

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

Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2017 and December 31, 2016

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, which comprise:

- The consolidated condensed interim statements of financial position at September 30, 2017;
- The consolidated condensed interim statements of comprehensive income, three and nine months period ended September 30, 2017;
- The consolidated condensed interim statements of changes in equity nine months ended September 30, 2017; 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 September 30, 2017, 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.

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:

November 10, 2017

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) at September 30, 2017 which include the condensed interim statements of financial information of Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca, which comprise:

- The consolidated condensed interim statements of financial position at September 30, 2017;
- The consolidated condensed interim statements of comprehensive income, three and nine months period ended September 30, 2017;
- The consolidated condensed interim statements of changes in equity nine months ended September 30, 2017; 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 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 prepared, in all material aspects, in accordance with accounting and financial information standards accepted in Colombia and the instructions of the Colombian Financial Superintendency (Superintendencia Financiera de Colombia).

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:
November 10, 2017

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Consolidated condensed interim statements of financial position
 At September 30, 2017
 (Figures expressed in thousands of Colombian pesos)

	Note	September 30, 2017	December 31, 2016
ASSETS			
Current assets			
Cash and cash equivalent	3	\$ 13.326.109	5.583.759
Other financial assets		-	100.047
Accounts receivable	4	25.775.057	20.684.654
Tax assets		3.657.510	18.442
Inventories	5	787.928	706.144
Other non-financial assets	6	<u>15.925.184</u>	<u>594.085</u>
Total current assets		<u>59.471.788</u>	<u>27.687.131</u>
Non-current assets			
Other financial assets	7	13.589.140	13.589.140
Investments in companies	7	64.990.511	62.810.968
Intangibles	8	9.260.106	9.398.169
Property and equipment	9	450.756.570	454.301.275
Investment property	10	<u>91.145.929</u>	<u>27.000.000</u>
Total non-current assets		<u>629.742.256</u>	<u>567.099.552</u>
Total assets		\$ <u>689.214.044</u>	<u>594.786.683</u>
LIABILITIES			
Current liabilities			
Financial debt	11	7.857.166	4.400.000
Accounts payable	12	37.965.971	25.136.786
Tax liabilities	12	5.864.955	1.709.866
Employee benefits	13	2.027.000	2.000.000
Other financial debt	14	6.000.692	3.516.902
Other non-financial liabilities	14	<u>16.302.999</u>	<u>8.390.965</u>
Total current liabilities		<u>76.018.783</u>	<u>45.154.519</u>
Non-current liabilities			
Financial debt	11	20.635.000	13.200.000
Other provisions	13	2.398.435	2.398.435
Other non-financial liabilities	14	67.674.481	16.395.979
Deferred tax liability, net		<u>42.002.548</u>	<u>39.393.443</u>
Total non-current liabilities		<u>132.710.464</u>	<u>71.387.857</u>
Total liabilities		\$ <u>208.729.247</u>	<u>116.542.376</u>
EQUITY			
Capital		1.673.920	1.673.920
Share premium		43.451.721	43.451.721
Reserves	15	87.249.566	70.289.491
Accumulated profit	16	328.909.463	328.909.463
Result for the period		<u>19.200.127</u>	<u>33.919.712</u>
Total equity		\$ <u>480.484.797</u>	<u>478.244.307</u>
Total liabilities and equity		\$ <u>689.214.044</u>	<u>594.786.683</u>

See the notes that form an integral part of the consolidated condensed interim financial statements.

(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 y Exposiciones S.A.
 Usuario Operador de Zona Franca
 T.P. 165704 - T
 Member of KPMG S.A.S.
 (See my Report of november 10, 2017)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA Y SUBORDINADAS

Estado del Resultado Integral Intermedio Condensado Consolidado
 Por el periodo de tres y nueve meses terminados el 30 de septiembre de 2017
 (Cifras expresadas en miles de pesos)

	<u>Nota</u>	1 enero al 30 de septiembre de 2017	1 de enero al 30 de septiembre de 2016	1 de julio al 30 de septiembre de 2017	1 de julio al 30 de septiembre de 2016
Ingreso de actividades ordinarias	17	\$ 97.454.106	80.818.781	51.660.919	46.255.676
Costos de Ventas		<u>1.278.514</u>	<u>1.166.485</u>	<u>629.532</u>	<u>468.125</u>
Utilidad bruta		<u>96.175.592</u>	<u>79.652.296</u>	<u>51.031.387</u>	<u>45.787.551</u>
Otros ingresos	17	2.234.213	1.148.332	559.914	198.250
Gastos de administración	18	34.696.180	30.607.224	10.276.885	10.538.919
Gastos de ventas	18	36.995.372	29.661.451	19.397.858	15.731.023
Otros gastos	18	<u>265.143</u>	<u>489.604</u>	<u>74.919</u>	<u>198.615</u>
Utilidad por actividades operacionales		<u>26.453.110</u>	<u>20.042.349</u>	<u>21.841.639</u>	<u>19.517.244</u>
Ingresos financieros	17	846.423	1.091.971	264.978	471.434
Gastos financieros	18	1.556.392	1.217.511	658.431	413.031
Utilidad (Pérdida) en el resultado del período de entidades	18	<u>309.071</u>	<u>(68.831)</u>	<u>(43.058)</u>	<u>(6.094)</u>
Utilidad antes de impuestos		<u>26.052.212</u>	<u>19.847.978</u>	<u>21.405.128</u>	<u>19.569.553</u>
Gasto por impuesto a las ganancias	18	<u>6.852.085</u>	<u>2.839.114</u>	<u>6.689.947</u>	<u>2.839.114</u>
Resultado del ejercicio y resultado integral total		\$ <u>19.200.127</u>	<u>17.008.864</u>	<u>14.715.181</u>	<u>16.730.439</u>

Véase las notas que hacen parte integral de los estados financieros intermedios condensados consolidados.

Andrés López Valderrama
Representante Legal

Juan Carlos Sánchez
Contador Público
T.P. 102419 - T

Ana María Rodríguez Abella
Revisor Fiscal
Corporación de Ferias y Exposiciones S.A.
Usuario Operador de Zona Franca
T. P. 165704 - T
Miembro de KPMG S.A.S
(Véase mi informe del XX de noviembre de 2017)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARY
Consolidated condensed interim statements of changes in equity

Nine months ended September 30, 2017

(Figures expressed in thousands of Colombian pesos)

	<u>Note</u>	<u>Paid Capital</u>	<u>Share premium</u>	<u>Reserves</u>	<u>Accumulated profits</u>	<u>Result for the period</u>	<u>Total equity</u>
Balance as of December 31, 2015		\$ 1.673.920	43.451.721	54.245.620	329.058.705	32.086.772	460.516.738
Cash dividend declared of \$95,90 per share, on 167.287.797 subscribed and paid shares; paid in April and October 2016		-	-	-	-	(16.042.900)	(16.042.900)
Appropriated to mandatory and occasional reserves		-	-	16.043.872	-	(16.043.872)	-
Movement in the period	16	-	-	-	(149.242)	-	(149.242)
Result for the period		-	-	-	-	17.008.864	17.008.864
Balance as of September 30, 2016		<u>\$ 1.673.920</u>	<u>43.451.721</u>	<u>70.289.492</u>	<u>328.909.463</u>	<u>17.008.864</u>	<u>461.333.460</u>
Balance as of December 31, 2016		\$ 1.673.920	43.451.721	70.289.491	328.909.463	33.919.712	478.244.307
Cash dividend declared of \$101,38 per share, on 167.287.797 subscribed and paid shares; paid in April and October 2017		-	-	-	-	(16.959.637)	(16.959.637)
Appropriated to mandatory and occasional reserves	15	-	-	16.960.075	-	(16.960.075)	-
Result for the period		-	-	-	-	19.200.127	19.200.127
Balance as of September 30, 2017		<u>\$ 1.673.920</u>	<u>43.451.721</u>	<u>87.249.566</u>	<u>328.909.463</u>	<u>19.200.127</u>	<u>480.484.797</u>

See the notes that form an integral part of the consolidated condensed interim financial statements.

(Original in spanish signed)
 Andrés López Valderrama
 Legal Representative

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 Juan Carlos Sánchez
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 Usuario Operador de Zona Franca
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 Member of KPMG S.A.S.
 (See my Report of november 10, 2017)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARIES
Consolidated condensed interim statements of cash flows
 Nine months ended September 30, 2017
 (Figures expressed in thousands of Colombian pesos)

	<u>Note</u>	<u>Nine months periodo ended September 30, 2017</u>	<u>Nine-months periodo ended September 30, 2016</u>
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		\$ 19,200,127	17,008,864
Reconciliation between the profit for the year and net cash provided by operating activities:			
Depreciations	18	4,241,733	3,686,789
Amortization	18	1,232,743	749,034
Impairment accounts receivable, net	4	484,171	407,471
Provision of contingents		-	103,418
Sale Losses and removal of assets	18	961	45,458
Recovery of provision for accounts payable	17	(293,143)	(7,447)
(Profit) Loss equity method	18	(309,071)	68,831
		<u>24,557,521</u>	<u>22,062,418</u>
Changes in operating items:			
Increase in accounts receivable		(5,574,574)	(10,924,045)
Increase in Inventories		(82,745)	(333,307)
Increase in other non-financial assets		(15,331,099)	(2,803,405)
Increase net tax		898,672	940,202
(Decrease), increase in accounts payable		(2,016,102)	2,081,115
Increase in employee benefits		27,000	27,000
Increase in other financial liabilities		2,483,790	3,022,958
Increase in other non-financial liabilities		59,190,536	10,857,665
Increase in deferred taxes, net		2,609,105	-
Payment of income tax		(382,651)	(1,620,558)
NET CASH PROVIDED BY OPERATING ACTIVITIES		<u>66,379,453</u>	<u>23,310,043</u>
CASH FLOWS FROM INVESTMENTACTIVITIES			
Decrease in other current financial assets		100,047	700,000
Increase in investments	7	(1,870,472)	(125,657)
Increase in investment properties		(64,145,929)	-
Purchase of intangibles	9	(1,094,680)	(1,494,450)
Purchase of property and equipment	10	(697,028)	(14,505,591)
NET CASH USED IN INVESTING ACTIVITIES		<u>(67,708,062)</u>	<u>(15,425,698)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in Financial Obligations	12	10,892,166	(509,407)
Dividends paid in cash		(1,821,207)	(1,710,093)
NET CASH PROVIDE (USED) IN FINANCING ACTIVITIES		<u>9,070,959</u>	<u>(2,219,500)</u>
NET INCREASE IN CASH		7,742,350	5,664,845
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIODO		<u>5,583,759</u>	<u>10,092,900</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD		<u>\$ 13,326,109</u>	<u>15,757,745</u>

See the notes that form an integral part of the consolidated condensed interim financial statements.

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 Andrés López Valderrama
 Legal Representative

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 T. P. 165704 - T
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 (See my Report of November 10, 2017)

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

Notes to Condensed Consolidated Interim Financial Statements

At September 30, 2017

(Amounts expressed in thousands of Colombian pesos)

1. Reporting entity

("the Parent") 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 December 31, 2016 includes 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 thousand 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 X, the company changed its name from Corporación de Ferias y Exposiciones S.A., **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.

2. Basis of preparation of Condensed Consolidated Interim Financial Statements

(a) Technical standards framework

The condensed consolidated interim 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. 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 interim consolidated financial statements do not include all the information and disclosures required for an annual statement, and they must therefore be read in conjunction with the financial statements at December 31, 2016, published on the website www.corferias.com in the investors section. According to IAS34, the accounting policies used for interim periods are the same as those applied to prepare the annual statements.

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

(b) Basis of measurement

The condensed consolidated interim 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; 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) Significant Accounting Estimates and Judgment

The preparation of the condensed consolidated interim 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.

Information on critical judgment in the application of accounting policies which have the most important effect on the interim separate financial statements relates to the impairment of value of financial assets, depreciation and amortizations.

3. Cash and cash equivalents

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Cash	193.354	33.110
Banks	1.792.297	742.069
Savings accounts	3.661.993	2.659.447
Colective Investment Funds	7.647.436	45.463
Trust rights	31.029	2.103.670
	<u>\$ 13.326.109</u>	<u>5.583.759</u>

The variation in cash is mainly represented by the decrease in trust rights from Banco Popular by \$ 1.080.000 and in Fiduciaria Davivienda by \$ 5.463.000 and an increase in the Money placement in the Superior open unit trust fell by \$4.690.935. Likewise, both banks and savings accounts presented an increase for payments received from customers for participation in the different fairs and events such as Feria del Hogar, Belleza y Salud, Gran Salón Inmobiliario and F-air, which are being carried out during the second semester of 2017. Finally, the funds increased in the month of September 2017, since the parent made a turn to the collective investment fund constituted by Patrimonio Autónomo Corferias for the acquisition of the neighboring properties Agora's Convention Center for \$ 6.040.304. Once the properties have been acquired, they will be contributed to the patrimonio autónomo CICB.

At September 30, 2017 and December 31, 2016 there are not restrictions on cash and cash equivalents and either impairment of cash and cash equivalents.

4. Accounts receivable

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Customers (1)	16.774.741	13.328.024
Income receivable (2)	9.329.893	7.482.090
Receivable from employees	671.898	499.392
Doubtful accounts	1.047.648	940.100
Impairment	(2.049.123)	(1.564.952)
	<u>\$ 25.775.057</u>	<u>20.684.654</u>

- (1) The increase in costumers is mainly due to customer invoices issued in advance of participation in fairs such as Colombia 4.0 by \$969.810, Feria del Hogar by \$637.997, Convención Gano Excel by \$451.994 y F-Air by \$422.181. In addition, it increased by alliances and sponsorships by \$\$851.227 and Sabor Barranquilla to be held in Puerta de Oro by \$286.198.
- (2) The increase in incomes receivable is due to the recognition of progress from fairs and events that have not yet been executed in the proportion of the expenses incurred for their commercialization for \$979.799 and recognition of incomes pending billing for \$750.000.
- (3) The variation in the impairment provision against accounts receivable in the period was as follows:

Impairment

	Impairment
Balance at December 31, 2015	\$ 923.916
Receivables impairment	922.844
Recoveries	(281.808)
Balance at December 31, 2016	<u>1.564.952</u>
Receivables impairment	755.371
Recoveries	(271.200)
Balance at September 30, 2017	<u>\$ 2.049.123</u>

5. Inventories

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Raw materials	70.490	35.081
Goods not manufactured by the company	23.002	21.343
Materials, spares and accessories	650.476	614.000
Containers and packaging	43.960	35.720
	<u>\$ 787.928</u>	<u>706.144</u>

Inventories held by the Parent and subsidiaries are high-rotation items and form part of a finished product at points of sale, such as raw material, disposables, packaging, materials, spares, accessories and work clothing: they are measured at cost and are therefore not the object of impairment.

At September 30, 2017 and December 31, 2016, inventories were measured at the lower of cost and realizable value.

At September 30, 2017 and December 31, 2016 there were no restrictions on inventories.

6. Other non-financial assets

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Prepaid expenses	\$ 15.925.184	594.085

The main increase corresponds to the transfer of advances to Constructora Concreto by 13.871.785 for the construction of the Hotel Project and Active Edge, which are legalized in the ordinary course of its operation as Delegate Administrator. Additionally, there is an increase in advances paid to suppliers such as Sueño Estereo S.A.S and Zurich de Occidente S.A. by \$ 880.177 from the parent.

At September 30, 2017 and December 31, 2016, other non-financial assets are not impaired.

7. Other financial assets and investments in companies

Other financial assets

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Alpopular Almacén General de Depósitos S.A.	10.334.261	10.334.261
La Previsora S.A. Compañía de Seguros	3.080.415	3.080.415
Centro de Ferias y Exposiciones de Bucaramang	174.448	174.448
Acerías Paz del Río S.A.	16	16
	<u>\$ 13.589.140</u>	<u>13.589.140</u>

The other financial assets are investments in Alpopular Almacén General de Depósitos S.A., La Previsora S.A. Compañía de Seguros, and Centro de Exposiciones y Convenciones de Bucaramanga. They are financial instruments in which Corferias has not control or significant influence. Initial and subsequent measurements are recognized at cost.

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Investments in associates-CICB	\$ 64.990.511	62.810.968

Patrimonio Autónomo Centro de Convenciones CICB

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Assets	\$ 342.482.355	257.510.570
Liabilities	25.747.127	14.418.833
Equity	316.735.228	243.091.737
Total assets	<u>342.482.355</u>	<u>257.510.570</u>
Total liabilities+Total equity	<u>\$ 342.482.355</u>	<u>257.510.570</u>

At September 30, 2017, the Parent has an investment in associates given the significant influence that it has over Patrimonio Autónomo Centro Internacional CICB, an escrow set up for the administration of funds delivered by the Cámara de Comercio de Bogotá, Fontur and the Corporación, to the development of Centro Internacional de Convenciones de Bogotá-AGORA. The value of the investment increased during the semester by contributions made by the Corporation for \$ 1.865.349 and by the recognition of the equity method for \$ \$309.071. Currently, the parent has a stake in the Patrimonio Autónomo Centro Internacional CICB Heritage of 20.52%

8. Intangibles

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Intangibles-trademarks acquired	7.745.990	7.745.990
Software	2.059.701	1.953.612
Accumulated amortization	<u>(545.585)</u>	<u>(301.433)</u>
	<u>\$ 9.260.106</u>	<u>9.398.169</u>

The reduction in intangibles is due to the amortization of computer programs and trademarks acquired by the Parent.

9. Property and equipment

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Properties	234.003.546	234.003.546
Construction in progress (1)	42.282.474	44.757.334
Construction and buildings	168.298.996	168.251.636
Machinery and equipment (2)	10.630.010	9.811.861
Office equipment	6.841.245	6.005.823
Computer and communications equipment (3)	5.803.774	4.332.817
Transport fleet and equipment	265.805	265.805
Accumulated depreciation	<u>(17.369.280)</u>	<u>(13.127.547)</u>
	<u>\$ 450.756.570</u>	<u>454.301.275</u>

(1) The constructions in progress have a decrease derived especially the transfer of the construction in progress of the Hotel project to investment property for \$ 64.145.929 and in turn the increase in the projects of the Active border project for \$ 9.810.711 and Project Offices Hotel by \$ 12.140.524.

(2) The increase is mainly represented by acquisitions for Puerta de Oro by \$ 560.824.

(3) The increase corresponds to the acquisition of Next Generation Firewall solution servers to guarantee the computer security of the parent company.

10. Investment properties

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Investment property - land	\$ 27.000.000	\$ 27.000.000
Investment property - construction in progress	64.145.929	-
	<u>\$ 91.145.929</u>	<u>\$ 27.000.000</u>

During 2016, the Parent made an investment agreement with an escrow P.A. Pactia S.A.S., formed to build, develop, start up and operate the Hotel Project. Consequently, it contributed a plot of land worth \$27.000.000, according to a professional valuation made on July 21, 2016 which took account of the characteristics of the land and the use given to land in the area.

The evaluators were Borrero Ochoa y Asociados, experienced specialists in projects, valuations and consultancy and members of the Bogotá property exchange Lonja de Propiedad Raíz and the realtors' federation Fedelonjas. They have been working in this field for 17 years during which they have made some 196 valuations across the country. The valuation considers the book and market values of the land and the impact of the business node formed by the AGORA Convention Center, the Corferias Fair and Exhibition Center, its closeness to the airport and urban centers where property values are rising fast.

As of September 30, 2017, the investment property presented an increase due to the transfer of the construction in progress of the Hotel Project for a value of \$ 64.145.929.

11. Financial debt

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Short-term Financial Obligations	7.857.166	4.400.000
Long-term Financial Obligations	20.635.000	13.200.000
	<u>\$ 28.492.166</u>	<u>\$ 17.600.000</u>

The increase is due to 5-year loans taken from Banco Popular in February for \$2.000.000 at IBR+3,5%, \$1.400.000 IBR+3,4%, in may \$2.000.000 IBR+3,5, in September \$1.500.000 IBR+3,5% for the Oficinas Hotel Project and from AV Villas in January for \$5.500.000 at DTF+3,5% for the Hotel Project; and in February for \$2.000.000 at DTF+4% for Parent operations. On the other hand, the subsidiary took a loan for \$600.000 IBR+3,5% with Banco popular for 5 years to the development of the social object.

12. Accounts payable and tax liabilities

a) Accounts payable

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Local	892.642	960.055
Foreing	41.507	620.929
To Contractors	5.152.623	5.359.591
Costs and Account Payables	12.284.931	13.971.715
Dividends or Interests Payable	15.360.414	222.074
Final Tax Withheld at the Source	1.097.578	2.129.601
Withheld Sales Tax	108.160	-
Withheld Industry and Business Tax	75.013	126.289
Withholding and Payroll Contributions	284.452	70.476
Other Creditors	225.207	54.496
Accrued Wages	366	5.260
Consolidated Unemployment Fund	1.296	629.544
Unemployment Fund Interests	797	74.231
Consolidated Vacations	83.085	318.578
Extra-Legal Benefits	57.941	136.385
Laboral Obligation	1.708.479	-
Third-Party Retentions on Contracts	591.480	457.562
	<u>\$ 37.965.971</u>	<u>25.136.786</u>

The greater part of the increase is caused by the Dividends Payable account for \$16.959.637 taken from 2016 profits, as approved in AGM minute 091 of March 30, 2017. During the year, dividends have been paid in cash for \$ 1.821.207.

b) Tax liabilities

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Current Income Tax	-	151.497
Sales Tax Payable	1.392.424	1.032.581
Industry and Trade	278.084	350.001
Tourism tax	-	75.354
Public spectacles tax	-	1.987
National Consumption Tax	43.850	98.446
To fiscal obligation	4.150.597	-
	<u>\$ 5.864.955</u>	<u>1.709.866</u>

13. Other provision and employee benefits

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Provisions for Employee Benefits	<u>\$ 2.027.000</u>	<u>2.000.000</u>
	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Estimated Liabilities and Provisions	<u>\$ 2.398.435</u>	<u>2.398.435</u>

14. Other liabilities

a) Other financial liabilities

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Advance payments received (1)	5.197.702	3.479.670
Deposits received for trade fairs and events (2)	33.169	33.170
Third-party revenue (3)	769.821	4.062
	<u>\$ 6.000.692</u>	<u>3.516.902</u>

- (1) The increase in advances received is mainly due to exhibitors in fairs and events such as Artbo by \$741.009, SOFA by \$233.621, Feria Internacional de Animales by \$227.440 and Feria Industrial Caribe by \$73.326. The funds are applied when Corferias comes to invoice the exhibitor. All these liabilities are generated by and liquidated for fairs and events. Finally, it represents the advance paid for the sale of the Feria Mueble y Madera for \$ 1.025.000.
- (2) The increase in deposits received for Project management refers to funds received from P.A. Pactia as investor in the Hotel Project for \$51.278.502.
- (3) The third-party revenue increased by the execution of the mandate contracts for the realization of the ARTbo 2017 to be held by the parent company by \$931.033 and ARTbo weekends celebrated by the subsidiary for \$ 165.275

b) Other non-financial liabilities

- Short term

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Leasing	-	39.759
Others (1)	16.302.999	8.351.206
	<u>\$ 16.302.999</u>	<u>8.390.965</u>

- Long term

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Deposits received for trade fairs and events	<u>\$ 67.674.481</u>	<u>16.395.979</u>

- (1) Income received in advance: The most important group of these operations is formed by foreign exhibitors, for \$3.469.456 and local exhibitors for \$4.342.349. They are advance payments to secure spaces for participation in fairs and events. The income is passed to earnings when the fair or event is held in the ordinary cycle of Corferias business.
- (2) The increase in deposits received for project management corresponds to the resources received by P.A. Pactia as hotel project investors for \$ 51.278.501 during 2017.

15. Reserves

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Legal Reserve	839.830	839.830
Occasional Reserves	86.409.736	69.449.661
	<u>\$ 87.249.566</u>	<u>70.289.491</u>

The Annual General Meeting of the Parent and subsidiaries held on March 30, 2017 voted to increase occasional reserves by \$16.960.075.

16. Accumulated profit

No movement has been passed in 2017 for the process of convergence with IFRS. In 2016 the variation was caused by an adjustment to investments at cost, as follows:

	Movement
Balance at December 31, 2015	<u>329.058.705</u>
Investments adjustment	27.878
Deferred tax adjustment	(177.120)
Balance at December 31, 2016	<u><u>328.909.463</u></u>

17. Income

a) Ordinary income

	Nine-months period ended September 30, <u>2017</u>	Nine-months period ended September 30, <u>2016</u>	Three-months period ended September 30, <u>2017</u>	Three-months period ended September 30, <u>2016</u>
Food and Beverages	4.838.564	2.801.626	2.382.116	1.275.929
Real Estate, Corporate and	11.395.400	9.738.984	3.453.055	1.439.394
Entertainment and Recreation	81.220.142	68.278.171	45.825.748	43.540.353
	<u>\$ 97.454.106</u>	<u>80.818.781</u>	<u>51.660.919</u>	<u>46.255.676</u>

The fair and event activities are concentrated in the second half, the annual behavior of fairs and events depends on the type of economic sector. The matrix develops fairs of annual and biannual periodicity, obtaining better performance in the biannual fairs realized in the odd years; Where the construction, Farm, security and industrial sectors drive the best results.

Income from ordinary activities in 2017 has mainly been generated for Agro Expo by \$11.905.760, Expo construcción y Expo Diseño by \$11.590.659, Feria Internacional del Libro by \$8.515.605, Feria del Hogar by \$11.575.300, F-Air by \$5.333.058. In the subsidiary, the increase has been due to Sabor Barranquilla by \$1.144.843 and parking lots activities by \$2.303.820. Likewise, income has also been earned from Expo Vinos, Macro Rueda Procolombia, Asamblea de Accionistas Ecopetrol, Extravaganza Herbalife and the food and beverages services.

b) Other income

	Nine-months period ended September 30, 2017	Nine-months period ended September 30, 2016	Three-months period ended September 30, 2017	Three-months period ended September 30, 2016
Dividends and Participations	1.275.291	406.126	-	-
Profit in sale of properties and equi	-	1.309	-	1.309
Commissions	28.227	37.718	6.764	12.082
Recoveries	565.307	442.737	286.633	23.538
Compensations	284.664	16.110	216.021	4.898
Incomes from previous years	-	1.434	-	1.291
Others revenues	80.724	242.898	50.496	155.132
	<u>\$ 2.234.213</u>	<u>1.148.332</u>	<u>559.914</u>	<u>198.250</u>

During the year, dividends of \$ 1.275.291 were recognized. Likewise, a reimbursement of costs and expenses was generated for 2017 by \$271.200 and 2016 by \$7.447. Finally, a reimbursement of receivables was recognized in 2017 by \$180.551 and in 2016 by \$277.688.

c) Financial income

	Nine-months period ended September 30, 2017	Nine-months period ended September 30, 2016	Three-months period ended September 30, 2017	Three-months period ended September 30, 2016
Interest	30.042	40.768	10.666	12.916
Savings account interest	133.376	249.353	55.007	126.571
Interest in funds	23.428	-	20.270	-
Exchange difference	494.028	598.646	132.966	241.047
Discounts	165.549	203.204	46.069	90.900
	<u>\$ 846.423</u>	<u>1.091.971</u>	<u>264.978</u>	<u>471.434</u>

18. Expenses

a) Overhead

	Nine-months period ended September 30, <u>2017</u>	Nine-months period ended September 30, <u>2016</u>	Three-months period ended September 30, <u>2017</u>	Three-months period ended September 30, <u>2016</u>
Employes expenses	13.590.954	13.075.106	4.513.149	4.932.606
Fees	1.317.617	1.843.025	340.096	638.625
Taxes	3.989.041	3.212.647	962.226	781.270
Leases	1.004.288	334.614	164.714	66.841
Contributions and Registrations	384.886	430.061	127.955	207.936
Insurances	253.011	330.606	86.739	131.518
Services	3.261.196	2.839.125	1.008.942	881.332
Legal Expenses	58.515	38.758	23.011	16.747
Maintenance and repairs	1.080.932	871.726	400.861	311.870
Compliance and Installation	1.451.893	907.997	438.040	354.689
Expenditure and Travels	256.207	266.513	146.494	99.485
Depreciations	4.241.733	3.686.789	1.460.254	1.262.281
Amortizations	1.232.743	749.034	425.713	316.653
Assorted	1.354.646	1.209.651	335.837	601.240
Other	1.218.518	811.572	(157.146)	(64.174)
	<u>\$ 34.696.180</u>	<u>30.607.224</u>	<u>10.276.885</u>	<u>10.538.919</u>

b) Selling expenses

	Nine-months period ended September 30, <u>2017</u>	Nine-months period ended September 30, <u>2016</u>	Three-months period ended September 30, <u>2017</u>	Three-months period ended September 30, <u>2016</u>
Employes expenses	3.245.604	3.254.318	1.238.525	1.264.733
Taxes	111.320	1.706	79.350	1.706
Fees	1.273.770	1.082.093	816.767	680.988
Leases	777.680	573.077	420.715	356.782
Contributions and Registrations	3.173.497	1.546.994	1.631.548	622.364
Insurances	42.042	16.612	20.993	11.587
Services	10.294.315	8.286.257	5.945.315	5.081.930
Legal Expenses	69.951	40.826	53.977	37.757
Maintenance and repairs	193.054	137.401	129.579	56.158
Compliance and Installation	6.196.288	4.834.281	4.586.555	2.950.345
Expenditure and Travels	837.699	458.327	612.413	206.212
Assorted	2.316.217	1.519.433	1.290.327	776.889
Other	8.463.935	7.910.126	2.571.794	3.683.572
	<u>\$ 36.995.372</u>	<u>29.661.451</u>	<u>19.397.858</u>	<u>15.731.023</u>

Overhead increased during the year, mainly with respect to 2016, due to the events attended by the parent company and which should have been held at the Ágora Bogotá Convention Center. These expenses amount to \$ 2.026.516. In addition, a higher payment was made of taxes generated especially by the property tax of the taxable year 2017 of each of the properties. Finally, the impairment expense of the portfolio increased in 2017 to \$ 755.370 and in 2016 to \$ 801.286.

Selling expenses are represented for 2017 mainly by the contributions and affiliations originated in the payments made to the partners of the fairs that take place together such as the Colombian Chamber of Books with execution of the Feria Internacional del Libro by \$ 1.644.116, Unión Nacional de Asociaciones Ganaderas – UNAGA- with Agro Expo by \$720.134 y Asociación Colombiana de la Industria de la Comunidad Gráfica con Andigráfica by \$527.885. Additionally, the balance to 2017 for services is especially represented by advertising for \$ 4.420.707. Finally, the cost for adaptation and installation is generated especially in the F-Air fairs for \$ 3.006.725 and Agro Expo in \$ 1.313.112.

c) Other expenses

	Nine-months period ended September 30, 2017	Nine-months period ended September 30, 2016	Three-months period ended September 30, 2017	Three-months period ended September 30, 2016
Sale Losses and removal of assets	961	45.458	961	2.172
Extraordinary expenses	76.964	96.612	10.312	10.271
Other expenses	187.218	347.534	63.646	186.172
	<u>\$ 265.143</u>	<u>489.604</u>	<u>74.919</u>	<u>198.615</u>

d) Financial expense

	Six-months period ended September 30, 2017	Six-months period ended September 30, 2017	Three-months period ended September 30, 2017	Three-months period ended September 30, 2016
Bank charges	906	2.545	898	2.517
Commissions	267.775	159.188	127.682	92.062
Interest	714.962	227.594	215.625	110.403
Exchange difference	556.169	816.519	308.326	202.920
Others	16.580	11.665	5.900	5.129
	<u>\$ 1.556.392</u>	<u>1.217.511</u>	<u>658.431</u>	<u>413.031</u>

Financial expenses increased due to the servicing of interest on increased bank borrowings.

e) Tax expense

Income tax expense is recognized based on the management's best estimate of both current income tax and deferred income tax. The effective tax rate of the parent in respect of continuing operations for the three-month period ended September 30, 2017 was 31.25% (Three-month period ended September 30, 2016, 14.51%).

The variation of 16.75% in the effective tax rate originates mainly due to the following factors:

- ✓ The expense for the income tax as of June 2016 was not updated, since there is a fiscal loss. The adjustment was made to the September ended.

The effective tax rate of the parent with respect to continuing operations for the nine-month period ended September 30, 2017 was 26.30% (nine-month period ended September 30, 2016, 14.30%). The variation of 12% in the effective tax rate originates mainly due to the following factors:

- ✓ The expense for the income tax as of June 2016 was not updated, since there is a fiscal loss. The adjustment was made to the September ended.

	Nine-months period ended September 30, 2017	Nine-months period ended September 30, 2016	Three-months period ended September 30, 2017	Three-months period ended September 30, 2016
Current Income Tax	6.852.085	2.839.114	6.689.947	2.839.114
	<u>\$ 6.852.085</u>	<u>2.839.114</u>	<u>6.689.947</u>	<u>2.839.114</u>

f) Entity results for the period

	Nine-months period ended September 30, 2017	Nine-months period ended September 30, 2016	Three-months period ended September 30, 2017	Three-months period ended September 30, 2016
Profit (loss) participation method	<u>\$ 309.071</u>	<u>(68.831)</u>	<u>(43.058)</u>	<u>(6.094)</u>

The value for the first semester of 2017 shows profits from the equity method of valuation for Patrimonio Autónomo Centro Internacional CICB, for \$309.071.

19. Related parties

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

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Parent company	\$ 33.545	204.758
Key management personnel	174.621	213.437
Associate	<u>1.726.597</u>	<u>1.771.520</u>
	<u>\$ 1.934.763</u>	<u>2.189.715</u>

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

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Parent company	\$ 14.449.233	696.447
Key management personnel	32.405	338.055
Participated	<u>1.375</u>	<u>1.062</u>
	<u>\$ 14.483.013</u>	<u>1.035.564</u>

	Nine-months periodo ended september 30, 2017	Nine-months periodo ended september 30, 2017	Three-months periodo ended september 30, 2017	Three-months periodo ended september 30, 2016
Parent company	\$ 13.116	15.804	(1.262)	9.650
Key management personnel Participated	2.274.568	2.562.736	659.364	901.906
	<u>10.758</u>	<u>8.498</u>	<u>3.571</u>	<u>2.398</u>
	<u>\$ 2.298.442</u>	<u>2.587.038</u>	<u>661.673</u>	<u>913.954</u>

Incomes from ordinary activities arising from the provision of services, related party transactions:

	Nine-months periodo ended september 30, 2017	Nine-months periodo ended september 30, 2017	Three-months periodo ended september 30, 2017	Three-months periodo ended september 30, 2016
Parent company	\$ 139.090	678.789	133.316	173.227
Participated	1.239.674	406.964	4.521	406.964
Associate	<u>83.930</u>	<u>-</u>	<u>(352.129)</u>	<u>(406.407)</u>
	<u>\$ 1.462.694</u>	<u>1.085.753</u>	<u>(214.292)</u>	<u>173.784</u>

Investments, transactions with related parties:

	<u>september 30, 2017</u>	<u>December 31, 2016</u>
Associate	\$ 64.990.511	62.810.968
Participated	<u>10.334.261</u>	<u>10.334.261</u>
	<u>\$ 75.324.772</u>	<u>73.145.229</u>

20. Subsequent events

There were no subsequent situations between September 30, 2017 and the date of the Statutory Auditor's report, which may have an impact on the consolidated condensed interim financial statements.

21. Approval of the condensed consolidated interim financial statements

The consolidated condensed interim financial statements, which are attached as of September 30, 2017, were approved by the Legal Representative and Chief Accounting Officer.