

Management Report 2013

Dear shareholders:

At the end of a great year for Construcciones El Cóndor S.A., in which our corporate goals were met, we are pleased to share the company's on-going consolidation in terms of corporate governance, added revenues and profits, marked up social responsibility, increased backlog and customer satisfaction. The above mentioned brings us closer to our purpose of being a solid company committed to the development of Colombia as well as a leader and trendsetter in the infrastructure sector of the country.

The results shared hereinafter arise from the work of a great team and from the commitment of each of its members. Our special thanks to all of the collaborators in different levels of the organization, and our encouragement for what lies ahead, since their work has led the Company to move towards meeting its vision, and in turn, allows us to feel very proud of belonging to this wonderful family that works non-stop to contribute to the progress of Colombia and to satisfy its stakeholders.

Highlights 2013

- The bidding group which Construcciones El Cóndor S.A. belongs to was listed on the pre-qualified groups for several fourth generation (4G) concession projects, which are detailed ahead.
- The Company executed new contracts for \$106.623 million pesos during this period. Of these, the contract awarded by INVÍAS (the National Institute of Roads) to maintain and redevelop the Dabeiba – Santa Fe de Antioquia section is worth highlighting.
- In 2013, the Company approved and launched its action plan to implement International Financial Reporting Standards (IFRS).
- The Colombian Securities Exchange (BVC) granted Construcciones El Cóndor S.A. an Issuers Recognition in the month of August after the Company implemented best practices on information disclosure and investor relations established in the Exclusive Circular of BVC. In addition, our shares joined the three new Stock indexes: COLEQTY, COLIR and COLSC.

Infrastructure Sector Performance

The Colombian economy and the construction sector, which involves infrastructure and building works, displayed increased dynamics in 2013 compared to 2012 figures. According to DANE (Colombian Statistics Bureau) the Gross Domestic Product at 3Q13 climbed 5,1% compared to the same period the year before while the construction sector exhibited a higher rate of 21,3% compared to the same period in 2012. This result is explained by the increased added value of 24,8% in buildings and of 18,6% in civil works.

The positive performance of civil works is basically due to the solid performance of the road component during 2013 as a result of the increased investment of national entities for road concessions related to the projects awarded last year by the National Government, namely: Prosperidad Priority Corridors, the Redevelopment and Maintenance as well as several works from the prior government, such as La Línea Tunnel, Ruta del Sol, and Transversal de las Américas.

The investment announced by the current government in infrastructure made huge progress in 2013. The ANI (National Agency of Infrastructure) completed the structuring process of most of the 4G concessions, including the Prosperidad Highways. To that effect, ANI carried out 20 pre-qualifying processes and launched 9 bidding processes. In addition, ANI received 37 private-initiative APP proposals for roads, of which 21 were turned down, 7 passed to the pre-feasibility stage, and 9 passed to the feasibility stage.

Amidst this setting of projects, Construcciones El Cóndor S.A. established an alliance with Colombian enterprises, including Odinsa, several of its shareholders and an international company, with the purpose of participating in the 4G concession bids. The alliance was pre-qualified and authorized to bid in 11 processes.

With regards to the private-initiative APP's, the Company presented three projects which are currently in the feasibility stage. These projects are detailed ahead in this report.

Today, Construcciones El Cóndor S.A. is one of the major players of the infrastructure sector of Colombia, with a market share of about 1,1%. This sector is characterized by many players, whereby ten of the largest companies represent about 10% of the total market share.

The Company completed several of its projects in 2013, and advanced in the implementation of Transversal de las Américas, El Dorado Airport and Transversal del Sur, among others.

In addition, the Company was awarded the contract for the maintenance and redevelopment of the Dabeiba – Santa Fe de Antioquia road, for a total of \$54.781 million on a 10-month term. The Vial del Sur Consortium, in which Construcciones El Cóndor S.A. has a 24% share, signed an addendum to Contract 409 of 2010. The purpose of this Contract is the road development of Transversal del Sur- including the improvement and maintenance of the Tumaco-Pasto-Mocoa road- for a total of \$73.000 million. The above increases the Company's backlog (balance of works hired and works to be implemented) by \$54.781 million pesos in the first contract, and by \$19.710 million pesos in the second contract.

Economic Sustainability

Operating and Total Results

Similar to the infrastructure sector, the financial results of the Company were dynamic and positive as described below:

- Operating revenues, that is, direct revenues related to construction service, in 2013 increased \$306.867 million, up 16% compared to 2012 figures. This item along with other construction revenues from other corporations and classified as non-operating, gave way to total revenues of \$321.192 million, up 10% compared to the same period in 2012.
- Administration expenses increased to \$15.574 million, up 24% compared to the figure of 2012. This growth is related to investments made for the initial studies and designs of private-initiative projects currently in the feasibility stage, which represent 29% of total administration expenses, up 331% compared to the year before. It is worth underlining that if these fees were excluded, administration expenses would have totaled \$11.242 million, displaying a 12% decrease compared to 2012 figures.
- Construction Ebitda in 2013 was \$68.884 million compared to the \$51.887 million recorded in 2012. A 21% Ebitda margin was established calculated over total revenues from constructions, that is, a figure higher than the average of other companies in the sector. The Ebitda allows a 10-fold financial expense coverage.
- Consolidated Ebitda, that is, construction plus investment, was \$99.491 million, up 41% compared to 2012 figures. Likewise, a consolidated Ebitda margin of 32% was calculated over operating revenues.
- Net profit was \$55.804 million, that is, a net margin over operating revenues of 18%, up 76% compared to 2012 figures.

Balance Sheet:

At December 2013 total assets were \$856.809 million, up 6% compared to the year before. This item consists of 29% in current assets and the remaining 71% of non-current assets.

Total liabilities were \$204.439 million, up 9% compared to 2012. This item involves 58% in current liabilities, and 42% in non-current liabilities.

Short and long-term financial obligations totaled \$61.117 million, sliding 23% compared to 2012 figures. This drop was mainly the result of the decreased financial debt for Concesión Red Vial del Cesar, a subsidiary. Financial debt, calculated over total assets, was 7%.

Net equity of Construcciones El Cóndor S.A. at the end of 2013 totaled \$652.370 million, up 5% compared to the year before as a result of increased reserves compared to the year 2012 and of the results of the 2013 period.

It is worth underlining that the recomposition of the capital structure arising from the issuance of common stocks in 2012 remains intact. This in turn allowed the Company to have equity strength today, a comfortable debt, and to be prepared to assume new opportunities on a short and medium-term in Colombia's infrastructure sector.

Backlog

At December 2013, the Backlog -balance of works hired and works to be implemented- increased to \$931.411 million, a figure equivalent to 3 years invoicing in 2013. This calculation keeps in mind the new contracts which amount to \$106.623 million plus several minor adjustments and the invoicing made during 2013 totaling \$306.867 million as operating revenues and \$14.325 million as net revenues from construction.

It is worth shedding light on the fact that in 2013 the Company was awarded new projects, executed new work contracts and obtained several contract addendums currently underway:

- Execution of public works contract for the maintenance of the Dabeiba – Santa Fe de Antioquia road, in the department of Antioquia, entered with INVIAS (Instituto Nacional de Vías) for \$54.781 million and an estimated term of 10 months.
- Addendum to the Vial del Sur Development contract for the improvement and maintenance of the Tumaco-Pasto-Mocoa road for \$73.000 million, entered by INVIAS (Instituto Nacional de Vías) and Consorcio Vial del Sur, in which the Company has a 24% share.
- Execution of the contract entered by Concesión Aburrá Norte S.A.S. and Consorcio Grupo Ejecutor Hatovial –Gehatovial- in which the Company has a 21% share, for a total of \$175.950 million and an estimated duration of 24 months. The purpose of the contract is to implement the construction of works in the Barbosa – Pradera (river crossing) section. This involves works to protect embankments, the construction and transfer of networks, maintenance, property management, and works included on the lands, social and environmental management, and environmental works plus the activities foreseen in the purpose and scope which Concesión Hatovial S.A.S. should develop per addendum 16 of Concession Contract No. 97-CO-20-1738, entered with the Department of Antioquia and Área Metropolitana del Valle de Aburrá.
- Execution of a new contract by Fondo de Adaptación and Concesión Vías de Las Américas S.A.S, in which the Company has a 33.3% share, totaling \$46.242 million and an estimated term of 18 months. The purpose of the contract is to implement works for the extension of the gradient on La Bodega-Mompox road.

Of the current Backlog, the Company expects to implement 35% - 40% in the year 2014, 25% - 30% in the year 2015, and 30% - 40% during the three years thereafter, focusing mainly in 2014 and 2015. It is worth underlining that the implementation of this Backlog could involve adjustments due to environmental, property and community-related issues, which are not usually managed by the Company and hence, may delay or anticipate the foreseen implementation of the works.

Investments Portfolio:

- *El Dorado Airport Concession - Bogota*

Share: 15%.

The number of passengers moved in the airport in 2013 increased to 25 million, up 12% compared to the year before. A total of 565,688 tons of cargo was moved in 2013.

Regulated revenues recorded a 16% growth compared to 2012 climbing to \$307.412 million, while commercial revenues increased 48% to the sum of \$155.755 million.

The new National Terminal was inaugurated. This terminal is 60,000 square meters large and 4-floors tall, including offices and warehouses, passenger arrivals and technical level, baggage claim and boarding gates; the food court is still in the adaptation process.

In addition, the Concession kept working on the international terminal inaugurated at the end of 2012, to provide travelers and users the best experience. The most relevant aspects include: power recharge stations, opening of stores and new signs.

A total of 55,000 square meters of the old El Dorado Airport terminal were demolished in 2013. Due to the interference of the control tower, the demolition began with the South and North breakwaters, respecting the structural support of said tower.

- *Aburrá Norte S.A.S (Hatovial S.A.S) Concession - Antioquia*

Share: 21,1%

The National Agency of Environmental Licenses (ANLA) approved the amendment of the environmental license for the Barbosa – Pradera (river crossing) section through Resolution 856 of 2013. This amendment began the construction of this corridor and related works shall be completed in approximately 24 months.

- *Vías de las Américas S.A.S Concession – Northern zone of Colombia*

Share: 33,3%

The Concession completed the Lomas Aisladas – El Tigre section. In addition, significant advances of the project included the following:

- Improvement of Turbo-Necoclí –San Juan de Urabá (37,5 km)
 - Redevelopment of Arboletes-Puerto Rey-Montería (69 km)
-

- Improvement of Planeta Rica-Montería (49 km)

Traffic to this date increased to 1,567,290 vehicles, up 7% compared to 2012. Nonetheless, it is worth highlighting that the contributions to future terms (contribution from the State) for this road concession are significant compared to the total revenues of the concession (95%), while tolls have a residual share.

- *Red Vial del Cesar S.A.S Concession - Cesar*

Share: 94,89%

The Concession kept on working with the Department of Cesar to pay off the concession contract. Despite the above, the bilateral payment was not made and hence, the Governor's Office of Cesar was informed since February 2013 of an arbitration court process. No additional events have been registered to this date in the normal operation of the business.

The Concession expects the current administration of the Department will review its position on the payment of the contract, and to reach a swift agreement to execute the payment minute within the conciliation stage determined by the arbitration court.

- *Transmilenio del Sur S.A.S and Trans NQS Sur S.A.S Concessions - Bogota*

Share: 50%

Concession contracts were not paid to establish the corporations. Today, both corporations have filed claims against the Instituto de Desarrollo Urbano (IDU) as a result of the economic imbalance exhibited in each of said contracts.

- *Santa Marta Paraguachón Concession - Magdalena and Guajira*

Share: 2,97%

The Concession carried on its maintenance and operation task in a stable manner.

In 2013, the Concession received \$56.000 million from ANI, a sum which is part of Addendum 10, corresponding to the works made in 2008, 2009 and 2010. These resources directly covered part of the Concession's debt.

Traffic to this date increased to 3,380,000 vehicles, up 2,72% compared to 2012.

- *Túnel de Aburrá Oriente Concession - Antioquia*

Share: 12,5%

The Concession carried out the operation and maintenance of Variante Las Palmas and Santa Elena roads uneventful.

Moreover, the complementary studies ordered by the National Agency of Environmental Licenses (ANLA) in Resolution 0456 of July 2012 were submitted to Cornare, the environmental authority of the contract. The Concession is currently waiting for the approval from Cornare to amend the license; once issued, the construction activities will begin again.

The daily average traffic increased to 15,974 vehicles, up 9% compared to 2012 figures.

Access to loans, refinancing agreed upon, and sale of important assets:

Without agreeing any refinancing during 2013, the loans granted to the corporation evolved as follows based on the need of working capital to meet the requirements of the different projects:

Bank	Amount Taken	Rate	Taken	Paid Off	Amount Paid Off
BBVA	\$10.000.000.000	5,90% EA	March	December	\$10.000.000.000
Bancolombia	\$12.000.000.000	FTD+1,05%	April	Octubre	\$12.000.000.000
Bancolombia	\$7.619.440.000		May		
BBVA	\$4.500.000.000	5,25% EA	June		
Bogotá	\$3.500.000.000	DTF+1,53%	August		
BBVA	\$3.500.000.000	5,57% EA	August	December	\$3.500.000.000
BBVA	\$12.000.000.000	5,45% EA	October	December	\$12.000.000.000
Popular		DTF+1,6%		March	\$4.970.000.000
Popular		DTF+1,5%		May	\$8.885.900.000
Total	\$53.119.440.000				\$51.355.900.000

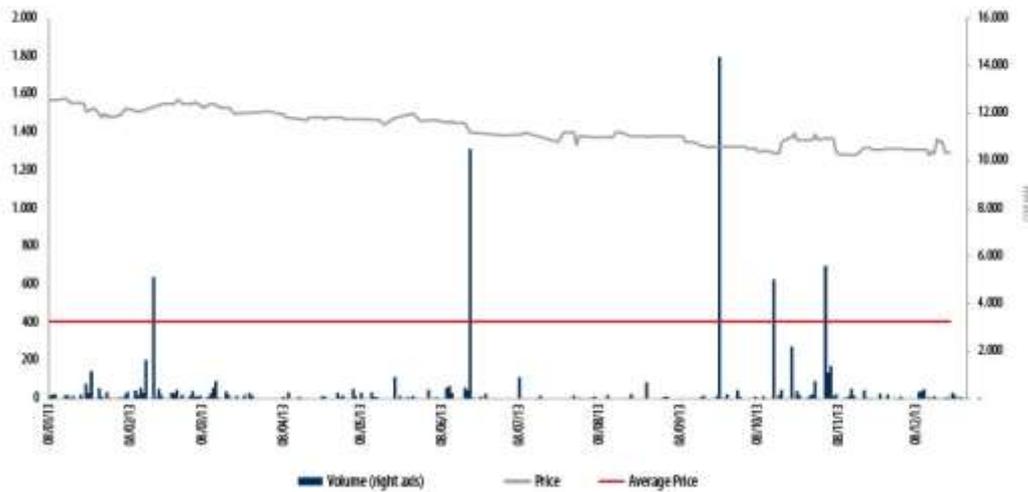
With regards to the sale of fixed assets during the year, mainly under auctions, 46 non-productive assets (primarily obsolete machinery) were sold for \$1.451 million representing a value of \$347 million in books.

In 2013, the average volume transacted of the Company's share increased to \$405 million. The share closed the year with a price of \$1.295, displaying a 19,1% devaluation compared to the same period the year before. On the other hand, the Colcap index, which reflects price variations of the 20 most liquid shares in the Colombian Securities Exchange, exhibited a negative variation of 12,35% in the year 2013.

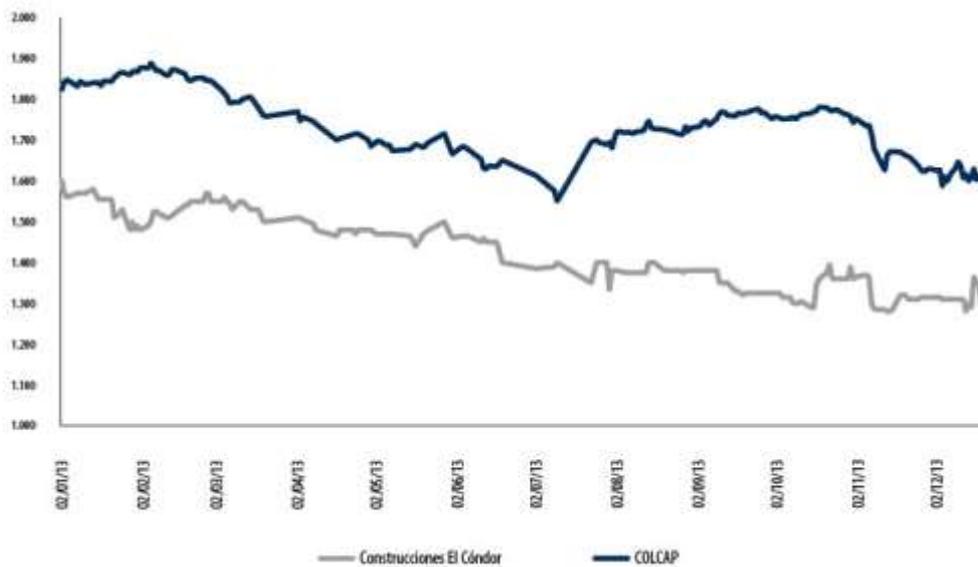
These decreases were not exclusive of the Colombian Securities Exchange but were even worse in the other Latin American stock exchanges, such as those of Chile, Peru and Brazil; primarily due to the high volatility exhibited by international markets, which in turn significantly hurt emerging nations.

Stock information

Performance of volume and price in 2013:



Development of share and COLCAP in 2013:



During 2013, the Company's share became part of the three new indexes of the Colombian Securities Exchange: COL-EQUITY, COL-IR and COL-SMALL CAPS. Being part of these indexes is initially important since they become benchmarks or market references which local, international, individuals and institutional investors begin to replicate with the purpose of:

- Reducing the risk of variable income investments due to their diversification.
- Establishing securities with a structure that "replicates" exactly the composition of the index and its development identical to that index.

Construction Projects – Current Status

- Dabeiba – Santa Fe de Antioquia:

Contract awarded in the second half of 2013, involving the maintenance and redevelopment of the Dabeiba – Santa Fe de Antioquia road, particularly Route 62 Section 6203. The contract began in October with a budget of \$54.782 million. During 2013, the Company assembled the main facilities and removed 85% of the landslides in the Dabeiba – Uramita sector, which led to invoicing \$2.049 million. Implementation should be completed in August 2014.

- Transversal de las Américas:

The most important project for the Company today, since it was awarded 66% of the construction of the works, distributed in three large fronts: Montería, Urabá and San Marcos.

In the year 2014, the Company will have its peak implementation with a new front: the construction of the Santa Lucía – San Pelayo road. This represents for the four fronts a total invoicing of about \$200.000 million.

Montería Front:

The Company focused on the redevelopment works in the Arboletes – Puerto Rey – Montería – Planeta Rica road. The most important activities forecasted for 2014 include implementing the four-lane road of the Montería – El 15 section.

Urabá Front:

The Company completed the sections of Chigorodó – El Tigre, Lomas Aisladas - El Tigre, and Turbo - Necoclí. In 2014, the plan is to continue implementing the project in the sections of Turbo – El Tigre, and Necoclí – Mulatos.

San Marcos Front:

The Company began the intervention of the section on April 2013. During the initial period, the Company used resources for the redevelopment and recovery of the zone's transitivity before the intervention of the San Marcos – Majagual – Achí route. This sector represented a huge challenge since 25% of the section was fully flood by the Cauca and San Jorge Rivers, and the rest was partially destroyed.

After the first month of work, embankments were reestablished and mobility towards the municipalities of Majagual, Achí and Guaranda was recovered after five years in which the community could only move using motorcycles and the Cauca River. The Company estimates to complete the section in the year 2015, with an investment of approximately \$145.000 million.

- San Javier Aggregates:

The Quarry is used for the exploitation, production and sale of rock-based materials and asphalt blends to implement the projects in the Metropolitan Area of Aburra Valley and in neighboring municipalities. During 2013, the Company continued developing Phase 1 of the Mining Plan.

- Tumaco:

The Company primarily intervened 110 kilometers of the Tumaco – El Diviso road, including activities such as improvement, base, pavements, demarking and signs. Simultaneously, the Company intervened the Cartagena embankment and removed the landslides throughout the section awarded. In 2014, the Company will continue implementing the works in sections PR-110 to PR-118 of route 1001, and from PR-0-000 to PR 31+000 of route 1002, excluding urban passes, using a new technology to redevelop rigid pavements. This technology involves grinding/fracturing pavements using the internationally known rubblinzig, which is under the approval and resource destination process by the customer.

- Marginal de la Selva:

The Company completed the works optimizing the term granted by 10%. The section intervened is divided into two routes: 6502 from Florencia to San José del Fragua, excluding the national passes from Morelia to Belén de los Andaquíes (length intervened: 56.5 km), and 6503 from Florencia to K22+500 on the road to Montañitas excluding the Venecia and Puerto Arango relief roads (length intervened: 20.5 Km.). The property management and contract payment will be completed in 2014.

2014 Perspectives

Keeping in mind the current government's ambitious plan for the country's infrastructure development, perspectives for the sector in 2014 are quite positive. Consequently, the Company will focus on the bids of the first 4G concession projects, in which the National Government aspires to invest \$47 billion pesos using public and private resources.

Nonetheless, the first awards shall be made, in the best case scenario, during the second quarter of 2014, and hence, construction works will not begin until the year 2015. With regards to the awarding and beginning of the works, the bidder shall formalize the contract, establish detailed designs, elaborate property management, and carry out environmental proceedings.

The following table shows the pipeline of projects which the company shall bid for during the first quarter of 2014:

Pre-qualification of Early Victories	Total Amount (COP million)	% El Cóndor	Process Status
Honda - Puerto Salgar - Girardot	1.388.404	18%	Currently under bid
Vía al mar and Prosperidad circunvalar	1.554.710	27%	Currently under bid
Highway to Magdalena River 2	2.093.491	22%	Currently under bid
Highway to Pacific Connection 1	2.561.061	18%	Currently under bid
Highway to Pacific Connection 2	1.537.178	21%	Currently under bid
Total Amount	9.134.844		
Amount Cóndor	1.914.051		

In addition, the Company has been pre-qualified for the second group of 4G concessions in the following projects. Bids are expected to begin approximately in the second half of 2014:

Pre-qualification of Early Victories	Total Amount (COP million)	% El Cóndor	Process Status
Pasto - Rumichaca	2.057.016	30%	Currently in pre-conditions
Santana - Mocoa - Neiva	1.740.423	30%	Currently in pre-conditions
Popayán - Santander de Quilichao	1.697.430	25%	Currently in pre-conditions
Magdalena 1 Highway	3.381.947	17%	Currently in pre-conditions
Al Mar Highway 2	2.220.473	45%	Currently in pre-conditions
Al Mar Highway 1	2.787.430	20%	Currently in pre-conditions
Total Amount	13.884.719		
Amount Cóndor	3.706.379		

Alongside these 4G concession bids, the Company plans to participate in diverse national, department and municipal bids.

With regards to private-initiative APP projects, the Company will continue working actively in 2014 in the following three projects presented to the ANI (National Agency of Infrastructure) during 2013:

Cesar Guajira Road Connection – Currently in feasibility stage:

- Complete restructuring and revision by ANI
- Initial presentation of the project to business associations, mayors' offices, and governors' offices of Cesar and Guajira
- Capex – estimated investment in infrastructure: \$311.599 million
- Share of Construcciones El Cóndor S.A.: 100%

Antioquia Bolívar Road Connection:

- Began feasibility stage
- Capex –estimated investment in infrastructure: \$515.000 million
- Share of Construcciones El Cóndor S.A.: 100%

Los Llanos Highway – Currently in feasibility stage:

- Capex –investment in infrastructure: \$1.16 billion pesos
- Share of Construcciones El Cóndor S.A.: 11%

The first two projects are underway. The Company expects a reply from ANI before the end of the first semester of 2014. Given that these projects do not require public contributions (these are financed by tolls), it is not necessary that they enter public bids. Bids would take place only if there is more than one party interested in participating, otherwise, an abbreviated selection process would begin in which the Company has several points in favor since it was an originator of the proposal. This hiring mechanism is a very attractive source to gain projects and justifies the important investment that the Company made in 2013 and will continue making during 2014.

The awarding of one or several of these projects shall imply for the Company to seek resources to meet the commitments, particularly financing, machinery and personnel necessary to implement and fully complete the projects.

Social Responsibility

Aware of our social commitment, our labor relations with collaborators are direct and no outsourcing or hiring intermediation whatsoever is used. The compensation policy of our collaborators is pivotal and based on criteria of competitiveness and equitable conditions with the purpose of attracting human talent and potential collaborators.

- Employment generation:

At the end of 2013, the Company had more than 1,400 direct employees whereby more than 70% of the collaborators are from the regions where the Company carries out the works. Likewise, in the projects the Company participated in with other

companies of the sector either under consortiums and/or temporary joint ventures, the Company participated in the generation of 870 additional direct employments, keeping the main premise of providing a formal, well-paid job for people who generally belong to communities that suffer the different social-economic phenomena that Colombia experiences.

- Employee training and health care:

With regards to training our workers on the skills required to meet their positions and guarantee excellent results, the Company invested in all types of training programs: workshops, seminars, formal and informal courses, for a total of 500,000 man-hours.

In terms of health care and accident prevention the Company displayed a decrease of accident rates, from 1,25% last year to a monthly average of 0,93% this year. No fatal accidents or work-related diseases were reported.

- Community interaction:

Construcciones El Cóndor S.A. is pleased to provide a positive overview in terms of its interaction with the communities in the areas of influence where it develops construction projects or investments. Indeed, the Company has focused in past years on fully meeting each and every one of the agreements made related to citizen participation, oversights, institutional enhancement of base organizations, vicinity minutes, and hiring labor in the regions to create employment, increasing income levels, improving quality of life and educational infrastructure.

Moreover, the Company has invested in different institutions to support their education programs. It is worth highlighting the distribution of 500 school kits, facility reforms and the donation of three children parks.

- Environment care:

Construcciones El Cóndor S.A. is aware that the construction of infrastructure works creates environmental and social impacts. Hence, it continuously monitors, identifies and characterizes these impacts strictly complying with the Environmental and Social Management Plans of each project.

In 2013, the Company particularly focused its environmental tasks on the efficient use of natural resources, installing waste water treatment and recirculation plants, establishing proper solid waste management procedures, and acquiring environmentally-friendly machinery and equipment.

The close control of fuel consumption, which lead to a decrease of 104,421 gallons of fuel oil (equivalent to 1,051 tons of greenhouse gases) and to the process of retreading (which displayed a decrease of 45 tons of greenhouse gases), contributing significantly to decrease greenhouse gases.

Corporate Governance

During the General Shareholders' Meeting held on March 22, 2013, the Management Report and the Individual and Consolidate Financial Statements at December 31, 2012 were approved in addition to the Profit Distribution Project and the partial amendment of the Company Bylaws (articles 4 and 45).

As a result of the bylaw amendment, the Board of Directors also amended the Code of Good Governance as suggested by the Corporate Governance and Strategy Committee.

On October 28, 2013, the company held a Special Shareholders' Meeting to elect the Comptroller (External Auditor). Crowe Howard was reelected, a company which has held this position since 2011.

Four of the seven Board members of independent and their three committees –Audit and Risk Management; Organization Development, Human Talent and Compensation; and Corporate Governance and Strategy- regularly meet to support their work.

On April 2013, the Company published the “Country Code” survey on the website of the Financial Superintendence of Colombia. The survey disclosed the good governance practices implemented by the Company.

The Company disclosed to the market its financial information at the end of each quarter of 2013. Likewise, Construcciones El Cóndor S.A. published Highlights which are available on our website in English since June 2013.

The documents of Corporate Governance are available at the Company's offices and website: www.elcondor.com, under the link of Investors – Corporate Governance (Inversionistas – Gobierno Corporativo).

Our Administrative Management

During 2013, Construcciones El Cóndor S.A. fully meet the corporate goals established in the Company's Strategic Planning process. Significant progress was displayed in terms of profitability, process efficiency, and loss control of critical products and inventories.

In addition:

- Construcciones El Cóndor S.A. was granted again an excellent rating from its personnel, under the survey made by Great Place To Work Institute.
- The Company's accident rates dropped compared to the year before.
- No fatal accident or work-related disease was recorded.
- The Company fully met its environmental management goal; the environmental management plans were met and the use of natural resources was optimized.

- The result of the measurement made by our external and internal clients was positive.
- Certifications of standards ISO 9001, ISO 14001 and OHSAS 18.001 were updated.

Overall, the Company's performance was efficient and effective, hand-in-hand with the its vision and mission, and providing favorable economic results for our shareholders, soundness and competitiveness in the market, top quality services provided to our customers, and wellbeing for the people which are part of the Company and for the community we interact with to develop our business.

Companies related and affiliates

Concesión Red Vial del Cesar SAS, our affiliate, has a total of \$5.802 million in assets mainly represented by the mining concessions it acquired during 2013. Liabilities dropped approximately \$406 million, closing the year 2013 at about \$793 million. This drop is related to the payment of the tax on equity and to the decreased provisions. Lastly, equity increased approximately \$78 million as a result of the profit of the period. This item consists of about \$304 million in revenues, and \$173 million in total costs plus a reserve for taxes of \$53 million.

Legal contingencies of Concesión Red Vial del Cesar SAS did not represent any adverse effects on its operations or financial standing, and did not generate eventual obligations that degrade the consolidated results at the end of the accounting period of 2013.

Concesión Red Vial del Cesar SAS executed with Construcciones el Cóndor S.A. assignment contracts which grant the exploitation rights of the mining concessions to Red Vial del Cesar S.A.S.

During 2013, operations with related companies and affiliates were previously revised and approved by the Audit Committee to define if they meet the standards and are treated equal to those of third parties. Details of the operations made with related companies and affiliates are provided in Notes 4, 5, 10 and 25 of the Financial Statements.

As the Legal Representative of Construcciones El Cóndor S.A., I hereby certify that no operations were made with entities other than those mentioned above and that no important decisions were made or not which influenced or for the benefit of related companies and affiliates significantly enough to be disclosed in this Management Report.

Our legal status

The Company's legal situation was stable during 2013. Legal contingencies against the Company or that represent any adverse effect whatsoever on its operations or its financial standing were not observed, and no eventual obligations that degraded the

consolidated results at the end of the accounting period of 2013 were generated. The Company is addressing all legal processes as necessary either through external counsel or through its own legal team.

Construcciones El Cóndor S.A. is still serving in duly manner the arbitration process filed by Colombian Natural Resources I S.A.S before the Bogota Chamber of Commerce, to settle the differences rising among Masering S.A.S, Construcciones El Cóndor S.A. and S.P. Ingenieros S.A.S. – prior members of Consorcio Minero del Cesar-, and with Consorcio Minero del Cesar S.A.S, due to the operation contract of La Francia Mine. It is worth highlighting that we have filed a counterclaim before this court.

Excluding the above mentioned process which was announced to the market as a Highlight in September, no legal events were observed in 2013 that deserve to be underlined in this report.

The Company fully meets the standards on intellectual property and copyrights. The software used for the normal operation of its corporate purpose meets the Colombian law, and the brands are registered before competent authorities. In addition, all Company employees were informed on the use of 'illegal software' and of the consequences arising from its use.

The Company evidenced that it did not block the free circulation of the invoices issued by salespersons or suppliers, pursuant to article 87 of Law 1676 of 2013.

In the month of November the Government issued Law 1682 of 2013, which introduces profound changes in diverse aspects related to transportation infrastructure projects. These changes range from defining the phases to structure the projects, involving prior consultation, obtaining permits and licenses, regulations in terms of sources of materials and temporary authorizations, land acquisition, among other aspects pertaining to planning public or private-initiative transportation infrastructure projects. Law 1682 also regulates aspects such as the anticipated termination of transportation infrastructure contracts, network transfers, alternative conflict solutions, among other matters.

Through Presidential Directive 10 of 2013, aspects related to the proceedings of prior consultations were regulated, establishing the stages, roles and obligations of each party involved in said proceeding, all aimed to facilitate and standardize the process.

Through Decree 100 of 2013, the National Government amended Decree 1467 of 2012 which rules Law 1508 of 2012, in terms of establishing a list of pre-qualified parties and the conditions to present private initiatives.

Audit and Risk Management Report

The Audit and Risk Management Committee, which serves as an advisory body and support for the Board of Directors of Construcciones El Cóndor S.A., focuses on the follow-up of the application and compliance with the model of Internal Control and Risk Management previously defined, and to oversee its efficiency and pertinence, and to implement the best practices and controls to avoid and mitigate possible losses the Company may be exposed to.

The Audit and Risk Management Committee held meetings on a quarterly basis in accordance with its regulation. These meetings were held on the following dates: January 28, February 26 (special meeting to review the Financial Statements at the end of 2012), April 26, July 22, October 21, and December 16 (special meeting).

The above mentioned meetings addressed matters and carried out activities related to every stage of the process, including:

- Planning:

Revision and oversight of the adjustment of procedures involved in the model of Internal Control and Risk Management pertaining to the needs, objectives, goals and strategies determined by the Company.

Analysis and incorporation in the model of new control procedures and mechanisms proposed and implemented by the administration.

- Implementation:

Analysis and revision of the financial information of the Company, previously published and distributed to stakeholders. The Committee verifies if the financial information disclosure and control of the Company performs properly, and that the information presented and published is a true reflection of the Company's condition.

Follow-up of the application of the model of Internal Control and Risk Management in accordance with the timetables and activities established for the Comptroller and for the internal and external audits of the other processes.

Analysis and follow-up of the implementation of IFRS in accordance with the timetable established to meet the requirements created for the Company by the Financial Superintendence of Colombia.

Analysis and verification of compliance with the requirements established for operations made by Construcciones El Cóndor S.A. with related companies.

- Verification:

Analysis of results obtained from applying the model as well as its efficiency, particularly with regards to the reports of the Comptroller, the external audits (systems, insurance, geographic information system), plus administrative internal audits, and related to GIS.

- Activities:

Decision-making based on results obtained to guarantee the dynamics and to adjust the model to changes and particular conditions which may occur as part of the business' development.

Acknowledgements received in 2013

- IR Recognition

The Colombian Securities Exchange granted the Company, for the first time ever, the IR Stamp. This stamp identifies Construcciones El Cóndor S.A. as an issuer that adopts good practices in terms of information disclosure and investor relations.

The main requirements to access the IR Issuers Recognition are listed below:

- Have a representative that serves investors' consultations, in Spanish and in English.
- Regularly disclose information that surpasses the information required, in English and in Spanish, on the corporate website, and maintain said information updated.
- Publish Financial Statements (Balance Sheet and Income Statement) with consolidated figures per quarter.
- Hold quarterly events to provide financial results.

- Great Place To Work

For the past 35 years Construcciones El Cóndor has focused on the continuous development of the Colombian infrastructure sector. However, beyond this target, the aim is to turn the Company into a place to work that provides opportunities to grow for all of the people that are part of the team of collaborators.

Consequently, the results of Great Place to Work 2013, shows that the excellence of the Company's work setting and its people, are indeed pillars for its value creation process. The above mentioned aspects have led Construcciones El Cóndor S.A. to hold, for eight years in a row, the recognition it displays today as one of the four best places to work in Colombia against 500 other enterprises, and to be among the first 11 enterprises to work in Latin America.

We are still committed and working to participate in the 4G road concessions program. This has meant that we continue preparing bids for the ten pre-qualifications in the group we are part of which was favored in 2013 and the additional project we obtained in 2014.

Moreover, we continue advancing to complete three private-initiative APP projects, which are currently studied by the ANI (National Agency of Infrastructure).

With the Adaptation Fund, the Company signed contract No. 105 of 2014 for \$39.534 million, to serve the critical sites on the El Tigre – Santa Fe de Antioquia road, in the Department of Antioquia.