Telecommunications Transport	39.023	32.070	6.953	21,7%	12
COLOMBIA		2.125.906	1.785.123	340.783	19,1%	681
ISA Colombia	Energy Transmission	1.714.031	1.383.807	330.224	23,9%	549
Transelca	Energy Transmission	371.875	361.156	10.719	3,0%	119
Internexa	Telecommunications Transport	40.000	40.160	-160	-0,4%	13
BRAZIL		1.643.236	1.922.777	-279.540	-14,5%	526
ISA Capital	Energy Transmission	740.577	833.843	-93.266	-11,2%	237
CTEEP	Energy Transmission	654.114	797.166	-143.052	-17,9%	210
IEMG	Energy Transmission	30.194	38.032	-7.838	-20,6%	10
IEPINHEIROS	Energy Transmission	81.270	102.256	-20.986	-20,5%	26
Serra Do Japi	Energy Transmission	55.903	68.373	-12.470	-18,2%	18
Internexa Brazil	Telecommunications Transport	81.178	83.107	-1.929	-2,3%	26
PERU		2.708.068	1.934.281	773.787	40,0%	867
ISA Peru	Energy Transmission	29.182	12.801	16.381	128,0%	9
REP	Energy Transmission	780.018	595.937	184.081	30,9%	250
Transmantaro	Energy Transmission	1.888.774	1.315.853	572.921	43,5%	605
Internexa in Peru	Telecommunications Transport	10.094	9.689	405	4,2%	3
BOLIVIA		52.726	51.947	779	1,5%	17
ISA Bolivia	Telecommunications Transport	52.726	51.947	779	1,5%	17
ARGENTINA		6.344	6.994	-651	-9,3%	2
Transamerican Telecom	Telecommunications Transport	6.344	6.994	-651	-9,3%	2
TOTAL		11.465.160	10.183.789	1.281.371	12,6%	3.672
TOTAL USD		3.672	4.257	-584	-13,7%	

89,5% of the debt is for a term longer than one year and the remaining 10,5% is short-term.

■ CAPEX and INVESTMENTS

ISA's and its companies' investments during the third quarter of 2015 totaled COP 484.314 million, explained by the following direct investments and capital contributions:

- In Colombia, ISA invested COP 219.113 million in scheduled contributions to companies and the construction of projects such as: Bacatá and Ituango substations, Chinú-Monteria-Urabá transmission line, Betania-Mirolindo Corridor Cerromatoso-Chinu-Copey and the second Copey transformer, among others. In turn, INTERNEXA made investments in operating assets for COP 6.584 million.
- CTEEP, in Brazil, made capital contributions to its subsidiary, IEGARANHUNS, in the amount of BRL 30,9 million and operating investments for BRL 71,8 million
- In Peru, investments for USD 43,5 million were concentrated in different projects under construction, such as Mantaro-Montalvo, La Planicie-Industriales and Friaspata-Mollepata in Transmantaro, expansions 13, 15, 16 and 16 to extend the capacity of various substations and transmission lines.

- The Chilean road concessions invested CLP 3.735 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 expansion projects of toll roads and security cameras.

(figures in COP millions)

	1Q15	2Q15	3Q15	9M15	%	2015(E)	%
Colombia	111.801	172.674	235.002	519.476	40,1	1.090.483	43,5
Peru	148.596	144.074	129.716	422.386	32,6	754.768	30,1
Brazil	95.905	82.194	93.456	271.555	20,9	399.543	16,0
Chile	23.107	25.951	15.787	64.845	5,0	238.389	9,5
Other	1.463	6.538	10.354	18.355	1,4	21.153	0,8
TOTAL	380.871	431.431	484.314	1.296.616	100,0	2.504.336	100,0

■ HIGHLIGHTS THIRD QUARTER

- In Lima, ISA was awarded a new public bid on July 22 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 it. The project will generate approximate annual revenues of USD 6.57 million for the Company.
- Approval Resolution (*Resolución Homologatoria*) N°11.918 provided the new Annual Permitted Revenue (*Ingreso Anual Permitido*, RAP) for CTEEP and its subsidiaries for the July 2015 – June 2016 cycle. The consolidated RAP went from BRL 827,7 million to BRL 963,4 million, representing an increase of BRL 135,6 million, equivalent to 16,4%.
- ISA scored 100 points in the measurement *Transparencia por Colombia*, surpassing by 18 points the Energy and Gas sector average, thanks to opportunities for effective interaction promoted with its stakeholders. The report notes that the Company stands out, among other things, for providing clear, timely and reliable information and maintaining good corporate governance practices, ethical decisions process as well as maintaining clear rules with its stakeholders, a fact that leads to mutual relationships of trust.
- Standard & Poor's affirmed ISA's 'BBB' credit rating with a stable outlook. According to this rating agency, this rating reflects a 'satisfactory' business risk profile, which benefits from a stable and generally predictable business environment in the countries in which the Company operates. In addition, the stable outlook reflects the expectation that ISA's investments will continue driving profitability and its expansion will not compromise its key financial ratios.
- ISA was included in the Dow Jones Sustainability Index -DJSI- confirming its leadership in sustainability management, in the Emerging Markets category. According to the report from RobecoSAM-Sustainability Investing, the institution that performs the measurement, ISA obtained outstanding results in aspects such as biodiversity protection, transparency, accountabilities, risk management and management with communities in the area of influence, among others.

Some figures:

- ✓ Dow Jones Sustainability Index (DJSI) evaluates the sustainability performance of the largest 2500 companies listed in the Dow Jones Global Total Stock Market Index. Sustainability performance means: having a business approach that creates long-term value for shareholders by embracing opportunities and the effective management of risks inherent in the economic, environmental and social development.
 - ✓ Only the best companies are chosen: 10% of the best companies by industry in the world category, 20% by region, 30% by country indices and 10% from emerging markets are selected
 - ✓ Of 149 companies in the energy utility industry, only 3 were transmission companies: Red Eléctrica de España, Terna and ISA.
 - ✓ From a universe of 36 companies in the energy utility industry in the category of emerging countries, five companies entered the Index, including ISA.
 - ✓ In the category of emerging countries in the energy utility industry, ISA is the only transmission company.
- ISA commissioned the expansion of El Bosque substation in Cartagena, Colombia. The expansion of the substation at 220 thousand volts includes the design, procurement of supplies, construction, testing and commissioning, which will allow the future connection of a second transformer. The project --- developed by INTERCOLOMBIA, ISA's subsidiary engaged in energy transmission in the country-- comprised an approximate value of USD 3 million.

■ SUBSEQUENT EVENTS

- The Shareholders' Meeting of Consorcio Transmantaro S.A., ISA's Peruvian affiliate, approved a capital stock increase of S/.580'714,259 to S/. 632'282,259. This capital stock increase was carried out by contributions of its shareholders, in accordance with their current interest.
- On Tuesday October 27, 2015, ISA's shareholders received the third dividend payment in one installment of COP 67 per share (COP 74.214 million), as provided by the Ordinary Shareholders' Meeting held this past March 27, 2015.
- Moody's affirmed the Baa2 credit rating with a stable outlook for ISA. As stated by the agency, the rating reflects the expectation of generating predictable and continuous cash flow from the core transmission business in Colombia, along with the prudent management of capital expenditure programs of the group for foreign subsidiaries. The stable outlook implies, according to Moody's, that future growth shall be achieved only in regulated businesses, and that these investments shall be properly funded.
- ISA's affiliate companies Internexa S.A. and Internexa Brasil reached an agreement with Telefónica Colombia and Brazil, to acquire rights of use for 15 years, on optic fiber submarine cables that connect Colombia, Brazil and the US, including the operation and maintenance of

these assets. With this investment, Internexa who currently has 30.000 km. of optic fiber cables will now have 49.000 km.

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.



■ ISA'S DIRECT AND INDIRECT PARTICIPATION IN SUBSIDIARIES

COMPANY	Country	% ISA's direct	% Indirect	% total	Through the subsidiary
ENERGY					
TRANSELCA S.A. E.S.P.	Colombia	100,0%	0,00%	100,0%	
RED DE ENERGIA DEL PERÚ -REP	Perú	30,0%	30,00%	60,0%	TRANSELCA S.A. E.S.P.
CONSORCIO TRANSMANTARO S.A.	Perú	60,0%	0,00%	60,0%	
ISA PERÚ S.A.	Perú	45,1%	54,85%	100,0%	TRANSELCA S.A. E.S.P.
ISA BOLIVIA S.A.	Bolivia	51,0%	48,99%	100,0%	TRANSELCA S.A. E.S.P.
			0,01%		INTERNEXA S.A.
CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA -	Brasil	0,0%	37,19%	25,1%	ISA CAPITAL DO BRASIL S.A.
INTERLIGACAO ELETRICA NORTE E NORDESTE S.A. – IENNE	Brasil	0,0%	25,00%	6,3%	CTEEP
INTERLIGACAO ELETRICA DE MINAS GERAIS S.A. – IEMG –	Brasil	0,0%	100,00%	25,1%	CTEEP
INTERLIGAÇÃO ELETRICA PINHEIROS S.A. - IEPINHEIROS	Brasil	0,0%	100,00%	25,1%	CTEEP
INTERLIGAÇÃO ELETRICA SUL S.A. - IESUL	Brasil	0,0%	50,10%	12,6%	CTEEP
INTERLIGAÇÃO ELETRICA DO MADEIRA S.A. - IEMADEIRA -	Brasil	0,0%	51,00%	12,8%	CTEEP
INTERLIGAÇÃO ELÉTRICA SERRA DO JAPI	Brasil	0,0%	100,00%	25,1%	CTEEP
INTERLIGAÇÃO ELÉTRICA GARANHUNS S.A.	Brasil	0,0%	51,00%	12,8%	CTEEP
EVRECY	Brasil	0,0%	100,00%	25,1%	CTEEP
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.	Panamá	50,0%	0,00%	50,0%	Control compartido
INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.S ESP	Colombia	1,2%	97,66%	50,0%	INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.
EMPRESA PROPIETARIA DE LA RED S.A. - EPR	Centro América	11,1%	0,00%	11,1%	
INTERCHILE S.A.	Chile	99,99%	0,00%	100,0%	ISA INVERSIONES CHILE LTDA
INTERCOLOMBIA S.A. E.S.P.	Colombia	99,997%	0,00%	100%	INTERNEXA S.A.
			0,00%		ISA PERU
			0,00%		PDI
			0,00%		INTERVAL COLOMBIA
ROADS					
INTERVAL CHILE S.A.	Chile	0,0%	54,99%	100,00%	ISA INVERSIONES CHILE LTDA.
			45,00%		ISA INVERSIONES MAULE LTDA.
			0,01%		INTERNEXA S.A.
Ruta del Maipo Sociedad Concesionaria S.A.	Chile	0,0%	100,00%	100,0%	INTERVAL CHILE S.A.
Ruta del Maule Sociedad Concesionaria S.A.	Chile	0,0%	100,00%	100,0%	INTERVAL CHILE S.A.
Ruta del Bosque Sociedad Concesionaria S.A.	Chile	0,0%	99,99%	100,0%	INTERVAL CHILE S.A.
Ruta de los Rios Sociedad Concesionaria S.A.	Chile	0,0%	75,000%	75,0%	INTERVAL CHILE S.A.
Ruta de la Araucanía Sociedad Concesionaria S.A.	Chile	0,0%	100,00%	100,0%	INTERVAL CHILE S.A.
INTERVAL Colombia S.A	Colombia	100,0%	0,00%	100,0%	
TELECOMMUNICATIONS					
INTERNEXA S.A.	Colombia	99,4%	0,00%	99%	TRANSELCA S.A. E.S.P.
INTERNEXA S.A. (PERÚ)	Perú	0,0%	100,00%	99,4%	INTERNEXA S.A.
INTERNEXA CHILE S.A.	Chile	0,0%	99,00%	98,4%	INTERNEXA S.A.
INTERNEXA BRASIL OPERADORA DE TELECOMUNICAÇÕES S.A.	Brasil	0,0%	100,00%	66,9%	INTERNEXA PARTICIPAÇÕES S.A.
Transamerican Telecommunication S.A. (INTERNEXA ARGENTINA S.A.)	Argentina	0,0%	98,54%	99%	INTERNEXA S.A.
			1,46%		INTERNEXA PERU
REDCA	Centro América	0,0%	11,11%	11,0%	INTERNEXA S.A.
TRANSNEXA S.A. E.M.A.	Ecuador	0,0%	5,00%	50%	INTERNEXA S.A.
			45,00%		INTERNEXA PERU
INTELLIGENT MANAGEMENT OF REAL-TIME SYSTEMS					
XM S.A. E.S.P.	Colombia	99,7%	0,00%	99,7%	
DERIVEX S.A.	Colombia	0,0%	49,95%	50%	XM S.A. E.S.P.
			0,03%		INTERNEXA S.A.
Sistemas Inteligentes en Red S.A.S.	Colombia	15,0%	85,00%	99,8%	XM S.A. E.S.P.
FINANCIAL					
ISA CAPITAL DO BRASIL S.A.	Brasil	67,540%	0,00%	67,54%	
INTERNEXA PARTICIPAÇÕES S.A.	Brasil	0,0%	67,24%	66,9%	INTERNEXA S.A.
			0,00%		INTERNEXA S.A. (PERÚ)
ISA INVERSIONES CHILE LTDA.	Chile	99,9998%	0,00%	100,0%	INTERNEXA S.A.
ISA INVERSIONES MAULE	Chile	100,0%	0,00%	100%	INTERNEXA S.A.
Financiera de Desarrollo Nacional S.A.	Colombia	0,0007%	0,00%	0,0007%	
CAMARA DE RIESGO CENTRAL DE CONTRAPARTE DE COLOMBIA S.A. -CRCC-	Colombia	0,0000%	7,13%	7,1061%	XM S.A. E.S.P.
Linear Systems RE LTD	Bermudas	100,0%		100,0%	
INFRASTRUCTURE					
PROYECTOS DE INFRAESTRUCTURA DEL PERU S.A.C.	Perú	99,97%	0,03%	100,0%	TRANSELCA S.A. E.S.P.

**ISA S.A. E.S.P. - CONSOLIDATED -
COMPREHENSIVE INCOME STATEMENT (unaudited)**
JANUARY – SEPTEMBER 2015
Values expressed in millions of Colombian pesos

	3Q15	3Q14	Var. \$	Var. %	3Q15 USD	9M15	9M14	Var. \$	Var. %	9M15 USD
OPERATING REVENUES										
Energy Transmission	1.016.710	745.161	271.549	36,4%	326	2.475.686	2.014.783	460.903	22,9%	793
Connection charges	51.563	42.373	9.190	21,7%	17	148.967	126.851	22.116	17,4%	48
Dispatch and CND (National Dispatch Center)	16.321	17.255	(934)	-5,4%	5	48.408	41.486	6.922	16,7%	16
MEM Services	7.399	7.214	185	2,6%	2	21.703	27.539	(5.836)	-21,2%	7
Road Concessions	272.790	202.190	70.600	34,9%	87	791.037	614.261	176.776	28,8%	253
Telecommunications Transport	76.260	59.759	16.501	27,6%	24	211.168	170.557	40.611	23,8%	68
Other operating revenues	13.010	18.933	(5.923)	-31,3%	4	46.234	51.933	(5.699)	-11,0%	15
TOTAL OPERATING REVENUES	1.454.053	1.092.885	361.168	33,0%	466	3.743.203	3.047.410	695.793	22,8%	1.199
Sales and operation costs	552.557	433.236	119.321	27,5%	177	1.436.139	1.220.344	215.795	17,7%	460
GROSS PROFIT ON SALES	901.496	659.649	241.847	36,7%	289	2.307.064	1.827.066	479.998	26,3%	739
Overhead expenses	200.514	164.795	35.719	21,7%	64	599.477	487.695	111.782	22,9%	192
Other income (expense) net	4.365	(25.561)	29.926	-117,1%	1	25.505	23.394	2.111	9,0%	8
Net equity method	85.037	29.719	55.318	186,1%	27	112.200	59.535	52.665	88,5%	36
INCOME FROM OPERATING ACTIVITIES	790.384	499.012	291.372	58,4%	253	1.845.292	1.422.300	422.992	29,7%	591
Financial income	254.980	162.302	92.678	57,1%	82	837.350	451.140	386.210	85,6%	268
Financial expenses	486.550	331.294	155.256	46,9%	156	1.517.566	994.207	523.359	52,6%	486
Income before taxes	558.814	330.020	228.794	69,3%	179	1.165.076	879.233	285.843	32,5%	373
Income tax provision	141.844	135.430	6.414	4,7%	45	322.866	259.934	62.932	24,2%	103
COMPREHENSIVE INCOME OF YEAR	416.970	194.590	222.380	114,3%	134	842.210	619.299	222.911	36,0%	270
Non-controlling interest (Minority interest - MI)	160.184	76.686	83.498	108,9%	51	277.586	195.884	81.702	41,7%	89
COMPREHENSIVE INCOME FROM CONTROLLING INTEREST (NET INCOME)	256.786	117.904	138.882	117,8%	82	564.624	423.415	141.209	33,3%	181
OTHER COMPREHENSIVE INCOME⁴:										
Benefits to employees net of taxes	(1.214)	1.123	(2.337)	-208,1%	(0)	(3.643)	3.369	(7.012)	-208,1%	-1
Cash flow hedges net of taxes	(1.715)	5.549	(7.264)	-130,9%	(1)	(4.340)	(10.737)	6.397	-59,6%	-1
OTHER COMPREHENSIVE INCOME	(2.929)	6.672	(9.601)	-143,9%	-1	(7.983)	(7.368)	(615)	8,3%	-3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO										
Controlling interest	257.422	123.507	133.915	108,4%	82	559.593	417.057	142.536	34,2%	179
Non-controlling interest	156.619	77.754	78.865	101,4%	50	274.634	194.874	79.760	40,9%	88
TOTAL COMPREHENSIVE INCOME OF YEAR	414.041	201.261	212.780	105,7%	133	834.227	611.931	222.296	36,3%	267
EBITDA	849.874	622.739	227.135	36,5%	272	2.133.280	1.706.912	426.368	25,0%	683
EBITDA Margin	58,4%	57,0%	1,5%			57,0%	56,0%	1,0%		
Operating Margin	54,4%	45,7%	8,7%			49,3%	46,7%	2,6%		
Net Margin before MI	28,7%	17,8%	10,9%			22,5%	20,3%	2,2%		
Net Margin	17,7%	10,8%	6,9%			15,1%	13,9%	1,2%		

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, 2015, the exchange rate was of USD 1.00= COP 3.121,94 (Source: Banco de la República).

⁴ 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)
SEPTEMBER, 2015
Values expressed in millions of Colombian pesos**

	SEP. 2015	% Part.	2014	Change \$	Change %	9M15 USD
Current Assets						
Cash and cash equivalent	2.073.213	7%	1.720.653	352.560	20,5%	664
Debtors – net	2.734.278	9,7%	2.730.112	4.166	0,2%	876
Inventories – net	238.707	0,8%	108.002	130.705	121,0%	76
Other non-financial assets	89.386	0,3%	61.972	27.414	44,2%	29
Total current assets	5.135.584	18,2%	4.620.739	514.845	11,1%	1.645
Non-Current Assets						
Permanent investments - net	1.252.452	4,4%	1.219.754	32.698	2,7%	401
Debtors - net	10.130.455	35,9%	9.564.077	566.378	5,9%	3.245
Inventories - net	57.539	0,2%	59.046	(1.507)	-2,6%	18
Property, plant and equipment - net	6.118.918	21,7%	5.864.345	254.573	4,3%	1.960
Intangibles	5.091.671	18,1%	3.948.156	1.143.515	29,0%	1.631
Other non-financial assets	40.868	0,1%	17.193	23.675	137,7%	13
Deferred tax	365.529	1,3%	377.403	(11.874)	-3,1%	117
Total non-current assets	23.057.431	81,8%	21.049.974	2.007.457	9,5%	7.386
TOTAL ASSETS	28.193.015	100,0%	25.670.713	2.522.302	9,8%	9.031
Current Liabilities						
Outstanding bonds	703.097	2,5%	527.670	175.427	33,2%	225
Financial liabilities	704.003	2,5%	871.138	(167.135)	-19,2%	226
Accounts payable	804.930	2,9%	599.151	205.779	34,3%	258
Labor liabilities	42.626	0,2%	41.108	1.518	3,7%	14
Provisions	706.076	2,5%	635.029	71.047	11,2%	226
Other liabilities	236.247	0,8%	127.132	109.115	85,8%	76
Total current liabilities	3.196.979	11,3%	2.801.228	395.751	14,1%	1.024
Non-current liabilities		0,0%				0
Outstanding bonds	7.130.470	25,3%	6.094.572	1.035.898	17,0%	2.284
Financial liabilities	2.628.285	9,3%	2.425.282	203.003	8,4%	842
Accounts payable	1.331.550	4,7%	1.373.952	(42.402)	-3,1%	427
Liabilities for employee benefits	404.709	1,4%	417.968	(13.259)	-3,2%	130
Labor liabilities	-	0,0%	-	-	0,0%	0
Provisions	286.556	1,0%	205.860	80.696	39,2%	92
Other liabilities	324.916	1,2%	390.775	(65.859)	-16,9%	104
Deferred tax	2.275.738	8,1%	2.049.871	225.867	11,0%	729
Total Non-current liabilities	14.382.224	51,0%	12.958.280	1.423.944	11,0%	4.607
TOTAL LIABILITIES	17.579.203	62,4%	15.759.508	1.819.695	11,5%	5.631
Equity						
Subscribed and paid in capital	36.916	0,1%	36.916	-	0,0%	12
Premium for placement of shares	1.428.128	5,1%	1.428.128	-	0,0%	457
Reserves	1.491.399	5,3%	1.195.191	296.208	24,8%	478
Retained earnings	3.677.881	13,0%	3.248.368	429.513	13,2%	1.178
Comprehensive income of year	564.624	2,0%	509.479	55.145	10,8%	181
Surplus by equity method	10.079	0,0%	2.475	7.604	307,2%	3
Equity attributable to controlling interest	7.209.027	25,6%	6.420.557	788.470	12,3%	2.309
Non-controlling interest	3.404.785	12,1%	3.490.648	(85.863)	-2,5%	1.091
TOTAL SHAREHOLDERS' EQUITY	10.613.812	37,6%	9.911.205	702.607	7,1%	3.400
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	28.193.015	100,0%	25.670.713	2.522.302	9,8%	9.031

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, 2015, the exchange rate was of USD 1.00= COP 3.121,94 (Source: Banco de la República).

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

	9M15	9M14	Change \$	Change %	9M15 USD
Cash flows from operating activities:					
Net income	564.624	423.415	141.209	33%	181
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operating activities:					
Minority interest	277.586	195.884	81.702	42%	89
Depreciation of properties, plant and equipment	202.577	190.063	12.514	7%	65
Amortization of deferred and other assets	162.793	116.325	46.468	40%	52
Amortization of retirement pensions and extralegal benefits – net	7.446	18.057	(10.611)	-59%	2
Provision for accounts receivable	651	179	472	264%	0
Provision for inventory protection	119		119		
Provisions Contingencies	32.631	16.012	16.619	104%	10
Provisions for Major Maintenance	19.474	26.906	(7.432)	-28%	6
Income tax provision	322.866	259.934	62.932	24%	103
Loss in property, plant and equipment disposal and retirement	-	13.092	(13.092)	-100%	-
Expense for foreign exchange rate conversion	636.852	394.174	242.678	62%	204
Equity method with share control	(112.200)	(59.535)	(52.665)	88%	(36)
Accrued interest and commissions	468.505	362.847	105.658	29%	150
	2.583.924	1.957.353	626.571	32%	828
Changes in operating assets and liabilities:					
Debtors	(302.961)	(315.653)	12.692	-4%	(97)
Receivables for early contract renewal compensation 059/2001	351.114	362.604	(11.490)	-3%	112
Inventories	(130.418)	6.811	(137.229)	-2015%	(42)
Deferred and other assets	(24.455)	127.908	(152.363)	-119%	(8)
Accounts payable and other liabilities	(201.665)	(149.741)	(51.924)	35%	(65)
Labor liabilities	1.518	(1.646)	3.164	-192%	0
Estimated liabilities and provisions	(5.887)	(15.429)	9.542	-62%	(2)
Collections in favor of third parties	(25.330)	6.067	(31.397)	-518%	(8)
Minority interest	(138.901)	(20.842)	(118.059)	566%	(44)
Cash flows in other operations:					
Retirement pension payments	(9.015)	(21.013)	11.998	-57%	(3)
Tax payments	(384.806)	(289.211)	(95.595)	33%	(123)
Net cash provided by operating activities	1.713.118	1.647.207	65.911	4%	549
Cash flows from investment activities:					
Variation of permanent and long term investments	(63.838)	(135.514)	71.676	-53%	(20)
Intangible acquisitions	-	1.218	(1.218)	-100%	-
Purchase of property, plant and equipment	(414.153)	(375.107)	(39.046)	10%	(133)
Net cash used by investment activities	(398.565)	(243.130)	(155.435)	64%	(128)
	(876.556)	(752.533)	(124.023)	16%	(281)
Cash flows from financing activities:					
Interest received in cash	18.621	57.380	(38.759)	-68%	6
Interest and commissions paid in cash	(426.239)	(314.096)	(112.143)	36%	(137)
Dividends paid in Cash	(148.429)	(237.043)	88.614	100%	(48)
Increase in financial obligations	273.948	443.741	(169.793)	-38%	88
Bonds issued	500.000	41.167	458.833	100%	160
Payment of financial obligations	(399.732)	(569.806)	170.074	-30%	(128)
Bond payment/decrease	(301.547)	(163.175)	(138.372)	85%	(97)
Net cash used by financing activities	(483.378)	(741.832)	258.454	-35%	(155)
Net increase in cash and cash equivalents	353.184	152.842	200.342	131%	113
Cash and cash equivalents at the beginning of period	1.692.793	1.689.522	3.271	0%	542
CASH AND CASH EQUIVALENTS AT END OF PERIOD	2.045.977	1.842.364	203.612	11%	655

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, 2015, the exchange rate was of USD 1.00= COP 3.121,94 (Source: Banco de la República).