

***Construcciones El Cóndor S.A. published his financial results as of December 31, 2014, highlighting the growth in operating revenues of 24%, as well as the growth in operating revenues of 30% and the growth in the Construction EBITDA of 17%.***

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### **Infrastructure Sector Performance**

The Colombian economy and the construction sector, which involves infrastructure and building works, had an increased dynamic during the third quarter of 2014 compared to the same period in 2013. According to DANE, in the third quarter of 2014 the GDP grew by 4.2% over the same period last year, while the construction sector was the activity that had the highest growth, with a rate of 12.7%. This growth was driven by a 14.1% increase in buildings and 11.1% for civil works.

The positive performance of civil works gave a good performance of the highway component during 2014 due to growth of investment by domestic entities and highway concessions.

According to the Civil Works Indicator (IIOC) in the third quarter of 2014, actual expenditures for the construction of civil works displayed an increase of 10.9% compared to the same period last year, driven by the group of roads, which grew 13.9%, and the component of other engineer works who recorded an increase of 68.6%.

Growth in roads is due to higher investments for the construction, maintenance, repair and upgrading of urban roads. Indeed, payments to local authorities recorded a growth of 26.8%, while the national entities showed a decrease of 4.5%; payments for highway concessions, the other group, showed an increase of 26.3%.

### **Operating and Total Results**

- Operating revenues - direct revenues associated with construction services – as of December 31, 2014, were \$380.337 million COP, representing an increase of 24% compared to the same period last year. This item along with other construction revenues from other corporations and classified as non-operating, gave way to total revenues of \$392.778 million COP, up 23% compared to the same period in 2013.
- Operating costs were \$ 303.681 million COP, representing 80% of operating revenues and showed an increase of 23% compared to 2013.
- Construction EBITDA in 2014 was \$80.559 million COP against \$68.884 million COP from the same period of 2013, representing an increase of 17%. In addition, EBITDA margin calculated over total construction revenues was 21%, ranking above the average of other companies in the sector. The EBITDA value permits a coverage of interest expense of 8 times.
- Consolidated EBITDA, that is, construction plus investment, as of December 30, 2014, was \$100.801 million COP and showed an increase of 1% compared to the same period last year, due to lower dividends in 2013 from Hatovial and Odinsa SAS Group SA. In addition, Consolidated EBITDA margin was 27% calculated over operating revenues.
- Net profit accumulated was \$55.769 million COP, equivalent to a net margin of 14.7%, which reflects, over the previous year, the impact of tax reform, along with the already mentioned on dividends received from other companies during 2013.

### Balance Sheet

- As of December 2014, total assets were \$ 1.058.782 million COP, with an increase of 24% compared to the same period last year. The composition of assets is 33% for current assets and 67% for non-current assets.
- This increase is mainly provided by the growth in account receivables for short and long term due to increased internal records, corresponding to works in billing process mainly by Transversal of the Americas project, and increased in the Deposits account corresponding to contributions from equity to the societies of Vías de las Américas SAS and Concesión Pacífico Tres S.A.S respectively.<sup>1</sup>
- Total liabilities were \$ 366.471 million COP and increased 79% over the same period of 2013, mainly due to an increase in current liabilities of 131%, which is explained later. Its composition is 74% current liabilities and 26% Non-current liabilities.
- Short and long-term debts were \$205.289 million COP and had an increase of 236% compared to the same period last year. This increase is mainly provided by an increase in short term debts of \$157.496 million COP in working capital requirements and capital contributions to society Pacifico Three SAS, which temporarily be as current liabilities while structuring long-term financing is closed. Financial debt, calculated over total assets was 19%.
- Net equity of Construcciones El Cóndor S.A as of December 2014, was \$692.310 million COP, presented an increase of 6% over the same period last year, mainly generated by an increase in reserves of \$ 36,850 million COP and the profit for 2014.

### Backlog

As of December 31, 2014, the Backlog - balance of works hired and works to be implemented - was \$1.855.282 million COP, which is equivalent to 5 years of current revenues. This calculation takes into account the new contracts worth \$1.241.247 million COP, some minor adjustments and the operating revenues as of December 2014 of \$380.337 million COP and \$12.441 million COP as other construction revenues.

Importantly, during 2014, our company was awarded new projects, signed new contracts and got some additions on contracts currently in progress:

- La Pintada S.A.S, which Construcciones El Condor SA has a stake of 21.15%, signed the Concession Agreement no. 006 to performing the studies and final designs, financing, environmental management, property and social construction, improvement, rehabilitation, operation, maintenance and reversal of the Concession Highway Pacific 2 Connection Project "Highway to Prosperity". The value of the contract is \$ 1.3 billion pesos.
- Concession Pacifico Tres S.A.S. which Construcciones El Condor SA acquired 48% stake, signed the Concession Agreement no. 005 whose purpose is to develop studies and final designs, financing, environmental management, property and social construction, improvement, rehabilitation, operation maintenance and reversal of the Concession Highway Pacific 3 connection Project "Highway to Prosperity". The value of the contract is \$ 1.8 billion pesos.

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<sup>1</sup> Considering the social order of business that is the construction, depreciation of machinery and equipment used in the works is recorded and is part of cost of sales of the company, as such depreciation is reported in the format 141 line 6.5 corresponds only to the administrative assets.

- Signed a new contract with the Adaptation Fund, which aim to address critical sites on the highway El Tigre - Santa Fe de Antioquia, in the Department of Antioquia, valued at \$ 47,626 million COP.
- Signed a new contract with the secretary of Infrastructure of the Governorate of Cesar, aimed at the rehabilitation and / or improvement of different road sections in the Department of Cesar, valued at \$ 67,802 million COP.
- Signed a new contract with the National Roads Institute - INVIAS, whose purpose is the improvement, maintenance and rehabilitation of the road corridor Riosucio - Bethlehem Bajirá - Caucheras in Chocó and Antioquia, valued at \$ 79,849 million COP.

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***Construcciones El Cóndor S.A. will be held a conference call, in Spanish, to present the fourth quarter 2014 results on Thursday March 5, 2014 at 3:00PM Colombia Time (GMT/UTC - 05:00). Connection details will be posted on the website [www.elcondor.com](http://www.elcondor.com)***

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