

SECOND QUARTER 2016 FINANCIAL RESULTS

Medellin, Colombia, August 15, 2016

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 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

First Half 2016

- **Consolidated operating revenues** were COP 3.163.696 million.
- **EBITDA** reached COP 1.575.527 million, with a 49,8% EBITDA margin.
- **Net income** was COP 390.315 million, with a 12,3% net margin.

Second Quarter 2016

- **Consolidated operating revenues** were COP 1.621.812 million.
- **EBITDA** reached COP 796.582 million, with a 49,1% EBITDA margin.
- **Net income** was COP 197.901 million, with a 12,2% net margin.

ISA's accumulated net income at June 2016 reached COP 390.315 million, an increase of COP 81.930 million in the net result, a 26,6% higher, when compared with the same period last year. This increase was mainly the result of higher revenues in Energy Transmission, Toll Road Concessions and Telecommunications, against a lower increase in financial and operating expenses.

During the second quarter 2016, net income increased by 22,2% compared to the same period of 2016. This result consolidates the highest operational revenues in the Toll Road Concessions in Chile, higher revenues in Brazil due to the tariff adjustment for the July 2015 - June 2016 cycle, added to the new projects entering into operation in Colombia and Peru, and higher revenues from devaluation in Colombia.

EXCHANGE RATES	2Q16 average	2Q15 average	Change %	Jun.2016 close	Jun.2015 close	Change %
COP / DOLLAR USD	3.127,59	2.482,34	25,99%	2.916,15	2.585,11	12,81%
COP / REAL	843,03	836,42	0,79%	908,51	833,21	9,04%
COP/ CLP	4,53	4,00	13,29%	4,41	4,05	9,02%
REAL / DOLLAR USD	3,71	2,97	24,91%	3,21	3,10	3,46%
CLP / DOLLAR USD	690,16	620,89	11,16%	661,49	639,04	3,51%

The results also include the conversion effect of the financial information from foreign subsidiaries, which generated changes in various line items of the financial statements, mainly due to the Colombian Peso devaluation against the dollar and the Chilean peso. This generated an increase in the net result of COP 13.362 million during the quarter (8,3% of the total) and COP 31.188 million in the accumulated figure as of June (10,1% of the total).

■ CONSOLIDATED INCOME STATEMENT

Operating revenues by business

(figures in COP millions)

OPERATING REVENUES	2Q1	2Q1	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Energy Transmission	1.202.136	773.908	428.228	55,3%	412	2.314.366	1.583.528	730.838	46,2%	794
Road Concessions	299.606	265.956	33.650	12,7%	103	610.557	518.268	92.289	17,8%	209
Telecommunications	85.349	65.414	19.935	30,5%	29	169.188	134.908	34.280	25,4%	58
Management of Real-time Systems	34.721	26.782	7.939	29,6%	12	69.585	52.446	17.139	32,7%	24
TOTAL	1.621.812	1.132.060	489.752	43,3%	556	3.163.696	2.289.150	874.546	38,2%	1.085

In the second quarter of 2016, operating revenues reached COP 1.621.812 million, a 43,3% increase compared to the same period of 2015. The conversion effect for the period caused a positive impact of COP 76.040 million.

In the accumulated results, operating revenues totaled COP 3.163.696 million with an increase of COP 874.546 million compared to the same period last year, representing 38,2% more.

Operating revenues by country

(figures in COP millions)

OPERATING REVENUES	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Colombia	481.331	409.436	71.894	17,6%	165	972.962	808.353	164.609	20,4%	334
Chile	304.816	268.444	36.372	13,5%	105	620.794	522.915	97.879	18,7%	213
Brazil	266.144	241.105	25.039	10,4%	91	511.853	481.176	30.677	6,4%	176
Peru	521.572	191.521	330.051	172,3%	179	990.366	437.155	553.211	126,5%	340
Others	47.949	21.553	26.396	122,5%	16	67.721	39.551	28.170	71,2%	23
TOTAL	1.621.812	1.132.060	489.752	43,3%	556	3.163.696	2.289.150	874.546	38,2%	1.085

During the second quarter of 2016, the revenue composition by country was the following: Peru 32,2%, Colombia 29,7%, Chile 18,8% and 16,4% in Brazil.

Construction revenues¹ for this second quarter reached COP 368.450 million representing an increase of 211,5% when compared to 2Q15, equivalent to COP 250.166 million. In the accumulated results, revenues reached COP 657.844 million with an increase of 140,3%. The above figures are explained by the greater dynamism in the projects under construction in Energy Transmission, particularly in Peru.

Operating revenues (excluding construction revenues) for this quarter reached COP 1.253.362 million, a 23,6% increase compared to the same period of 2015.

(figures in COP millions)

OPERATION INCOME (EXC. CONSTRUCTION)	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Energy Transmission	857.578	681.155	176.424	25,9%	302	1.702.797	1.357.486	345.311	25,4%	598
Road Concessions	275.714	240.426	35.288	14,7%	95	564.282	470.584	93.698	19,9%	194
Telecommunications	85.349	65.414	19.935	30,5%	29	169.188	134.908	34.280	25,4%	58
Management of Real-time Systems	34.721	26.782	7.939	29,6%	12	69.586	52.446	17.139	32,7%	24
TOTAL	1.253.362	1.013.777	239.586	23,6%	438	2.505.853	2.015.424	490.429	24,3%	875

The variations in operating revenues for this quarter were due to the following factors:

- **Energy Transmission** had a 68,4% participation of total operating revenues, equivalent to COP 857.578 million. Compared with the same period 2015, revenues increased by 25,9% due to the start of operations for the El Bosque substation extension during September 2015, the La Reforma and Copey substations and the Stacom de Bacatá project in December 2015. Higher income from funds managed FAER, PRONE and FOES², and a higher devaluation and IPP³ in Colombia are also included. Higher revenues due to the tariff adjustment in 2015 in Brazil and the start of operations of the Machupicchu-Abancay-Cotaruse project in August 2015 in Peru also explained the higher revenues of this period.
- **Road Concessions** contributed COP 275.714 million, corresponding to 22,0% of total revenues. During this quarter, revenues were higher due to the performance of the concession and an increase in operating and maintenance services. The aforementioned resulted in a 14,7% increase when compared to 2Q15 revenues.
- **Telecommunications** contributed 6,8% of the total revenues, corresponding to COP 85.349 million. This was a 30,5% increase when compared to the same quarter of 2015. This is mainly explained by the growth in IP services sales, higher storage of information and videoconferences in Colombia, as well as new customers in Chile and Brazil.
- **Management of Real-Time Systems** generated COP 34.721 million, equivalent to 2,8% of total revenues for the second quarter of 2016; this represented a 29,6% increase compared to the same period of 2Q15. This variation was due to higher regulated revenues during this period.

During the first half, accumulated operating revenues totaled COP 2.505.853 million, with a 24,3% growth when compared to the same period in 2015.

¹In NCIF (Standards of Accounting and Financial Reporting in Colombia), construction activities part of a concession has to be reported in the revenues as well as in the expense. The Energy Transmission projects in Colombia and Chile are not considered as concessions by NCIF, and therefore they are reported as fixed assets.

² Contributions to the Fund for the transmission of energy in rural interconnected areas, Normalization program of Grids and the Social Energy Fund, the last one as of 2016.

³ IPP 2Q15 -0,13 vs IPP 2Q16 0,86

SECOND QUARTER 2016 FINANCIAL RESULTS



2Q16 revenues by country were broken down as follows: Colombia 38,4%, Chile 22,4%, Brazil 18,8% and 16,5% for Peru.

(figures in COP millions)

OPERATION INCOME (EXC. CONSTRUCTION)	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Colombia	481,331	409,436	71,894	17.6%	165	972,962	808,353	164,609	20.4%	334
Chile	280,924	242,914	38,010	15.6%	97	574,519	475,231	99,289	20.9%	198
Brazil	236,098	184,675	51,423	27.8%	82	461,504	382,728	78,776	20.6%	159
Peru	207,060	155,198	51,862	33.4%	78	429,146	309,561	119,585	38.6%	160
Others	47,949	21,553	26,396	122.5%	16	67,721	39,551	28,170	71.2%	23
TOTAL	1,253,362	1,013,776	239,586	23.6%	438	2,505,853	2,015,424	490,429	24.3%	875

Operating costs and expenses by business

Operating costs and expenses⁴, for the April-June 2016 period increased 57,6% when compared to the same period in 2015. The impact from conversion effects represented a COP 36.480 million expense and explained the 5,9% increase.

(figures in COP millions)

OPERATING COSTS AND EXPENSES	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Energy Transmission	768.558	454.401	314.157	69,1%	264	1.479.890	967.228	512.662	53,0%	506
Road Concessions	98.130	81.160	16.970	20,9%	34	205.158	155.199	49.959	32,2%	70
Telecommunications	74.824	56.195	18.629	33,2%	26	144.495	115.552	28.944	25,0%	50
Management of Real-time Systems	28.506	23.921	4.585	19,2%	10	57.576	44.685	12.890	28,8%	20
TOTAL	970.018	615.677	354.341	57,6%	334	1.887.119	1.282.664	604.455	47,1%	646

The accumulated figure at June 2016, costs and expenses reached COP 1.887.118 million with a 47,1% increase compared to the first half of the previous year.

Operating costs and expenses by country during the second quarter were: 42,2% in Peru, 28,4% in Colombia, 14,8% in Brazil and 10,8% in Chile.

(figures in COP millions)

OPERATING COSTS AND EXPENSES	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Colombia	275.041	235.922	39.119	16,6%	94	585.666	485.660	100.006	20,6%	201
Chile	105.042	85.871	19.171	22,3%	36	220.028	164.232	55.796	34,0%	75
Brazil	143.558	174.279	-30.721	-17,6%	49	280.174	338.269	-58.095	-17,2%	96
Peru	409.558	108.429	301.129	277,7%	140	756.558	272.078	484.480	178,1%	259
Other	36.819	11.177	25.642	229,4%	13	44.692	22.425	22.268	99,3%	15
TOTAL	970.018	615.678	354.340	57,6%	333	1.887.119	1.282.664	604.455	47,1%	647

OPERATING COSTS AND EXPENSES	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Sales and operation costs and expenses	828.576	471.414	357.162	75,8%	284	1.594.882	1.011.149	583.732	57,7%	547
Depreciation	67.604	69.206	-1.602	-2,3%	23	137.118	134.017	3.101	2,3%	47
Amortization	61.001	52.649	8.352	15,9%	21	127.069	102.519	24.550	23,9%	44
Provisions	12.838	22.409	-9.572	-42,7%	4	28.051	34.979	-6.927	-19,8%	10
TOTAL	970.018	615.678	354.341	57,6%	333	1.887.119	1.282.664	604.455	47,1%	647

⁴ Includes sales and operations costs, management costs and construction costs.

Construction costs reached COP 355.112 million for the second quarter with a 217,8% increase, where Peru construction costs represented 86,6%.

Excluding construction, management and operation costs and expenses for the second quarter reached COP 614.906 million with a 22,0% increase which was favorably compared to a 23,6% increase of revenues. The impact due to conversion represented 7,9% of the total (COP 8.769 million).

(figures in COP millions)

OPERATING COSTS AND EXPENSES (EXC. CONSTRUCTION)	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Energy Transmission	433.791	365.041	68.750	18,8%	157	880.025	748.947	131.078	17,5%	314
Road Concessions	77.785	58.779	19.007	32,3%	27	165.101	113.678	51.423	45,2%	57
Telecommunications	74.824	56.195	18.629	33,2%	26	144.495	115.552	28.944	25,0%	50
Management of Real-time Systems	28.506	23.921	4.585	19,2%	10	57.575	44.685	12.890	28,8%	20
TOTAL	614.906	503.935	110.971	22,0%	220	1.247.195	1.022.862	224.335	21,9%	441

The quarterly variation of costs and expenses, excluding construction, are explained by:

- **Energy Transmission** accounted for 70,5% of total operating costs and expenses, equivalent to COP 433.791 million. Business costs increased by 18,8%, due to higher operating expenses linked to new projects and higher FAER, PRONE and FOES costs in Colombia (COP 30.760 million)⁵.
- **Road Concessions** contributed COP 77.785 million, corresponding to 12,6% of the total. During the quarter there were higher maintenance and operating expenses. With regards to the second quarter 2015, costs and expenses increased COP 19,007 million, compared to an increase in revenues of COP 35.288 million. Analyzing the variation in 2Q16 vs. 2Q15 in percentage terms, the 32,3% increase in costs contrasts with the 14,7% increase in revenues, because some concessions are approaching their due dates. Thus, its financial revenues decreases, due to the reduction of accounts receivable, while costs remain fixed. This does not imply a cash decrease, as it reflects toll collections.
- **Telecommunications** contributed 12,2% of total operating costs and expenses, or COP 74.824 million. This was a 33,2% increase, explained by higher operating costs linked to higher revenues and a higher portfolio provision in Brazil.
- **Management of Real-Time Systems** generated COP 28.506 million, or 4,6% of total costs for the second quarter 2016, representing a 19,2% increase when compared to the same quarter of 2015. This was due to a higher expense in studies and projects at XM related with the “El Niño” weather phenomenon.

Operating costs and expenses by country

Operating costs and expenses composition by country for the quarter was: 44,7% in Colombia, 18,9% in Brazil, 16,6% in Peru and 13,8% in Chile.

⁵ The resources of these managed portfolios are acknowledged in the revenues as well as costs.

(figures in COP millions)

OPERATING COSTS AND EXPENSES (EXC. CONSTRUCTION)	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Colombia	275.041	235.922	39.119	16,6%	94	585.667	485.660	100.006	20,6%	201
Chile	84.698	63.490	21.208	33,4%	30	179.971	122.710	57.260	46,7%	63
Brazil	116.256	121.242	-4.986	-4,1%	40	234.482	247.581	-13.099	-5,3%	81
Peru	102.093	72.106	29.987	41,6%	42	202.385	144.484	57.901	40,1%	82
Other	36.819	11.177	25.642	229,4%	13	44.694	22.425	22.268	99,3%	15
TOTAL	614.907	503.936	110.970	22,0%	219	1.247.199	1.022.861	224.335	21,9%	443

Equity method and other revenues and expenses

The equity method, which includes profits from affiliates where ISA holds a joint control, increased by 44,1% in 2Q16 with regards to 2Q15, going from COP 14.701 million to COP 21.183 million. This variation was mainly due to higher performance from IEMadeira e IEGaranhus in Brazil (COP 5.771 million). The accumulated figure increased by 22,8% versus the comparable 2015 period for the same reasons.

During this quarter, other net revenues and expenses increased by 16,6% compared to 2Q15, as a result of two specific operations: the CTEEP preferred shares sales executed by ISA Capital do Brasil in June 2016 (COP 4.508 million), and higher revenues in Colombia during 2015 due to a compensation by a transformer for COP 7.097 million. The accumulated figure decreased by 60,1% due to higher expenses from the recovery of provisions for COP 9.769 million in Colombia and higher profit due to the sale of CTEEP's preferred shares.

EBITDA and EBITDA margin

EBITDA for the second quarter of 2016 increased by COP 133.012 million compared to the same period of 2015. This increase was due to the higher operating revenues previously explained. In percentage terms, EBITDA increased by 20,0%, when compared to the same period last year.

EBITDA margin was 49,1%. Excluding the construction effect, this margin for the quarter reached 62,5% when compared to a 64,8% from last year. This was due to higher revenues from FAER, PRONE and FOES, which have their corresponding cost, however they lower the EBITDA margin. Without this specific destination funds factor, the EBITDA margin was 65,6% in 2Q16.

During the half of 2016, EBITDA increased by 22,8% when compared to the same period of last year, going from COP 1.283.288 million to COP 1.575.527 million. The accumulated EBITDA margin reached 49,8%. Excluding the construction effect, the EBITDA margin was 62,2% compared to 62,9% for the previous year.

Income from operating activities

As a result of the aforementioned, ISA reached income from operating activities of COP 681.351 million during the second quarter, 26,6% higher than the figure reported during the same period of 2015. The operating margin was 42,0% compared to 47,5% in the previous last year, in accordance with the aforementioned reasons. Excluding construction, the operating margin for the quarter

reached 50,9% compared to 50.3% during 2Q15. Accumulated operating activities as of June 2016 increased by 25,0% with regards to the first half of 2015 (COP 1.056.168 million).

Financial revenues/expenses

In 2Q16, there were net financial expenses of COP 269.555 million, representing a 9,0% increase compared to 2Q15. This increase was mainly explained by the higher financial expenses of the debt used to finance new construction projects and to the behavior of macroeconomic variables to which ISA group's debt is indexed in the different countries where ISA operates. This expense has a natural hedge with the group's revenues, which grew 43,3%.

The accumulated net financial expenses as of June 2016 went up to COP 511.069 million, a 13,8% increase with regards to the same period of 2015.

(figures in COP millions)

FINANCIAL REVENUES / EXPENSES	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
Net financial	-211.525	-157.758	-53.768	34,1%	-73	-447.495	-344.556	-102.939	29,9%	-153
Net foreign exchange difference	-58.031	-89.581	31.550	-35,2%	-20	-63.573	-104.619	41.046	-39,2%	-23
TOTAL	-269.555	-247.339	-22.216	9,0%	-93	-511.069	-449.173	-61.893	13,8%	-176

Taxes

2Q16 income tax expense reached COP 128.717 million, which represented a 84,9% increase compared to the same period of 2015. This was mainly explained by the increase of one percentage point in the CREE tax for 2016 in Colombia; to the increase of the differed tax due to updating of fiscal losses in Chile and in general, due to higher income for the period.

The expense from accumulated income tax as of June 2016 increased by 39,8% with regards to the same period of 2015.

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

As a result of the aforementioned items, the consolidated income before minority interest for the second quarter reached COP 283.079 million, an increase of 27,9% (COP 221.332 million), compared to the same period of 2015. In addition, the non-controlling participation increased by 43,3% due to improved results in Brazil, which also explained the 40,6% increase in the accumulated result.

Comprehensive income of the controlling interest (Net income)

Net income for the second quarter of 2016 reached COP 197.901 million, a 22,2% increase compared with the figure reported during the same period of 2015. As explained in the result details, this variation was due to higher revenues from the entry into operation of projects in Colombia, higher operating revenues in the Chilean road concessions and higher revenues from the tariff adjustment in July 2015 and the positive variation of IGPM/IPCA in Brazil, together with a lower increase of operating and financial expenses.

In the accumulated figures, the result reached COP 390.315 million, 26,6% more than last year. The net margin for the second quarter of 2016 was 12,3%, 1,1% less than the same quarter for 2015. Excluding construction, this margin reached 14,7% against 15,3% in 2Q15. Excluding the managed portfolios of FAER, PRONE and FOES, the margin for the current quarter would be 16,6% and 16,4% for the second quarter of 2015.

■ CONSOLIDATED BALANCE SHEET

Assets

Assets for ISA and its companies totaled COP 30.031.397 million, a 6,8% increase compared to December 2015. This variation was mainly due to major energy transmission construction projects in Colombia, Chile and Peru; higher cash flow due to the issuance of bonds in Colombia and INTERCHILE, due to contributions by ISA as well as loan disbursements to the project and a greater balance of investments in the companies under joint control in Brazil.

Assets by country were broken down as follows: 32,5% in Chile, 24,5% in Colombia, 24,0% in Brazil and 18,2% in Peru.

Liabilities

Consolidated liabilities were COP 18.325.007 million, a 9,6% increase compared with December, 2015. The variation was mainly due to the increased debt acquired to support construction projects in Colombia, Chile and Peru and dividends as approved at ISA's Ordinary Shareholders' Meeting.

Distribution of liabilities by country was as follows: 34,5% in Chile, 28,3% in Colombia, 20,1% in Peru and 16,7% in Brazil.

Non-controlling interest (Minority interest)

Minority interest was COP 3.938.910 million, a 10,9% increase compared to December 2015, as a result of higher results from Brazilian subsidiaries.

Equity attributable to holders of controlling interest

Equity reached COP 7.767.480 million, a 0,9% decrease compared to COP 7.840.224 million reported in December 2015, as a result of the profit distribution approved at ISA's Ordinary Shareholders' Meeting and the lower conversion effect of foreign affiliates.

■ CONSOLIDATED CASH FLOW

As of June 2016, cash and cash equivalents reached COP 1.440.119 million, an increase of COP 410.869 million compared with December 2015. During the first half of 2016, cash allocated for operations amounted to COP 733.976 million. Financing activities generated COP 445.816 million, as net result of new loans for COP 1.062.732 million, the issuance of ISA bonds for COP 707.280 million, a debt service payment for COP 420.414 million, and financial obligations and bonds payment for COP 905.027 million. Investment activities totaled COP 768.923 million, mainly for asset construction projects in Peru, Colombia and Chile.

■ DEBT

As of June 30, 2016, consolidated financial debt was COP 12.268.585 million, a 9,0% increase compared to December 2015 in Colombian Pesos.

(figures in COP millions)

Consolidated Debt	Business	June 2016	2015	Change COP	Change %	June 2016 USD
CHILE		4.969.447	4.620.914	348.533	7,5%	1.704
Ruta del Maipo	Road Concessions	2.675.016	2.681.269	-6.253	-0,2%	917
Ruta del Maule	Road Concessions	229.959	149.433	80.526	53,9%	79
Ruta de la Araucanía	Road Concessions	731.114	761.760	-30.646	-4,0%	251
Ruta del Bosque	Road Concessions	614.590	639.936	-25.347	-4,0%	211
Ruta de los Rios	Road Concessions	325.691	351.108	-25.417	-7,2%	112
Internexa in Chile	Telecommunications	30.861	37.407	-6.546	-17,5%	11
Interchile	Energy Transmission	362.216		362.216		124
COLOMBIA		2.614.209	2.111.930	502.279	23,8%	896
ISA Colombia	Energy Transmission	2.196.476	1.708.930	487.545	28,5%	753
Transelca	Energy Transmission	363.000	363.000	-	0,0%	124
Internexa	Telecommunications Transport	54.733	40.000	14.733	36,8%	19
BRAZIL		1.783.802	1.695.502	88.301	5,2%	612
ISA Capital	Energy Transmission	739.637	738.234	1.402	0,2%	254
CTEEP	Energy Transmission	789.731	710.055	79.676	11,2%	271
IEMG	Energy Transmission	31.456	29.970	1.487	5,0%	11
IEPINHEIROS	Energy Transmission	83.903	80.440	3.463	4,3%	29
Serra Do Japi	Energy Transmission	60.088	56.035	4.053	7,2%	21
Internexa Brazil	Telecommunications Transport	78.987	80.768	-1.781	-2,2%	27
PERU		2.855.043	2.767.712	87.331	3,2%	979
ISA Peru	Energy Transmission	73.487	33.741	39.746	117,8%	25
REP	Energy Transmission	639.547	772.954	-133.407	-17,3%	219
Transmanto	Energy Transmission	2.121.499	1.952.671	168.828	8,6%	728
Internexa in Peru	Telecommunications Transport	20.510	8.346	12.164	145,7%	7
BOLIVIA		42.212	53.188	-10.976	-20,6%	14
ISA Bolivia	Energy Transmission	42.212	53.188	-10.976	-20,6%	14
ARGENTINA		3.870	3.895	-25	-0,6%	1
Transamerican Telecom	Telecommunications Transport	3.870	3.895	-25	-0,6%	1
TOTAL		12.268.585	11.253.141	1.015.443	9,0%	4.207
TOTAL USD		4.207	3.573	510	17,7%	

Changes were due to a conversion effect of COP 50.771 million, together with:

- The issue of the Tenth Tranche of ISA's Domestic Public Debt Securities Issuance and Placement Program worth COP 400,000 million and the cancellation of the Second Tranche for COP 150.000 million. The Company also entered into a loan with BBVA for COP 250.000 million. These resources were used to finance the cash flow and investment plans for 2016.
- Internexa received disbursements from Banco Popular for the amount of COP 17.400 million to finance cash flow and pay down a loan with ITAU Bank for COP 2.666 million.
- Consorcio Transmantaro received disbursements of USD 28 million, which are part of the mid-term loan agreement with Banco de Crédito del Peru for USD 250 million entered into in March 2015. It additionally received short-term disbursements of USD 67.5 million from the same bank and USD 12 million from the Banco Nova Scotia in order to finance current CAPEX.
- ISA Peru received disbursements from Interbank for USD 14,5 million; from Citibank for an amount of USD 5 million (which was used for the payment of short-term debt entered into with Nova Scotia Bank); and from the Banco de Crédito del Peru for the amount of USD 4 million for the mid-term debt payment (principal and interests) with Bancolombia.
- Interchile received disbursements of USD 113,9 million and CLP 2.151 million, part of the loan agreement entered into in February 2016 for USD 738 million for CAPEX, USD 95 million for VAT and an additional one for USD 33 million for guarantees.

37,3% of the debt is in Unidades de Fomento -UF- (Chile), 28,3% in US dollars, 20,6% in COP, 13,5% in Brazilian Real and 0,2% in other currencies. Approximately 62,9% of the debt is in the capital markets and 36,6% is in commercial loans.

90,0% of the debt is for a term higher than one year and 10,0% is short-term.

■ CAPEX and INVESTMENTS

ISA and its subsidiaries' investment for the 2016 second quarter totaled COP 481.541 million, which was explained by the following direct investments and contributions to equity:

- In **Colombia**, ISA invested COP 76.901 million in projects under construction, among which we have: Chinú-Montería-Urabá line, Cerromatoso substation connection, Ituango new substation, Caracolí Substation and Cerromatoso-Chinú-Copey corridor. INTERNEXA invested COP 12.900 million in capital contributions to INTERNEXA Participacoes do Brasil to comply with the scheduled investment plan for the submarine optical fiber cable.
- Investments in **Peru** for COP 302.364 million were concentrated in various projects under construction, such as Ampliación 3 in ISA Perú, Mantaro-Montalvo, Planicie-Industriales, Friaspata-Mollepata transmission lines, the Carapongo substation and Ampliación 13, and 17 at Consorcio Transmantaro.

- In **Chile**, with the contributions made by ISA, the following energy transmission projects advanced: Cardones-Maitencillo-Pan de Azucar-Polzaico lines, Encuentro-Lagunas new lines, Encuentro-Lagunas second circuit and transformation of Cardones, Maitencillo and Pan de Azúcar substations. In road concessions, investments were made in the LED lighting projects in Maipo, Maule, Ruta de Araucanía and Ruta de los Ríos; third lanes in Maipo and the expansion of toll booths in Rio Claro in Maule.
- CTEEP, in **Brazil**, made investments on capital contributions to its IESUL subsidiary for BRL 860,000. Internexa Brasil made investments in submarine and optical fiber cables in the state of Sao Paulo for BRL 35,64 million.

(figures in COP millions)

CAPEX	1Q16	2Q16	1H16	%	2016(E)	%
Colombia	93.892	116.070	209.962	14,7	708.590	17,0
Chile	456.508	23.815	480.322	33,5	1.688.783	40,5
Brazil	52.281	38.561	90.842	6,3	364.896	8,8
Peru	345.603	302.364	647.967	45,2	1.402.662	33,7
Other	2.349	731	3.081	0,2	1.442,52	0,0
TOTAL	950.633	481.541	1.432.174	100,0	4.166.373	100,0

■ SECOND QUARTER HIGHLIGHTS

- ISA's affiliate, CTEEP, announced that the Ministry of State of Mining and Energy published Administrative Act No. 120 of April 20, 2016 ("Portaria 12"), whereby it established "the values homologated by the Brazilian Electricity Regulatory Agency (*Agência Nacional de Energia Elétrica – ANEEL*) concerning the assets set forth in Article 15, paragraph 2, of Law No. 12.783 of January 11, 2013 shall be included in the composition of the Regulatory Remuneration Base for energy transmission concessionaires and the capital cost shall be added to the corresponding Permitted Annual Revenues". The Company is currently analyzing the impacts of the Administrative Act.
- ISA entered into payment agreements to back up the obligations from its subsidiary Interchile S.A., up to USD 770.753.758 and CLP 67.992.000.000, pursuant to the terms and conditions from Resolution No. 1260 from the Ministry of Finance and Public Credit on May 4, 2016.
- Fitch Ratings affirmed its 'AAA(col)' and 'F1+(col)' ratings for ISA Securities Program. The report issue by Fitch stated that the ratings "reflect the low business risk profile of the company, which is a characteristic of the power transmission business. The ratings reflect the geographic diversification of the revenue sources, which along with the high predictability of cash flows from operations translate into a strong financial profile." Fitch also increased ISA's international ratings in local currency and foreign currency up to BBB+ from BBB.
- ISA was awarded the bidding process for the execution of a transmission project in Boyacá, Colombia, which will generate an annual income for ISA for USD 7 million (dollars as of December 2015). This project will allow ISA to design, build, operate and maintain the San Antonio 230kV Substation and the related transmission lines. This project will be executed and operated by INTERCOLOMBIA, an ISA company.

■ SUBSEQUENT EVENTS

- On July 26, 2016, ISA shareholders received the first dividend payment for COP 144 per share: COP 114 ordinary dividend and COP 30 extraordinary dividend. This payment was established at the Ordinary General Shareholders' Meeting held in March 2016, which stated that the total disbursement of dividends must be made for COP 319.011 million, to be paid in two installments.
- The Comprehensive System Committee for Institutional Management (SIGI) of the Federal General Accounting Office deemed ISA worthy of a recognition that is granted to public entities that present their financial information in compliance and enforcement of the qualitative characteristics, therefore contributing and providing to the improvement of the National System of Public Accounting. This recognition is a distinction to the constant interest of ISA in order to participate and contribute to the activities conducted by the CGN as an entity in charge of standardizing, centralizing and consolidating public accounting of Colombia.
- After adjusting Colombia's national ratings perspective from stable to negative, on July 26, Fitch Ratings adjusted ISA's ratings from stable to negative. It also confirmed the Company's long term credit rating of BBB+.

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.



SECOND 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.
	CTEEP	Brazil	0,000%	0,010%		INTERNEXA S.A.
	INTERLIGACAO ELETRICA NORTE E NORDESTE S.A. – IENNE	Brazil	0,000%	37,250%	26,239%	ISA CAPITAL DO BRAZIL S.A.
	INTERLIGACAO ELETRICA DE MINAS GERAIS S.A. – IEMG –	Brazil	0,000%	25,000%	6,560%	CTEEP
	INTERLIGACAO ELETRICA PINHEIROS S.A. - IEPINHEIROS	Brazil	0,000%	100,000%	26,239%	CTEEP
	INTERLIGACAO ELETRICA SUL S.A. - IESUL	Brazil	0,000%	99,999%	26,239%	CTEEP
	INTERLIGACAO ELETRICA DO MADEIRA S.A. - IEMADEIRA -	Brazil	0,000%	50,000%	13,119%	CTEEP
	INTERLIGACAO ELÉTRICA SERRA DO JAPI	Brazil	0,000%	51,000%	13,382%	CTEEP
	INTERLIGACAO ELÉTRICA GARANHUNS S.A.	Brazil	0,000%	99,999%	26,239%	CTEEP
	EVRECY	Brazil	0,000%	51,000%	13,382%	CTEEP
	INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.	Brazil	0,000%	100,000%	26,239%	CTEEP
	INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.S ESP	Panama	50,000%	0,000%	50,000%	Joint Control
	EMPRESA PROPIETARIA DE LA RED S.A. - EPR	Colombia	1,172%	97,656%	50,000%	INTERC. ELÉCT. COL-PANAMA
	INTERCHILE S.A.	Chile	11,111%	0,000%	11,111%	
	INTERCOLOMBIA S.A. E.S.P.	Chile	82,350%	17,650%	100,000%	ISA INVERSIONES CHILE LTDA
FINANCI L		Colombia	99,997%	0,001%		INTERNEXA S.A.
				0,001%		ISA PERU S.A.
				0,001%	100,000%	PROY. INFRA. DEL PERU S.A.C.
				0,001%		INTERVIAL COLOMBIA S.A.S
	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.
	ISA INVERSIONES CHILE LTDA.	Chile	100,000%	0,000%	100,000%	INTERNEXA S.A. (PERU)
	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%		Intervial Chile
TELECOM MUNICATI ONS	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%	
	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	America 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
	NQIG	Brazil	0,000%	100,000%	66,851%	ITX CAPITAL PARTICIPACOES
INFRASTR UCTURE	INTERNEXA RIO	Brazil	0,000%	12,440%	66,851%	ITX CAPITAL PARTICIPACOES
	IPNET	Brazil	0,000%	87,560%	66,851%	NQIG
MRTS	PROYECTOS DE INFRAESTRUCTURA DEL PERU S.A.C.	Brazil	0,000%	100,000%	66,851%	ITX CAPITAL PARTICIPACOES
		Peru	99,967%	0,033%	100,000%	TRANSELCA S.A. E.S.P.
roads	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.
		Colombia	0,000%	0,025%		INTERNEXA S.A.
	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.
	INTERVIAL 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%	INTERVIAL CHILE S.A.
			0,000%	0,000%		ISA Tolten
	Ruta del Maipo Sociedad Concesionaria S.A.	Chile	0,000%	99,999%	100,000%	INTERVIAL CHILE S.A.
			0,000%	0,001%		ISA Tolten
	Ruta del Bosque Sociedad Concesionaria S.A.	Chile	0,000%	99,991%	100,000%	INTERVIAL CHILE S.A.
			0,000%	0,009%		ISA Tolten
	Ruta de los Rios Sociedad Concesionaria S.A.	Chile	0,000%	75,000%	75,000%	INTERVIAL CHILE S.A.
	Ruta de la Araucanía Sociedad Concesionaria S.A.	Chile	0,000%	100,000%	100,000%	INTERVIAL CHILE S.A.
	INTERVIAL Colombia S.A	Colombia	0,000%	0,000%		ISA Tolten
			100,000%	0,000%	100,000%	

SECOND QUARTER 2016 FINANCIAL RESULTS



ISA S.A. E.S.P. - CONSOLIDATED - COMPREHENSIVE INCOME STATEMENT (unaudited) JANUARY – JUNE 2016

Values expressed in millions of Colombian pesos

	2Q16	2Q15	Change COP	Change %	2Q16 USD	1H16	1H15	Change COP	Change %	1H16 USD
OPERATING REVENUES										
Energy Transmission	1.141.413	712.320	429.093	60,2%	391	2.186.191	1.458.976	727.215	49,8%	750
Connection charges	53.297	48.893	4.404	9,0%	18	106.536	97.404	9.132	9,4%	37
Dispatch and CND (National Dispatch Center)	18.787	16.202	2.585	16,0%	6	36.065	32.087	3.978	12,4%	12
MEM Services	11.025	7.464	3.561	47,7%	4	23.845	14.303	9.542	66,7%	8
Road Concessions	299.631	265.946	33.685	12,7%	103	610.569	518.248	92.321	17,8%	209
Telecommunications Transport	85.349	65.414	19.935	30,5%	29	169.188	134.909	34.279	25,4%	58
Other operating revenues	12.310	15.822	(3.512)	-22,2%	4	31.302	33.224	(1.922)	-5,8%	11
TOTAL OPERATING REVENUES	1.621.812	1.132.061	489.751	43,3%	556	3.163.696	2.289.151	874.545	38,2%	1.085
Sales and operation costs	760.414	439.903	320.511	72,9%	261	1.431.221	883.581	547.640	62,0%	491
GROSS PROFIT ON SALES	861.398	692.158	169.240	24,5%	295	1.732.475	1.405.570	326.905	23,3%	594
Overhead expenses	209.605	175.775	33.830	19,2%	72	455.898	399.083	56.815	14,2%	156
Other income (expense) net	8.375	7.185	1.190	16,6%	3	8.572	21.501	(12.929)	-60,1%	3
Net equity method	21.183	14.701	6.482	44,1%	7	34.615	28.180	6.435	22,8%	12
INCOME FROM OPERATING ACTIVITIES	681.351	538.269	143.082	26,6%	234	1.319.764	1.056.168	263.596	25,0%	453
Financial income	318.621	285.610	33.011	11,6%	109	461.501	583.519	(122.018)	-20,9%	158
Financial expenses	588.176	532.947	55.229	10,4%	202	972.570	1.032.695	(60.125)	-5,8%	334
Income before taxes	411.796	290.932	120.864	41,5%	141	808.695	606.992	201.703	33,2%	277
Income tax provision	128.717	69.600	59.117	84,9%	44	253.061	181.021	72.040	39,8%	87
COMPREHENSIVE INCOME OF YEAR	283.079	221.332	61.747	27,9%	97	555.634	425.971	129.663	30,4%	191
Non-controlling interest (Minority interest - MI)	85.178	59.440	25.738	43,3%	29	165.319	117.586	47.733	40,6%	57
COMPREHENSIVE INCOME FROM CONTROLLING INTEREST (NET INCOME)	197.901	161.892	36.009	22,2%	68	390.315	308.385	81.930	26,6%	134
	283.079	221.332	61.747	27,9%	97	555.634	425.971	129.663	30,4%	191
OTHER COMPREHENSIVE INCOME⁶:										
Benefits to employees net of taxes										
Cash flow hedges net of taxes	750		750							
Differences in exchange rate conversion amounts, net of taxes	(12.391)	(1.091)	(11.300)	1035,8%	(4)	(27.420)	(617)	(26.803)	4344,1%	(9)
OTHER COMPREHENSIVE INCOME	(91.793)	255.252	(347.045)		(31)	(116.628)	121.537	(238.165)		(40)
	(103.434)	254.161	(357.595)		(35)	(144.048)	120.920	(264.968)		(49)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO										
Controlling interest										
Non-controlling interest	151.800	13.251	138.549	1045,6%	52	151.800	13.251	138.549	1045,6%	52
TOTAL COMPREHENSIVE INCOME OF YEAR	80.141	58.147	21.994	37,8%	27	80.141	58.147	21.994	37,8%	27
	231.941	71.398	160.543	224,9%	80	231.941	71.398	160.543	224,9%	80
EBITDA	796.582	663.570	133.012	20,0%	273	1.575.527	1.283.288	292.240	22,8%	540
EBITDA Margin										
Operating Margin	49,1%	58,6%	-9,5%			49,8%	56,1%	-6,3%		
Net Margin before MI	42,0%	47,5%	-5,5%			41,7%	46,1%	-4,4%		
Net Margin	17,5%	19,6%	-2,1%			17,6%	18,6%	-1,0%		

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 June 30, 2016, the exchange rate was of USD 1.00= COP 2,916.15 (Source: Banco de la República).

⁶ The concept of other comprehensive income corresponds to non-realized gains and losses

ISA S.A. E.S.P. – CONSOLIDATED - INTERIM STATEMENT OF FINANCIAL POSITION (unaudited) JUNE 2016

Values expressed in millions of Colombian Pesos

	June 2016	% Part.	2015	Change COP	Change %	June 2016 USD
Current Assets						
Cash and cash equivalent	1.440.119	3,7%	1.029.250	410.869	39,9%	494
Current financial assets	2.675.933	9,2%	2.587.369	88.564	3,4%	918
Other current financial assets	415.775		292.190	123.585	42,3%	143
Inventories – net	86.152	0,5%	148.013	(61.861)	-41,8%	30
Other current non-financial assets	416.885	0,7%	193.782	223.103	115,1%	143
Total current assets	5.034.864	15,1%	4.250.604	784.260	18,5%	1.727
Non-Current Assets						
Restricted cash	16.391	0,2%	46.553	(30.162)	-64,8%	6
Investments in joint control	1.423.143	4,3%	1.204.681	218.462	18,1%	488
Financial instruments	26.401	0,1%	25.757		0,0%	9
Financial assets	10.441.656	35,4%	9.947.885	493.771	5,0%	3.581
Inventories - net	84.724	0,3%	81.726	2.998	3,7%	29
Property, plant and equipment - net	6.955.302	23,9%	6.707.058	248.244	3,7%	2.385
Intangibles	5.522.100	19,4%	5.451.014	71.086	1,3%	1.894
Other non-financial assets	70.202	0,3%	77.700	(7.498)	-9,6%	24
Deferred tax	456.614	1,1%	319.892	136.722	42,7%	157
Total non-current assets	24.996.533	84,9%	23.862.266	1.134.267	4,8%	8.572
TOTAL ASSETS	30.031.397	100,0%	28.112.870	1.918.527	6,8%	10.298
Current Liabilities						
Current financial liabilities	1.405.326		1.540.247	(134.921)	-8,8%	482
Current accounts payable	1.033.955		685.079	348.876	50,9%	355
Current employee benefits	62.454		66.195	(3.741)	-5,7%	21
Current tax liabilities	315.447		235.978	79.469	33,7%	108
Provisions	512.718		472.780	39.938	8,4%	176
Other current non-financial liabilities	216.856		226.282	(9.426)	-4,2%	74
Total current liabilities	3.546.756		3.226.561	320.195	9,9%	1.216
Non-current liabilities						
Financial liabilities	10.515.505		9.382.032	1.133.473	12,1%	3.606
Accounts payable	1.107.707		1.151.775	(44.068)	-3,8%	380
Tax liabilities	243.943		230.852	13.091	5,7%	84
Employee benefits	431.950		422.835	9.115	2,2%	148
Provisions	289.452		264.043	25.409	9,6%	99
Other non-financial liabilities	291.327		304.528	(13.201)	-4,3%	100
Deferred tax	1.898.367		1.737.191	161.176	9,3%	651
Total non-current liabilities	14.778.251		13.493.256	1.284.995	9,5%	5.068
TOTAL LIABILITIES	18.325.007		16.719.817	1.605.190	9,6%	6.284
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%	490
Reserves	1.878.709		1.491.399	387.310	26,0%	644
Retained earnings	3.232.907		3.237.680	(4.773)	-0,1%	1.109
Income of the year	390.315		701.548	(311.233)	-44,4%	134
Other comprehensive income	800.505		944.553	(144.048)	-15,3%	275
Equity attributable to controlling interest	7.767.480		7.840.224	(72.744)	-0,9%	2.664
Non-controlling interest	3.938.910		3.552.829	386.081	10,9%	1.351
TOTAL SHAREHOLDERS' EQUITY	11.706.390		11.393.053	313.337	2,8%	4.014
TOTAL LIABILITIES AND EQUITY	30.031.397		28.112.870	1.918.527	6,8%	10.298

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 June 30, 2016, the exchange rate was of USD 1.00= COP 2,916.15 (Source: Banco de la República).

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

JANUARY – JUNE 2016

Figures in millions of Colombian pesos

	1H16	1H15	Change COP	Change %	1H16 USD
Cash flows from operating activities:					
Net income	390.315	308.385	81.930	27%	134
Plus (minus) – Adjustments to reconcile net income with the net cash provided by operating activities:					
Minority interest	165.319	117.586	47.733	41%	57
Depreciation of properties, plant and equipment	137.118	134.017	3.101	2%	47
Amortization of deferred and other assets	127.070	102.519	24.551	24%	44
Amortization of retirement pensions and extralegal benefits – net	6.712	5.287	1.425	27%	2
Provision for accounts receivable	4.950	543	4.407	812%	2
Provision for inventory protection	(47)	-	(47)		(0)
Provisions Contingencies	7.761	22.209	(14.448)	0%	3
Provisions for Major Maintenance	15.386	12.227	3.159	0%	5
Income tax provision	253.061	181.021	72.040	40%	87
Expense for foreign exchange rate conversion	186.855	482.343	(295.488)	-61%	64
Equity method with share control	(34.615)	(28.181)	(6.434)	23%	(12)
Accrued interest and commissions	471.013	374.134	96.879	26%	162
	1.730.898	1.712.090	18.808	1%	594
Changes in operating assets and liabilities:					
Debtors	(173.908)	(201.580)	27.672	-14%	(60)
Inventories	55.434	(78.407)	133.841		19
Deferred and other assets	(397.946)	27.212	(425.158)		(136)
Accounts payable and other liabilities	270.341	(204.242)	474.583		93
Labor liabilities	(3.741)	(13.269)	9.528	-72%	(1)
Estimated liabilities and provisions	(46.046)	(43.599)	(2.447)	6%	(16)
Collections in favor of third parties	(3.282)	(12.448)	9.166	-74%	(1)
Minority interest	(81.509)	(110.444)	28.935	-26%	(28)
Cash flows in other operations:					
Retirement pension payments	(2.153)	(5.561)	3.408	-61%	(1)
Tax payments	(614.112)	(292.931)	(321.181)	110%	(211)
Net cash provided by operating activities	733.976	968.709	(234.733)	-24%	252
Cash flows from investment activities:					
Variation of permanent and long term investments	(33.393)	(32.228)	(1.165)	4%	(11)
Sale of property, plant and equipment	248	-	248	0%	0
Intangible acquisitions	(340.684)	(273.368)	(67.316)	25%	(117)
Purchase of property, plant and equipment	(395.094)	(178.475)	(216.619)	121%	(135)
Net cash used by investment activities	(768.923)	(484.071)	(284.852)	59%	(264)
Cash flows from financing activities:					
Interest received in cash	1.245	18.489	(17.244)	-93%	0
Interest and commissions paid in cash	(420.414)	(335.151)	(85.263)	25%	(144)
Dividends paid in Cash	-	(74.214)	74.214	100%	-
Increase in financial obligations	1.062.732	212.114	850.618	401%	364
Bonds issued	707.280	500.000	207.280	100%	243
Payment of financial obligations	(399.017)	(255.874)	(143.143)	56%	(137)
Bond payment/decrease	(506.010)	(243.756)	(262.254)	108%	(174)
Net cash used by financing activities	445.816	(178.392)	624.208		153
Net increase in cash and cash equivalents	410.869	306.246	104.623	34%	141
Cash and cash equivalents at the beginning of period	1.029.250	1.313.630	(284.380)	-22%	353
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1.440.119	1.619.876	(179.757)	-11%	494

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 June 30, 2016, the exchange rate was of USD 1.00= COP 2,916.15 (Source: Banco de la República).