



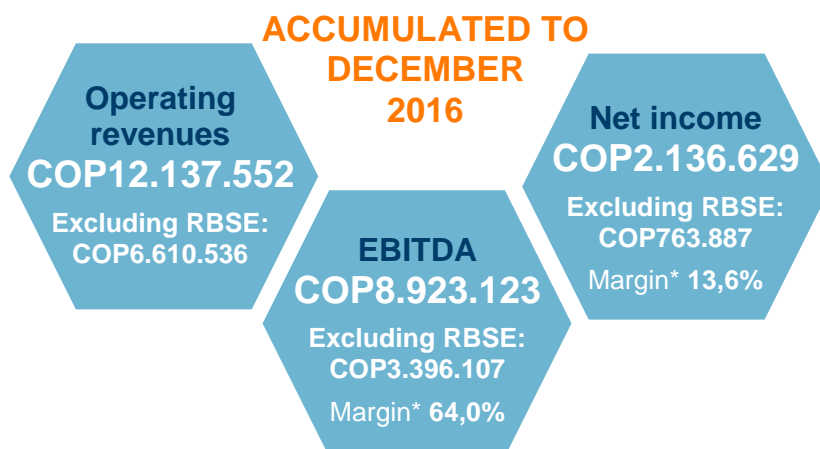
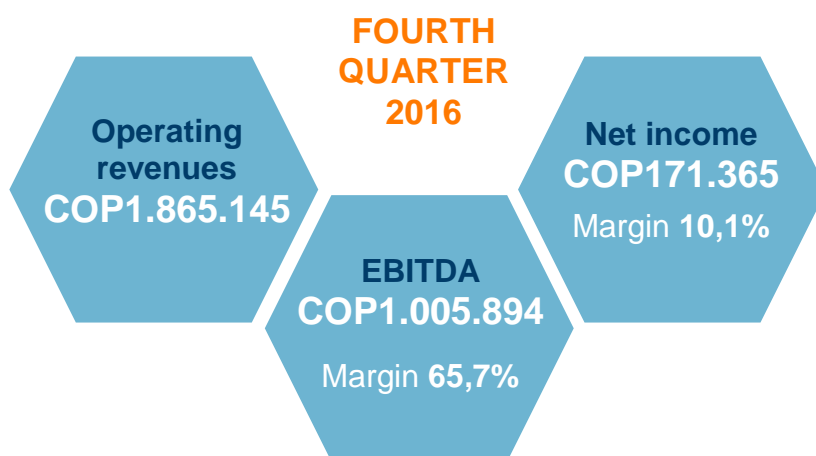
Medellín, Colombia February 27, 2017

ISA S.A. E.S.P. (BVC: ISA; OTC: IESFY) ISA S.A. E.S.P. (BVC: ISA; OTC: IESFY) (“ISA” or “the Company”), a Colombian organization engaged in the businesses of Energy Transmission, Toll Road Concessions, Telecommunications Transport and Real-Time Systems Management, today announced financial results for the fourth quarter of 2016. The audited 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.

FINANCIAL RESULTS 2016

ECONOMIC AND FINANCIAL RESULTS CONSOLIDATED

Figures in millions



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



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■ ECONOMIC AND FINANCIAL RESULTS

Considerations

In the third quarter, and following the Technical Note announcement and upon the initiation of the explanatory public hearings in Brazil related to the recognition of RBSE (value of basic network in the existing system), at CTEEP (ISA's subsidiary), the Company executed value adjustments in the financial statements.

Under the International Financial Reporting Standards -IRFS-, this includes updating the receivables and future cash flows of the financial asset. The accounts that affect the recognition of the RBSE values in the Income Statement are: operating revenues (COP5,5 trillion), tax costs (COP1,7 trillion), the Balance Sheet accounts affected are accounts receivable (COP6,4 trillion) and accounts payable related to taxes and contributions (COP2,6 trillion).

The above is of material importance for the accumulated results for the year under discussion, even though it has no impact on the ISA's cash flow availability.

Results

Accumulated net income at December 2016 reached COP2.136.629 million. Excluding the effect of recognition of the RBSE values, accumulated profit was COP763.887 million, representing a net income increase of COP62.339 million, an 8,9% increase compared with the same period last year. This was mainly due to higher revenues in Energy Transmission, Toll Roads and Telecommunications businesses; and higher results in companies where ISA has joint control (IEMadeira and IEGaranhus). These results were partially offset by the higher maintenance expenses in Chile and higher provisioning in Colombia.

Net income for the fourth quarter of 2016 reached COP171.365 million, an increase of 21.2% compared with the same period in 2015. This variation was mainly explained by higher revenues in Brazil, due to the updating of the accounts receivable from the recognition of RBSE. Additionally, the net result also includes higher revenues due to exchange rate values as well as revenues from new projects that went into operation in Colombia at the end of 2015, such as La Reforma and Copey substations and the Statcom de Bacatá project.

EXCHANGE RATES	4Q16 average	4Q15 average	Change %	2016 close	2015 close	Change %
COP / DOLLAR USD	3.016,18	3.059,68	-1,42%	3000,71	3.149,47	-4,72%
COP / REAL	915,83	796,26	15,02%	920,72	806,56	14,15%
COP / CLP	4,53	4,38	3,31%	4,48	4,43	1,07%
REAL / DOLLAR USD	3,29	3,84	-14,29%	3,26	3,9048	-16,54%
CLP / DOLLAR USD	665,91	697,86	-4,58%	669,47	710,16	-5,73%

The results also include the conversion effects of the financial information of foreign subsidiaries, which generated variations throughout various line items in the financial statements. The former was mainly due to the devaluation of the Colombian peso versus the Brazilian real and the Chilean peso, as well as the revaluation of the Colombian peso against the dollar. This generated a net income reduction of COP3.295 million for the fourth quarter and for the accumulated period ending in December, the behavior of the currencies contributed to a higher profit of COP29.324 million (1,4% of the total income).

■ CONSOLIDATED INCOME STATEMENT

Operating revenues by business¹

(figures in COP millions)

OPERATING REVENUES	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Energy Transmission	1.410.289	1.115.291	294.999	26,5%	470	10.424.200	3.775.527	6.648.673	176,1%	3.474
Energy Transmission (NR ²)	1.410.289	1.115.291	294.999	26,5%	470	4.897.184	3.775.527	1.121.657	29,7%	1.632
Road Concessions	335.888	304.197	31.692	10,4%	112	1.243.215	1.095.266	147.949	13,5%	414
Telecommunications	87.128	72.617	14.511	20,0%	29	337.167	283.785	53.383	18,8%	112
Management of Real-time Systems	31.839	35.341	-3.502	-9,9%	11	132.969	116.071	16.898	14,6%	44
TOTAL	1.865.144	1.527.446	337.700	22,1%	622	12.137.551	5.270.649	6.866.903	130,3%	4.044
TOTAL(NR)	1.865.144	1.527.446	337.700	22,1%	622	6.610.535	5.270.649	1.339.887	25,4%	1.670

During the fourth quarter of 2016, operating revenues reached COP1.865.144 million with an increase of 22,1%. In the accumulated figure, operating revenues were COP12.137.552 million, including the value recognition of RBSE in CTEEP, which explained the significant increase compared with the corresponding periods of the previous year. Excluding RBSE recognition, operating revenues reached COP6.610.535 million, a 25,4% increase over the same period of 2015.

Operating revenues by country

(figures in COP millions)

OPERATING REVENUES	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Colombia	485.234	448.611	36.623	8,2%	162	1.943.742	1.679.560	264.182	15,7%	648
Chile	341.352	307.574	33.778	11,0%	114	1.264.158	1.106.380	157.778	14,3%	421
Brazil	541.621	250.145	291.476	116,5%	180	6.909.130	1.130.629	5.778.501	511,1%	2.302
Brazil(NR)	541.621	250.145	291.476	116,5%	180	1.382.114	1.130.629	251.485	22,2%	461
Peru	459.649	493.750	-34.101	-6,9%	153	1.887.120	1.262.541	624.579	49,5%	629
Others	37.288	27.365	9.923	36,3%	12	133.400	91.538	41.862	45,7%	44
TOTAL	1.865.144	1.527.444	337.700	22,1%	622	12.137.551	5.270.648	6.866.903	130,3%	4.045
TOTAL(NR)	1.865.144	1.527.444	337.700	22,1%	622	6.610.535	5.270.648	1.339.887	25,4%	2.203

During the fourth quarter of the year, the composition of the total revenues by country was; Brazil 29,0%, Colombia 26,0%, Peru 24,6% and 18,3% in Chile.

For the last quarter of 2016, construction revenues³ were COP334.288 million, 8,5% or COP31.057 million lower compared to 4Q15. This was the result of a slow construction dynamic in Peru. In the

¹ Includes the operating revenues plus revenues from construction.

² NR: No recognition of the value of RBSE.

³In NCIF (Standards of Accounting and Financial Reporting in Colombia), construction activities part of a concession has to be reported in the revenue as well as in the expense. The Energy transmission projects in Colombia and Chile are not concession under NCIF standards and consequently are not reported as fixed assets.

FOURTH QUARTER 2016 FINANCIAL RESULTS



accumulated annual figure, construction revenues were COP1.303.189 million, a 49,1% increase, as a result of a higher Energy Transmission construction dynamic in Peru.

(figures in COP millions)

OPERATION INCOME (EXC. CONSTRUCTION)	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Energy Transmission	1.115.898	782.545	333.353	42,6%	372	9.237.883	2.999.012	6.238.872	208,0%	3.079
Energy Transmission (NR)	1.115.898	782.545	333.353	42,6%	372	3.710.867	2.999.012	711.856	23,7%	1.237
Road Concessions	295.990	271.597	24.393	9,0%	99	1.126.343	997.814	128.529	12,9%	375
Telecommunications	87.128	72.617	14.511	20,0%	29	337.167	283.785	53.382	18,8%	112
Management of Real-time Systems	31.839	35.341	-3.502	-9,9%	11	132.970	116.071	16.899	14,6%	44
TOTAL	1.530.856	1.162.100	368.755	31,7%	511	10.834.363	4.396.681	6.437.682	146,4%	3.610
TOTAL(NR)	1.530.856	1.162.100	368.755	31,7%	511	5.307.347	4.396.681	910.666	20,7%	1.768

Operating revenue variations for this quarter were due to:

- **Energy Transmission** accounted for 72,9% of total operating revenue, equivalent to COP1.115.898 million. Compared with the same period in 2015, revenues increased by 42,6% mainly due to Brazil's dynamic where yields (COP49.648 million) from the concession account receivable are included as well as the rates revision in July 2016. Higher revenues in Colombian are also accounted due to the entry into operation of La Reforma and Copey substations, Statcom de Bacatá projects in December 2015, and the increase of the funds administered by FAER, PRONE and FOES⁴.
- **Road Concessions** contributed COP295.990 million, corresponding to 19,3% of the total. During this quarter higher revenues were reported due to concession performance and more operation and maintenance services. These represented a 9% increase compared with revenues reported in 4Q15. It is important to point out that some of the concessions are approaching their maturity dates. Thus, their revenues are lower due to lower accounts receivable to be collected from the state. Consequently, the positive revenue variation becomes lower. This does not imply a cash decrease, as this amount is related to toll collections.
- **Telecommunications** contributed 5,7% of total revenues, corresponding to COP87.128 million, an increase of 20% compared with the same quarter in 2015. This variation was mainly the result of growth in IP service sales, additional information storage and videoconferencing in Colombia, as well as new clients in Chile and Brazil.
- **Real-Time System Management** generated COP31.839 million, or 2,1% of total revenues for the fourth quarter of 2016. The abovementioned represents a 9,9% decrease compared with 4Q15. This variation was explained by the lower regulated revenues during this period, which are linked to the lower expenses taking place.

Accumulated operating revenues, excluding the values linked to RBSE recognition, reached COP5.307.347 million, an increase of 20,7% compared to the same period in 2015. Excluding the abovementioned costs for FAER, FOES, and PRONE, this increase was 18,1%.

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

FOURTH QUARTER 2016 FINANCIAL RESULTS



(figures in COP millions)

OPERATION INCOME (EXC. CONSTRUCTION)	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Colombia	485.234	448.611	36.623	8,2%	162	1.943.742	1.679.560	264.182	15,7%	648
Chile	301.454	274.975	26.479	9,6%	100	1.147.286	1.008.928	138.359	13,7%	382
Brazil	486.957	202.566	284.392	140,4%	162	6.759.342	902.410	5.856.931	649,0%	2.253
Brazil(NR)	486.957	202.566	284.392	140,4%	162	1.232.325	902.410	329.915	36,6%	411
Peru	219.922	208.583	11.339	5,4%	73	850.592	714.244	136.348	19,1%	283
Others	37.288	27.365	9.923	36,3%	12	133.400	91.538	41.862	45,7%	44
TOTAL	1.530.856	1.162.099	368.757	31,7%	510	10.834.362	4.396.680	6.437.682	146,4%	3.611
TOTAL(NR)	1.530.856	1.162.099	368.757	31,7%	510	5.307.346	4.396.680	910.665	20,7%	1.769

Operating transaction revenues by country were as follows: Brazil 31,8%, Colombia 31,7%, Chile 19,7% and Peru 14,4%.

Operating costs and expenses by business

Operating costs and expenses⁵, for the October-December 2016 period increased by 9,4% compared to the same period in 2015. The conversion effect for the period represented an expense of COP48.549 million and explains 52,8% of this increase. For the accumulated twelve months period ending in December, costs and expenses reached COP3.882.571 million, an increase of 29,0%, compared to 2015.

(figures in COP millions)

OPERATING COSTS AND EXPENSES	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Energy Transmission	820.936	769.424	51.512	6,7%	274	3.023.436	2.327.725	695.711	29,9%	1.007
Road Concessions	130.461	96.084	34.377	35,8%	43	432.740	323.541	109.199	33,8%	144
Telecommunications	85.921	78.479	7.442	9,5%	29	310.626	259.973	50.654	19,5%	104
Management of Real-time Systems	29.867	31.282	-1.415	-4,5%	10	115.770	99.647	16.122	16,2%	39
TOTAL	1.067.185	975.269	91.916	9,4%	356	3.882.572	3.010.886	871.686	29,0%	1.294

(figures in COP millions)

OPERATING COSTS AND EXPENSES	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Colombia	348.713	250.241	98.472	39,4%	116	1.222.682	960.772	261.910	27,3%	407
Chile	137.115	101.189	35.926	35,5%	46	459.777	342.874	116.903	34,1%	153
Brazil	208.316	223.176	-14.860	-6,7%	69	664.784	769.234	-104.450	-13,6%	222
Peru	348.784	383.330	-34.546	-9,0%	116	1.450.750	884.571	566.178	64,0%	483
Other	24.257	17.334	6.923	39,9%	8	84.578	53.434	31.144	58,3%	28
TOTAL	1.067.185	975.270	91.915	9,4%	356	3.882.571	3.010.885	871.686	29,0%	1.294

The composition of operating costs and expenses by country during 4Q16 was: 32,7% in Peru, 32,7% in Colombia, 19,5% in Brazil and 12,8% in Chile.

(figures in COP millions)

OPERATING COSTS AND EXPENSES	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Sales and operation costs and expenses	853.666	792.376	61.289	7,7%	284	3.218.711	2.409.746	808.965	33,6%	1.073
Depreciation	77.343	69.157	8.186	11,8%	26	279.145	271.734	7.410	2,7%	93
Amortization	68.948	70.331	-1.383	-2,0%	23	257.824	233.124	24.699	10,6%	86
Provisions	67.228	43.405	23.823	54,9%	22	126.892	96.281	30.611	31,8%	42
TOTAL	1.067.185	975.269	91.915	9,4%	356	3.882.571	3.010.885	871.686	29,0%	1.294

Construction costs reached COP318.144 million during the fourth quarter, a 12,3% decrease, compared with 4Q15.

⁵ Includes sales and operations costs, management costs and construction costs.

FOURTH QUARTER 2016 FINANCIAL RESULTS



Excluding construction, the administrative and operating costs and expenses for the fourth quarter of 2016 reached COP749.041 million, an increase of 22,3%. In addition, without including contributions from FAER, PRONE and FOES, these operating and administration expenses grew 16,9%.

(figures in COP million)

OPERATING COSTS AND EXPENSES (EXC. CONSTRUCTION)	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Energy Transmission	447.315	378.683	68.632	18,1%	155	1.327.340	1.127.630	199.709	17,7%	460
Road Concessions	70.627	58.697	11.930	20,3%	25	235.727	172.375	63.353	36,8%	82
Telecommunications	80.210	65.942	14.268	21,6%	28	224.705	181.494	43.212	23,8%	78
Management of Real-time Systems	28.327	23.680	4.647	19,6%	10	85.903	68.365	17.537	25,7%	30
TOTAL	626.479	527.002	99.477	18,9%	218	1.873.675	1.549.864	323.811	20,9%	650

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

- **Energy Transmission**, which contributed 71,7% of the total, experienced greater expenses due to the provisions of Electricaribe⁶ portfolio (COP31.450 million), higher operating expenses for new projects and greater contributions by FAER, PRONE and FOES for COP33.696 million in Colombia⁷.
- **Road Concessions**, contributed 12,8% of the total, with increased maintenance and operating expenses of 41,5%, compared with the 4Q15. This variation was mainly the result of an increase of COP19.446 million (114,0%) in major maintenance associated with specific cycles that depend on traffic flow in 4 out of the 5 concessions managed.
- **Telecommunications**, contributed 11,5% of total operating costs and expenses, which reached COP85.921 million representing a 9,5% increase, mainly due to higher operating costs to offer new services to customers.
- **Real-Time Systems Management** costs amounted to COP29.867 million, or 4,0% of the 2016 fourth quarter total. This figure represented a 4,5% decrease compared with the same period for 2015, and was due to lower revenues for the period.

Operating costs and expenses by country

The composition of operating costs and expenses by country was: 46,6% in Colombia, 20,9% in Brazil, 15,6% in Peru and 13,7% in Chile.

(figures in COP million)

OPERATING COSTS AND EXPENSES (EXC. CONSTRUCTION)	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Colombia	348.713	250.241	98.472	39,4%	116	1.222.682	960.772	261.910	27,3%	407
Chile	102.589	72.918	29.671	40,7%	34	358.700	259.521	99.179	38,2%	120
Brazil	156.540	173.801	-17.261	-9,9%	52	526.453	552.317	-25.865	-4,7%	175
Peru	116.943	98.163	18.779	19,1%	39	430.303	336.275	94.028	28,0%	143
Other	24.257	17.334	6.923	39,9%	8	84.578	53.434	31.144	58,3%	28
TOTAL	749.041	612.457	136.584	22,3%	250	2.622.715	2.162.319	460.397	21,3%	874

Finally, operating costs and expenses were COP2.622.715 million, with a 21,3% increase compared to the prior year, explained by the same reasons as in the quarter. These costs included COP135.236

⁶ It is the Company's policy that when a customer is intervened by the Government, the overdue portfolio balance is provisioned.

⁷ Resources from these overdue portfolios are recognized in revenues as well as in costs.

million added contributions from FAER, PRONE and FOES compared to December 2015, without which the increase in operating expense would have been 15,8%, contrasting favorably the operating revenue increase of 18,1%.

Equity method and other revenues and expenses

The equity method, which includes earnings of the subsidiaries where ISA has joint control, increased by 210,5% during the fourth quarter compared to 4Q15, from COP10.645 million to COP33.057 million. This variation was mainly explained by the higher profits from the financial assets of IEMadeira and IEGaranhus in Brazil for COP20.950 million. In the annual accumulated period, there was an increase of 88,7% compared to the 2015 period, due to the same reasons as in the fourth quarter, for an amount of COP100.684 million.

For this period, other net revenues and expenses amounted to COP11.853 million with an increase of COP17.376 million compared to the same quarter in 2015. This was mainly due to revenues corresponding to the gain from the sale of the CTEEP subsidiary preferential shares by ISA Capital do Brasil.

The accumulated figure reflected a 31,8% decrease, as there were extraordinary revenues obtained in Colombia in 2015 for nearly COP9.000 million.

EBITDA and EBITDA margin

EBITDA for the fourth quarter of 2016 increased by COP267.560 million compared with the same period of previous year and was due to higher operating revenues from expense and operating cost controls. In percentage terms, EBITDA grew by 36,2% compared with the same period from previous year. The EBITDA margin was 53,9% vs. 48,3% del 4Q15.

At December 2016, EBITDA increased 210,7% compared with the same period from previous year, including the recognition of the RBSE. Excluding the recognition of RBSE in CTEEP, EBITDA increased 18,3%, with a 51,4% EBITDA margin; and isolating the construction effect and the contributions of managed portfolios, the EBITDA margin would have reached 66,2%, the same level as last year.

Revenues from operating activities

As a result of the aforementioned, for the fourth quarter of 2016, ISA reached a profit in operating activities of COP842.870 million, 51,2% more compared to the same period last year. The operating margin stood at 45,2% based on the abovementioned reasons. Excluding construction, the operating margin for the period reached 54,0%. Results due to 2016 accumulated operating activities amounted COP8.503.234 million, with an increase of 253,6% compared to the same period former year. If the RBSE recognition is deducted, these results reached COP2.976.217 million, a 23,8% increase compared to the same period of the prior year.

Financial revenues/expenses

During the fourth quarter of 2016, net financial expenses reached COP236.986 million, which represented a 2,8% decline compared with 4Q15. The variation was due to the difference in the net exchange rate in Chile, Peru and Colombia.

Net accumulated financial expenses at December 2016 totaled COP1.033.341 million, an 11,8% increase with respect to the same period in 2015. This was the result of a higher indebtedness incurred for the financing of planned investments and was offset by a positive net exchange difference.

(figures in COP million)

FINANCIAL REVENUES / EXPENSES	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
Net financial	-228.347	-176.520	-51.829	29,4%	-76	-899.365	-677.379	-221.986	32,8%	-300
Net foreign exchange difference	-8.638	-67.195	58.557	-87,1%	-3	-133.976	-247.258	113.282	-45,8%	-46
TOTAL	-236.984	-243.715	6.730	-2,8%	-79	-1.033.339	-924.635	-108.704	11,8%	-346

Taxes

Income tax expenses for the fourth quarter reached COP213.795 million, representing an increase of COP101.182 million, and was mainly attributable to deferred tax in Chile for COP41.538 million, a higher tax in Brazil for the financial adjustment of the account receivable (RBSE recognition) for COP95.456 million. The former was partially offset by the rate adjustment, from 34% to 33%, of the deferred tax in Colombia, as a result of the tax reform approved at the end of the year. This impact generated a net revenue of COP26.739 million.

The accumulated figure for income tax expenditure to December reached COP2.452.158 million, including the impact generated by the deferred tax for the RBSE recognition. Excluding this effect, accumulated taxes reached COP569.007 million, a 29,1% increase compared to the figure reported in 2015.

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

As a result of the abovementioned, consolidated fourth-quarter profit before minority interest was COP392.089 million and represented a 95,1% increase compared to the same period 2015. The non-controlling interest, however, increased by 270,6%, over the same period last year, thanks to better results in Brazil.

In the accumulated figure, profit before minority interest at December reached COP5.017.735 million with an increase of 382,7% versus the same period 2015. Excluding the recognition of RBSE, profits before minority interests were COP1.372.869 million for the year, an increase of 32,2% compared with 2015.

Comprehensive income of the controlling interest (Net income)

Net income for the fourth quarter of 2016 reached COP171.365 million, a 21,2% increase compared with the figure reported during the same 2015 period. As discussed above, this variation in results

was mainly due higher revenues in Brazil and Colombia, higher results from non-controlled subsidiaries and lower revenues and financial expenses.

The accumulated figure for the year was COP2.136.629 million, including COP1.372.742 million for the recognition of RBSE. Excluding this effect, net income for the quarter was COP763.887 million, an 8,9% increase versus 2015.

Net margin for the fourth quarter of 2016 was 9,2% and was 17,6% for the full year period, excluding construction and value recognition of RBSE in CTEEP, the 2016 margin was 13,6%.

■ CONSOLIDATED BALANCE SHEET

Assets

Assets for ISA and its companies reached COP38.508.385 million, an increase of 37,0% compared with December 2015. This was the result of the value recognition of RBSE in Brazil that raised account receivable financial assets by COP6.406.219 million and higher construction projects in Colombia, Chile, and Peru.

The composition of assets by country was: 38,4% in Brazil, 26,7% in Chile, 18,9% in Colombia and 15,6% in Peru.

Liabilities

Consolidated liabilities were COP21.604.722 million, with an increase of 29,2% compared to December 2015. This variation was due to the deferred tax in Brazil for the recognition of RBSE (COP2.611.116 million), the higher level of indebtedness contracted to support construction projects in Colombia, Chile, and Peru.

The distribution of liabilities by country was 31,1% in Chile, 27,8% in Brazil, 22,6% in Colombia and 18,2% in Peru.

Non-controlling interest (Minority interest)

Minority interest was COP7.047.621 million, representing a 98,4% increase compared to December of the previous year. This was a result of the value recognition of RBSE and stronger results in the companies in Brazil.

Equity attributable to holders of controlling interest

Equity was COP9.863.857 million compared to COP7.840.224 million that were reported in December 2015, represented increase of 25,8% as a result of the value recognition of RBSE in CTEEP, the higher conversion effect of the foreign subsidiaries.

■ CONSOLIDATED CASH FLOW

As of December 2016, cash and cash equivalents reached COP1.167.353 million, an increase of COP138.103 million compared with December 2015. In 2016, cash provided for operations reached COP9.180.438 million. Financing activities generated COP408.764 million, as the net result of new debt for COP2.917.822 million and the debt amortization for COP1.683.742 million. Investment activities totaled COP2.457.549 million, mainly used towards asset construction projects in Peru, Colombia and Chile.

■ DEBT

As of December 31, 2016, consolidated financial debt reached COP 12.828.747 million, a 14% increase compared to December 2015.

Changes include the exchange currency conversion effect, so that upon expressing the debt in Colombian Pesos, the balance increases by COP174.456 million. In 2016, the following debt operations stood out:

- In **Colombia**, ISA issued the Tenth Tranche of a Securities Program for COP400.000 million, used to finance cash flow and investments; the payment for maturity of the second tranche for COP150.000 million; a loan was obtained from a local bank for COP250.000 million, to finance the 2016 investment plan and a programmed payment for USD3,8 million. In addition, TRANSELCA cancelled its bonds issuance for COP50.000 million, due to their maturity at issuance and received loan disbursements for COP70.928 million. Finally, INTERNEXA entered into a long-term loan for COP30.000 million, as part of its investment financing strategy and paid down debt for COP8.800 million.
- In **Peru**, various subsidiaries acted to finance their respective investment plans. As part of these actions, these received bank loan disbursements for approximately USD220 million and programmed debt payments for USD56 million.
- In **Brazil**, CTEEP issued infrastructure debentures for BRL148 million used for the return of investment contributions made to its subsidiaries (IEMadeira and IEGaranhuns) and made debt payments for BRL218 million. CTEEP subsidiaries made debt payments for BRL25 million. In addition, INTERNEXA Brazil received a disbursement for BRL25 million and made debt payments of BRL20,4 million. Finally, ISA Capital do Brasil made payments to preferred shareholders for BRL79,2 million.
- ISA **Bolivia** paid IDB and CAF loans for USD4,8 million.
- In **Chile**, INTERCHILE entered into a loan for USD738 million for its investment plan, CLP67.992 million to finance VAT and an additional credit line of USD33 million for collaterals, from which at the end of the year USD208,9 million were disbursed from the senior loan and CLP31.802 million part of the VAT line. Likewise, Ruta del Maule and Ruta de los Rios, performed operations to manage debt, thus improving its loans profiles with regards to terms and financing rates. In addition, the Chilean concessionaires and Internexa in Chile, made programmed debt payments for COP507.488 million and COP6.966, respectively.

FOURTH QUARTER 2016 FINANCIAL RESULTS



(figures in COP millions)

Consolidated Debt	Business	2016	2015	Change COP	Change %	2016 USD
CHILE		5.275.833	4.620.914	654.919	14,2%	1.758
Ruta del Maipo	Road Concessions	2.691.467	2.681.269	10.198	0,4%	897
Ruta del Maule	Road Concessions	228.436	149.433	79.003	52,9%	76
Ruta de la Araucanía	Road Concessions	702.269	761.760	-59.492	-7,8%	234
Ruta del Bosque	Road Concessions	575.741	639.936	-64.195	-10,0%	192
Ruta de los Rios	Road Concessions	304.873	351.108	-46.235	-13,2%	102
Internexa in Chile	Telecommunications	28.824	37.407	-8.583	-22,9%	10
Interchile	Energy Transmission	744.223		744.223		248
COLOMBIA		2.638.266	2.111.930	526.335	24,9%	879
ISA Colombia	Energy Transmission	2.193.138	1.708.930	484.207	28,3%	731
Transelca	Energy Transmission	383.928	363.000	20.928	5,8%	128
Internexa	Telecommunications Transport	61.200	40.000	21.200	53,0%	20
BRAZIL		1.772.869	1.695.502	77.368	4,6%	591
ISA Capital	Energy Transmission	762.472	738.234	24.238	3,3%	254
CTEEP	Energy Transmission	754.305	710.055	44.251	6,2%	251
IEMG	Energy Transmission	29.546	29.970	-424	-1,4%	10
IEPINHEIROS	Energy Transmission	78.235	80.440	-2.205	-2,7%	26
Serra Do Japi	Energy Transmission	57.825	56.035	1.790	3,2%	19
Internexa Brazil	Telecommunications Transport	90.485	80.768	9.717	12,0%	30
PERU		3.102.912	2.767.712	335.199	12,1%	1.034
ISA Peru	Energy Transmission	87.021	33.741	53.280	157,9%	29
REP	Energy Transmission	755.106	772.954	-17.848	-2,3%	252
Transmantaro	Energy Transmission	2.241.530	1.952.671	288.859	14,8%	747
Internexa in Peru	Telecommunications Transport	19.255	8.346	10.908	130,7%	6
BOLIVIA		36.197	53.188	-16.991	-31,9%	12
ISA Bolivia	Energy Transmission	36.197	53.188	-16.991	-31,9%	12
ARGENTINA		2.671	3.895	-1.224	-31,4%	1
Transamerican Telecom	Telecommunications Transport	2.671	3.895	-1.224	-31,4%	1
TOTAL		12.828.747	11.253.141	1.575.606	14,0%	4.275
TOTAL USD		4.275	3.573	454	19,7%	

36,3% of the debt is denominated in Unidades de Fomento -UF- (Chile), 30,9% in U.S. dollars, 20,0% in Colombian pesos and 12,8% in Brazilian reals.

Approximately 59,3% of the debt is placed in the capital markets and 40,2% are in bank loans. 88,5% of the debt is for a period longer than one year and the remaining 11,5% are short term.

■ CAPEX and INVESTMENTS

Investments for ISA and its subsidiaries for 2016 totaled COP902.011 million, which was explained by the following direct investments and contributions to equity:

- In **Colombia**, ISA invested COP136.768 million in projects under construction, among these are: the new Ituango substation, Cerromatoso-Chinú-Copey corridor and the Caracolí substation, among others. Internexa made asset investments for COP18.832 million for telecommunications infrastructure growth and customer relations projects.
- Investments in **Peru** for COP 266.096 million were concentrated in various constructions projects, such as expansion 17 and 13 in REP and the Mantaro-Montalvo, Planicie-Industriales, Friaspata-

Mollepata transmission lines, the Carapongo substation, and Cotaruse and Termochilca expansions in the Transmantaro Consortium.

- In **Chile**, investments were mainly carried out by INTERCHILE, in the energy transmission projects under execution. In addition, road concessions companies made investments such as LED lighting in Maipo, Maule, Ruta de Araucanía and Ruta de los Rios and tertiary roads in Maipo and the expansion of the toll area. At Ruta del Bosque, the Pasarela Alhuelemu construction started as well as the installation of several surveillance points for closed-circuit television. At Ruta de la Araucania, cameras for the closed-circuit television are being renovated and additional surveillance points are being installed. Internexa Chile received equity contributions for COP2.395 million to comply with its investment plan for the Hotel Datos (data center) Project.
- Internexa Brazil made investments on submarine and optical fiber cables in the state of Sao Pablo for COP27.073 million.

(figures in COP millions)

CAPEX	1Q16	2Q16	3Q16	4Q16	2016	%
Colombia	93.892	116.070	133.713	178.261	521.936	17
Peru	345.603	302.364	202.734	266.096	1.116.796	37
Brazil	52.281	38.561	52.884	76.345	220.071	7
Chile	456.508	23.815	291.223	379.375	1.150.920	38
Other	669	163	1.153	1.934	3.919	0
TOTAL	948.952	480.973	681.706	902.011	3.013.642	100

During the 2016 fourth quarter the following projects entered into operation:

Project name	Circuit kilometers	Date	Annual revenue USD millions
Betania - Mirolando 230 kV Double Circuit	206,3	22/12/2016	2,7
UPME 09-2015: Cartago 230 kV	2	30/11/2016	0,5
SE Ocaña 230 kV expansion	0	2/12/2016	0,4
Valledupar Compensation	0	16/11/2016	0,6

■ HIGHLIGHTS AND SUBSEQUENT EVENTS

- The Chilean Ministry of Economy recognized INTERVIAL CHILE with the ProPyme Seal distinction, due to its compliance with high management standards towards suppliers and SMEs. As a result, this ISA subsidiary in Chile becomes the second company in the industry to be awarded this ProPyme Seal, after Ruta del Maipo received it in 2015.
- In October 2016, ISA updated its Good Corporate Governance Code in order to incorporate the change derived from the statutory reform approved on March 31, 2016 by the Ordinary General Shareholders' Meeting, with regards to ISA's functions as stated in Public Deed 669 dated April 29, 2016. [See report](#)
- CTEEP, ISA's subsidiary in Brazil, was awarded three projects in the power transmission public auction last October. With these projects, ISA's investments in Brazil are reactivated and its presence extends to 17 states. Two of these projects were awarded in consortium with TAESA.

These will have a total investment of USD358 million and represent USD70 million in revenues. [See press release](#)

- For the second consecutive year, ISA won the *Premio Alas20* award for the category Leading Company in Corporate Governance in recognition of its good practices with its stakeholders. In accordance with the organization granting this ALAS20 award, "the importance of this category lies in that it allows us to understand the company's corporate governance practices, by presenting to all its stakeholders information on how the company is being managed and controlled in favor of sustainable development".
- ISA's Board of Directors during its meeting on October 28, authorized the Global quota extension for the Program on Issuance and Placement of Securities of ISA's Internal Public Debt, at one trillion Colombian Pesos (COP1.000.000.000.000), bringing the overall amount to four trillion five hundred thousand billion Colombian Pesos (COP4.500.000.000.000). Fitch Ratings stated that this increase is neutral pursuant to the Company credit profile. ISA's program is rated 'AAA(col)' and 'F+(col)' by Fitch.
- ISA puts into operation Betania-Mirolindo second circuit in December. This new circuit will provide greater availability and reliability to the country's energy system. The approximate annual revenues to be received by the Company are USD 2.7 million. [See press release](#)
- ISA will acquire a stake in TAESA (Brazil), formerly owned by the Fundo de Investimento em Participações Taurus Multiestratégia and the Fundo de Investimento em Participações Coliseu; it represents 41,6% of the control block, 26,0% of ordinary shares and 14,9% of TAESA's total equity stock. The total transaction would amount to BRL 1.056 million, a price that will be subject to adjustments and amendments at the time of closing and will be financed by the Company's own resources and debt operations. The effectiveness of this agreement is subject to normal terms and conditions for this type of transaction, including, among others, approvals by the Brazilian government authorities, such as the Conselho Administrativo de Defesa de Concorrência (CADE) and the Agência Nacional de Energia Elétrica (ANEEL).

This investment represents an important sustainable growth initiative for ISA, in line with its expansion strategy; it adds value to its shareholders, communities and consolidates its position as leading company in the energy transmission sector in Latin America. [See press release](#)

- In December 26, 2016, Moody's Investor Services announced it would maintain ISA's issuer rating of Baa2 with a stable outlook. [See report](#)
- As of Tuesday, January 10, 2017, Mr. Carlos Humberto Delgado Galeano, joined ISA to work in the position of Vice-President of Organizational Talent.
- ISA was recognized as a Known and Repeat Issuer by the Financial Superintendence of Colombia, which allows the Company to proceed more quickly in terms of the process of issuances of public securities.
- ISA was included, for the second consecutive year, in *The Sustainability Yearbook 2017*, a publication which acknowledges the most sustainable companies worldwide. The RobecoSAM Sustainability Yearbook report included a select group of 867 companies, among which ISA is a leader in the Public Energy Services Sector.

- On February 1, 2017, ISA reported that it had complied with the filing and delivery of the Implementation of Corporate Best Practices Report - Country Code, corresponding to the 2016 period.
- Via its compliance with External Guidelines 2, ISA announced that its 2017 General Shareholders' Meeting would take place on March 31, 2017 at 09:00 a.m. in Salón Antioquia at Hotel Intercontinental Medellin. All information pertaining to this event will be announced on the Company's website at: www.isa.co

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.

FOURTH 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	100,0%	0,00%	100,0%	
	RED DE ENERGIA DEL PERU -REP	Peru	30,0000%	30,0000%	59,9992%	TRANSELCA S.A. E.S.P.
	CONSORCIO TRANSMANTARO S.A.	Peru	60,0000%	0,0000%	60,0000%	
	ISA PERU S.A.	Peru	45,1464%	54,8536%	99,9985%	TRANSELCA S.A. E.S.P.
	ISA BOLIVIA S.A.	Bolivia	50,9999%	48,9900%	99,9986%	TRANSELCA S.A. E.S.P. INTERNEXA S.A.
	CTEEP	Brazil	0,0000%	35,9530%	25,3253%	ISA CAPITAL DO BRASIL S.A.
	INTERLIGACAO ELETRICA NORTE E NORDESTE S.A. - IENNE	Brazil	0,0000%	25,0000%	6,3313%	CTEEP
	INTERLIGACAO ELETRICA DE MINAS GERAIS S.A. - IEMG -	Brazil	0,0000%	100,0000%	25,3253%	CTEEP
	INTERLIGACAO ELETRICA PINHEIROS S.A. - IEPINHEIROS	Brazil	0,0000%	99,9990%	25,3251%	CTEEP
	INTERLIGACAO ELETRICA SUL S.A. - IESUL	Brazil	0,0000%	50,0000%	12,6627%	CTEEP
	INTERLIGACAO ELETRICA DO MADEIRA S.A. - IEMADEIRA -	Brazil	0,0000%	51,0000%	12,9159%	CTEEP
	INTERLIGACAO ELÉTRICA SERRA DO JAPI	Brazil	0,0000%	99,9990%	25,3251%	CTEEP
	INTERLIGACAO ELÉTRICA GARANHUNS S.A.	Brazil	0,0000%	51,0000%	12,9159%	CTEEP
	EVRECY	Brazil	0,0000%	100,0000%	25,3253%	CTEEP
	INTERLIGACAO ELÉTRICA PARAGUAÇU S.A.	Brazil	0,0000%	50,0000%	12,6627%	CTEEP
	INTERLIGACAO ELÉTRICA AIMORÉS S.A.	Brazil	0,0000%	50,0000%	12,6627%	CTEEP
	INTERLIGACAO ELÉTRICA ITAUNAS S.A.	Brazil	0,0000%	100,0000%	25,3253%	CTEEP
	INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.	Panama	50,0000%	0,0000%	50,0000%	Control compartido
	INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.S ESP	Colombia	1,1719%	97,6563%	50,0000%	INTERCONEXIÓN ELÉCTRICA COLOMBIA-PANAMA S.A.
	EMPRESA PROPIETARIA DE LA RED S.A. - EPR	America C.	11,1111%	0,0000%	11,1111%	
INTERCHILE S.A.	Chile	82,3500%	17,6500%	100,0000%	ISA INVERSIONES CHILE LTDA	
INTERCOLOMBIA S.A. E.S.P.	Colombia	99,9973%	0,0007%	100,0000%	INTERNEXA S.A.	
		0,0007%	ISA PERU S.A.			
		0,0007%	PROYECTOS DE INFRAESTRUCTURA DEL PERÚ S.A.C.			
		0,0007%	INTERVIAL COLOMBIA S.A.S			
FINANCIAL	ISA CAPITAL DO BRAZIL S.A.	Brazil	70,4400%	0,0000%	70,4400%	
	INTERNEXA PARTICIPAÇÕES S.A.	Brazil	0,0000%	67,2416%	66,8513%	INTERNEXA S.A.
	ISA INVERSIONES CHILE LTDA.	Chile	99,9998%	0,0002%	100,0000%	INTERNEXA S.A. (PERÚ)
	ISA INVERSIONES MAULE	Chile	99,9998%	0,0002%	100,0000%	INTERNEXA S.A.
	ISA INVERSIONES TOLTEN	Chile	0,0000%	0,0100%	99,9999%	ISA INVERSIONES CHILE LTDA.
	Financiera de Desarrollo Nacional S.A.	Colombia	0,0007%	0,0000%	0,0007%	Intervial Chile
	CAMARA DE RIESGO CENTRAL DE CONTRAPARTE -CRCC- Linear Systems RE LTD	Colombia	0,0000%	8,0700%	8,0482%	
	ITX CAPITAL PARTICIPACOES LTDA.	Bermuda	100,0000%		100,0000%	XM S.A. E.S.P.
	INTERNEXA S.A.	Brazil	99,4196%	0,0000%	99,4197%	Linear Systems RE LTD
TELECOM MUNICATIONS	INTERNEXA S.A.	Colombia	0,0000%	100,0000%	99,4197%	TRANSELCA S.A. E.S.P.
	INTERNEXA S.A. (PERU)	Peru	0,0000%	99,0000%	98,4255%	INTERNEXA S.A.
	INTERNEXA CHILE S.A.	Chile	0,0000%	100,0000%	66,8513%	INTERNEXA PARTICIPAÇÕES S.A.
	INTERNEXA BRAZIL OPERADORA DE TELECOMUNICAÇÕES	Brazil	0,0000%	99,1000%	99,4197%	INTERNEXA S.A.
	Transamerican Telecommunication S.A. (INTERNEXA ARGENTINA)	Argentina	0,0000%	0,9000%	11,0455%	INTERNEXA PERU
	REDCA	America C.	0,0000%	5,0000%	49,7098%	INTERNEXA S.A.
	TRANSNEXA S.A. E.M.A.	Ecuador		45,0000%	100,0000%	INTERNEXA PERU
			99,9667%	0,0333%		TRANSELCA S.A. E.S.P.
INFRASTRUCTURE	PROYECTOS DE INFRAESTRUCTURA DEL PERU S.A.C.	Peru	99,7303%	0,0000%	99,7303%	
MRTS	XM S.A. E.S.P.	Colombia	0,0000%	49,9500%	49,8401%	XM S.A. E.S.P.
	DERIVEX S.A.	Colombia	0,0000%	0,0250%		INTERNEXA S.A.
	Sistemas Inteligentes en Red S.A.S.	Colombia	15,0000%	85,0000%	99,7707%	XM S.A. E.S.P.
Toll Roads	INTERVIAL CHILE S.A.	Chile		45,0000%	99,9999%	ISA INVERSIONES MAULE LTDA.
				0,0100%		INTERNEXA S.A.
			0,0000%	99,9999%		INTERVIAL CHILE S.A.
	Ruta del Maipo Sociedad Concesionaria S.A.	Chile	0,0000%	0,0001%	99,9999%	ISA Tolten
	Ruta del Maule Sociedad Concesionaria S.A.	Chile	0,0000%	99,9993%	99,9999%	INTERVIAL CHILE S.A.
	Ruta del Bosque Sociedad Concesionaria S.A.	Chile	0,0000%	0,0007%		ISA Tolten
	Ruta del Bosque Sociedad Concesionaria S.A.	Chile	0,0000%	99,9909%	99,9999%	INTERVIAL CHILE S.A.
	Ruta de los Rios Sociedad Concesionaria S.A.	Chile	0,0000%	0,0091%		ISA Tolten
	Ruta de la Araucanía Sociedad Concesionaria S.A.	Chile	0,0000%	74,9996%	74,9996%	INTERVIAL CHILE S.A.
	Ruta de la Araucanía Sociedad Concesionaria S.A.	Chile	0,0000%	99,9999%	99,9999%	INTERVIAL CHILE S.A.
INTERVIAL Colombia S.A	Colombia	100,0000%	0,0000%	100,0000%	ISA Tolten	
		100,0%	0,00%	100,0%		

FOURTH QUARTER 2016 FINANCIAL RESULTS



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

JANUARY – DECEMBER 2016

Values expressed in millions of Colombian pesos

	4Q16	4Q15	Change COP	Change %	4Q16 USD	2016	2015	Change COP	Change %	2016 USD
OPERATING REVENUES										
Energy Transmission	1.347.938	1.040.137	307.801	29,6%	449	10.165.754	3.515.823	6.649.931	189,1%	3.388
Connection charges	51.473	53.733	(2.260)	-4,2%	17	211.553	202.701	8.852	4,4%	71
Dispatch and CND (National Dispatch Center)	18.991	16.607	2.384	14,4%	6	75.112	65.015	10.097	15,5%	25
MEM Services	8.998	13.182	(4.184)	-31,7%	3	39.625	34.885	4.740	13,6%	13
Road Concessions	335.876	304.185	31.691	10,4%	112	1.243.203	1.095.223	147.980	13,5%	414
Telecommunications Transport	87.128	72.617	14.511	20,0%	29	337.167	283.785	53.382	18,8%	112
Other operating revenues	14.741	26.984	(12.243)	-45,4%	5	65.138	73.217	(8.079)	-11,0%	22
TOTAL OPERATING REVENUES	1.865.145	1.527.445	337.700	22,1%	622	12.137.552	5.270.649	6.866.903	130,3%	4.045
Sales and operation costs	782.248	761.879	20.369	2,7%	261	2.902.062	2.198.018	704.044	32,0%	967
GROSS PROFIT ON SALES	1.082.897	765.566	317.331	41,5%	361	9.235.490	3.072.631	6.162.859	200,6%	3.078
Overhead expenses	284.937	213.390	71.547	33,5%	95	980.510	812.868	167.642	20,6%	327
Other income (expense) net	11.853	(5.523)	17.376	-314,6%	4	14.564	21.364	(6.800)	-31,8%	5
Net equity method	33.057	10.645	22.412	210,5%	11	233.690	123.840	109.850	88,7%	78
INCOME FROM OPERATING ACTIVITIES	842.870	557.298	285.572	51,2%	281	8.503.234	2.404.967	6.098.267	253,6%	2.834
Financial income	484.720	176.843	307.877	174,1%	162	1.054.174	1.014.194	39.980	3,9%	351
Financial expenses	721.706	420.555	301.151	71,6%	241	2.087.515	1.938.829	148.686	7,7%	696
Income before taxes	605.884	313.586	292.298	93,2%	202	7.469.893	1.480.332	5.989.561	404,6%	2.489
Income tax provision	213.795	112.613	101.182	89,8%	71	2.452.158	440.785	2.011.373	456,3%	817
COMPREHENSIVE INCOME	392.089	200.973	191.116	95,1%	131	5.017.735	1.039.547	3.978.188	382,7%	1.672
Minority Interest	220.724	59.552	161.172	270,6%	74	2.881.106	337.999	2.543.107	752,4%	960
Net Income	171.365	141.421	29.944	21,2%	57	2.136.629	701.548	1.435.081	204,6%	712
NET INCOME										
Net income attributable:										
Net Income From Controlling Interest	171.365	141.421	29.944	21,2%	57	2.136.629	701.548	1.435.081	204,6%	712
Net Income from Non-controlling interest	220.724	59.552	161.172	270,6%	74	2.881.106	337.999	2.543.107	752,4%	960
TOTAL NET INCOME OF THE YEAR	392.089	200.973	191.116			5.017.735	1.039.547	3.978.188		1.672
Actuarial revenues/losses by defined benefit plans, net of taxes.										
Revenues (losses) by cash coverage, net of taxes.	(14.042)		(14.042)		(5)	(14.042)		(14.042)		(5)
Revenues (losses) by exchange rates differences, net of taxes.	106.595		106.595		36	69.949	14.963	54.986	367,5%	23
Revenues (losses) by deferred tax.	197.172		197.172		66	150.108	505.943	(355.835)	-70,3%	50
ANOTHER COMPREHENSIVE RESULT	289.725		289.725		97	206.015	520.906	(314.891)	-60,5%	69
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO										
Controlling interest	461.090	141.421	319.669	226,0%	154	2.342.644	1.222.454	1.120.190	91,6%	781
Non-controlling interest	220.724	59.552	161.172	270,6%	74	2.881.106	337.999	2.543.107	752,4%	960
TOTAL COMPREHENSIVE INCOME OF YEAR	681.814	200.973	480.841	239,3%	227	5.223.750	1.560.453	3.663.297	234,8%	1.741
EBITDA	1.005.894	738.334	267.560	36,2%	335	8.923.123	2.871.614	6.051.508	210,7%	2.974
EBITDA Margin	53,9%	48,3%	5,6%			73,5%	54,5%	19,0%		
Operating Margin	45,2%	36,5%	8,7%			70,1%	45,6%	24,4%		
Net Margin before MI	21,0%	13,2%	7,9%			41,3%	19,7%	21,6%		
Net Margin	9,2%	9,3%	-0,1%			17,6%	13,3%	4,3%		

Amounts expressed in millions US dollars in this report are for information purposes only, and do not reflect normally utilized accounting conversion techniques. As of December 31, 2016, the exchange rate was of USD 1.00= COP3.000,71 (Source: Banco de la República).

ISA S.A. E.S.P. – CONSOLIDATED - BALANCE SHEET (audited) DECEMBER 2016

Values expressed in millions of Colombian Pesos

	2016	% Part.	2015	Change COP	Change %	2016 USD
Current Assets						
Cash and cash equivalent	1.167.353	4%	1.029.250	138.103	13,4%	389
Current financial assets	3.807.400	9%	2.587.369	1.220.031	47,2%	1.269
Other current financial assets	463.818		292.190	171.628	58,7%	155
Inventories – net	101.743	1%	148.013	(46.270)	-31,3%	34
Other current non-financial assets	132.875	1%	193.782	(60.907)	-31,4%	44
Total current assets	5.673.189	15%	4.250.604	1.422.585	33,5%	1.891
Non-Current Assets						
Restricted cash	68.311	0%	46.553	21.758	46,7%	23
Investments in joint control	1.690.711	4%	1.204.681	486.030	40,3%	563
Financial instruments	16.315	0%	25.757	(9.442)	-36,7%	5
Financial assets	16.570.181	35%	9.947.885	6.622.296	66,6%	5.522
Inventories - net	72.932	0%	81.726	(8.794)	-10,8%	24
Property, plant and equipment - net	7.759.808	24%	6.703.813	1.055.995	15,8%	2.586
Investments properties	1.764	0%	3.245	(1.481)	-45,6%	1
Intangibles	6.180.123	19%	5.451.014	729.109	13,4%	2.060
Other non-financial assets	67.416	0%	77.700	(10.284)	-13,2%	22
Deferred tax	415.450	1%	319.892	95.558	29,9%	138
Total non-current assets	32.843.011	85%	23.862.266	8.980.745	37,6%	10.945
TOTAL ASSETS	38.516.200	100%	28.112.870	10.403.330	37,0%	12.836
Current Liabilities						
Current financial liabilities	1.674.203		1.540.247	133.956	8,7%	558
Current accounts payable	905.226		685.079	220.147	32,1%	302
Current employee benefits	73.253		66.195	7.058	10,7%	24
Current tax liabilities	245.065		235.978	9.087	3,9%	82
Provisions	537.283		472.780	64.503	13,6%	179
Other current non-financial liabilities	229.713		226.282	3.431	1,5%	77
Total current liabilities	3.664.743		3.226.561	438.182	13,6%	1.221
Non-current liabilities						
Financial liabilities	10.797.221		9.382.032	1.415.189	15,1%	3.598
Accounts payable	979.709		1.151.775	(172.066)	-14,9%	326
Tax liabilities	1.041.742		230.852	810.890	351,3%	347
Employee benefits	465.142		422.835	42.307	10,0%	155
Provisions	267.893		264.043	3.850	1,5%	89
Other non-financial liabilities	401.777		304.528	97.249	31,9%	134
Deferred tax	3.986.495		1.737.191	2.249.304	129,5%	1.329
Total non-current liabilities	17.939.979		13.493.256	4.446.723	33,0%	5.979
TOTAL LIABILITIES	21.604.722		16.719.817	4.884.905	29,2%	7.200
Equity						
Subscribed and paid in capital	36.916		36.916			12
Premium for placement of shares	1.428.128		1.428.128			476
Reserves	1.878.709		1.491.399	387.310	26,0%	626
Retained earnings	3.232.907		3.237.680	(4.773)	-0,1%	1.077
Income of the year	2.136.629		701.548	1.435.081	204,6%	712
Other comprehensive income	1.150.568		944.553	206.015	21,8%	383
Equity attributable to controlling interest	9.863.857		7.840.224	2.023.633	25,8%	3.287
Non-controlling interest	7.047.621		3.552.829	3.494.792	98,4%	2.349
TOTAL SHAREHOLDERS' EQUITY	16.911.478		11.393.053	5.518.425	48,4%	5.636
TOTAL LIABILITIES AND EQUITY	38.516.200		28.112.870	10.403.330	37,0%	12.836

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FOURTH QUARTER 2016 FINANCIAL RESULTS



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

JANUARY – DECEMBER 2016
Figures in millions of Colombian pesos

	2016	2015	Change COP	Change %	2016 USD
CASH FLOWS FROM OPERATING ACTIVITIES					
Net income before taxes	2.136.629	701.548	1.435.081	204,6%	712
Minority interest	2.881.106	337.999	2.543.107	752,4%	960
Depreciation of properties, plant and equipment	279.145	271.735	7.410	2,7%	93
Amortization of deferred and other assets	257.823	233.124	24.699	10,6%	86
Amortization of retirement pensions and extralegal benefits – net	4.282	10.711	(6.429)	-60,0%	1
Provision for accounts receivable	48.062	996	47.066	4725,5%	16
Provision for inventory protection	1.000	(551)	1.551	-281,5%	0
Investments deterioration	19.183				6
Provisions Contingencies	1.747	72.686	(70.939)	-97,6%	1
Provisions for Major Maintenance	35.261	23.149	12.112	52,3%	12
Income tax provision	2.452.158	440.785	2.011.373	456,3%	817
Loss on the sale and retirement of property, plant and equipment	449				0
Expense for foreign exchange rate conversion	326.792	793.628	(466.836)	-58,8%	109
Equity method with share control	(233.690)	(123.840)	(109.850)	88,7%	(78)
Provision recovery	(217)	782.657	(782.874)	-100,0%	(0)
Accrued interest and commissions	970.708				323
	9.180.438	3.544.627	5.635.811	159,0%	3.059
Changes in operating assets and liabilities:					
Debtors	(7.281.869)	(172.769)	(7.109.100)	4114,8%	(2.427)
Collection (causation) for compensation anticipated contract in CTEEP		401.475			
Inventories	57.198	(61.172)	118.370	-193,5%	19
Accounts payable and other liabilities	(165.345)	(111.334)	(54.011)	48,5%	(55)
Labor liabilities	179.347	(73.979)	253.326	-342,4%	60
Estimated liabilities and provisions	7.058	8.426	(1.368)	-16,2%	2
Collections in favor of third parties	(201.196)	1.720	(202.916)	-11797,4%	(67)
Minority interest	(6.937)	(30.273)	23.336	-77,1%	(2)
Cash flows in other operations:	248.616	(211.929)	460.545	-217,3%	83
Retirement pension payments	245.014	(8.084)	253.098	-3130,9%	82
Tax payments	(75.436)	(502.850)	427.414	-85,0%	(25)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2.186.888	2.783.858	(596.970)	-21,4%	729
CASH FLOWS FROM INVESTMENT ACTIVITIES:					
Variation of permanent and long term investments	(92.929)	(36.051)	(56.878)	157,8%	(31)
Intangible acquisitions	(1.035.816)	(796.951)	(238.865)	30,0%	(345)
Purchase of property, plant and equipment	(1.328.804)	(943.502)	(385.302)	40,8%	(443)
NET CASH USED BY INVESTMENT ACTIVITIES	(2.457.549)	(1.776.504)	(681.045)	38,3%	(819)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Interest received in cash	54.603	111.596	(56.993)	-51,1%	18
Interest and commissions paid in cash	(879.919)	(741.549)	(138.370)	18,7%	(293)
Dividends paid in Cash		(296.858)			
Increase in financial obligations	1.915.765	542.539	1.373.226	253,1%	638
Bonds issued	1.002.057	500.000	502.057	100,4%	334
Payment of financial obligations	(667.823)	(624.881)	(42.942)	6,9%	(223)
Bond payment/decrease	(1.015.919)	(782.581)	(233.338)	29,8%	(339)
NET CASH PROVIDED BY FINANCING ACTIVITIES	408.764	(1.291.734)	1.700.498	-131,6%	136
Net increase in cash and cash equivalents	138.103	(284.380)	422.483	-148,6%	46
Cash and cash equivalents at the beginning of period	1.029.250	1.313.630	(284.380)	-21,6%	343
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1.167.353	1.029.250	138.103	13,4%	389

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