



## Financial Statements Summary – Fourth Quarter 2017

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This report was prepared based on the individual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations (IFRIC) issued by the International Accounting Standards Board (IASB).

### Executive Summary

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*As it pertains to the individual financial statements as of December 31, 2017, it is worth highlighting the 66,9% increase in operating revenues versus 2016 which generated a larger construction EBITDA in the period and is the reflection of the Company's continued fulfillment of its construction plan in spite of adverse climate conditions during the quarter.*

*The Company is very proud to announce that, as of December 31, 2017, the fourth-generation concessions in which it has participation, all have long term credit contracts and financial disbursements.*

### Infrastructure Sector Performance

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In 2017 the construction of civil engineering works was one of the few sectors with good performance. The projects which entered their construction stage reached a stronger rhythm of execution and the revenues associated to this execution began to boost certain associated sectors. This good sectorial performance is reflected in an 8% growth of civil engineering construction compared to 2.0% growth in GDP during the third quarter. The trend continues to be positive and this positions the sector as one of the economy's pillars of growth. At the macroeconomic level, the Colombian economy continued its general deceleration trend during the first half of the year, however as the Central Bank's interest rate was reduced and the tax reform impacts began to exert their impact on the economy an improvement was evidenced in the trend. The year closed with a 1.8% GDP growth which exceeded analysts' expectations.



## Performance Report – Individual reports as of December 2017

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### □ Accumulated Income Statement

*Operating results are expressed under IFRS and comparative periods are performed for January-December 2017 and compared to January-December 2016 in accordance with NIC – 1 and NIC – 34.*

- Operating revenues as of December 2017 were COP\$603,430 million, with an increase of 66.9% over the same period of 2016. The Company expects to maintain this positive trend in 2018.
- Operating costs as of December 2017 were COP\$505,418 million, this corresponds to 84% of the operating revenues.
- As of December 2017, EBITDA (construction plus income from the sale of investments) was COP\$281,072 million versus COP\$215,031 million registered during the same period last year. This increase is generated primarily by the effect of a larger profit generated in projects which are in the midst of their construction stage as well as the finalized divestments. The construction EBITDA during the same period was COP\$119,259 million compared to COP\$70,320 million in 2016.
- Net income as of December 2017 was COP\$184,909 million versus COP\$185,924 million registered during 2016.

### □ Balance Sheet

*Balance figures are stated under IFRS and comparison is made between December 2017 and December 2016 in accordance with NIC – 1 y NIC – 34.*

- As of December 31, 2017, total assets were COP\$1.99 billion and their composition was divided into 45% current assets and 55% non-current assets.
- It is important to highlight that, as of December 2017, the Company administers an investment portfolio with infrastructure projects which have a book value of approximately COP\$802,537 million.
- Total liabilities were COP\$1.07 billion and were made up of 77% current liabilities and 23% non-current liabilities. With respect to December 2016 there was a 16.4% increase in total assets associated in its majority to the stronger execution in the projects.
- Short and long-term financial debts (bank obligations and financial leasing) decreased by 16.7% ending the year at COP\$353,062 million, financial leasing obligations for purchase of machinery closed at COP\$170,799 million, with a larger concentration in the long-term.
- Debt ratio was 26% (calculated over total assets).
- Net equity of Construcciones El Condor S.A. as of December 31, 2017 was COP\$921,474 million which represents an increase of 19% versus last year.
- As of December 2017, Working Capital, calculated as the difference between current assets and current liabilities was COP\$66,829 million. The Company's liquidity ratio is 1.08.



## Performance Report – Quarterly individual results (3T17)

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### □ 4Q2017 Income Statement

*Operating results are expressed under IFRS and comparative periods are performed for October-December 2017 and compared to October-December 2016 in accordance with NIC – 1 y NIC – 34.*

- Fourth quarter operating revenues were COP\$150,749 million, with an increase of 51.8% over the same period in 2016. This positive difference was generated by an increase in construction revenues (services rendered), which went from COP\$96,154 million in 4Q2016 to COP\$147,665 million in 4Q2017. The Company expects to maintain a positive trend during the coming year.
- The projects that supported the construction revenues in the third quarter of 2017 were: Transversal de las Americas, Pacifico 3, Pacifico 2 and Ruta al Mar.
- Operating costs in the fourth quarter of 2017 were COP\$142,454 million, which represented 94.5% of operating income.
- Fourth quarter EBITDA (construction plus sale of investments) was COP\$28,501 million versus COP\$171,685 million registered during the same period last year. This difference is due to the non-recurrent event registered during the fourth quarter of 2016 associated to the profit from sale of investments.
- Construction EBITDA was COP\$28,501 million, with an increase of 4.4% compared to the fourth quarter of 2016. The construction EBITDA Margin was 19.3% which is aligned with historical levels.
- Net income for the fourth quarter of 2017 is COP\$10,650 million versus COP\$161,007 million registered during the same period of 2016. This difference is due to the non-recurrent divestment event which generated the profit in the fourth quarter of 2016.



## Performance Report – Consolidated reports as of December 2017

*Beginning in 2015, Construcciones El Condor S.A. included in its consolidated financial statements the following societies' information: Vias de las Americas S.A.S., Cesar Guajira S.A.S. y Ruta al Mar S.A.S., and beginning in 2016 also included consolidated information for Condor Investments USA Inc.*

### □ Accumulated Income Statement

*Operating results are expressed under IFRS and comparative periods are performed for January-December 2017 and compared to January-December 2016 in accordance with NIC – 1 and NIC – 34.*

- Construction revenues as of December 31, 2017, were COP\$886,345 million, which are distributed as follows:

<b>Operating Revenues</b>	<b>as of December 2017</b>
CONSTRUCCIONES EL CÓNDROR S.A.	591,082,504
CONCESIÓN VIAS DE LAS AMERICAS S.A.S	234,516,766
CONCESION RUTA AL MAR S.A.S	35,829,992
CONCESION CESAR GUAJIRA S.A.S.	22,078,828
CONDOR INVESTMENTS USA INC.	2,836,988
<b>Total Operating Revenues</b>	<b>886,345,077</b>

- As of December 2017, operating costs were COP\$782,525 million, which represent 87% of operating revenues and increased 46.2% over 2016.
- EBITDA as of December 2017, was COP\$295.120 million, with an EBITDA margin of 32.8%. This value includes income from the sale of OPAIN and ODINSA shares.
- Construction EBITDA (excluding dividends and income from sale of investments) as of the fourth quarter was COP\$133.307 million compared COP\$88.933 million registered in December 2016.
- Net income as of December 2017 was COP\$183.494 million, this represented a marginal decrease compared to the same period of 2016.

### □ Balance Sheet

*Balance figures are stated under IFRS and comparison is made between December 2017 and December 2016 in accordance with NIC – 1 y NIC – 34.*

- As of December 30, 2017, total assets were COP\$2.71 billion, increasing 31.84% with respect to December 2016. They were composed of 56% current assets and 44% non-current assets.
- Total liabilities were COP\$1.74 billion and presented an increase of 41.2%. Liabilities are composed of 68% current liabilities and 32% non-current liabilities.



- Short and long-term financial debts (bank obligations and financial leasing) were COP\$976,048 million and registered a 44.6% increase with respect to December 2016.

The financial debt composition is as follows:

<b>Financial Debt</b>	<b>as of December 2017</b>
CONSTRUCCIONES EL CÓNDROR S.A.	523,861,348
CONCESIÓN VIAS DE LAS AMERICAS S.A.S	147,899,505
CONCESION RUTA AL MAR S.A.S	304,237,187
CONCESION CESAR GUAJIRA S.A.S.	49,534
CONDOR INVESTMENTS USA INC.	-
<b>Total Financial Debt</b>	<b>976,047,574</b>

It is very important to highlight that the consolidated statements will reflect the effect of the debt of each of the concessions. These values will very representative within the total debt profile, and will increase substantially as the disbursements are made in relation to the long-term financing of the project, this due to their quality of Project Finance. Additionally, due to this Project Finance quality, the assets of Construcciones El Cónдор, as a holding, are not guarantee for its subsidiaries' debt.

- Net equity as of December 2017 was COP\$969,837 million and increased 17.8% with respect to the value registered in December 2016.
- As of December 2017, Working Capital, calculated by subtracting current liabilities from current assets was COP\$343,821 million. The company's liquidity ratio 1.29.

## **Performance Report – Quarterly consolidated reports (3T17)**

### **4Q2017 Income Statement**

*Operating results are expressed under IFRS and comparative periods are performed for October-December 2017 and compared to October-December 2016 in accordance with NIC – 1 y NIC – 34.*

- Fourth quarter operating revenues totaled COP\$180,843 million, they decreased 12.4% versus the same period in 2016.
- Operating costs during the quarter were COP\$170,158 million, this represents 94.1% of the operating revenues.
- In the fourth quarter, EBITDA (construction plus income from the sale of investments) was COP\$31,142 million, from COP\$171,256 million registered in the same period last year.



- Construction EBITDA (excluding dividends and income from sale of investments) was COP\$31,142 million, increasing by 19.3% versus the fourth quarter of 2016.
- Net income as during the fourth quarter was COP\$9,224 million versus COP\$160,478 million registered during the same period in 2016, associated to the non-recurring event which was the sale of the asset in the fourth quarter of 2016.

**Backlog – Balance of works hired and works to be executed – 4Q17**

As of December 2017, the Backlog – balance of Works hired and works to be implemented – COP\$2.47 billion. This calculation considers the operating revenues (net of dividends and revenues not associated to construction) as of December 2017, which were COP\$602,942 million. Additionally, the amount of the Cesar Guajira cancelation is adjusted because contractually the Company had to execute additional works during the reversion stage. This backlog is equivalent to 4 years of construction at the current pace.

<b>Total Backlog (December 2016)</b>	<b>2,695,401</b>
Contracts termination (-)	-148,567
Backlog adjustments (as of Sep 2017)	131,326
Operating revenues (as of Sep 2017) (-)	-602,942
New contracts (as of Sep 2017) (+)	401,266
<b>Total Backlog (as of Dec 2017)</b>	<b>2,476,485</b>

Construcciones El Condor S.A. will hold a conference call, in Spanish, to present the fourth quarter 2017 results on **Friday March 2, 2017 at 2:00PM Colombia Time**. Connection details will be posted on El Condor’s website: [www.elcondor.com](http://www.elcondor.com)