



Separate
Financial
Statements

Fourth quarter 2018



Construcciones
EL CONDOR S.A.
Ingeniería de Infraestructura e Inversiones

EXTERNAL AUDITOR'S REPORT

February 25, 2019

To the Assembly of Shareholders of **CONSTRUCCIONES EL CÓNDOR S.A.**

Financial statement report

I have audited the financial statements of **CONSTRUCCIONES EL CÓNDOR S.A.** at December 31, 2018, which comprise the separated financial situation statement, the results per duty and other integrated results, the changes in equity, and the separated cash flow statement ended on that date and the corresponding notes, including a summary of the significant accounting policies and other explanatory information.

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 consolidated financial statements free from material misstatement, whether due to fraud or error; and the selection and application of proper accounting principles, and to establish appropriateness of accounting polies used.

External 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 accepted in Colombia. These standards require to plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of misstatements.

An audit comprises performing procedures to obtain evidence, among others, 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 external auditor considers internal control relevant to the preparation and presentation of the financial statements in order to design audit procedures that are appropriate given the circumstances. An audit includes as well an assessment of the appropriate accounting policies used and the accounting estimates made by Management, and 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 CÓNDOR S.A.** at December 31, 2018, 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.

Other matters

The financial statements of **CONSTRUCCIONES EL CÓNDOR S.A.**, at December 31, 2017, which are part of

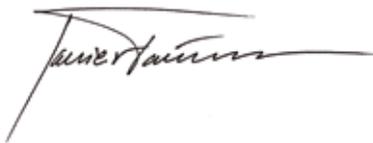
the information on the financial statements attached, were audited by me, in accordance with the international audit standards accepted in Colombia, on which I expressed an unqualified opinion was provided on February 13, 2018.

Report on other legal and regulatory requirements

The Company's administration is responsible as well for meeting certain regulatory aspects in Colombia related to managing accounting documents, preparing management reports, and the timely and proper payment of contributions to the Integral Social Security System. My responsibility as an external auditor is to conduct procedures of revisions to provide an opinion of the proper compliance thereof.

Based on the result of my audits, I am not aware of any situation indicating a breach in the compliance of the following obligations of the Company: a) Keep the Company's accounting in compliance with the legal and technical regulations; b) Duly keep the vouchers of the accounts and the books of minutes and share registration. In addition, there is a match between the financial statements attached and the management report, which includes proof from administration regarding the free circulation of the invoices issued by salespersons or suppliers and the information contained in the statements of contributions to the Integral Social Security System, particularly related to affiliates and their income based on the quotation, taken from the accounting records and documents; the Company has no default of payments to the Integral Social Security System.

In compliance with the responsibilities of an external auditor contained in items 1 and 3 of article 209 of the Colombian Code of Commerce, pertaining to the evaluate if the actions of the Company's management meet the by-laws as well as the orders or instructions given by the Shareholders Assembly, and if there are proper measures of internal control, conservation and custody of assets of the corporation or third parties in its power, I prepared a separate report dated February 13, 2018, which applies the international standards on assurance 3000 accepted in Colombia.



JAVIER EMILIO TÁMARA TORRES

External Auditor

Professional Card No. 208.595 – T

Appointed by **CROWE CO S.A.S.**

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

Medellín, February 25, 2019

Gentlemen
SHAREHOLDERS
CONSTRUCCIONES EL CÓNDOR S.A.
Medellín

Greetings,

Pursuant to article 47 of Law 964 of 2005, the Legal Representative of Construcciones El Cóndor 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 MARÍA JAILLIER CORREA
Legal Representative
C.C. 42.895.563

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

Medellín, February 25, 2019

Gentlemen
SHAREHOLDERS
CONSTRUCCIONES EL CÓNDOR S.A.
Medellín

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

CERTIFY

That the Separate Financial Statements and other reports relevant to the public and the operations of the Company as of December 31, 2018, 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 MARÍA JAILLIER CORREA
Legal Representative
C.C. 42.895.563



ANA ISABEL GONZÁLEZ VAHOS
Accountant
Professional Card No. 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 statements of financial position and comprehensive income as of December 31, 2018 of the Corporation **CONSTRUCCIONES EL CÓNDOR 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 as of December 31, 2018, 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 as of December 31, 2018.



ANA MARÍA JAILLIER CORREA
Legal Representative
C.C. 42.895.563



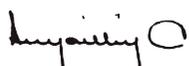
ANA ISABEL GONZÁLEZ VAHOS
Accountant
Professional Card No. 47345-T

Financial situation statement - Separate

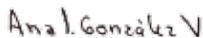
Figures in thousands of Colombian pesos

	As of December 31	As of December 31
	2018	2017
ASSETS		
Cash and cash equivalents (Note 3)	24.771.422	20.754.818
Current investments (Note 4)	11.791.043	0
Commercial accounts receivable and other accounts receivable (Note 5)	715.009.867	565.239.983
Accounts receivable, related parties (Note 5)	248.703.149	220.017.681
Asset for current taxes (Note 5)	1.557.519	33.712.767
Inventory (Note 6)	55.211.226	44.003.288
Prepaid expenses (Note 7)	4.690.355	6.538.740
Non-current assets maintained for sale (Note 8)	879.172	1.682.349
CURRENT ASSET	1.062.613.753	891.949.626
Investments in financial instruments (Note 4)	947.224	815.629
Investments in associates and joint businesses (Note 4)	123.866.022	85.263.387
Investments in subsidiaries (Note 4)	104.456.744	98.492.633
Commercial accounts receivable and other accounts receivable (Note 5)	4.389.872	22.310.834
Accounts receivable, related parties (Note 5)	571.844.243	497.339.274
Prepaid expenses (Note 7)	628.196	206.999
Intangible assets other than capital gain (Note 7)	20.415.936	32.174.943
Assets for deferred taxes (Note 7)	26.537.808	36.079.109
Properties, plant and equipment (Note 9)	409.322.253	323.046.732
Investment properties (Note 10)	6.408.048	4.490.374
NON-CURRENT ASSETS	1.268.816.347	1.100.219.914
TOTAL ASSETS	2.331.430.099	1.992.169.540
LIABILITIES		
Financial obligations (Note 11)	460.468.599	353.062.140
Commercial financing companies (Note 11)	65.121.669	30.486.205
Commercial accounts receivable and other accounts receivable (Note 12)	315.070.531	299.881.919
Accounts payable with current related parties (Note 12)	3.861.082	451.001
Current taxes (Note 13)	10.485.243	41.345.875
Labor obligations	11.810.092	8.141.359
Other liabilities and provisions (Note 14)	16.125.704	10.102.938
Prepayments and advances received (Note 15)	68.923.013	56.157.759
Prepaid revenues received (Note 16)	71.802.522	25.491.033
CURRENT LIABILITY	1.023.668.455	825.120.229
Financial obligations (Note 11)	35.515.637	0
Commercial financing companies (Note 11)	122.923.330	140.313.004
Commercial accounts receivable and accounts receivable (Nota 12)	4.687.456	11.052.806
Prepayments and advances received (Nota 15)	12.497.693	2.740.683
Liabilities for deferred taxes (Note 17)	88.554.100	91.468.706
NON-CURRENT LIABILITY	264.178.216	245.575.199
TOTAL LIABILITY	1.287.846.671	1.070.695.428
EQUITY		
Stock capital	15.701.606	15.701.606
Premium in share placement	159.711.695	159.711.695
Reserves	632.794.173	477.170.241
Result of the period	115.155.365	184.908.738
Retained earnings	21.291.412	3.425.333
Other comprehensive result	98.929.177	80.556.500
TOTAL EQUITY (NOTE 18)	1.043.583.428	921.474.112
TOTAL LIABILITY AND EQUITY	2.331.430.099	1.992.169.540

The notes attached are an integral part of the financial statements



ANA MARÍA JAILLIER CORREA
Legal Representative
C.C. 42.895.563
See certification attached



ANA ISABEL GONZÁLEZ VAHOS
Accountant
Professional Card No. 47345-T
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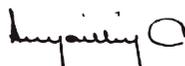
JAVIER EMILIO TÁMARA TORRES
External Auditor (Crowe)
Professional Card No. 208595 – T
See opinion attached

Income statement per function - Separate

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

	From January 1 to December 31		From October 1 to December 31	
	2018	2017	2018	2017
REVENUES FROM NORMAL ACTIVITIES				
Sale of good	11.410.725	11.859.014	5.446.070	2.879.874
Services provided	893.957.982	591.082.504	223.933.632	147.869.578
Revenues for dividends	0	488.667	0	0
TOTAL REVENUES FROM NORMAL ACTIVITIES (NOTE 19)	905.368.707	603.430.185	229.379.702	150.749.452
Operating costs (Note 20)	(742.734.432)	(505.417.949)	(191.703.179)	(142.453.744)
GROSS PROFIT	162.634.274	98.012.236	37.676.523	8.295.708
Administration expenses (Note 21)	(36.654.381)	(29.281.481)	(13.524.846)	(8.854.452)
Other revenues (Note 22)	8.884.158	30.904.939	2.228.975	27.996.185
Other expenses (Note 23)	(7.595.015)	(14.266.891)	(1.887.521)	(1.987.037)
Other gains or losses (Note 24)	(2.035.610)	159.010.471	(76.401)	(58.885)
OPERATING PROFIT	125.233.427	244.379.274	24.416.729	25.391.519
Financial revenues (Note 25)	34.620.439	43.430.640	7.313.571	15.411.864
Financial expenses (Note 26)	(63.186.782)	(53.033.387)	(12.587.907)	(14.120.154)
Gain (loss), equity method (Note 27)	55.932.617	(550.489)	19.518.992	(1.411.427)
PROFIT BEFORE TAXES	152.599.700	234.226.038	38.661.385	25.271.802
Provision for income tax and complementary (Note 28)	(37.444.336)	(49.317.300)	(7.289.628)	(14.622.066)
NET PROFIT OF THE PERIOD	115.155.365	184.908.738	31.371.757	10.649.736
Net profit per share	200,49	321,94	54,62	18,54

The notes attached are an integral part of the financial statements



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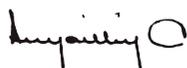
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Other integral results of the period statement - Separate

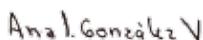
Figures in thousands of Colombian pesos

	From January 1 to December 31		From October 1 to December 31	
	2018	2017	2018	2017
NET PROFIT OF THE PERIOD	115.155.365	184.908.738	31.371.757	10.649.736
OTHER INTEGRAL RESULT				
Gain from exchange difference from investment conversion overseas	0	(302.426)	0	0
Gain (loss) for valuation of controlled companies	5.295.754	859.968	420.176	1.458.559
Gain (loss) investments at fair value	(25.466.909)	3.669.830	(20.951.710)	(2.038.934)
Effect of tax on gains	(4.059.161)	(1.135.292)	(6.149.103)	(247.774)
Surplus from valuations in investments and properties, plant and equipment	44.810.359	(17.592.305)	57.455.262	(1.756.297)
Effect of tax on gains	(2.222.153)	4.082.921	(6.368.281)	2.953.884
Gain (loss) for actuaries for employee benefit plans	14.785	(20.734)	14.785	(20.734)
OTHER INTEGRAL RESULT OF THE PERIOD	18.372.675	(10.438.038)	24.421.130	348.704
TOTAL INTEGRAL RESULT OF THE PERIOD	133.528.040	174.470.700	55.792.887	10.998.440

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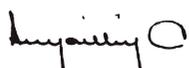
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See opinion attached

Changes in equity statement - Separate

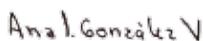
Figures in thousands of Colombian pesos

	As of December 31	As of December 31
	2018	2017
OPERATING ACTIVITIES		
Profit of the period	115.155.365	184.908.738
Items not affecting cash:		
Plus: depreciation and impairment of properties, plant and equipment	28.884.807	21.801.093
Plus: depletion	804.749	2.166.565
Plus: amortizations policies and others	3.880.885	2.715.610
Plus: amortizations deferred charges	11.810.412	5.082.581
Plus: provision of costs	(4.651.653)	(3.824.992)
Plus: provision of accounts receivable	19.141	8.566.843
Plus: provision of investments	6.904	0
Plus: provision for contingencies	1.215.224	162.061
Plus: expenses for difference in exchange	1.511.060	174.398
Minus: recovery from reimbursement of provisions	(1.866.318)	(966.985)
Plus: loss on sale and retirement of goods	3.076.221	3.899.354
Minus: gain on sale of properties, plant and equipment	(934.599)	(1.472.804)
Minus: revenue, equity method	(73.007.843)	(41.229.922)
Minus: recovery of provisions	0	(1.543.243)
Minus: revenues from difference in exchange	(349.220)	(34.577)
Plus: loss equity method	17.075.226	41.780.411
Plus: income tax caused	37.444.336	49.317.300
CASH GENERATED IN OPERATION	140.074.694	271.502.431
CHANGE IN OPERATING ITEMS		
Plus: increased liabilities and decreased operating assets	134.843.286	162.161.636
Decrease of rights - intangibles	0	316.000
Decrease of assets for deferred taxes	9.541.301	6.320.064
Decrease of assets for current taxes	32.155.248	0
Increase of deferred tax liabilities	(2.914.606)	0
Increase of accounts payable	14.099.661	103.406.081
Increase of labor obligations	3.668.733	3.984.324
Increase of other liabilities and provisions	9.459.195	0
Increase of prepayments and advances received	22.522.263	26.110.992
Increase of revenues received in advance	46.311.489	22.024.175
Minus: increased assets and decreased operating liabilities	318.193.847	549.397.950
Increase of commercial accounts receivable and other accounts receivable	236.227.244	493.969.098
Increase of inventories	11.207.938	14.740.141
Increase of prepaid expenses	2.453.697	6.844.901
Increase of assets for current taxes	0	12.779.589
Decrease of payment of tax	68.304.968	7.574.998
Decrease of deferred tax liabilities	0	301.271
Decrease of estimated liabilities	0	13.187.952
NET CASH FOR OPERATING ACTIVITIES	(43.275.868)	(115.733.883)
CASH FLOWS IN INVESTMENT ACTIVITIES		
Plus: decrease in investment activities	803.177	135.836.056
Investments	0	135.036.792
Non-current assets maintained for sale	803.177	799.264
Minus: increases in investment activities	120.632.544	104.861.216
Intangible assets other than capital gain	51.404	39.424.089
Investments	556.767	0
Properties, plant and equipment	118.106.698	61.935.490
Investment properties	1.917.674	3.501.637
NET CASH FOR INVESTMENT ACTIVITIES	(119.829.367)	30.974.840
NET CASH FOR FINANCING ACTIVITIES		
Plus: increase for financing activities	220.630.027	5.568.729
Financial obligations	160.167.891	0
Increase of retained earnings	17.866.079	2.497.383
Other integral result	0	3.071.346
Increase of reserves (tax on wealth)	7.851	0
Revaluation surplus and deferred tax	42.588.206	0
Minus: decreases in financing activities	53.508.188	69.717.473
Dividends decreed	29.292.657	28.138.182
Decrease of reserves (tax on wealth)	0	1.443.154
Decrease in other integral result	24.215.531	0
Decrease of surplus for revaluation	0	13.509.387
Financial obligations	0	26.626.750
NET CASH FOR FINANCING ACTIVITIES	167.121.839	(64.148.744)
Cash increase-decrease	4.016.604	(148.907.787)
Cash beginning the period	20.754.818	169.662.605
CASH AND CASH EQUIVALENTS	24.771.422	20.754.818

The notes attached are an integral part of the financial statements



ANA MARÍA JAILLIER CORREA
Legal Representative
C.C. 42.895.563
See certification attached



ANA ISABEL GONZÁLEZ VAHOS
Accountant
Professional Card No. 47345-T
See certification attached



JAVIER EMILIO TÁMARA TORRES
External Auditor (Crowe)
Professional Card No. 208595 - T
See opinion attached

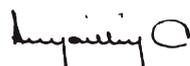
Changes in equity statement - Separate

Figures in thousands of Colombian pesos

As of December 31, 2018 - 2017

	Subscribed and paid capital	Capital surplus	Earnings retained	Results of the period	Result of previous periods	Other integral result	Revaluation surplus	Changes in equity
BALANCE AS OF DECEMBER 31, 2016	15.701.606	159.711.695	320.827.310	185.924.266	927.950	30.441.317	60.553.223	774.087.367
Reserves	0	0	156.342.930	0	0	0	0	156.342.930
For transfer to results of previous periods	0	0	0	(157.786.084)	0	0	0	(157.786.084)
Adjustments and reclassifications	0	0	0	0	0	3.071.346	0	3.071.346
Results of the period	0	0	0	184.908.739	0	0	0	184.908.739
Dividends	0	0	0	(28.138.182)	0	0	0	(28.138.182)
Revaluation reclassification	0	0	0	0	2.497.383	0	(13.509.387)	(11.012.004)
BALANCE AS OF DECEMBER 31, 2017	15.701.606	159.711.695	477.170.240	184.908.738	3.425.333	33.512.663	47.043.837	921.474.112
BALANCE AS OF DECEMBER 31, 2017	15.701.606	159.711.695	477.170.240	184.908.738	3.425.333	33.512.663	47.043.837	921.474.112
Reserves	0	0	155.623.933	(155.616.081)	0	0	0	7.852
Profits and/or accumulated surpluses	0	0	0	0	35.787.078	0	0	35.787.078
Adjustments investments in associates and subsidiaries	0	0	0	0	0	(24.215.531)	0	(24.215.531)
Results of the period	0	0	0	115.155.365	0	0	0	115.155.365
Revaluation reclassification	0	0	0	0	3.313.773	0	0	3.313.773
Dividends	0	0	0	(29.292.657)	0	0	0	(29.292.657)
Revaluation surplus	0	0	0	0	0	0	42.588.206	42.588.206
Effects of application of IFRS 15 - Concessions	0	0	0	0	(21.234.772)	0	0	(21.234.772)
BALANCE AS OF DECEMBER 31, 2018	15.701.606	159.711.695	632.794.173	115.155.365	21.291.412	9.297.132	89.632.043	1.043.583.426

The notes attached are an integral part of the financial statements



ANA MARÍA JAILLIER CORREA
Legal Representative
C.C. 42.895.563
See certification attached



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Accountant
Professional Card No. 47345-T
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JAVIER EMILIO TÁMARA TORRES
External Auditor (Crowe)
Professional Card No. 208595 – T
See opinion attached

Note 1. Reporting entity

1.1 Entity and corporate purpose

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.

On March 7, 2017, in book 9, under No. 4659, the private document was registered in the mercantile registry by means of which the abbreviated absorption merger was approved by virtue of which, Construcciones El Cóndor S.A. absorbs its subsidiary Concesión Red Vial del Cesar S.A.S.

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 25, 2019. The Assembly of Shareholders has the power to amend the financial statements prior to their publication; the Assembly authorized its publication on March 29, 2019.

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 Cóndor 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 Cóndor 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 Cóndor 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 Cóndor 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 Cóndor 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 Cóndor 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 Cóndor 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 12 Income taxes.

IAS 16 Property, plant and equipment.

IAS 17 Leases.

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 property.

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.

IFRS 15 Revenue from ordinary activities resulting from contracts with customers

IFRIC

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

IFRIC 10 Interim financial reporting.

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

The Company will recognize a financial asset or a financial liability in its statement of financial situation when, and only when, it becomes part of the contractual clauses of the instrument.

The Company will classify financial assets as they are measured later at their amortized cost, reasonable value with changes in other integrated results, or at reasonable value with changes in results based on the following two criteria:

- The Company's business model to manage financial assets; and
- The characteristics of the contractual cash flows of the financial asset.

A financial asset must be measured at amortized cost if the following two conditions are met:

- The financial asset is maintained within a business model whose objective is to keep the financial assets to receive the contractual cash flows; and
- The contractual conditions for the financial asset give rise, on specific dates, to cash flows that are only payments for the principal and interests on the outstanding principal.

A financial asset must be measured at reasonable value with changes in other integrated results if the following two conditions are met:

- The financial asset is maintained within a business model whose objective is achieved by having contractual cash flows and selling financial assets; and
- The contractual conditions of the financial asset give rise, on specific dates, to cash flows that are only payments for principal and interests on the outstanding principal.

A financial asset must be measured at reasonable value with changes in results unless it is measured at amortized cost at reasonable value with changes in other integrated results. However, the Company may make the irrevocable choice, at the time of the initial recognition, of showing future changes in reasonable value in

other integrated results for specific investments on the equity instruments which would otherwise be measured at reasonable value with changes in results.

The Company will classify all financial liabilities as measured later at amortized cost.

Except for commercial accounts receivable, at the time of the initial recognition, an entity will measure a financial asset or a financial liability at its reasonable value plus or minus, in the case of financial asset, or a financial liability which is not counted at reasonable value with changes in results, the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

At the time of initial recognition, the Company shall measure commercial accounts receivable at their transaction price (as defined in IFIS 15) if such commercial accounts receivable do not have a significant financial component, estimated according to IFIS 15.

After the initial recognition, the Company will measure a financial asset at:

- Amortized cost.
- Reasonable value with changes in other integrated results.
- Reasonable value with changes in results.

Fall in value of financial assets

At the end of each reporting period, the Company will decide whether there is any objective evidence to indicate that the value of a financial asset or group of financial assets has fallen.

The Company recognizes expected credit losses by applying the simplified approach. The expected credit losses of a financial instrument are measured in such a way as to reflect:

- A non-skewed weighted probability value which is determined by evaluating the range of possible results;
- The value of money over time; and
- The reasonable and verifiable information that is available without disproportionate cost or effort on the date of presentation of past events, current conditions, and forecast future economic conditions.

Write-off from accounts

The Company will write off a financial asset from the accounts when, and only when:

- The contractual rights over the cash flows from the financial asset expire; or
- The financial asset is transferred.

The Company transfers a financial asset if and only if:

- It transfers its contractual rights to receive cash flows from a financial asset; or

- The Company retains the contractual rights to receive cash flows from the financial asset, but takes on the contractual obligation to pay them to one or more recipients.

2.3.3. 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 Cóndor 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 Cóndor 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.

2.3.4. 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 Cóndor must use the participation method for later measurements of these investments, provided the Company has a significant influence.

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.

2.3.5. 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.

2.3.6. Investments in subsidiaries

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

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

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

2.3.7. 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.

2.3.8. Intangible assets and prepaid expenses

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

- It is likely that future economic benefits attributed to this item flow towards the Corporation.

- Asset cost may be measured in a feasible manner.
- It may be separated, that is, it is susceptible of being separated or spin-off from the Corporation and sold, transferred, given for exploitation, leased or exchanged, notwithstanding if the Corporation intends to carry out the separation.
- Derived from contractual rights or from other legal rights, notwithstanding if those rights can be transferred or separated from the Corporation, or from other rights and obligations.

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.

Construcciones El Cóndor S.A. shall use the straight line amortization method, production units or revenues from ordinary activities using an intangible asset. Amortization begins when the asset is at the location and in the necessary conditions to operate as foreseen by Management. Said amortization shall terminate when the asset is classified as maintained for sale or when it is derecognized, whichever occurs first.

Category	Amortization method	Life
Insurance and bonds	Straight line	According to the contract
Software licenses	Straight line	1 year.
Mining rights	Production units	N/A
Operating rights	Based on the income from ordinary activities related to said operation	Amortization is expected to end in June 2020

The useful and estimated life of intangible assets shall be revised at the end of each period reported; any change shall be addressed as set forth in IAS 8.

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.

2.3.9. Properties, plant and equipment

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

- Physical or tangible elements.
- Available for use by Construcciones El Cóndor 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 Cóndor 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.

2.3.10. 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 Cóndor 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.

2.3.11. 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 Cóndor 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.

2.3.12. Investment properties

Investment properties are recognised as assets when and solely when:

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

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

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

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

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

2.3.13. 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.

2.3.14. 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.

2.3.15. 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.

2.3.16. Financial liabilities

Recognition and initial measurement

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

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

Future measurements

After the initial recognition, the Company measures financial liabilities at their amortized cost using the effective interest rate method. Any profit or loss is recognized in the statement of results.

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.

2.3.17. 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 Cóndor 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 Cóndor 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.

2.3.18. 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.

2.3.19. Revenue from ordinary activities

The basic principle of the IFIS 15 is that an entity recognizes revenue from ordinary activities in such a way as to represent the transfer of the goods in exchange for an amount that reflects the consideration expected in

exchange for such goods or services. Construcciones El Cóndor S.A. recognizes revenue from ordinary activities according to that basic principle by following these steps:

1. Identifying the contract with the client
2. Identifying the obligations to be performed under the contract
3. Determining the price for the transaction
4. Including the price of the transaction in the obligations to be performed
5. Recognizing the revenue from ordinary activities as the entity fulfills the obligation

The Company will recognize revenue from ordinary activities when (or as) it meets the obligation to be performed by transferring the goods or services involved (i.e., one or several assets) to the client. An asset is transferred when (or to the extent that) the client receives control over that asset.

For each performance obligation that is identified, the Company will determine, at the start of the contract, whether it will meet the performance obligation over time or whether it meets the performance obligation at a specific moment.

The Company transfers control of the good or service over time and, therefore, meets a performance obligation and recognizes the revenue from ordinary activities over time, if one of the following criteria is met:

- The client simultaneously receives and consumes the benefits provided by the performance of the obligation by the Company as the Company discharges that obligation.
- The Company's performance creates or improves an asset (for example, work in progress) which the client controls as it is being created or improved.
- The Company's performance does not create an asset without tentative use for the entity, and the entity has an enforceable right to receive payment for the performance that has been completed until that date.

If a performance obligation is not satisfied over time, the Company would meet that obligation at a specific moment. To determine the specific moment when a client receives control over the committed asset and the Company meets a performance obligation, the Company would consider the indicators of transfer of control which include, but are not limited to, the following:

- The Company has a present right to receive payment for the asset — if a client is currently obligated to pay for an asset, that could indicate that the client has obtained, in return, the ability to redirect the use of the asset, and to receive substantially all the asset's remaining benefits.
- The client has a legal right to the asset — the legal right might indicate which part of the contract has the power to redirect the use of an asset and obtain substantially all of its remaining benefits, or to restrict access to those benefits by other entities. This is why the transfer of the legal right to an asset might indicate that the client has obtained control of the asset. If an entity retains the legal right or use protection against the client's failure to pay, the rights of the entity will not prevent the client from getting control of the asset.
- The entity has transferred physical possession of the asset — the client's physical possession of an asset might indicate that the client has the ability to redirect the use of the asset and to receive substantially all its remaining benefits, or to restrict access to those benefits by other entities. Nevertheless, physical possession might not be the same as control of an asset.
- The client has the significant risks and rewards of owning the asset — transferring the significant risks and

rewards of owning an asset to the client might indicate that the client has obtained the ability to redirect the use of the asset into receive substantially all its remaining benefits. However, when evaluating the risks and rewards of owning a committed asset, and entity shall exclude any risk which gives rise to a separate performance obligation, in addition to the obligation of transferring the asset.

- The client has accepted the asset — the client's acceptance of an asset might indicate that the client has obtained the ability to redirect the use of the asset and to obtain substantially all its remaining benefits. To evaluate the effect of our contractual clause where the client accepts the time when the control of the asset is transferred.

For each performance obligation that is completed over time, the Company will recognize the revenue from ordinary activities over time, measuring progress towards the completion of that performance obligation. The objective of measuring progress is to represent an entity's performance in transferring the control of committed goods and services to the client (that is, an entity's meeting of a performance obligation).

The Company will use a single method to measure progress for each performance obligation that has been met over time, and will apply consistently to similar performance obligations under similar circumstances. At the end of his presentation., And entity shall again measure its progress towards complete fulfillment of a performance obligation over time.

The appropriate methods to measure progress include product methods and resources methods. To determine the appropriate method to measure progress, the Company shall take into consideration the nature of the good or service that it agrees to transfer to the client.

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. 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.

2.3.22. Foreign currency conversion

The financial statements of Construcciones El Cóndor 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.

2.3.23. Hedge accounting

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

There are three types of hedging relationships:

Fair value hedge

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

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

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

item and shall be recognized in the period's results. This will be applied even if the hedged item is measured at the cost.

Cash flow hedge

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

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

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

Hedges of net investments in foreign operations

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

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

2.3.24. 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 Cóndor 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 Cóndor 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.

Risk of share price and of other financial instruments estimated

The Corporation shall not be affected by the volatile prices of shares and other financial instruments estimated since it does not trade in the securities market.

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 Controllershship Group verifies if the management of the treasury meets the policies of the Corporation.

Accounts receivable

Construcciones El Cóndor 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 Controllershship 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.

2.3.25. Joint operations

Construcciones El Cóndor S.A. recognizes in its accounting not solely its assets, liabilities, revenues and expenses but also those derived from contractual agreements. The Corporation displays in its financial statements the shares of joint assets, liabilities, revenues, costs and expenses. The incorporation of the balance sheets of consortiums is observed in the notes to the financial statements.

Business cooperation agreement	Share	Type of agreement	Description	Duration	Consortium members
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 Cóndor S.A. 50%, Construcciones Civiles 50%
Consortio Hidroeléctrica de Tulúa	65.00%	Consortium	Granted by EPSA S.A., for the construction of civil works of Alto Tulúa hydroelectric power station, Bajo Tulúa hydroelectric power station, and the construction and improvement of access roads and bridges for both projects.	Until its final liquidation	Construcciones El Cóndor S.A. 65%, Estyma S.A. 35%
Consortio Grupo Ejecutor Hatovial	21.11%	Consortium	The object of the consortium is to execute all the design, construction and services activities included in the new object of the concession contract, and all those that are later subscribed between the Department of Antioquia and Sociedad Hatovial S.A. Set the parameters and conditions that will govern, and the conditions of participation of each of the members.	The agreement will be valid from the date of its subscription and until the end of the concession contract signed by Hatovial or until when its members decide, this case in which unanimity will be required.	Mincivil S.A. 51.85%, S.P. Ingenieros S.A.S. 22.22%, Construcciones El Cóndor S.A. 21.11%, Latinco S.A. 1.11%, EDL 3.72%
Consortio Avenida Colón	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 Vías S.A. 15%, Mainco S.A. 15% y Construcciones El Cóndor 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 five years	Sonacol S.A. 20%, CASS Constructores & CIA. S.C.A. 20%, CSS Constructores S.A. 20%, Construcciones El Cóndor S.A. 27%, Puentes y Torones S.A. 13%
Consortio Constructor Américas	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 Cóndor S.A. 66.67%, Valores y Contratos S.A. 33.33%
Consortio Constructor Pacífico 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 Cóndor S.A. 48%, Meco 26%

Business cooperation agreement	Share	Type of agreement	Description	Duration	Consortium members
Consortio Farallones	50.00%	Consortium	Studies and designs, financing and other project according to the range, quality and specifications required by the concession contract.	72 months	Construcciones El Cóndor S.A. 50%, Odinsa S.A. 50%
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 Cóndor S.A. 11%, Odinsa S.A. 51%, Murcia y Murcia S.A. 30%, Sarugo S.A. 8%
Consortio Francisco Javier Cisneros	21.11%	Consortium	The execution of all the works and activities and all those services required under the EPC contract.	Until December 31, 2021	Mincivil S.A. 51.82%, S.P. Ingenieros S.A.S. 22.22%, Construcciones El Cóndor S.A. 21.11%, Latinco S.A. 1.11%, EDL S.A.S. 3.72%

2.3.26. New standards and interpretations of financial reports

The following includes a list of the new standards and amendments issued by the IASB which are in force for the annual periods beginning on January 1, 2019. Management is undergoing the evaluation of the potential impact these changes have on the Company's financial statements.

Decreets 2496 of December 24, 2015 and 2131 of December 22, 2016 introduced a new accounting framework that reflects the new standards, amendments or changes issued by the IASB for the International Financial Reporting Standards in years 2015 and 2016. This addition to the tech IASB framework used to present reports shall apply to the financial periods that begin on January 1, 2019, with early application permitted.

Standards	Title of the standard	In force for annual periods beginning after
IFRS 16	Leases	January 1, 2019

IFRS 16 Leases

IFRS 16 provides an integral model for the recognition of lease agreements and their treatment in financial statements of lessees and lessors. This standard will replace the following standards and interpretations when in force:

- IAS 17 Leases
- IFRIC 4 Determining whether an arrangement contains a lease.
- SIC 15 Operating leases - incentives.
- SIC 27 Evaluating the substance of transactions in the legal form of a lease.

Identifying a lease

IFRS 16 applies a model to control the identification of leases, in which an arrangement is or contains a lease if it transfers the right to control the use of an asset for a period of time in exchange for consideration. It is deemed that control exists if the customer:

- Is entitled to substantially obtain all of the economic benefits from using an asset; and

- Is entitled to lead the use of that asset.

The standard provides a detailed guide to determine if these conditions are met, including the cases in which the supplier is entitled to substantive substitutions, and when relevant decisions on how and why the asset is used are predetermined.

Accounting by lessees

IFRS 16 introduces significant changes on the lessee's accounting: it eliminates the difference between operating and financial leases determined by NIT 17; it also demands the lessor to recognize an asset per right of use and a liability at the beginning of all leases, excluding short-term leases and low-cost asset leases.

An asset for right of use is initially measured at cost and later at cost (subject to certain exception) minus accrued depreciation and losses from impairment, adjusted by any new measurement of the liability for the lease.

Liability for lease is initially measured at the present value of the lease payments not made on that date. Later, the liability for the lease is adjusted by payments of interests and leases, and by the impact of lease amendments, among others.

If a lessee chooses not to apply the general requirements of IFRS 16 to short-term leases (that is, one that does not include a put option and has a lease term of 12 months or less in the initial date) as well as leases of low-value assets, the lessee shall recognize the payment of leases related to those leases as a linear or systematic expense, similar to the current accounting of operating leases.

Accounting by lessors

Unlike the lessee accounting, the requirements for the lessor accounting pursuant to IFRS 16 remain practically the same compared to IAS 17, which still requires the lessee to classify a lease as operating or financial.

Besides, IFRS 16 also provides guidance on the accounting of sale transactions and leasebacks; and the disclosure of additional information.

IFRS 16 is in force in the period that begins on or after January 1, 2019, with early application permitted by entities that used IFRS 15 on the initial application date of IFRS 16. A lessee may apply IFRS 16 using the complete or modified retrospective focus. If the lessee chooses the modified retrospective focus, an entity is not forced to re-express the information and the accumulated effect of applying IFRS 16 initially shall be presented as an adjustment on the earnings retained (or another component of equity, whichever is applicable).

Construcciones El Cóndor S.A. shall not apply IFRS 16 early given that this standard may have an irrelevant impact on the amounts reported and on the disclosures made on the financial statements. However, a reasonable estimate of the effect of IFRS 16 cannot be provided until a detailed revision is made.

Note 3. Cash and cash equivalents

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

Includes a portfolio of investments in pesos in joint accounts receivable; there are no restrictions regarding balance of cash available, banks and savings accounts on the financial statement's date.

	As of December 31	As of December 31
	2018	2017
Cash	23.705	22.606
Banks (checking account)	12.790.534	5.665.115
Joint banking operations (incorporation of consortiums)	11.345.877	13.788.293
Restricted cash and cash equivalents	0	74.134
Available restricted for joint operations (incorporation of consortiums)	0	1.989
Savings account	21.469	189.134
Negotiable investments, fixed income	106.621	369.333
Negotiable investments, fixed income, joint operations	483.216	644.214
TOTAL CASH AND CASH EQUIVALENTS	24.771.422	20.754.818

Note 4. Investments

Investments at fair value

	As of December 31	As of December 31
	2018	2017
Concesión Pacifico Tres S.A.S.	11.791.044	0
TOTAL TEMPORARY INVESTMENTS (1)	11.791.044	0

(1) Asset in negotiation process.

Permanent investments

Investments in associates and joint businesses

4.1. The major associates and their main activity are listed below:

As of December 31

	Number of shares	Share (%)	Observations	2018	2017	Incorporation - domicile	Corporate purpose
FINANCIAL ASSETS							
FINANCIAL INSTRUMENTS							
Empresa de Generación y Promoción de Energía de Antioquia S.A. E.S.P.	47.942			47.942	0	Nov/2008 Riohacha	Public Service Company, Public Deed No. 13636.
C.C.I. Marketplace S.A.	132.057	2,63%		35.787	37.768	Apr/2007 Bogotá	Website and/or webpage creation, maintenance.
Hidroeléctrica del Río Aures	1.019.450	16,60%		863.495	777.861	Jul/1997 Medellín	Electric power generation and sale through a hydroelectric station in the municipality of Abejorral.
				947.224	815.629		
TOTAL INVESTMENTS IN FINANCIAL INSTRUMENTS							
JOINT BUSINESSES							
Constructora Túnel de Oriente S.A.S.	2.629.361.939	12,66%		8.702.032	6.336.760	Oct/2011 Medellín	To be a shareholder of Concesión Túnel de Aburrá Oriente S.A. and to develop the activities necessary to build the works.
Concesión Túnel de Aburrá Oriente	236.700	12,51%		23.297.915	19.822.117	Dec/1997 Medellín	State concession contract for the design, construction, operation and maintenance of the road connection Aburrá Oriente.
Concesión Vial Los Llanos S.A.S.	550.000	11,00%		19.902.192	769.968	Apr/2015 Villavicencio	Construction of roads and railroads.
ASSOCIATES							
Concesión Aburrá Norte S.A. - Hatovial S.A.	1.582.886	21,11%		15.162.533	20.475.715	Oct/1997 Copacabana	Enter and execute a state concession contract of a road project called "Desarrollo Vial del Aburrá Norte" and its complementary road system.
Concesión Vías del Nus S.A.S.	1.055.250	21,11%		2.010.889	1.879.258	Dec/2015- Medellín	Enter and execute a state concession contract established in article 32 of law 80 of 1993.
Concesión La Pintada S.A.S.	8.490.799	21,15%		18.050.317	4.073.199	Jun/2014 Medellín	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 concession.
Concesión Pacífico Tres S.A.S.	4.800	48,00%		31.745.111	28.947.351	Aug/2014 Bogotá	Execute a contract with the ANI to conduct studies, designs, financing, environmental, property and social management, construction, improvement, revamping, operation, maintenance and reversion of concession.
Transmilenio Carrera 7 SC S.A.S.			The Associate reported losses exceeding the amount of the investment	15.000	15.000		
Deterioro inversión Transmilenio Carrera 7 SC S.A.S.				(15.000)	(15.000)		

As of December 31

	Number of shares	Share (%)	Observations	2018	2017	Incorporation - domicile	Corporate purpose
ASSOCIATES (1)							
Concesionaria Trans NQS Sur	24.990	50,00%	The Associate reported losses exceeding the amount of the investment	0	0	Sep/2003 Bogotá	Execution of civil works design, construction and execution of civil works.
Concesionaria Transmilenio del Sur	25.000	50,00%		419.544	429.778	Dec/2003 Bogotá	Execution of civil works design, construction and execution of civil works.
Agregados Argos S.A.S.	1.512.000.000	24,00%		1.427.997	935.040	Jul/2017 Medellín	Exploration, exploitation, transformation, transportation and sale of stone materials from mines and quarries.
Concesión Ruta al Mar S.A.S. (CORUMAR) (1.1)	350.000	50,00%		3.147.491	1.594.201	Sep/2015 Medellín	A corporation with the sole purpose of entering and executing the APP concession contract for the construction, improvement, operation, maintenance and reversion of the road system to connect the departments of Antioquia - Bolívar.
INVESTMENTS OVERSEAS (2)							
Industrias Selma (2.1.)	5.000	49,75%	The Associate reported losses exceeding the amount of the investment	0	0	Jul/2005 Islas Vírgenes Británicas	Its corporate purpose is detailed on page of the by-laws: "(5. Capacity and powers)". Here it is stated that its object is not restricted (is indefinite) and the Company has full powers to carry out lawful activities which are not prohibited for commercial companies created under BVI standards in accordance with act of 2004 or any other BVI law.
TOTAL INVESTMENTS IN ASSOCIATES AND JOINT BUSINESSES INVESTMENT IN SUBSIDIARIES (3)				123.866.022	85.263.387		
Condor Investment USA INC (3.1.)	2.001.000	100,00%		5.272.391	1.702.250	Condor Investments USA INC (2015) under the laws of Delaware. Affiliate Condor Construction Corp (2015) under the laws of Florida	Construction contracts are entered in virtue of cost contracts plus margin, fixed price contracts, fixed price contracts modified by provisions of: incentives, sanctions, time and material. The duration of Company contracts varies, but is usually less than a year.
Concesión Vías de las Américas S.A.S. (3.2.)	173.342	66,67%		87.368.189	96.740.033	Feb/2012 Montería	Study, design, planning, financing exploitation and administration of infrastructure businesses.
Concesión Cesar Guajira S.A.S (3.3.)	700.000	100,00%		11.816.164	50.350	Jun/2015 Medellín	The sole corporate purpose of the Company is to execute the APP (Public-Private Association) concession contract under the terms established in law 1508 of 2012.
TOTAL INVESTMENT IN SUBSIDIARIES				104.456.744	98.492.633		
TOTAL INVESTMENT IN SHARES IN ASSOCIATES AND SUBSIDIARIES				241.061.034	184.571.649		

(1) ASSOCIATES

(1.1.) Concesión Ruta al Mar S.A.S.: As of the date of presentation of these financial statements, Construcciones El Cóndor has lost control over the Concesión Ruta al Mar S.A.S., due to the fact that all the preceding conditions were accredited and the required authorizations were obtained the improvement of the purchase agreement signed between Construcciones El Cóndor S.A. and InfraRed Infraestructura RAM, S.L., with this operation, Construcciones El Cóndor is left with a 50% of shares in the Concesión Ruta al Mar S.A.S. considering it as a joint venture.

(2) INVESTMENTS OVERSEAS

(2.1.) Industria Selma: Corporation tied to the Company domiciled overseas.

(3) INVESTMENTS IN SUBSIDIARIES

(3.1.) Condor Investment USA INC: Corporation tied to the Company domiciled overseas

(3.2.) Concesión Vías de las Américas S.A.S.: Incorporated through the Assembly of Shareholders held on August 5, 2010, under number 0140918 of book IX.

Concesión Vías de las Américas, the primary corporate purpose is to study, design, plan, exploit and manage the infrastructure business and to execute all of the activities related to engineering and architecture 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 Américas.

Construcciones El Cóndor S.A. acquired 100% of the rights of Organización de Ingeniería Internacional S.A. (ODINSA) in the Concesión Vías de las Américas S.A.S. which corresponded to 33,34% with which it acquires control of the entity. As part of the payment, Bancolombia authorized the novation for change of debtor in the equity contract for COP \$ 41.675.000, replacing ODINSA with Construcciones El Cóndor S.A.

To date, there are pledges on shares to guarantee the payment of obligation acquired with Bancolombia. For the loan, Construcciones El Cóndor S.A. granted a pledge in favor of the bank without hold in the first degree all of the shares owned of Vías de las Américas S.A.S. for the amount of \$8.665.800.

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

La Concesión Cesar-Guajira S.A.S. the sole corporate purpose 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.

Through the minute signed by Agencia Nacional de Infraestructura and Concesión Cesar Guajira S.A.S., an anticipated cause for termination was declared which began the reversal stage of the contract.

b. Subsidiaries present the following financial situation.

	CONCESIÓN VÍAS DE LAS AMÉRICAS S.A.S.		CONCESIÓN CESAR GUAJIRA S.A.S.		CONDOR INVESTMENTS USA, Inc.	
	2018	2017	2018	2017	2018	2017
EQUITY COMPOSITION						
Assets	319.210.212	492.772.767	132.473.048	157.060.228	6.110.979	1.971.791
Liabilities	188.164.482	347.669.972	120.656.884	157.009.878	838.588	269.542
Stock capital	26.000.000	26.000.000	700.000	700.000	6.596.373	3.029.504
Capital surplus	122.491.573	122.491.573	0	0	0	0
Surplus from valuation	0	6.320.930	0	0	0	0
Exchange difference from conversion	0	0	0	0	535.294	56.723
Results of previous periods	(9.709.708)	(5.463.817)	306.135	281.442	(1.383.977)	(1.098.643)
Results of the period	(7.736.134)	(4.245.891)	10.810.029	(931.092)	(475.298)	(285.335)
TOTAL LIABILITY AND EQUITY	319.210.212	492.772.767	132.473.048	157.060.228	6.110.979	1.971.791

Concesión Vías de las Américas S.A.S.: of a total of 260.000 ordinary stocks, Construcciones El Cóndor S.A. owns 173.342 stocks which represent 66.67%.

Concesión Cesar Guajira S.A.S.: of a total of 700.000 ordinary stocks, Construcciones El Cóndor S.A. owns 100%.

Condor Investment USA: of a total of 1.032.762 ordinary stocks, Construcciones El Cóndor S.A. owns 100%.

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

Note 5. Commercial accounts receivable and other accounts receivable

5.1. Commercial accounts receivable and other current accounts receivable

	As of December 31		As of December 31		As of December 31		As of December 31	
	2018	2017	2018	2017	2018	2017	2018	2017
DETAIL			DETAIL - RELATED PARTIES					
Domestic clients	170.421.634	176.122.928	Domestic clients		22.191.725	44.062.936		
Accounts receivable, consortiums	146.280.313	54.989.167	Income receivable, internal minutes		91.681.991	24.294.242		
Prepayments and advances	50.531.321	63.253.292	Debtors, related parties		121.725.479	151.438.457		
Claims	2.344.401	2.338.069	Dividends and interest receivable		0	222.046		
Accounts receivable, workers	286.748	174.464	Withholding over contracts		13.103.954	0		
Miscellaneous accounts receivable	55.087.873	48.605.846	TOTAL COMMERCIAL ACCOUNTS		248.703.149	220.017.681		
Withholding over contracts	30.883.533	24.849.167	RECEIVABLE AND OTHER ACCOUNTS					
Revenues receivable	259.172.243	194.906.210	RECEIVABLE (**)					
Deposits	1.800	840						
TOTAL COMMERCIAL ACCOUNTS	715.009.867	565.239.983						
RECEIVABLE AND OTHER ACCOUNTS								
RECEIVABLE								

(**) Details of accounts receivable with related parties are found on note 30.

Domestic clients

There are no restrictions or encumbrances, accounts receivable do not guarantee any type of obligation.

	As of December 31	As of December 31
	2018	2017
Cientes Agregados San Javier	5.526.192	1.171.553
Carbones de la Jagua S.A.	0	4.670.791
Consortio Constructor Américas (1)	131.396.930	139.514.721
Consortio Constructor Pacífico 3 (2)	16.187.236	27.719.904
Servicios de Ingeniería Civil S.A.	283.417	0
Constructora Civil Obras S.A.S.	0	344.269
Constructora Kalamary S.A.S. (1)	251.835	917.880
Consortio El Viajano	0	125.130
C.I. Prodeco	0	132.925
Empresa Minera de Caldas S.A.S.	209.244	0
Fideicomiso BBVA Fiduciaria Santa Marta - Paraguachón	16.060.762	0
Less than 50 million	121.281	151.040
Consortio Minero del Cesar S.A.S.	384.737	0
Instituto Nacional de Vías	0	811.791
Sohinco Constructora S.A.S.	0	255.411
Valores y Contratos	0	307.513
TOTAL DOMESTIC CLIENTS	170.421.634	176.122.928

(1) These amounts correspond to works executed in the project Américas Cóndor Urabá, Montería, San Marcos, Santa Ana - La Gloria.

(2) The amount corresponds to works executed in the project Pacífico 3 La Virginia and Irra.

Accounts receivable of consortiums

	As of December 31	As of December 31
	2018	2017
Debtors, joint operations (incorporation of consortiums)	119.209.218	30.093.559
Accounts receivable, related companies in joint operations (incorporation of consortiums)	1.653.768	23.683.586
Commercial banking accounts, joint operations (incorporation of consortiums)	25.417.327	1.212.022
TOTAL ACCOUNTS RECEIVABLE, CONSORTIUMS	146.280.313	54.989.167

Prepayments and advances

These advances to contractors are considered financial instruments since, if the contract is not fulfilled, the money is reimbursed by the contractor, according to compliance policies signed between them.

	As of December 31	As of December 31
	2018	2017
Prepayments, joint operations (incorporation of consortiums)	36.893.746	46.285.746
Construcciones Civiles Hermanos	0	75.535
Concesión Ruta al Mar S.A.S.	124.961	106.589
Básculas Prometálicos S.A.	700.676	1.001.841
Internacional de Eléctricos S.A.S.	1.251.164	1.834.394
MGM Ingeniería y Proyectos S.A.S.	2.704.155	5.718.687
SIEMENS S.A.	5.167.367	5.167.367
G & R Ingeniería y Desarrollo	0	369.935
CEI Enterprises INC.	77.639	0
Atención Social Integral ASI S.A.S.	99.989	0
Goimpro S.A.S.	0	208.541
Mejía Monroy Edgardo Enrique	199.316	0
Certion S.A.S.	862.825	0
Anticipo para gastos menores	68.740	0
Montajes y Estructuras Metálicas	67.067	0
Corporación Lonja Inmobiliaria	93.524	0
Sociedad Espacios y Diseños Construcciones S.A.S.	0	145.656
J.C. Ingeniería Eléctrica	342.956	0
WB Ingeniería de Proyectos S.A.S.	70.765	0
Reparaciones y Aplicaciones en Concreto	0	145.462
Zapata Ruiz Luisa Fernanda	0	350.000
Eléctricas de Montería Integral S.A.S.	0	153.677
V & S. Comercial S.A.S.	101.345	308.989
Logitramites S.A.S.	0	160.000
C2 Estudios S.A.S.	98.142	0
Instalcom S.A.S.	91.281	0
Less than 50 million	1.515.664	1.220.874
TOTAL PREPAYMENTS AND ADVANCES (1)	50.531.321	63.253.292

(1) Variations among prepayments and short-term advances display the effect of the incorporation of the Consortiums' financial statement, which decreased by \$10.976.328.

Claims

	As of December 31	As of December 31
	2018	2017
Claims (1)	2.344.401	2.338.069
TOTAL CLAIMS	2.344.401	2.338.069

(1) Award of Construcciones El Cóndor vs. Metroplús, for interests, overruns and costs; of total claims, \$12.167 correspond to payment of inconsistencies.

Accounts receivable, workers

	As of December 31	As of December 31
	2018	2017
Miscellaneous	280.313	173.723
Miscellaneous, joint operations (incorporation of consortiums)	6.436	741
TOTAL ACCOUNTS RECEIVABLE, WORKERS	286.748	174.464

Miscellaneous accounts receivable

	As of December 31	As of December 31
	2018	2017
Miscellaneous accounts receivable, joint operations (incorporation of consortiums)	6.345.467	6.235.165
Consortio APP Llanos (1)	0	308.005
Consortio Constructor Aburrá Norte (1)	0	1.833.831
Banco de Occidente (mandato Farallones)	0	1.888.880
Bancolombia (mandato Farallones)	0	5.878.537
Itaú Corpbanca Colombia (mandato Farallones)	1.485.257	2.974.573
Concesión Ruta al Mar (mandato)	196.914	0
Concesión Ruta al Mar (pagos)	(160.982)	0
Comunicación Celular S.A.	0	79.673
Consortio Constructor Américas (2)	11.511.659	9.908.056
Consortio Avenida Colón (1)	1.416.621	1.466.196
Consortio Constructor Pacifico 3 (1)	104.007	0
Consortio Farallones (1)	23.284.659	19.253.569
Consortio Hidroeléctrica de Tuluá (1)	171.468	171.468
Consortio Mantenimiento OPAIN (1)	419.198	419.198
Consortio OMC (1)	100.918	100.918
Consortio Vial del Sur (1)	2.794.933	2.301.468
Consortio Grupo Ejecutor (1)	4.024.039	868.081
Consortio Constructor de Francisco Javier Cisneros (1)	2.693.368	170.634
Goimpro S.A.S.	218.111	219.607
Gutiérrez Marín Sor Maribel	88.300	88.800
Leasing Bancolombia S.A.	296.807	296.807
Less than 50 million	97.130	106.418
TOTAL MISCELLANEOUS ACCOUNTS RECEIVABLE	55.087.873	48.605.846

(1) Corresponds to consortium certificates and to services provided by Construcciones El Cóndor, as a consortium party in each of these contracts. Of these values for earnings receivable have been recorded \$36.180.061.

(2) Corresponds to tax receivables outstanding balances.

Withholding over contracts

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.

	As of December 31	As of December 31
	2018	2017
Joint operations (incorporation of consortiums)	13.718.289	6.750.120
Metroplús	1.408	1.408
Carbones de la Jagua S.A.	1.321.454	384.880
C.I. Prodeco	92.492	0
Consortio Farallones	199.691	199.691
Consortio Ferrocól Loma Hermosa	0	194.443
Consortio Nuestro Urabá	35.561	35.561
Consortio Constructor Pacifico 3	9.835.746	7.825.145
Consortio Constructor Américas	5.400.641	5.400.641
Fideicomiso BBVA Concesión Santa Marta Paraguachón	278.252	0
Patrimonios Autónomos Fiduciaria	0	4.057.278
TOTAL WITHHOLDING OVER CONTRACTS	30.883.533	24.849.167

Revenues receivable

	As of December 31	As of December 31
	2018	2017
Internal minutes (1)	139.781.414	88.151.130
Internal minutes, joint operations (incorporation of consortiums)	118.970.276	106.343.468
Others	420.553	411.612
TOTAL REVENUES RECEIVABLE	259.172.243	194.906.210

(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 Montería, Urabá, Irra, La Virginia for \$126.459.410, which are in full execution of their construction phase.

Deposits

	As of December 31	As of December 31
	2018	2017
Luisa Navarro Ballesteros	1.800	0
Deposits, joint operations((incorporation of consortiums)	0	840
TOTAL DEPOSITS	1.800	840
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE	715.009.867	565.239.983

Assets for current taxes

	As of December 31	As of December 31
	2018	2017
Balance in favor of ICA and prepayments to other municipalities	413.960	444.277
Balance in favor for CREE tax on wealth	0	4.908.721
Balance in favor of 2016 income	0	6.937.104
Balance in favor of CREE 2016 (Concesión Red Vial del Cesar)	0	60.498
Balance in favor of 2016 income (Concesión Red Vial del Cesar)	0	274.137
Income advance	0	831.796
Deductible taxes	0	255.101
ICA withholding	503.157	656.561
ICA prepayment	640.401	433.591
Withholding at source	0	18.910.980
TOTAL ASSETS FOR CURRENT TAXES	1.557.519	33.712.767

5.2. Commercial accounts receivable and other non-current accounts receivable

	As of December 31	As of December 31		As of December 31	As of December 31
	2018	2017		2018	2017
DETAIL			DETAIL - RELATED PARTIES		
Domestic clients	2.659.849	2.015.555	Domestic clients	72.826.190	44.187.600
Accounts receivable impairment	(3.998.338)	(3.982.804)	Commercial banking accounts	11.777.228	12.338.294
Tax and contributions prepayments	23.750	33.086	Accounts receivable impairment	(8.517.748)	(7.821.205)
Prepayments and advances	208.829	208.829	Accounts receivable	495.338.507	448.214.521
Accounts receivable	5.495.782	24.036.169	Deposits	420.065	420.064
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE	4.389.872	22.310.834	TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES (**)	571.844.243	497.339.274

(**) Details of accounts receivable with related parties are found in note 30.

Domestic clients

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

	As of December 31	As of December 31
	2018	2017
Departamento de Antioquia	665.930	665.930
Valores y Contratos	96.385	0
Cientes Agregados San Javier	1.470.548	1.156.539
Estyma S.A.	215.467	185.412
Metroplús	31.088	0
Castro Tcherassi S.A.	5.861	0
Consorcio el Viajano	125.130	0
Hacienda Potreritos	7.524	0
Inversiones Océano	40.400	0
Less than 10 million pesos	1.516	7.674
TOTAL DOMESTIC CLIENTS	2.659.849	2.015.555
TOTAL ACCOUNTS RECEIVABLE IMPAIRMENT	(3.998.338)	(3.982.804)

Tax and contributions prepayment

	As of December 31	As of December 31
	2018	2017
Others	23.750	33.086
TOTAL TAX AND CONTRIBUTIONS PREPAYMENT	23.750	33.086

Prepayments and advances

	As of December 31	As of December 31
	2018	2017
Avales Ingeniería Inmobiliaria	208.829	208.829
TOTAL PREPAYMENTS AND ADVANCES	208.829	208.829

Accounts receivable

	As of December 31	As of December 31
	2018	2017
Banco de Occidente (mandato Farallones)	0	824.447
Bancolombia (mandato Farallones)	0	16.161.177
Itaú Corpbanca Colombia (mandato Farallones)	3.825.572	5.380.335
Consorcio Amaime	1.070.090	1.070.090
Masering	254.103	254.103
Agregados del Norte de Colombia	246.186	246.186
S.P. Ingenieros	99.831	99.831
TOTAL ACCOUNTS RECEIVABLE	5.495.782	24.036.169
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE	4.389.872	22.310.834
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE	1.541.504.650	1.338.620.541

Note 6. Inventory

The Company has no pledged inventories as collateral to pay its debts.

	As of December 31	As of December 31
	2018	2017
Contracts underway	21.230.627	17.507.716
Materials, spare parts and accesories	21.478.151	17.738.349
Inventories, joint operations, net (incorporation of consortiums)	13.213.327	9.200.215
Impairment of net realization value (1)	(710.880)	(442.991)
TOTAL INVENTORY	55.211.225	44.003.288

(1) Ajustments to inventories' net realization value and due to poor conditions of several of these inventories.

Note 7. Prepaid expenses, intangible and deferred

Short-term prepaid expenses

	As of December 31	As of December 31
	2018	2017
Insurance and bonds	4.190.832	5.723.421
Prepaid expenses, joint operations (incorporation of consortiums)	460.165	789.864
Licenses joint operations (incorporation of consortiums)	39.358	25.455
TOTAL SHORT-TERM PREPAID EXPENSES	4.690.355	6.538.740

Long-term prepaid expenses

	As of December 31	As of December 31
	2018	2017
Insurance, bonds and deferred charges	368.413	206.999
Prepaid expenses, joint operations (incorporation of consortiums)	248.668	0
Other charges, joint operations (incorporation of consortiums)	11.115	0
TOTAL LONG-TERM PREPAID EXPENSES	628.196	206.999
TOTAL PREPAID EXPENSES	5.318.551	6.745.739

Long-term intangibles

	Mining rights	Operating rights	Total
INTANGIBLES 2018			
Mining rights amortizations	(63.640)	0	(63.640)
Amortization of other intangible assets	0	(11.695.367)	(11.695.367)
TOTAL LONG TERM INTANGIBLES 2018	4.862.893	15.553.043	20.415.936
INTANGIBLES 2017			
Acquisitions	0	30.928.460	30.928.460
Acquisitions made business combination	5.365.000	0	5.365.000
Mining rights amortizations	(438.467)	0	(438.467)
Amortization of other intangible assets	0	(3.680.050)	(3.680.050)
TOTAL LONG TERM INTANGIBLES 2017	4.926.533	27.248.410	32.174.943

Mining rights were registered in the merger through absorption of Concesión Red Vial del Cesar, and correspond to mining rights to exploit the following sources of materials:

Mining proceeding control

SOURCE	Type of contract	Title No.	Beneficiary	Resolution	Authorized area (Ha)	Type of exploitation	Mining registry			Stage	Effective terms of current stage	PTO approval	Polices		Total authorized volume (m.)	Concessioned minerals	Environmental license
							Code No.	Registration date	Completion date				Issued	Terms			
Pailitas (La Floresta)	Concession contract	0254 - 20	Construcciones El Cóndor S.A.	Concession contract No. 0254-20 Res. No. 003477 of August 27, 2014 ANM Cóndor-CRVC cession Registered at RMN	513,80	C/R	HGME-03	17-Aug-06	17-Aug-33	Exploitation	17-Ago-33	Approved: Writ PARV-0856 of June 20, 2014	Yes	17-Aug-18	96.840	Gravel and sand rivers	Underway.
Maracas	Concession contract	0260 - 20	Construcciones El Cóndor S.A.	Concession contract No. 0260-20 Resolution No. 00479 of January 29, 2016 Cóndor-CRVC cession Registered at RMN	122,35	C/R	HGCC-04	6-May-06	15-May-36	Exploitation	15-May-36	Approved: Technical opinion 058-2007 of June 15, 2007 Amended: Writ 1110 of 2014	Yes	16-May-18	176.956	Sand and gravel from rivers and quarries	Resolution No. 0822 of September, 2008 – Environmental license granted. Resolution No. 1065 of August 25, 2015 – Environmental license amended. Repeal was filed. Resolution 0075 of February, 2016, settles repeal. L.A. amendment is firm. Cession of El Cóndor to CRVC underway. Last action: response to requirements from corprocesar was given
San Diego	Concession contract	0262 - 20	Construcciones El Cóndor S.A.	Concession contract No. 0262-20 Resolution 000086 of January 17, 2014 Cóndor-CRVC cession Registered at RMN	70,29	R/C	HGCC-02	13-Jun-06	12-Jun-34	Exploitation	13-Jun-34	Approved: Technical opinion CT-059-2007 Amended: Writ PARV No. 0757 of July 28, 2015	Yes	13-Jun-18	234.000	Sand and gravel from rivers and quarries	Resolution 822 of 2008, license amendment proceeding underway to include quarry materials
Chiriamo	Concession contract	LES-11081	Concesión Red Vial del Cesar S.A.S.	Concession contract No. LES-11081 Resolution 001123 of March 31, 2016 Cóndor-CRVC cession Registered at RMN	39,75	R	LES-11081	22-Sep-11	21-Sep-31	Construction and assembly	21-Sep-19	Writ PARV No. 0654 of May 14, 2014	Yes	22-Sep-18	57.302	Sand and gravel from rivers and quarries	Underway
Caracolicito	Concession contract	IHT-16461	Construcciones El Cóndor S.A.	Concession contract No. IHT-16461 Resolution No.000098 January 22, 2014 Condor-CRVC cession Registered at RMN	335,85	R	IHT-16461	10-Jul-2008	9-Jul-38	Exploitation	9-Jul-38	Technical opinion PARV-0694 of August 1, 2014	Yes	10-Jul-18	60.000	Sand and gravel from rivers	Writ 105 of 2015 – L.A. proceeding is begun. Visit was made. Minute of requirements. Response to requirements. Environmental feasibility opinion. Previous consultation underway. First pre-consultation meeting held on July 10, 2016, but no indigenous groups attended. Determination from Mininterior (Ministry of Justice) is expected

Operations rights correspond to the purchase made by Construcciones El Cóndor S.A. of 28.85% of the share of Consorcio Farallones a ODINSA S.A. With this purchase, the company owns 50% of said consortium. The transaction added up to \$30.928.640. The amortization period begins in May 2017 and is expected to last until June 2020, date in which the execution of the EPC contract ebd by the consortium.

All intangible assets are measured after their initial recognition by the costs model. The methods used to amortize intangible assets are:

Intangible asset	Amortization method
Mining rights	Protection units
Operation rights	Based on revenues from normal activities

Assets for deferred taxes

The deferred tax was found using the liability method and the tax rate to which the differences are expected to revert 31% and at the occasional earnings tax rate of 10%.

	As of December 31	As of December 31
	2018	2017
Deferred taxes for provisions	1.571.608	554.066
Deferred taxes for financial obligations	17.763.667	26.359.805
Other deferred taxes	7.202.533	9.165.238
TOTAL ASSETS FOR DEFERRED TAXES	26.537.808	36.079.109
TOTAL EXPENSES PAID IN ADVANCE, INTANGIBLES AND DEFERRED TAXES	52.272.295	74.999.791

Deferred income tax assets

	Previous balance 2017	Debits	Credits	Movement year	New balance 2018
Provisions	(554.066)	(1.017.541)	0	(1.017.541)	(1.571.608)
Financial obligations	(26.359.805)	0	(8.596.138)	8.596.138	(17.763.667)
Others	(9.165.239)	(6.886.105)	(8.848.810)	1.962.706	(7.202.533)
TOTAL DEFERRED INCOME TAX ASSETS	(36.079.110)	(7.903.646)	(17.444.948)	9.541.302	(26.537.808)

Note 8. Non-current assets kept for sale

	As of December 31	As of December 31
	2018	2017
Lands (1)	137.995	599.059
Machinery and equipment	4.941.406	5.450.863
Automobiles, trucks and SUVs	130.847	0
Other transportation equipment	96.538	192.612
Impairment	(4.427.613)	(4.560.185)
TOTAL NON-CURRENT ASSETS KEPT FOR SALE	879.172	1.682.349

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

Note 9. Properties, plant and equipment

January to December 2018

	Lands	Constructions and buildings	Machinery and equipment	Office furniture	Computers	Transportation equipment	Mining assets	Assets of joint operations	Total
Balance as of December 31, 2017	8.772.502	13.364.539	178.966.928	1.032.540	425.598	83.590.216	71.022.911	39.221.789	396.397.023
Balance of depreciations as of December 31, 2017	0	(395.035)	(40.870.538)	(406.723)	(387.852)	(24.282.311)	(4.894.526)	(2.113.306)	(73.350.291)
Value in books as of December 31, 2017	8.772.502	12.969.504	138.096.390	625.817	37.747	59.307.905	66.128.386	37.108.483	323.046.732
Acquisitions	200.662	0	31.241.401	0	0	21.050.617	0	0	52.492.690
Additions	3.167	1.613.693	92.434	0	0	0	0	0	1.709.294
Prepayments	1.305.000	0	(61.124)	0	0	0	0	0	1.243.876
Revaluation	2.568.515	(4.577.362)	31.320.432	0	0	27.349.343	(7.269.042)	0	49.391.885
Transfer, option to buy	0	0	0	0	0	(97.256)	0	0	(97.256)
Withdrawals	0	0	(232.851)	(2.920)	(43.752)	(112.915)	0	0	(392.438)
Impairment	0	0	(328.633)	(60.066)	(8.325)	(59.826)	0	0	(456.850)
Depreciation	0	(152.016)	(12.656.274)	(112.358)	0	(7.096.712)	(804.749)	0	(20.822.107)
Depreciation, transfer, withdrawal and others	0	520.542	3.546.763	0	28.686	1.345.863	0	0	4.921.312
Sale	0	0	(7.131.535)	0	0	(1.673.165)	0	0	(8.804.700)
Other changes	0	672.558	0	0	0	0	0	6.417.268	7.089.825
TOTAL	12.849.846	10.526.376	183.887.004	450.473	14.356	100.013.854	58.054.594	43.525.751	409.322.252

On December 31, 2018 Construcciones El Cóndor S.A. value the following kinds of property, plant and equipment: land, constructions and buildings, machinery and equipment, transportation equipment and mining assets. The reasonable value such assets was determined by the following independent firms: AGS Gestión Contable S.A.S., Juan David Chavarría Avalúos and Avatec Ingeniería.

The reasonable value of land, constructions and buildings was determined by referring to market-based evidence. This means that the valuations carried out by the asset layers were based on active market prices. For the valuation, level 2 entry data were used.

The reasonable value for machinery and equipment, and transportation equipment was determined by using the cost approach, in which the Ross Heidecke methodology was used. That method starts with the fact that a new asset performs its services in a satisfactory manner but, after a certain time, it becomes visibly deteriorated; this is why, initially, the loss of value is small and accelerates as its useful life elapses. For the valuation, level 2 entry data were used.

The reasonable value of mining assets was determined by applying the revenue method in which the discounted cash flow is used to measure the asset's ability to produce revenue in the future; cash flows are discounted at a rate of interest determined using the CAPM methodology. For the evaluation, level 3 entry data were used.

The sums that would have been accounted by the costs model are:

	Land	Buildings
Historical cost	12.281.331	15.881.566
Depreciation	0	(547.051)
Value in books	12.281.331	15.334.515

The revaluation surplus recognized in another integral result is:

	Land	Buildings
Revaluation surplus	2.568.515	1.030.177

These values cannot be distributed to shareholders until the elements related to properties, plant and equipments are realized.

As of December 31

	2018		
	Cost	Depreciation	Net cost
Prepayments	1.637.164	0	1.637.164
Lands	12.849.846	0	12.849.846
Quarries	58.054.594	0	58.054.594
Goods leased	230.562.051	(4.133.682)	226.428.369
Constructions and buildings	5.478.179	125.506	5.603.685
Machinery and equipment	35.956.933	181.774	36.138.707
Office equipment	1.029.620	(519.081)	510.539
Computers and communications equipment	381.846	(269.340)	112.506
Transportation equipment	25.250.842	(243.075)	25.007.767
Accumulated impairment	(546.676)	0	(546.676)
Properties, plant and equipment - joint operations (incorporation of consortiums)	49.502.004	(5.976.252)	43.525.752
TOTAL PROPERTIES, PLANT AND EQUIPMENT	420.156.403	(10.834.150)	409.322.253

As of December 31

	2017		
	Cost	Depreciation	Net cost
Prepayments	23.472	0	23.472
Lands	8.772.502	0	8.772.502
Quarries	66.128.385	0	66.128.385
Goods leased	204.170.123	(38.053.932)	166.116.191
Constructions and buildings	5.841.067	(139.175)	5.701.892
Machinery and equipment	39.596.504	(15.602.216)	23.994.288
Office equipment	1.032.540	(406.723)	625.817
Computers and communications equipment	425.598	(298.026)	127.572
Transportation equipment	26.290.516	(11.752.560)	14.537.956
Accumulated impairment	(89.826)	0	(89.826)
Properties, plant and equipment - joint operations (incorporation of consortiums)	39.221.789	(2.113.306)	37.108.483
TOTAL PROPERTIES, PLANT AND EQUIPMENT	391.412.670	(68.365.938)	323.046.732

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

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. The par value for the fleet and transportation equipment is 10% of the asset's initial cost.

The Corporation has formalized the insurance policies to cover possible risks that are subject to different elements related to property and equipment.

The Company solely has title restrictions over the assets it acquires through financial leasing.

Note 10. Investment properties

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

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

	As of December 31	As of December 31
	2018	2017
Real estate investment properties	6.408.048	4.490.374
TOTAL INVESTMENT PROPERTIES	6.408.048	4.490.374

Note 11. Financial obligations

Short-term financial obligations

			As of December 31	As of December 31
	Maturity	Rate	2018	2017
Banco BBVA	30-Apr-18	IBR+4.56%	0	112.755.413
Banco BBVA (1)	14-May-19	DTF +2.538% TA	44.592.236	0
Banco de Occidente (2)	19-May-19	IBR+2.5% TV	15.000.000	0
Banco de Occidente	26-Jan-18	IBR+4% TV	0	3.000.000
Banco de Occidente (3)	1-Apr-19	IBR+2.5% TV	34.892.000	0
Banco de Occidente	18-Apr-18	IBR+4%	0	25.000.000
Banco de Occidente	7-May-18	IBR+4%	0	10.000.000
Banco de Bogotá	16-Jul-18	IBR+4.75%	0	55.650.000
Banco de Bogotá (4)	1-Jan-19	IBR+2.64% MV	20.000.000	0
Bancolombia	5-Sep-18	IBR+2.62%	0	36.000.000
Bancolombia	14-Nov-18	IBR NATV+2.62%	0	40.000.000
Banco Santander de Negocios	5-Nov-18	IBR+3.5%	0	10.000.000
Bancolombia (5)	25-May-19	IBR+2.40% MV	34.000.000	34.000.000
Bancolombia	13-Nov-18	IBR NATV+2.62%	0	20.000.000
Banco Itaú	22-Jul-18	IBR+3.261% TV	0	3.000.000
Commercial papers placement (6)			300.000.000	0
Obligations of joint operations (incorporation of consortiums)			11.984.363	3.656.727
TOTAL SHORT-TERM FINANCIAL OBLIGATIONS			460.468.599	353.062.140

New loans were made for: (1) cancellation of credits and working capital; (2) working capital; (3) equity contribution to Concesión Pacífico 3; (4) working capital; (5) loan renewal; and (6) issuance of commercial papers.

The issuance of commercial papers is divided into 2 sections called series A364 and series E330, which have the following conditions:

Subseries A364	
Value awarded in the series	\$114.050.000.000
Nominal value of each commercial paper	\$1.000.000
Yield rate	5,49% EA
Date of issue	22-Mar-2018
Periodicity of interest payments	PV
Date payment of interest and capital (expiration date)	21-Mar-2019

Subseries E330	
Value awarded in the series	\$185.950.000.000
Nominal value of each commercial paper	\$1.000.000
Yield rate	IBR + 1.14% NMV
Date of issue	22-Mar-2018
Periodicity of interest payments	MV
Dates interest payment	22-Mar-2018 / 22-Apr-2018 / 22-May-2018 / 22-Jun-2018 22-Jul-2018 / 22-Aug-2018 / 22-Sep-2018 / 22-Oct-2018 22-Nov-2018 / 22-Dec-2018 / 22-Jan-2019
Date payment of interest and capital (expiration date)	22-Feb-2019

Short - term commercial financing companies

	As of December 31	
	2018	2017
Leasing joint operations (incorporation of consortiums)	19.606.528	0
Leasing de Occidente	213.268	196.922
Banco de Bogotá	1.713.843	0
Corpbanca	2.043.194	1.685.598
Banco Bilbao Vizcaya Argentaria	406.541	0
Bancolombia	41.138.295	28.603.685
TOTAL SHORT-TERM COMMERCIAL FINANCING COMPANIES	65.121.669	30.486.205
TOTAL SHORT-TERM FINANCIAL OBLIGATIONS AND COMMERCIAL FINANCING COMPANIES	525.590.268	383.548.345

Long-term financial obligations

Financial leasing contracts in foreign currency made with Bancolombia Panamá and Caterpillar Crédito S.A. were restated in Colombian pesos at the official exchange rate (TMR).

	Maturity	Rate	As of December 31	
			2018	2017
Banco de Bogotá	17/04/2020	DTF+2.35% TA	20.000.000	0
Obligations of joint operations (incorporation of consortiums)			15.515.637	0
TOTAL LONG-TERM FINANCIAL OBLIGATIONS			35.515.637	0

Long-term commercial financing companies

At the dates of presentation of these reports there were no financial obligations in default.

	As of December 31	As of December 31
	2018	2017
Leasing joint operations (incorporation of consortiums)	11.602.410	12.698.995
Banco de Bogotá	8.938.693	0
Caterpillar Crédito S.A.	0	6
Banco Bilbao Vizcaya Argentaria	1.943.642	0
Leasing de Occidente	900.964	1.033.822
Banco Corpbanca de Colombia	5.686.431	6.775.906
Bancolombia	93.851.190	119.795.227
Bancolombia Panamá	0	9.048
TOTAL LONG-TERM COMMERCIAL FINANCING COMPANIES	122.923.330	140.313.004
TOTAL LONG-TERM FINANCIAL OBLIGATIONS AND COMMERCIAL FINANCING COMPANIES	158.438.967	140.313.004
TOTAL FINANCIAL OBLIGATIONS	684.029.235	523.861.349

Note 12. Commercial accounts payable and other current accounts payable

Accounts payable to suppliers take 45 days.

	As of December 31	As of December 31
	2018	2017
Domestic	25.962.981	16.384.562
From overseas	17.849	689.016
Suppliers, joint operations (incorporation of consortiums)	3.770.372	4.318.610
Costs and expenses payable (1)	37.988.464	37.683.961
Government creditors - taxes	1.422.795	1.159.928
Others (2)	36.396.799	33.990.593
Payroll withholdings and contributions	2.529.773	2.102.816
Accounts payable, joint operations (incorporation of consortiums)	206.981.498	203.552.433
TOTAL COMMERCIAL ACCOUNTS PAYABLE AND OTHER CURRENT ACCOUNTS PAYABLE	315.070.531	299.881.919

(1) The liability of ODINSA is recognized for the transfer of operating rights of 28.85% of Consorcio Farallones.

(2) This amount includes accounts payable to pension and severance funds and consortiums.

Accounts payable to current related parties

	As of December 31	As of December 31
	2018	2017
TOTAL COMMERCIAL ACCOUNTS PAYABLE AND OTHER CURRENT ACCOUNTS PAYABLE (**)	3.861.082	451.001

(**) Details of accounts payable of related parties are found in note 30.

Commercial accounts payable and other non-current accounts payable

The company does not recognize implicit financing due to the levels of uncertainty that are related to the time in which this account payable will be canceled, therefore no terms or interest are established for this account.

	As of December 31	As of December 31
	2018	2017
Costs and expenses payable (1)	4.596.733	11.052.806
Accounts payable joint operations (incorporation of consortiums)	90.723	0
TOTAL COMMERCIAL ACCOUNTS PAYABLE AND OTHER NON-CURRENT ACCOUNTS PAYABLE	4.687.456	11.052.806
TOTAL COMMERCIAL ACCOUNTS PAYABLE AND OTHER ACCOUNTS PAYABLE	319.757.987	310.934.725

(1) The liability of ODINSA is recognized for the transfer of operating rights of 28.85% of Consorcio Farallones.

Note 13. Current taxes

	As of December 31	As of December 31
	2018	2017
Income tax	9.323.521	41.035.107
Industry & commerce tax and others	1.393	929
Industry & commerce tax, joint operations (incorporation of consortiums)	164	231
Tax on value-added	723.441	215.708
Other liabilities	644	643
Tax on value, joint operations (incorporation of consortiums)	436.079	93.257
TOTAL CURRENT TAXES	10.485.243	41.345.875

Note 14. Other liabilities and provisions

Short-term

	As of December 31	As of December 31
	2018	2017
Costs and expenses (1)	4.151.802	3.513.562
Costs and expenses, joint operations (incorporation of consortiums)	7.208.274	3.454.174
Industry & Commerce tax	1.581.784	1.432.026
Contingencies (3)	1.479.224	599.000
For labor obligations	(1.334)	110.049
Dismantling of mines and quarries (2)	221.473	214.647
Labor - retirement pension - actuary calculation	197.884	209.852
Other provisions, joint operations (incorporation of consortiums)	1.286.599	569.628
TOTAL SHORT-TERM OTHER LIABILITIES AND PROVISIONS	16.125.704	10.102.938

(1) Costs and expenses are calculated based on the work executed by subcontractors which have not invoiced at the cut of the period due to the non-completion of the service provided.

(2) Dismantling relates to the recovery and abandonment of the quarry, established by the Company through financial valuation.

(3) Probable contingencies.

Possible contingencies, not provisioned

Nature of the process	Office	Instance	Percentage share of Condor	Contract
Direct repair	Tribunal Administrativo de Antioquia	First	21%	Concesión Aburrá Oriente - Hatovial, Gehatovial and COCAN
Direct repair	Tribunal Administrativo de Antioquia	First	100%	Agregados San Javier
Labor ordinary	Juzgado Octavo Laboral del Circuito de Barranquilla	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Tercero Laboral del Circuito de Barranquilla	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Laboral de Oralidad del Circuito de Chiriguáná	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Laboral de Circuito	Second	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Laboral de Oralidad del Circuito de Chiriguáná	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Direct repair	Juzgado Séptimo Administrativo del Circuito de Valledupar	First	100%	Concesion Red Vial del Cesar
Labor ordinary	Juzgado Trece Laboral del Circuito de Barranquilla	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Octavo Laboral del Circuito de Barranquilla	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Trece Laboral del Circuito de Barranquilla	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Segundo Laboral del Circuito de Montería	First	100%	Concesión Vías de las Américas
Labor ordinary	Juzgado Segundo Laboral del Circuito de Pasto	First	33%	Consortio Vial Del Sur
Direct repair	Tribunal Administrativo del Cesar	First	100%	Concesion Red Vial del Cesar
Extracontractual civil liability	Juzgado Civil del Circuito de Apartado - Antioquia	First	100%	Concesión Vías de las Américas
Labor ordinary	Juzgado 23 Laboral del Circuito Bogotá	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Primero Laboral del Circuito de Barranquilla	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Labor ordinary	Juzgado Octavo Laboral del Circuito	First	Condor is no longer part of the CMC	Consortio Minero del Cesar
Popular action	Tribunal Administrativo de Antioquia Oralidad	First	100%	Agregados San Javier
Labor ordinary	Juzgado Octavo Laboral del Circuito Barranquilla	First	Condor is no longer part of the CMC	Consortio Minero del Cesar

Note 15. Prepayments and advances received

Short-term

	As of December 31	As of December 31
	2018	2017
Consortio Constructor Américas (1)	22.121.181	27.680.104
Inversiones Sistori y Sossa S.A.S.	100.000	100.000
Hernán Gómez Uribe y Cía.	707.876	697.276
Consortio Farallones	5.082.979	0
Construmarca Ltda. (otros)	138.904	0
Fideicomiso BBVA Fiduciaria Santa Marta Paraguachón (anticipo contratos)	9.901.786	0
Construmarca Ltda. (anticipos contratos)	181.197	0
Others	245.560	262.951
Prepayments and advanced, joint operations (incorporation of consortiums)	504.686	1.226.108
Contract guarantee, joint operations (incorporation of consortiums)	4.903.869	6.835.195
Revenues received for third parties, joint operations (incorporation of consortiums)	25.034.975	19.356.125
TOTAL SHORT-TERM PREPAYMENTS AND ADVANCES RECEIVED	68.923.013	56.157.759

(1) Prepayment corresponds to Transversal de las Américas' Concession Contract 008 of 2010-Corredor Vial del Caribe, for the works in Montería, Urabá and San Marcos.

Long-term

	As of December 31	As of December 31
	2018	2017
Withhold of contracts	3.313.704	2.740.683
Contract guarantee, joint operations (incorporation of consortiums)	9.183.989	0
Consortio Constructor Américas	0	0
TOTAL LONG-TERM PREPAYMENTS AND ADVANCES	12.497.693	2.740.683
TOTAL PREPAYMENTS AND ADVANCES	81.420.705	58.898.442

Note 16. Income received in advance

	As of December 31	As of December 31
	2018	2017
Income received in advance joint operations (incorporation of consortiums)	71.802.522	25.491.033
TOTAL INCOME RECEIVED BY ADVANCE	71.802.522	25.491.033

Note 17. Liability for deferred tax

The deferred tax was calculated using the liability method and the tax rate at which it is expected to reverse 31% for 2020 and the 10% tax rate for occasional earning.

	As of December 31	As of December 31
	2018	2017
Deferred taxes for revaluation	73.317.086	76.419.302
Deferred taxes for investments	11.374.209	15.049.404
TOTAL LIABILITY FOR DEFERRED TAX	88.554.100	91.468.706

Deferred income tax liabilities

	Previous balance 2017	Debits	Credits	Movement year	New balance 2018
Deferred tax due to PPYE revaluation	76.419.302	(16.628.579)	(13.526.362)	(3.102.217)	73.317.086
Deferred tax for fair value	15.049.404	(8.456.615)	(4.781.419)	(3.862.806)	11.374.208
Deferred tax for fair value other	(1)	(620.524)	(4.483.330)	3.862.806	3.862.806
TOTAL DEFERRED INCOME TAX LIABILITIES	91.468.706	(25.705.718)	(22.791.112)	(3.102.217)	88.554.100

Note 18. Equity

	As of December 31	As of December 31
	2018	2017
Stock capital (1)	15.701.606	15.701.606
Premium from stock placement (2)	159.711.695	159.711.695
Retained earnings	632.794.173	477.170.241
Retained earnings (opening balance)	21.291.412	3.425.333
Surplus for revaluation	89.632.046	47.043.837
Other integral result	9.297.131	33.512.662
Profit before other integral result	115.155.365	184.908.738
TOTAL EQUITY	1.043.583.428	921.474.112

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

(2) In 2012, a total of 114,900,500 stocks were issued at a sales price per stock of \$1.415 pesos and a par value of \$25 pesos per stock. The amount of this issuance reached the sum of \$162.584.208 represented by a capital increase of \$2.872.513 and a premium from the stock placement of \$159.711.695.

Note 19. Revenues from normal activities

	As of December 31	As of December 31
	2018	2017
Oficina Central	45.011	2.165.466
U.E.N. Maquinaria y Equipo	363.599	3.188.992
Grupo Cóndor Inversiones	0	488.667
Agregados San Javier (1)	9.178.105	10.169.011
Consorcio Constructor Aburrá Norte (COCAN)	5.350.780	4.869.823
Consorcio Constructor Nuevo Dorado	0	214.199
Consorcio Vial del Sur	4.707.992	499.510
Américas Cóndor (Montería) (2)	8.757.100	30.855.544
Américas Cóndor (Urabá) (2)	105.744.823	110.252.312
Américas Cóndor (San Marcos)	47.592	2.182.076
Consorcio Constructor Américas	424.039	(23.254.499)
Concesión Pacífico 3	0	73.988
Cesar Grupo 3	0	(9.032)
Caucheras	(590)	17.957.434
Consorcio Farallones (4)	241.407.937	83.545.480
Consorcio Constructor Pacífico 3 (4)	41.486.831	11.442.724
Cesar Guajira-Obra (4)	33.694.905	45.708.661
Unidad de Servicios Transversales - UST-	569.738	4.739.374
Concesión Cesar Guajira	5.950	(3.100)
Concesión Ruta al Mar	20.786	167.678
Obra Antioquia Bolívar (4)	205.592.483	106.535.797
Consorcio APP Llanos	490.752	3.456.146
La Virginia (4)	17.634.736	83.007.666
Irra (4)	119.162.961	60.376.019
P2 Cóndor	(0)	334.073
Américas Cóndor Santa Ana - La Gloria	280.317	32.628.878
Pavimentación Prodeco (3)	19.166.517	9.880.694
Consorcio de Francisco Javier Cisneros (4)	10.517.698	1.956.603
San Onofre (4)	55.805.496	0
La Guajira (5)	23.398.998	0
San Pablo Cantagallo	1.514.151	0
TOTAL REVENUES FROM NORMAL ACTIVITIES	905.368.707	603.430.185

(1) Agregados San Javier: The most important revenues derived from the material sold to Argos, with an average monthly invoicing of \$759 millones, Estructuras y Pavimentos with an average annual invoicing of \$368 millones.

(2) Revenues perceived from works in Urabá and Montería correspond to the execution thereof in the construction phase of Concesión Transversal de las Américas.

(3) Corresponds to the execution of the contract with Carbones de La Jagua S.A. and C.I. Prodeco S.A., whose purpose is: pavement repair works on the internal roads of the La Jagua mine, the Calenturitas mine and the La Jagua de Ibirico - La Loma (Cesar) road to the entrance to the Calenturitas mine.

(4) These revenues correspond to the beginning of the Concessions' works in which the Company has a share: Irra and La Virginia are fronts of Concesión Pacífico 3; Antioquia- Bolívar corresponds to Concesión Ruta al Mar; Cesar - Guajira corresponds to the Concession with the same name; Consorcio Francisco Javier Cisneros corresponds to the execution of works of the Concesión Vías del Nus and Consorcio Farallones corresponds to Concesión La Pintada.

(5) These revenues correspond of the 011-2018 and 015-2018 contract's with Santa Marta Paraguachón Concession, for \$ 18,649,203,725 and \$ 140,677,146,837 respectively. The latter expires on the 25th. August 2021.

Note 20. Operating costs

	As of December 31	As of December 31
	2018	2017
Sales cost and services provided	213.172.419	267.161.007
Production or operation costs	57.826.542	46.162.679
Direct labor	69.683.172	0
Indirect costs	373.156.133	178.609.474
Service contracts	28.896.167	13.484.790
TOTAL OPERATING COSTS	742.734.432	505.417.949

Note 21. Administration expenses

	As of December 31	As of December 31
	2018	2017
Employee benefits (1)	19.679.479	16.781.938
Fees	2.658.311	2.129.428
Taxes	825.802	885.883
Leases	50.545	115.903
Contributions, insurance, services, legal	1.021.069	176.874
Insurance	0	75.848
Services	0	792.411
Legal expenses	0	83.807
Maintenance, furnishings	129.554	98.688
Furnishings and facilities	0	149.895
Travel expenses	2.140.594	2.940.503
Depreciations	674.376	622.180
Amortizations	1.218.612	1.020.045
Deterioration of properties, plant and equipment	0	867.545
Entertaining and public relations expenses	43.991	33.859
Miscellaneous	1.975.616	1.638.073
Impairment of accounts receivable and investments	1.241.268	868.599
TOTAL ADMINISTRATION EXPENSES	36.654.381	29.281.481

(1) Employee benefits

	As of December 31	As of December 31
	2018	2017
Integral salary	5.536.546	4.839.754
Wages	5.689.192	4.662.611
Extralegal premium	1.101.084	911.936
Bonuses	2.422.678	1.584.206
Others (legal benefits, contributions to social security and others)	4.929.980	4.783.432
TOTAL EMPLOYEE BENEFITS	19.679.479	16.781.938

Note 22. Other revenues

	As of December 31	As of December 31
	2018	2017
Leases	386.424	74.725
Recoveries	468	555
Reimbursement of other costs	3.738.458	966.985
Reimbursement of provisions	1.866.318	1.543.243
Indemnizations-disabilities	367.892	419.030
Revenues of previous periods	0	243.879
Other services	1.505.083	26.500.454
Uses	1.017.273	1.155.362
Miscellaneous	2.241	707
TOTAL OTHER REVENUES	8.884.158	30.904.939

Note 23. Other expenses

	As of December 31	As of December 31
	2018	2017
Costs and expenses of previous periods	399.979	143.545
Assumed taxes	164.898	605.521
Non-deductible expenses	50.760	163.665
Indemnizations and lawsuits	324.250	97.528
Fines, sanctions and litigations	85.836	105.367
Donations	948.559	764.953
Others (1)	330.054	1.388.675
Others (2)	5.176.428	2.902.865
Creation of guarantees	0	283.850
Asset impairment loss	8.241	7.698.260
Losses	106.012	112.662
TOTAL OTHER EXPENSES	7.595.015	14.266.891

(1) Includes expenses of transferring the consortium for \$283.853.

(2) Incorporation of consortia \$5.171.699.

Note 24. Other gains and losses

	As of December 31	As of December 31
	2018	2017
Profit from sale of properties, plant and equipment	934.599	1.472.804
Profit from sale of investments (1)	0	161.324.359
Loss of investments	(975.997)	(3.488.007)
Loss from sale of properties, plant and equipment	(1.994.212)	(257.094)
Removal of properties, plant and equipment	0	(41.591)
TOTAL OTHER GAINS AND LOSSES	(2.035.610)	159.010.471

(1) Income in 2017 corresponds to the sale of the investments in OPAIN and ODINSA.

Note 25. Financial revenues

	As of December 31	As of December 31
	2018	2017
Exchange difference	349.220	34.577
Other banking expenses	408.617	76.093
Agregados Argos S.A.S.	14.709	0
Fideicomiso Sociedad Fiduciaria de Occidente	1.388.087	930.699
Patrimonios Autónomos Fiduciaria Bancolombia S.A.	14.775.123	19.634.287
Patrimonios Autónomos Administrados por Davivienda	2.090.207	1.625.177
Concesión Pacífico Tres S.A.S.	12.998.882	10.651.439
Patrimonios Autónomos Administrados por Davivienda - Vinus	51.009	0
ODINSA	0	2.777.172
Deceval	45.000	0
Industria Selma international	182.024	84.633
Instituto Nacional de Vías	0	3.576.779
Fiduciaria Bogotá S.A.	0	414.333
Banco Bilbao Vizcaya Argentaria	1.870.941	282.500
Valores Bancolombia	367.570	1.853.398
Consorcio Avenida Colón	0	1.474.863
Others minor	79.051	14.691
TOTAL FINANCIAL REVENUES	34.620.439	43.430.640

Note 26. Financial expenses

	As of December 31	As of December 31
	2018	2017
Lien on financial movements	4.181.799	3.977.406
Exchange difference	1.511.060	174.398
Bank fees	7.491.342	4.323.848
Banking expenses	(79.882)	(513)
Commercial paper issuance expenses	1.775.105	0
Bank guarantees (1)	7.433.244	0
INTEREST EXPENSES		
Banco BBVA	5.159.800	12.199.028
Bancolombia	16.843.446	21.434.395
Banco Santander de Negocios Colombia S.A.	648.461	577.368
Odinsa S.A.	1.548.401	637.579
Banco de Bogotá S.A.	2.476.106	5.816.251
Deceval	4.825.973	0
Cartera Colectiva Abierta	4.448.410	0
Fondo de Inversión Colectiva Abierta Occibonos	32.887	0
Fondo de Inversión Colectiva Abierta Occirenta	460.851	0
Fondo de Inversión Colectiva Abierta Renta Liquidez	1.152.147	0
Pensiones y Cesantías Protección	1.087.917	0
Old Mutual Compañía de Seguros de Vida S.A.	61.250	0
Old Mutual Fondo de Cesantías	56.875	0
DIAN	51.692	0
Grupo Argos S.A.	0	697.702
Corpbanca	332.931	549.243
Banco de Occidente	1.575.834	2.618.280
Others minor	111.134	28.403
SUBTOTAL INTEREST EXPENSES	40.874.114	44.558.248
TOTAL FINANCIAL EXPENSES	63.186.782	53.033.387

(1) Includes BTG Pactual commissions for \$ 3.720.000 advice on participation sale, FDN guarantee commission and contingency equity \$3.713.245.

Note 27. Equity method gain (loss)

	As of December 31	As of December 31
	2018	2017
Concesión Aburrá Norte Hatovial	1.968.199	3.499.863
Concesión La Pintada S.A.S.	8.464.372	(3.498.633)
Concesión Pacífico Tres S.A.S.	42.051.274	12.727.443
Concesión Vial de los Llanos	(173.473)	0
Concesión Ruta al Mar	(5.041.303)	1.115.544
Concesión Transmilenio del Sur	(9.478)	(4.990)
Concesión Vías del Nus	312.897	762.357
Concesión Túnel Aburrá Oriente S.A.	179.016	0
Constructora Túnel del Oriente S.A.S.	2.500.613	0
Agregados Argos S.A.S.	503.449	(576.960)
Industria Selma Inc.	0	(10.527.951)
Concesión Cesar Guajira	10.810.029	(931.092)
Vías de las Américas S.A.S.	(5.157.681)	(2.830.735)
Condor Investment USA	(475.298)	(285.335)
TOTAL EQUITY METHOD GAIN (LOSS)	55.932.617	(550.489)

Note 28. Taxes

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

Provision for income tax

As of December 31

2018

Taxable liquid income	107.213.235
Presumptive income	29.978.948
Income tax provision of 33%	35.380.367
Surcharge income tax	4.256.529
Occasional earning tax	0
SUBTOTAL PROVISION FOR INCOME TAX	39.636.897
Deferred tax	(2.192.561)
TOTAL PROVISION FOR INCOME TAX	37.444.336

As of December 31

2017

Taxable liquid income	66.735.777
Presumptive income	20.458.112
Income tax provision of 34%	22.690.164
Discount for donations	(254.984)
Surcharge income tax	3.956.147
Occasional earning tax	14.643.780
SUBTOTAL PROVISION FOR INCOME TAX	41.035.107
Deferred tax	8.282.193
TOTAL PROVISION FOR INCOME TAX	49.317.300

Note 29. Operation segments

2018

Description	Internal revenues	External revenues	Revenues ordinary IFRS	Other revenues and expenses	Result of the period	Total assets
INVESTMENTS SEGMENT						
Investments	328.995	106.838.310	107.167.305	44.788.085	62.379.221	874.902.836
CONSTRUCTION SEGMENT						
Agregados San Javier	981	9.126.955	9.127.937	8.615.870	512.067	2.779.287
Américas Cóndor (Montería)	0	8.757.100	8.757.100	7.628.096	1.129.004	38.635.964
Américas Cóndor (Urabá)	0	105.709.488	105.709.488	117.927.015	(12.217.527)	160.120.988
Cesar- Guajira	0	33.694.905	33.694.905	624.133	33.070.771	486.213
Unidad de Servicios Transversales	9.090.347	569.738	9.660.085	10.075.985	(415.901)	(1.223.798)
Obra Antioquia Bolivar	0	205.490.808	205.490.808	171.392.231	34.098.577	109.993.059
La Virginia	0	17.617.904	17.617.904	26.166.342	(8.548.438)	2.672.047
Irra	0	119.136.875	119.136.875	93.559.146	25.577.729	95.203.855
Pavimentación Prodeco	0	19.160.517	19.160.517	15.676.415	3.484.102	1.815.273
San Onofre	0	55.796.667	55.796.667	46.313.577	9.483.090	44.227.315
La Guajira	0	23.398.998	23.398.998	10.885.489	12.513.509	21.328.857
TOTAL	9.420.323	705.298.265	714.718.588	553.652.384	161.066.204	1.350.941.896

Grupo Cóndor 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.

Agregados San Javier: Quarry located in the western center of Medellín, dedicated to the production and commercialization of stone aggregates and asphalt mixtures. The company has a commercial agreement for the sale of said materials to the company Aggregates Argos, which is a related part of Construcciones El Cóndor.

Américas Cóndor (Montería): Concession Contract 008 of 2010 for the construction, revamp, expansion, improvement and conservation of Proyecto Vial Transversal de las Américas, and to prepare the studies and final designs, the land,

social and environmental management, to obtain and/or amend environmental licenses; to finance, operate and maintains the works on Corredor Vial "Transversal de las Américas Sector 1", known as Corredor Vial del Caribe.

Section 3.2: Arboletes - Puerto Rey - Montería, variante Arboletes, Planeta Rica - Montería, doble calzada Montería - El 15.

Américas Cóndor (Urabá): Concession Contract 008 of 2010 for the construction, revamp, expansion, improvement and conservation of Proyecto Vial Transversal de las Américas, and to prepare the studies and final designs, the land, social and environmental management, to obtain and/or amend environmental licenses; to finance, operate and maintains the works on Corredor Vial "Transversal de las Américas Sector 1", known as Corredor Vial del Caribe.

Section 1-Lomas Aisladas - El Tigre / Section 2- El Tigre - Turbo / Section 3- Turbo - Necoclí - San Juan / Section 4-Segunda calzada El Tigre - Turbo it includes variantes (Carepa, Reposo, Apartadó y Currulao) / Construction of Cirilo toll / Construction of Rio Grande toll / Construction of Chaparral toll.

Obra Antioquia Bolívar: Concession Contract 016 of 2016 for the construction, improvement, operation, maintenance and reversion of the road system to connect departments Antioquia and Bolivar.
Functional units 1, 2, 3, 6, 7 y 8.

La Virginia: Concession Contract 5 of 2014, highway project Conexión Pacífico 3; includes studies and final designs; financing, environmental, land and social management; construction, improvement, revamping; operation, maintenance and reversion of Concesión Pacífico 3 Autopista para la prosperidad.
Functional units 1 complete / Functional units 2 partial.

Irra: Concession Contract 5 of 2014, highway project Conexión Pacífico 3; includes studies and final designs; financing, environmental, land and social management; construction, improvement, revamping; operation, maintenance and reversion of Concesión Pacífico 3 Autopista para la prosperidad.
Functional units 3 partial / Functional units 4 complete / Functional units 5 partial.

Cesar Guajira: Concession Contract 006 of 2015 for the construction, revamping, operation, maintenance and reversion of the road system to connect the departments of Cesar and Guajira.
Functional units 1, 2, 4, 5 y 7 complete.

Through the minute signed on July 10, 2017 between Agencia Nacional de Infraestructura (ANI) and Concesión Cesar Guajira S.A.S. (Concesión) and delivered to the Company on August 18, 2017 a cause for the anticipated termination and the beginning of the reversion stage of Contract No. 006 of 2015 was declared. Said contract covered the "studies and final designs, financing, environmental, land and social management, construction, improvement, revamp, operation, maintenance and reversion of Concesión Cesar – Guajira". Likewise, on July 10, 2017, amendment No. 10 of Concession contract No. 006 of 2015 was signed, in which the parties agreed on the contractual changes or clarifications necessary for the reversion stage, the anticipated termination and/or the contract's liquidation.

The reason why the parties declare the termination of the contract is the materialization of the risk of a lower collection at the toll given the impossibility to operate the station of Rio Seco toll under the terms established in said contract (risk assumed by ANI). This gives way to a shortage of risk compensation mechanisms needed to compensate the risks activated in the project.

After signing the minute and amendment No. 10, the reversion process of the Concession's infrastructure and assets begins in favor of ANI, and the concession contract is liquidated after applying the formula set forth thereof.

Prodeco: Pavement repair works on the internal roads of the La Jagua mine, the Calenturitas mine and the La Jagua de Ibrico - La Loma (Cesar) road to the entrance to the Calenturitas mine.

San Onofre: Corresponds to the contract for the execution of the construction, rehabilitation and improvement of the road system for the Antioquia Bolívar Concession, also known as the Ruta al Mar Concession, from this front the functional units 7 and 8 are served.

Note 30. Transactions with related parties

During 2018, operations with related companies have taken place after being revised and approved by the Audit Committee, which seeks if they meet the standards and provide the same treatment given to third party independents. Details of the operations made with related companies and subordinates are shown in Notes 4, 5 of these financial statements.

The remuneration granted during the year to key management personnel is described below:

Remuneration of key management personnel

Remuneration	Value
Short-term employee benefits	4.025.599
Post-employment benefits	-
Other long-term benefits	-
Benefits for termination	-
Payments based on shares	-
TOTAL REMUNERATION OF KEY MANAGEMENT PERSONNEL	4.025.599

Amounts detailed correspond the values recognized as expenses during the period.

Transactions during 2018 with other entities of interest (investments in corporations).

COMPANY	No. of shares	Dividends		Sale of supplies and services	Subordinate debt	Other loans	Shares purchased	Revenues from interests	Minutes of works and others	Costs and expenses	Internal minutes
		Shares	Cash								
Concesión Aburrá Norte Hatovial S.A.	1.582.886		8.226.931								
Concesión La Pintada S.A.S.	8.490.799				25.020.450						
Concesión Vial los Llanos S.A.S.	550.000				(19.058.599)			9.380			
Constructora Túnel del Oriente S.A.S.	2.629.361.939										
Concesión Túnel Aburrá Oriente S.A.	236.700										
Concesión Pacífico Tres S.A.S.	4.800				84.890.990			12.998.881			
Concesión Vías de las Américas S.A.S.	173.342			681.835		0			20.763.532		(3.564.900)
Concesión Vías del Nus S.A.S.	1.055.250				18.107.286						
Concesión Cesar Guajira S.A.S.	700.000			5.950	(31.345.786)	(23.493)			31.107.026	93.993	
Concesión Ruta al Mar S.A.S.	350.000			84.618	(60.125.498)	(117.390)			0	2.662.942	
Industria Selma S.A.	5.000					(1.614.656)		182.024			
Concesión Transmilenio del Sur	25.000										
Trans NQS Sur	24.990										
Condor Investment USA Inc.	2.251.000						3.566.868				
Agregados Argos S.A.S.	1.512.000.000			9.106.508				14.708	0		9.354
P.A. Fiduciaria Bancolombia Concesión Cesar Guajira #8127				160.630				1.615.038	1.296.734		0
P.A. Fiduciaria Bancolombia Concesión La Pintada #7102								3.875.575	991.471		
P.A. Fiduciaria Bancolombia Concesión Pacífico Tres #7114				3.623					1.117.819		0
P.A. Fiduciaria Bancolombia Concesión Ruta al Mar #10134				1.867.637		0		9.284.509	184.907.418		71.752.542
P.A. Fiduciaria Davivienda Concesión Ruta al Mar #57864								0			
P.A. Fiduciaria Davivienda Concesión los Llanos #421759								1.388.087			
P.A. Fiduciaria Davivienda Concesión Vías del Nus #61816								2.090.207			

Accounts receivable current related parties

As of December 31 As of December 31

	2018	2017
DETAIL - RELATED PARTIES		
Domestic clients	22.191.725	44.062.936
Income receivable, internal minutes	91.681.991	24.294.242
Debtors, related parties	121.725.479	151.438.457
Dividends and interest receivable	0	222.046
Withholding over contracts	13.103.954	0
TOTAL COMMERCIAL ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE (**)	248.703.149	220.017.681

Domestic clients, related parties

As of December 31

As of December 31

	2018	2017
Patrimonios Autónomos Fiduciaria (Concesión Cesar Guajira)	0	2.992.218
Patrimonios Autónomos La Pintada	980.317	0
Concesión Pacífico Tres S.A.S.	0	1
Patrimonios Autónomos Pacífico Tres	885.943	0
Concesión Ruta al Mar S.A.S.	7.406	0
Patrimonios Autónomos Fiduciaria (Concesión Ruta al Mar)	20.262.957	37.849.657
Concesión Vías de las Américas S.A.S.	55.102	2.355.511
P.A. Concesión Vial los Llanos	0	865.550
TOTAL DOMESTIC CLIENTS, RELATED PARTIES (1)	22.191.725	44.062.936

(1) The amount corresponds to the execution of concession contracts and interests from the subordinate debt of Cesar Guajira y Ruta al Mar and to the transaction contract by virtue of the liquidation of the EPC contract with the Cesar Guajira Concession.

Income receivable, internal minutes, related parties

As of December 31

As of December 31

	2018	2017
P.A. Concesión Cesar Guajira	0	7.081
P.A. Concesión La Pintada	0	204.165
P.A. Concesión Pacífico Tres	0	583.561
P.A. Concesión Ruta al Mar	87.704.055	15.956.600
Concesión Vías de las Américas S.A.S.	3.977.936	7.542.835
TOTAL INCOME RECEIVABLE, INTERNAL MINUTES, RELATED PARTIES (1)	91.681.991	24.294.242

(1) The \$91.681.991 correspond to services for the execution of contracts.

Debtors, related parties

As of December 31

As of December 31

	2018	2017
P.A. Ruta al Mar	6.197	13.588
Concesión Pacífico Tres S.A.S.	71.596.861	0
Concesión Cesar Guajira	49.653.857	150.873.491
Concesión Vías de las Américas S.A.S.	417.789	417.789
Concesión Cesar Guajira S.A.S.	0	23.493
Concesión Vías del Nus S.A.S.	47.441	0
Condor Construction Corp.	3.334	96
TOTAL DEBTORS, RELATED PARTIES	121.725.479	151.438.457

Withholding over contracts, related parties

As of December 31

As of December 31

	2018	2017
P.A. Ruta al Mar	13.103.954	0
TOTAL WITHHOLDING OVER CONTRACTS, RELATED PARTIES	13.103.954	0

Dividends and interest receivable, related parties

	As of December 31	As of December 31
	2018	2017
Organización de Ingeniería Internacional	0	222.047
TOTAL DIVIDENDS AND INTERESTS RECEIVABLE, RELATED PARTIES	0	222.047
TOTAL ACCOUNTS RECEIVABLE, CURRENT RELATED PARTIES	248.703.149	220.017.682

Accounts receivable, non-current related parties

	As of December 31	As of December 31
	2018	2017
DETAIL - RELATED PARTIES		
Domestic clients	72.826.190	44.187.600
Commercial banking accounts	11.777.228	12.338.294
Accounts receivable impairment	(8.517.748)	(7.821.205)
Accounts receivable	495.338.507	448.214.521
Deposits	420.065	420.064
TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES (**)	571.844.243	497.339.274

Domestic clients, related parties

	As of December 31	As of December 31
	2018	2017
Patrimonios Autónomos La Pintada	4.934.401	1.156.948
Concesión Pacífico Tres S.A.S.	31.946.128	19.857.167
Patrimonios Autónomos Pacífico Tres	5.679.163	5.679.163
Patrimonios Autónomos Fiduciaria (Concesión Ruta al Mar)	24.101.968	15.467.374
Concesión Aburrá Norte Hatovial	22.213	22.213
P.A. Concesión Vial los Llanos	2.156.471	0
Concesión Vial de los Llanos	8.723	0
P.A. Concesión Vías del Nus	3.977.122	2.004.734
TOTAL DOMESTIC CLIENTS, RELATED PARTIES	72.826.190	44.187.600

Commercial banking accounts, related parties - Industrias Selma (1)

	As of December 31	As of December 31
	2018	2017
Loans	8.382.038	9.195.884
Interests	3.395.190	3.142.410
TOTAL COMMERCIAL BANKING ACCOUNTS, RELATED PARTIES	11.777.228	12.338.294

(1) Industrias Selma, a company domiciled abroad, has balances for loans which are restated in Colombian pesos at the market representative rate and are detailed below.

Accounts receivable impairment, related parties - Industrias Selma

	As of December 31	As of December 31
	2018	2017
Loans	5.122.559	4.703.659
Interests	3.395.189	3.117.545
TOTAL COMMERCIAL BANKING ACCOUNTS, RELATED PARTIES	(8.517.748)	(7.821.205)

Additional to these are loans for US \$ 415.

Type of transaction, operation, contract or business	Loan in foreign currency	Loan in foreign currency	Loan in foreign currency
Amount of operation	USD \$1.085	USD \$40.496	USD \$364.123
Date of operation	October 8, 2014	November 12, 2014	March 12, 2014
Balance of operation	USD \$1.085	USD \$40.496	USD \$364.123
Conditions of the operation	LIBOR +2	LIBOR +2	LIBOR +2
Date of payment	October 8, 2019	November 12, 2019	March 12, 2019
Accounts receivable I.D.	Industrias Selma COR	Industrias Selma COR	Industrias Selma COR
Creditor I.D.	Construcciones El Cóndor S.A.	Construcciones El Cóndor S.A.	Construcciones El Cóndor S.A.
Obligations of parties: guarantee granted or received	Promissory note	Promissory note	Promissory note

Type of transaction, operation, contract or business	Loan in foreign currency
Amount of operation	USD \$2.674.211
Date of operation	August 14, 2014
Balance of operation	USD \$2.410.354
Conditions of the operation	LIBOR +2
Date of payment	August 14, 2019
Accounts receivable I.D.	Industrias Selma COR
Creditor I.D.	Construcciones El Cóndor S.A.
Obligations of parties: guarantee granted or received	Promissory note

Accounts receivable, related parties

	As of December 31	
	2018	2017
Concesión Cesar Guajira S.A.S.	69.886.217	0
Concesión La Pintada S.A.S.	52.329.079	27.308.629
Concesión Pacífico Tres	192.500.000	179.205.871
Fiduciaria Davivienda (Vinus)	52.048.315	33.941.028
Concesión Ruta al Mar	128.574.896	188.700.394
Concesión Vial de los Llanos	0	19.058.599
TOTAL ACCOUNTS RECEIVABLES, RELATED PARTIES	495.338.507	448.214.521

The transactions made between the Company that reports and its related parties are conducted in conditions similar to those made among independent parties. The accounts receivable of Construcciones El Cóndor to its subsidiaries, associates and/or joint businesses are for the following items: construction services, interests, subordinate loans, loans and other services. Subordinate loans or subordinate debt refer to the mechanism used to make equity drafts to the Concessionaires; the terms estimated to pay these loans are considered in the financial models of each project, and overall, is longer than 15 years; interests rates agreed in said contracts range from FTD + 2%EA and FTD + 3%EA. Accounts receivable related to construction services and other services display a turnover ranging from 30 to 45 days.

Summary of guarantees with letters of credit issued as of December 31, 2018:

PROJECT	As of December 31	
	Bancolombia (thousands)	FDN (thousands)
Concesión Pacífico 3	116.721.596	0
Concesión Pacífico 2	89.769.000	0
Concesión Ruta al Mar S.A.S. (equity base)	93.147.467	93.147.467
Concesión Ruta al Mar S.A.S. (equity contingent)	15.000.000	15.000.000

Deposits, related parties

Deposits correspond to payments made to corporations with the purpose of gaining a future capitalization, and correspond to equity contributions derived from the projects' cash flow needs.

The Company does not recognize implicit financing for miscellaneous accounts receivable and deposits due to the levels of uncertainty held pertaining to the time in which these accounts receivable shall be paid; this is the reason why no terms or interests are established thereof.

	As of December 31	As of December 31
	2018	2017
Trans NQS Sur	420.065	420.065
TOTAL DEPOSITS, RELATED PARTIES	420.065	420.065
TOTAL ACCOUNTS RECEIVABLE, RELATED PARTIES, NON-CURRENT	571.844.243	497.339.275

Accounts payable, related parties, current

	As of December 31	As of December 31
	2018	2017
Concesión Aburrá Norte Hatovial	3.861.082	451.001
TOTAL ACCOUNTS PAYABLE, RELATED PARTIES, CURRENT	3.861.082	451.001

Note 31. Reclassifications

To compare these financial statements with those as of December 31, 2018, several figures on the financial information at December 31, 2017 were reclassified.

Note 32. Highlights

Merger through absorption: On March 7, 2017, the commercial registry of the private document that approved the abbreviated merger through absorption took place, in which Construcciones El Cóndor S.A. absorbs its affiliate Concesión Red Vial del Cesar S.A.S.

As a result of the foregoing, the corporation Concesión Red Vial del Cesar S.A.S. is dissolved without liquidation.

The values of the assets and liabilities incorporated in the combination of the merger of Concesión Red Vial del Cesar S.A.S. were:

Assets: \$5.488.199
Liabilities: \$439.41

Of the total 2.747.400 ordinary shares, El Cóndor S.A. owned 2.607.282 shares (94,89%); the difference corresponds to own shares reacquired and consequently, Construcciones El Cóndor S.A. incorporated 100% of the Corporation.

(1) Claim presented to the Society Transmilenio NQS Sur S.A.S. for greater permanence in work and other cost overruns during the execution of the mercantile offers for the execution of the NQS Sur to the Transmilenio System, in the amount of \$ 20.280.131.

Concesión Cesar Guajira S.A.S.

Through minutes signed on July 10, 2017 by Agencia Nacional de Infraestructura (ANI) and Concesión Cesar Guajira S.A.S. (Concesión), and delivered to the Company on August 18, 2017, a casue for the anticipated termination and beginning of the reversion stage of Contract No. 006 of 2015 was declared. Said contract intended to conduct "studies and final designs, financing, environmental, land and social management, construction improvement, revamping, operation, maintenance and reversion of Concesión Cesar – Guajira". Likewise, on July 10, 2017, amendment No. 10 was signed of Concession contract No. 006 of 2015 in which the parties agreed on the contractual changes or clarifications necessary for the reversion stage, the anticipated termination and/or the contract's liquidation.

The cause used by the parties to state the termination of the contract was the materialization of the risk of a lower collection from the toll due to the impossibility to operate the rio Seco toll station under the terms set forth in said concession contract (the risk is assumed by ANI), which creates mechanisms for risk compensation which fall short to compensate the risks activity in the project.

After signing the foregoing minute and amendment No. 10, the reversion process of the Concession's infrastructure and assets in favor of ANI begins, followed by the liquidation of the Concession contract applying the formula established thereof.

Tax Reform - Law 1943 of 2018:

The tax reform included the following premises, among others, which will apply as of January 1, 2019:

Taxes for legal entities.

Income tax rates:

Year	Rate
2019	33%
2020	32%
2021	31%
2022 onwards	30%

Decrease of 1.5% in the presumptive income for the years 2019 and 2020; for 2021, it will be 0%.

Changes to the reduction of taxes paid, fees and contributions, because those will be 100% deductible as long as they have been actually paid and are causally related, except income tax, ICA will have a 50% tax discount for 2019 and 2020, and the \$X1000 is still 50% deductible.

Deduction of contributions to employee education: there will be deductible and will not be considered direct payments to the employee; payments for partial or complete education scholarships, condonable loans for the education of employees or members of the employee's immediate family, as well as investments in programs for care, stimulation and integrated development and/or initial education for employees' children under 7 years of age.

Discount of the VAT for real fix productive assets: the VAT paid for the purchase, formation, construction, and importation of fix productive assets is tax deductible; in 2017 and 2018 it was a fiscal deduction.

Undercapitalization: the regulation about permitted debt levels was changed, restricting that level only between economically related parties and lowering the limit to 2 times the liquid equity during the previous year. Transportation infrastructure projects remain excluded.

Electronic invoicing

Since the Company is a major taxpayer, it was obligated to implement electronic invoicing as of September 2018. Because we had some technological difficulties, we asked DIAN for an extension which was granted through communication number 0433 dated July 23, 2018, until December 1, 2018, but DIAN had technical difficulties around those dates and, therefore, on November 28 issued resolution No. 000062 extending the time to start electronic invoicing until January 1, 2019.

As of January 1, 2019, the Company has implemented the electronic system for property receiving and issuing invoices.

Note 33. Indicators and interpretation

INDICATORS OF RESULTS

Operating margin	$\frac{\text{Operating profit}}{\text{Operating revenue}}$	=	$\frac{125.233.427}{912.217.256}$	13.73%	The Company earned an operating profit equivalent to 13.73% of total sales in the period.
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LIQUIDITY INDICATORS

Working capital	Current asset - Current liability	=	(38.945.298)		Represents the surplus of current assets (once current liabilities are paid), which the Company has as permanent funds to serve the ongoing needs of operation.
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Liquidity ratio or index	$\frac{\text{Current asset}}{\text{Current liability}}$	=	$\frac{1.062.613.753}{1.023.668.455}$	1.038	For every \$1 of current liability, the company has \$1.038 to back the current asset.
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DEBT INDICATORS

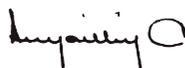
Total debt	$\frac{\text{Total liability}}{\text{Total asset}}$	=	$\frac{1.287.846.671}{2.331.430.099}$	0.552	Displays the participation of creditors over the Company's assets. For each peso the Company has in the asset, it owes \$0.552 pesos.
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Financial debt	$\frac{\text{Financial liability}}{\text{Total asset}}$	=	$\frac{684.029.234}{2.331.430.099}$	0.293	Exhibits the participation of financial creditors over the Company's assets. For each peso the Company has in the asset, it owes \$0.293 pesos.
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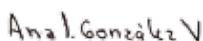
PROFITABILITY INDICATORS

Return on Equity (ROE)	$\frac{\text{Net profit}}{\text{Equity}}$	=	$\frac{115.155.365}{1.043.583.428}$	11.04%	Represents the yield generated by the capital investment.
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Net margin	$\frac{\text{Net profit}}{\text{Operating revenues}}$	=	$\frac{115.155.365}{912.217.256}$	12.62%	For each peso sold, the Company generates a net profit of 12.62%.
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ANA MARÍA JAILLIER CORREA
Legal Representative
C.C. 42.895.563
See certification attached



ANA ISABEL GONZÁLEZ VAHOS
Accountant
Professional Card No. 47345-T
See certification attached



JAVIER EMILIO TÁMARA TORRES
External Auditor (Crowe)
Professional Card No. 208595 – T
See opinion attached