

Separate Financial Statements



EXTERNAL AUDITOR'S REPORT

February 23, 2017

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

I have audited the financial statements of CONSTRUCCIONES EL CONDOR S.A. and its subsidiaries at December 31, 2016, which comprise the financial situation statement, the results per duty and other integrated results, the changes in equity, and the cash flow statement ended on that date and the corresponding notes, including a summary of the significant accounting policies and other explanatory information. The 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 financial statements in accordance with the Accounting and Financial Information Standards generally accepted in Colombia; this includes the design, implementation and maintenance of internal control relevant to the preparation of 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 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 financial statements are free of misstatements.

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

Opinion

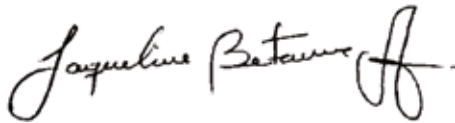
In my opinion, the financial statements I audited were truthfully taken from the books, exhibit, in all significant and reasonable manner, the financial situation of CONSTRUCCIONES EL CONDOR S.A. and its subsidiaries at December 31, 2016, the results of their operations and cash flows for the

year ended on that date, in accordance with the Accounting and Financial Information Standards accepted in Colombia.

Report on other legal and regulatory requirements

Based on the results of my audit, I believe that during 2016, the accounting of CONSTRUCCIONES EL CONDOR S.A. has been kept in accordance with the legal standards and accounting techniques; the operations recorded in the books and the actions of management meet the bylaws and the decisions made by the Assembly; correspondence, vouchers, books of minutes and share ledgers are kept and duly conserved; there are proper internal control measures as well as conservation and custody of the goods of the Company and of third parties; there is a match between the financial statements attached and the management report prepared by the Company's senior management, which includes evidence from management regarding the free circulation of the invoices issued by salespersons or suppliers, and the information contained in the statements of payments to the Integrated Social Security System, particularly those related to affiliates and their income based on quotation, all taken from accounting records; the Company has no late payments related to contributions to the Integrated Social Security System.

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 Separate 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 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 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 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 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 Financial Statements at December 31, 2016.



ANA MARIA JAILLIER CORREA
Legal Representative
C.C. 42.895.563



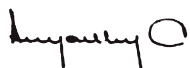
ANA ISABEL GONZALEZ VAHOS
Accountant
P.C. 47345-T

Financial Situation Statement

(Figures in thousands of Colombian pesos)

	At December 31 2016	At December 31 2015
ASSETS		
Cash and cash equivalents (Note 3)	169,662,605	97,752,288
Current investments (Note 4)	117,878,654	177,040,244
Commercial accounts receivable and other acc. receiv. (Note 5)	313,433,572	256,303,859
Accounts receivable, related parties (Note 5)	133,478,676	82,227,515
Assets for current taxes (Note 5)	20,933,178	26,830,498
Inventories (Note 6)	29,263,147	25,346,744
Intangibles	316,000	156,000
Prepaid expenses (Note 7)	2,616,448	1,422,156
Non-current assets kept for sale (Note 8)	2,481,613	3,124,992
CURRENT ASSET	790,063,893	670,204,296
Investments in financial instruments (Note 4)	2,100,491	2,252,863
Investments in associates and joint businesses (Note 4)	93,519,376	110,126,356
Investments in subsidiaries (Note 4)	106,660,409	104,285,400
Commercial accounts receivable and other acc. receiv. (Note 5)	565,920	247,414
Accounts receivable, related parties (Note 5)	372,167,170	283,286,538
Properties, plant and equipment (Note 9)	285,338,885	291,075,475
Investment properties (Note 10)	988,737	828,966
Prepaid expenses (Note 7)	0	836,306
Assets for deferred taxes (Note 7)	42,399,173	40,389,259
NON-CURRENT ASSETS	903,740,161	833,328,577
TOTAL ASSETS	1,693,804,054	1,503,532,873
LIABILITIES		
Financial obligations (Note 11)	395,912,954	272,459,092
Commercial financing companies (Note 11)	19,835,004	18,989,276
Commercial accounts payable and other accounts pay. (Note 12)	208,841,074	98,446,578
Accounts payable with current related parties (Note 13)	105,556	75,287
Current taxes (Note 14)	1,146,817	4,561,842
Labor obligations	4,157,035	4,482,408
Other liabilities and provisions (Note 15)	26,953,821	32,048,770
Prepayments and advances received (Note 16)	15,331,863	16,717,691
Prepaid revenues received	3,466,858	9,653,972
CURRENT LIABILITY	675,750,982	457,434,916
Financial obligations (Note 11)	28,000,000	63,235,000
Commercial financing companies (Note 11)	106,740,141	108,777,083
Accounts payable with non-current related parties (Note 13)	0	5,425,297
Prepayments and advances received (Note 16)	17,455,587	26,391,381
Liability for deferred taxes (Note 17)	91,769,977	93,798,931
NON-CURRENT LIABILITY	243,965,705	297,627,692
TOTAL LIABILITY	919,716,687	755,062,608
EQUITY		
Stock 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
TOTAL EQUITY (NOTE 18)	774,087,367	748,470,265
TOTAL LIABILITY AND EQUITY	1,693,804,054	1,503,532,873

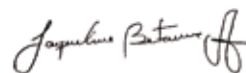
The notes attached are an integral part of the financial statements.



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



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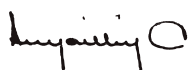
JAQUELINE BETANCUR ARREDONDO
Statutory Auditor (Crowe Horwath)
P.C. 185113-T
See attached opinion

Income Statement per Function

(Figures in thousands of Colombian pesos, except net profit per share)

	From January 1 to December 31		From October 1 to December 31	
	2016	2015	2016	2015
REVENUES FROM NORMAL ACTIVITIES				
Sale of goods	12,281,743	10,887,012	3,133,966	3,233,345
Services provided	349,022,479	491,682,499	96,156,947	137,921,100
Revenues for dividends	328,633	16,517,835	0	0
TOTAL REVENUES FROM NORMAL ACTIVITIES (NOTE 19)	361,632,855	519,087,346	99,290,913	141,154,445
Operating costs (Note 20)	(294,952,083)	(388,476,696)	(72,847,128)	(93,857,560)
GROSS PROFIT	66,680,772	130,610,650	26,443,785	47,296,885
Administration expenses (Note 21)	(23,493,051)	(39,957,798)	(5,627,323)	(23,877,323)
Other revenues (Note 22)	10,731,486	8,594,370	7,620,591	849,702
Other expenses (Note 23)	(8,108,307)	(2,048,641)	(2,430,984)	(373,366)
Other gains or losses (Note 24)	143,276,771	78,651,838	142,945,425	(661,801)
OPERATING PROFIT	189,087,671	175,850,420	168,951,493	23,234,097
Financial income (Note 25)	21,698,034	12,598,862	4,382,996	7,012,434
Financial expenses (Note 26)	(54,595,528)	(28,196,485)	(15,471,192)	(7,474,491)
Gain (loss), equity method (Note 27)	37,563,834	3,019,583	1,181,859	2,375,701
PROFIT BEFORE TAXES	193,754,011	163,272,379	159,045,156	25,147,741
Provision for income tax (Note 28)	(5,739,697)	(6,318,275)	1,968,128	3,378,660
Provision for tax on equity CREE (Note 28)	(2,090,048)	(8,332,729)	(5,911)	(2,902,445)
PROFIT OF THE PERIOD	185,924,266	148,621,375	161,007,373	25,623,956
Net profit per share	323.70	258.76	280.32	44.61

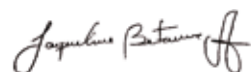
The notes attached are an integral part of the financial statements.



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
PROFIT OF THE PERIOD	185,924,266	148,621,375	161,007,373	25,623,956
OTHER INTEGRAL RESULT				
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
OTHERS INTEGRAL RESULT OF THE PERIOD	(111,098,263)	(40,228,927)	(139,566,038)	6,298,275
TOTAL INTEGRAL RESULT OF THE PERIOD	74,826,003	108,392,448	21,441,335	31,922,230

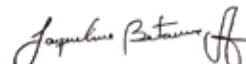
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Cash Flow Statement

(Figures in thousands of Colombian pesos)

	At December 31 2016	At December 31 2015
OPERATING ACTIVITIES		
Profit of the period	185,924,266	148,621,375
Items that do not affect cash:		
Plus: depreciation and impairment of properties, plant and equipment	19,968,608	18,285,253
Plus: amortizations	7,492,109	3,416,923
Plus: provision of costs	203,711	892,793
Plus: provision for contingencies	648,071	250,464
Plus: expenses for difference in exchange	763,673	0
Minus: recovery for reimbursement of costs and expenses	(260,513)	(1,817,356)
Plus: loss in sale of properties, plant and equipment	2,264,757	719,412
Minus: profit from sale of properties, plant and equipment	(291,824)	(4,995)
Minus: revenue, equity method	(40,111,621)	(3,349,444)
Minus: recovery of provisions	(3,968,659)	(1,886,198)
Minus: income for difference in exchange	(24,761)	(3,511,308)
Minus: dividends in shares	0	(16,517,835)
Plus: portfolio deterioration	0	1,394,526
Plus: loss, equity method	2,547,793	329,861
Plus: caused income tax	7,829,745	14,651,005
CASH GENERATED IN THE OPERATION	182,985,354	161,474,476
CASH GENERATED IN THE OPERATION		
Plus increased liabilities and decreased operating assets	108,924,636	87,390,046
Decrease in prepaid expenses	0	8,560,061
Decrease in inventories	0	5,572,821
Decrease in assets for current taxes	5,897,320	0
Increase of liability for deferred tax	(2,028,954)	27,927,228
Increase of accounts payable	105,056,270	32,476,892
Increase in labor obligations	0	1,333,298
Increase in other liabilities and provisions	0	1,865,774
Increase of prepaid revenues	0	9,653,972
Minus increased assets and decreased operating liabilities	242,108,576	176,321,219
Increase in commercial accounts receivable and other accounts receivable	198,966,995	142,619,103
Increase in inventories	3,916,403	0
Increase in prepaid expenses	7,850,095	0
Increase in rights - intangibles	160,000	156,000
Increase in assets for current taxes	0	11,096,221
Increase in assets for deferred tax	2,009,914	10,213,685
Decrease in tax payment	7,276,111	10,583,220
Decrease in labor obligations	325,373	0
Decrease in estimated liabilities	5,094,949	0
Decrease of prepaid revenues	6,187,114	0
Decrease in prepayments and advances received	10,321,622	1,652,990
NET CASH FOR OPERATING ACTIVITIES	49,801,414	72,543,302
CASH FLOWS IN INVESTMENT ACTIVITIES		
Plus decrease in investment activities	111,753,140	567,427
Investments	111,109,761	567,427
Non-current assets kept for sale	643,379	0
Minus increase in investment activities	16,364,721	126,797,013
Investments	0	75,520,908
Non-current assets kept for sale	0	281,549
Properties, plant and equipment	16,204,950	50,994,556
Investment properties	159,771	0
NET CASH FOR INVESTMENT ACTIVITIES	95,388,419	(126,229,586)
NET CASH FOR FINANCING ACTIVITIES		
Plus increase in financing activities	87,027,648	229,134,512
Financial obligations	87,027,648	174,981,215
Increase of retained earnings	0	934,710
Other integral result	0	53,218,587
Minus decrease in financing activities	160,307,164	118,204,179
Dividends decreed	27,569,559	20,677,170
Decrease of reserves (tax on wealth)	3,603,876	4,079,495
Decrease of equity revaluation	0	93,447,514
Decrease of revaluation surplus	101,348,858	0
Decrease of retained earnings	18,035,466	0
Other integral result	9,749,404	0
NET CASH FOR FINANCING ACTIVITIES	(73,279,516)	110,930,333
Cash increase - decrease	71,910,317	57,244,049
Cash at the beginning of the period	97,752,288	40,508,239
CASH AND CASH EQUIVALENTS AT DECEMBER 31	169,662,605	97,752,288

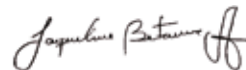
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ANA MARIA JAILLIER CORREA
Legal Representative
C.C. 42.895.563
See attached opinion



ANA ISABEL GONZALEZ VAHOS
Accountant
P.C. 47345-T
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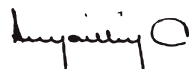
Statement of Changes in Equity

(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
BALANCE AT DECEMBER 31, 2014	15,701,606	159,711,695	429,280,046	55,005,586	17,228,706	(13,027,867)	663,899,774
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)
BALANCE AT DECEMBER 31, 2015	15,701,606	159,711,695	366,081,452	148,621,375	18,163,416	40,190,721	748,470,265
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)
BALANCE AT DECEMBER 31, 2016	15,701,606	159,711,695	382,180,533	185,924,266	127,950	30,441,317	774,087,367

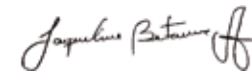
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JAQUELINE BETANCUR ARREDONDO
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Note 1. Reporting entity

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.

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 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.

2.2.2. 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.

2.2.3. 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.

2.2.4. Currency

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

2.2.5. 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.

2.2.6. 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.

2.2.7. 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

2.2.8. 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.

2.2.9. 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.

2.2.10. Applicable standards

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

International Accounting Standards (IAS)

IAS 1 Presentation of financial statements.

IAS 2 Inventories.

IAS 7 Statement of cash flows.

IAS 8 Accounting policies, changes in accounting estimates and errors.

IAS 10 Events after the reporting period.

IAS 11 Construction contracts.

IAS 12 Income taxes.

IAS 16 Properties, plant and equipment.

IAS 17 Leases.

IAS 18 Revenues from normal activities.

IAS 19 Employee benefits.

IAS 21 Effects of changes in foreign exchange rates.

IAS 23 Borrowing costs.

IAS 24 Related party disclosures.

IAS 26 Accounting and reporting by retirement benefit plans.

IAS 27 Consolidated and separate financial statements.

IAS 28 Investments in associates.

IAS 32 Financial instruments: presentation.

IAS 33 Earnings per share.

IAS 34 Interim financial reporting.

IAS 36 Impairment of assets.

IAS 37 Provisions, contingent liabilities and contingent assets.

IAS 38 Intangible assets.

IAS 39 Financial instruments: recognition and measurement.

IAS 40 Investment properties.

International Financial Reporting Standards (IFRS)

IFRS 3 Business combinations

IFRS 5 Non-current assets held for sale and discontinued operations.

IFRS 7 Financial instruments: disclosures.

IFRS 8 Operating segments.

IFRS 9 Financial instruments.

IFRS 10 Consolidated financial statements.

IFRS 11 Joint arrangements.

IFRS 12 Disclosure of interests in other entities.

IFRS 13 Fair value.

IFRIC

IFRIC 1 Changes in existing decommissioning, restoration and similar liabilities.

IFRIC 10 Interim financial reporting and impairment.

IFRIC 15 Agreements for the construction of real estate.

2.3. Summary of significant accounting principles applied

2.3.1. 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.

2.3.2. 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.

2.3.3. 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.

2.3.4. 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.

2.3.5. 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:

- a) 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).
- b) Exposure or right to variable yields from its share in the entity receiving the investment.
- c) 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.

2.3.6. 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.

2.3.7. 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.

2.3.8. 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 mt ³ /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.

2.3.9. 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.

2.3.10. 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.

2.3.11. Investment properties

Investment properties are recognised as assets when and solely when:

- a) It is likely that the future economic benefits are related to said investment properties flowing towards the entity; and
- b) 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.

2.3.12. 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.

2.3.13. 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.

2.3.14. 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.

2.3.15. Financial liabilities

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.

2.3.16. 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.

2.3.18. 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. Proceeds 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

Proceeds 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

Proceeds 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.

2.3.19. 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.

2.3.20. 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.

2.3.21. 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.

2.3.22. 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.

2.3.23. 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.

2.3.24. 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:

- a. 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
- b. 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:

- a. The gain or loss of the hedging instrument determined as an efficient hedge, is recognized on the other integrated result; and
- b. 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:

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

2.3.25. 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
			Minor	Slight	Serious	Catastrophic
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.

2.3.26. 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%

2.3.27. 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
COL GAAP BALANCE AT DEC. 31, 2013	15,701,606	159,711,695	137,080,759	2,011,937	282,060,284	55,803,762	0	652,370,043
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
SALDO NIIF DICIEMBRE 31 DE 2013	15,701,606	159,711,695	137,080,759	0	234,589,849	55,803,762	17,228,706	620,116,378

Financial situation statement

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

	COL GAAP	Adjustment	IFRS
ASSET			
CURRENT ASSET			
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)	35,759,452	66,384	35,825,836
Accounts receivable	24,888,495	(521,904)	24,366,591
Inventories (Note C)	172,129,718	0	172,129,718
Intangibles (Note D)	17,040	(17,040)	0
Deferred (Note E)	5,725,494	(205,243)	5,520,252
TOTAL CURRENT ASSET	248,873,584	4,790,274	253,663,857
NON-CURRENT ASSET			
Investments (Nota F)	299,189,259	(7,599,549)	291,589,710
Investments at fair value with changes on equity	299,189,259	(68,549,128)	230,640,131
Investments in associates	0	4,012,474	4,012,474
Investments in controlling company	0	4,754,119	4,754,119
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)	41,902,522	(41,902,522)	0
Deferred	95,916	0	95,916
TOTAL NON-CURRENT ASSET	607,935,411	71,197,180	679,132,591
TOTAL ASSET	856,808,994	75,987,454	932,796,449
LIABILITY			
CURRENT LIABILITY			
Financial obligations	11,080,000	0	11,080,000
Commercial financing companies (Note J)	11,904,644	6,656,679	18,561,323
Suppliers	5,025,815	0	5,025,815
Accounts payable (Note M)	50,513,655	(240,684)	50,272,971
Taxes, liens and encumbrances (Note M)	2,399,580	0	2,399,580
Labor obligations (Note K)	2,085,851	132,404	2,218,255
Estimated liability and provisions (Note L)	21,771,772	(2,000)	21,769,772
Other liabilities	13,186,516	0	13,186,516
TOTAL CURRENT LIABILITY	117,967,834	6,546,399	124,514,233
NON-CURRENT LIABILITY			
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
TOTAL NON-CURRENT LIABILITY	86,471,118	101,694,721	188,165,839
TOTAL LIABILITY	204,438,952	108,241,120	312,680,072
EQUITY			
Social capital	15,701,606	0	15,701,606
Capital surplus	159,711,695	0	159,711,695
Reserves	137,080,759	0	137,080,759
Equity revaluation	2,011,937	(2,011,937)	0
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)	234,589,849
TOTAL EQUITY	652,370,042	(32,253,664)	620,116,378
TOTAL LIABILITY + EQUITY	856,808,994	75,987,455	932,796,449

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 property, 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 Tunel 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
	2016	2015
Cash	29,939	32,292
Banks (current accounts)	11,453,300	45,955,845
Joint banking operations (*)	3,734,105	8,344,282
Cash and restricted cash equivalents (1)	85,406	13,219,388
Available restricted, joint operations (*)	2,006	754,184
Savings accounts	3,611,385	20,020,278
Negotiable investments, fixed income (2)	149,543,000	9,426,019
Negotiable investments, fixed income joint operations	1,203,466	0
TOTAL CASH AND CASH EQUIVALENTS	169,662,605	97,752,288

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 coverage (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:

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

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

Note 4. Investments

	At December 31	At December 31
	2016	2015
Other joint operation investments (*)	0	3,500,478
Sociedad Concesionaria Operadora Aeroportuaria Internacional	15,332,840	0
Organización de Ingeniería Internacional S.A. (Grupo Odinsa S.A.) (1)	9,580,128	173,539,766
Grupo Argos	92,965,686	0
TOTAL INVESTMENTS AT FAIR VALUE	117,878,654	177,040,244

(1) Organización de Ingeniería 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			
	Number of shares	Share	2016	2015	Incorporation - domicile	Corporate purpose
FINANCIAL ASSETS						
FINANCIAL INSTRUMENTS						
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
TOTAL INVESTMENT IN FINANCIAL INSTRUMENTS			2,100,491	2,252,863		
JOINT BUSINESSES						
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
ASSOCIATES						
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 Aburra 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%	9,407,775	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

ASSOCIATES	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. (4)	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%	434,908	438,753	Dec/2003 Bogota	To conduct the design, construction and execution of civil works
INVESTMENT OVERSEAS						
Industrias Selma (2)	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
TOTAL INVESTMENTS IN ASSOCIATES, OVERSEAS AND JOINT BUSINESSES			93,519,376	110,126,356		
INVESTMENT IN SUBSIDIARIES (1)						
Concesion Red Vial del Cesar S.A.S.	2,607,282	94.89%	5,063,510	5,312,294	Nov/1999 Medellin	Design, construction of civil work under any contractual mode as public work contracts under concesion, joint ventures, among others
Concesion Vias de las Americas S.A.S. (3)	173,342	66.67%	98,140,967	98,652,715	Feb/2012 Monteria	Study, design, planning, financing, exploitation and management of infrastructure businesses
Concesion Ruta al Mar S.A.S. (CORUMAR)	200,000	100.00%	1,536,447	168,712	Sep/2015 Medellin	Corporation with the sole corporat epurpose of entering and executing the APP concesion contract. Construction improvement, operation, maintenace and reversion of the road system to connect the departments of Antioquia-Bolivar

At December 31 At December 31

	Number of shares	Share	2016	2015	Incorporation - domicile	Corporate purpose
INVESTMENT IN SUBSIDIARIES						
Concesion Cesar Guajira S.A.S.	200,000	100.00%	978,253	151,678		The Company's sole corporate purpose is to execute the Public-Private Association (APP) concession contract under the terms of Law 1508 of 2012
Condor Investment USA INC	460,000	100.00%	941,233	0	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.
TOTAL INVESTMENT IN SUBSIDIARIES			106,660,409	104,285,400		
TOTAL INVESTMENTS IN SHARES OF ASSOCIATES, OVERSEAS AND JOINT BUSINESSES			202,280,277	216,664,619		

(1) Concesion Red Vial del Cesar S.A.: Incorporated through public deed No. 2.438 grated at Notary 7 of Medellin on November 17, 1999. Pursuant to Assembly Minute No. 24 of April 26, 2012 and registered at the Chamber of Commerce on May 14, 2012, the corporation transforms into a corporation of simplified shares and changes its name to: Concesion Red Vial del Cesar S.A.S.

The primary corporate purpose of Concesion Red Vial del Cesar is the execution of activities such as the design and construction of civil work, any contractual mode use and public work concession contracts among others, and to enter and execute a state concession contract established in item 4 of article 32 of Law 80 of 1993, under the terms of public bid 005 of 1999, whose purpose is to: "build, revamp and maintain 35.7 kilometers of the road system of the Department of Cesar". To develop the state contract, another commercial contract was previously required with BBVA Fiduciaria S.A. to manage an Autonomous Equity with consists of resources (gasoline and fuel oil surcharge) provided by the Department of Cesar, known as: "Fideicomiso Fidugan Concesion Red Vial del Cesar", with a share of 100% of the respective rights.

(1) Concesion Vias de las Americas S.A.S.: Incorporated through the Assembly of Shareholders held on August 5, 2010, under number 0140918 of book IX.

The primary corporate purpose of Concesion Vias de las Americas S.A.S. is to study, design, plan, exploit and manage the infrastructure business and to execute all of the activities related to engineering and arquitecture in all their manifestations, modes and specialties inside and out of Colombia under any system. To develop its corporate purpose, the corporation may: execute activities of design and construction of civil works, infrastructure of all types, project management, and toll collection and management, road operation and road maintenance activities, and road infrastructure. To enter and execute the concession contract that corresponds to public bid SEA-LP-002-2009 for the works necessary for the construction, revamp, expansion, improvement and conservation, whichever the case, of road project Transversal de las Americas.

(1) Concesion Ruta al Mar S.A.S.: Incorporated by private document dated September 14, 2015 of the shareholder; registered at the Medellin Chamber of Commerce on October 2, 2015, in book 9 under number 30735.

The sole corporate purpose of Concesion Ruta al Mar S.A.S. is to enter and execute the Concesion contract under the

Public-Private scheme (APP) under the terms of Law 1508 of 2012, derived from the awarding process VJ-VE-APP-IPV-006 made by ANI (Agencia Nacional de Infraestructura) with the purpose of "the construction, improvement, operation, maintenance and reversion of the road system to connect the Departments of Antioquia-Bolivar".

(1) Concesion Cesar-Guajira S.A.S.: Incorporated with private document dated June 12, 2015 by the sole shareholder, and registered at the Medellin Chamber of Commerce on June 19, 2015, in book 9, under number 11719.

The sole corporate purpose of Concesion Cesar-Guajira S.A.S. is to execute the concession contract under the Public-Private scheme (APP) under the terms of Law 1508 of 2012, derived from the awarding process VJ-VE-APP-IPV-003-2015 granted by ANI (Agencia Nacional de Infraestructura) through resolution No. 823 of May 19, 2015. The purpose is the construction, revamp, operation, maintenance and reversion of the road system to connect the departments of Cesar and Guajira in accordance with the concession contract.

b. Subsidiaries present the following financial situation at December 31.

	CONCESION RED VIAL DEL CESAR S.A.S.		CONCESION VIAS 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
EQUITY COMPOSITION										
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
TOTAL EQUITY	5,063,511	5,312,294	147,204,357	147,971,541	1,536,447	168,712	981,442	151,678	941,233	0

Concesion Red Vial del Cesar S.A.S.: Of a total of 2,747,400 ordinary stocks, Construcciones El Condor S.A. owns 2,607,282 stocks which represent 94.89%.

Concesion Vias de las Americas S.A.S.: Of a total of 260,000 ordinary stocks, Construcciones El Condor S.A. owns 173,342 stocks which represent 66.67%.

Concesion Cesar Guajira S.A.S.: Of a total of 200,000 ordinary stocks, Construcciones El Condor S.A. owns 100%.

Concesion Ruta al Mar S.A.S.: Of a total of 200,000 ordinary stocks, Construcciones El Condor S.A. owns 100%.

During the periods reported, Construcciones El Condor S.A. which is the parent company, did not display any investment reclassifications or transfers in subordinates.

(2) Industrias Selma: A related corporation domiciled overseas. At the period-end of the financial statements, the Company made loan operations with Industrias Selma obtaining revenues from interests for \$385,222, these interests do not differ from the normal market practices among independent third parties.

(3) Concesion Vias de las Americas S.A.S.: Construcciones El Condor S.A. acquired 100% of the rights of Organizacion de Ingenieria Internacional S.A.(Odinsa) for Concesion Vias de las Americas S.A.S., which corresponded to 33.34% and hence gains control of the entity. As part of the payment, Bancolombia authorized the novation for change of debtor in the equity contract amounting to 41,675,000, substituting Odinsa with Construcciones El Condor S.A.

At December 31, 2015, there are pledges over stocks as collateral to pay the obligations acquired with Bancolombia. For the credit, Construcciones El Condor S.A. granted in favor of the bank a first degree pledge over the total stocks it owns of Vias de las Americas S.A.S., for the amount of \$8,665,800.

During the periods reported, Construcciones El Condor S.A., which is the parent company, did not present any investment reclassifications or transfers in subsidiaries.

(4) The investment in Consorcio Minero del Cesar S.A.S. is the result of the transformation of Consorcio Minero del Cesar into a corporation, of which Construcciones El Condor S.A. owned 29.4%. In December 2016 Construcciones El Condor sold its in this society.

Note 5. Commercial accounts receivable and other accounts receivable

a. Commercial accounts receivable and other current accounts receivable

DETAIL	At December 31		DETAIL-PARTIES RELATED	At December 31	
	2016	2015		2016	2015
Domestic customers	107,042,361	34,596,019	Domestic customers	56,583,289	6,869,071
Accounts receivable of consortiums	66,768,540	27,685,499	Prepayments and advances	0	25,392
Others accounts receivable, joint operations	806,009	249,902	Miscellaneous accounts receivable	8,160	0
Prepayments and advances	27,125,831	31,982,455	Withholding over contracts	0	31,997
Claims	2,338,069	2,340,144	Dividends receivable	491,549	0
Accounts receivable, workers	305,812	131,826	Income receivable internal minutes	1,138,852	44,228
Miscellaneous accounts receivable	24,529,617	31,921,189	Deposits	75,256,827	75,256,827
Withholding over contracts	10,666,875	5,479,496	TOTAL COMMERCIAL ACCOUNTS	133,478,676	82,227,515
Income receivable	73,849,618	121,916,488	RECEIVABLE AND OTHER ACCOUNTS		
Deposits	840	840	RECEIVABLE		
TOTAL COMMERCIAL ACCOUNTS	313,433,572	256,303,859			
RECEIVABLE AND OTHER ACC. REC.					

Domestic customers

	At December 31	
	2016	2015
Cientes Agregados San Javier	1,016,266	3,009,826
Automax S.A.S.	63,000	0
Consorcio Constructor Aburra Norte Hatovial	502,169	0
Consorcio Constructor Americas (1)	73,752,844	10,649,396
Consorcio Constructor Pacifico 3 (2)	23,409,276	0
Consorcio Vial la Jagua	0	332,000
Constructora Kalamary S.A.S.	4,174,919	1,972,256
Constructora S & L S.A.S.	201,552	0
Departamento del Cesar	3,030,148	0
Estyma	30,056	130,056
Instituto Nacional de Vias	0	16,050,873
Inversiones Oceano S.A.S.	40,400	40,400
K.M.A. Construcciones S.A.	0	98,099
Less than 50 million	167,719	887,110
Metroplus S.A.	31,088	31,088
Sociedad Operadora de Aeropuertos Centro Norte	0	1,139,503
Sohinco Constructora S.A.S.	255,411	255,411
Valores y Contratos	367,513	0
TOTAL CURRENT DOMESTIC CUSTOMERS	107,042,361	34,596,019

(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
Accounts receivable, joint operations (*)	66,768,539	27,685,499
Accounts receivable, related companies in joint operations (*)	758,631	211,258
Commercial banking accounts, joint operations (*)	47,377	38,644
TOTAL ACCOUNTS RECEIVABLE OF CONSORTIUMS	67,574,548	27,935,401

Prepayments and advances

	At December 31	At December 31
	2016	2015
Prepayments, joint operations (*)	23,684,546	28,702,058
T. IM. Construcciones S.A.S.	63,504	0
ARQCLASS S.A.S.	0	61,736
Industria Colombiana de Asfaltos	0	184,660
Paul Maschinenfabrik GMBH & CO	0	89,061
Concremetal Ingenieria SAS	0	31,181
Construcciones Civiles Hermanos	75,535	100,000
Diseños Agregados y Construcciones	231,071	314,388
Empresa Minera de Caldas S.A.S	36,220	0
G & R Ingenieria y Desarrollo	453,837	67,920
Gestion en Ingenieria Civil y Ambiental	362,029	0
Goimpro S.A.S.	513,230	0
IP Ingenieria de Puentes	83,409	89,080
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
Jaramillo Alvarez Roberto	51,050	0
Alvarez Arrieta & Diaz Silveira	0	49,150
Henao Urrego Carlo Mario	0	615,644
Bancolombia	0	7,135
Logitramites S.A.S.	160,000	240,000
Monroy Torres Marcela del Niño J.	68,605	91,832
Palacio Urrego Juan Ramon	58,000	58,000
Reyes Adriana	33,132	89,191
Roadbuilders Equipment LLC	89,991	0
Less than 50 million	1,041,730	812,253
TOTAL PREPAYMENTS AND ADVANCES (1)	27,125,831	31,982,455

(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.

	At December 31	At December 31
	2016	2015
Claims (1)	2,338,069	2,340,144
	2,338,069	2,340,144

(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
	2016	2015
Miscellaneous	305,152	125,071
Miscellaneous, joint operations (*)	660	6,755
	305,812	131,826

Miscellaneous accounts receivable

	At December 31	At December 31
	2016	2015
Miscellaneous accounts receivable, joint operations (*)	2,362,970	738,101
Agencia Nacional de Infraestructura	100,793	100,793
Agregados del Norte de Colombia	246,186	246,186
Consortio APP Llanos (1)	(30,546)	261,203
Consortio Autosur (1)	0	56,244
Consortio Avenida Colon (1)	0	7,350,710
Consortio Constructor Aburra Norte (1)	6,147,369	11,265,604
Consortio Constructor Americas (1)	930,124	576,567
Consortio Constructor Nuevo Dorado (1)	6,657,569	6,363,734
Consortio Constructor Pacifico 3 (1)	1,464,453	141,078
Consortio Farallones (1)	2,342,342	0
Consortio Hidroelectrica de Tulua (1)	204,916	208,929
Consortio Mantenimiento OPAIN (1)	419,198	325,190
Consortio OMC (1)	100,918	100,918
Consortio Vial del Sur (1)	2,794,938	3,261,643
Gutierrez Marin Sor Maribel	92,800	99,800
Lasing Bancolombia S.A.	296,807	804,984
Less than 50 million	398,778	19,505
	24,529,617	31,921,189

(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
	2016	2015
Joint operations (*)	6,521,663	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
Consortio Constructor Americas	2,926,355	391,281
Sociedad Operadora de Aeropuertos Centro Norte	0	1,312,774
	10,666,875	5,479,496

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.

Income receivables

	At December 31	At December 31
	2016	2015
Internal minutes (1)	50,758,885	115,738,642
Internal minutes, joint operations (*)	22,800,663	5,910,718
Others	290,069	267,128
	73,849,618	121,916,488

(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 Vías de las Americas for the sum of \$40.223.166, which are in full execution of their construction stage.

Deposits	At December 31	
	2016	2015
Deposits, joint operations (*)	840	840
	840	840
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE	313,433,572	256,303,859

Related parties Customers related parties	At December 31	
	2016	2015
Patrimonios Autonomos Fiduciaria (Concesion Cesar Guajira)	18,283,727	0
Patrimonios Autonomos La Pintada	5,523	0
Concesion Pacifico Tres S.A.S.	9,700,568	6,869,071
Patrimonios Autonomos Pacifico Tres	5,737,435	0
Concesion Ruta al Mar S.A.S	11,660	0
Patrimonios Autonomos Fiduciaria (Concesion Ruta al Mar)	22,198,412	0
Concesion Vías de las Americas S.A.S	645,965	0
TOTAL CUSTOMERS, RELATED PARTIES (1)	56,583,289	6,869,071

(1) The amount corresponds to services for execution of contracts Private Public Initiative (APP) and interest corresponding to the subordinated debt.

Prepayments and advances, related parties	At December 31	
	2016	2015
Vías de las Americas S.A.S.	0	25.392
TOTAL PREPAYMENTS AND ADVANCES, RELATED PARTIES	0	25.392

Accounts receivable, related parties	At December 31	
	2016	2015
P.A. APP Cesar Guajira S.A.S.	62,460	0
P.A. APP Ruta al Mar S.A.S.	305,967	0
Concesion Vías de las Americas S.A.S.	770,424	44,228
TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES	1,138,852	44,228

Income receivable internal minutes	At December 31	
	2016	2015
P.A. APP Ruta al Mar S.A.S.	7,657	0
Concesion Vías de las Americas S.A.S.	0	0
Condor Construction Corp.	503	0
TOTAL INCOME RECEIVABLE INTERNAL MINUTES	8,160	0

Withholding over contracts, related parties	At December 31	
	2016	2015
Vías de las Americas S.A.S.	0	31.994
TOTAL WITHHOLDING OVER CONTRACTS, RELATED PARTIES	0	31.994

Deposits	At December 31	
	2016	2015
OPAIN S.A.	75,256,827	75,256,827
TOTAL DEPOSITS	75,256,827	75,256,827

Dividends receivable	At December 31	
	2016	2015
Concesion Aburra Norte Hatovial	491,549	0
TOTAL ACCOUNTS RECEIVABLE FROM RELATED PARTIES	133,478,676	82,227,515

Assets for current taxes	At December 31	
	2016	2015
Balance in favor of ICA and advances other municipalities	517,522	164,819
Balance in favor of ICA San José de La Fragua	0	23,893
Balance in favor of ICA Planeta Rica	0	27,313
Private settlement surplus	1,088,723	0
Income tax prepayment	3,848,093	7,138,106
Discountable taxes	224,724	190,177
ICA Withheld	561,180	428,832
ICA Prepaid	411,833	575,205
Withholding at source	14,281,104	16,670,368
Withholdings and claims, joint operations (*)	0	1,611,784
TOTAL ASSETS FOR CURRENT TAXES	20,933,178	26,830,498

b. Commercial accounts receivable and other accounts receivable

DETAIL	At December 31		DETAIL - RELATED PARTIES	At December 31	
	2016	2015		2016	2015
Domestic customers	2,058,755	2,635,966	Domestic customers	22,213	5,942,531
Accounts receivable impaired	(3,240,643)	(4,192,638)	Commercial current accounts	12,785,776	14,110,257
Prepayments and advances	323,785	323,785	Accounts receivable	346,719,830	250,594,099
Miscellaneous accounts receivable	1,424,023	1,480,301	Deposits	12,639,351	12,639,651
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE	565,920	247,414	TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE	372,167,170	283,286,538

Clients	At December 31	
	2016	2015
Departamento de Antioquia	665,930	665,930
Cientes Agregados San Javier	1,159,739	1,736,951
Estyma S.A.	225,412	225,412
Less than 20 million	7,674	7,674
TOTAL NON-CURRENT CLIENTS IMPAIRMENT OF ACCOUNTS RECEIVABLE	2,058,755 (3,240,643)	2,635,966 (4,192,638)

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
TOTAL PREPAID TAXES AND CONTRIBUTIONS	23,750	23,750

Prepayments and advances

	At December 31	At December 31
	2016	2015
Durango Patiño Adriana Maria	91,206	91,206
Avales Ingenieria Inmobiliaria	208,829	208,829
TOTAL PREPAYMENTS AND ADVANCES	300,035	300,035

Miscellaneous accounts receivable

	At December 31	At December 31
	2016	2015
Consortio Amaime	1,070,089	1,070,090
Lugon Ingenieria	0	56,276
Masering	254,103	254,103
S.P. Ingenieros	99,831	99,831
TOTAL MISCELLANEOUS ACCOUNTS RECEIVABLE	1,424,023	1,480,301
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE	565,920	247,414

Related parties
Clients, related parties

	At December 31	At December 31
	2016	2015
Consortio Minero del Cesar S.A.S.	0	8,475,518
Concesion Aburra Norte Hatovial	22,213	22,213
TOTAL CLIENTS NON-CURRENT	22,213	8,497,731
ACCOUNTS RECEIVABLE IMPAIRED	0	(2,555,200)

Commercial accounts receivable related parties - Industrias Selma (1)

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

(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 La Pintada S.A.S.	257,971	0
Concesion Pacifico Tres	165,928,845	142,513,845
Fiduciaria Davivienda (Vinus)	14,701,426	0
Concesion Ruta al Mar	104,921,171	44,924,389
Concesion Cesar Guajira	54,071,105	34,473,262
Concesion Vial de los Llanos	6,839,312	0
Consorcio Minero del Cesar S.A.S. (1)	0	28,682,602
TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES	346,719,830	250,594,099

Amounts transferred to the item of contributions to future capitalizations; the same will be recognised interests since it corresponds to debts with corporations of which Construcciones El Condor S.A. is a shareholder.

(1) The balance of this item does not correspond to a subordinated credit. The participation of Construcciones El Condor was sold in December 2016 and total debt was paid.

Deposits

	At December 31	At December 31
	2016	2015
Concesion Vial los Llanos S.A.	12,219,287	12,219,287
Trans NQS Sur	420,064	420,364
TOTAL DEPOSITS	12,639,351	12,639,651

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
TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES	372,167,170	283,286,538
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE	840,578,517	648,895,823

Note 6. Inventories

	At December 31	At December 31
	2016	2015
Contracts underway	13,489,191	14,532,898
Contracts underway, joint operations (*)	0	515,826
Materials, spare parts and accessories	11,243,790	10,043,606
Inventories of joint operations, net (*)	4,981,143	775,358
Impairment of net realization amount (1)	(450,977)	(520,946)
TOTAL INVENTORIES	29,263,147	25,346,744

(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
	2016	2015
Insurance, bonds and deferred charges (1)	1,771,851	725,119
Prepaid expenses, joint operations (*)	838,971	685,941
Licenses, joint operations (*)	0	11,096
TOTAL SHORT-TERM PREPAID EXPENSES	2,616,448	1,422,156

Long-term prepaid expenses

	At December 31	At December 31
	2016	2015
Insurance, bonds and deferred charges	0	836,306
TOTAL LONG-TERM PREPAID EXPENSES	0	836,306
TOTAL PREPAID EXPENSES	2,616,448	2,258,462

Assets for deferred taxes

	At December 31	At December 31
	2016	2015
Deferred taxes for provisions	932,885	594,325
Deferred taxes for financial obligations	29,961,693	39,631,608
Other deferred taxes	8,176,847	163,326
Deferred tax for accounts receivable from trust	3,327,747	0
TOTAL ASSETS FOR DEFERRED TAXES	42,399,173	40,389,259
TOTAL DEFERRED	45,015,622	42,647,720

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	At December 31
	2016	2015
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
TOTAL NON-CURRENT ASSETS KEPT FOR SALE	2,481,613	3,124,992

(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)
TOTAL	8,142,502	13,085,353	126,612,790	742,874	51,341	66,176,747	67,199,861	0	3,327,415	285,338,885

	2016		
	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	41,490,926	(13,094,974)	28,395,953
Office equipment	1,040,772	(297,898)	742,874
Computers and communications equipment	440,758	(299,367)	141,392
Transportation equipment	25,282,158	(8,943,412)	16,338,746
Adjustment depreciation	(90,051)	0	(90,051)
Properties, plant and equipment, joint operations (*)	4,113,601	(786,185)	3,327,416
TOTAL	337,118,961	(51,780,075)	285,338,885

	2015		
	Cost	Depreciation	Net cost
Quarries	7,978,360	0	7,978,360
Goods leased	69,010,350	0	69,010,350
Constructions and buildings	161,446,397	(16,505,592)	144,940,805
Machinery and equipment	5,259,109	(110,237)	5,148,872
Office equipment	40,433,806	(8,897,547)	31,536,259
Computers and communications equipment	1,071,091	(176,446)	894,645
Transportation equipment	445,958	(223,911)	222,047
Depreciation, joint operations (*)	3,356,001	(892,256)	2,463,744
TOTAL	324,137,853	(33,062,378)	291,075,475

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 property and equipment.

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

From January to December, 2016 and from January to December 2015, a depreciation of Properties, plant and equipment was displayed hurting the income statement by \$19.877.457 and \$17.914.007, respectively.

Assets of Construcciones El Condor S.A. registered as Properties, plant and equipment do not guarantee any type of obligation.

Note 10. Investment properties

	At December 31	At December 31
	2016	2015
Real estate investment properties	988,737	828,966
TOTAL INVESTMENT PROPERTIES	988,737	828,966

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

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
Bancolombia (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
Banco Corpbanca (18)	02/12/17	DTF+2.3%	33,000,000	0
			395,912,954	272,459,092

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 2.875m ² .
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 8.719m ² .
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
	2016	2015
Leasing de Occidente	0	1,785
Bancolombia	19,835,004	18,984,412
Bancolombia Panama	0	3,079
TOTAL SHORT-TERM COMMERCIAL FINANCING COMPANIES	19,835,004	18,989,276
TOTAL FINANCIAL OBLIGATIONS AND SHORT-TERM FINANCING COMPANIES	415,747,959	291,448,368

Long-term financial obligations

			At December 31	At December 31
	Maturity	Rate	2016	2015
Banco BBVA (1)	07/09/2017	DTF+1.95% EA	0	2,235,000
Banco BBVA (2)	15/12/2018	DTF+3.5% EA	28,000,000	28,000,000
Banco Corpbanca (3)	02/12/2017	DTF+2.3%	0	33,000,000
TOTAL LONG-TERM FINANCIAL OBLIGATIONS			28,000,000	63,235,000

(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.

Commercial financing companies

	At December 31	At December 31
	2016	2015
Leasing, joint operations	493,526	0
Caterpillar Credito S.A.	9	9
Bancolombia	106,237,508	108,770,754
Bancolombia Panama	9,098	6,320
TOTAL LONG-TERM COMMERCIAL FINANCING COMPANIES	106,740,141	108,777,083
TOTAL FINANCIAL OBLIGATIONS AND LONG-TERM COMMERCIAL FINANCING COMPANIES	134,740,141	172,012,083
TOTAL FINANCIAL OBLIGATIONS	550,488,099	463,460,451

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
	2016	2015
Domestic	5,376,880	5,318,542
From overseas	715	108,785
Suppliers, joint operations (*)	334,325	1,183,465
Costs and expenses payable (1)	7,020,883	10,211,673
Installments payable	0	7,533,166
Official creditors - taxes	837,095	454,137
Others (2)	90,473,468	217,688
Dividends shareholders	103,643	104,546
Payroll withholdings and contributions	1,287,451	1,194,358
Accounts payable, joint operations (*)	103,406,615	72,120,220
TOTAL COMMERCIAL ACCOUNTS PAYABLE AND OTHER ACCOUNTS PAYABLE	208,841,074	98,446,578

The maturity of accounts payable to suppliers is 45 days.

(1) Of this amount, \$1.560.347 correspond to accounts payable to subcontractors in the different projects.

(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.	105,556	75,287
TOTAL ACCOUNTS PAYABLE SHORT - TERM	105,556	75,287

Accounts payable with non-current related parties	At December 31	At December 31
	2016	2015
Consortio Minero del Cesar S.A.S.	0	5,425,297
TOTAL ACCOUNTS PAYABLE WITH NON-CURRENT TO RELATED PARTIES	0	5,425,297
TOTAL ACCOUNTS PAYABLE	105,556	5,500,584

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
Industry and trade tax, and others	349,330	1,588
Industry and trade, joint operations (*)	60	0
Tax on added-value	518,714	4,026,630
Other liabilities	148	0
Tax on amount of joint operations (*)	278,566	533,625
TOTAL CURRENT TAX	1,146,817	4,561,842
TOTAL	1,146,817	4,561,842

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)	2,790,251	2,482,890
Costs and expenses, joint operations (*)	13,722,707	3,533,198
Industry and trade	1,093,856	1,637,895
Income tax and tax for equity CREE	6,780,890	23,143,563
Contingencies	1,193,072	543,000
For labor obligations	47,822	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
	26,953,821	32,048,770

(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.

Note 16. Prepayments and advances received

Short-term	At December 31	At December 31
	2016	2015
Instituto Nacional de Vias(1)	225,852	7,827,162
Operadora de Aeropuertos Centro	0	2,192
Departamento del Cesar	0	128,728
C2 Estudio S.A.S.	0	448,000
Inversiones Sistori y Sossa S.A.S.	100,000	100,000
Others	1,103,027	1,488,365
Prepayments and advances, joint operations (*)	1,133,834	2,779,008
Collateral for contracts, joint operations (*)	3,147,900	3,492,358
Accounts in participation, joint operations (*)	451,610	451,610
Earnings received for third parties, joint operations (*)	9,169,640	267
TOTAL SHORT-TERM	15,331,863	16,717,691

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

Long-term	At December 31	At December 31
	2016	2015
Withholding over contracts	672,774	1,492,389
Consorcio Constructor Américas (1)	16,782,813	24,898,992
TOTAL LONG-TERM	17,455,587	26,391,381
TOTAL	32,787,449	43,109,072

(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
	2016	2015
Deferred taxes for revaluation	76,934,087	67,379,668
Deferred taxes for investments	14,835,889	26,419,263
TOTAL LONG-TERM DEFERRED TAXES	91,769,977	93,798,931

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
	2016	2015
Stock capital (1)	15,701,606	15,701,606
Premium from stock placement (2)	159,711,695	159,711,695
Retained earnings	320,827,310	203,379,370
Retained earnings (opening balance)	927,951	18,963,416
Surplus for revaluation	60,553,223	161,902,082
Other integral result	30,441,316	40,190,721
Profit before other integral result	185,924,266	148,621,375
TOTAL	774,087,367	748,470,265

(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.

The net equity per share climbed from \$258.76 pesos in December, 2015 to \$323.70 pesos in December, 2016.

Note 19. Revenues from normal activities

	At December 31
	2016
	2015
Oficina Central	36,452,698
U.E.N Maquinaria y Equipo	0
Grupo Condor Inversiones	16,517,835
Agregados San Javier (2)	26,258,491
Vías del Cesar	7,015,709
Consortio Minero del Cesar	0
Consortio Constructor Aburra Norte COCAN (6)	25,708,719
Consortio Constructor Nuevo Dorado (1)	9,804,128
Consortio Hidroeléctrica de Tulua	0
Marginal de la Selva	548,886
Consortio Avenida Colon	32,247,153
Consortio Vial del Sur	6,231,774
Obra Tumaco Ricaurte Nariño (Tumaco)	7,743,779
Americas Condor (Monteria) (3)	40,290,290
Consortio Mantenimiento Opain	756,212
Americas Condor (Uraba) (3)	101,935,292
Americas Condor (San Marcos) (3)	66,179,046
Consortio Constructor Americas	6,966,311
Dabeiba Santa Fe de Antioquia	3,717,489
Fondo de Adaptacion	32,670,124
Cesar Grupo 3	67,448,685
Caucheras (4)	19,523,214
Consortio Farallones (3)	1,819,878
Consortio Constructor Pacifico 3	5,180,214
Cesar Guajira - Obra (5)	0
Unidad Especial de Puentes	0
Concesion Cesar Guajira	0
Concesion Ruta al Mar	0
Obra Antioquia Bolivar (5)	0
Consortio APP Llanos	3,234,423
La Virginia (5)	0
Irra (5)	0
P2 Condor	0
Americas Condor Santa Ana - La Gloria	0
Others minor	836,996
TOTAL	519,087,346

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

Note 20. Operating costs

At December 31

	2016	2015
Sales cost and services provided	79,754,077	130,570,373
Production or operation costs	41,302,232	79,692,554
Indirect costs	165,969,222	157,399,886
Services contracts	7,926,552	20,813,884
TOTAL	294,952,083	388,476,696

Note 21. Administration expenses

At December 31

	2016	2015
Employee benefits (2)	13,257,220	10,762,203
Fees (1)	2,633,126	20,065,765
Taxes	960,868	1,376,290
Leases	217,442	237,718
Contributions, insurance, services, legal	935,437	248,963
Insurance	0	113,240
Services	0	550,067
Legal expenses	0	89,891
Maintenance, furnishings	93,596	66,905
Furnishings and installations	0	1,035,978
Travel expenses	1,935,708	1,351,227
Depreciations	546,970	532,730
Amortizations	1,034,473	862,858
Entertainment expenses and public relations	55,334	19,282
Fleet and transport equipment deterioration	91,151	0
Miscellaneous	1,514,267	1,250,154
Impairment of accounts receivable and investments	217,459	1,394,526
TOTAL ADMINISTRATION EXPENSES	23,493,051	39,957,798

(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	3,761,262	3,079,198
Wages	3,834,193	3,133,764
Extralegal premium	1,470,766	877,023
Others (legal benefits, contributions to social security and other)	4,190,998	3,672,219
TOTAL EMPLOYEE BENEFITS	13,257,220	10,762,203

Note 22. Other revenues

At December 31

	2016	2015
Leases	17,450	4,995
Recoveries	379	944
Reimbursement of other costs	260,513	1,817,357
Reimbursement of provisions	3,968,659	1,886,198
Indemnizations - disabilities	1,126,461	355,664
Revenues from previous periods	779,384	388,333
Other services	1,684	0
Exploitations	4,572,087	4,138,915
Miscellaneous	4,871	1,964
TOTAL OTHER REVENUES	10,731,486	8,594,370

Note 23. Other expenses

At December 31

	2016	2015
Costs and expenses of previous periods	2,431,388	134,717
Commissions	1,793,514	0
Tax assumed	6,573	73,211
Non-deductible expenses	178,182	82,321
Indemnizations and lawsuits	143,872	124,934
Fines, sanctions and litigations	20,290	55,645
Donations	818,222	878,900
Others	1,409,028	609,335
Constitution of guarantees	890,893	0
Loss from impairment of assets	0	63,978
Loss of claims	416,345	25,600
TOTAL OTHER EXPENSES	8,108,307	2,048,641

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	80,071,173
TOTAL OTHER GAINS OR LOSSES	143,276,771	78,651,838

(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
Exchange difference	24,761	3,530,799
Other bank expenses	87,332	71,843
B.T.G. Pactual S.A. Comisionista	0	72,583
Consortio Minero del Cesar S.A.S.	0	1,000,907
Industria Selma International	385,222	315,555
Patrimonios Autonomos Fiduciaria	3,751,505	6,944,591
Banco Bilbao Vizcaya Argentaria	205,298	0
Patrimonio Autonomo Administra	5,046,242	386,049
Valores Bancolombia	1,750,520	215,882
Consortio Avenida Colon	0	0
Concesion Pacifico Tres S.A.S.	10,430,718	0
Other minors	16,438	60,653
TOTAL FINANCIAL REVENUES	21,698,034	12,598,862

Note 26. Financial expenses

At December 31

	2016	2015
Lien on financial movements	2,399,365	2,706,994
Exchange difference	763,673	31,777
Bank commissions	1,040,133	1,195,919
Bank expenses	7,917	115,462
Banco BBVA	9,879,471	4,903,204
Bancolombia	21,177,014	6,749,806
Banco Santander de Negocios	741,776	0
Leasing Bancolombia	8,672,664	6,880,845
Banco de Bogota	5,362,120	2,613,583
Corpanca	2,728,171	2,249,193
Banco de Occidente	1,753,454	397,958
Other minors	69,770	351,744
TOTAL FINANCIAL EXPENSES	54,595,528	28,196,485

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
Concesion Red Vial del Cesar	(248,807)	(34,303)
Concesion Ruta al Mar	867,741	(31,288)
Concesion Transmilenio del Sur	(4,410)	(10,291)
Concesion Vias del Nus	61,650	0
Consortio Minero del Cesar S.A.S.	18,339,249	0
Industria Selma Inc.	240,058	(102,892)
Concesion Cesar Guajira	326,575	(48,322)
Vias de las Americas S.A.S.	870,447	149,690
Concesion Trans NQS Sur	0	(2,044)
Condor Investment USA	(1,098,642)	0
TOTAL GAINS (LOSS), EQUITY METHOD	37,563,834	3,019,583

Note 28. Taxes

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

Provision for income tax

At December 31

	2015
Profit before tax	158,506,399
Net accounting and fiscal items that decrease income	(111,268,166)
Net accounting and fiscal items that increase income	11,688,630
Taxable income	58,926,863
TOTAL INCOME TAX PROVISION	14,731,716
Deferred tax	8,413,441
TOTAL INCOME TAX	6,318,275

Provision for income tax for equity CREE

At December 31

	2015
Taxable income	59,805,212
Total income tax for equity provision 9%	5,382,469
Surcharge	2,950,260
TOTAL INCOME TAX FOR EQUITY PROVISION	8,332,729
TOTAL TAXES	14,651,005

At December 31

	Income tax 2016	CREE 2016
Taxable income	7,203,358	11,529,454
Presumptive income	14,253,653	14,253,653
Total income tax provision 25% CREE 9%	3,563,413	1,282,829
Occasional income tax and surcharge CREE 6%	1,127,429	807,219
DEFERRED TAX	1,048,855	0
NET INCOME TAX PROVISION	5,739,697	2,090,048

Note 29. Operation segments

2016

Description	Internal revenues	External revenues	IFRS ordinary revenues	Other income and expenses	Result of the period	Total assets	Depreciations
INVESTMENT SEGMENT							
Investments	0	(40,249,686)	(40,249,686)	143,267	(183,516,738)	716,294,457	0
CONSTRUCTION SEGMENT							
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
TOTAL	(1,743,035)	(272,408,641)	(274,151,676)	(46,441)	(227,711,057)	943,833,690	1,067,994

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

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

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						
Consortio 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	$\frac{\text{Operating profit}}{\text{Operating revenues}}$	=	$\frac{189,087,671}{515,641,112}$	36.67%	The Company generated an operating profit equivalent to 36.67%, with regards to total sales of the period.
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INDICATORS OF LIQUIDITY

Working capital =	Current asset - Current liability	=	114,312,911		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 =	$\frac{\text{Current asset}}{\text{Current liability}}$	=	$\frac{790,063,893}{675,750,982}$	1.1692	For each \$1 of current liability, the company has a backup of \$1,17 in the current asset.
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INDICATORS OF INDEBTEDNESS

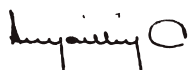
Total indebtedness =	$\frac{\text{Total liability}}{\text{Total asset}}$	=	$\frac{919,716,687}{1,693,804,054}$	0.5430	Reflects the share of creditors over the assets of the Company. For each peso that the Company has in the asset, it owes \$0.54 cents.
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Financial indebtedness =	$\frac{\text{Financial liability}}{\text{Total asset}}$	=	$\frac{550,488,099}{1,693,804,054}$	0.3250	Reflects the share of creditors over the assets of the Company. For each peso that the Company has in the asset, it owes \$0.3250 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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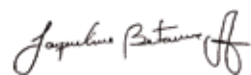
Net margin	$\frac{\text{Net profit}}{\text{Operating revenues}}$	=	$\frac{185,924,266}{515,641,112}$	36.06%	For each peso sold, the Company generates a net profit of 36.06%.
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See attached opinion



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