

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR
DE ZONA FRANCA AND SUBSIDIARIES**

Condensed Interim Consolidated Financial Statements

For the periods ended on March 31, 2018 and December 31, 2017

Report of the Statutory Auditor on the Review of the Interim Financial Statements

To the Shareholders

Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca:

Introduction

I have reviewed consolidated condensed interim statements of financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subsidiaries, which comprise:

- The consolidated condensed interim statements of financial position at March 31, 2018;
- The consolidated condensed interim statements of comprehensive income, three months period ended March 31, 2018;
- The consolidated condensed interim statements of changes in equity three months ended March 31, 2018; and
- The notes to the interim financial statements.

The management of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca is responsible for the adequate preparation and presentation of these consolidated condensed interim statements of financial information, in accordance with financial information accounting standards accepted in Colombia, including requirements of the international International Accounting Standard 34 (IAS 34) for Interim Financial Information. My responsibility consists of expressing a conclusion of these interim consolidated financial statements based on my review.

Scope of the review

I have made my review in accordance with the International Standard on Review Engagements 2410 "Review of financial information performed by the independent auditor of the entity", included in the standards for Information Assurance accepted in Colombia. A review of interim financial information consists of making enquiries, with persons responsible for financial and accounting matters, and the application of analytical procedures and other review procedures. A review of interim financial information is substantially smaller in scope than an audit made in accordance with international standards, and therefore, does not allow me to obtain the certainty of having had knowledge of all significant matters which could have been identified by an audit. I therefore do not express an audit opinion.

Conclusion

Based on my review, nothing has called my attention to make me suppose that the interim consolidated financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca does not present, in all material aspects, its financial situation March 31, 2018, the consolidated results of operations and cash flows for the quarter ended on that state, in accordance with accounting and financial information standards accepted in Colombia, including International Accounting Standard 34-Interim Financial Information.

(Original in spanish signed)

Ana María Rodríguez Abella

Deputy Statutory Auditor

Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca

License TP 165704-T

Member of KPMG S.A.S

May 15, 2018

**Report of the Statutory Auditor of Reporting in Extensible Business Reporting Language
(XBRL)**

To the Shareholders

Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca:

Introduction

I have reviewed the report in consolidated Extensible Business Reporting Language (XBRL) which include the condensed interim statements of financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subsidiaries, which comprise:

- The consolidated condensed interim statements of financial position at March 31, 2018;
- The consolidated condensed interim statements of comprehensive income, three months period ended March 31, 2018;
- The consolidated condensed interim statements of changes in equity three months ended March 31, 2018; and
- The notes to the consolidated condensed interim statements.

The management of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca is responsible for the adequate preparation and presentation of these interim consolidated statements of financial information, in accordance with financial information accounting standards accepted in Colombia, and presentation in accordance with XBRL as instructed by the Colombian Financial Superintendency (Superintendencia Financiera de Colombia). My responsibility consists of expressing a conclusion of these interim consolidated financial statements based on my review.

Scope of the review

I have made my review in accordance with the International Standard on Review Engagements 2410 "Review of financial information performed by the independent auditor of the entity", included in the standards for Information Assurance accepted in Colombia. A review of interim financial information consists of making enquiries, with persons responsible for financial and accounting matters, and the application of analytical procedures and other review procedures. A review of interim financial information is substantially smaller in scope than an audit made in accordance with international standards, and therefore, does not allow me to obtain the certainty of having had knowledge of all significant matters which could have been identified by an audit. I therefore do not express an audit opinion.

Conclusion

Based on my review, nothing has called my attention to make me suppose that the XBRL report of the interim consolidated financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca does not present, in all material aspects, its financial situation March 31, 2018, the consolidated results of operations and cash flows for the quarter ended on that date, in accordance with accounting and financial information standards accepted in Colombia, including International Accounting Standard 34-Interim Financial Information.

(Original in spanish signed)

Ana María Rodríguez Abella

Deputy Statutory Auditor

Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca

License TP 165704-T

Member of KPMG S.A.S

May 15, 2018

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Condensed Interim Consolidated Statement of Financial Position
(Figures in thousands of Colombian pesos)

	<u>Note</u>	<u>March 31, 2018</u>	<u>December 31, 2017(*)</u>
ASSETS			
Current Assets			
Cash and Cash Equivalent	3	\$ 17.382.654	13.440.928
Accounts Receivable	4 and 18	21.842.233	18.927.973
Tax Assets		553.244	-
Inventories	5	958.858	1.034.839
Other Non-Financial Assets	6 and 18	11.734.792	768.348
Total Current Assets		<u>52.471.781</u>	<u>34.172.088</u>
Non-Current Assets			
Other Financial Assets	7	13.934.434	13.933.834
Investments in Associates	7	63.942.754	63.998.057
Intangibles	8	14.018.672	13.396.156
Property and Equipment	9	466.157.703	460.600.775
Investment Properties	10	153.812.023	146.716.158
Deferred Tax Assets		143.049	226.256
Total Non-Current Assets		<u>712.008.635</u>	<u>698.871.236</u>
Total Assets		<u>\$ 764.480.416</u>	<u>733.043.324</u>
LIABILITIES			
Current Liabilities			
Financial Debt	11	3.288.334	8.126.250
Accounts Payable	12 and 18	36.140.094	30.089.911
Tax Liabilities	12	2.051.129	2.114.055
Other Financial Liabilities	14	6.312.156	3.114.124
Other Non-Financial Liabilities	14	17.100.531	7.923.373
Total Current Liabilities		<u>64.892.244</u>	<u>51.367.713</u>
Non-Current Liabilities			
Financial Debt	11	71.501.666	48.963.750
Employee Benefits	13	2.083.888	2.074.888
Other Provisions	13	2.578.758	2.578.758
Other Non-Financial Liabilities	14	112.412.164	102.584.077
Deferred Tax Liability		41.496.551	41.077.598
Total Non-Current Liabilities		<u>230.073.027</u>	<u>197.279.071</u>
Total Liabilities		<u>\$ 294.965.271</u>	<u>248.646.784</u>
EQUITY			
Capital		1.673.920	1.673.920
Share Placement Premium		43.451.721	43.451.721
Reserves	15	98.641.172	87.249.566
Accumulated Profits		328.909.463	328.909.463
Other equity interests in equity		344.694	344.694
Result for the period		(3.505.825)	22.767.176
Total equity		<u>\$ 469.515.145</u>	<u>484.396.540</u>
Total Liabilities and Equity		<u>\$ 764.480.416</u>	<u>733.043.324</u>

See the Notes that form part of the Condensed Interim Consolidated Financial Statements.

(*): The Entity and its subsidiaries adopted NIIF 9 and 15 as of January 1, 2018. With the transition methods selected, comparative information is not re-expressed. (See Note 2d)

(Original in spanish signed)
Andrés López Valderrama
Legal Representative

(Original in spanish signed)
Juan Carlos Sánchez
Chief Accountant
T.P. 102419 - T

(Original in spanish signed)
Ana María Rodríguez Abella
Statutory Auditor
Corporación de Ferias and Exposiciones S.A.
Usuario Operador de Zona Franca
T.P. 165404 - T
Member of KPMG S.A.S.
(See my Report of 15 May, 2018)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Condensed Interim Consolidated Statement of Income and Other Comprehensive Income
(Figures in thousands of Colombian pesos)

	<u>Note</u>	<u>March 31, 2018</u>	<u>March 31, 2017 (*)</u>
Income from ordinary activities	16 and 18	\$ 16.431.708	8.352.063
Overhead	17 and 18	14.305.485	10.827.317
Selling expenses	17 and 18	4.784.288	3.223.837
Other income	16	519.076	291.631
Cost of sales		253.040	149.925
Other expenses	17	<u>266.935</u>	<u>71.241</u>
Profit on operating activities		<u>(2.658.964)</u>	<u>(5.628.626)</u>
Financial income	16	298.226	221.606
Financial expense	17	582.906	545.296
Loss on the equity method, net	17	<u>(55.303)</u>	<u>(8.400)</u>
Profit before tax		<u>(2.998.947)</u>	<u>(5.960.716)</u>
Income tax expense	17	<u>506.878</u>	<u>-</u>
Result for the period		<u>(3.505.825)</u>	<u>(5.960.716)</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Result for the period and other comprehensive income		\$ <u>(3.505.825)</u>	<u>(5.960.716)</u>

See the Notes that form part of the Condensed Interim Consolidated Financial Statements.

(*): The Entity and its subsidiaries adopted NIF 9 and 15 as of January 1, 2018. With the transition methods selected, comparative information is not re-expressed. (See Note 2d)

(Original in spanish signed)
Andrés López Valderrama
Legal Representative

(Original in spanish signed)
Juan Carlos Sánchez
Chief Accountant
T.P. 102419 - T

(Original in spanish signed)
Ana María Rodríguez Abella
Statutory Auditor
Corporación de Ferias and Exposiciones S.A.
Usuario Operador de Zona Franca
T. P. 165704 - T
Member of KPMG S.A.S
(See my Report of 15 May 2018)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. USUARIO OPERADOR DE ZONA FRANCA
Condense Interim Consolidated Statement of Changes in Equity

(Figures in thousands of Colombian pesos)

<u>Note</u>	<u>Subscribed and paid Capital</u>	<u>Share Placement Premium</u>	<u>Reserves</u>	<u>Accumulated Profit</u>	<u>Other equity interests in equity</u>	<u>Result for the period</u>	<u>Total Equity</u>
Periods ended on:							
Balance at December 31, 2016	\$ 1.673.920	43.451.721	70.289.491	328.909.463	-	33.919.712	478.244.307
Cash dividends declared for \$101.38 per share, on 167,287,797 subscribed and paid shares; Payable in April and October 2017	-	-	-	-	-	(16.959.637)	(16.959.637)
Appropriated to mandatory and voluntary reserves	-	-	16.960.075	-	-	(16.960.075)	-
Result for the period	-	-	-	-	-	(5.960.716)	(5.960.716)
For the quarter ended on 31 March 2017	\$ 1.673.920	43.451.721	87.249.566	328.909.463	0	(5.960.716)	455.323.954
Balance at December 31, 2017(*)	\$ 1.673.920	43.451.721	87.249.566	328.909.463	344.694	22.767.176	484.396.540
Cash dividends declared for \$68 per share, on 167,287,797 subscribed and paid shares; Payable in April and October 2018	-	-	-	-	-	(11.375.570)	(11.375.570)
Appropriated to mandatory and voluntary reserves	15	-	11.391.606	-	-	(11.391.606)	-
Result for the period	-	-	-	-	-	(3.505.825)	(3.505.825)
For the quarter ended on 31 March 2018	\$ 1.673.920	43.451.721	98.641.172	328.909.463	344.694	(3.505.825)	469.515.145

See the Notes that form part of the Condensed Interim Consolidated Financial Statements.

(*): The Entity and its subsidiaries adopted NIIF 9 and 15 as of January 1, 2018. With the transition methods selected, comparative information is not re-expressed.
(See Note 2d)

(Original in spanish signed)
Andrés López Valderrama
Legal Representative

(Original in spanish signed)
Juan Carlos Sánchez
Chief Accountant
T.P. 102419 - T

(Original in spanish signed)
Ana María Rodríguez Abella
Statutory Auditor
Corporación de Ferias and Exposiciones S.A.
Usuario Operador de Zona Franca
T.P. 165704 - T
Member of KPMG S.A.S.
(See my Report of 15 May 2018)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Condensed Interim Consolidated Statement of Cash Flows
(Figures in thousands of Colombian pesos)

	<u>Note</u>	<u>March 31, 2018</u>	<u>March 31, 2017 (*)</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period	\$	(3.505.825)	(5.960.716)
Reconciliation between loss for the period and net cash provided by operating activities			
Depreciation	17	1.522.716	1.377.757
Amortizations	17	425.081	398.152
Impairment of Accounts Receivable, net	4	258.562	(251.330)
Loss on Sale and Withdrawal of Property and Equipment	17	3.186	-
Recover of Provision against Accounts Payable	16	(147.234)	(132.406)
Loss on Equity Method	17	55.303	8.400
		<u>(1.388.211)</u>	<u>(4.560.143)</u>
Changes in operating items			
Increase in Accounts Receivable		(3.172.822)	(5.686.564)
Decrease in Inventories		75.980	255.246
Increase in Other Non-Financial Assets		(10.966.444)	(2.518.839)
Decrease in Taxes, net		(558.578)	(1.007.280)
Decrease in Accounts Payable		(2.828.441)	(6.272.616)
Increase in Employee Benefits		9.000	9.000
Increase in Other Financial Liabilities		3.198.032	11.277.877
Increase in Other Non-Financial Liabilities		19.005.245	16.216.706
Increase in Deferred Taxes, net		502.160	-
Interest Paid		(2.349.710)	(435.049)
Income Tax paid		(57.593)	(287.964)
		<u>1.468.618</u>	<u>6.990.374</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES			
CASH FLOWS FROM INVESTMENT ACTIVITIES			
(Increase) in investments in associates	7	-	(228.390)
(Increase) Decrease in Other Financial Assets		(600)	3.867
Purchase of intangibles	8	(1.047.597)	(154.394)
Increase in Investment Properties	10	(7.095.865)	-
Purchase of Property and Equipment	9	(7.082.830)	(17.800.945)
		<u>(15.226.892)</u>	<u>(18.179.862)</u>
CASH FLOWS FROM FINANCIING ACTIVITIES			
Increase in Financial Debt	11	17.700.000	9.800.000
		<u>17.700.000</u>	<u>9.800.000</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES			
Net increase (decrease) in cash		3.941.726	(1.389.488)
CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD		<u>13.440.928</u>	<u>5.583.759</u>
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	\$	<u>17.382.654</u>	<u>4.194.271</u>

See the Notes that form part of the Condensed Interim Consolidated Financial Statements.

(*): The Entity and its subsidiaries adopted NIIF 9 and 15 as of January 1, 2018. With the transition methods selected, comparative information is not re-expressed. (See Note 2d)

(Original in spanish signed)
Andrés López Valderrama
Legal Representative

(Original in spanish signed)
Juan Carlos Sánchez
Chief Accountant
T.P. 102419 - T

(Original in spanish signed)
Ana María Rodríguez Abella
Statutory Auditor
Corporación de Ferias and Exposiciones S.A.
Usuario Operador de Zona Franca
T. P. 165704 - T
Member of KPMG S.A.S.
(See my Report of 15 May, 2018)

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

At March 31, 2018

(Figures expressed in thousands of Colombian pesos)

1. Reporting Entity

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA ("the Parent", or "CORFERIAS") is a stock corporation incorporated by Public Deed 3640 of July 18, 1955, Notary 2, Bogota, its Articles expire in July 2099. The consolidated financial statements at March 31, 2018 include the Parent and its subsidiary. The corporate business of the Parent is to foster industrial and commercial development at regional, national and international levels, and to form closer ties of friendship and cooperation between Colombia and friendly nations; to organize national and international fairs and exhibitions for industry, commerce, agriculture and livestock breeding and science, on its own premises or elsewhere, in Colombia or abroad, and to promote and organize Colombia's participation in fairs and exhibitions held abroad, directly or through its subsidiary Corferias Inversiones S.A.S.

The Parent was declared a Permanent Special Free Zone User-Operator in Resolution 5425 of September 20, 2008. According to Public Deed 2931 of July 25, 2008, Notary 48, Bogota, registered on July 28, 2008 as No. 1231243 Book IX, the company changed its name from Corporación de Ferias y Exposiciones S.A., to **Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca** with registered offices in Bogota at Cra 37 No., 24-67.

The Parent is a subsidiary of the Bogotá Chamber of Commerce, which owns 79.74% of the shares.

The consolidated financial statements include Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca, Corferias Inversiones S.A.S. and Patrimonio Autónoma Fiducoldex.

2. Basis of preparation of the condensed interim consolidated financial statements

(a) Framework of technical standards

The consolidated financial statements have been prepared in accordance with international financial reporting standards accepted in Colombia ("COL-IFRS"), established in Law 1314/2009, regulated by Regulatory Degree 2420/2015, amended by Decree 2496/2015 and Decree 2131/2016 and 2170 de 2017. COL-IFRS is based on International Financial Reporting Standards (IFRS) together with the interpretations issued by the International Accounting Standards Board IASB. The basic standards correspond to those officially translated into Spanish and issued by IASB on December 31, 2015.

The condensed interim consolidated financial statements for an interim period do not contain the full information and disclosures required for annual financial statements. They must therefore be read in conjunction with the consolidated financial statements at December 31, 2017 published in the webpage www.corferias.com in the section for Shareholders. Following IAS 34, the accounting policies used for interim periods are the same as those applied to the annual financial statements, except for policy changes in recording accounts receivable and revenues, with the coming into force of IFRS 9 and IFRS 15 as of January 1, 2018.

For legal purposes in Colombia, the principal financial statements are the separate financial statements.

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

(b) Basis of Measurement

The consolidated financial statements have been prepared on a historic cost basis, except for the following major items included in the Statement of Financial Position:

- Financial instruments at fair value with changes in Results are measured at fair value;
- Investment properties are measured at fair value;

In relation to employee benefits, the assets for benefits defined are recognized as the total assets of the plan, plus past unrecognized service costs; and the unrecognized actuarial losses, less unrecognized actuarial gains, and the present value of the obligations for defined benefits.

(c) Functional currency and currency of presentation

The items included in the financial statements are expressed in the currency of the primary economic environment where the entity operates (Colombian pesos).

The performance of the Parent and subsidiary is measured and reported to the public in pesos. Therefore, management considers that the Colombian peso is the currency that represents the economic effects of operations, events and underlying conditions most faithfully, and therefore the financial the financial statements are presented in Colombia pesos as the functional currency.

All information is presented in thousands of Colombian pesos, and has been rounded to the nearest whole unit.

(d) Changes in accounting policy

NIIF 9. Financial instruments

IFRS 9 – Financial Instruments – came into force on January 1, 2018. It introduces prospective changes in standards in Corporación de Ferias y Exposiciones S.A. and subsidiaries, and therefore financial information for 2017 was not re-expressed.

Impairment of Customer Accounts Receivable

The Parent and Subsidiaries analyze the following events that represent objective evidence that a loss is expected in an account receivable, based on a model of losses expected for the next 12 months:

1. Impairment of solvency
2. Strong possibility of bankruptcy
3. The disappearance of an active market
4. Breach of contract
5. Significant financial difficulties
6. Uncollectibility

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

The Parent and Subsidiaries estimate expected percentage losses as follows:

Type of receivable	Maturity	Probability of loss
Customer receivable	0 - 90 days	0%
	91 - 150 days	10%
	151 - 365 days	Over 4 SMLV: 70%*
		Under 4 SMLV: 90%
Over 365 days	100%	

*SMLV: Minimum monthly salary. In 2017, approximately USD250

Receivables from State entities which have a Certificate of Budget Availability are not subject to estimates of impairment, because the certification guarantees the payment of the receivable.

The application of this policy did not generate impacts on measurement because the model used prior to January 1, 2018 was already aligned with these variables and the economic realities of the Parent and Subsidiaries, which were not far different from the impairment loss expected.

IFRS 15. Revenues from ordinary activities

IFRS 15 provides a comprehensive framework for the determination of the amount and timing of income recognized. It replaces the existing guide for recognition of revenues, including IAS 18-Revenues; IAS 11-Construction contracts; IFRIC 13 - Customer Loyalty Programs. The Parent evaluated categories of service contracts, and analyzed the requirements of contained in the standard. The analysis is based on a determination of the transfer of control in the rendering of services. There was evidence that the contracts met the criteria of IFRS 15, with no significant impact upon application.

Criteria for recognition:

- Step 1: Identify the contract(s) with the customer
- Step 2: Identify performance obligations
- Step 3: Determine the price of the transaction
- Step 4: Assign the transaction Price between the performance obligations in the contract
- Step 5: Recognize ordinary activities when (or, to the extent that) the entity satisfies the performance obligation

(e) Significant Accounting Estimates and Judgment

The preparation of the consolidated financial statements using COL-IFRS requires management to use judgment, estimates and suppositions that affect the application of accounting policies and the amounts of assets, liabilities and contingent liabilities on the closing date, and the income and expenses of the year. The real results may differ from these estimates.

The relevant estimates and assumptions are regularly reviewed. The reviews of accounting estimates are recognized in the period in which the estimate is reviewed, and in any future period affected.

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

Information on critical judgment in the application of accounting policies which have the most important effect on the consolidated financial statements is to be found in:

- Notes 2(d) and 4 – Estimates of impairment of accounts receivable.
- Note 11 - Classification of investment properties.
- Note 16 – Estimates of provisions.

3. Cash and Cash Equivalents

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Cash	333.737	42.704
Banks	378.241	578.601
Savings accounts	5.909.452	4.566.455
Unit funds	7.378.913	7.984.468
Trust rights	3.382.311	268.700
	<u>\$ 17.382.654</u>	<u>13.440.928</u>

The increase in trust rights was due to the placement of cash in the unit fund Fondo de Inversión Colectiva Superior for \$43,335,771.

At March 31, 2018 and December 31, 2017, there are no restrictions on cash and cash equivalents, and there is no impairment.

4. Accounts Receivable

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Customers (1)	13.716.035	11.158.344
Income receivable	8.186.463	7.613.998
Receivable from employees	590.601	621.900
Doubtful accounts	1.823.209	1.749.244
Impairment (2)	<u>(2.474.075)</u>	<u>(2.215.513)</u>
	<u>\$ 21.842.233</u>	<u>18.927.973</u>

(1) The increase in accounts receivable is mainly due to invoices due from customers of the Parent for participation in fairs and events such as the Bogotá International Fair for \$1,577,347 the International Book Fair for \$1,108,368.

(2) The variation in the impairment provision during the period was as follows:

	Impairment
Balance at December 31, 2016	\$ 1.564.952
Impairment of receivables	956.790
Recoveries	<u>(306.229)</u>
Balance at December 31, 2017	<u>2.215.513</u>
Impairment of receivables	591.851
Income from recovery of impairment	<u>(333.289)</u>
Balance at March 31, 2018	<u>\$ 2.474.075</u>

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

5. Inventories

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Raw materials	63.272	42.577
Goods not made by the business	40.857	38.357
Materials spares and accessories	781.537	896.068
Packaging and filling	73.192	57.837
	<u>\$ 958.858</u>	<u>1.034.839</u>

Inventories held by the Parent and Subsidiary Corferias Inversiones S.A.S. are high-rotation items and are part of the finished product at point of sale such as raw materials, disposables, packaging, materials, spares and accessories and working clothing and implements; they are measured at cost and therefore, not the object of impairment.

At March 31, 2018 and December 31, 2017, inventories are measured at the lower of cost and realizable value.

At March 31, 2018 and December 31, 2017, there are no restrictions on inventories.

6. Other non-financial assets

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Advances (1)	\$ 11.271.308	241.544
Prepaid expenses - insurance	239.799	291.682
Other	223.685	235.122
	<u>\$ 11.734.792</u>	<u>768.348</u>

(1) The main increase is due to advance payments of the Parent to Constructora Conconcreto for the construction of the Hotel Project and the Active Border, they form part of the normal course of operations as Delegated Administrator.

At March 31, 2018 and December 31, 2017, other non-financial assets are not deteriorated.

7. Other financial assets and investments in associates

Other financial assets:

	<u>31 de marzo de 2018</u>	<u>31 de diciembre de 2017</u>
Alpopular Almacén General de Depósitos S.A.	\$ 13.373.749	13.373.749
La Previsora S.A. Compañía de seguros	385.620	385.620
Centro de Ferias y Exposiciones de Bucaramanga	174.448	174.448
Acerías Paz del Río S.A.	17	17
Operador Hotelero Pactia Corferias S.A.S.	600	-
	<u>\$ 13.934.434</u>	<u>13.933.834</u>

These are investments in financial instruments where the Parent has no control or significant influence; in Alpopular Almacén General de Depósitos S.A., La Previsora S.A. Compañía de Seguros; which are recognized at fair value through OCI. Further, interests in Centro de Exposiciones y Convenciones de Bucaramanga and in Acerías Paz del Río S.A., are recognized at cost.

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Investments in associates-CICB	\$ <u>63.942.754</u>	<u>63.998.057</u>

At March 31, 2018, the Parent had an investment in associates, given the influence it exercises over Patrimonio Autónomo Centro Internacional CICB. The escrow was formed to manage funds provided by the Bogotá Chamber of Commerce, Fontur and the Parent, for development of the AGORA international convention center. To date, the Parent has an interest of 18.94% in the escrow.

The following is a summary of the financial position of entities in which there are equity-method interests at March 31, 2018 and 2017:

2018

Entity	% interest	Registered offices	Assets	Liabilities	Income	Expenses	Net profit
Patrimonio Autónomo Centro de Convenciones CICB	19%	Calle 67 7 - 37, Bogotá, Colombia	355,380,616	17,751,635	36,870	113,573	(76,703)

2017

Entity	% interest	Registered offices	Assets	Liabilities	Income	Expenses	Net profit
Patrimonio Autónomo Centro de Convenciones CICB	19%	Calle 67 7 - 37, Bogotá, Colombia	348.542.338	17.153.644	14.221	58.422	(44.201)

8. Intangibles

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Intangibles-trademarks acquired	13.937.323	12.769.723
Software	2.757.362	3.221.062
Accumulated amortization	<u>(2.676.013)</u>	<u>(2.594.629)</u>
\$	<u>14.018.672</u>	<u>13.396.156</u>

The increase in the first quarter of 2018 is mainly due to the Parent's acquisition of the trademark Expoagrofuturo for \$1,167,600.

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

9. Property and Equipment

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Land	234.003.546	234.003.546
Construction in progress (1)	57.093.472	52.217.461
Buildings	168.389.930	168.354.483
Machinery and equipment	11.615.017	11.482.022
Office equipment	6.972.053	6.826.145
Computer and communications equipment	8.190.262	6.301.753
Transport fleet and equipment	265.804	265.804
Accumulated depreciation	(20.372.381)	(18.850.439)
	<u>\$ 466.157.703</u>	<u>460.600.775</u>

(1) Construction in progress increased with work on the Active Border for \$3,179,614 and the Hotel Project offices for \$1,068,167.

(2) The increase is due to the acquisition of the active equipment system, RTLS and WIFI for Ágora – Centro de Convenciones.

10. Investment Properties

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Investment property - land	\$ 27.000.000	27.000.000
Investment property - construction in progress (1)	126.812.023	119.716.158
	<u>\$ 153.812.023</u>	<u>146.716.158</u>

(1) During 2018 and as part of commitments in the investors' agreement, the Hotel made progress of \$7,09,865.

11. Financial Debt

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Short term, financial debt	3.288.334	8.126.250
Long-term financial debt	71.501.666	48.963.750
	<u>\$ 74.790.000</u>	<u>57.090.000</u>

The increase comes mainly from loans taken by Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca from Banco Popular for \$8,600,000 at IBR+1.20% quarterly in arrears in March and from the Bogotá Chamber of Commerce at IBR+1.30% quarterly in arrears for 7 years for \$36,000,000 to finance investments plans and operations. There was also a lower level of amortization of existing loans in the Parent and Subsidiary Corferias Inversiones SAS with Banco AV Villas por \$14,475,000 and Banco Popular for \$12,425,000.

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

12. Accounts payable and tax provisions

a) Accounts Payable

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Domestic	835.551	1.088.157
Foreign	-	-
Contractors	2.978.912	5.122.184
Costs and expenses payable	17.706.722	19.575.439
Dividends and other capital yields payable (1)	11.611.033	235.756
Tax withholdings	418.148	1.570.427
Sales tax withheld	62.348	-
Turnover tax	22.113	136.600
Payroll withholdings and contributions	340.141	209.646
Sundry creditors	248.825	100.361
Salaries payable	22.043	41.339
Long-term severance accrual	56	777.274
Interest on severance accrual	722	93.634
Long-term holiday accruals	333.521	383.449
Discretionary benefits	159.412	166.613
Employment liabilities (2)	754.681	-
Tax liabilities	4.717	-
Withholdings from third parties on contracts	641.149	589.032
	<u>\$ 36.140.094</u>	<u>30.089.911</u>

(1) Accrual of dividends payable for \$11,375,570 against 2017 profits, originated in the profits of 2017, declared at AGM No. 92 of March 22, 2018.

(2) Corresponds to accrued provisions for employment benefits.

b) Tax liabilities

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Income and related taxes	<u>2.051.129</u>	<u>2.114.055</u>

13. Employee benefits and other provisions

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Retirement pension	<u>\$ 2.083.888</u>	<u>2.074.888</u>

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Estimated Liabilities and Provisions	<u>\$ 2.578.758</u>	<u>2.578.758</u>

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

14. Other liabilities

a) Other financial liabilities

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Deposits received on fairs and events (1)	\$ 5.573.359	2.997.792
Income received for third parties (2)	661.552	1.030
	<u>\$ 6.234.911</u>	<u>2.998.822</u>

(1) The increase in deposits received consists mainly of reservations for fair and event participation made by exhibitors in events such as the fair Alimentec for \$626,009, Feria del Hogar for \$401,138, the event Líderes Ecopetrol por \$378.161 and the Bogotá International Fair for \$352.402. These funds are applied when the exhibitor is billed for taking part in the Fair.

(2) Income received from third parties increased mainly due to the execution of the mandate to hold the Fair Fadja 2018 for \$699,684.

b) Other Non-Financial Liabilities

• **Short-term**

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Rent	42.050	42.050
Other (1)	17.058.481	7.881.323
	<u>\$ 17.100.531</u>	<u>7.923.373</u>

• **Long term**

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Deposits received for project management	\$ 112.412.164	102.584.077

(1) Correspond to revenues from advance payments by international exhibitors for \$6,559,652 and domestic exhibitors for \$1,312,345. These payments are made in advance to set aside space for participation in fairs and events. These advance revenues are applied when the fair or event is held in the ordinary cycle of business.

(2) The increase in deposits received for the management of projects corresponds to funds received by the Parent from P.A. Pactia as investor in the Hotel project for \$9,828,087 in the first quarter of 2018.

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

15. Reserves

	<u>March 30, 2018</u>	<u>December 31, 2017</u>
Legal Reserve	839.830	839.830
Occasional Reserves	97.801.342	86.409.736
	<u>\$ 98.641.172</u>	<u>87.249.566</u>

At the AGM of the Parent and Subsidiaries held on March 22, 2018, it was decided to increase voluntary reserves by \$11,391,606.

16. Revenues

a) Ordinary income

	<u>January 1 March 31, 2018</u>	<u>January 1 March 31, 2017</u>
Food and Beverages	571.192	594.635
Real Estate, Corporate and Leasing Activities (1)	4.980.381	1.841.966
Entertainment and leisure (2)	10.880.135	5.915.462
	<u>\$ 16.431.708</u>	<u>8.352.063</u>

(1) During the first quarter of 2018 the event that caused the variation was the holding of Congressional Elections.

(2) In the first quarter of 2018 the main contributors to income were Muestra Industrial del Mueble y Madera, Alianzas y Otros Patrocinios, Vitrina Turística ANATO the Election Vote-counts conducted in Puerta de Oro.

b) Other income

	<u>January 1 March 31, 2018</u>	<u>January 1 March 31, 2017</u>
Commissions	9.602	11.282
Recoveries (1)	480.523	257.584
Indemnities	4.139	8.330
Others revenues	24.812	14.435
	<u>\$ 519.076</u>	<u>291.631</u>

(1) During the first quarter of 2018 income was recognized for a reversal of receivables impairment for \$333,289; and for 2017, for \$125,178. Other expenses of \$147.234 were recovered.

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

c) Financial income

	<u>January 1</u> <u>March 31,</u> <u>2018</u>	<u>January 1</u> <u>March 31,</u> <u>2017</u>
Interest	11.882	9.219
Savings account interest	96.262	33.078
Interest in funds	65.963	1.720
Exchange difference	105.285	119.033
Discounts	18.834	58.556
	<u>\$ 298.226</u>	<u>221.606</u>

17. Expenses

a) Overhead

	<u>January 1</u> <u>March 31,</u> <u>2018</u>	<u>January 1</u> <u>March 31,</u> <u>2017</u>
Payroll	4.631.147	4.756.531
Fees	254.631	308.770
Taxes	3.242.706	302.099
Leases	56.786	97.785
Contributions and affiliations	93.263	80.374
Insurances	103.117	76.480
Services	1.102.542	885.845
Legal Expenses	26.386	5.557
Maintenance and repairs	341.799	288.423
Compliance and Installation	362.764	457.154
Travels expenses	40.697	27.180
Depreciations	1.522.716	1.377.757
Amortizations	425.081	398.152
Sundry	403.567	408.553
Other	1.698.283	1.356.657
	<u>\$ 14.305.485</u>	<u>10.827.317</u>

- (1) Overhead increased in the first quarter of 2018 compared to 2017 mainly due to the rise in the Parent's property tax liability for a total of \$2,787,837.
- (2) Corresponds to a receivables impairment expense of \$591,851 for 2018 and for \$376,508 in 2017 \$376.508. There were also expenses incurred in the events Lego Fun Fest Bogotá, the Congressional Elections and the Procolombia Macro-round, amongst others.

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

b) Selling expenses

	<u>January 1</u> <u>March 31,</u> <u>2018</u>	<u>January 1</u> <u>March 31,</u> <u>2017</u>
Empleyes expenses	1.099.087	839.842
Taxes	2	-
Fees	78.520	56.959
Leases	307.330	123.328
Contributions and affiliations	-	407.081
Insurances	5.242	1.572
Services	855.972	721.161
Legal Expenses	2.244	3.151
Maintenance and repairs	13.207	14.102
Compliance and Installation	269.077	558.535
Travels expenses	69.366	20.316
Sundry	370.961	329.708
Other	1.713.280	148.082
	<u>\$ 4.784.288</u>	<u>3.223.837</u>

Selling expenses have increased mainly due to the cost of services acquired to hold the Fair Muestra Industrial del Mueble y la Madera 2018 for \$1,166,064. There were also expenses incurred in events held in ÁGORA.

c) Other expenses

	<u>January 1</u> <u>March 31,</u> <u>2018</u>	<u>January 1</u> <u>March 31,</u> <u>2017</u>
Sale Losses and removal of assets	3.186	-
Costs and expenses of previous years	47.506	33.832
Taxes assumed	5.254	23.375
Sundry (1)	210.989	14.034
	<u>\$ 266.935</u>	<u>71.241</u>

(1) Other expenses increased mainly due to the Parent's donation of \$200 in January 2018 to the company Bogotá y Cundinamarca Convention Bureau.

d) Financial expense

	<u>January 1</u> <u>March 31,</u> <u>2018</u>	<u>January 1</u> <u>March 31,</u> <u>2017</u>
Bank charges	470	38
Commissions	47.544	39.779
Interest	218.818	292.760
Exchange difference	311.563	209.772
Others	4.511	2.947
	<u>\$ 582.906</u>	<u>545.296</u>

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

Financial expenses increased due mainly to the exchange difference on foreign currency receivables, caused by a fall in the dollar/peso Market Reference Rate.

e) Income tax expense

The income tax expense is recognized on the basis of the best estimate that management can make of current and deferred tax accounts. The effective tax rate for continuous operations in the quarter ended on March 31, 2018 was (16.90%), due to the book and tax loss recorded for the period in the Parent and the Subsidiary Corferias Inversiones S.A.S.

The income tax expense corresponds to an update of deferred tax in the Parent and Subsidiary of \$502,106 and current tax in the Subsidiary Corferias Inversiones S.A.S. for \$4,717.

At March 31, 2017 there was nin income tax expense, since both the Parent and the Subsidiary reported tax losses.

f) Entities result for the period

	<u>January 1</u> <u>March 31,</u> <u>2018</u>	<u>January 1</u> <u>March 31,</u> <u>2017</u>
Equity method loss	\$ 55.303	8.400

The balance for the first quarter of 2018 is represented by the expense in the application of the equity method for the interest in Patrimonio Autónomo Centro Internacional CICB.

18. Related Parties

The following is the detail of accounts receivable from related parties:

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Controlling intrerest	\$ 56.828	127.673
Key management personnel	203.906	203.201
Associate (1)	346.066	1.922.612
Subsidiaries	1.733	-
Shareholders	795.362	515.878
	<u>\$ 1.403.894</u>	<u>2.769.364</u>

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

- (1) The reduction corresponds to the payment of the urban demarcation tax for the property on which Patrimonio Autónomo del Centro Internacional de Convenciones de Bogotá – Ágora is being built.

The following is the details of the accounts payable to related parties:

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Controlling intrerest (1)	\$ 45.273.921	696.447
Capital interest	1.333	-
Key management personnel	66.015	257.751
Directors	20.151	-
Subsidiaries	3.149	1.062
Shareholders (2)	<u>2.515.047</u>	<u>437.866</u>
	<u>\$ 47.879.616</u>	<u>1.393.126</u>

- (1) The balance at March 31, 2018 is mainly due to a loan of \$36,000,000 and dividends of \$9,071,408.
- (2) The balance at March 31, 2018 consists mainly dividends payable to minority shareholders of \$2,304,102.

Services received, operations with related parties

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Controlling intrerest	\$ 3.714	3.037
Key management personnel	659.980	794.111
Capital interest	3.359	3.618
Subsidiaries	51.790	63.930
Directors	108.606	95.573
Shareholders	<u>108.285</u>	<u>-</u>
	<u>\$ 935.734</u>	<u>960.269</u>

Ingresos de actividades ordinarias procedentes de la prestación de servicios, transacciones con partes relacionadas:

	<u>March 31, 2018</u>	<u>March 31, 2017</u>
Controlling intrerest	\$ 48.063	4.774
Capital interest	1.279	-
Subsidiaries	910	-
Shareholders	<u>952.952</u>	<u>-</u>
	<u>\$ 1.003.204</u>	<u>4.774</u>

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND
SUBSIDIARIES**

Notes to the Condensed Interim Consolidated Financial Statements

Investments, operations with related parties:

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Associate	\$ 63.998.057	63.998.057
Capital interest	11.394.478	13.373.749
	<u>\$ 75.392.535</u>	<u>77.371.806</u>

19. Contingencies

There were no changes in contingencies during the first quarter.

The Parent had the following contingencies to March 31, 2018:

Trademark registration processes for Agroexpo, the International Book Fair and Meditech.

Tax and legal litigation with the tax authority DIAN for Income Tax assessments for 2009.

Labor claims in the courts, in which plaintiffs claim that they each had an employment relationship with Corferias and that it should have been governed by a contract of employment and therefore Corferias should be ordered to pay their claims.

The Subsidiaries had no contingencies at March 31, 2018.

20. Subsequent events

There were no events subsequent to March 31, 2018 and the date of the Statutory Auditor's Report that could have an impact on the condensed interim consolidated financial statements.

21. Approval of the Condensed Interim Consolidated Financial Statements

The condensed interim consolidated financial statements at March 31, 2018, attached, were approved by the Legal Representative and the Chief Accountant on May 11, 2018.