

Financial Statements Results – Fourth Quarter 2016

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

Although consolidated financial statements are presented, the Company invites interested parties to perform their indicator analysis based on the individual financial statements. This is due to the effects which the consolidation of financial statements, corresponding to project partnerships Vías de las Américas, Cesar Guajira and Ruta al mar, has on operating revenues and EBITDA margin (significant increase in income and the neutral effect on short term profit), as well as on financial debt (considerable increase due to the project finance nature of these concessions)

Consolidated Financial Statements (as of December 2016)

From the second quarter of 2015, Construcciones El Condor S.A. included in its consolidated financial statements the information of the societies Vías de las Américas S.A.S., Cesar Guajira S.A.S. y Ruta al Mar S.A.S., acting in conformity with relevant information published on the second, third and fourth quarter of 2015.

- Operating revenues as of December 2016 were \$ 623.869 million COP compared to 1.34 billion registered in the same period 2015. This decrease is primarily due to the lower construction revenue presented by the Transversal de las Américas project which, in addition to being in its final years of construction, is experiencing delays in the release of certain segments (Urabá by-pass). The decrease also reflects Construcciones El Condor's lower income which will be explained below.
- EBITDA (Construction plus profit from sale of investments) as of December 2016 was \$234.155 million COP compared to \$200.525 registered in December 2015. This increase was due primarily to the revenue generated from the sale of 9.9% of ODINSA shares, a non-recurring event which happened in December 2016.
- Net income as of December 2016 was \$186.359 million COP which is equivalent to a 25% growth compared to 2015.

Individual Financial Statements (as of December 2016)

- Operating revenues as of December 2016 were \$361.633 million COP, with a decrease of 30% over the same period last year. The reduction in revenues was due mainly to (i) lower construction revenues which decreased due to the delay in the start of construction phases in some of the projects and the delay in release of stages in projects which are already in their construction stage (Urabá bypass, affected by right of way acquisition challenges); (ii) the reduction of dividends from investments (primarily Grupo ODINSA), which went from \$16.518 million COP to \$329 million COP. The Company expects to see a recovery during 2017.
- EBITDA (Construction plus profit from sale of investments) as of December 2016 was \$215.482 million COP, from \$192.426 million COP registered in the same period last year. This increase is explained by the higher revenues from sale of investments, a product of the sale of 9.9% of Grupo ODINSA shares. The EBITDA margin was 59.6%.

- Construction EBITDA (excluding dividends and profit from sale of investments) was \$70.320 million COP compared to \$95.837 million COP registered in 2015. The decrease in this indicator is explained primarily by the lower level of operating revenues previously explained. The construction EBITDA margin was 19%.
- Net income as of December 2016 was \$185.924 million COP from \$148.621 million COP registered in the same period last year. This increase is explained largely by the increased revenue from sale of investments (non-recurring event which happened in the fourth quarter of 2016 – sale of 9.9% of ODINSA shares). The Net margin was 51%.
- Total assets amounted to \$1.69 billion COP, with an increase of 13% compared to December 2015.
- Total liabilities were \$919.717 million COP, with an increase of 22% compared to December 2015.
- Total Stockholder’s Equity was \$774.087 million COP.

Infrastructure Sector Performance

2016 was a challenging year for the Colombian economy in general across all of its sectors, including construction which in turn includes infrastructure projects and building construction. Increases in both inflation and interest rates, volatility in international markets, factors such as el Niño and the transportation strike, generated a considerable deceleration of the country’s economic growth.

According to DANE, in the fourth quarter of 2016 the construction sector grew 5% with respect to the same period in 2015. This growth is explained by a 5,1% growth in civil works and 0,9% in buildings.

Performance Report - Consolidated

Beginning in the second quarter of 2015, Construcciones El Condor S.A. included in its consolidated financial statements the information of the societies Vías de las Américas S.A.S., Cesar Guajira S.A.S. and Ruta al Mar S.A.S., acting in conformity with relevant information published in the second, third and fourth quarters of 2015 respectively.

Income statement

- Operating revenues as of December 30, 2016 were \$623.869 million COP, which are distributed as follows:

<i>Operating revenues</i>	As of December 2016
*Construcciones El Cóndor S.A	361.633
Vías de las Américas S.A.S	220.724
Red vial del Cesar S.A.S	0
Cesar Guajira S.A.S	18.910
Ruta al Mar S.A.S	22.187
Cóndor Investment USA Inc	415
Total operating revenues	623.869

* Adjusted revenues (excluding construction services for concessions).

- As of December 2016, operating costs were \$535.192 million COP, which represent 86% of operating revenues and are down 57% with respect to 2015.

- EBITDA as of December 31, 2016 was \$234.155 million COP, with an EBITDA margin of 38%. This value includes investment dividends and the profit from the sale of 9.9% of the ODINSA shares.
- Construction EBITDA was \$88.993 million COP compared to \$103.936 million COP registered in December 2015.

Balance Sheet

- As of December 31, 2016, total assets were \$2.05 billion COP, and presented a 5% increase with respect to 2015. Total assets are made up of 61% current assets and 39% non-current assets.
- Total liabilities were \$1.22 billion COP, increasing 6%, and are made up of 77% current liabilities and 23% non-current liabilities.
- Short and long-term financial debts (bank loans and financial leasing operations) were \$675.231 million COP and saw a 4% decrease compared to December 2015.
They are composed as follows:

Financial Debt	As of December 2016
Construcciones El Cóndor	550.488
Vías de las Américas S.A.S	124.743
Red Vial del Cesar S.A.S	-
Cesar Guajira S.A.S	-
Ruta al Mar S.A.S	-
Total Financial Debt	675.231

Consolidated financial statements reflect the effect of the debt of each of the concessions, whose values are very representative due to their Project Finance nature.

- Net equity as of December 31 2016 was \$823.151 million COP and varied positively by 10% versus the same period of 2015.

Performance Report - Individual 4Q16

Income Statement

Operating results are expressed under IFRS and comparative periods are performed for April-June 2016 against April-June 2015 in accordance with NIC - 1 and NIC – 34

- Operating revenues on the fourth quarter of 2016 were \$99.291 million COP, with a decrease of 30% over same period last year mainly due to the decrease of construction revenues which turned from \$137.921 million COP to \$96.157 million COP due to the delay in the start of the construction phase of some projects and delayed releases of sections in projects that are under construction. The company expects a recovery in the coming quarters of 2017.
- The projects that supported the construction revenues on the fourth quarter were: Transversal de las Americas, Caucheras, Consorcio Constructor Nuevo Dorado (Aeropuerto El Dorado), La Virginia and Irra fronts (Pacífico 3), and Pacífico 2.
- Operating costs in the fourth quarter of 2016 were \$72.847 million COP, which represent 73% of operating revenues.

- In the fourth quarter, EBITDA (combining construction and profit from sale of investments) was \$172.136 versus \$29.084 million COP from the same period of 2015. This increase is mainly generated by the non-recurring event of the sale of ODINSA shares.
- Profit before taxes for the fourth quarter 2016 is \$161,007 million COP versus \$25.624 million COP registered in 2015.

Balance Sheet

Balance figures are stated under IFRS and comparison is made between June 2016 and December 2015 in accordance with NIC - 1 and NIC - 34.

- As of December 31, 2016, total assets were \$1.69 billion COP, with an increase of 12.7% compared to last year's close. These assets are classified as 47% current assets and 53% non-current assets. This increase is mainly provided by the growth in the cash and equivalents account as well as commercial and related parties accounts receivables which are mainly related to the company's equity contributions in some of the company's investments through equity and subordinate debt. The main increases were presented in Ruta al Mar, Vias del Nus, Cesar Guajira and Pacifico 3.
- It is important to highlight that, as of December 2016, the Company has made considerable equity contributions (risk capital) in the new 4G concession projects (public and private PPPs) in the amount of \$388.958 million COP.
- Total liabilities were \$919.717 million COP and are made up of 73% current liabilities and 27% non-current liabilities. With respect to December 2015, total assets saw an increase of 22%, mainly due to an increase of current liabilities of 48% which is explained in large part by an increase in financial obligations and an increase in commercial payables.
- Short and long-term financial debts rose to \$423.912 million COP, of these, financial leasing debts due to the purchase of equipment amounted \$126.575 million COP with higher concentration in the long term. Total financial debt (banks and financial leasing), as a fraction of total assets is equivalent to 32%.
- Net equity of Construcciones El Condor S.A as of December 31, 2016 was \$774.087 million COP.

Backlog

As of December 31, 2016, the Backlog - balance of works hired and works to be implemented - was \$2.695 billion COP. This calculation includes operating revenues up to December 2016 (minus dividends and revenues not associated with construction services) which corresponds to \$359.175 million COP as well as adjustments in the order of \$100.752 million COP tied to a reduction announced in 2016 in the Cesar Guajira concession project. The aforementioned due to the impossibility of toll installation seen in Urumita and Cuestecitas which led to the implementation of the contract's mechanisms for compensation of risk attributed to the State (included in these the lack of toll installation).

Construcciones El Condor S.A. will be held a conference call, in Spanish, to present the fourth quarter 2016 results on Tuesday March 7th, 2017 at 3:00PM Colombia Time. Connection details will be posted on El Condor's website.

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