

# Consolidated Financial Statements



## EXTERNAL AUDITOR'S REPORT

Februaury 23, 2017

To the Assembly of Shareholders of CONSTRUCCIONES EL CONDOR S.A.

I have audited the consolidated financial statements of CONSTRUCCIONES EL CONDOR S.A. and its subsidiaries at December 31, 2016, which comprise the consolidated financial situation statement, the results per duty and other consolidated integrated results, the consolidated changes in equity, and the consolidated cash flow statement ended on that date and the corresponding notes, including a summary of the significant accounting policies and other explanatory information. The consolidated financial statements at December 31, 2015, were audited by another public accountant tied to Crowe Horwath who provided an opinion on February 22, 2016 free of misstatements.

### Responsibility of management pertaining to financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the accounting principles generally accepted in Colombia; this includes the design, implementation and maintenance of internal control relevant to the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error; and the selection and application of proper accounting principles, and to establish appropriateness of accounting polies used.

### Auditor's responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audits. I gained the information necessary to meet my duties and conduct my audits in accordance with the international auditing standards. These standards require to plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of misstatements.

An audit comprises performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatements in the consolidated financial statements. In making those risk assessments, the auditor considers internal control relevant to the preparation and presentation of the consolidated financial statements in order to design audit procedures that are appropriate and the resonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. I believe that the audit evidence I have obtained provides a reasonable base for my opinion below.

## Opinion

In my opinion, the consolidated financial statements I audited were truthfully taken from the books, exhibit, in all significant and reasonable manner, the consolidated financial situation of CONSTRUCCIONES EL CONDOR S.A. and its subsidiaries at December 31, 2016, the results of

their operations and consolidated cash flows for the year ended on that date, in accordance with the Accounting and Financial Information Standards accepted in Colombia.

CROWE HORWATH CO S.A.



JAQUELINE BETANCUR ARREDONDO  
External Auditor  
Professional Card No. 185.113-T

**CONSTRUCCIONES EL CONDOR S.A.  
CERTIFICATION OF FINANCIAL STATEMENTS**

Medellin, February 23, 2017

Gentlemen  
SHAREHOLDERS  
CONSTRUCCIONES EL CONDOR S.A.  
Medellin

Greetings,

Pursuant to article 47 of Law 964 of 2005, the Legal Representative of Construcciones El Condor S.A. informs the shareholders that the operational efficiency of the controls established by the Company were been verified by the undersigned, and that the existing systems have been satisfactorily assessed in terms of financial information disclosure and control. All controls and systems above mentioned were found in proper operation.

Sincerely,



ANA MARIA JAILLIER CORREA  
Legal Representative  
C.C. 42.895.563

**CONSTRUCCIONES EL CONDOR S.A.  
CERTIFICATION OF FINANCIAL STATEMENTS**

Medellin, February 23, 2017

Gentlemen  
SHAREHOLDERS  
CONSTRUCCIONES EL CONDOR S.A.  
Medellín

The undersigned Legal Representative and the Accountant of  
CONSTRUCCIONES EL CONDOR S.A.

CERTIFY

That the Consolidated Financial Statements and other reports relevant to the public, and the operations of the Company at December 31, 2016, do not contain any inaccuracies or errors which restrain from knowing its true equity condition.

The above is to comply with Article 46 of Law 964 of 2005.



ANA MARIA JAILLIER CORREA  
Legal Representative  
C.C. 42.895.563



ANA ISABEL GONZALEZ VAHOS  
Accountant  
P.C. 47345-T

## CERTIFICATION OF FINANCIAL STATEMENTS

We, ANA MARIA JAILLIER CORREA, acting as the Legal Representative, and ANA ISABEL GONZALEZ VAHOS, acting as the Accountant, hereby state that we have prepared the Statement of Financial Position and the Consolidated Integral Income Statement at December 31, 2016 of CONSTRUCCIONES EL CONDOR S.A. with Tax I.D. No. 890.922.447-4. This task was prepared applying the International Financial Reporting Standards applicable in Colombia affirming that they reasonably present the financial standing at December 31, 2016, and furthermore:

1. We are responsible for the reasonable preparation and presentation of the Consolidated Financial Statements of the Corporation, and hereby state that the figures were truly taken from the official accounting books and their corresponding complementary documents.

2. We are not aware in any way of:

- Irregularities involving members of the administration or employees, which may hinder the Consolidated Financial Statements of the Corporation.
- Communications from regulators which by law should exercise control over the corporation, due to the breach of legal provisions in force or to the improper presentation of the information requested.
- Possible breach of laws or regulations that may create lawsuits or taxes, with effects that should be deemed worth disclosing on the Consolidated Financial Statements or taken as a foundation to estimate contingent liabilities.
- Assets or liabilities other than those registered in the books, or revenues or costs that hurt the results and that should be disclosed in accordance with the International Financial Reporting Standards of Colombia.

3. The Corporation has satisfactorily protected all of the assets it owns as well as those of third parties in its power; there are no pledges or liens on said assets.

4. The Corporation has fully met all contractual agreements which if breached could have an effect on its financial information.

5. No events subsequent to the Statement of Financial Position have taken place that could require an adjustment or disclosure on the Consolidated Financial Statements at December 31, 2016.



ANA MARIA JAILLIER CORREA  
Legal Representative  
C.C. 42.895.563



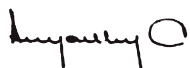
ANA ISABEL GONZALEZ VAHOS  
Accountant  
P.C. 47345-T

## Financial Situation Statement

(Figures in thousands of Colombian pesos)

	At December 31 <b>2016</b>	At December 31 <b>2015</b>
<b>ASSETS</b>		
Cash and cash equivalents (Note 3)	250,437,314	148,439,532
Current investments (Note 4)	168,747,043	177,100,093
Commercial accounts receivable and other accounts receivable (Note 5)	519,816,635	589,788,662
Accounts receivable, related parties (Note 5)	92,331,255	81,797,594
Assets for current taxes (Note 5)	31,812,433	36,368,447
Inventories (Note 6)	187,994,794	193,615,694
Intangibles	316,000	156,000
Prepaid expenses (Note 7)	4,005,448	5,564,704
Non-current assets kept for sale (Note 8)	2,481,613	3,124,992
<b>CURRENT ASSET</b>	<b>1,257,942,535</b>	<b>1,235,955,718</b>
Investments in financial instruments (Note 4)	2,100,491	5,173,293
Investments in associates and joint businesses (Note 4)	93,519,376	110,126,356
Commercial accounts receivable and other accounts receivable (Note 5)	940,868	247,414
Accounts receivable, related parties (Note 5)	213,174,894	203,889,298
Properties, plant and equipment (Note 9)	291,502,295	292,635,877
Investment properties (Note 10)	988,737	828,966
Prepaid expenses (Note 7)	921,440	841,782
Intangible assets other than goodwill (Note 7)	147,993,555	67,798,148
Assets for deferred taxes (Note 7)	43,735,529	40,869,895
<b>NON-CURRENT ASSET</b>	<b>794,877,184</b>	<b>722,411,028</b>
<b>TOTAL ASSETS</b>	<b>2,052,819,719</b>	<b>1,958,366,746</b>
<b>LIABILITY</b>		
Financial obligations (Note 11)	520,656,176	272,465,878
Commercial financing companies (Note 11)	19,835,004	18,989,276
Commercial accounts payable and other accounts payable (Note 12)	324,155,580	122,098,759
Accounts payable with related parties (Note 13)	0	76,611
Current taxes (Note 14)	3,537,191	7,194,163
Labor obligations	5,825,566	4,943,767
Other liabilities (Note 15)	88,703,782	166,070,772
Prepayments and advances received (Note 16)	17,564,409	18,717,317
Prepaid revenues received	3,466,858	9,653,972
<b>CURRENT LIABILITY</b>	<b>983,744,565</b>	<b>620,210,516</b>
Financial obligations (Note 11)	28,000,000	304,266,076
Commercial financing companies (Note 11)	106,740,141	109,090,682
Commercial accounts payable and other accounts payable	93,079	0
Accounts payable with related parties (Note 13)	0	6,112,525
Other liabilities (Note 15)	944,256	665,215
Prepayments and advances received (Note 16)	17,455,587	26,391,382
Liability for deferred taxes (Note 17)	92,691,511	93,841,259
<b>NON-CURRENT LIABILITY</b>	<b>245,924,575</b>	<b>540,367,139</b>
<b>TOTAL LIABILITY</b>	<b>1,229,669,140</b>	<b>1,160,577,655</b>
<b>EQUITY</b>		
Subscribed and paid capital	15,701,606	15,701,606
Premium in share placement	159,711,695	159,711,695
Results of the period	185,924,266	148,621,375
Retained earnings	412,749,800	424,435,589
<b>EQUITY ATTRIBUTED TO CONTROLLERS (NOTE 18)</b>	<b>774,087,367</b>	<b>748,470,265</b>
<b>PARTICIPATIONS OF NON-CONTROLLERS</b>	<b>49,063,212</b>	<b>49,318,826</b>
<b>TOTAL EQUITY</b>	<b>823,150,579</b>	<b>797,789,091</b>
<b>TOTAL LIABILITY AND EQUITY</b>	<b>2,052,819,719</b>	<b>1,958,366,746</b>

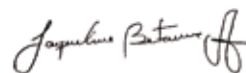
The notes attached are an integral part of the financial statements.



ANA MARIA JAILLIER CORREA  
Legal Representative  
C.C. 42.895.563  
See attached opinion



ANA ISABEL GONZALEZ VAHOS  
Accountant  
P.C. 47345-T  
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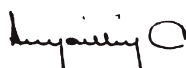
JAQUELINE BETANCUR ARREDONDO  
Statutory Auditor (Crowe Horwath)  
P.C. 185113-T  
See attached opinion

## Income Statement per Function

(Figures in thousands of Colombian pesos)

	From January 1 to December 31		From October 1 to December 31	
	2016	2015	2016	2015
<b>REVENUES FROM NORMAL ACTIVITIES</b>				
Sale of goods	12,281,743	10,887,012	3,133,966	3,233,345
Services provided	611,258,543	1,366,927,434	203,321,516	319,958,378
Revenues for dividends	328,633	16,517,835	0	0
<b>TOTAL REVENUES FROM NORMAL ACTIVITIES (NOTE 19)</b>	<b>623,868,919</b>	<b>1,394,332,281</b>	<b>206,455,482</b>	<b>323,191,723</b>
Operating costs (Note 20)	(535,192,070)	(1,250,237,907)	(171,341,100)	(300,666,127)
<b>GROSS PROFIT</b>	<b>88,676,849</b>	<b>144,094,374</b>	<b>35,114,382</b>	<b>22,525,596</b>
Administration expenses (Note 21)	(31,848,782)	(46,269,480)	(9,821,359)	1,034,818
Other revenues (Note 22)	11,264,507	10,401,870	7,925,429	2,488,735
Other expenses (Note 23)	(8,484,153)	(2,611,533)	(2,454,286)	(550,422)
Other gains or losses (Note 24)	143,275,515	78,651,441	142,945,418	(662,198)
<b>OPERATING PROFIT</b>	<b>202,883,936</b>	<b>184,266,672</b>	<b>173,709,584</b>	<b>24,836,529</b>
Financial revenues (Note 25)	85,253,421	66,014,500	21,127,688	22,488,256
Financial expenses (Note 26)	(130,515,273)	(94,194,406)	(36,177,645)	(27,270,459)
Gain (loss) equity method (Note 27)	36,846,526	3,021,328	2,259,866	1,309,567
<b>PROFIT BEFORE TAXES</b>	<b>194,468,611</b>	<b>159,108,094</b>	<b>160,919,494</b>	<b>21,363,893</b>
Provision for income tax (Note 28)	(6,280,152)	(1,948,086)	(718,583)	7,805,355
Provision for tax on equity CREE (Note 28)	(1,829,035)	(8,463,799)	276,956	(3,013,173)
Tax on wealth (Note 28)	0	0	0	99,891
<b>PROFIT OF THE PERIOD</b>	<b>186,359,424</b>	<b>148,696,209</b>	<b>160,477,867</b>	<b>26,255,966</b>
Attributable to:				
Owners of the controlling company	185,924,266	148,621,375	161,007,373	25,623,956
Non-controlling participations	435,158	74,834	(529,506)	632,011
	<b>186,359,424</b>	<b>148,696,209</b>	<b>160,477,867</b>	<b>26,255,966</b>

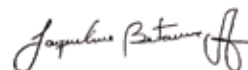
The notes attached are an integral part of the financial statements.



ANA MARIA JAILLIER CORREA  
Legal Representative  
C.C. 42.895.563  
See attached opinion



ANA ISABEL GONZALEZ VAHOS  
Accountant  
P.C. 47345-T  
See attached opinion



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## Other Integral Results of the Period

(Figures in thousands of Colombian pesos)

	From January 1 to December 31		From October 1 to December 31	
	2016	2015	2016	2015
<b>PROFIT OF THE PERIOD</b>	<b>186,359,424</b>	<b>148,696,209</b>	<b>160,477,867</b>	<b>26,255,966</b>
<b>OTHER INTEGRAL RESULT</b>				
Gain from exchange difference from investment conversion overseas	32,743	3,516,014	433,619	7,238,584
Gain (loss) for valuation of controlled companies	(1,349,665)	(6,900,779)	2,616,282	(4,863,240)
Gain (loss) for investments at fair value	(15,417,587)	56,584,938	(25,641,769)	21,486,737
Effect on income tax	7,017,236	0	(723,494)	0
Superavit for valuations investments and properties plant and equipment	(131,329,255)	(66,306,702)	(118,070,433)	15,469,164
Effect on income tax	29,980,397	(27,140,811)	1,851,888	(33,051,384)
Gain for actuaries for employee benefit plans	(32,131)	18,413	(32,131)	18,413
<b>OTHERS INTEGRAL RESULT OF THE PERIOD</b>	<b>(111,098,263)</b>	<b>(40,228,927)</b>	<b>(139,566,038)</b>	<b>6,298,274</b>
<b>TOTAL INTEGRAL RESULT OF THE PERIOD</b>	<b>75,261,161</b>	<b>108,467,282</b>	<b>20,911,829</b>	<b>32,554,240</b>
Attributable to:				
Owners of the controlling company	74,826,003	108,392,448	21,441,335	31,922,230
Non-controlling participations	435,158	74,834	(529,506)	632,011
	<b>75,261,161</b>	<b>108,467,282</b>	<b>20,911,829</b>	<b>32,554,240</b>

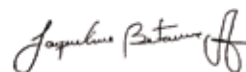
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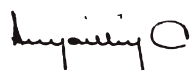
JAQUELINE BETANCUR ARREDONDO  
Statutory Auditor (Crowe Horwath)  
P.C. 185113-T  
See attached opinion

## Cash Flow Statement

(Figures in thousands of Colombian pesos)

	At December 31 <b>2016</b>	At December 31 <b>2015</b>
<b>OPERATING ACTIVITIES</b>		
Profit attributable to:		
Owners of the controlling company	185,924,266	148,621,375
Non-controlling participations	435,158	74,834
Items that do not affect cash:		
Plus depreciation and impairment of properties, plant and equipment	20,504,324	18,189,749
Plus amortizations	11,989,524	4,439,260
Plus expenses for exchange differences	763,673	0
Plus provision of costs	203,711	892,793
Plus provision for contingencies	648,071	250,464
Minus recovery for reimbursement of costs and expenses	(260,513)	(162,520)
Plus loss in sale of properties, plant and equipment	2,264,757	714,417
Plus portfolio deterioration	0	1,394,526
Minus profit from sale of properties, plant and equipment	(291,824)	0
Minus net equity method	(36,846,526)	(3,474,007)
Minus revenues from normal activities	(71,357,460)	(61,522,601)
Minus recovery for provision	(3,968,659)	(1,901,198)
Minus revenue for exchange difference	(24,761)	(3,511,308)
Minus dividends in shares	0	(16,517,835)
Plus caused income tax	8,109,187	10,411,885
<b>CASH GENERATED IN THE OPERATION</b>	<b>118,092,928</b>	<b>97,899,834</b>
<b>CHANGE IN OPERATING ITEMS</b>		
Plus increased liabilities and decreased operating assets	<b>256,000,392</b>	<b>223,565,852</b>
Decrease in rights - intangibles	5,620,900	0
Decrease in deferreds	0	3,400,539
Decrease in commercial accounts payable and other accounts payable	53,276,417	0
Increase in commercial accounts payable and other accounts payable	196,221,276	57,721,276
Increase in liabilities for deferred tax	0	17,275,235
Increase in labor obligations	881,800	1,794,657
Increase in other liabilities and provisions	0	133,373,536
Increase of prepaid revenues received	0	9,653,972
Increase of prepayments and advances received	0	346,637
Minus increases in operating assets and decreases in operating liabilities	<b>125,536,305</b>	<b>584,093,813</b>
Increase in commercial accounts receivable and other accounts receivable	0	416,205,181
Increase in inventories	0	162,696,129
Increase in deferreds	10,509,928	0
Increase in rights - intangibles	8,997,946	1,201,670
Decrease in tax payment	7,797,500	3,990,833
Increase in deferred tax	4,015,382	0
Decrease in estimated liabilities	77,939,732	0
Decrease of prepaid revenues received	6,187,114	0
Decrease of prepayments and advances received	10,088,703	0
<b>NET CASH FOR OPERATING ACTIVITIES</b>	<b>248,557,015</b>	<b>(262,628,127)</b>
<b>CASH FLOW IN INVESTMENT ACTIVITIES</b>		
Plus decrease in investment activities	<b>65,522,737</b>	<b>19,421,923</b>
Non-current assets kept for sale	643,379	0
Investment properties	0	567,427
Investments	64,879,358	18,854,496
Minus increases in investment activities	<b>21,503,445</b>	<b>52,741,003</b>
Non-current assets kept for sale	0	281,549
Properties, plant and equipment	21,343,674	52,459,454
Investment properties	159,771	0
<b>NET CASH FOR THE INVESTMENT ACTIVITIES</b>	<b>44,019,293</b>	<b>(33,319,080)</b>
<b>NET CASH FOR FINANCING ACTIVITIES</b>		
Plus increase in financing activities	<b>0</b>	<b>522,069,000</b>
Reserves	0	934,710
Financial obligations	0	418,671,712
Other integral result	0	53,218,586
Participation of non-controlling	0	49,243,992
Minus decreases in financing activities	<b>190,578,526</b>	<b>118,204,182</b>
Financial obligations	29,580,591	0
Other integral result	9,749,404	0
Surplus for revaluation	101,348,858	0
Dividends decreed	27,569,559	20,677,170
Participation of non-controlling	690,772	0
Decrease of reserves (tax on wealth)	3,603,876	4,079,496
Decrease in retained earnings	18,035,466	93,447,516
<b>NET CASH FOR FINANCING ACTIVITIES</b>	<b>(190,578,526)</b>	<b>403,864,818</b>
Cash increase - decrease	101,997,782	107,917,611
Cash at the beginning of the period	148,439,532	40,521,921
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	<b>250,437,314</b>	<b>148,439,532</b>

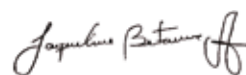
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Legal Representative  
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See attached opinion



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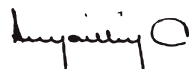
## Statement of Changes in Equity

(Figures in thousands of Colombian pesos)

At December 31, 2016-2015

	Subscribed and paid capital	Capital surplus	Profits withheld	Results of the period	Result of previous periods (convergence)	Other integral result	Changes in equity
<b>BALANCE AT DECEMBER 31, 2014</b>	<b>15,701,606</b>	<b>159,711,695</b>	<b>429,280,046</b>	<b>55,005,586</b>	<b>17,228,706</b>	<b>(13,027,867)</b>	<b>663,899,774</b>
Reserves	0	0	30,248,920	0	0	0	30,248,920
For transfer to results of previous periods	0	0	0	(55,005,586)	934,710	0	(54,070,876)
Results of the period	0	0	0	148,621,375	0	0	148,621,375
Other integral result	0	0	0	0	0	53,218,588	53,218,588
Revaluation surplus	0	0	(93,447,514)	0	0	0	(93,447,514)
<b>BALANCE AT DECEMBER 31, 2015</b>	<b>15,701,606</b>	<b>159,711,695</b>	<b>366,081,452</b>	<b>148,621,375</b>	<b>18,163,416</b>	<b>40,190,721</b>	<b>748,470,265</b>
Reserves	0	0	117,447,940	0	0	0	117,447,940
For transfer to results of previous periods	0	0	0	(148,621,375)	0	0	(148,621,375)
Results of previous periods	0	0	0	0	(18,035,466)	0	(18,035,466)
Results of the period	0	0	0	185,924,266	0	0	185,924,266
Revaluation surplus	0	0	(101,348,858)	0	0	0	(101,348,858)
Other integral result	0	0	0	0	0	(9,749,404)	(9,749,404)
<b>BALANCE AT DECEMBER 31, 2016</b>	<b>15,701,606</b>	<b>159,711,695</b>	<b>382,180,533</b>	<b>185,924,266</b>	<b>127,950</b>	<b>30,441,317</b>	<b>774,087,367</b>

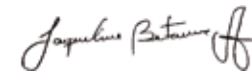
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Statutory Auditor (Crowe Horwath)  
P.C. 185113-T  
See attached opinion

## Note 1. Reporting entity

Construcciones El Condor S.A. was initially incorporated by Public Deed No. 510 granted at Notary 11 of Medellin in March 6, 1979, and in turn has experienced several amendments registered before the Medellin Chamber of Commerce. On April 8, 1994, the Corporation changed from limited to joint - stock under Public Deed No. 944 granted by Notary 7 of Medellin.

Public Deed 3385 dated December 12, 2008, granted by Notary 7 of Medellin, formalized the absorption - type merger agreement of Sociedad Construcciones El Condor S.A., which took over Grupo Condor Inversiones S.A.

On the other hand, Public Deed 2868 dated November 30, 2009, granted by Notary 7 of Medellin, formalized the absorption-type merger agreement of Sociedad Construcciones El Condor S.A., which took over Agregados San Javier S.A.

The Corporation's primary corporate purpose involves the study, design, planning, contracting, implementing, construction, financing, exploitation and management of infrastructure businesses, and to implement all activities and works related to engineering and architecture in its every form, mode and specialty, within Colombia and abroad.

Moreover, the corporate purpose includes the mining exploitation and construction of any other type of civil works, such as dams, viaducts, etc. as well as the use of resources or cash available of the corporation in enterprises incorporated in any manner authorized by the Law.

Overall, the Corporation, in compliance with its corporate purpose, may carry out all necessary or complementary activities for its development.

Legal Term: The Corporation is in force until March 6, 2079.

The Corporation's domicile is set in the city of Medellin.

Since the Corporation issues securities and subscribes its capital in the Colombian Securities Exchange (BVC), the Colombian Finance Superintendence exercises sole control over the Company.

The financial statements were authorized by the Board of Directors on February 27, 2017. The Assembly of Shareholders has the power to amend the financial statements prior to their publication; the Assembly authorized its publication on March 31, 2017.

Concesion Red Vial del Cesar S.A.S.

The affiliate corporation Concesion Red Vial del Cesar S.A.S. was created through Public Deed No. 2438 on November 17, 1999 in the Seventh Notary Public of Medellin.

According to General Assembly Minutes No.24 of April 26, 2012 filed with the Chamber of Commerce on May 14, 2012, the corporation became a simplified shares corporation with the name of Concesion Red Vial del Cesar S.A.S.

According to General Assembly Minutes No. 27 of December 18, 2013 the duration of the corporation will be until December 31, 2050.

The same minutes expanded the corporate purpose to where Concesión Red Vial del Cesar S.A.S. can carry

out small or large scale mining exploration and exploitation, whether alluvial, river bed or seam, exploration and exploitation of quarries, beaches and other natural and materials deposits for construction and mining in general.

The main corporate purpose is to carry out activities for the design and construction of civil works anywhere in the country, in any contractual modality, such as public works contracts, concession contracts, or joint ventures, among others.

Executing and implementing a state concession contract defined under item 49, Article 31, Law 80 of 1993, according to the terms for Public Tender No. 005 of 1999 and Contract No. 128/99.

#### Concesion Cesar - Guajira S.A.S.

The affiliate corporation Concesion Cesar - Guajira S.A.S was created through a private document dated June 12, 2015, by the sole shareholder, registered in the Valledupar Chamber of Commerce on November 30, 2015, in Book 9, with the number 00029631.

The sole corporate purpose shall be to execute and implement the concession contract under the modality of public-private association (PPA) according to the terms of law 1508 of 2012, derived from award act for process N. VJ-VE-APP-IPV-003-2015, issued by the National Infrastructure Agency (Agencia Nacional de Infraestructura) through resolution No. 823 dated May 19, 2015 and whose purpose is the construction, rehabilitation, operation and maintenance and reversion of the road system to connect the Departments of Cesar and Guajira, according to the concession contract, its attachments, addenda, appendices and other documents that are part of the project.

#### Concesion Ruta al Mar S.A.S.

The affiliate corporation Concesion Ruta al Mar S.A.S was established through a private document dated September 14, 2015, by the sole shareholder, registered in the Medellin Chamber of Commerce on October 2, 2015, in book 9, with the number 30735.

The corporation's sole corporate objective shall be to execute and implement the concession contract under the modality of public-private association (PPA), according to the terms of law 1508 of 2012, derived from the award act for process N. VJ-VE-APP-IPV-006-201, issued by the National Infrastructure Agency (Agencia Nacional de Infraestructura) through resolution No 823 dated May 19, 2015 and whose purpose is the construction, rehabilitation, operation, maintenance and reversion of the road system to connect the Departments of Antioquia and Bolivar, according to the concession contract, its attachments, addenda, appendices and other documents that are part of the project.

#### Concesion Vias de las Americas S.A.S.

The affiliate corporation Vias de las Americas S.A.S. was established through a private document no. 0000001 by the Bogota, D.C., Shareholders' Assembly on August 5, 2010, recorded on March 27, 2012 with number 00027547, Book IX with the Bogota, D.C. Chamber of Commerce.

That through minutes No 0000004 for the Extraordinary Assembly of Bogota, D.C., dated October 4, 2011, recorded on February 17, 2012 with number 00027276, Book IX, the domicile is changed from Bogota, D.C. to Monteria.

The corporation's main corporate objective shall be the study, design, planning, financing, exploitation and administration of infrastructure businesses, and implementation of all activities and works related to engineering and architecture in all their manifestations, modalities and specialties, inside or outside the country, under any system whatsoever.

## Condor Investments USA INC

Condor Investments USA INC (2015) was incorporated under the laws of the State of Delaware. The affiliate, Condor Construction Corp (2015) was incorporated under the laws of the State of Florida. Condor Investments USA INC is an investing company while its affiliate is a general contractor that participates in commercial, industrial and municipal construction projects throughout Florida.

Construction contracts are made in virtue of the contracts of cost plus margin and of fixed price amended by the provisions of: incentives, sanctions, time and materials. The duration of the Company's contracts varies, but usually are less than a year in force.

## Note 2. Significant accounting policies and practices.

### 2.1. Summary of significant accounting policies of the Corporation

The accounting principles used derive from the assumption of the continuity of operations of the accounting entity, that is, a business in course, unless otherwise indicated. The Corporation is an entity with a background of a business in course due to the economic movement of its operations and to the time it has to continue operating in the future according to its incorporation.

### 2.2. Bases for consolidation

The consolidated financial statements include the financial statements of the corporation made up by the controlling company and its subsidiaries as of December 31, 2016. Control is achieved when the investor is exposed or entitled to variable yields from their participation in the entity that receives the investment, and is able to affect that yield through its power over the latter.

Specifically, the investor controls the entity that receives the investment if and only if the investor has:

- Power over the entity that receives the investment (i.e., there are rights that give the investor the current ability to direct the receiving entity's relevant activities).
- Exposure or the right to variable yields from the investor's participation in the entity that receives the investment.
- The ability to use the investor's power over the receiving entity to affect its yields in a significant manner.

When the investor holds the majority of the voting or similar rights over the entity that receives the investment, the investor considers all the pertinent facts and circumstances to determine whether or not it has power over that entity. This includes:

- The existence of a contract between the investor and the other holders of voting rights of the entity that receives the investment.
- The rights derived from other contractual agreements.
- The investor's voting rights or potential voting rights or a combination thereof.

The consolidation of a subsidiary ends when the controlling entity loses control over it. The assets, liabilities, revenue and expenses of a subsidiary acquired or sold during the period are included in the consolidated financial statements as of the date on which the controlling entity acquires control of it until it no longer controls the subsidiary.

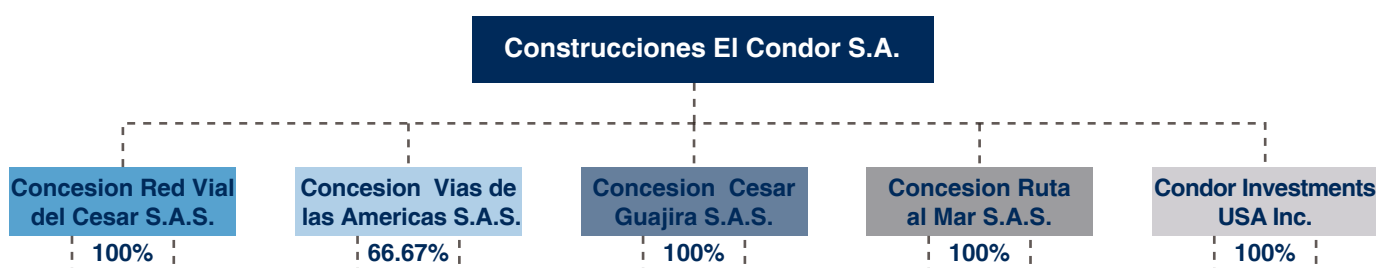
### Consolidation procedure

In preparing the consolidated financial statements, the corporation combines the financial statements for the parent company and its affiliates line by line, adding any items that represent assets, liabilities, net equity,

income, and expenses of a similar nature. For the consolidated financial statements to present the financial information for the group as if it were a single economic entity, the following process will be followed:

- The book value of the parent company's investment in its affiliate will be eliminated together with the amount for net equity of the affiliate.
- The non-controlled interest shall be identified in the results for the period for the consolidated parent, which refer to the reported period.
- The non-controlled interest over the affiliate's net assets will be identified separately from the parent company's share of the net equity.
- Then, the operations between corporations shall be eliminated.

The group of corporations subject to consolidation is shown below:



## 2.2. Bases for preparing the financial statements

### 2.2.1. Compliance statement

The financial statements have been prepared in accordance with the Accounting and Financial Information Standards accepted in Colombia (or NCIF) established in Law 1314 of 2009, and ruled by the Sole Regulatory Decree 2420 of 2015, amended by Decree 2496 of 2015. The NCIF is based on the International Financial Reporting Standards (IFRS) along with its interpretations issued by the International Accounting Standards Board – IASB); the base standards correspond to those translated to Spanish and issued on January 1, 2012 as well as the amendments made during the year 2012 by the IASB.

### 2.3.2. Bases of measurement

The financial statements have been prepared at a fair value to measure assets, liabilities, equity and income statement. The reasonable values were:

- Cost
- Realization or market value
- Net present value
- Fair value

Refers to the price that would be received after selling an asset, or to the price paid for transferring a liability in transactions ordered among market players.

### 2.3.3. Base of causation in accounting

The Company prepares its financial statements using the base of causation in accounting and excluding the information of its cash flows.

### 2.3.4. Currency

Construcciones El Condor S.A. shall express the Colombian peso as its legal currency on the headings of its financial statements.

#### 2.3.5. Relative importance and materiality

Omissions or misstatements are material (or have relative importance) if they can influence individually or jointly the economic decisions made by users based on the financial statements. Materiality shall depend on the magnitude and nature of the omission or misstatement, depending on the particular circumstances it derives from.

The necessary assessments and decisions to prepare financial statements should be based on what is relatively important and hence, requires the use of a sound professional judgment. The concept of materiality is closely linked to complete the disclosure and only focuses on information which is relatively important.

Financial statements should disclose all relevant items which may hurt assessments or decision-making processes.

Materiality or relative importance at Construcciones El Condor S.A. - pertaining to the adoption of International Financial Reporting Standards - was defined by the administration and based on a critical component for the corporation: Profit before taxes (8%). This percentage is evaluated at the end of the period reported.

#### 2.3.6. Current and non-current assets and liabilities

Construcciones El Condor S.A. classifies its assets and liabilities on the financial situation statement as current and non-current. Current means that the entity expects to realize the asset or intends to sell or use it during its normal cycle of operation; it keeps the asset primarily for negotiation purposes and expects to realize the asset within the following twelve months after the period reported; or the asset is cash or cash equivalent unless it is restricted for no less than twelve months after closing the period reported. All other assets are classified as non-current. A liability is current when the entity expects to liquidate it during its normal cycle of operation or keeps it primarily for negotiation purposes.

#### 2.3.7. Responsibility of information, estimates and accounting judgments realized

Preparing the financial statements requires the senior management of Construcciones El Condor S.A. to make several judgments and estimates based on experience, historical facts and expectations on the results of future events. Although it is true that these hypothesis are made as precise as possible following IAS 8 – Accounting policies, changes of accounting estimates and errors – any amendment that must be made in the future of estimates realized shall be executed prospectively as of that moment, acknowledging the effect of the change on the income statement of the corresponding period.

The estimates realized as of the date when the financial statements are presented are listed below:

- Provision for inventories for trial of Realizable Net Value (RNV) and/or impairment
- Impairment of financial assets
- Impairment of non-financial assets
- Premium of seniority
- Actuary calculation
- Provisions and contingencies
- Realizable Net Value for non-current assets kept for sale
- Measurement of revenues and costs related to construction contracts in accordance with the percentage of progress
- Deferred taxes



#### 2.3.8. Changes in accounting policies

Construcciones El Condor S.A. shall change its accounting policy solely if required by another IFRS or if it leads to provide information of financial statements which is increasingly reliable and relevant pertaining to the effect of transactions affecting the financial situation, the financial yield or cash flows.

A change in the accounting policy is addressed as described below:

- If the policy change is voluntary, the Company shall adjust the initial balance of each item affecting the equity for the oldest prior period presented, as if the new policy would have been applied always (retroactive) though its application is impracticable.
- If the policy change stems from the initial application of a new IFRS, the entity shall observe the specific transitory provisions on the IFRS. If the new IFRS does not have transitory provisions, the application shall be retroactive unless it is impracticable in which case it shall be made prospectively with duly disclosure.
- If the IFRS application is anticipated, it shall be deemed as a change of policy due to the initial application of a new IFRS.

Changes in accounting estimates shall be recognised prospectively affecting the results of actual and future periods.

Construcciones El Condor S.A. shall correct the material errors of prior periods retroactively on the first financial statements made after the discovery, re-expressing the information for the prior period or periods in which the error originated; unless it is impracticable to determine the effect thereafter.

#### 2.3.9. Events after the period reported

Construcciones El Condor S.A. shall take into consideration all of the events, favorable or unfavorable, which take place between the end of the period reported and the date authorizing the publication of the financial statements.

The events indicating conditions subsequent to the period reported do not imply adjusting the financial information of the period reported, but the event is disclosed.

#### 2.3.10. Applicable standards

The IFRS comprises the Standards and Interpretations adopted by the IASB. The following lists the standards applied to prepare these financial statements:

	Construcciones El Condor S.A.	Concesion Red Vial del Cesar S.A.S.	Concesion Vias de las Americas S.A.S.	Concesion Cesar Guajira S.A.S.	Concesion Ruta al Mar S.A.S.	Condor Investments USA Inc.
<b>International Accounting Standards (IAS)</b>						
IAS 1 Presentation of financial statements.	X	X	X	X	X	X
IAS 2 Inventories.	X		X	X	X	
IAS 7 Statement of cash flows.	X	X	X	X	X	X
IAS 8 Accounting policies, changes in accounting estimates and errors.	X	X	X	X	X	X
IAS 10 Events after the reporting period.	X	X	X	X	X	X
IAS 11 Construction contracts.	X		X	X	X	X
IAS 12 Income taxes.	X	X	X	X	X	X
IAS 16 Property, plant and equipment.	X		X	X	X	X
IAS 17 Leases.	X		X		X	
IAS 18 Revenue.	X	X	X	X	X	X
IAS 19 Employee benefits.	X	X	X	X	X	X
IAS 21 Effects of changes in foreign exchange rates.	X	X	X	X	X	X
IAS 23 Borrowing costs.	X	X	X	X	X	X
IAS 24 Related party disclosures.	X	X	X	X	X	X
NIC 27 Separate and consolidated financial statements	X					X
IAS 28 Investments in associates.	X					
IAS 32 Financial instruments: Presentation.	X	X	X	X	X	X
IAS 33 Earnings per share.	X					
IAS 34 Interim financial reporting.	X	X	X	X	X	X
IAS 36 Impairment of assets.	X	X	X	X	X	X
IAS 37 Provisions, contingent liabilities and contingent assets.	X	X	X	X	X	X
IAS 38 Intangible assets.	X	X	X	X	X	X
IAS 39 Financial instruments: Recognition and measurement.	X	X	X	X	X	X
IAS 40 Investment property.	X					
<b>International Financial Reporting Standards (IFRS)</b>						
NIIF 3 Business combinations	X					
IFRS 5 Non-current assets held for sale and discontinued operations.	X					
IFRS 7 Financial instruments: Disclosures.	X	X	X	X	X	X
IFRS 8 Operating segments.	X					
IFRS 9 Financial instruments.	X	X	X	X	X	X
IFRS 10 Consolidated financial statements.	X					X
IFRS 11 Joint arrangements.	X					
IFRS 12 Disclosure of interests in other entities.	X					X
IFRS 13 Fair value.	X	X	X	X	X	X
<b>Interpretation SIC</b>						
SIC 29 Agreements for service concession: disclosures			X	X	X	
<b>IFRIC</b>						
IFRIC 1 Changes in existing decommissioning, restoration and similar liabilities.	X					
IFRIC 10 Interim financial reporting and impairment.	X					
CINIIF 12 Agreements for service concession	X		X	X	X	
IFRIC 15 Agreements for the construction of real estate.						

## 2.4. Summary of significant accounting principles applied

### 2.4.1. Cash and cash equivalents

The item of cash and cash equivalents on the financial statements includes cash on hand and in bank accounts, term deposits and other investments with liquidity and at sight, and do not provide any type of restriction of use in the normal course of the operations.

Foreign currency shall recognize its equivalent legal currency at the time the operations are made, applying the exchange rate in force between both currencies.

Cash, restricted cash and cash equivalents shall be measured afterwards based on their fair value, and the variations of the fair value shall be recognised on the income statement.

### 2.4.2. Financial assets

Financial assets are classified as investments at a fair value with changes on results, loans and accounts receivable, investments at amortized cost, investments with fair value and equity changes.

Classification depends on the purpose for which the financial assets were acquired. Senior management determines the classification of the financial assets as of the date of their initial recognition.

#### Investments at fair value with changes on results

Investments at fair value with changes on the results include assets kept to negotiate and financial assets designated at their initial recognition at the fair value with changes on results. Financial assets are classified as investments at fair value with changes on results if acquired to be sold or repurchased in a short-term period. These investments are placed on the Financial Situation Statement based on its fair value; changes of said fair value are recognised as gains or losses on the income statement.

#### Loans and accounts receivable

Construcciones El Condor S.A. shall initially measure its accounts receivable and payable based on the transaction or fair value. Afterwards, these items are measured at the amortized cost using the effective interest rate minus any impairment of the value (if long-term). The amortized cost is calculated keeping in mind any discount or premium for the acquisition as well as the commissions or costs which are an integral part of the effective interest rate.

#### Investments at fair value with changes on equity

Investments at fair value with changes on equity include securities which do not classify as investments at amortized cost or investments at fair value with changes on results. After their initial recognition, investments at fair value with changes on equity are measured by their fair value, while gains and losses not realized are recognised in the equity, until the investment is written-off. At that moment, the accumulated gain or loss is recognised as an operating gain or is deemed as an impairment of the value of the investment, in which case the accumulated loss is reclassified on the income statement under financial costs and is eliminated from equity.

#### Financial assets accounted at their amortized cost

For the financial assets accounted at their amortized cost, the Corporation firstly evaluates if there is any individual objective evidence of the impairment of the value of the financial assets which is individually significant, or collectively significant for the financial assets which are not individually significant. If there is no objective evidence of the impairment of the value of a financial asset evaluated individually, notwithstanding its significance, it shall include the asset in a group of financial assets with similar credit risk features, and shall evaluate them jointly to determine if the value is impaired. If there is evidenced of an impairment, this is

measured as the difference between the amount carried in the books of the asset and the present value of estimated future cash flows (excluding the future credit losses expected which have not incurred yet).

#### Investments at fair value with changes on equity

As far as the investments at fair value with changes on equity, the Corporation evaluates every date at the end of a period reported if there is an objective evidence that an individual or group of assets have impaired value.

In the event of investments in equity securities classified at fair value with changes on equity, the objective evidence should include a significant or prolonged side of the fair value of the investment below its cost. The term “significant” is evaluated with regards to the original cost of the investment while the term “prolonged” is the period in which the fair value has been below the original cost.

#### Value impairment of financial assets

At the end of each period reported, the Corporation evaluates if there is any objective evidence that a financial asset or group of financial assets has impaired its value.

The value of a financial asset or a group of financial assets is deemed impaired solely if there is objective evidence of such impairment from one or more events which have taken place after the initial recognition of the asset (an “event that causes the loss”), and if said event causing the loss has an impact on the estimated future cash flows of the financial asset or group of financial assets, which may be estimated reliably.

#### Impairment of doubtful accounts

Construcciones El Condor S.A. conducts an individual analysis of its accounts receivable impairment policy. The individual analysis covers specific cases that can present impairment, keeping in mind variables such as debtor risk assessment to identify financial risks and risk level. Construcciones El Condor S.A. revises the balance of its accounts receivable impaired at least at the end of each accounting period or when an unfavorable situation in the market is worth revising.

#### Write-offs

Financial assets are written-off when the contractual rights over their cash flows have expired, have been liquidated or have been transferred, and Construcciones El Condor S.A. has substantially transferred all risks and advantages derived from its ownership.

#### 2.4.3. Investments in associates and joint businesses

An associate is an entity in which an investor has significant influence. Significant influence refers to the power of intervening on the political, financial and operation-related decisions of the entity receiving the investment though it does not control or joint control it.

Joint business is a type of agreement in which the parties have joint control of the agreement, and are entitled to net assets of the joint business. These parties are known as participants of the joint business. The joint control requires the unanimous consent of the parties sharing the control.

Construcciones El Condor shall use the equity method to measure these investments later, provided their share is equal to or higher than 20%. Joint businesses with a share lower than 20% are measured based on fair value with changes in another integral result.

As far as the equity method, the items of investment in an associate and joint business are initially recognised at cost. The figure carried in the books of the investment is adjusted to recognize changes in the share of the Corporation over the net assets of the associate, and the joint business since the date of acquisition. The

goodwill related to the associate or to the joint business is included in the books of the investment. This goodwill is not amortized or individually submitted to value impairment trails.

The financial statements of the associate and of the joint business are prepared for the same reporting period of the Corporation. If necessary, proper adjustments are made so its accounting policies match the accounting policies of the Corporation.

After applying the equity method, the Corporation determines if it needs to recognize a loss due to value impairment regarding the investment that the Corporation has in the associate and in the joint business. At the end of each period reported, the Corporation determines if there is objective evidence that the investment in the associate or joint business has impaired. If so, the Corporation calculates the impairment as the difference between the figure carried recoverable from the associate or joint business and its corresponding figures carried in books, and then recognizes the loss on item "Participation in the net profit of the associate and joint business" on the income statement.

In the event of a significant loss of influence over the associate or of joint control over the business, the Corporation measures and recognizes any remaining investment in it based on its fair value.

#### 2.4.4. Joint operations

A joint operation is an agreement in which the parties hold joint control over the assets, obligations and liabilities related to a joint operation. These parties are known as joint operators.

A joint operator shall recognize within a joint operation: its assets, liabilities, revenues and expenses jointly incurred.

A joint operator shall account the assets, liabilities, revenues from normal activities and expenses related to its share in a joint operation in accordance with the IFRS applicable particularly on the assets, liabilities, revenues from normal activities and expenses.

The financial information of a joint operation is prepared during the same reporting period of the Corporation. If necessary, proper adjustments are made so its accounting policies match the accounting policies of the Corporation.

#### 2.4.5. Investments in subsidiaries

A subsidiary is an entity controlled by the investor. The control is achieved when the investor is exposed or entitled to variable yields from its share in the entity receiving the investment, and can affect said yields with the power it has vested. The investor particularly controls an entity that receives an investment if and only if it has:

- Power over the entity that receives the investment (that is, there are rights granted to the investor to direct the relevant activities of the entity).
- Exposure or right to variable yields from its share in the entity receiving the investment.
- Capability to use its power over the entity receiving the investment to affect its yields significantly.

The initial recognition of the Corporation accounts investments in subsidiaries based on the cost. Afterwards, the Corporation applies the equity method to appraise said investments.

#### 2.4.6. Inventories

The Company recognizes inventories when it controls them, when it expects to gain future economic benefits from them, and when their cost may be measured reliably.

Inventories are assets kept to be sold in the normal course of the operations, in the production process to be sold, and as materials or supplies to be used in the production process or to provide services.

Inventories are appraised as the lower figure between the cost and the net realization value. The acquisition cost of inventories involves the purchase price, import tariffs and other taxes (which are not recoverable later from fiscal authorities), transportation, storage and other costs directly attributed to the acquisition of goods and parts. Commercial discounts, rebates and other similar items are deducted to determine the acquisition cost.

The method used to appraise inventories is the weighted average.

This evaluation of the realizable net value shall be made at least once a year.

#### 2.4.7. Intangible assets and prepaid expenses

Construcciones El Condor S.A. deems that an intangible asset is identifiable, non-monetary and has no physical appearance.

The intangible assets acquired separately are initially measured based on their cost. After their initial recognition, intangible assets are accounted for at their cost minus any accumulated amortization and any accumulated loss due to value impairment.

The intangible assets generated internally - excluding development expenses - are not capitalized and are reflected on the income statement in the period in which they incur.

Prepaid expenses are amortized while they generate a benefit for the Corporation. The equity method is straight line and at the end of each period reported, the Corporation verifies any indications of impairment, and if any, it proceeds to calculate the value recoverable.

The gains or losses after writing-off an intangible asset are measured as the difference between the net income from the sale and the amount carried in the books of the asset, and are recognised in the income statement when the asset is written-off.

#### 2.4.8. Properties, plant and equipment

The item of properties, plant and equipment is understood as the group of assets of Construcciones El Condor S.A. that fully meet the following characteristics:

- Physical or tangible elements.
- Available for use by Construcciones El Condor S.A. to generate future benefits for the Company, either for its own use, lease or that of third parties.
- Life equal to or more than 12 months.

Construcciones El Condor S.A. shall recognize the elements of property, plant and equipment as assets if and only if:

- The future economic benefits related to the asset will flow towards the Corporation.
- The asset cost can be measured in a reliable manner.

Moreover, the Company has established that properties, plant and equipment shall include those goods which cost more than 50 minimum monthly wages in force.

An element of the item of properties, plant and equipment shall be measured by its cost.

The cost shall be the price equivalent to cash on the date of recognition. The disbursements involved in the cost are listed below:

- The acquisition price, including import tariffs and non-recoverable indirect taxes, after deducting any discount or price rebate.
- All costs directly related to the location of the asset at the place and under the conditions necessary to operate as foreseen by management.
- Decommissioning costs in accordance with IAS 37 – Provisions, contingent liabilities and contingent assets.

#### Disbursements

The Company shall recognize disbursements as properties, plant and equipment in the event of:

- Additions or overhauls: these disbursements shall be recognised as properties, plant and equipment if their effect increases the value and/or life of the asset or if it provides cost reduction. Otherwise, these disbursements shall be recognised as expenses. The additions are amortized according to the time related to its major asset.
- Replacements of property, plant and equipment: the component replaced shall be written-off in the books.

#### Cost model

After its recognition as an asset, an element of properties, plant and equipment shall be accounted for its cost minus accumulated depreciation and the accumulated figure carried of losses due to value impairment.

#### Revaluation model

After its recognition as an asset, an element of properties, plant and equipment with a fair value can be measured with reliability and shall be accounted for its revaluated value (fair value) at the time of the revaluation, minus the accumulated depreciation and the accumulated figure carried from losses due to the value impaired. Revaluations shall be made regularly enough to ensure that the figures carried in the books, at all time, should not differ significantly from the figure that might be determined using the fair value at the end of the period reported.

#### Depreciation

The depreciation of a good of properties, plant and equipment is recognised systematically during its life, from the moment the good is available for use (used or not) and solely ceases when the asset is classified as kept for sale and written off. The method used is the straight line.

Leasing-related assets (financial lease) are depreciated with similar criteria to those applied to the group of assets for own use.

Type	Subsequent measurement model	Life (years)
Lands	Revaluation model*	
Constructions and buildings**	Revaluation model*	100
Constructions underway	Cost model	
Machinery	Revaluation model*	5 - 20
Office equipment	Cost model	10
Computers and communications equipment	Cost model	3
Fleet and transportation equipment	Revaluation model*	8 - 15
Mines and quarries***	Revaluation model*	250.000 mt3/year
Properties, plant and equipment in transit	Cost model	

\* Appraisals are made from 3 to 5 years while gains or losses generated are recognised in the equity, in other integral result.

\*\* To establish the life of constructions and buildings, an estimated life (100 years) is taken into account minus the time the immovable good has been built.

\*\*\* Mines and quarries use the depletion method based on cubic meters of material extracted.

The Corporation shall use the straight-line depreciation method.

In practice, the residual value of an asset is often insignificant, and hence, irrelevant to calculate the depreciable figure carried. The internal policy of the Corporation estimates that 10% of the value of the assets listed below is residual:

- Machinery and equipment
- Fleet and transportation equipment

If there is any indication that a significant change has taken place in the depreciation rate, life or residual value of an asset, the Company revises the depreciation of that asset and proceeds to adjust it prospectively to reflect new expectations; this revision is made at least at the end of each period reported.

#### 2.4.9. Leases

Leases are classified as financial leases provided all risks are substantially transferred and the advantages inherent to owning the asset leased from the Corporation are observed; all other leases are classified as operating.

##### Financial leases

Financial leases transfer to Construcciones El Condor S.A. substantially all risks and benefits inherent to owning the goods leased. In addition, they are capitalized at the beginning of the lease either based on the fair value of the property leased or on the present value of the minimum payments, whichever is lower. Payments for leases are distributed among financial burdens and debt reduction. Financial burdens are recognised as financial costs on the income statement.

Leased assets depreciate throughout their life. However, if there is no reasonable certainty that the Corporation shall own the asset at the end of the lease, the asset depreciates throughout its estimated life or during the term of the lease, whichever is the lowest.

##### Operating lease

The leases in which the Corporation does not substantially assume the risks and benefits inherent to owning the asset are classified as operating leases.



Payments for operating leases are recognised as operating expenses on the income statement, in a linear manner and throughout the term of the lease.

#### 2.4.10. Borrowing costs

The borrowing costs directly attributed to the acquisition, construction or production of an asset that necessarily has been available for its expected use or sale for a substantial period of time, are capitalized as part of the corresponding cost of the assets. All other borrowing costs are accounted for as expenses in the period when they are incurred. Borrowing costs include interests and other costs incurred by the entity related to entering loan agreements.

A suitable asset requires a substantial period before it is ready to be used or sold. Construcciones El Condor S.A. deems that a substantial period is more than 6 months. The Corporation deems that its agreements for licenses of operation (model of intangible assets) meet the specifications of a suitable asset.

#### 2.4.11. Investment properties

Investment properties are recognised as assets when and solely when:

- It is likely that the future economic benefits are related to said investment properties flowing towards the entity; and
- The cost of investment properties can be measured reliably.

Investment properties are initially measured based on their cost, including transaction costs; and exclude regular maintenance costs of the investment properties.

After the initial recognition, investment properties are measured based on the cost model and keeping in mind the economic life for their straight-line method depreciation. Changes in the measurement model afterwards are accounted for changing the period, if necessary, and are addressed as changes in accounting policies.

Investment properties are written-off either at the time of their sale or when the investment property is removed from its ongoing use and no economic benefit whatsoever is expected to be recovered from its sale. The difference between the net income from the sale and the figure carried on the books of the asset is recognised in the income statement in the period when the asset is written-off.

In the event of an investment property transferred to a component of properties, plant and equipment, the cost taken into account for its later accounting is the fair value on the date of the change of use. If a component of properties, plant and equipment turns into an investment property, the Corporation shall report it in accordance with the policy set forth for properties, plant and equipment as of the date of the change of use.

#### 2.4.12. Non-current assets kept for sale and discontinued operations

Non-current assets and groups of assets classified as kept for sale are measured at the lowest figure between the value in books and the net realization value (fair value minus sales cost). Non-current assets are classified as kept for sale if their figures on the book will recover primarily through a sales transaction instead of their continued use. This condition is met solely when the sale is highly likely and the group of assets are available in their current conditions to be immediately sold. Administration should be committed to the sale and must wait until the sale meets the conditions to be recognised as a sale the year after the classification date.

The item of properties, plant and equipment as well as intangible assets, once classified as kept for sale, are not subject to any depreciation or amortization.

#### 2.4.13. Value impairment of non-financial assets

On the closing date of each period reported Construcciones El Condor S.A. evaluates if there is any indication that could impair the value of an asset. If any, or when annual impairment evidence of an asset is required, the Corporation shall estimate its recoverable amount. The recoverable amount of an asset is the highest between the fair value minus sales costs and its value in use either of an asset or a unit generating cash, and is determined for an individual asset, unless the asset does not generate cash flows that are substantially independent from other assets or groups of assets. When an asset is carried to books or a cash generating entity exceeds its recoverable figure, the asset is deemed impaired and reduces its value to the figure recoverable.

To evaluate the value in use, estimated cash flows are discounted from their present value using a discount rate before taxes which reflects current evaluations in the market in the temporary value of money and the specific risks of the asset. To determine the fair value minus the estimates sales costs (net realization value), recent operations of the market are taken into account, if any, or the most proper valuation model is used.

Losses due to value impairment of assets are recognised on the income statement in those categories of expenses that go hand-in-hand with the asset impaired, excluding the properties previously revaluated where the valuation surplus was registered in the other integral result (equity). In this case, the impairment of the amount is recognised as well until any surplus for valuation of any known previously.

For assets in general, an assessment is made at the end of each period reported to check if there is any indication that the losses from the impaired value recognised previously no longer exist or have decreased. If so, the Corporation makes an estimate of the recoverable amount of the asset or of the unit generating cash. A loss due to impairment previously recognised solely reverts if there is a change in the assumptions used to determine the recoverable amount of an asset since the last time the last loss from value impairment was recognised. The reversal is limited so that the amount on books of the asset does not exceed its recoverable amount or exceeds the amount in books determined, net of depreciation, if a loss from impairment would not have been recognised in prior periods. Said reversal is recognised on the income statement unless the asset is accounted based on its revaluated value in which case the reversal is treated as a revaluation increase.

#### 2.4.14. Current and deferred income tax

The expense for the income tax of the period involves the income tax, the CREE or equity tax and the deferred tax. The deferred tax is recognised on the period's result except when it involves items recognised on equity or another integral result. In these cases, the tax is recognised as well in the equity or on the integral result, respectively.

Senior management regularly evaluates the position assumed in tax statements when tax laws are object of interpretation. The Company creates provisions for the amounts it expects to pay tax authorities when necessary.

The deferred income tax is provisioned entirely using the liability method and over interim differences that stem between the tax bases of assets and liabilities. The deferred tax is calculated per the tax rates announced over the fiscal gain (or loss if this takes place) of the periods in which the asset is expected to be realized for deferred taxes or to cancel the liability for deferred taxes.

The assets of deferred income taxes are solely recognised when it is likely that they produce future tax benefits against those that can use interim differences.

Deferred taxes of assets and liabilities are compensated when there is a legally executable right to compensate current tax assets against current tax liabilities, and when the deferred income tax of assets and liabilities is related to the income tax taxed by the same authority.

#### 2.4.15. Financial liabilities

##### Recognition and initial measurement

Financial liabilities are classified as: loans, accounts payable with related parties, commercial accounts payable and other accounts payable. The Corporation determines the classification of its financial liabilities during their initial recognition.

All financial liabilities are initially recognised for their fair value plus the transactions costs directly attributed, for loans and accounts payable. The financial liabilities of the Corporation include commercial accounts payable, loans and other accounts payable.

##### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification, as described below:

##### Interest bearing loans

After the initial recognition, interest bearing loans are measured at the amortized cost using the effective interest rate method; gains and losses are recognised in the income statement.

The amortized cost is calculated by keeping in mind any discount or premium in the acquisition as well as the commissions or costs which are part of the effective interest rate. The amortization of the effective interest rate is recognised as a financial cost on the income statement.

##### Accounts write-off

A financial liability is written-off when the obligation specified in the agreement is paid, cancelled, or has expired.

When an existing financial liability is replaced by another one from the same lender but under significantly different conditions, or if the conditions of an existing liability are significantly changed, said change is treated as a write-off of the original liability, while the recognition of a new liability and the difference of the amounts in books are recognised on the income statement.

#### 2.4.16. Employee benefits

As of the date of this document, the Corporation provides employee benefits on a short and long-term basis.

Short-term employee benefits are those benefits (other than those from employment termination) which are fully paid in the following twelve months after the period in which the employees have provided their services. These benefits are recognised by Construcciones El Condor S.A. to a non-discounted base and are recognised as expenses as the service is received.

Long-term benefits are related to the seniority of the employees.

Construcciones El Condor S.A. develops specific benefits plans using actuary assumptions to measure the obligations contracted and the expense of each period; in addition, it involves the chance of obtaining actuary gains or losses. On the other hand, the obligations are measured based on their discounted values given the likelihood that these are met many years after the employees have provided their services.

### 2.3.17. Provisions, contingent liabilities and contingent assets

A contingent liability arises when there is a possible obligation from past events, and its existence is confirmed solely by the occurrence or non-occurrence of one or more uncertain events in the future which are not fully under control by the entity, or when there is an obligation from past events and hence, it is unlikely to use resources to incorporate economic benefits to cancel the obligations or whose amount cannot be measured with enough reliability.

When contingencies are likely, the Corporation records a provision using the best estimate with the information available at the time. If the contingency is likely, this event is disclosed on the notes to the financial statements.

#### Contingent assets

A contingent asset is likely and stems from past events, and its existence shall be confirmed solely by the occurrence or non-occurrence of one or more uncertain events in the future which are not fully under control by the entity. Contingent assets are not recognised on the Financial Situation Statement. However, information about these assets is disclosed in certain circumstances.

The entity does not recognize a contingent asset on the financial situation statement but instead on the notes.

### 2.4.18. Revenues from ordinary activities

Revenues from ordinary activities are recognised based on how likely the economic benefits flow towards the Corporation and on well the proceeds can be measured reliably, notwithstanding the moment in which the payment is realized. Revenues are measured by the fair value of the consideration received and receivable, keeping in mind the form of payment established contractually and excluding taxes or tariffs.

#### Services provided

Revenues from services provided are recognised and invoiced as the contracts are executed. When the result of a contract cannot be measured reliably, proceeds are solely recognised up to the limit of the expense incurred which gathers the conditions to be recovered.

#### Sale of goods

Revenues from ordinary activities rising from the sale of goods are recognised when the risks and benefits inherent to the ownership are significantly transferred to the buyer, generally, at the time of delivering the goods.

#### Interests and dividends

Interests shall be recognised using the effective interest rate method as set forth in the financial instruments policy.

Revenues from dividends (ordinary or extraordinary) should be recognised on the date in which the Company is entitled the payment, which can differ from the date in which the dividends are decreed; excluding the investments in associates which are updated by the equity method as established in the investments policy; in which case the dividends decreed reach a lower value of the investments (equity method).

When dividends are decreed over a determined investment, and part of these have been accumulated prior to their acquisition (included in the acquisition cost of the investment), said dividends are recognised as a lower value of the investments and are not deemed a revenue of the period.

#### Proceeds from leases

Proceeds from operating leases over investment properties are accounted in a linear manner throughout the term of the lease, and are included in the revenues from ordinary activities due to their operating nature.

#### 2.4.19. Construction contracts

Revenues from ordinary activities contracted are measured by the fair value of the consideration received or receivable. The measurement of the revenues from ordinary activities contracted shall be affected by diverse uncertainties that depend on the outcome of future events. Estimates often need to be revised as said events take place or the uncertainties are settled.

When the result of a construction contract can be estimated with enough reliability, the revenues from ordinary activities plus the costs related may be recognised as revenues from ordinary activities and expenses, respectively, with reference to the status of completion of the activity covered by the contract at the end of the period reported. Any expected loss caused by the construction contract shall be immediately recognised as an expense of the period.

Under the completion percentage method, the revenues from ordinary activities in a contract are recognised as such in the period's result and throughout the accounting periods in which the contract is executed. The costs of the contract shall be recognised usually as expenses on the result of the period in which the work contracted is executed. Nonetheless, every surplus expected from the costs of the contract over the revenues of the total ordinary activities derived from the contract, shall be recognised immediately as an expense.

#### 2.4.20. Fair value measurement

Fair value is the price received after selling an asset or the price paid to transfer a liability in a transaction ordered among market players. This definition emphasizes that fair value is a measurement based on the market, not a specific measurement of a corporation. When measuring fair value, a corporation uses the assumptions that market players would use to set the price of the asset or liability under present market conditions, including risk assumptions. Consequently, the intention of a corporation is to maintain an asset or to sell a liability is not relevant when fair value is measured.

For disclosure purposes, the standard requires classifying the valuation techniques used to measure fair value under three levels. The hierarchy of fair value grants the highest priority to prices quoted (unadjusted) in active markets for identical assets and liabilities (Level 1 data entry) while the lowest priority is given to non-observable data entries (Level 3 data entry).

Level 1 data entry are the prices quoted (unadjusted) in active markets for identical assets or liabilities which the corporation can access on the measurement date. Level 2 data entry are different to the prices included in Level 1 given they are observable for assets or liabilities, directly or indirectly. Level 3 data entry are non-observable for the asset or liability.

#### 2.4.21. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred, measured by its fair value on the date of acquisition, and the amount of any non-controlling participation in the acquired. For each business combination, the Corporation measures the non-controlling participation based on its fair value. The acquisition costs incurred are attributed to expenses as they incur and are presented on the income statement.

Construcciones El Condor S.A. shall recognize goodwill on the acquisition date when the net amounts paid are more than the difference between assets and liabilities at the fair price acquired. After its initial recognition, goodwill shall following the guidelines of IAS 38 – Intangible assets.

Construcciones El Condor S.A. can make purchases under very advantageous terms, that is, the net paid or cancelled carried (consideration transferred) is less than the amounts or considerations received or liabilities assumed, in this case the Corporation shall recognize the resulting gain on results on the date of acquisition.

#### 2.4.22. Operation segments

An operation segment is a component of an entity with activities that can gain revenues from normal activities and incur in expenses. The results of the operation are revised regularly by the highest authority to make decisions of the entity's operation, to decide which resources should be assigned to the segment and to assess its yield; and of which it holds differentiated financial information.

The Corporation currently handles two operation segments: Construction and Investments.

#### 2.4.23. Foreign currency conversion

The financial statements of Construcciones El Condor S.A. are presented in Colombian pesos given that this is its functional currency.

#### Transactions and balances

Transactions in foreign currency are initially registered at the exchange rates of the functional currencies on the date of the transaction.

- Monetary assets and liabilities in foreign currency are converted at the exchange rate of the functional currency in force on the closing date of the period reported. All differences are registered on the income statement, excluding the items recognised on the equity. Tax effects attributed to exchange differences over said monetary items are registered in the equity as well.
- Non-monetary items measured in terms of their historical cost in foreign currency are converted using the exchange rates in force on the date of the original transaction.
- Non-monetary items measured by their fair value in foreign currency are converted using the exchange rates on the date when that fair value is determined.

#### Conversion of a business overseas

The conversion of the results and the financial situation of a business overseas is described below:

- The assets and liabilities of each of the financial situation statements presented (including comparative figures) are converted to the exchange rate on the date of the corresponding financial situation statement.
- Revenues and expenses from each statement of the present result and another integral result, shall be converted at the exchange rates on the date of the transactions. For this purpose, the average exchange rate of the period reported shall be considered.
- All exchange differences resulting shall be recognised in another integral result.

#### 2.4.24. Service concession agreements

The infrastructure included in the scope of this Interpretation must not be recognized as items under the operator's property, plant and equipment because the contractual agreement for services does not grant the operator the right to use them. The operator has access to the operation of the infrastructure to provide a public service on behalf of the beneficiary of the concession, according to the terms of the contract.

If the operator provides construction or improvement services, the consideration received or to be received by the operator shall be recognized at their reasonable value. The consideration may consist of rights over:

- A financial asset, or
- An intangible asset.

The operator shall recognize a financial asset to the extent that the operator has an unconditional contractual right to receive from the licensor, or an entity under the licensor's supervision, cash or some other financial asset in exchange for the construction services, and that the licensor has little or no ability to avoid payment, usually because the agreement is enforceable by law. The operator has an unconditional right to receive cash when the grantor guarantees the payment to the operator of (a) specified or specifiable amounts, or (b) a deficit, if any, between the sums received from the user of the public service and the specified or specifiable amounts, even when payment is conditioned to the operator's guarantee that the infrastructure meets the specified quality or efficiency requirements.

The operator shall recognize an intangible asset to the extent that the operator receives a right (a license) to impose surcharges on the users of the public service. The right to do so is not an unconditional right to receive cash because the sums are conditioned to the level of use of the service by the public.

The nature of the consideration provided by the grantor to the operator shall be determined by reference to the terms of the contract and to the appropriate contract law, if any.

#### 2.4.25. Hedge accounting

Hedge accounting is a method used on the period's results to display the effect of compensating changes on the fair values of hedging instruments and hedged items.

There are three types of hedging relationships:

##### Fair value hedge

A hedge of the exposure to changes in the fair value of assets or liabilities recognized or commitments not recognized, or of a portion of said assets, liabilities or commitments, related to a particular risk and that may affect the period's results.

If a fair value hedge meets during the period the requirements set forth, it shall be accounted as follows:

- The gain or loss from measuring the hedging instrument (i.e. a derivative that is an hedging instrument) or from the foreign currency component measured in accordance with NIC 21 (in the event of a hedging instrument that is not a derivative), shall be recognized in the period's result; and
- The gain or loss of the hedged item attributable to the risk shall adjust the entry in the books of the hedged item and shall be recognized in the period's results. This will be applied even if the hedged item is measured at the cost.

##### Cash flow hedge

Involves an exposure to cash flow variations which: (i) is attributed to a particular risk related to an asset or liability recognized (such as all or several future interest payments of a debt at variable interest), or a transaction foreseen as highly probable which (ii) may affect the period's results.

When a cash flow hedge matures during the period the conditions established are accounted as follows:

- The gain or loss of the hedging instrument determined as an efficient hedge, is recognized on the other integrated result; and
- The inefficient part of the gain or loss of the hedging instrument is recognized in the period's results.

Hedges of net investments in foreign operations

Hedges of a net investment in foreign operations, including the hedge of a monetary entry accounted as part of a net investment (see NIC 21), are accounting similar to cash flow hedges:

- The gain or loss part of the hedging instrument determined efficient is recognized on the other integral result; and
- The non-efficient part is recognized in the result.

#### 2.4.26. Financial risk management

The financial instruments of the Corporation primarily consist of cash, commercial accounts receivable and other accounts receivable, investments, financial obligations and other accounts payable.

Risk management principles

Construcciones El Condor S.A. has a Primary Comptrollership Group which oversees the financial risk management of the positions and processes of the Corporation's Integral Management System. This Group assures the senior management of the Corporation that the activities with financial risks are regulated by proper corporate policies and procedures, and that the financial risks are identified, measured and managed according to these corporate policies.

The Corporation is exposed to market, credit and liquidity risks.

Market risk

Market risk is when the fair value or future cash flows of a financial instrument fluctuate due to market price changes. Market prices comprise three types of risks: interest rate risk, exchange rate risk and other price risks.

Sensitivity analysis

Construcciones El Condor S.A. conducts ongoing sensitivity analysis of the following variables: interest rates, exchange rates, prices of suppliers and investment performance.

For risk analysis, the resources that may be affected by an event are kept in mind, such as: machinery, equipment, general assets both owned and of third parties, process productivity and compliance, and business profitability.

The following are the potential risk sources identified by the Corporation:

- Commercial and legal relations: between the Corporation and other individuals and corporations, for instance: suppliers, subcontractors, customers.
- Circumstances of the setting: not related to the Corporation, such as legislation changes, sector changes, etc.
- Human behavior: malicious actions made by personnel related or not to the Corporation (errors, riots, strikes, sabotage, mobs, terrorism, fraud, etc.)
- Actions or omissions of directors: poor supervision, non-assignment of resources, little training and lack of planning.

The vulnerability analysis establishes a valuation of the risk identified in terms of frequency and severity as described in the following tables:



Frequency	Definition	Value
Remote	Low likelihood of occurring	1
Possible	Medium likelihood of occurring	2
Frequent	Significant likelihood of occurring	3
Recurring	High likelihood of occurring	4

Financial Resource		
Severity	Definition	Points
Minor	Losses less than 5.5 MMLWF	1
Slight	Losses from 5.5 to 55 MMLWF	2
Serious	Losses from 56 to 279 MMLWF	3
Catastrophic	Losses above 279 MMLWF	4

#### Vulnerability values

- Low: Acceptable risk – no action required, or managed with routine procedures.
- Moderate: Tolerable risk – managed with normal control procedures which have assigned a person responsible; second level priority.
- High: Unacceptable risk – treatment plans required, implemented and reported to top management; immediate action.
- Extreme: Inadmissible risk – treatment plans required, implemented and reported to the Board of Directors; top priority.

Zone	Vulnerability criteria frequency for consequence
Low / acceptable	1 - 2
Moderate / tolerable	3 - 4
High / unacceptable	5 - 9
Extreme / inadmissible	10 - 16

Vulnerability / critical nature			Severity / consequence			
			1	2	3	4
Frequency / likelihood of occurring	4	Recurring	4	8	12	16
	3	Frequent	3	6	9	12
	2	Possible	2	4	6	8
	1	Remote	1	2	3	4

#### Interest rate risk

Interest rate risk is the risk in which the fair value or the future flows of cash of a financial instrument fluctuate due to changes in the market's interest rates. The exposure of the Corporation to the interest rate risk of the market is primarily related to its short and long-term financial obligations with variable interest rates.

The level of indebtedness of the Corporation is quite low. The economic soundness of the organization has allowed the Corporation to remain as a very attractive customer for financial entities and to obtain very good rates when working capital is required. On the other hand, since it is listed, the Corporation can opt to obtain resources in the securities market when the credit conditions are unfavorable or when an amount required make it more convenient to use this option.

## Exchange rate risk

The exchange rate risk is the risk in which the fair value or the future cash flows of a financial instrument fluctuate due to changes in exchange rates. The Corporation's exposure to the exchange rate risk relates firstly, to any debt in foreign currency and secondly, to investments of the Corporation overseas.

This risk can boost when purchasing machinery and spare parts overseas, and recognizing the corresponding liability.

## Other price risks

### Raw materials price risk

The Corporation is not affected by the price volatility of certain raw materials given that it does not make transactions in the securities market with raw materials quoted.

### Stocks price risk

The stocks of the Corporation are sensitive to the market's price risk as a result of the uncertainty of its future value. The Corporation manages stock price risk by diversifying and establishing limits at an individual and total level. The Primary Comptrollership Group regularly revises and analyzes the performance of these investments to make corporate level decisions.

### Credit risk

Credit risk is the risk in which a consideration breaches its obligations in a financial instrument or a commercial contract, giving way to a financial loss. The Corporation is exposed to credit risk due to its operating activities (particularly, commercial accounts receivable) and its financial activities, including deposits in banks and financial institutions, and other financial instruments.

The Corporation's cash is at top quality financial institutions. The Primary Controllership Group verifies if the management of the treasury meets the policies of the Corporation.

### Accounts receivable

Construcciones El Condor S.A. charges its accounts receivable while those which are more than 150 days due are passed to a legal debt recovery process. Every year, higher amounts owed to the Corporation are revised and the Management of Controllership and Finances along with the Direction of the Work make the accounting and tax provisions necessary with all of the legal and follow-ups established. Moreover, each legal process is revised and the Legal Department prepares minutes detailing the collection process made and concludes if the account receivable must be punished for not being paid off.

### Liquidity risk

Liquidity risk is the risk in which the Corporation cannot pay its financial obligations on their expiration date. The purpose of the Corporation handling liquidity is to ensure, as much as possible, that it will always have enough liquidity to meet its obligations in normal and particular situations, without incurring in unacceptable losses or risking the Corporation's reputation.

Liquidity is monitored by the Corporation on a monthly basis. It provides very positive results compared to other Corporations of the sector due to the financial strength and leverages made since the business' beginnings.

### Capital management risk

The primary goal of the Group's capital management is to ensure that it can maintain a sound credit rating and healthy capital ratios to sustain the business and to maximize the value for the shareholder.

The Corporation manages its capital structure and conducts adjustments depending on changes in economic conditions. To maintain and adjust its capital structure, the Corporation may issue new stocks in the securities market and other financial debt mechanisms.

## 2.4.27. Joint operations

Business cooperation agreement	Share	Type of agreement	Description	Duration	Consortium members
Union Temporal Sumicon	75.00%	Temporary Joint Venture	Union Temporal Sumicon was established so that its members can jointly participate in the supply at the plant and in the asphalt mix and emulsion work.	The term of the agreement	Mincivil S.A. 25%, Construcciones El Condor S.A. 75%
Consortio Autosur	50.00%	Consortium	Maintenance of the section from the General Santander School and Ciudad de Villavicencio Avenue; Transmilenio system belonging to the South sector of the NQS Network.	60 months	Construcciones El Condor S.A. 50%, Construcciones Civiles 50%
Consortio Hidroelectrica de Tulua	65.00%	Consortium	Granted by EPSA S.A., for the construction of civil works of Alto Tuluá hydroelectric power station, Bajo Tuluá hydroelectric power station, and the construction and improvement of access roads and bridges for both projects.	Until its final liquidation	Construcciones El Condor S.A. 65%, Estyma S.A. 35%
Consortio O.M.C.	30.00%	Consortium	Constructor Nuevo Dorado (CCND), for the construction of cargo platforms for the new cargo terminal building (phase I) of El Dorado International Airport in the city of Bogotá.	Per the term in the policies demanded by CCND	Mincivil S.A. 35%, Grupo Odinsa S.A. 35%, Construcciones El Condor S.A. 30%
Consortio Constructor Nuevo Dorado	15.00%	Consortium	Works related to the modernization and expansion phase of El Dorado International Airport.	Per the term in the policies demanded by CCND	Grupo Odinsa S.A. 30%, CSS Constructores S.A. 25%, Marval S.A. 10%, Termotecnica Coindustria S.A. 10%, Arquitectura y Concreto S.A. 5%, Consultoria Colombiana S.A. 5%, Construcciones El Condor S.A. 15%
Consortio Constructor Aburra Norte	21.93%	Consortium	The purpose of the consortium is to establish the terms and conditions in which the companies shall jointly implement the commercial others provided to Gehatovial for the routine and regular maintenance and for the works included in the scope of Concession Contract 97-CO-20-1738 as well as its addendum entered by the Department of Antioquia y la Sociedad Hatovial S.A.	The consortium shall remain valid and active for the period required to implement and definitely liquidate, without any reserve, all accounts, differences and litigations, guarantees and liabilities among the parties, with Gehatovial or with third parties	Mincivil S.A. 30.775%, Grupo Odinsa S.A. 23.075%, S.P.Explanaciones S.A.S. 23.075%, Construcciones El Condor S.A. 21.93%, Latince S.A. 1.150%

Business cooperation agreement	Share	Type of agreement	Description	Duration	Consortium members
Consortio Avenida Colon	70.00%	Consortium	Implementation of infrastructure construction works for the Avenida Colon Manizales – Caldas road.	The term of the agreement plus one year	Proyectos y Vias S.A. 15%, Mainco S.A. 15% y Construcciones El Condor S.A. 70%
Consortio Vial del Sur	27.00%	Consortium	Road development of Transversal del Sur. Module 2. Improvement and maintenance of Tumaco - Pasto - Mocoa corridor. Module 1. Construction of San Francisco – Mocoa 4 - lane road.	The term to implement and liquidate the agreement plus 5 years	Sonacol S.A. 20%, CASS Constructores & CIA. S.C.A. 20%, CSS Constructores S.A. 20%, Construcciones El Condor S.A. 27%, Puentes y Torones S.A. 13%
Consortio Mantenimiento OPAIN	15.00%	Consortium	Provide maintenance services of works involved in the modernization and expansion stage of El Dorado International Airport in Bogotá as well as complementary works and services.	The term to implemente and liquidate the agreement	Construcciones El Condor S.A. 15%, Grupo Odinsa S.A. 35%, CSS Constructores S.A. 30%, Marval S.A. 10%, Termotecnica Coindustrial S.A.10%
Consortio Constructor Americas	66.67%	Consortium	The purpose of the consortium is to enter and implement the EPC agreement.	The term to implement and liquidate the agreement	Construcciones El Condor S.A. 66.67%, Valores y Contratos S.A. 33.33%
Union Temporal Parmicon	50.00%	Temporary Joint Venture	The purpose is to implement works to patch holes in the city of Medellin.	5.5 months	Construcciones El Condor S.A. 50%, Mincivil S.A. 50%
Union Temporal Parcheos M.C.	50.00%	Temporary Joint Venture	The purpose is to implement works to patch failures in the city of Medellin	2.5 months	Construcciones El Condor S.A. 50%, Mincivil S.A. 50%
Union Temporal Puntual M.C.	55.00%	Temporary Joint Venture	Drilling, repavement and infrastructure related to the city of Medellin.	8 months	Mincivil S.A. 45%, Construcciones El Condor S.A. 55%
Consortio Constructor Pacifico Tres	48.00%	Consortium	Studies and designs, financing and other project according to the range, quality and specifications required by the concession contract.	72 months	MHCI 26%, Construcciones El Condor S.A. 48%, MECO 26%
Consortio Farallones	21.15%	Consortium	Studies and designs, financing and other project according to the range, quality and specifications required by the concession contract.	72 months	Construcciones El Condor S.A. 21.15%, Grupo Odinsa S.A. 25%, Mincivil S.A. 21.15%, Termotecnica Coindustrial S.A. 13.5%, ICEIN S.A. 9.2%, Mota Engil Engenharia e Contrucao S.A. Sucursal Colombia 10%
Consortio Vial Los Llanos	11.00%	Consortium	Studies and designs, financing and other project according to the range, quality and specifications required by the concession contract.	72 months	Construcciones El Condor S.A. 11%, Grupo Odinsa S.A. 51%, Murcia y Murcia S.A. 30%, Sarugo S.A. 8%

#### 2.4.28. Financial information for the consolidation

A summary of the financial composition of the corporations with which Construcciones El Condor S.A. performs the consolidation is given below.

	CONCESION RED VIAL DEL CESAR S.A.S.		CONCESION VOAS DE LAS AMERICAS S.A.S.		CONCESION RUTA AL MAR S.A.S.		CONCESION CESAR GUAJIRA S.A.S.		CONDOR INVESTMENTS USA, Inc.	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>EQUITY COMPOSITION</b>										
Assets	5,577,634	5,751,728	448,243,172	543,662,243	133,490,871	49,413,656	77,520,770	39,840,418	1,200,614	0
Liabilities	514,124	439,411	301,038,816	395,690,702	131,954,424	49,244,944	76,502,446	39,688,740	259,381	0
Stock capital	2,747,400	2,747,400	26,000,000	26,000,000	700,000	200,000	700,000	200,000	2,005,818	0
Capital surplus	0	0	122,491,573	122,491,573	0	0	0	0	0	0
Reserves	1,996,578	1,996,553	0	0	0	0	0	0	0	0
Surplus for valuation	0	0	6,320,930	6,320,930	0	0	0	0	0	0
Difference in exchange	0	0	0	0	0	0	0	0	34,057	0
Results of previous periods	568,339	640,164	(8,913,752)	(7,065,485)	(31,288)	0	(48,322)	0	0	0
Results of the period	(248,806)	(71,823)	1,305,606	224,523	867,735	(31,288)	329,764	(48,322)	(1,098,642)	0
<b>TOTAL EQUITY</b>	<b>5,063,511</b>	<b>5,312,294</b>	<b>147,204,357</b>	<b>147,971,541</b>	<b>1,536,447</b>	<b>168,712</b>	<b>981,442</b>	<b>151,678</b>	<b>941,233</b>	<b>0</b>

#### 2.4.29. First-time adoption of IFRS

This note explains the main adjustments made by the Company to re-express its balance sheet at December 31, 2013 which was prepared under the Colombian GAAP, and the its financial situation statement at January 1, 2014 prepared based on international standards.

IFRS 1 grants the entities that adopt the IFRS for the first time limited exemptions from the general requirement to comply with the retroactive application principle established in certain IFRS.

Consequently, Construcciones El Condor S.A. has applied the following exemptions established in IFRS 1:

- The Company has not applied IAS 21 - Effects of changes in foreign exchange rates – retroactively on the adjustments of the fair value and the goodwill arising from business combinations that took place before the transition date to IFRS. Said adjustments are deemed as assets and liabilities of the controlling company instead of assets and liabilities of the acquired company. Hence, these assets and liabilities are already expressed in the functional currency of the controlling company, or are non-monetary items in foreign currency, and do not therefore lead to additional conversion differences.
- With regards to the items of properties, plant and equipment, the Company opted to use the COL GAAP balance as the attributed cost, and those values were deemed significantly comparable to the fair values as of that same date. This covers office, computers and communications equipment. A technical assessment of the other items of Properties, plant and equipment was conducted to determine the fair values.
- The cost attributed to the investment properties was established through a technical appraisal.
- The cost attributed to the goods under financial lease was established through a technical appraisal.
- Investments in subsidiaries, joint businesses and associates were accounted for at the fair value in accordance with IFRS 9 – Financial Instruments.
- The Company has not applied IAS 39 or IFRS 9 – Financial Instruments – retroactively; this pertains to the initial recognition of the gain or loss arising from the initial recognition.

The estimates made as of January 1, 2014 are coherent with the estimates made for the same dates per COL GAAP (after adjustments made to show any change in the accounting principles), excluding the following items in which the application of COL GAAP requires an estimate:

- Provision for inventories under RNV and/or impairment trail
- Revaluation of Properties, plant and equipment
- Cost attributed to investment properties
- Value impairment of non-financial assets
- Seniority premium
- Actuary calculation
- Provisions

## Statement of changes in equity

Of period ended on December 31, 2013

Balance expressed in thousands of Colombian pesos

	Capital stock	Capital surplus	Reserves	Equity revaluation	Surplus valuation	Results of the period	Accumulated results	Total
<b>COL GAAP BALANCE AT DEC. 31, 2013</b>	<b>15,701,606</b>	<b>159,711,695</b>	<b>137,080,759</b>	<b>2,011,937</b>	<b>282,060,284</b>	<b>55,803,762</b>	<b>0</b>	<b>652,370,043</b>
IAS – IFRS Adjustments								
Inventories	0	0	0	0	0	0	(473,272)	(473,272)
Investments	0	0	0	0	(18,808,026)	0	(7,533,166)	(26,341,192)
Properties, plant and equipment	0	0	0	0	(28,662,409)	0	68,706,475	40,044,066
Leasing liability	0	0	0	0	0	0	(62,665,551)	(62,665,551)
Labor obligations	0	0	0	0	0	0	(307,594)	(307,594)
Estimated liabilities and provisions	0	0	0	0	0	0	2,000	2,000
Accounts payable	0	0	0	0	0	0	7,555,965	7,555,965
Deferred taxes	0	0	0	0	0	0	4,577,107	4,577,107
Surplus valuation	0	0	0	(2,011,937)	0	0	2,011,937	0
Others assets	0	0	0	0	0	0	5,354,805	5,354,805
<b>SALDO NIIF DICIEMBRE 31 DE 2013</b>	<b>15,701,606</b>	<b>159,711,695</b>	<b>137,080,759</b>	<b>0</b>	<b>234,589,849</b>	<b>55,803,762</b>	<b>17,228,706</b>	<b>620,116,378</b>

## Financial situation statement

Of period ended on December 31, 2013  
Balance in thousands of Colombian pesos

	COL GAAP	Adjustment	IFRS
<b>ASSET</b>			
<b>CURRENT ASSET</b>			
Cash and cash equivalents (Note A)	10,353,384	5,468,076	15,821,460
Investments at fair value with changes on results (Note B)	35,759,453	66,384	35,825,836
Inventories (Note C)	172,543,505	0	172,543,505
Accounts receivable	24,888,495	(521,904)	24,366,591
Intangibles (Note D)	17,040	(17,040)	0
Deferred (Note E)	5,727,721	(205,241)	5,522,480
<b>TOTAL CURRENT ASSET</b>	<b>249,289,598</b>	<b>4,790,275</b>	<b>254,079,872</b>
<b>NON-CURRENT ASSET</b>			
Investments (Nota F)	294,435,140	(7,599,549)	286,835,590
Investments at fair value with changes on equity	294,435,140	(63,795,009)	230,640,131
Investments in associates	0	4,012,474	4,012,474
Investments in joint businesses	0	52,182,986	52,182,986
Accounts receivable	143,641,973	0	143,641,973
Properties, plant and equipment (Note G)	123,105,741	116,198,364	239,304,105
Ownership of real estate investment (Note H)	0	1,396,393	1,396,393
Non-current assets kept for sale (Note I)	0	3,104,495	3,104,495
Intangibles (Note D)	47,209,921	(41,902,522)	5,307,399
Deferred	95,916	0	95,916
<b>TOTAL NON-CURRENT ASSET</b>	<b>608,488,690</b>	<b>71,197,180</b>	<b>679,685,871</b>
<b>TOTAL ASSET</b>	<b>857,778,288</b>	<b>75,987,455</b>	<b>933,765,743</b>
<b>LIABILITY</b>			
<b>CURRENT LIABILITY</b>			
Financial obligations	11,081,163	0	11,081,163
Commercial financing companies (Note J)	11,904,644	6,656,679	18,561,323
Suppliers	5,025,814	1	5,025,815
Accounts payable (Note M)	51,187,743	(676,755)	50,510,988
Taxes, liens and encumbrances (Note M)	2,288,134	436,071	2,724,204
Labor obligations (Note K)	2,085,851	132,404	2,218,255
Estimated liability and provisions (Note L)	21,921,772	(2,000)	21,919,772
Other liabilities	13,186,516	0	13,186,516
<b>TOTAL CURRENT LIABILITY</b>	<b>118,681,637</b>	<b>6,546,399</b>	<b>125,228,036</b>
<b>NON-CURRENT LIABILITY</b>			
Financial obligations	29,450,590	0	29,450,590
Commercial financing companies (Note J)	8,681,420	56,008,872	64,690,292
Accounts payable (Note M)	12,958,463	(7,533,166)	5,425,297
Labor obligations (Note K)	7,209	175,190	182,399
Estimated liability and provisions (Note L)	0	69,212	69,212
Other liabilities	35,373,436	0	35,373,436
Deferred tax (Note N)	0	52,974,613	52,974,613
<b>TOTAL NON-CURRENT LIABILITY</b>	<b>86,471,118</b>	<b>101,694,721</b>	<b>188,165,839</b>
<b>TOTAL LIABILITY</b>	<b>205,152,755</b>	<b>108,241,120</b>	<b>313,393,875</b>
<b>EQUITY</b>			
Social capital	15,701,606	(1)	15,701,606
Capital surplus	137,080,759	(0)	137,080,759
Reserves	2,011,937	(2,011,937)	-
Equity revaluation	159,711,695	0	159,711,695
Results of prior periods (Note O)	0	17,228,706	17,228,706
Results of the period	55,803,762	0	55,803,762
Surplus from valuation (Note P)	282,060,283	(47,470,434)	234,589,848
<b>EQUITY ATTRIBUTABLE TO THE CONTROLLERS</b>	<b>652,370,042</b>	<b>(32,253,665)</b>	<b>620,116,376</b>
Non-controlling interests	255,491	0	255,491
<b>TOTAL EQUITY</b>	<b>652,625,533</b>	<b>(32,253,665)</b>	<b>620,371,867</b>
<b>TOTAL LIABILITY + EQUITY</b>	<b>857,778,288</b>	<b>75,987,455</b>	<b>933,765,743</b>

Conversion adjustments for the financial situation statement of Construcciones El Condor S.A. are specified below:

A. Cash and cash equivalents

According to paragraph 48 of IAS 7, the money deposited in management trusts were re-classified as available restricted with specific destinations.

B. Investments at fair value with changes on results

Investments of consortiums deemed at fair value with changes on results were reclassified.

C. Inventories

According to paragraph 9 of IAS 2, inventories should be measured at the lowest of the cost and the realized net value. Consequently, an adjustment for \$375.884 was made along with another for \$48.632 which corresponds to inventories of consortiums. In addition, a provision for obsolescence is recognised amounting to \$97.393

D. Intangibles

Leasings of \$36.438.907 were eliminated against retained profits since these were recognised for their fair values in Properties, plant and equipment, meeting IAS 17.

Moreover, trusts amounting to \$5.468.076 were reclassified to available restricted, and \$12.579 of software licenses to the deferred.

E. Current deferreds

The deferred related to interests of Consorcio Avenida Colon amounting to \$217.822 were cancelled against retained profits to meet paragraph 20 of IAS 23 given that the work is currently suspended. In addition, \$12.579 in software licenses was re-classified.

F. Investments

As far as the investments of the Company, the first thing done was the elimination against retained profits for \$103.589.401. These were later recognised as described below:

- Investments at fair value with changes on equity: recognised by the intrinsic value which was \$230.640.131 at the balance opening, in consideration of IFRS 9, paragraph 4.14.
- Investments in associates: its fair value was \$4.012.474 pursuant to IAS 28.
- Investments in controlled companies: its fair value was \$4.754.119 in accordance with IAS 27 and IFRS 10.
- Investments in joint businesses: established in IFRS 11 and amounting to \$52.182.986 as of January 1, 2014.

G. Properties, plant and equipment

The adjustments of the opening balance arising from the cost attributed to the fixed assets of Construcciones El Condor S.A. were:

- A lower amount of \$5.034.077 in lands, y of \$690.298 in fleet and transportation equipment.
- A lower amount of \$3.736.395 in constructions and buildings, of \$1.874.918 in machinery and equipment, of \$207.524 in office equipment, and of \$82.159 in computers and communications equipment.
- An adjustment of the accounts receivable for -\$9.712.217 stemming from a financial valuation.
- Elimination of inflation adjustments to date amounting to \$4.216.008, and of fleet in transit for \$107.900.
- Recognition of assets as properties, plant and equipment which are under financial lease for \$ 121.979.093.



In addition, investment properties and non-current assets kept for sale are reclassified in an independent account for \$ 1.396.393 and \$3.104.495, respectively.

#### H. Investment properties

Several assets of the Company, such as the Dann offices and two country homes in the municipality of Copey, meet the criteria established in IAS 40 to be recognised as investment properties. Consequently, these are reclassified from properties, plant and equipment to this item, adopting the fair value as the cost attributed.

#### I. Non-current assets kept for sale

These correspond to: Pailitas land set on La Floresta village, which shall be given in donation; the Dann offices are currently in the sale process; non-productive transportation, machinery and equipment.

#### J. Commercial financing companies

According to paragraph 20 of IAS 17, the leases owned by the entity are financial and hence, the asset and liability are registered respectively, establishing financial obligations that amount to \$62.665.551.

#### K. Labor obligations

According to paragraph 154 of IAS 19, a liability for the calculation of the seniority premium granted to the employees was recognised for \$132.404 using the simplified method.

Moreover, Construcciones El Condor S.A. adjusted the actuary calculation for \$175.190 taking into consideration paragraph 59 of this same standard.

#### L. Estimated liabilities and provisions

Taking into account that IAS 37 led to adjust the provision for demands by \$2.000 according to the report handed by the Legal Department of the company.

#### M. Accounts payable

In consideration of IFRS 9 paragraph 3.2.2, an adjustment of \$7.533.166 was made against profits retained due to the elimination of the account payable for investment in Constructora Túnel de Oriente.

All other adjustments correspond to the application of IFRS in several joint operations according to the policies set forth.

#### N. Deferred tax

Under the COL GAAP, Construcciones El Condor S.A. does not recognize balances from deferred taxes. However, under IFRS, the balance of this item is registered caused by interim differences between fiscal balances and those balances recognised in accounting, all in compliance with paragraphs 15 and 24 of IAS 12 – Income Taxes. Consequently, an asset and a liability were registered for the deferred tax of \$34.952.507 and \$87.927.119, respectively, in which the retained profits were the consideration of these records.

#### O. Results of prior periods

The adjustments made on the opening financial situation statement were registered.

#### P. Surplus from valuation

The effect of the deferred tax of investments is registered on: financial instruments, joint businesses, associates and subsidiaries. Furthermore, the effect of the deferred tax is accounted for on different items of properties, plant and equipment.

### Note 3. Cash and cash equivalents

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Cash	185,325	88,684
Banks	12,253,510	48,200,558
Joint banking operations (*)	3,734,105	8,344,282
Fixed income investment joint operations	1,203,466	0
Cash and restricted cash equivalents (1)	85,406	13,274,753
Available restricted, joint operations (*)	2,006	754,184
Negotiable investments (2)	149,543,000	9,426,019
Savings accounts	4,041,431	20,233,283
Fiduciary rights	79,389,066	48,117,768
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>250,437,314</b>	<b>148,439,532</b>

The total of these items was duly reconciled with the corresponding external information obtained from different financial entities.

(1) Corresponds to money deposited by contracting parties of trusts with the sole purpose of executing projects and in this particular case the works of Caucheras and Cesar Grupo 3.

Includes a portfolio in pesos of investments in joint accounts receivable; no restrictions whatsoever of the balance of cash available on the date of the financial statements are required.

(2) As of the period closing date, Construcciones El Condor was exposed to market risk from the investment in TES bonds. The risk management strategy consists of covering the market risk (the variation in the reasonable value of the TES) by selling TES sales futures in the derivatives market. The amount covered was the investment made in TES in the spot market. The hedging instrument designed to cover the reasonable value of these securities is TES sales futures. The effectiveness of the coverage is 102.97%, and was defined in the following manner:

$$\text{Efficacy} = \frac{\text{Amount hedged}}{\text{Value of futures}} = \frac{120,860,905,000}{117,373,750,000} = 102.97\%$$

This operation will take place in the securities market in January 2017 after the future matures, providing the TES bonds.

### Note 4. Investments

Investments at fair value	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Other joint operation investments (*)	0	3,500,567
Sociedad Concesionaria Operadora Aeroportuaria Internacional OPAIN	15,332,840	0
Grupo Argos S.A. (2)	92,965,686	0
Organizacion de Ingenieria Internacional S.A. (Grupo Odinsa S.A.) (1)	9,580,128	173,539,677
Fiduciary rights	50,868,389	59,849
<b>TOTAL TEMPORARY INVESTMENTS</b>	<b>168,747,043</b>	<b>177,100,093</b>

(1) Organización de Ingenieria Internacional S.A.: A total of 10.661.116 shares were sold in June 2015 representing 5.43% for the amount of \$101.280.602, and a total of 19.408.008 shares were sold in December 2016 representing 9.9%, for the investment.

(2) In December 2016, Grupo Argos S.A. made a tender offer of ordinary shares of Odinsa S.A. In this process, Construcciones El Condor provided 9,418,488 shares of Odinsa S.A. and received in exchange 5,124,900 preferential

shares of Grupo Argos S.A. The shares of Grupo Argos S.A. shall be realized in January 2017 through a short sale Construcciones El Condor made in December 2016.

#### Permanent investments

Investments in associates and joint businesses

a. The main associate companies and their primary activity are listed below:

			At December 31	At December 31		
	Number of shares	Share	2016	2015	Incorporation - domicile	Corporate purpose
<b>FINANCIAL ASSETS</b>						
<b>FINANCIAL INSTRUMENTS</b>						
Patrimonio Autonomo Concesion Ruta al Mar			0	2,920,430		
Concesion Santa Marta Paraguachon	203,942	2.97%	984,369	1,136,214	Nov/2012 Riohacha	Construction of civil engineering works
C.C.I. Marketplace S.A.	132,057	2.63%	70,254	75,801	Apr/2007 Bogota	Creation, maintenance of web pages, sites and/or portals
Hidroelectrica del Rio Aures	1,019,450	15.83%	1,045,868	1,040,848	Jul/1997 Medellin	Electric energy generation and sale through a hydroelectric power station located in the Municipality of Abejorral
<b>TOTAL INVESTMENT IN FINANCIAL INSTRUMENTS</b>			<b>2,100,491</b>	<b>5,173,293</b>		
<b>JOINT BUSINESSES</b>						
Sociedad Concesionaria Operadora Aeroportuaria Internacional	45,885	15.00%	0	19,412,338	Sep/2006 Bogota	The sole corporate purpose is to enter and execute the concession agreement for the management, operation, commercial exploitation, maintenance and modernization, and expansion of the El Dorado International Airport of Bogota, D.C.
Constructora Tunel de Oriente S.A.S.	10,162,527,451	12.70%	2,629,362	10,162,528	Oct/2011 Medellin	To be a shareholder of Concesion Tunel de Aburra Oriente S.A. and to develop the activities necessary to build the works
Concesion Tunel de Aburra Oriente	236,700	12.51%	20,695,057	23,837,347	Dec/1997 Medellin	Concesion state-owned contract for the execution of designs, construction, operation and maintenance of the Aburra-Oriente road connection
Concesion Vial Los Llanos S.A.S.	550,000	11.00%	759,765	878,636	Apr/2015 Villavicencio	Construction of roads and railroads
<b>ASSOCIATES</b>						
Concesion Aburra Norte S.A. - Hatovial S.A.	1,582,886	21.11%	31,404,264	36,806,353	Oct/1997 Copacabana	To enter and execute a Concesion state-owned contract for the execution of a road project called "Desarrollo vial del Aburrá Norte" and its complementary road system
Concesion Vias del Nus S.A.S.	1,055,250	21.11%	1,116,900	0	Dec/2015- Medellin	To enter and execution of a concession contract defined in article 32 of Law 80 of 1993
Concesion La Pintada S.A.S.	1,120,950	21.15%	9,407,776	8,833,538	Jun/2014 Medellin	The sole corporate purpose of the corporation is to execute a contract with the ANI to conduct studies, designs, financing, environmental, property and social management, construction, improvement, revamping, operation, maintenance and reversion of Concesion Autopista Conexion Pacifico 2

At December 31 At December 31

ASOCIADAS	Number of shares	Share	2016	2015	Incorporation - domicile	Corporate purpose
Concesion Pacifico Tres S.A.S.	4,800	48.00%	16,219,907	0	Aug/2014 Bogota	Execute a contract with the ANI to conduct studies, designs, financing, environmental, property and social management, construction, improvement, revamping, operation, maintenance and reversion of Concesion
Consortio Minero del Cesar S.A.S. (2)	73,500,000	29.40%	0	0		
Transmilenio Carrera 7 SC S.A.S.		30.00%	15,000	15,000		
Deterioro inversión Transmilenio Carrera 7 SC S.A.S.			(15,000)	(15,000)		
Concesionaria Trans NQS Sur	24,990	50.00%	0	79,688	Sep/2003 Bogota	To conduct the design, construction and execution of civil works
Concesionaria Transmilenio del Sur	25,000	50.00%	434,909	438,754	Dec/2003 Bogota	To conduct the design, construction and execution of civil works
<b>INVESTMENT OVERSEAS</b>						
Industrias Selma (1)	5,000	49.75%	10,851,437	9,677,175	Jul/2005 Islas Virgenes Britanicas	Its corporate purpose is detailed on the first page of its bylaws "(5. Capacity and Powers)", which sets forth that its purpose is not restricted (indefinite) and hence, the Company has full power to carry out actions which are not prohibited to commercial companies incorporated under the BVI standards, in accordance with act of 2004 or any other BVI law
<b>TOTAL INVESTMENTS IN ASSOCIATES AND JOINT BUSINESSES</b>			<b>93,519,376</b>	<b>110,126,356</b>		
<b>SUB-TOTAL PERMANENT INVESTMENTS</b>			<b>95,619,867</b>	<b>115,299,649</b>		

(1) Industrias Selma: A related corporation domiciled overseas. To date, the Company made loan operations with Industrias Selma, obtaining earnings from interests of \$385,222. These interests do not differ from the usual market practices made among independent third parties.

The Company abides to the anticipated application of amending paragraph 10 of IAS 27, which was issued retrospectively on Auguste 2014 since the opening balance of January 1, 2014.

(2) The investment in Consortio Minero del Cesar S.A.S. is the result of the transformation of Consortio Minero del Cesar into a corporation, of which Construcciones el Cóndor S.A. holds 29.4%. The participation of Construcciones El Condor was sold in December 2016.

## Note 5. Commercial accounts receivable and other accounts receivable

### a. Commercial accounts receivable and other current accounts receivable

DETAIL	At December 31		At December 31	
	2016	2015	2016	2015
Domestic customers	286,434,415	360,143,665	15,804,295	6,439,153
Accounts receivable of consortiums	67,575,251	27,935,401	0	25,392
Prepayments and advances	27,266,892	32,102,611	8,159	0
Claims	2,338,069	2,340,361	0	31,994
Accounts receivable, workers	318,137	159,714	491,551	0
Miscellaneous accounts receivable	38,523,831	31,955,418	75,256,827	75,256,827
Withholding over contracts	23,456,948	13,181,962	770,424	44,228
Income receivable	73,902,252	121,968,690		
Deposits	840	840		
<b>TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACC. REC.</b>	<b>519,816,635</b>	<b>589,788,662</b>	<b>92,331,255</b>	<b>81,797,594</b>

#### Domestic customers

	At December 31		At December 31	
	2016	2015	2016	2015
Departamento del Cesar	3,030,148	0		
Automax S.A.S.	63,000	0		
Inversiones Oceano S.A.S.	40,400	40,400		
Metroplus S.A.	31,088	31,088		
Consorcio Constructor Aburra Norte Hatovial	502,169	0		
Agencia Nacional de Infraestructura	0	325,525,225		
Constructora Kalamary S.A.S.	4,174,919	1,972,256		
Clientes Agregados San Javier	1,016,266	3,009,826		
Constructora S & L S.A.S.	201,552	0		
Consorcio Vial La Jagua	0	332,000		
Fondo de Adaptacion	0	415,744		
Sociedad Operadora de Aeropuertos Centro Norte	0	1,139,503		
K.M.A. Construcciones	0	98,099		
Estyma	30,056	130,056		
Consorcio Constructor Americas (1)	73,752,844	10,649,396		
Consorcio Constructor Pacifico Tres S.A.S. (2)	23,409,276	0		
SOHINCO Constructora S.A.S.	255,411	255,297		
Instituto Nacional de Vias	0	16,050,873		
Patrimonio Autonomo	0	(396,494)		
Concesion Vias de las Americas S.A.S.	178,979,144	0		
Condor Investments USA INC	412,910	0		
Valores y Contratos	367,513	0		
Less than 50 million	167,719	890,396		
<b>TOTAL CURRENT DOMESTIC CUSTOMERS</b>	<b>286,434,415</b>	<b>360,143,665</b>		

(1) These amounts correspond to works executed in the projects Americas Condor Uraba - Monteria - San Marcos y Santa Ana - La Gloria.

(2) The amount corresponds to works executed in the project Pacifico Tres frentes La Virginia e Irra. No restrictions or liens are observed; accounts receivable do not guarantee any type of obligation.

#### Accounts receivable of consortiums

	At December 31		At December 31	
	2016	2015	2016	2015
Accounts receivable, joint operations (*)	66,768,539	27,685,499		
Accounts receivable, related companies in joint operations (*)	759,334	211,258		
Commercial banking accounts, joint operations (*)	47,377	38,644		
<b>TOTAL ACCOUNTS RECEIVABLE OF CONSORTIUMS</b>	<b>67,575,251</b>	<b>27,935,401</b>		

## Prepayments and advances

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Prepayments, joint operations (*)	23,684,546	28,702,058
ARQCLASS Ltda.	0	61,736
Industria Colombiana de Asfaltos	0	184,660
Paul Maschinenfabrik GMBH & CO.	0	89,061
T.I.M. Construcciones S.A.S.	63,504	0
Concremetal Ingenieria	0	31,181
Empresa Minera de Caldas S.A.S.	36,220	0
Construcciones Civiles Hermanos	75,535	100,000
Diseños Agregados y Construcciones	231,071	314,388
G & R. Ingenieria y Desarrollo	453,837	67,920
Goimpro S.A.S.	513,230	0
I.P. Ingenieria de Puentes	83,409	89,080
Gestion de Ingenieria Civil y Ambiental	362,029	0
Perforaciones y Construcciones	0	53,397
Pixel Arquitectura E.U.	19,143	88,577
Planes y Manejos Ambientales S.A.	0	100,383
Sistemas Especiales de Construccion	0	52,870
Zapata Ruiz Luisa Fernanda	100,800	0
Agencia de Aduanas Aduanimex	0	83,938
Hacienda Potreritos S.A.S.	0	0
Alvarez Arrieta & Diaz Silveira	0	49,150
Jaramillo Alvarez Roberto	51,050	0
Concesion Cesar Guajira S.A.S.	62,391	0
Concesion Ruta al Mar S.A.S.	78,669	0
Heno Urrego Carlos Mario	0	615,644
Logitramites S.A.S.	160,000	240,000
Monroy Torres Marcela del Niño J.	68,605	91,832
Palacio Urrego Juan Ramón	58,000	58,000
Reyes Adriana	33,132	89,191
Roadbuilders Equipment LLC	89,991	0
Less than 50 million	1,041,730	939,545
<b>TOTAL PREPAYMENTS AND ADVANCES (1)</b>	<b>27,266,892</b>	<b>32,102,611</b>

(1) Increase of short-term prepayments and advances is primarily due to effects of incorporating the financial statements of Consortiums, which increased \$5.017.512.

These prepayments to contractors are deemed financial instruments given that if the contract is breached, the money is reimbursed by the contract in accordance with the compliance policies entered with contractors.

## Claims

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Claims (1)	2,338,069	2,340,361
	<b>2,338,069</b>	<b>2,340,361</b>

(1) Award of Construcciones El Condor vs. Metroplus case, regarding interests, overruns and costs; of total claims \$8.127 correspond to payment of inconsistencies control.

## Accounts receivable, workers

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Miscellaneous	317,477	152,959
Miscellaneous, joint operations (*)	660	6,755
	<b>318,137</b>	<b>159,714</b>

**Miscellaneous accounts receivable**

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Miscellaneous accounts receivable, joint operations (*)	2,362,970	738,101
Consortio Constructor Nuevo Dorado (1)	6,657,569	6,363,734
Consortio Hidroelectrica de Tulua (1)	204,916	208,929
Consortio Constructor Pacifico Tres S.A.S. (1)	1,464,453	141,078
Consortio Vial del Sur (1)	2,794,938	3,261,643
Gutierrez Marin Sor Maribel	92,800	99,800
Consortio Constructor Aburra Norte (1)	6,147,369	11,265,604
Consortio Constructor Americas (1)	930,124	576,567
Consortio APP Llanos (1)	-30,546	261,203
Consortio Farallones (1)	2,342,342	0
Agregados del Norte de Colombia	246,186	0
Leasing Bancolombia S.A.	296,807	246,186
Agencia Nacional de Infraestructura	100,793	804,984
Consortio Avenida Colon (1)	0	100,793
Consortio Mantenimiento OPAIN (1)	419,198	7,350,710
Consortio OMC (1)	100,918	325,190
Concesion Cesar Guajira S.A.S. (revolving fund)	331,875	100,918
Concesion Cesar Guajira S.A.S. (others accounts receivable)	972,775	0
Concesion Cesar Guajira S.A.S.	(178,383)	0
Concesion Ruta al Mar S.A.S.	3,769,633	0
Vias de las Americas S.A.S.	9,098,163	0
Consortio Autosur (1)	0	56,358
Less than 50 million	398,931	53,620
	<b>38,523,831</b>	<b>31,955,418</b>

(1) Corresponds to consortium certificates and to services provided by Construcciones El Condor, as a consortium party in each of these contracts.

**Withholding over contracts**

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Joint operations (*)	6,521,661	3,611,222
Metroplus	1,408	1,408
Agrupacion Guinovart Obras y Servicios	4,588	0
Calculo y Construcciones S.A.	0	2,699
Consortio Ferrocol Loma Hermosa	194,443	124,550
Consortio Nuestro Uraba	35,561	35,561
Consortio Constructor Pacifico Tres	982,857	0
Agencia Nacional de Infraestructura	12,790,074	7,702,468
Consortio Constructor Americas	2,926,355	391,281
Sociedad Operadora de Aeropuertos Centro Norte	0	1,312,774
	<b>23,456,948</b>	<b>13,181,962</b>

These withholdings correspond to discounts made by the Company over partial payments to guarantee payment of salaries, work stability, warranties and other obligations arising from the contractual relation.

**Revenues receivable**

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Internal minutes (1)	50,770,158	115,738,642
Internal minutes, joint operations (*)	22,800,663	5,910,718
Concesión Vias de las Americas S.A.S.	34,104	0
Concesion Cesar Guajira	7,258	0
Others	290,069	319,330
	<b>73,902,252</b>	<b>121,968,690</b>

(1) Internal minutes correspond to works executed but pending invoicing at the end of the period. This balance is primarily represented in the works of Vias de las Americas for the sum of \$40.223.166, which are in full execution of their construction stage.

Deposits	At December 31	At December 31
	2016	2015
Deposits, joint operations (*)	840	840
<b>TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE</b>	<b>519,816,635</b>	<b>589,788,662</b>

Related parties	At December 31	At December 31
Customers, related parties	2016	2015
P.A. APP Cesar Guajira (1)	62,460	0
Concesion Pacifico Tres S.A.S. (1)	9,700,568	0
P.A. 4G Pacifico Tres (1)	5,737,435	0
Concesion Ruta al Mar S.A.S.	11,660	0
Concesion Vias de las Americas S.A.S.	0	(429,918)
P.A. APP Ruta al Mar (1)	286,650	0
Condor Construction Corp.	0	6,869,071
<b>TOTAL CUSTOMERS, RELATED PARTIES (1)</b>	<b>15,804,295</b>	<b>6,439,153</b>

(1) The amount corresponds to provision of services, interest on subordinated debt, sale of supplies and execution of work.

Prepayments and advances, related parties	At December 31	At December 31
	2016	2015
Vias de las Americas S.A.S.	0	25,392
<b>TOTAL PREPAYMENTS AND ADVANCES, RELATED PARTIES</b>	<b>0</b>	<b>25,392</b>

Income receivable internal minutes	At December 31	At December 31
	2016	2015
Concesion Vias de las Americas S.A.S.	770,424	44,228
<b>TOTAL INCOME RECEIVABLE INTERNAL MINUTES</b>	<b>770,424</b>	<b>44,228</b>

Accounts receivable, related parties	At December 31	At December 31
	2016	2015
Concesion Ruta al Mar S.A.S.	7,657	0
Condor Construction Corp.	502	0
<b>TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES</b>	<b>8,159</b>	<b>0</b>

Withholding over contracts, related parties	At December 31	At December 31
	2016	2015
Vias de las Americas S.A.S.	0	31,994
<b>TOTAL WITHHOLDING OVER CONTRACTS, RELATED PARTIES</b>	<b>0</b>	<b>31,994</b>

Deposits receivable	At December 31	At December 31
	2016	2015
Sociedad Concesionaria Aeroportuaria (OPAIN)	75,256,827	75,256,827
<b>TOTAL DEPOSITS RECEIVABLE</b>	<b>75,256,827</b>	<b>75,256,827</b>
<b>TOTAL DEPOSITS RECEIVABLE, RELATED PARTIES</b>	<b>85,728,320</b>	<b>75,301,055</b>



Dividends receivable	At December 31	
	2016	2015
Concesion Aburra Norte Hatovial S.A.S.	491,551	0
<b>TOTAL DIVIDENDS RECEIVABLE</b>	<b>491,551</b>	<b>0</b>
<b>TOTAL ACCOUNTS RECEIVABLE FROM RELATED PARTIES</b>	<b>92,331,255</b>	<b>81,797,594</b>

Assets for current taxes	At December 31	
	2016	2015
Balance in favor of ICA	517,523	164,819
Balance in favor of ICA San Jose de la Fragua	0	23,893
Balance in favor of ICA Planeta Rica	0	27,313
Private asset sale remains - rent prepayment	1,088,723	0
Income tax prepayment	4,025,613	7,435,455
Discountable taxes	224,724	190,177
Private asset sale remains	8,811,169	1,923,665
Income tax prepayment	0	273,794
Sales tax withhold	6,103	2,274
ICA withheld	561,180	428,919
ICA prepaid	434,120	575,205
CREE surcharge prepayment	29,267	0
Withholding at source	16,109,464	23,711,151
Other tax balances	4,547	0
Withholdings and claims, joint operations (*)	0	1,611,782
<b>TOTAL ASSETS FOR CURRENT TAXES</b>	<b>31,812,433</b>	<b>36,368,447</b>

**b. Commercial accounts receivable and other accounts receivable**

	At December 31		At December 31	
	2016	2015	2016	2015
<b>DETAIL</b>				
Domestic customers	2,058,754	2,635,966	22,213	8,497,730
Accounts receivable impaired	(3,240,643)	(4,192,638)	0	(2,555,200)
Prepayments and advances	323,785	323,785	12,785,776	14,110,258
Miscellaneous accounts receivable	1,798,971	1,480,301	187,727,554	171,196,448
<b>TOTAL CUENTAS COMERCIALES POR COBRAR Y OTRAS CUENTAS POR COBRAR</b>	<b>940,868</b>	<b>247,414</b>	<b>213,174,894</b>	<b>203,889,298</b>
<b>DETAIL - RELATED PARTIES</b>				
Domestic customers				
Accounts receivable impaired				
Companies related overseas				
Accounts receivable				
Deposits				
<b>TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE</b>				

Non-current clients	At December 31	
	2016	2015
Departamento de Antioquia	665,930	665,930
Agregados San Javier clients	1,159,739	1,736,951
Estyma S.A.	225,412	225,412
Less than 20 million	7,674	7,674
<b>TOTAL NON-CURRENT CLIENTS</b>	<b>2,058,755</b>	<b>2,635,967</b>
<b>IMPAIRMENT OF ACCOUNTS RECEIVABLE</b>	<b>(3,240,643)</b>	<b>(4,192,638)</b>

Impairment corresponds to balance of doubtful collections arising from the development of its corporate purpose, both contractual and through contracts to execute works, such as the exploitation and sale of materials.

Prepaid taxes and contributions	At December 31	
	2016	2015
Others	23,750	23,750
<b>TOTAL PREPAID TAXES AND CONTRIBUTIONS</b>	<b>23,750</b>	<b>23,750</b>

Prepayments and advances	At December 31	
	2016	2015
Durango Patiño Adriana Maria	91,206	91,206
Avales Ingenieria Inmobiliaria	208,829	208,829
<b>TOTAL PREPAYMENTS AND ADVANCES</b>	<b>300,035</b>	<b>300,035</b>

## Miscellaneous accounts receivable

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Consortio Amaime	1,070,090	1,070,090
Lugon Ingenieria	0	56,186
Masering	254,103	254,192
S.P. Ingenieros	99,831	99,832
Condor Investment USA Inc	374,947	0
<b>TOTAL MISCELLANEOUS ACCOUNTS RECEIVABLE</b>	<b>1,798,971</b>	<b>1,480,300</b>
<b>TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE</b>	<b>940,868</b>	<b>247,414</b>

## Related parties

### Customers, related parties

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Consortio Minero del Cesar S.A.S.	0	8,475,517
Concesion Aburra Norte Hatovial	22,213	22,213
<b>TOTAL CUSTOMERS, RELATED PARTIES</b>	<b>22,213</b>	<b>8,497,730</b>
<b>ACCOUNTS RECEIVABLE IMPAIRED</b>	<b>0</b>	<b>(2.555.200)</b>

## Commercial accounts receivable related parties - Industrias Selma (1)

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Loans	9,674,494	11,193,431
Interests	3,111,283	2,916,826
<b>TOTAL COMMERCIAL ACCOUNTS RECEIVABLES RELATED PARTIES</b>	<b>12,785,776</b>	<b>14,110,257</b>

(1) Industrias Selma is a corporation overseas that presents balances of loans which are re-expressed in Colombian pesos at the official exchange rate (TRM) and are detailed below.

In addition, there are loans that add up to US \$415.

Transaction, operation, contract or business	Loan in foreign currency	Loan in foreign currency	Loan in foreign currency
Amount of the operation	USD \$2,674,210.09	USD \$1.085	USD \$125,366
Date of the operation	August 14, 2014	October 8, 2014	April 29, 2013
Balance of the operation	USD \$2.554.210.09	USD \$1.085	USD \$115.366
Conditions of the operation	LIBOR +2	LIBOR +2	LIBOR +2
Date of payment	August 14, 2019	October 8, 2019	April 29, 2018
Identification of account receivable	Industrias Selma COR	Industrias Selma COR	Industrias Selma COR
Identification of creditor	Construcciones El Condor S.A.	Construcciones El Condor S.A.	Construcciones El Condor S.A.
Obligations of parties: collateral granted or received	Promissory note	Promissory note	Promissory note

Transaction, operation, contract or business	Loan in foreign currency	Loan in foreign currency	Loan in foreign currency
Amount of the operation	USD \$45,942	USD \$102,431	USD \$364,123.21
Date of the operation	May 14, 2013	December 17, 2013	March 12, 2014
Balance of the operation	USD \$45,942	USD \$102,431	USD \$364,123.21
Conditions of the operation	LIBOR +2	LIBOR +2	LIBOR +2
Date of payment	May 14, 2018	December 17, 2018	March 12, 2019
Identification of account receivable	Industrias Selma COR	Industrias Selma COR	Industrias Selma COR
Identification of creditor	Construcciones El Condor S.A.	Construcciones El Condor S.A.	Construcciones El Condor S.A.
Obligations of parties: collateral granted or received	Promissory note	Promissory note	Promissory note

Transaction, operation, contract or business	Loan in foreign currency
Amount of the operation	USD \$40,495.89
Date of the operation	November 12, 2014
Balance of the operation	USD \$40,495.89
Conditions of the operation	LIBOR +2
Date of payment	November 12, 2019
Identification of account receivable	Industrias Selma COR
Identification of creditor	Construcciones El Condor S.A.
Obligations of parties: collateral granted or received	Promissory note

#### Accounts receivable, related parties

	At December 31	At December 31
	2016	2015
Concesion Cesar Guajira	0	142,513,845
Concesion La Pintada S.A.S.	257,971	0
Concesion Pacifico Tres	165,928,845	0
Concesion Ruta al Mar	0	0
Concesion Vias del Nus	14,701,426	28,682,602
Concesion Vial los Llanos S.A.S.	6,839,312	0
<b>TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES (1)</b>	<b>187,727,554</b>	<b>171,196,448</b>

(1) Interests shall be recognised over these amounts since they correspond to debts with corporations in which Construcciones El Condor S.A. is a shareholder.

#### Deposits

	At December 31	At December 31
	2016	2015
Concesion Vial los Llanos S.A.S.	12,219,287	12,219,697
Trans NQS Sur	420,064	420,365
Others	0	711
<b>TOTAL DEPOSITS</b>	<b>12,639,351</b>	<b>12,640,062</b>

Deposits correspond to payments made to corporation for a future capitalization, and correspond to equity contributions derived from the cash flow needed by the projects.

The Company does not recognise implicit financing for miscellaneous accounts receivable and deposits given that the uncertainty levels pertaining to the time in which these accounts receivable will be paid. This explains why not terms or interests for these accounts are established.

	At December 31	At December 31
	2016	2015
<b>TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES</b>	<b>213,174,894</b>	<b>203,889,298</b>
<b>TOTAL COMMERCIAL ACCOUNTS RECEIVABLE</b>	<b>858,076,084</b>	<b>912,091,415</b>

## Note 6. Inventories

	At December 31	At December 31
	2016	2015
Contracts underway	117,367,850	113,795,626
Contracts underway, joint operations (*)	0	515,826
Lands	65,000	65,000
Materials, spare parts and accesories	11,273,788	10,090,971
Inventories of joint operations, net (*)	4,981,144	775,358
Impairment for adjustment to net realization value (1)	(450,977)	(520,946)
Prepayments	23,777,798	29,144,629
Purchase and sale agreement	30,980,191	39,749,229
<b>TOTAL INVENTORIES</b>	<b>187,994,794</b>	<b>193,615,694</b>

(1) Adjustments per net realization value of inventories and for poor condition of several of these inventories. To date, the Company has no inventories pledged to guarantee compliance of debts.

## Note 7. Prepaid expenses

### Short-term prepaid expenses

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Insurance, bonds and deferred charges (1)	3,012,712	2,593,667
Prepaid expenses, joint operations (*)	838,971	685,941
Licenses, joint operations (*)	0	11,096
Autonomous equity	148,139	2,274,000
<b>TOTAL SHORT-TERM PREPAID EXPENSES</b>	<b>4,005,448</b>	<b>5,564,704</b>

### Long-term prepaid expenses

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Deferred charges	0	239,551
Prepaid expenses	0	596,756
Autonomous equity	921,440	5,475
<b>TOTAL LONG-TERM PREPAID EXPENSES</b>	<b>921,440</b>	<b>841,782</b>

### Intangible assets other than goodwill

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Intangibles	5,002,266	5,139,403
Autonomous equity	142,991,289	62,658,745
<b>TOTAL INTANGIBLE ASSETS OTHER THAN GOODWILL</b>	<b>147,993,555</b>	<b>67,798,148</b>
<b>TOTAL PREPAID EXPENSES AND DEFERRED CHARGES</b>	<b>152,920,443</b>	<b>74,204,634</b>

### Assets for deferred taxes

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Deferred taxes for provisions	932,885	594,325
Deferred taxes for financial obligations	29,961,693	39,631,608
Other deferred taxes	8,176,848	163,326
Excess presumptive income	3,327,747	0
Deferred tax for estimated liabilities and provisions	222,103	216,550
Deferred tax for accounts receivable from trust	1,088,613	253,009
Others	25,640	11,075
<b>TOTAL ASSETS FOR DEFERRED TAXES</b>	<b>43,735,529</b>	<b>40,869,895</b>
<b>TOTAL DEFERRED</b>	<b>196,655,972</b>	<b>115,074,529</b>

The deferred tax was found using the liability method and the tax rate to which the differences are expected to revert (40%) and at the occasional earnings tax rate of 10%.

## Note 8. Non-current assets kept for sale

	At December 31 <b>2016</b>	At December 31 <b>2015</b>
Lands (1)	599,059	599,059
Constructions and buildings (1)	0	407,929
Machinery and equipment	3,414,044	2,025,863
Automobiles, vans and trucks	45,008	45,895
Other transportation equipment	100,512	46,245
Impairment	(1,677,010)	0
<b>TOTAL NON-CURRENT ASSETS KEPT FOR SALE</b>	<b>2,481,613</b>	<b>3,124,992</b>

(1) Corresponds to: Pailitas land located in village La Floresta, which shall be given in donation; land Norteamerica located in the municipality of Bello; machinery and transportation equipment not used or non-productive.

## Note 9. Properties, plant and equipment

	January 1 to December 31, 2016									
	Lands	Constructions and buildings	Machinery and equipment	Office equipment	Computers and commu. equipment	Transportation equipment	Mining assets	Assets in transit	Assets of joint operations	Total
Balance at December 31, 2015	7,978,360	12,759,109	138,492,303	1,071,091	445,958	81,803,768	71,022,911	9,220,913	3,356,001	326,150,414
Decrease balance at December 31, 2015	0	(209,846)	(19,701,200)	(176,446)	(223,911)	(11,858,716)	(2,012,562)	0	(892,256)	(35,074,937)
Book value at December 31, 2015	7,978,360	12,549,263	118,791,102	894,645	222,047	69,945,052	69,010,350	9,220,913	2,463,744	291,075,476
Acquisitions	0	0	20,730,254	0	0	4,743,618	0	0	0	25,473,872
Additions	0	0	379,722	0	0	0	0	0	0	379,722
Prepayments	0	0	0	(29,176)	0	0	0	0	0	(29,176)
Revaluation	164,142	571,958	0	0	0	0	0	0	0	736,100
Transfers, option to buy	0	0	(32,906)	0	0	(215,872)	0	0	0	(248,778)
Withdrawals	0	0	(1,002,579)	(1,143)	0	(605,792)	0	0	0	(1,609,514)
Impairment	0	0	0	0	(90,051)	0	0	0	0	(90,051)
Depreciation	0	(145,191)	(12,113,078)	(122,595)	(77,383)	(7,418,542)	(1,810,489)	0	0	(21,687,278)
Depreciation, transfer, withdrawal & others	0	109,323	352,024	1,143	1,928	588,601	0	0	0	1,053,019
Sale	0	0	(491,749)	0	(5,200)	(860,318)	0	0	0	(1,357,267)
Other changes	0	0	0	0	0	0	0	(9,220,913)	863,671	(8,357,242)
Concessions	0	0	0	0	0	0	0	0	6,163,412	6,163,412
<b>TOTAL</b>	<b>8,142,502</b>	<b>13,085,353</b>	<b>126,612,790</b>	<b>742,874</b>	<b>51,341</b>	<b>66,176,747</b>	<b>67,199,861</b>	<b>0</b>	<b>9,490,827</b>	<b>291,502,295</b>

	<b>2016</b>		
	Cost	Depreciation	Net cost
Lands	8,142,502	0	8,142,502
Quarries	67,199,861	0	67,199,861
Goods leased	183,667,367	(28,290,261)	155,377,106
Constructions and buildings	5,831,067	(67,979)	5,763,088
Machinery and equipment	41,514,513	(13,115,685)	28,398,827
Office equipment	1,199,810	(297,898)	901,912
Computers and communications equipment	578,068	(366,903)	211,164
Reversible assets	4,316,651	(1,173,323)	3,143,328
Impairment	(90,051)	0	(90,051)
Properties, plant and equipment, joint operations (*)	4,113,601	(786,185)	3,327,416
Autonomous equity	2,721,879	0	2,721,879
<b>TOTAL</b>	<b>344,563,242</b>	<b>(53,060,947)</b>	<b>291,502,295</b>

	<b>2015</b>		
	Cost	Depreciation	Net cost
Lands	7,978,360	0	7,978,360
Quarries	69,010,350	0	69,010,350
Goods leased	163,020,028	(17,308,409)	145,711,619
Constructions and buildings	5,259,109	(110,237)	5,148,872
Machinery and equipment	40,457,392	(8,913,201)	31,544,191
Office equipment	1,071,091	(176,446)	894,645
Computers and communications equipment	561,832	(255,999)	305,833
Transportation equipment	26,103,300	(6,278,343)	19,824,957
Properties, plant and equipment in transit	9,220,913	0	9,220,913
Depreciations, joint operations (*)	3,356,001	(892,256)	2,463,745
Autonomous equity	0	0	532,393
<b>TOTAL</b>	<b>326,038,377</b>	<b>(33,934,892)</b>	<b>292,635,877</b>

The Company has established the following policy for the life of its assets, which was determined by homogenous groups.

Fixed Asset	Life (years)
Constructions and buildings	40 a 100
Machinery and equipment	5 a 20
Office equipment	10
Computers and communications equipment	3
Fleet and transportation equipment	8 a 15
Mines and quarries	60

As an internal policy, the Company adopts a par value of zero for buildings, computers and office equipment. For the fleet and transportation equipment, the par value is 10% of the initial cost of the asset.

The Corporation has formalized insurance policies to cover possible risks subject to diverse items of properties and equipment.

The Company solely has title restriction over its assets acquired through financial leaseings.

## Note 10. Investment properties

	At December 31	At December 31
	2016	2015
Real estate investment properties	989,405	828,966
Real estate investment properties (depreciation)	(669)	0
<b>TOTAL INVESTMENT PROPERTIES</b>	<b>988,737</b>	<b>828,966</b>

Several assets of the Company: two farms in the municipality of Copey which meet the IAS 40 criteria to be recognised as investment properties.

The assets of Construcciones El Condor S.A. registered as properties, plant and equipment do not guarantee any type of obligation.

## Note 11. Financial obligations

Short-term financial obligations

	Maturity	Rate	2016	2015
Banco BBVA (1)	22/10/17	DTF+2.05 EA%	8,053,131	8,053,131
Banco BBVA (2)	10/04/17	DTF+1.95%	8,000,000	8,000,000
Banco BBVA	18/05/16	DTF+1.95% EA	0	1,000,000
Banco BBVA (2)	03/06/17	DTF+3.6% TA	11,000,000	11,000,000
Banco de Bogotá (2)	28/01/17	DTF+1.91% EA	11,100,000	11,100,000
Banco BBVA	04/09/16	DTF+1.85% EA	0	4,000,000
Banco BBVA (2)	13/11/17	DTF+2.25% EA	12,000,000	12,000,000
Banco BBVA (3)	07/03/17	IBR+4.61%	19,157,282	15,157,282
Bancolombia (5)	12/08/17	IBR+5.55%	0	4,095,245
Bancolombia (5)	29/08/17	IBR+5.5%	0	21,831,150
Bancolombia	12/04/17	DTF+4.9% EA	18,400,000	0
Banco BBVA (6)	09/07/17	DTF+1.95%	2,235,000	2,235,000
Banco BBVA	12/02/16	DTF+1.7 EA	0	1,267,059
Banco de Occidente (7)	03/04/17	DTF+2.75 N.A.	13,597,669	13,597,669
Banco de Occidente (17)	16/06/17	IBR+4%	18,000,000	0
Banco BBVA	12/02/16	DTF+1.2% EA	0	1,671,698
Bancolombia (7)	24/08/17	IBR+5.55%	0	7,827,899
Banco BBVA	28/02/17	DTF+6.44%	6,000,000	6,000,000
Banco BBVA	11/07/17	IBR+4.54%	3,350,000	3,350,000
Bancolombia (5)	24/08/17	IBR+5.55%	0	7,619,440
Bancolombia (5)	02/09/17	IBR+5.55%	0	41,519,182
Banco de Bogotá	04/05/17	DTF+4.15% TA	5,600,000	5,600,000
Banco de Bogotá	13/01/17	DTF+2.7% EA	8,000,000	8,000,000
Banco de Bogotá (8)	17/05/17	DTF+3.45% TA	12,350,000	12,350,000
Banco de Bogotá (9)	11/05/17	DTF+3% TA	18,600,000	18,600,000
Banco Santander (10)	03/11/16	DTF+3% TA	0	10,000,000
Bancolombia (11)	25/11/17	DTF+3.90%	31,084,337	31,084,337
Bancolombia (12)	10/06/17	IBR+5.25%	9,400,000	0
Bancolombia (12)	28/06/17	IBR+5.25%	12,000,000	0
Bancolombia (13)	11/08/17	IBR+5.25%	18,000,000	0
Bancolombia (14)	11/08/17	IBR+5.25%	12,000,000	0
Bancolombia	15/11/17	IBR+5.25%	34,000,000	0
Bancolombia	24/11/17	IBR+5.25%	5,200,000	0
Bancolombia	03/10/17	IBR+5.25%	4,590,535	0
Bncolombia (16)	02/01/17	IBR+4.95%	35,000,000	0
Banco BBVA	14/12/17	DTF+2.2% TA	5,500,000	5,500,000
Banco BBVA (15)	05/04/17	IBR+4.75%	7,000,000	0
Banco BBVA	31/03/17	IBR+4.75% E.A	2,460,000	0
Banco de Occidente	23/03/17	IBR+4	9,000,000	0
Banco BBVA	07/09/17	DTF+1.95% EA	2,235,000	0
Financor Corpbanca (18)	02/12/17	DTF+2.3%	33,000,000	0
Financial obligations Vías de las Americas			124,743,222	0
Others			0	6,786
			<b>520,656,176</b>	<b>272,465,878</b>

New loans were made for: (1) paying taxes; (2) capital for projects; (3) payment of loan in USD; (4) capital contribution to Pacifico Tres S.A.S., (5) equity contribution to Concesion Vias de las Americas S.A.S. (items 1-2-3-4) were renewed in 2015, (6) loans for the cancellation of leasing contracts in USD with Banco de Bogota, (7) paying credit of Banco de Bogota, (8) availability of resources and transfers to works; (9) contribution to Concesion Ruta al Mar S.A.S.; (10) contribution to Concesion La Pintada S.A.S.; and (11) contribution to Concesion Pacifico Tres S.A.S. (12) equity contribution of Antioquia Bolivar 708M, working capital difference, payment of taxes, capital for projects; (13) for working capital, payment of dividends, equity contributions APP Antioquia Bolivar \$1.153.000; (14) resources available for works and payment of taxes; (15) contribution Cesar Guajira \$4.843.983, difference of resources available; (16) to set forth financial collateral arrangements; (17) working capital; (18) credit for equity realized by Construcciones El Condor for Conexion Pacifico Tres.

#### Operations with the Concesion Red Vial del Cesar S.A.S.

The following lists the operations held in 2013 and the cancellation of the obligations held:

Transaction, operation, contract or business	The grantor transfers to the assignee the rights and obligations established in concession contract No. 0254-20 and registered at the National Mining Registry on August 17, 2006, code HGME-03 for the technical exploration and economic exploitation of a gravel and river sand deposit at La Floresta stream in the municipality of Pailitas, Pelayas and Tamalameque, Cesar, in an area of 5,962.5 m2.
Amount of the operation	\$555.000 in consideration of the transfer object of this contract.
Date of the operation	May 7, 2013
Balance of the operation	\$555.000 in consideration of the transfer object of this contract.
Assignee	Concesion Red Vial del Cesar
Grantor	Construcciones El Condor S.A.
Obligations of the parties (collateral granted or received)	N/A
Transaction, operation, contract or business	The grantor transfers to the assignee the rights and obligations established in concession contract No. IHT-16461 entered on April 22, 2008 and registered at the National Mining Registry on July 10, 2008, for the exploration and exploitation of river, seed-cover and other concesible materials, in the municipality of Copey, Cesar (Caracolcito stream in an area of 335 Ha and 8,512.5 m2.
Amount of the operation	\$74.000 in consideration of the transfer object of this contract.
Date of the operation	May 7, 2013
Balance of the operation	\$74.000 in consideration of the transfer object of this contract.
Assignee	Concesion Red Vial del Cesar
Grantor	Construcciones El Condor S.A.
Obligations of the parties (collateral granted or received)	N/A
Transaction, operation, contract or business	The grantor transfers to the assignee the rights and obligations established in concession contract No. 0262-20 entered on December 21, 2005 and registered on its behalf at the National Mining Registry on May 16, 2006, code HGCG-04 for the exploration and exploitation of a deposit of limestone for construction, graves and river sands on the bridge over Maracas River, on the Becerril La Jagua road in the municipality of Becerril, Cesar in an area of 122 Ha and 3,460.5m2.
Amount of the operation	\$2.590.000 in consideration of the transfer object of this contract.
Date of the operation	May 7, 2013
Balance of the operation	\$2.590.000 in consideration of the transfer object of this contract.
Assignee	Concesion Red Vial del Cesar
Grantor	Construcciones El Condor S.A.
Obligations of the parties (collateral granted or received)	N/A

Transaction, operation, contract or business	The grantor transfers to the assignee the rights and obligations established in concession contract No. 0260-20 entered on December 21, 2005 and registered on its behalf at the National Mining Registry on June 13, 2006, code HGCG-02 for the exploration and economic exploitation of a deposit of gravel and river sand and others, as well as those found associated or intimately links, or which result as byproducts of the exploitation, in the jurisdiction of the municipalities of La Paz San Diego, in the department of Cesar in an area of 70 Ha and 2.875m2.
Amount of the operation	\$1.850.000 in consideration of the transfer object of this contract.
Date of the operation	May 7, 2013
Balance of the operation	\$1.850.000 in consideration of the transfer object of this contract.
Assignee	Concesion Red Vial del Cesar
Grantor	Construcciones El Condor S.A.
Obligations of the parties (collateral granted or received)	N/A

Transaction, operation, contract or business	The grantor transfers to the assignee the rights and obligations established in concession contract No. LES-11081 entered June 9, 2011 and registered on its behalf in the National Mining Registry on September 22, 2011, for the exploration and exploitation of a deposit of construction materials, sands, gravel, seed-cover as well as those found associated or intimately related, or which result as byproducts of the exploitation, in the jurisdiction of the municipality of San Diego in the department of Cesar, in an area of 38 Ha and 8.719m2.
Amount of the operation	\$370.000 in consideration of the transfer object of this contract.
Date of the operation	May 7, 2013
Balance of the operation	\$370.000 in consideration of the transfer object of this contract.
Assignee	Concesion Red Vial del Cesar
Grantor	Construcciones El Condor S.A.
Obligations of the parties (collateral granted or received)	N/A

The parties entered an Agreement of Association and Operation with the purpose of exploring and exploiting the areas under concession in the concession agreement for the exploration and exploitation of materials No. 0260-20.

Transaction, operation, contract or business	An Agreement of Association in which the parties develop and exploit commercial operations related to the operation, administration, exploitation, maintenance and usufruct of a deposit of limestone for construction, gravels and river sands located in the jurisdiction of the municipality of Becerril, department of Cesar, object of the concession agreement for the exploitation of materials No. 0260-20.
Amount of the operation	Construcciones El Condor S.A. shall recognise the concession holder, in terms of net profit derived from the rights conferred in the agreement of association, the sum of \$1.800 per cubic meter, measured with topographic sections.
Date of the operation	October 1, 2013
Balance of the operation	N/A
Assignee	Concesion Red Vial del Cesar
Grantor	Construcciones El Condor S.A.
Obligations of the parties (collateral granted or received)	N/A



**Commercial financing companies**

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Leasing de Occidente	0	1,785
Leasing Bancolombia Compañía de Financiamiento	0	18,984,412
Bancolombia Panama	0	3,079
Bancolombia	19,835,004	0
<b>TOTAL SHORT-TERM COMMERCIAL FINANCING COMPANIES</b>	<b>19,835,004</b>	<b>18,989,276</b>
<b>TOTAL FINANCIAL OBLIGATIONS AND SHORT-TERM FINANCING COMPANIES</b>	<b>540,491,180</b>	<b>291,455,154</b>

**Long-term financial obligations**

			At December 31	At December 31
	<b>Maturity</b>	<b>Rate</b>	<b>2016</b>	<b>2015</b>
Banco BBVA (1)	07-09-2017	DTF+1.95 EA	0	2,235,000
Banco BBVA (2)	15-12-2018	DTF+2.3% EA	28,000,000	28,000,000
Banco Corpbanca (3)	02-12-2017	DTF+2.3%	0	33,000,000
Bancolombia (4)			0	241,031,076
<b>TOTAL LONG-TERM FINANCIAL OBLIGATIONS</b>			<b>28,000,000</b>	<b>304,266,076</b>

(1) Loans to pay leasing contracts in USD with Banco de Bogota.

(2) Loans for working capital.

(3) Credit for equity realised for Construcciones El Condor for Conexion Pacifico Tres.

(4) Credit for equity realised for Construcciones El Condor for Concesion Vias de las Americas S.A.S.

**Commercial financing companies**

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Caterpillar Credito S.A.	9	0
Obligations joint operations (*)	493,526	0
Bancolombia	106,237,510	109,084,445
Bancolombia Panama	9,096	6,237
<b>TOTAL LONG-TERM COMMERCIAL FINANCING COMPANIES (1)</b>	<b>106,740,141</b>	<b>109,090,682</b>
<b>TOTAL FINANCIAL OBLIGATIONS AND LONG-TERM COMMERCIAL FINANCING COMPANIES</b>	<b>134,740,141</b>	<b>413,356,758</b>
<b>TOTAL FINANCIAL OBLIGATIONS</b>	<b>675,231,321</b>	<b>704,811,912</b>

At December 31, 2016 and December 31, 2015 the Company had no financial obligations in arrears

Financial leasing contracts in foreign currency with Bancolombia Panama and Caterpillar Credito S.A. were reexpressed in Colombian pesos at the market's official exchange rate (TRM).

**Note 12. Commercial accounts payable and other current accounts payable**

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Domestic	5,529,228	5,403,502
From overseas	716	108,786
Suppliers, joint operations (*)	334,326	1,183,466
Installments payable	0	7,533,167
Costs and expenses payable	7,499,988	10,942,365
Official creditors - taxes	1,408,111	840,178
Other accounts payable	644,546	263,465
Accounts payable to related companies	0	73
Contractors	84,131,672	14,404,974
Others (2)	94,214,514	1,253,745
Dividends shareholders	103,644	104,547
Payroll withholdings and contributions	1,461,175	1,313,816
Accounts payable, joint operations (*)	103,406,616	72,120,221
Autonomous equity	25,421,042	6,626,457
<b>TOTAL COMMERCIAL ACCOUNTS PAYABLE AND OTHER ACCOUNTS PAYABLE</b>	<b>324,155,580</b>	<b>122,098,759</b>

(1) Of this amount, \$1.560.347 correspond to accounts payable to subcontractors in the different projects. The maturity of accounts payable to suppliers is 45 days.

(2) This amount includes accounts payable to: pension funds, fringe benefits and consortiums, and dividends for usufruct contracts. Of this amount, \$89.477.678 correspond to liabilities for short - term.

## Note 13. Accounts payable with current related parties

Short-term	At December 31	At December 31
	2016	2015
Concesion Red Vial del Cesar S.A.S.	(173)	0
Concesion Ruta al Mar	173	0
Concesion Cesar Guajira	0	76,611
<b>TOTAL ACCOUNTS PAYABLE SHORT - TERM</b>	<b>0</b>	<b>76,611</b>
Long-term	At December 31	At December 31
	2016	2015
Consortio Minero del Cesar S.A.S.	0	5,425,297
Concesion Cesar Guajira	(3,366,698)	0
Autonomous equity	3,366,698	687,228
<b>TOTAL ACCOUNTS PAYABLE LONG - TERM</b>	<b>0</b>	<b>6,112,525</b>
<b>TOTAL ACCOUNTS PAYABLE TO WITH CURRENT RELATED PARTIES</b>	<b>324,155,580</b>	<b>128,211,284</b>

The Company does not recognise implicit financing given the uncertainty levels held related to the time this account payable shall be paid. Consequently, no terms or interests for this account are established.

## Note 14. Current taxes

Short-term	At December 31	At December 31
	2016	2015
Tax on wealth and income tax	114,052	311,523
Income tax	250,826	421,727
Industry and trade tax, and others	1,998,338	1,650,187
Industry and trade, joint operations (*)	60	0
Tax on added-value	534,908	4,053,432
Withholding at source	53,447	158,320
Other liabilities	148	0
Tax on added value, joint operations (*)	278,567	533,625
Autonomous equity	306,847	65,349
<b>TOTAL CURRENT TAX</b>	<b>3,537,191</b>	<b>7,194,163</b>

The tax on wealth was entirely caused, taking over the equity reserve known as taxed working capital.

## Note 15. Other liabilities and provisions

Short-term	At December 31	At December 31
	2016	2015
Costs and expenses (1)	62,489,361	132,564,832
Costs and expenses, joint operations (*)	13,722,707	3,533,198
Industry and trade	1,093,856	1,637,895
Tax on wealth	0	39,607
Income tax and tax for equity CREE	6,780,890	23,143,563
Contingencies	1,309,599	543,000
For labor obligations	579,321	16,160
Desmanteling mines and quarries (2)	144,025	69,212
Laboral - retirement pension, actuary calculation	186,386	151,660
Other provisions, joint operations (*)	994,813	471,193
Autonomous equity	1,402,825	3,900,453
<b>TOTAL</b>	<b>88,703,782</b>	<b>166,070,772</b>

(1) Costs and expenses are calculated based on the execution of the work made by subcontractors which if the service is incomplete, has not been invoiced at the end.

(2) Dismantling corresponds to the quarry recovery and abandonment, established by the Company through financial appreciation.

Long-term	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Tax on wealth	0	14,466
Income tax and tax for equity CREE	0	95,492
For labor obligations	0	555,257
Other liabilities and provisions (Autonomous equity)	944,256	0
<b>TOTAL LONG - TERM</b>	<b>944,256</b>	<b>665,215</b>

## Note 16. Prepayments and advances received

Short-term	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Instituto Nacional de Vias (1)	225,852	7,827,161
Operadora de Aeropuertos Centro	0	2,192
Departamento del Cesar	0	128,728
C2 Estudio S.A.S.	0	448,000
Estyma S.A.	0	100,000
Inversiones Sistori y Sossa S.A.S.	100,000	0
Others	1,106,244	1,488,363
Prepayments and advances, joint operations (*)	1,133,834	2,779,008
Collateral for contracts, joint operations (*)	5,231,964	5,491,987
Accounts in participation, joint operations (*)	451,610	451,610
Earnings received for third parties, joint operations (*)	9,169,641	267
Autonomous equity	145,265	0
<b>TOTAL SHORT - TERM</b>	<b>17,564,409</b>	<b>18,717,317</b>

(1) Prepayment received from INVIAS for the execution of the Bajira - Caucheras work.

Long-term	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Withholding over contracts	672,774	1,492,389
Consorcio Constructor Americas (1)	16,782,813	24,898,993
Autonomous equity	0	0
<b>TOTAL LONG - TERM</b>	<b>17,455,587</b>	<b>26,391,382</b>
<b>TOTAL</b>	<b>35,019,997</b>	<b>45,108,699</b>

(1) Prepayment corresponds to Transversal de las Americas, Concession Contract 008 of 2010 - Corredor Vial del Caribe, for works in Monteria, Uraba, San Marcos y Santa Ana - La Gloria.

## Note 17. Liability for deferred tax

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Deferred taxes for revaluation	76,917,762	67,379,668
Deferred taxes for revaluation	324,426	0
Deferred taxes for investments	14,835,869	26,419,263
Deferred taxes, depreciation	0	42,328
Deferred tax goods leased	40,790	0
Deferred tax concessions	572,664	0
<b>TOTAL DIFERIDOS DE LARGO PLAZO</b>	<b>92,691,511</b>	<b>93,841,259</b>

The deferred tax was calculated using the liability method and the tax rate at which the differences (40%) are expected to reverse, and to the 10% tax rate for occasional earnings.

## Note 18. Equity

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Stock capital (1)	15,701,606	15,701,606
Premium from stock placement (2)	159,711,695	159,711,695
Retained earnings	412,749,801	424,435,588
Profit of the period	185,924,266	148,621,376
<b>TOTAL</b>	<b>774,087,367</b>	<b>748,470,265</b>

(1) The authorized capital of the Company is represented in 1,400,000,000 stocks with a par value of \$25 pesos each, of which to this date 628,064,220 stocks are subscribed and paid, and of these, 53,698,400 correspond to own stocks reacquired.

(2) In 2012, a total of 114,900,500 stocks were issued at a sales price per stock of \$1.415 pesos and a par value of \$25 pesos per stock. The amount of this issuance reached the sum of \$162,584,208 represented by a capital increase of \$2,872,513 and a premium from the stock placement of \$159,711,695.

## Note 19. Revenues from normal activities

	At December 31	At December 31
	<b>2016</b>	<b>2015</b>
Oficina Central	426,558	36,452,698
U.E.N Maquinaria y Equipo	205,821	0
Agencia Nacional de Infraestructura	0	789,679,839
Grupo Condor Inversiones	328,633	0
Agregados San Javier (2)	16,907,079	26,258,491
Vias del Cesar	0	7,015,709
Consortio Minero del Cesar	129,170	0
Consortio Constructor Aburra Norte COCAN (8)	20,103,742	25,708,719
Consortio Constructor Nuevo Dorado (1)	40,082,548	9,804,128
Consortio Hidroelectrica de Tuluá	6,646	0
Marginal de la Selva	212,343	548,886
Consortio Avenida Colon	2,593,237	32,247,153
Consortio Vial del Sur	4,392,743	6,231,774
Obra Tumaco Ricaurte Nariño (Tumaco)	6,219,489	7,744,180
Americas Condor (Monteria) (3)	52,607,392	40,290,290
Consortio Mantenimiento Opain	693,014	756,212
Americas Condor (Uraba) (3)	43,300,888	101,935,292
Americas Condor (San Marcos) (3)	11,415,330	66,179,046
Consortio Constructor Americas	1,077,100	6,966,311
Dabeiba Santa Fe de Antioquia	0	3,717,489
Concesion Vias de las Americas (7)	220,724,471	56,752,622
Cesar Grupo 3	6,223,334	67,448,685
Caucheras (4)	49,881,521	19,523,214
Consortio Farallones (3)	21,484,141	1,819,878
Consortio Constructor Pacifico 3	6,081,343	5,180,214
Cesar Guajira-Obra (5)	16,075,971	0
Unidad Especial de Puentes	1,116,536	0
Concesion Cesar Guajira	186,184	0
Concesion Ruta al Mar	419,755	0
Obra Antioquia Bolivar (5)	8,174,218	0
Consortio APP Llanos	787,276	3,234,423
La Virginia (5)	29,412,729	0
Irra (5)	19,790,913	0
P2 Condor	1,533,355	0
Americas Condor Santa Ana - La Gloria	147,061	0
Others minor	31,707	658,298
Autonomous equity (6)	41,096,669	61,660,895
Organizacion de Ingenieria Internacional	0	14,517,835
Concesion Red Vial del Cesar S.A.S.	0	2,000,000
<b>TOTAL</b>	<b>623,868,919</b>	<b>1,394,332,281</b>

(1) The increased revenues result from invoicing works of Amendment II of EPC. The works include the expansion of the contract signed on December 2015 and ending on January 31, 2017.

(2) Agregados San Javier: the most important revenues derive from the contract made with the Municipality of Medellin known as "Parcheos 2015"; with an average monthly invoicing of \$555M, Arquitectura y Concreto S.A.S. with an average annual invoicing of \$102M, and Gisaico S.A. with a monthly average of \$58M.

(3) Revenues from the works P2 Condor, Uraba, Monteria, San Marcos and Santa Ana-La Gloria correspond to the execution of their construction stage.

(4) Due to the execution of works budgeted for 2016, due to the reactivation of the contract with INVIAS.

(5) These revenues correspond to the beginning of the works in the concessions the Company participates in: Irra and La Virginia are fronts of Concesion Pacifico 3, Antioquia- Bolivar corresponds to Concesion Ruta al Mar, and Cesar - Guajira corresponds to Concesion Cesar – Guajira.

(6) These revenues correspond to the execution of the works in the concessions Ruta al Mar y Cesar Guajira.

(7) Revenues perceived from the execution of the contract with Agencia Nacional de Infraestructura.

(8) Revenues from consortium certificates of Consorcio Constructor Aburra Norte.

## Note 20. Operating costs

At December 31

	2016	2015
Sales cost and services provided	82,636,890	133,288,396
Production or operation costs	15,051,559	38,264,545
Direct labor	26,250,673	0
Indirect costs	337,009,444	41,428,009
Indirect labor	26,424,911	926,932,972
Services contracts	7,926,552	27,987,500
Condor Investment USA	353,551	20,813,884
Autonomous equity	39,538,491	61,522,601
<b>TOTAL</b>	<b>535,192,070</b>	<b>1,250,237,907</b>

## Note 21. Administration expenses

At December 31

	2016	2015
Employee benefits(2)	17,204,526	14,073,901
Fees (1)	2,761,163	20,201,252
Taxes	1,037,163	1,788,707
Leases	269,012	287,392
Contributions, insurance, services, legal	939,046	1,821,528
Services	424,489	707,493
Legal expenses	4,694	8,446
Maintenance, furnishings	144,124	1,190,261
Furnishings and installations	18,077	30,653
Travel expenses	2,237,987	1,600,157
Depreciations	594,165	577,341
Impairment	92,387	3,215
Amortizations	1,089,149	939,186
Advertising and propaganda	0	19,345
Entertainment expenses and public relations	57,956	13,937,498
Miscellaneous	16,993,120	1,394,526
Provision, accounts receivable and investments	531,451	0
Concesion Red Vial del Cesar S.A.S.	333,986	0
Autonomous equity	(12,883,715)	(12,311,421)
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>31,848,782</b>	<b>46,269,480</b>

(1) Corresponds to fees for technical advisory services, studies and designs made for APP projects.

(2) Employee benefits.

At December 31

	2016	2015
Integral salary	4,301,693	3,079,298
Wages	5,636,852	6,445,361
Bonuses	1,491,766	877,023
Others (legal benefits, contributions to social security and other)	5,764,215	3,672,219
<b>TOTAL EMPLOYEE BENEFITS</b>	<b>17,204,526</b>	<b>14,073,901</b>

## Note 22. Other revenues

At December 31

	2016	2015
Leases	17,450	4,995
Recoveries	379	388,805
Reimbursement of other costs	449,858	1,817,362
Reimbursement of provisions	4,010,037	1,886,197
Indemnizations - disabilities	1,132,105	355,664
Revenues from previous periods	876,550	471
Miscellaneous	4,581,877	4,140,878
Autonomous equity and concessions	0	1,807,498
Profit from sale of properties, plant and equipment	196,250	0
<b>TOTAL OTHER REVENUES</b>	<b>11,264,507</b>	<b>10,401,870</b>

## Note 23. Other expenses

At December 31

	2016	2015
Costs and expenses from previous periods	2,435,763	134,717
Lien on financial movements	30,643	0
Non-deductible expenses	188,561	82,321
Indemnizations and lawsuits	148,772	124,934
Fines, sanctions and litigations	22,618	55,645
Donations	835,184	878,900
Exchange difference	(1)	31,777
Others	2,541,388	280,023
Other bank expenses	3,676	329,311
Tax assumed	0	73,211
Bank commissions	1,793,513	0
Bank expenses	1,499	0
Loss of claims	416,345	63,978
Autonomous equity	66,191	556,716
<b>TOTAL OTHER EXPENSES</b>	<b>8,484,153</b>	<b>2,611,533</b>

## Note 24. Other gains or losses

At December 31

	2016	2015
Profit from sale of properties, plant and equipment	291,824	(725,524)
Loss of sale and removal of goods	(1,804,583)	(198,608)
Loss of sale of properties, plant and equipment	(25,036)	(495,203)
Sale of other asset	(18,792)	0
Profit from sale of investments (1)	144,833,358	80,071,172
Miscellaneous	720,702	0
Autonomous equity	(721,959)	(396)
<b>TOTAL OTHER GAINS OR LOSSES</b>	<b>143,275,515</b>	<b>78,651,441</b>

(1) The profit displayed in the month of December from the sale of 19,408,008 shares of Organizacion de Ingenieria Internacional corresponds to 9,9% of the investment.

## Note 25. Financial revenues

At December 31

	2016	2015
Consortio Minero del Cesar S.A.S.	0	1,000,907
Industria Selma International	385,222	315,555
Autonomous equity	72,322,816	7,330,640
Valores Bancolombia	1,750,520	215,882
Concesion Vias de las Americas S.A.S.	28,863	0
Concesion Ruta al Mar	1,456	0
Concesion Pacifico Tres	10,430,718	0
Banco Bilboa Viscaya Argentaria	205,298	0
BTG Pactual S.A. Comisionista	0	72,641
Autonomous equity and concessions	0	53,415,638
Exchange difference	24,761	3,530,799
Other minors	103,767	132,438
<b>TOTAL FINANCIAL REVENUES</b>	<b>85,253,421</b>	<b>66,014,500</b>

## Note 26. Financial expenses

At December 31

	2016	2015
Banco BBVA	9,879,472	4,903,201
Bancolombia	21,177,015	6,749,806
Banco Santander de Negocios	741,777	0
Leasing Bancolombia	8,672,665	6,880,845
Banco de Bogota	5,362,121	2,613,583
Corpbanca	2,728,172	2,249,193
Concesion Cesar Guajira	19,475	0
Concesion Vias de las Americas	148,259	0
Concesion Ruta al Mar	2,657	0
Banco de Occidente	1,753,455	397,958
Lien on financial movements	2,399,351	2,669,773
Exchange difference	763,674	31,777
Bank commissions and expenses	1,040,134	1,311,381
Other minors	156,364	388,968
Autonomous equity	75,670,681	65,997,921
<b>TOTAL FINANCIAL EXPENSES</b>	<b>130,515,273</b>	<b>94,194,406</b>

## Note 27. Gains (loss), equity method

At December 31

	2016	2015
Concesion Aburra Norte Hatovial	1,632,500	3,048,695
Concesion La Pintada S.A.S.	858,560	50,337
Concesion Pacifico Tres S.A.S.	15,718,914	0
Consortio Minero del Cesar S.A.S.	18,339,249	0
Industria Selma Inc	240,058	0
Concesion Transmilenio del Sur	(4,410)	0
Concesion Vias del Nus	61,655	0
Other minors	0	(77,704)
<b>TOTAL GAINS (LOSS), EQUITY METHOD</b>	<b>36,846,526</b>	<b>3,021,328</b>

## Note 28. Taxes

The following details the calculation of taxes, including fiscal obligations.

### Provision for income tax

At December 31

	2016	2015
Profit before tax	0	158,506,399
Net accounting and fiscal items that decrease income	0	(111,268,166)
Net accounting and fiscal items that increase income	0	11,688,630
Taxable income	0	58,926,863
<b>TOTAL INCOME TAX PROVISION 25%, YEARS 2016 AND 2015</b>	<b>3,587,786</b>	<b>10,361,526</b>
Net occasional earning	1,127,429	79,118
<b>TOTAL INCOME TAX PROVISION 25%, YEARS 2016 AND 2015</b>	<b>4,715,215</b>	<b>10,440,644</b>
Deffered tax	1,564,937	(8,492,558)
<b>TOTAL INCOME TAX</b>	<b>6,280,152</b>	<b>1,948,086</b>

### Provision for income tax for equity CREE

At December 31

	2016	2015
Taxable income	14,253,653	59,805,212
<b>TOTAL INCOME TAX FOR EQUITY PROVISION 9%, YEARS 2016 AND 2015</b>	<b>1,021,816</b>	<b>5,513,539</b>
Surcharge	807,219	2,950,260
<b>TOTAL INCOME TAX FOR EQUITY PROVISION CREE</b>	<b>1,829,035</b>	<b>8,463,799</b>
<b>TOTAL TAXES</b>	<b>8,109,187</b>	<b>8,463,799</b>

**Note 29. Operation segments**

2016

Description	Internal revenues	External revenues	IFRS ordinary revenues	Other income and expenses	Result of the period	Total assets	Depreciations
<b>INVESTMENT SEGMENT</b>							
Investments	0	(40,249,686)	(40,249,686)	143,267	(183,516,738)	716,294,457	0
<b>CONSTRUCTION SEGMENT</b>							
Americas Condor (Monteria)	(1,743,035)	(52,570,207)	(54,313,243)	(38,620)	(15,693,125)	62,070,396	311,787
Americas Condor (Uraba)	0	(43,236,365)	(43,236,365)	(41,047)	(2,189,538)	67,635,680	243,275
Americas Condor (San Marcos)	0	(11,399,452)	(11,399,452)	(9,608)	(1,791,732)	28,447,486	0
Obra Antioquia Bolivar	0	(8,174,218)	(8,174,218)	(9,436)	1,261,394	10,028,595	10,846
Americas Condor (Santa Ana)	0	(147,061)	(147,061)	(738)	591,191	935,023	55,744
La Virginia	0	(29,367,915)	(29,367,915)	(21,904)	(7,463,779)	14,267,347	106,338
Caucheras	0	(49,881,521)	(49,881,521)	(35,394)	(14,488,011)	4,356,777	24,545
Irra	0	(19,790,680)	(19,790,680)	(15,938)	(3,852,699)	18,238,947	176,742
P2 Condor	0	(1,533,355)	(1,533,355)	(2,366)	832,648	1,683,847	57,501
Cesar Guajira Obra	0	(16,058,179)	(16,058,179)	(14,658)	(1,400,670)	19,875,136	81,216
<b>TOTAL</b>	<b>(1,743,035)</b>	<b>(272,408,641)</b>	<b>(274,151,676)</b>	<b>(46,441)</b>	<b>(227,711,057)</b>	<b>943,833,690</b>	<b>1,067,994</b>

Grupo Condor Inversiones: collects debt-related resources for the Company's new concession projects, to management the current investments portfolio, and to generate and implement financing strategies which allow the Company to make contributions for risk capital in investments and continue growing in the market.

Americas Condor (Monteria): Concession Contract 008 of 2010 for the construction, revamp, expansion, improvement and conservation of Proyecto Vial Transversal de las Americas, and to prepare the studies and final designs, the property, social and environmental management, the obtainment and/or amendment of environmental licenses, the financing, operation and maintenance of works on Corredor Vial "Transversal de las Americas Sector 1", known as Corredor Vial del Caribe.

Americas Condor (Uraba): Concession Contract 008 of 2010 for the construction, revamp, expansion, improvement and conservation of Proyecto Vial Transversal de las Americas, and to prepare the studies and final designs, the property, social and environmental management, the obtainment and/or amendment of environmental licenses, the financing, operation and maintenance of works on Corredor Vial "Transversal de las Americas Sector 1", known as Corredor Vial del Caribe.

Section 1-Lomas Aisladas - El Tigre / Section 2- El Tigre - Turbo / Section 3- Turbo - Necocli - San Juan / Section 4-double lane El Tigre - Turbo includes alternate road (Carepa, Reposo, Apartado y Currulao) /Construction of Cirilo toll station / Construction of Rio Grande toll station / Construction of Chaparral toll station

Americas Condor (San Marcos): Concession Contract 008 of 2010 for the construction, revamp, expansion, improvement and conservation of Proyecto Vial Transversal de las Americas, and to prepare the studies and final designs, the property, social and environmental management, the obtainment and/or amendment of environmental licenses, the financing, operation and maintenance of works on Corredor Vial "Transversal de las Americas Sector 1", known as Corredor Vial del Caribe.

Section 10 Marcos - Majagual - Achi - Guaranda

Caucheras (Contract 1787 de 2014): improvement, maintenance and refurbishment of the beltway Riosucio - Belen de Bajira- Caucheras.

Antioquia Bolivar (Work): Concession Contract 016 del 2016 construction, improvement, refurbishment, operation, maintenance and reversion of Concesion Ruta al Mar.  
Functional units 1, 2, 3, 6, 7 y 8.

Americas Condor Santa Ana: Concession Contract 008 del 2010 for the construction, revamp, expansion, improvement and conservation of Proyecto Vial Transversal de las Americas, and to prepare the studies and final designs, the property, social and environmental management, the obtainment and/or amendment of environmental licenses, the financing,



operation and maintenance of works on Corredor Vial "Transversal de las Americas Sector 1", known as Corredor Vial del Caribe.

Section: Santa Ana-toll station / Section: Guamal - El Banco.

La Virginia: Concession Contract 5 del 2014 final studies and designs, financing, environmental, land and social management, construction, improvement, refurbishment, operation, maintenance and reversion of Concesión Autopista Conexión Pacífico 3, of the "Autopistas para la Prosperidad" project.

Complete functional units 1 / Partial functional units 2.

Irra: Concession Contract 5 del 2014 final studies and designs, financing, environmental, land and social management, construction, improvement, refurbishment, operation, maintenance and reversion of Concesión Autopista Conexión Pacífico 3, of the "Autopistas para la Prosperidad" project.

Partial functional units 3 / Complete functional units 4 / Partial functional units 5.

P2 Condor: Concession Contract 6 del 2014 final studies and designs, financing, environmental, land and social management, construction, improvement, refurbishment, operation, maintenance and reversion of Concesión Autopista Conexión Pacífico 2, of the "Autopistas para la Prosperidad" project.

Functional units 1, 2, 3, 4 y 5.

Cesar Guajira Condor: Concession Contract 006 del 2015 final studies and designs, financing, environmental, land and social management, construction, improvement, refurbishment, operation, maintenance and reversion of Concesión Cesar Guajira.

Functional units for the project 1, 2, 4, 5 y 7

### **Note 30. Transactions with related parties**

During the year 2016, operations were made with related companies and subordinates, which were revised and previously approved by the Audit Committee to verify if they met the standards and if they would have received the same treatment provided to independent third parties. Details of the operations made with related companies and subordinates are shown in Notes 4, 5 and 10 of these financial statements.

Compensation of key management staff:

January to December 2016 summary

<b>Item</b>	<b>Amount year</b>
Vacations premium	41,869
Vacations	118,005
Salary	1,909,630
Performance bonus	165,595
<b>TOTAL</b>	<b>2,235,099</b>

Operations during the year 2016 with other entities of interest (investments in corporations).

COMPANY	No. Stocks	Dividends paid		Sale of services provided	Loans	Stocks purchase	Expenses for interests	Costs of work minutes and others	Accounts payable
		Stocks	Cash						
Consorcio Minero del Cesar S.A.S.	73,500,000			129,169	137,402				
Concesion Aburra Norte Hatovial S.A.	1,582,886								
Concesion Red Vial del Cesar S.A.	2,607,282			114				243,669	105,556
Concesion La Pintada S.A.S.	1,120,950				257,970				
Concesion Vial Los Llanos S.A.S.	550,000		328,633		6,839,311				
Constructora Tunel de Oriente S.A.S.	10,162,527,451			149,119					
Concesion Pacifico Tres S.A.S.	4,800				23,421,288		10,430,718	16,996	
Concesion Vias de las Americas S.A.S.	173,342			2,169,631				249,556	
Concesion Vias del Nus S.A.S.	1,055,250				12,065,713	1,063,064			
Concesion Cesar Guajira S.A.S.	200,000				19,598,521			19,842	111,861
Concesion Ruta al Mar S.A.S.	700,000			11,489	59,997,882			6,229	
Industrias Selma S.A.	5,000						385,221		
Concesion Transmilenio del Sur									
Transmilenio NQS Sur									
Condor Investment USA Inc	679,156					2,005,818			
P.A. Fiduciaria Bancolombia Concesion Cesar Guajira				18,280,095			3,631,735		
P.A. Fiduciaria Bancolombia Concesion La Pintada							5,938		
P.A. Fiduciaria Bancolombia Concesion Pacifico 3				58,271			875,489		
P.A. Fiduciaria Bancolombia Concesion Ruta al Mar				17,357,667			4,840,744		
P.A. Fiduciaria Bancolombia Concesion Vias del Nus									

## Note 31. Reclassifications

To compare with the financial statements at December 31, 2016 a reclassification was made of several figures of the financial information at December 31, 2015.

## Note 32. Highlights

(1) Claim made against Trans NQS Sur S.A.S. for remaining longer in the work and other overcosts during the execution of the commercial offers to execute the NQS Sur of Sistema Transmilenio, amounting to \$ 20.280.131.

An award was given in the case made by CI Colombian Natural Resources S.A.S. against Masering S.A.S., Construcciones El Condor S.A., SP Ingenieros S.A.S. and Consorcio Minero del Cesar S.A.S. This case was presented to the Bogota Chamber of Commerce for an operation contract of La Francia mine. The award favors Consorcio Minero del Cesar S.A.S., Construcciones El Condor S.A., Masering S.A.S. and S.P. Explanaciones S.A.S. with the sum of \$263.355.334.245, once compensation are applied. El Condor S.A. holds 29,4% of Consorcio Minero del Cesar S.A.S. The award is not yet binding and is susceptible to the special resources of the Law. On August 17, 2016 CI Colombian Natural Resources S.A.S., Masering S.A.S., Construcciones El Condor S.A., SP Ingenieros S.A.S. and Consorcio Minero del Cesar S.A.S. entered a transaction contract to end any disputes and difference among the parties, and to avoid future disputes which may rise from present or future claims related to the aforementioned arbitration process. In virtue of this transaction, CNR paid CMCS.A.S the sum of \$72 million dollars, thus concluding the controversies held related to the arbitration process.

## **Tax Reform - Law 1819 of 2016:**

The tax reform brought about the following premises which are in force as of January 1, 2017:

- Regulation of the fiscal application made on corporate collaboration contracts, such as: consortiums, joint ventures, joint accounts, setting the rules for formalities related to the yields guaranteed for the parties of the contract.
- The Government seeks to build ties between the fiscal regulation and the new accounting standards of Colombia. Consequently, to determine the income tax, the tax regulation adjusted its language to the IFRS system (International Financial Reporting Standards); to introduce definitions, such as the acknowledgement and measurement which can fiscally be at cost, acquisition price or par value as indicated in the tax regulation – otherwise, the accounting measure shall be used. Likewise, the accounting base of accumulation or accrual, based on the real rise of the obligation should be kept in mind. Anyways, the standard sets forth several exceptions for the fiscal acknowledgment of revenues, costs, expenses, assets and liabilities.
- Establishment of the tax management given to concession contracts and public-private associations, providing guidelines to be followed in the construction, operation and maintenance stages.
- Elimination of the CREE tax (income tax for equitable conditions) and its surcharge. However, the prior rate of the CREE tax (9%) is added to the Income rate and hence, in 2017, the rate shall be 34%, and in 2018 and thereafter, the rate will be 33%. To this percentage, an income surcharge is added, which for 2017 will be 6% and for 2018 will be 4% (over taxable income above \$800 thousand).
- Exempt of parafiscal contributions continues despite the elimination of the CREE tax among corporations and similar, which corresponds to workers that earn less than ten (10) minimum monthly legal wages in force.
- Deductions for parties, gifts, courtesies, customer services, etc. are limited. Deductible is only 1% of net fiscal income, provided it meets the requirements of necessity, proportionality and causality.
- As of the year 2017, depreciation is no longer calculated by the straight line method but instead as established in the accounting technique. The Government shall regulate the maximum depreciation rates, which range from 2,22% to 33% annual.
- Increased term of statements made to compensate losses: from five (5) to six (6) years, while compensation is limited to twelve (12) taxable periods thereafter.
- Presumptive income rate increase from 3% to 3,5%.
- Donations to non-profit entities under special regimes receive a tax discount of 25% of the amount donated.
- Creation of the ECE (entities controlled overseas) regime.
- Indefinite continuity of the 4 x 1 thousand tax on financial movements.
- VAT increase to 19% as of January 1, 2017. However, this excludes contracts entered with state-owned entities, construction contracts, and comptrollerships derived from transportation and infrastructure concession contracts entered with public or state-owned entities, which will have the VAT in force on the date when the contract is signed, which extends until an acquisition (of goods or services) made by the construction contractor and comptroller.
- Elimination of the 2-point discount from the VAT and creation of an option to handle the VAT paid in an acquisition or import of capital goods at the general rate, as a deduction in the income tax of the taxable year when the good was acquired or imported.

### Note 33. Indicators and interpretation

#### INDICATORS OF RESULTS

Operating margin	$\frac{\text{Operating profit}}{\text{Operating revenues}}$	=	$\frac{202,883,936}{778,408,941}$	26.06%	The Company generated an operating profit equivalent to 26.06%, with regards to total sales of the period.
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#### INDICATORS OF LIQUIDITY

Working capital =	Current asset - Current liability	=	274,197,970		Represents the surplus of current assets (once current liabilities are paid) which the Company has as permanent funds, to serve the permanent needs of the operation.
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Current ratio or liquidity index =	$\frac{\text{Current asset}}{\text{Current liability}}$	=	$\frac{1,257,942,535}{983,744,565}$	1.2787	For each \$1 of current liability, the company has a backup of \$1,28 in the current asset.
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#### INDICATORS OF INDEBTEDNESS

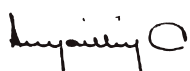
Total indebtedness =	$\frac{\text{Total liability}}{\text{Total asset}}$	=	$\frac{1,229,669,140}{2,052,819,719}$	0.5990	Reflects the share of creditors over the assets of the Company. For each peso that the Company has in the asset, it owes \$59.90 cents.
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Financial indebtedness =	$\frac{\text{Financial liability}}{\text{Total asset}}$	=	$\frac{675,231,321}{2,052,819,719}$	0.3289	Reflects the share of creditors over the assets of the Company. For each peso that the Company has in the asset, it owes \$32.89 cents.
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#### INDICATORS OF PROFITABILITY

Return on equity (ROE)	$\frac{\text{Net profit}}{\text{Equity}}$	=	$\frac{185,924,266}{774,087,367}$	24.02%	Represents the yield generated by the capital investment.
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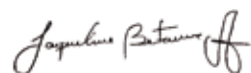
Net margin	$\frac{\text{Net profit}}{\text{Operating revenues}}$	=	$\frac{185,924,266}{778,408,941}$	23.88%	For each peso sold, the Company generates a net profit of 23.88%.
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ANA MARIA JAILLIER CORREA  
Legal Representative  
C.C. 42.895.563  
See attached opinion



ANA ISABEL GONZALEZ VAHOS  
Accountant  
P.C. 47345-T  
See attached opinion



JAQUELINE BETANCUR ARREDONDO  
Statutory Auditor (Crowe Horwath)  
P.C. 185113-T  
See attached opinion