



Corferias 2014 Management Report

60 Years Generating Opportunities and Progress

This is what we've been doing for the past 60 years.

What we wish to do starting today, moving beyond current limits with innovative ideas that foster development and competitiveness in the country, is even more important.



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

MANAGEMENT REPORT 2014



MANAGEMENT REPORT 2014

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CORFERIAS BOARD OF DIRECTORS

(2014 - 2015)

Gonzalo Echeverry Garzón

Chairman

María del Rosario Sintés Ulloa

Deputy Chairwoman

Principals

Gonzalo Echeverry Garzón
María del Rosario Sintés Ulloa (independent)
Mónica de Greiff Lindo
Jaime Mantilla García
Guillermo Botero Nieto
Enrique Vargas Lleras
Gilberto Gómez Arango (independent)
José Blackburn Cortés

Alternates

Luis Fernando Ángel Moreno
Carlos Mariño García (independent)
Martha Yaneth Veleño Quintero
Juan David Ángel Botero
Juan Diego Trujillo Mejía
Juan Luis Hernández Celis
Ricardo Duarte Duarte (independent)
Leonor Serrano de Camargo

Honorary

Oscar Pérez Gutiérrez
Reinhard Kling Bauer
Jorge Perdomo Martínez
Hernando Restrepo Londoño
Gonzalo Serrano Orejarena
Enrique Stellabatti Ponce

CORFERIAS STEERING COMMITTEE

Andrés López Valderrama
Executive Chairman

Mario Cajiao Pedraza

Deputy Chairman of Planning and Corporate Affairs

Roberto Vergara Restrepo

Director of International Business

Mauricio Paredes García

Administrative and Operations Deputy Director

Martín Camargo Pérez

Technical and Infrastructure Deputy Director

Marisol Suárez Laverde

Fair Deputy Director

Helena Vargas Angarita

Marketing Deputy Director

Liliana Oyuela Taborda

General Secretary

Alexandra Torres Asch

Sales and Marketing Manager Ágora Bogotá

Elizabeth Arias Ávila

Chief of Communications and Advertising

Lyda Paola Navas Lindo

Chief of Human Resource Management

Delia Inés Neira Bustos

Internal Auditor

BOARD OF DIRECTORS AND EXECUTIVE CHAIRMAN MANAGEMENT REPORT

In 2014, CORFERIAS completed 60 years of commitment to the economic and social development of Colombia. As the country progresses, the fair and exhibit center continues to exhibit productive science and the latest technologies, and promotes market innovation. This is why CORFERIAS is known as the most important International Exhibit and Business Center in the region's industry, a measure as to how the country grows in its purpose of closing the social and corporate gap at local, regional and global levels.

CORFERIAS' achievements are the obvious outcome of our parent's management - the Chamber of Commerce of Bogotá, and both of our respective Boards of Directors, as well as of the administrative work team, known for its commitment and innovative capabilities.

After 60 years, it becomes necessary to continue thinking about the future, and Corferias does not stop, it plans permanently, projects itself and achieves. This is the focus of our performance in favor of Colombian

entrepreneurs from every sector who use this business platform to progress and support the peaceful country we all hope for, with inclusion and progress.

Upon CORFERIAS' 60 year celebration, our Nations' President, Mr. Juan Manuel Santos Calderón awarded the Corporation with the Order of Industrial Merit under the Great Officer category through Decree 1863 from September 26, 2014.

This Management Report, framed under our 60 years, is directed towards the Corporation's Shareholders, and it highlights the most important achievements in 2014, the financial outcome, and the progress made in the implementation of the Entity's Master Development Plan.

Based on the directives of the Board of Directors and CORFERIAS' official's work, it was possible to achieve these results out of which we have chosen to mention the following:

1. MODERNIZATION

1.1. INFRASTRUCTURE

In compliance with the strategic objective of developing and managing the infrastructure to consolidate a new opportunity for the city, increasing its competitiveness and making it attractive as a destination for the business tourism sector, we continued performing strategic projects and actions to offer the business sector a business platform, with a better infrastructure and more opportunities to hold fairs, events and conventions.

In order to meet this goal, Corferias continued to execute its Master Development Plan, built to act as the main instrument for projecting development and a future vision of its

resources under the highest international standards.

This Master Plan is oriented towards consolidating a fair venue that strengthens its functionality and competitiveness, while remaining appealing and guided by principles of integration with the environment and the generation of new public spaces, its adaptability to enjoying proper access and mobility within the city, the use of synergies within the comprehensive corporate tourism chain, mitigation of negative impacts, sustainability and respect for the environment, becoming a generator of opportunities and a "trigger" for the sector's renovation.

1.1.1. REGULATION COMPLIANCE AND MANAGEMENT PLAN – PRM



The regulation compliance and management plans are planning instruments that set forth standards and mitigation measures that rule over the use of public land at zonal, urban or metropolitan levels.

Upon Resolution N. 0812 of October 12, 2007, the District Secretary of Planning adopted a Regulation Compliance and Management Plan for the Corporación de Ferias y Exposiciones S.A. Fair Facilities - CORFERIAS, that defined standards applicable to the lots and the different stages of execution for mitigation or attenuation tasks. It also established 4 stages for execution, and the term for using special standards until 2020 while conditioning application to the strict compliance of actions.

The first stage of execution ended in 2011, and the second stage was expected to be completed by December, 2014. However, Corferias requested enhancing PRM's action item schedule before the Office of the District Secretary, since the time for execution was

affected by exogenous conditions, and due to the response time of the District's Administration.

There was a positive result to this request, to comply with our vision of infrastructure and its strategic projects, and the new execution schedule was defined for each stage.

This response particularly considered extending the second stage from 2014 to 2018, including the forthcoming paragraph that allows suspending the program to comply with the stages until the District issues the necessary responses and definitions that will allow performing mitigation measures:

"PARAGRAPH 3°: "The term established in the program for this Regulation Compliance and Management Plan, shall be deemed suspended in the event of agreement or formalities required before the different District entities in furtherance of mitigation actions and other obligations, until they issue the corresponding response to continue with said actions of urban impact.

1.1.2. BOGOTA INTERNATIONAL CONVENTION CENTER - ÁGORA BOGOTÁ



The future Bogota International Convention Center - ÁGORA BOGOTÁ, is one of the most important projects to consolidate the Fair, Event and Exhibit Node, which together with the modern fair facilities and the Hotel, will hold the necessary equipment and infrastructure to offer a comprehensive platform to develop contacts between supply and demand, and the promotion of trade, fairs and events.

During 2014 we moved forward in the development and fine-tuning of architectural designs, details and technical studies that have allowed executing the project's construction activities.

The Chamber of Commerce of Bogotá selected Fidubogotá, a trust fund, to manage the project's independent equity. This decision will energize the dynamics of project activities and construction work itself, allowing to hire the main construction activities for the Bogota International Convention Center - ÁGORA BOGOTÁ, expected to last for three years upon pile driving (March, 2014).

Construction development began by finalizing preliminary activities, executing pile driving and pre-excavated shields, allocation of excavations by FONTUR, followed by the foundation and structure setting contract was granted at the end of the year, and the reinforcing steel contract was awarded for the foundation and structure.

1.1.3. HOTEL AND OFFICES



The hotel project is brilliantly supplemented with the fair facilities, the Convention Center and their respective offerings; synergies that strengthen the relevance and scope of operations, and the facilities for fairs, events and conventions in the city of Bogota.

Once the capacity (450 rooms) and the type of hotel (Headquarter Hotel) were defined with the advisory of JLL, we moved forward during 2014 to summon and select the operator among 15 participating brands.

In addition to this, the Board of Directors selected and approved hiring the Hotel's comprehensive design with GENSLER, who

starting January 2015 will be working on the architectural design, the technical surveys and the interior design required for this construction.

Upon analyzing space requirements for the Hotel, Corferias analyzed the different options available for its offices, since the current facilities will be demolished to give rise to different projects under the Master Development Plan. The best option is to unite the offices to the hotel, adding a 4.500 m2 construction and the corresponding parking lots, in accordance with regulated standards.

1.1.4. PARKING LOT PLAN

Lot 4 (Cemex)



The second stage of the adaptation and delimitation of parking lots was held during 2014, this corresponds to the lot bought from CEMEX on Avenida de las Américas. This phase was enabled during the Feria Internacional del Libro (International Book Fair).

Corferias now has 2.114 parking spots after finishing the second stage of adaptation of lot 4 (also formerly owned by Cemex). During 2015, we will implement the third stage of functional adaptation for lot 4 to be used for the same purpose.

Lot 3 (Lafayette)



With the contribution of 566 spots in lot 3, and the 200 spots in the third phase of lot 4, we will have 2.880 spots in total for the first half of

2015, which in addition to the 1.100 spots in ÁGORA BOGOTÁ, will add up to a total of 3.980 spots by the end of 2017.

1.1.5. ACTIVE BORDER PROJECTS ON AVENIDA LA ESPERANZA AND PUBLIC SPACE CONNECTED TO CALLE 25



We moved forward in hiring the different technical studies required: structural, electrical, hydrosanitary and water proof system, voice and data, human safety, landscaping and others. During 2105, we will begin formal procedures to obtain licenses for partial demolition and to begin the new construction.

1.1.6. INNOBO AND DEVELOPMENT OF SURROUNDINGS

There were meetings held in 2014 with District authorities, including the participation of the District's Government at the inter-sector work table to develop the Innovation Ring and its strategic projects. Corferias continued moving forward with meetings with the District Office for Mobility, the District Office for Planning and the Urban Development Institute (IDU), to define actions around mobility and improvement of the road infrastructure required to consolidate the area.

1.1.7. INFRASTRUCTURE IMPROVEMENT PLAN

Under the framework of the Infrastructure Improvement Plan, we have worked on projects focused on modernizing the facilities, mainly directed towards services for exhibitors and visitors, and the optimization of internal operational processes.

The following is a summary of activities:

Access control: During the first 3 months of 2014, we finished the network infrastructure, changed floors and renovated access to the arch and to pavilion 10. After this we hired the supply and installation of control equipment and administrative software.

The new system to control access to the fair center was launched on September 29th under the framework of the Feria Internacional de Bogotá (Bogota International Fair).

Corferias' different needs according to each event's modality.

Throughout the months of November and December 2014, there were different functional tests, programming and configuration of the system to adapt it to



Modernization of sanitary units for the public: As a response to exhibitor and public requests through service surveys, we carried out a significant modernization of the sanitary units located in the Main Auditorium and in Pavilion 4.

Foreign Trade and DIAN offices: During the months of February to May 2014 we designed and built the new and final offices for Foreign Trade and DIAN located in free area 8 of the facilities. This project responds to the need of relocating these offices upon the construction of the Chamber of Commerce of Bogotá, and has broad office space including independent sanitary services and a cafeteria. The project represented a significant improvement in terms of comfort, for our collaborators and for exhibitors and other users.

This work and the adaptation of bathrooms in the Food Court starting December that will be open to the public during the beginning of 2015, represented the ending of the public bathroom modernization program, and additional work to that executed during the past 5 years in pavilions 8, 10, 17 and the south sanitary unit.

Access ramps in the auditorium for the disabled: As part of the action plans performed by the Corporation to improve access and mobility for the disabled within the fair facilities, in 2014 we designed and built ramps and a new staircase to access the Main Auditorium, eliminating any obstacles to entry and giving a new image to the main building's facade.

Other improvement projects: In addition to the aforementioned projects, the Technical and Infrastructure Department also worked on smaller scale projects, essential to the operation of the facilities and comfort of our users:

- Construction of new lighting control electric switchboards for pavilions 3 and 6.
- Construction of the compressed air network in pavilions 6 and 8.
- Construction of the gas supply network in pavilion 3.
- Construction of lateral shaded walkways to protect pedestrians in pavilions 3 and 6.
- Construction of new deposits for soda vendors.
- Implementation of new offices for the Food and Beverages Area.
- Adaptation of new "Gud Fud" offices in the Food Court.
- Adaptation of the coffee area in pavilions 3, 6 and 8.

1.2. PROCESS, TECHNOLOGY AND GOVERNMENT MODERNIZATION

1.2.1. INTERNATIONAL FINANCIAL REPORTING STANDARDS

Act 1314 of 2009 and its regulatory decrees, established the adoption of International Financial Reporting Standards IFRS for Colombia, where the Corporation was classified under Group 1, since it was registered in the national securities and issuers record under the Superintendency of Finance.

This means that in 2014 accounting continued to follow COLGAAP standards, while implementing the transitory phase for IFRS simultaneously.

According to the conversion program, we moved forward in modifying systems and processes and in preparing accounting manuals.

The following were the most representative impacts when going through the adoption of IFRS

1.2.1.1. Property, plant and equipment

In this item the attributed cost was established as a general policy, this means determining the market value and including it in the Corporation's balance; therefore in 2013,

Borrero Ochoa & Asociados was hired for technical assessment, and the results were included in the valuation line item within 2013 financial statements, and then capitalized them in the property, plant and equipment line item in the IFRS opening statement. This reclassification increased the value in \$327,992 million.

For the next measurement we decided to adopt the value of each new asset for its cost, meaning the cost of acquisition, plus capitalizable disbursements.

1.2.1.2. Commercial accounts receivable

The Corporation established a depreciation policy around fair and event activities. Under these circumstances, there would only be indication of uncollectibility for invoices that are unpaid after 90 days upon ending the fair or event, which represents around 10%. If the period in arrears continues after 150 days, the account will be considered to have an uncollectibility index of 80 to 100%. Upon analyzing this model in comparison to local standards, the balance of this item represents a \$6 million increase.

1.2.1.3. Investments

After several valuation studies we concluded that the best estimate for investments is the cost value approach, in the opening financial statement and in further measurements. The effect with respect to local standards was a reduction of \$23.258 million in this line item.

1.2.1.4. Deferred income and expense management

International standards establish a direct relationship between income and the generation of expenses required to obtain them, which may vary between the direct application of expenditures without implying an associated income, until determining a margin of profit.

In this sense, upon reviewing the budget execution of the past few years, the Corporation adopted a model where for years before each fair income and expenses for each one reach a break even point. This premise led to an

adjustment in the opening financial statement that impacted equity in \$630 million.

1.2.1.5. Contingent liabilities and provisions

As a result of past events for which the Corporation must generate resources to support the payment of legal liabilities; international standards establish criteria to determine whether or not to include them in the financial statements.

After analyzing this premise, the Corporation has submitted a situation that granted for recording a provision, corresponding to the process with the District internal revenue service around the public performance tax. Under local standards, this process had been provisioned gradually since 2013, but under international standards, we agreed to record the entire provision, and this created a reduction in equity equal to \$5.213 million.

1.2.1.6. Deferred tax

The aforementioned impacts and others of a lesser scale all create variations in tax figures within tax declarations that must be reconciled and their result must become part of the opening financial statements; this will allow listing the impact on tax as a result of the disposal or termination of any of the Corporation's assets or liabilities. Calculating this tax reduced equity in the opening financial statement by \$30.774 million.

1.2.2. QUALITY MANAGEMENT AND INTERNAL CONTROL SYSTEM

Corferias has a Quality Control System certified under the requirements of Standard ISO 9001 version 2008.

In 2014 we focused our efforts on continuous improvement of processes, the execution of the internal and external quality control audits, the analysis and follow up of performance indicators, the implementation of opportunities for improvement and the supervision of customer satisfaction. We also created the Quality Management System Leader team to coordinate actions within processes as required to maintain the Corporation's QMS.

As a result of the improvement process and of the commitment of our "sponsors" and of our

Senior Management, during the year we were able to have excellent results in our audits carried out by Bureau Veritas.

Corferias' administrative model has a proper Control Management Process in place through Internal Audit. It examines and evaluates policies, procedures and systems to reasonably ensure reliability and integrity of our information, enforcement of policies, applicable plans and procedures according to current standards, protection of assets, efficient use of resources and compliance of the objectives established for the Corporation's operation, in order to improve the effectiveness of risk management, control and government processes.

The contribution of this audit has allowed for us to maintain a proper control environment, which together with the Risk Management and Administration System, inform around the progress of the Organization by way of generating opportunities for improvement through the evaluated processes, which are informed to our administration.

During 2014, we continued with our Corporation risk assessment policy oriented towards seeking a controlled low risk profile. We carried out a risk review and associated control process. Through the Risk Committee, we worked on topics we considered relevant and identified the corresponding opportunities for improvement providing the corresponding recommendations and implementing the required follow-up measures.

Internal Audit continued to communicate our self-control culture by training the Administrative areas to communicate and propose recommendations related to the application of current standards, Internal Control System matters and an understanding of the significance of implementing these factors in furtherance of its duties.

1.2.3. MARKETABILITY OF SHARES

The Corporation created a committee of minority shareholders that defined and developed a work plan to take specific measures on the strategy of giving more visibility to the Corporation's stock information.

We went through the process of benchmarking information on companies within the sector and Colombian company websites, to update content for Corferias' new portal, and presenting the Corporation's results with communication letters for our shareholders.



In 2015 we will work to obtain an IR Rating (Investors Relations) from the Colombian Stock Exchange and become part of the Colombian company group that make Colombia a more eligible market for investment, as it has adopted best practices in terms of disclosing information and regarding investors.

1.2.4. RELIABILITY OF INFORMATION FOR THIRD PARTIES

The Corporation continued with its strategy of validating and certifying its statistics through KPMG Ltda., with the objective of having accurate information that is transparent and reliable around the different fair activity indicators.

The Management Annual Report includes our certified statistical information under the Fair Activity chapter. This allows clients, allies, exhibitors and the public in general to have a useful tool for making decisions regarding their participation in our fairs. This also becomes an instrument that facilitates the process of measuring the evolution of fairs and their impact.

1.2.5. DUTY FREE ZONE

The Duty Free Zone received an inspection visit with no observations, confirming proper development of the implementation plan and compliance of standards in terms of its administration.

2. INNOVATION

Corferias' innovation dynamic is a crosscut process that covers the entire Corporation, it has been mentioned as one of the strategic axis that supports and invigorates the processes of growth, sustainability and currency of its fair and services offering.

During 2014, Corferias participated in the Programa de la Locomotora de Innovación (Innovation Locomotive Program) led by Colciencias. This four-month program intended to acquire knowledge and management around a specific innovation methodological technique: GBTRIZ.

Project "Cápsulas de Innovación - Corferias" (Corferias Innovation Capsules) was thereby submitted with the purpose of contributing to strengthen the structure and generation of a creative and innovative process that would in turn allow for creating ideas in a systematic,

organic, crosscut and participative manner, offering scenarios and platforms for innovating fairs. This project was approved by Colciencias and used resources to develop the first pilot within the framework of a fair to be held in 2015.

In 2014, and under this process of generating new events, Corferias launched Expopet - Feria Internacional de Animales de Compañía (International Pet Fair), Salón de la Infraestructura (Infrastructure Exhibit) in alliance with the Ministry of Transport under the framework of the Feria Internacional Industrial de Bogotá (Bogotá International Industrial Fair), Teletrabajo (Telework) an event of the Ministry of ICTs managed and operated by Corferias with the purpose of informing around the progress and benefit of teleworking and finally Salón de Pescados y Congelados (Fish and Frozen Food Exhibit) framed under Alimentec.

During that year, Corferias' commercial area selected 22 ideas to be studied and further on define the viability of performing a fair, an exhibit or a category. This allowed identifying buyer market segments for 2015, as well as new product categories, 2 exhibits in existing fairs and a fair for youths. There were also 4 potential fairs identified for 2016 that are to be validated with possible allies during 2015, and their implementation shall begin in 2016.

In addition to this, and for purposes of promoting and improving innovative results, the Corporation approved to restructure the area that leads the innovation program during 2015, and to align the process with the acquired methodology adjusted to its culture.

2.1. PRICE STRATEGY BASED ON VALUE

Setting prices based on the perception of our clients requires a pricing strategy that considers the concept of value, in a way in which price is determined around the usefulness perceived by the client upon participating in a fair, in exchange for what they've paid.

This strategy based on value requires a qualitative and quantitative analysis to define client segments, a maximum price a client may be willing to pay, and specific value variables to finally create an economic model,

determine the impact over results, and define arguments that allow showing the benefits of this new strategy to the client.

As a continuation of the proven effective strategies used in 2013, Corferias implemented a new price structure for Feria del Hogar (Home Fair) in February, demanding the development of a tool from the Technological area that would allow quoting according to variables to benefit the participation of exhibitors.

Bundling services and a proper sales pitch had a positive impact on exhibitors, which became evident since there was only one deserter and very few exhibitors that changed location.

By developing this pilot test, we were able to eliminate special negotiations and prove that it's possible to implement a new vision for the Corporation's Price Strategy.

After the pilot in Feria del Hogar, Corferias began to research around value perceived, historic participation and special negotiation trends in Agroexpo, proving that exhibitors at this fair do not only value the location they enjoy in their participation, but the additional options they have available to present their brands.

Another fair that was subject to research in 2014 was Alimentec, where value perceived, historic participation and special negotiation trends were investigated.

The challenge for 2015 is to monitor trade and purchase trends within the strategy implemented at Feria del Hogar, validating findings around perceived value identified at Agroexpo, and designing Alimentec's price structure.

2.2. FAIR ACTIVITY

During 2014, there were 28 fairs; 9 were owned by the Corporation, 10 in association, and 9 were leased.

FERIA INTERNACIONAL DEL LIBRO

Partnered with the Colombian Book Chamber. The impressive presence of the Peruvian delegation at the International Book Fair in Bogota surpassed the presentations of

honorary guest countries with 1,490 cultural events.

The twenty seven edition of FILBO surpassed the number of visitors; 434 thousand (19 thousand more than the previous edition).

ALIMENTEC

A point of encounter for domestic and foreign buyers. Countries such as Italy, Spain, Canada, Germany, Brazil, Greece, Russia, United States, Peru, India, Ecuador, Chile, Portugal Mexico and Argentina were present at the Fair. 28.561 visitors, 368 international buyers and 359 exhibitors.

FIMA

Consolidated in its fourth edition with 162 exhibitors and 16.433 visitors, as a scenario for communication, promotion and trading of environmental products and services, and input in Colombia.

FERIA DE LAS COLONIAS Y EXPOSICION NACIONAL GANADERA

Over 65.000 visitors, the participation of 615 exhibitors and over 250 cultural acts. In this edition, which gathered the most important regions in our country, we held the Exposición Equina Grado A de Paso Fino Colombiano (Colombian Paso Fino Grade A Equine Exhibit) and the Exposición Nacional Ganadera (National Livestock Exhibit). At the same time we scheduled the 67 National Cebu Fair and the 20 Simmental and Simbrah Convention that gathered over 250 international participants.

MEDITECH - ODONTOTECH

Organized together with the Colombian Association of Hospitals and Clinics - ACHC. In spite of the difficult situation in the sector, the Fair closed with 9.273 visitors, 198 exhibitors and 176 international buyers who were offered business meetings in networking spaces. This convention received over 800 professionals and has been classified by specialists as the best International Hospital and Clinic Convention to this day. It presented a new and interesting

international offering of services and equipment for this center.

BELLEZA Y SALUD

This event has consolidated as the leader of the industry, where over 300 renowned exhibitors and professionals in the health and beauty sector presented the latest comprehensive beauty trends, advances in products, equipment and services to its more than 54.000 visitors.

FERIA DEL HOGAR

This continues to be a scenario that traditionally presents a wide range of home articles in a single place. It held over 233.000 visitors in 18 days with renowned brands, occupying the entire fair facilities with a rich cultural agenda. Club C-Fiel of Corferias awarded visitors significant prizes for their purchases.

FERIA INTERNACIONAL INDUSTRIAL DE BOGOTÁ

This fair registered business expectations close to \$100.000.000. FIIB received over 57.000 visitors, 28.800 domestic and foreign buyers from Germany, Argentina, Canada, Mexico, U.S.A. Spain, and Belgium among others. It celebrated its 30 years of biannual events within the 60 year history of Corferias.

SOFA

A record figure of over 131.000 people were registered at the sixth edition of Salón del Ocio y la Fantasía (Leisure and Fantasy Exhibit), a 4 day event for living, enjoying and promoting hobbies as a profitable business that supports new creative industries, alternate cultures and communities that have certain interests in common.

EXPOPET

In its first edition, 107 exhibitors presented their offering and 32.000 visitors attended, participating in a rich activity agenda. EXPOPET is viewed as the scenario that promotes a responsible ownership of pets

by presenting the most recent product, technology and service trends for this industry, one of the ones with the highest growth rate that is currently trading close to 2 trillion pesos.

EXPO OIL AND GAS

During four days, the most important Fair in this sector in the country received over 11.000 visitors including experts and investors, over 700 foreign buyers. There were over 288 exhibitors out of which 50% are original from countries such as the USA, Argentina, Mexico, Venezuela, Ecuador, Peru, Germany, Austria and Canada, and a Chinese delegation that participated with 30 exhibitors.

EXPODEFENSA

In association with the National Ministry of Defense, Corferias held the IV edition of Expodefensa, a specialized fair with the participation of 174 exhibitors, occupying an area of 5.288 m² and 9.763 attendees including the important presence of military delegates from the region. EXPODEFENSA has become a benchmark in terms of technological development and innovation for defense and security purposes for countries in the Andean Region, Central America and the Caribbean.

SALÓN DEL AUTOMOVIL

Considered by experts as the best edition of this Automobile exhibit, most of the brands presenting their futuristic prototypes, from more than 60 vehicle brands with the latest novelties and the presence of 169 exhibitors. An event that undoubtedly contributed to the

compliance of expectations in the sector and closed the year with 326.344 units sold.

GRAN SALÓN INMOBILIARIO

The IX edition of this real estate exhibit is the most complete and important in the country, as it surpassed all previous versions in every way: 152 exhibitors, 113 domestic and 39 foreign, mainly from Panama and the USA, altogether gathering 22.814 visitors during 5 days of fair in a commercial area equal to 4.765.98 m².

EXPOARTESANIAS

832 participants and the arrival of 50.407 visitors once again confirmed this as one of the most important art craft events in Latin America.

2.3. FERIAS EN ARRENDAMIENTO

During 2014 there were 9 leasing fairs:

Feria Industrial del Mueble y la Madera became a platform to present the broadest variety of machinery, input and services offering in the wood transformation and furniture manufacturer industry; this is the most important fair event in the industry in Colombia and the Andean Area.

The International Security Fair and its 3.300 meters of exhibit gathered the most important manufacturers and distributors in the sector, visited by 9.323 professionals.

The Feria Internacional de Arte de Bogotá - ARTBO, one of the most important art fairs in Latin America, held its tenth version with the participation of 66 galleries in 29 cities in the world, and 13 artistic projects.

2014 CERTIFIED INFORMATION - KPMG LTD.

Biennial Fairs	Exhibitors	Visitors	National Buyers	International Buyers	Area (SQM)
Alimentec	359	28,561	12,296	368	10,370
FIMA	162	16,433	8,238	55	3,693,20
Meditech	198	9,273	3,304	176	5,809
International Dentistry Fair	32	2,568	2,568	-	423
Colony Trade Fair	615	65,114	-	-	7,443,40
National Livestock Exhibition	98	24,063	9,356	255	3,145,50
International Industry Trade Show of Bogota	705	57,079	28,858	2,030	20,988
Expo Oil & Gas	288	11,232	5,390	724	6,607,53
International Motor Show	169	206,717	-	-	48,710,99

Annual Fairs	Exhibitors	Visitors	National Buyers	International Buyers	Area (SQM)
Expopet Colombia	107	32,345	2,786	-	1,637,19
Expoartesanas	832	74,532	/	63	10,395,51
Beauty and Health Fair	304	54,661	10,645	226	7,186,26
Efficiency and Safety	171	9,323	-	396	3,018
Home Fair Expo	753	233,711	-	-	27,540,38
International Book Fair	473	434,462	2,368	293	20,943,65
Great Real Estate Show	152	22,814	-	-	4,765,98
SOFA	193	131,183	-	-	5,912,89
Expodefensa	174	9,763	9,386	246	5,288,35

2.4. EVENTS

During 2014, the event unit surpassed its budgetary commitments in terms of profit, in spite of the increased fair occupation of the facilities during the second semester, and was able to perform events in times of the year where seasonality was very high.

World Skills Americas was one of the most important events in 2014, with the participation of 17 international delegations who celebrated 4 days of competition in the conditioned 42.288 m² area, exhibiting over 32 skills through their vocational technique. This encounter had 120.000 visitors, including 532 of the schools summoned.

Proexport's Macrorueda 50 with 58 participating countries, was able to hold 18.000 appointments with 1228 buying companies that provided Colombian companies from 22 departments, different commercial opportunities for a sum of 415 million dollars.

At the same time, Corferias was home to the elections in 2014 for Congress and the presidential Election in its first and second rounds for the 2014-2018 administration.

For the first time Colombia was the selected country to hold the Kid's Choice Awards from Nickelodeon, celebrated in Corferias, with over 3000 children between ages 8 and 15, who elected their favorite child TV actors and hosts.

2.5. SPONSORSHIPS AND STRATEGIC ALLIANCES

The strategic alliance and sponsorship model in Corferias continued during 2014, under which Corferias provides companies the opportunity of offering specialized services supplementary to its core business, and at the same time enjoy a high impact presence in fairs and events to meet their commercial and marketing objectives.

This model has become an element of added value for visitors and for exhibitors, as well as for the Corporation itself. In 2014, through sponsorships and strategic alliances,

Corferias enjoyed a \$5,45 billion income, meaning 704 million in addition to what was expected, representing a 15% value.

During 2014, Strategic Alliances such as the one the Corporation enjoys with Davivienda, have consolidated thanks to the management, integration and joint work with different areas in Corferias, even achieving another five year deal, as well as establishing a new alliance in the telecommunications sector, which is why the Corporation will receive around 2.000 million per year, during the next four years. In turn, in 2014 we continued to strengthen visibility for companies that have a special presence in Corferias, such as in the case of Bar Premium in the terrace of pavilion 3, and maintained commerce in the parking area on Avenida La Esperanza.

2.6 CORFERIAS PROFESSIONAL FAIR AND EVENT OPERATOR AT THE PUERTA DE ORO FACILITIES IN BARRANQUILLA

During 2014 the Corporation developed a proposal for the operation of the Fair and Event center in Barranquilla using its professional experience and knowledge in the area. This proposal establishes an alliance with the Caribbean Event and Exhibit Center (CEEC) - Puerta de Oro (Barranquilla Fair and Convention Center) through which CEEC benefits from Corferias' 60 years of experience in developing and organizing fairs and events, allowing for a Business Model proposal that offers sustainability and an ally that will energize the promotion of trade and business in the Region and in the Caribbean basin with a direct and indirect impact over the growth of priority economic sectors.

Based on the proposal submitted by Corferias before the Caribbean Event and Exhibit Center, CEEC developed a public calling process for other fair operators to submit proposals that would equal or surpass the proposal presented by the Corporation.

The Caribbean Event and Exhibit Center - CEEC awarded Corferias with the operation of fairs and events at the new "Puerta de Oro" fair facilities in the city of Barranquilla during the next 20 years. The facilities are expected to be ready by the end of 2015 and in 2016 Corferias is expected to develop fairs and

events in this important region of the country and the Caribbean.

The progress and development of Barranquilla will take this city to become the

capital of the Caribbean becoming a rival for Panama, San Juan de Puerto Rico, Caracas and in future years, Havana. We cannot move forward towards the Caribbean and Central America from our Andean capital.



3. INTERNATIONALIZATION

Corferias obtained significant achievements during 2014 in terms of the international position of the Corporation within the global fair industry, its participation in the business platform that offers entrepreneurs tools and instruments to participate successfully in international markets.

One of the main objectives continues to be consolidating Corferias as an International Fair Operator, in countries in the Andean, Central American, and Caribbean regions, specially those in the Pacific Alliance. An essential part to this strategy was to begin a strategic alliance process with fair leaders at an international level in sectors with the potential to become a hub in this region.

The goal is to formalize these alliances in 2015 and begin joint work starting 2016.

The objective of Corferias is to strengthen and increase the amount of hub fairs in the

region, promoting Bogotá and Colombia as the third epicenter for fairs in Latin America, after Brazil and Mexico. In this sense, Corferias' fairs must attract the entire industry in Andean, Central American, Caribbean and Pacific Alliance countries.

Based on this, we analyzed the Internationalization Strategy considering the leadership Corferias holds in Colombia's fair activities, its regional significance, global recognition and the performance of the Colombian economy.

Within this process, the CAF Exporting Excellence Program supported by Proexport, the Chamber of Commerce of Bogotá, CESA and the methodological assistance of DG&A consultancy, altogether represented a fundamental support to understand and foster an international business model for the organization, recognizing the Corporation as a service exporter under the following business model:



3.1. STRENGTHENING THE INTERNATIONAL CALLING AND ALLY NETWORK ABROAD

During 2014, Corferias continued to work together with the Chamber of Commerce of Bogotá (CCB) and Proexport, which facilitated the important participation of international buyers in the following fairs:

- Feria Internacional del Libro
- Alimentec
- FIMA
- Meditech – Odontotech
- Feria Nacional Ganadera
- Eficiencia y Seguridad
- Belleza y Salud
- Feria Internacional de Bogotá
- Expodefensa
- Expo Oil & GAS
- Expoartesanas

The objective of this calling was to facilitate the possibility of directly offering products to international buyers, improving the identification of commercial contacts and closing business opportunities.

In 2014 Corferias received 4.937 professional international buyers in over 65 countries, the most significant of them from the USA, Mexico, Venezuela, Ecuador, Peru, Brazil, Argentina, Panama and Canada, who were assisted in their business agendas and business rounds that benefited 1.750 exhibitors with an 89% level of satisfaction. Business expectations added up to USD \$205 million in close to 5.000 agreed appointments.

Also, Corferias continues to work in order to fulfill the needs of all international shoppers who visit our fairs. Upon implementing CRM we have been working with centralized databases and administrative integration of multiple channels (internet, telephone) as well as with the "Contact Center" strategies that have international reach, in order to improve contact processes with companies and perform greater control and monitoring

processes. All this technique for improvement increases effectiveness of using the database to invite international buyers going from 78% in 2013 to 85% in 2014.

The Corporation continues relying on the International Institutional Partners Network which are agencies that promote trade relations with other countries, Embassies, Bi - National Chambers and Foreign Trade and Investment Developers, in order to make it easy to invite and have the international companies participate in the trade shows.

Working with international partners as well as direct call invitations made, guaranteed participation of 409 new international companies as exhibitors representing a growth of 11% in specialized fairs like Alimentec, FIMA, Meditech - Odontotech, Beauty and Health, International Fair, Expo Expodefensa and Oil & Gas.

Participation of new foreign companies represented additional revenue in the amount of \$ 4.046 million pesos for Corferias during 2014.

To maintain the International Institutional Partners Network complementary services were developed. One of them is setting B2B interviews, which makes it easier to generate qualified contacts among international exhibitors and the Colombian business. Likewise, the comprehensive service package was operated to better service all international exhibitors' needs and requirements.

3.2. LEADERSHIP AND INTERNATIONAL POSITIONING

2014 represented consolidation on the results on strategic actions taken in favor of INTERNATIONAL LEADERSHIP AND POSITIONING of the Corporation upon verifying that CORFERIAS international

recognition as a leader, in America, for the trade shows, conferences and conventions industry has been accepted. Indeed, the Corporation achieved the most important global recognition, reserved for international companies with optimal performance, which are part of the virtuous group, an example to be followed.

After 6 years running the American Association of Exhibitions AFIDA, and from a successful World Congress held in Bogotá last October, where 369 delegates from 44 countries participated, a company from the American continent was elected president of the Union of International Fairs UFI. This is the first time in 90 years of history this position is going to be held by a company in the Americas.

The presidency of the Union of International Fairs UFI is the highest managing title in the trade shows, conferences and conventions global industry.

This is an achievement that reflects the recognition Corferias has been able to obtain at international level, because the UFI is the most important entity of the global exhibition industry. 85 countries and 640 fairgrounds as well as major operators worldwide are part of this global industry.

Under the Congress the second version of the only specialized book on the exhibition industry in Latin America "Latin America: Markets and Exhibitions 2015 - 2016 ", a book that has become a reference at a global level while evidencing Corferias' leadership in the Latin American context.

As a complement of all mentioned above, the process to integrate Corferias with the international exhibition leading operators has begun. The objective is to consolidate the Colombian fairs organized by the Corporation as the first in Latin America, through a hub strategy from Bogotá.



4. SERVICE DISCIPLINE AND CLOSE FRIENDSHIP WITH THE CLIENT - SERVICE STRATEGY

Corferias has strengthened the strategic focus regarding service discipline and close friendship with the client, by taking all necessary action steps aimed at providing comprehensive solutions with quality standards and criteria to meet in a quick and efficient manner all customer needs.

4.1. ANALYSIS AND CONSOLIDATION OF THE NETWORK OF ALLIES AND SUPPLIERS

Corferias insists on forging strategic alliances aimed at working jointly with companies that offer Corferias' customers, specialized services, that are complementary to the Corporation business, with high quality standards.

As part of the implementation of value added services in the hub of productive contacts, 2014 - alliance with Davivienda increased customer loyalty for the customers in the corporate banking sector in the Health segment through Meditech Odontotech Trade Fair as well as in the industrial segment with the International Fair of Bogota.

In personal banking, said alliance with Davivienda allowed to increase credit solutions to (visiting public) customers through the generation of credit related transactions during the Home Fair Expo, International Motor Vehicle Exhibit and Great Real Estate Show. Regarding the shared brand card C- *fiel* (Be loyal) Corferias Davivienda an increase of more than \$ 8,000 million new quotas was achieved as compared to 2013 and 3,322 new cards were placed, thus

enabling finishing 2014 with a total of 12,466 cards.

Transactions of the office located within the Corporation increased by 20% during the exhibition schedule, which contributed to the accreditation of the bank and a number of benefits to customers, visitors and exhibitors at the fair.

Likewise, the infrastructure and logistics services hub improved. The alliance with the Commodity Logistics Operator - Alpopular during the year 2014, grew its billing by 5% as compared to 2013. This profit can be reflected through Corferias' participation in Alpopular. The alliance serviced 99 clients, and the following were the most representative fairs: "World Skills 2014" International Fair of Bogotá, Expodefensa, Alimentec and Efficiency & Security.

In the area of "Attractive City" services, hotel services were promoted through special activities performed by our ally "Hoteles Estelar". Additionally, 19 hotels were incorporated to the Hotel Portfolio, for a total of 70 hotels, which cover the preferences of both exhibitors and visitors regarding location, rates and complementary services. Likewise, and in conjunction with Aviatur an offer of tourism services in Bogotá and its surroundings, transport services and car rentals was consolidated.

During the year 2014 we reinforced the Service Portfolio offered to exhibitors by incorporating additional fees, current suppliers, and new services such as translation and interpretation and logistics and protocol staff.

In an effort to promote the services, various communication channels have been used that allowed the exhibitors for strengthening their participation at each fair and / or event.

This portfolio is compiled into a Virtual Catalog and promotional pieces including the supply of critical services were sent.

In addition, and in order to facilitate the process to transact all rental services, tools that allow for making reservations and purchasing services on line from the "web" have been made available to exhibitors.

Regarding visitor services, new services such as the following were implemented: "bike racks", "valet parking" and designated driver. Likewise, agreements were made with Transmilenio and other passenger transportation companies, so as to facilitate mobility options for visitors to Corferias.

4.2. SERVICE CULTURE AND MODEL

Corferias is really committed to become a customer - oriented company, as well as a company that generates integrated value proposals which include products and services that will fulfill the customers' needs the new Service Strategy was built and published during 2014, thus defining a macro objective, their corresponding guidelines, the service segments and critical projects that will contribute to achieving the objective that has been set up.

Likewise, a service committee was created to run and monitor the project to guarantee it is coherent with the defined strategy.

Also through the "Servirte" (giving you service) program, the competence "Serving with conviction" continued to be reinforced since both the partners and contractors of the Corporation must comply in performing their respective duties, through behaviors that reflect their service attitude, knowledge on how

Corferias operates and the ability to effectively solve the requirements of the various types of customers. In an effort to realize these behaviors, the minimum knowledge required in order to have the various positions according to the level of responsibility of each and the General Service Protocol were defined.

To publicize the Service Model and ownership within the corporate culture, a training process that involves structuring the training plan according to the level of interaction with customers and the impact employees' positions may have on service related issues was conducted. 90% of employees of the Corporation participated in these sessions and this training program will continue to be carried out in 2015 also to include contractors.

4.3. CFIEL - LOYALTY PLAN FOR VISITORS IN MASSIVE EVENTS

In order to enhance the customer experience upon visiting massive fairs, during 2014 the C - Fiel Club carried out several promotional strategies that had as their main objectives:

- Debug and increase the database of active partners and pre - registrations.
- Support the invitations for visitors to attend mixed and massive exhibitions.
- Implement hooks (prizes, giveaways, discounts, among others) to encourage registration of invoices.
- Encourage the use of benefits for customers pre - registrations and active partners

In order to achieve the abovementioned objectives, the following strategies were implemented in each of the fairs:

BTL Promotion: Where visitors were

encouraged to register their purchases and access the loyalty program. In addition, the exhibitors that were part of the program with their activities had constant companion.

Promotional material: For the year under review, three editions of the magazine C-Fiel Club were published as part of the Book Fair, Beauty & Health and Home Fair Expo. This type of publication continues to have a high degree of satisfaction with an average of 4.0 among the exhibitors part of the program.

Individual publications, flyers, inserts, agendas and a Christmas tree are some of the highlighted publications offered to the exhibitors. During 2014 we had the support of 234 exhibitors who took part in the various activities.

Instant prizes, grand prizes: During all fairs held in 2014 where C-Fiel was present, attractive prizes were awarded by exchange. The exhibitors awarded prizes as part of their participation in each fair. The visitors were able to win immediate rewards by registering their shopping and thanks to this they were able to participate in activities such as "Award Hurricane" and through raffles for those who registered their purchases.

A total of 12,991 prizes were given to our visitors and members of the C - Fiel Club in an amount of \$ 397.068058.

Throughout the year it was possible to verify the fact that 2,739 shoppers actually used the C-Fiel card and the benefits it provides. 1,781 new members registered for the program and there were 117 pre - registrations.

4.4. TECHNOLOGY IMPROVEMENT PLAN

The following improvements were implemented among others consistent with

the importance of quality in rendering our services, as a result of the studies conducted in 2013 and once having identified the improvement plan regarding technology, to support the service strategy:

- Develop the "Market Place" to rent and pay for services.
- Create new capabilities in PLUS transactional tools
- Strengthen the Internet service for exhibitors and visitors.
- Develop "on-line" tools to promote and book services.
- Implement the intelligent access control.

4.5. THE CUSTOMER'S VOICE

According to the result of the Customer Satisfaction evaluation conducted in 2014, it was possible to identify that the service satisfaction indicators for services rendered to exhibitors and visitors at the exhibition events were rated 8.3 (on a scale of 1 - 10) on average. The evaluations measured the services given at the exhibit facilities, all services for rent and quality of service provided by staff and support staff.

Through the "Web" Service Console tool we received 840 comments (compared to 920 received in

2013). The analysis of the comments received once the exhibits ended, led to the formulation and implementation of opportunities for improvement.

Corferias confirms its commitment to keeping the continuous improvement dynamics to transform their service model with satisfaction, quality and competitiveness criteria, according to international standards in order to meet the needs and expectations of our customers.

4.6. CORFERIAS FOOD AND BEVERAGES OPERATION

Operation of the Corporation's Food and Beverage service was conceptualized, developed and implemented as part of the efforts to make progress in delivering value-added services and expand the range of food and drinks solutions for the public attending the exhibitions. Four (4) priority service lines were defined as part of this process: Restaurants, Fast Food, Event catering, and food and beverage service in the Agora CICB.

The line of restaurants includes operation of the kitchen and dining room located in hall 17th on the 4th floor, the bar located on the south side connector, two (2) locations in the food court, and the exhibitor's restaurant (2nd floor of the food court).

The Fast Food area incorporates three (3) fixed coffee bars (halls 3, 6 and 8), mobile or portable coffee kiosks (on demand), three (3) containers to produce and sell food of the 'fast food' type; four (4) cart - bars and six (6) food modules offering products for promotion.

The catering service meets all the requirements for food and beverages both from the internal customers and the exhibitors and their guests inside the exhibit facilities of the fairground. These services include serving breakfast, coffee breaks, snacks, lunch, cocktails and dinner, among others.

Effectiveness of the Food and Beverage service at the Agora CICB has been being structured starting from a learning curve with the current catering services as well as in identifying the work team required and validation of the structural designs and production and service teams as proposed for the convention center.

5. SOCIAL DIMENSION

5.1. RELATING WITH THE ENVIRONMENT

During year 2014 Corferias continued working to optimize its management regarding the social and environmental aspects with the main purpose of contributing to the sustainable development of the exhibition activity and to strengthen relations with the community living in the area neighboring the exhibit facilities and other stakeholders.

Mobility, security and invasion of public space are issues of great importance to the neighboring community and of course to Corferias. Therefore, in 2014 agreements with entities of the District were achieved and actions to mitigate the impacts generated by the fair activities were implemented.

In order to improve mobility and prevent people from parking their cars in the streets around the fairground whenever mass fairs are being held, Corferias was supported by the Traffic Metropolitan Police as well as by the Mobility Managers of the District Department of Mobility these agencies continuously sought compliance with traffic regulations. Moreover and to expand availability of parking spaces in the surrounding area, it was possible to use the parking lot that belongs to the Cundinamarca Government's Office, which was open to the public on weekends and supplemented with circular bus routes, free shuttle service from Corferias and to the various sites that had been made available.

Likewise, and to encourage the use of alternative means of transportation that relief mobility and which by the way, contribute to the preservation and care of the environment, 175 parking spaces were made available to park bicycles in the free area 8 and at the parking tower. This is a free service and is available to employees, visitors and exhibitors.

Valet Parking was implemented for the Home Fair Expo, the Bogota Industrial International Exhibition and the International Automobile Show, with th objective of offering alternative solutions to visitors. This new service will still be offered during all mass exhibitions that will be held in 2015 since the results have been positive.

5.1.1. B A GOOD NEIGHBOR PROGRAM

The Corferias' Be a Good Neighbor program ended the year with 4,000 members who enjoyed free admission to massive exhibitions as well as other activities that were scheduled exclusively for them and their families.

Under the alliance with the Central University Cinema Club, the Corferias Film Series featured a selection of 20 films screened as part of cycles that were defined by topic, author, and type. The films obtained a positive response from the neighboring community. Evidence of this, is the participation of about 1,000 neighbor residents who attended the 2014 exhibition. In order to enrich each projection and to create spaces for discussion about audiovisual art, talks with the audience were conducted at the end of each film, led by students studying film at the educational institution.

With the support of Teusaquillo Police Station the School of Safety and Community Co - existence was held during the first semester,

activity attended by 90 neighbors to know the types of crime and citizen participation programs, of which 42 obtained a degree as Promoters in Coexistence and Citizen Safety.

To contribute to raise community awareness on environmental issues and in partnership with the Mayor's Office of the Area, an Aerobic Recycling Olympiad was carried out in order to collect recyclable material and support COPRAT's management - Teusaquillo Recyclers' Association.

Since artistic expressions are well - liked by the neighboring community we presented two plays and a presentation of folk dance, events that approximately 400 resident neighbors attended.

As has been customary in the three years of the B a Good Neighbor Program and to close year 2014, Corferias organized the "Caribbean Heart" Christmas Concert for all members, an activity that exceeded all expectations in terms of how many people actually attended.

Moreover, 6 editions of the *enlaC* newsletter, a publication where we published the infrastructure and in general, the various projects undertaken by the Corporation, as well as the positions and opinions of local and district agencies regarding issues and situations of interest to the community, among others. Also we continued to publish the digital edition www.enlaccorferias.com - and highlighted sections such as *C - emplea* (employment is given), through which all jobs available are published. *ENLAC* has gotten an important position among the people in the UPZ-107 Quinta Paredes.

5.2. AREA ASSIGNMENT AND SOCIAL WORK SUPPORT

In 2014 the Corporation provided some of its areas to local and district agencies for them to carry out their social promotion activities. The Corporation also supported free participation of several foundations and nonprofit organizations for them, through the exhibitions, to make known their social objective and work to the benefit of people under vulnerable conditions.

This way, events such as " Celebrating the 100th anniversary of Colegio Técnico Comercial Manuela Beltrán", the " III National Congress on Comprehensive Security and College Co - Existence and the I International Congress on Public Safety", the How Are We Doing, Teusaquillo? and the Local Disability Forum were held at Corferias and led by the Mayor of the Town.

Regarding solidarity "stands" assignments, in 2014 Corferias supported the participation, among others, of Instituto Colombiano de Bienestar Familiar (the Colombian Institute of Family Welfare) - ICBF, Fundación Portal Mágico (Magic Portal Foundation), Fundación Finacol (Finacol Foundation), SIMMON Foundation, Fundación Plan (Plan Foundation), Colectivo Ciudadano en Beneficio de la protección animal (Citizen Group to the benefit of animal protection), Fundación Ecológica Amazonía (Amazon from Colombia Ecological Foundation); Fundación Tierra Nativa (Native Land Foundation); Asociación Obras Sociales en Beneficio de la Policía (Social Work Association to Benefit Police); Fundación Cristovisión (Christ Vision Foundation); Fundación de Invidentes Adelante por Colombia (Go Colombia Foundation for the Blind), Fundación 3D Derecho (3D Law Foundation); Dignidad y Desarrollo por Colombia (Dignity and Development for Colombia); Fundación Hematológica Colombia (Colombia Hematologic

Foundation).

Likewise, the Corporation and several of its associates continued to actively support the Fundación Dividendo por Colombia (Dividend for Colombia Foundation) a non - profit organization which, through various programs facilitates boys', girls' and youngsters' entry and stay in the public education system when they are out of the schooling process.

5.3. ASSOCIATES' QUALITY OF LIFE

During 2014 the area of Human Resource Management worked actively in a number of projects aimed at strengthening the well being and quality of life of both the associates and their most immediate families, constantly interested in managing improvement plans that allow consolidation of a wellness program to expand coverage in meeting their needs.

It is worth noting, as an achievement, the significant growth in the number of loan approvals on the education and housing lines where there is evidence (see the "educational loans" chart) a 66% growth rate of use of the corresponding benefit. Getting this figure was made possible thanks to the fact that 2 education trade fairs by the Compensation Fund Colsubsidio in which information was shared regarding the partnerships established with various institutions, and it was also possible thanks to the support and personalized advice provided by the Human Resources area, taking into account the specific needs that were expressed during the "Más cerca de tí" (Closer to You) meetings, a space that seeks to generate a closer relationship with the associates and which has been being implemented for two years.



EDUCATIONAL LOANS	
Year	Number of approvals
2013	21
2014	35

HOUSING LOANS	
Year	Number of approvals
2013	2
2014	8

Regarding the home loan line of credit (see the chart on "housing loans") applications and approvals as compared to the previous year saw an increase, due to factors such as:

- Including, as beneficiaries, all employees with a fixed - term contract whose work relation has lasted for at least three years.
- Holding housing fairs and counseling jointly with Colsubsidio in order to provide information about housing subsidies and the various projects in its portfolio.
- Using the Intranet as a tool that allowed for optimizing communication with partners.

Also, it was possible to focus the calamity credit line properly, by giving the benefit in situations that would respond to events that were urgent or unforeseeable and which would affect the workers' family budget. This resulted in a reduction of approvals, which was equivalent to 7%.

As for car loans it is important to highlight all changes in the established policy, which allowed for orienting the use of said credit line for those positions that due to the nature of their duties did require the resource.

Similarly emphasis must be made on the portfolio of agreements and alliances which were generated in order to provide greater benefit to the associates. This measure succeeded in increasing the use

of benefits with the participation of the various partners in health days (a space in which participation was open for next of kin for the first time), generation of personalized spaces with the collaborators so as to provide advice and answer specific questions, as well as the benefit conferred to generate payments through payroll deduction without interest charges and with a repayment term of up to 12 months. The 6 "Closer to You" meetings held in 2014 that more than 124 staff members attended also allowed for setting up new agreements.

As for the activities carried out within the wellness program and taking into account the information obtained from satisfaction surveys carried out by some of the employees, it was possible to verify an increase equivalent to 13% participation in the various events. As the main causes for these results it possible to highlight modification and innovation in the process to assemble the exhibit facilities and all spaces, the generation of activities that allowed for interaction between different areas, family participation in the activities that were scheduled, the information being sent on a timely manner and being able to guarantee that the various target groups had access to it.

Aware of the importance of appreciating the performance and contribution of the employees during the 60 - year history

of the Corporation, a program of individual recognition was launched. The program was conducted by areas and ended in the "Corferias Talent Night" when a group of employees showed their talent and during which the employee of the year was awarded.

6. ORGANIZATION DYNAMICS

6.1. INTERNAL STRUCTURE AND HUMAN RESOURCE MANAGEMENT

Taking into account that the new business units have strengthened the training and development processes, we continue to disseminate and apply new challenges and hubs in service strategies as well as in customer relationship, and maintain the "feedback" culture through the Performance Management process.

2014 posed major challenges regarding creating the new service units groups, such as the AGORA Convention Center and Food & Beverages.

Since it was necessary to implement the search for new positions in the Corporation, technical and knowledge assessment methodologies were incorporated, led by the Human Resources area as well as by the area requesting them.

On the other hand, one of the determining factors in the new employees' proper performance is the induction and training processes, so in terms of overall induction, it was necessary to strengthen the methodology which guaranteed that no employee would start working for the Corporation without receiving all information necessary to carry out the process of adapting to it.

This process methodology not only allowed for increasing the coverage percentage, but

also for increasing its hourly intensity by generating greater internalization of the general information of the Corporation. In order to prove this, a control method that identified the effectiveness of the process was applied. Thanks to this, the time to adaptation decreased and the turnover rate in high impact positions on the Corporation was lower than that of the previous year.

To strengthen "organizational" skills during 2014, emphasis was made on the dissemination and development of the "Serve with Conviction" competence, by introducing the strategic direction and training employees according to their level of customer relationship, and achieving 90% coverage of the target population.

On the other hand, the Train the Trainer Program ended. It was given to 20 employees from different areas that will support the training process and dissemination of information on the various processes of their areas and the Corporation.

As part of the program to develop the "Liderarte" Leadership competence training sessions were conducted with over 40 hours of duration and about 20 hours of individual coaching, which were of benefit for 30 leaders of the Corporation who were holding positions as managers, department heads and coordination offices in order to strengthen their "feedback" skills, support and guidance to their teams. In this training process that took more than 3 years, a new group of 30 leaders joins the group of 31 leaders who graduated in 2013. They will all continue to contribute to the results - oriented and "feedback" culture that has been defined by the Corporation.

Training on Technical Competences:

Given that currently Corferias is going through an internationalization process and due to the impact that this entails regarding complying with the "organizational" objectives, it was decided to carry out an assessment of some specific positions that due to their nature and upon performing their duties require mastery of the English language for the beginning of 2014.

The results of those evaluations lead to the consolidation of 3 types of programs as follows:

- A Business English program with the main objective to significantly improve presentation skills, expand technical vocabulary, increase fluency in conversation and improve business writing skills.
- Pre - immersion program through custom classes defined by the student's work and linguistic profile.
- English program by levels focusing on strengthening the competences and skills for language learning

Also training programs on technical issues, which are necessary for the performance of work in the Corporation were conducted, some of them were: updates on treasury processes, modification and disclosure of portfolio of services and guidelines foreign trade, among others. These processes favored over 220 of our employees.

The program to develop negotiation skills was implemented. It was aimed at employees who were working in high impact positions in terms of customer relationships and generating revenue to the Corporation. 20 hours of training and over 14 hours of negotiation support were implemented, which allowed the target group to improve their interaction with the client and achieve

defined business goals.

Additionally, within the framework of strengthening the Quality Management System, from the Quality and Process area and jointly with the Human Resources area the program to establish and train Quality Leaders was held. The program was made up of 44 employees whose mission it is to facilitate, from within their areas of performance, generation, update and / or eliminate processes, procedures, policies, etc., as well as follow up the implementation of the activities defined within the opportunities for improvement.

6.2. INTEGRATED COMMUNICATION AND ADVERTISING MANAGEMENT

In order to strengthen the positioning of the CORFERIAS brand as well as of the various events, its own exhibitions and those exhibitions held in partnership, besides supporting managing the procedures to invite visitors in 2014 Corferias focused its efforts for strategic communication on the following:

6.2.1. COMPREHENSIVE COMMUNICATION AND ADVERTISING STRATEGY

Digital "Marketing" Dimension

On the occasion of the celebration of the 60th anniversary of the launch of Corferias, the **new corporate portal** was launched in order to meet the customers needs and position the concept of "Opportunities and Progress Generators" among the various target audiences. The new site features a modern, interactive and user - friendly design that allows the user to enter from any electronic devices: mobile phones, tablets and computers. At its launch phase Corferias portal received 12,721 additional visits to its natural dynamics that within the web portal alone, grew from 723,340 in 2013 to 735,591 in 2014.

As a complement to the web portal the Corferias **App** (a mobile application) was created which during its first implementation stage has had more than 4,500 downloads and resulted in an increase of 10% in the number of times the page was searched from mobile devices. Likewise, Corferias' **Instagram** profile was created. This new profile has allowed that more than 3,000 people to interact with its contents and publications in 2014.

Through the digital strategy and its various means, Corferias managed to grow by 72% the number of followers in comparison to the year 2013. Likewise, we published 29 web sites of the 2014 - 2015 exhibitions, each with a new design, that is personalized and tailored to the needs of each exhibition and their target audience. Also AGORA - Convention Center corporate website was designed and launched, as part of the support given to the project start.

Total visits to the Corporation's web sites were 2,366,583, representing an increase of 10% compared to the 2,125,333 visits in 2013.

Media Relationship and Environment Dimension

Having Corferias' 60 years of experience as a framework, and in order to strengthen our relationships with opinion leaders, the media and business owners, a relational strategy was performed with high impact media through personal meetings with the Executive Chairman of Corferias, with which we achieved important presentations in national media like El Tiempo, El Espectador, La República, Portafolio, Semana, RCN Radio and Caracol Radio, among others. Regarding international efforts, it is necessary to highlight publication of the International News Agency EFE and others who distinguished Corferias

as a Latin American leader in the organization of fairs and events worldwide.

To strengthen the media plan for each of the exhibitions, we continued implementing partnerships with the media and obtained, in 2014, an advertisement broadcast schedule for statistical value representing \$ 3,888,940,053.

As for the free - press management carried out by Fabiola Morera Communications, Guiomar Jaramillo Communications and Newlink agencies 5,832 publications were obtained out of which, 125 were corporate publications referring to Corferias and 5,707 referred to different exhibitions. The total number of publications represents an amount of \$ 50,950,091,095.

The strategic planning of communications for each fair depended on the analysis and evaluation of the target customers for the exhibitions, added to the digital marketing strengthening strategies and optimization of pre - sales negotiations have allowed to project 2015 in coverage enlargement actions by about 47% more, while maintaining the same levels of investment in 2014.

6.2.2 STRENGTHENING OF INTERNAL COMMUNICATIONS

Internal Relations Dimension:

"60 years of opportunity and growth." That was the campaign implemented by Corferias for its employees in the three official channels of the Corporation (intranet, billboard and mail update). This campaign managed to recognize those employees that stand out for their organizational skills, as well as their work teams, leaving as a message and emphasizing the need to make come true everything we set our minds to and under the **"CORFERIAS ENABLERS"** project that will continue in 2015.

The strategy to position this concept under Corferias' 60th anniversary, included an internal recognition event **"Corferias 60 years of talent "** and 12 employees who are an inspiration through their example of good practices of a "Corferias enabler".

Additionally, within the strategic communications plan and in view of the clear need to strengthen Corferias intranet, two new modules were activated within the portal: Corferias News in the "Did you know" and "Serve with conviction" sections that promote and reinforce the corporate values and competencies, allowing to include new topics of interest to employees and areas, which resulted in the increased use of the tool by 52% over 2013.

New Business Units Corporate Dimension:

In the year 2014, Corferias launched the new Food and Beverage unit. This change and modernization process required the intervention by the area of Communications and Advertising throughout the entire development of its brand, image and identity. As a result, we have made it possible that each of the brands that make up the Food and Beverage unit (fixed kiosks, mobile kiosks, coffee shops, bars, restaurants and domestic catering services), have an easily identifiable visual identity, and most importantly, aligned with the purpose for which they were created.

To meet this goal and through the "Misty Wells" agency a strategy was defined for the brands that make up the Business Unit: These are:

FIXED POINTS BRAND



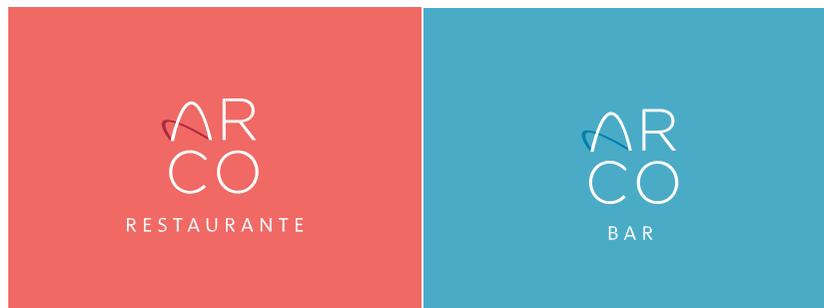
MOBILE POINTS BRAND



COFFEE SHOP BRAND



RESTAURANT BRAND - VIP BAR



6.3. TECHNOLOGICAL MODERNIZATION



In order to continue strengthening the exhibitions events, technological solutions were created to address the new requirements and needs of the various groups of lines participating in the exhibitions.

Exhibitor User Service System: In accordance with the new requirements of international trade fairs such as is

Expodefensa, where the international exhibitor user is used to following the application process, booking, contracting and paying for space and services via electronic or digital means, Corferias has implemented an exhibitor console service portal which allows any company to carry out the process to procure spaces or services in an autonomous fashion.

Pricing Strategy Calculator Version 2: The

System "Pricing Calculator" was improved to allow categorization of the stands from their basics, different from the previous version, which used to be performed in the global space, with the ultimate goal of helping achieve a more effective space management for the 2015 strategy.

Turnstile pedestrian access control system: To improve the efficiency and safety of participants' access to the fairground, a system was designed to control pedestrian access through the implementation of turnstiles with a system consisting of readers for access validation, which allows entry through ticketing, invitations, rosettes and accreditation cards. The system is integrated into our access log software. Everything is activated from a controller, which allows the inspection of turnstiles as well as having online information on the admission process to the various events.

Online system to quote services: as an action for continued improvement, we worked in conjunction with the customer service area, in the development of an online system to generate service quotes that allows to choose and settle, using a format that has been previously designed, the services offered by the Corporation to the various exhibitors. This system lets you know and have a format ahead of time so that you can go to the "PLUS" to place a request and pay the services to save time in the quoting process.

Stand Commercialization Graphic Information System Adaptation (SCGISA) to support interface in English: Due to the new requirements as operator of events and international fairs, Corferias adapted its current SCGISA System so that it can also be used in English language, in order to allow for people in other countries to be able to follow the marketing process in our current platform.

A Platform to create an electronic invoice: In order to complement the online marketing process, a system for

automatic issue of the invoice in electronic or digital medium is implemented. This system allows for issuing invoices through an Internet site where the client accepts a digital document as valid.

Technical platform to support the management of private data protection - "habeas data": A technology platform was developed to comply with the obligation companies that handle personal information have regarding their right to use. It is a web platform that allows third parties to search, using a form, the data held by the company and the possibility of authorizing its use.

Communications and security infrastructure for Lafayette parking lot: The network and communication infrastructure system was designed and procured for Lafayette parking lot, as well as the security system and the vehicle access control system, which will allow the operation of the new space.

Wireless networking solution for areas with a high density of attendees: with the significant growth of user visitors who have smartphones, an event impact assessment was performed, and the need to strengthen the internet service for new mobile and portable devices was identified, taking as a starting point designing a new architecture that caters to the various clients and visitors at the exhibitions, under clearly defined rules and conditions in terms of service, timeliness and availability.

Corferias opted for implementing a wireless communications system that is able to support a high concentration of users as happens in our mass events by implementing a new system of smart wireless access points, which allow for operational load balancing, the roaming among devices, as well as automatic self - tuning of frequencies to avoid interference that may be generated by the high concentration of devices at one

site.

Additionally, as part of progress on issues related to the Corporation's internal improvement actions regarding topics such as the following have been implemented:

Corporate Projects Management Portal: In order to conduct a centralized management of all corporate projects in each of the strategic hubs, a web platform was developed to chart progress, risks, resources and time for each of the project activities as well as to follow up progress, send notifications on delayed or outstanding issues.

Continuous improvement of the administration on issues such as contract management, monitoring and control of food and beverage concessions, actions on information technology security, guaranteeing availability of services, improving the end-user support system, business hours management system, actions to update and improve the telecommunications platform, among others.

Quality Management System Portal: Together with the Quality area, a Quality Management System was implemented. The system allows tracking processes and documents comprising all corporate macro-processes that facilitate the design of new procedures in a practical and intelligible manner, their indicators, forms, policies and documentation, based on a system using a wizard that can guarantee managing compliance with the standard in which we are currently certified, with its opportunities for improvement, action plans, physical and digital records.

7. FINANCIAL DIMENSION

In 2014, the Colombian economy showed

a favorable trend, which, according to the dynamism of the economy in the first three quarters, growth for the year is expected to be around 4, 5%¹, placing it as one of the countries that grew the most in the region. In light of the above, the main risk rating agencies maintained Colombia with a rating of investment grade and it was possible to consolidate relations with the countries of the region.

Although Colombia achieved good growth rates, this is not a general trend for all sectors, as the manufacturing industry continued to grow below 4.2% of the GDP. Furthermore, production of the oil sector was lower than expected, with the added fact that costs of exploration and exploitation have increased while the price of oil is declining to 2008 levels.

Meanwhile, in 2014 inflation stood at 3,66%, which placed it within the target range set by the Bank of the Republic between 2% and 4%. If we leave food out, inflation would be 3,2%. The exchange rate in 2014 was characterized by its high volatility as in the first half there was revaluation going from \$ 1,920 to \$ 1,815 (July), in the second half of the year the trend was reversed as a result of declining oil prices and the dollar closed the year at \$ 2,392.

Particularly for Corferias aspects such as reliability in the country, the dynamics of foreign investment and promoting international trade agreements, coupled with increased consumption, allowed the Organization to achieve the goals set.

7.1. GENERAL CONSIDERATIONS TO THE GENERAL BALANCE SHEET AT 31 DECEMBER 2014

Available and temporary investments

¹ANDI, "Colombia: 2014 Balance and 2015 outlook "

The available and temporary investments showed a decrease of 47% over the previous year, closing the year with \$ 6,271 million. This reduction is due to the allocation of funds to the projects established in the Strategic Planning.

Short Term Debtors

Total short-term debtors account showed a reduction of 49% because the balances for the acquisition of property located on Avenida las Americas and the property located at Carrera 40 No. 20A-06 on Pedro Leon Trabuchy were paid in 2014. In 2013 the acquisition operation was reflected in debtors because it corresponded to the advanced payment agreed in the buy and sale agreement.

The client base showed an increase of 10%, as a result of the dynamics of the exhibitions and events held by the second half of the year, with government agencies and which have as collateral the budget availability but which need more time for processing and disbursement.

Fixed Assets

Fixed assets increased by 25% over the previous year due to the acquisition of the properties located on Avenida las Americas and on Carrera 40. Evolution in construction in progress for projects linked

to the 2030 Investment Plan as well as due to the purchase of machinery and computer equipment.

Financial Obligations and Debt

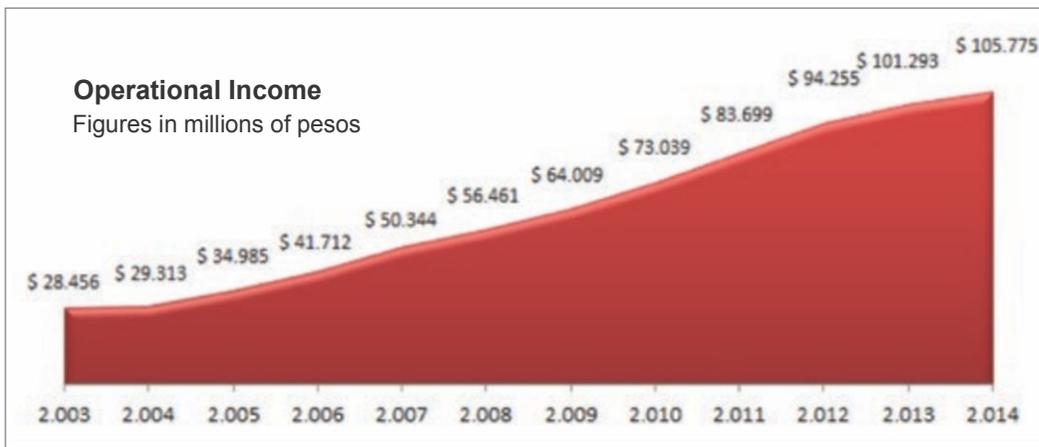
In 2014 the Corporation closed the year with a 5 - year debt of \$ 5,100 million with rates indexed to the DTF, to finance the investment plan incorporated into the Corporation's Strategic Planning. The financial obligation represents 0,90% of the asset total.

The overall indebtedness of the Company accounted for 6,94% of its assets, consisting mainly of estimated liabilities and provisions, short - term accounts payable, to suppliers and contractors, income received in advance and deposits for 2015 exhibitions.

7.2. GENERAL CONSIDERATIONS TO STATEMENT OF RESULTS

Operational Income

Operational revenues reached a total of \$ 105,775,000 million. This good result is thanks to the commercial strengthening, innovation actions for the exhibits and fairs portfolio and having started offering new services such as food and beverages.



The exhibition revenues in 2104 were \$ 89,757 million and had a share of 85% in the Corporation operational revenues; the exhibitions profit increased 7% over the previous year.

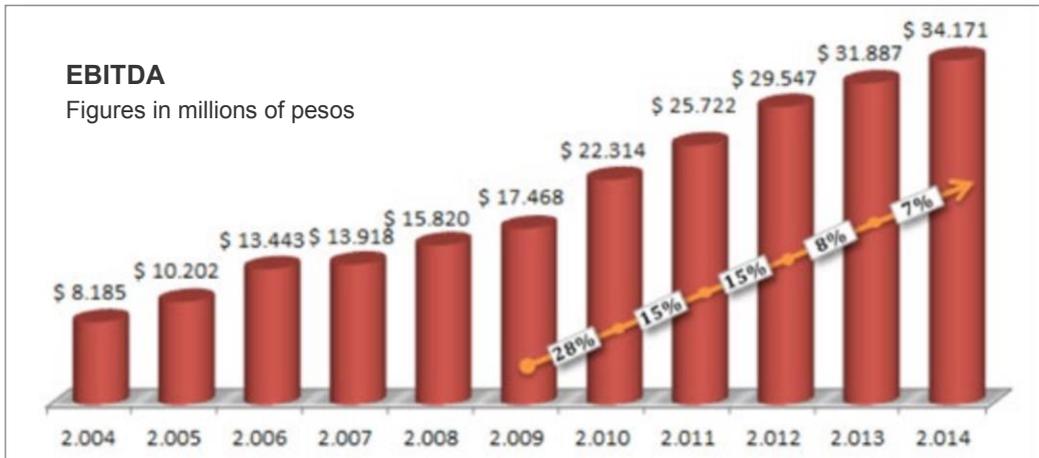
Meanwhile, revenues from events were \$ 11,965 million, which met the planned budget.

With regard to revenue from complementary services (food court and leases), they showed a dynamism that was consistent to the activity carried out with the exhibitions and events.

Finally, the results in terms of revenue and efficient cost control resulted in increased gross margin by 7,9% over the previous year, that is, the total margin was \$ 60,905 million.

EBITDA

During 2014, EBITDA grew by 7,2% compared to 2013, which was equivalent to \$ 2,284 million. It is worth noting the evolution of this indicator over the last five years as it went from \$ 17,468 million in 2009 to \$ 34,171,000 in 2014, representing a 96% growth in the period. This increase has been possible thanks to the strengthening of the exhibition and events activities, as well as the addition of new services and budgetary control of all costs and expenses of the Corporation.



Non - Operating Income and Expenses

Non - operating income was \$ 4,997 million, due to the good results of the subsidiary Inversiones Corferias S.A.S and the outcome of macroeconomic variables such as the difference in the exchange rate.

Non - operating expenses were related to financial fees, donations and expenditures again due to the difference in the exchange rate.

As in 2013, a provision of \$ 2,807,000 was

recorded, to meet the tax contingency process of public entertainment tax. With this, the non-operational margin was \$ 123 million.

Net Income

Net income closed at \$ 22,943 million surpassing by 6% the result of 2013. This income becomes the highest historical value of the Corporation.

7.3. CORFERIAS INVESTMENTS SAS

Corferias Inversiones S.A.S was incorporated on April 30, 2012 and has Corferias SA as its sole shareholder. The legal representative is responsible for representing Corferias SA during the General Meeting. Corferias Inversiones S.A.S does not have a Board of Directors. However, Corferias S.A.'s Board of Directors is informed of everything related to this company.

Although it is not mandatory, the company has a Statutory Auditor which is the same that is elected for Corferias S.A and who reports to the Audit Committee of Corferias S.A.

In its third year of operation, the company managed to reach total operating revenues in the amount of \$ 2,472 million. The highest generation of income came from the operation of the parking lot tower and in second place was the lease of the land located on Av. de Las Americas and the other on Carrera 40.

Operating expenses were \$ 902 million represented mainly by support staff at the

parking lot and taxes.

Given this, Corferias Investment S.A.S generated net income in the amount of \$ 1,068 million.

The company has assets for \$ 2,131 million, which are represented in available and temporary investments with 91%, debtors 8% and the balance corresponds to deferred charges and equipment. The liability was \$ 902 million, represented mainly in taxes payable.

7.4. GENERAL INDICATORS

In 2014 Corferias operational profit grew by 8% over the previous year without including the consolidated effect with Corferias S.A.S. In case Corferias' operation were to be integrated with that of Corferias S.A.S consolidated EBITDA indicator of both entities shows growth evidence of 10%, by going from \$ 32,421 in 2013 to \$ 35,752 in 2014. Additionally it is important to note that the EBITDA margin increased from 32% to 33%.

Figures in millions of pesos	2013	2014	Var % 14-13
OPERATING INCOME CFE FREE ZONE	101,293	105,775	4%
OPERATING INCOME CORFERIAS FREE ZONE	25,518	27,536	8%
EBITDA CORFERIAS FREE ZONE	31,887	34,171	7%
EBITDA CORFERIAS FREE ZONE + CORFERIAS SAS	32,421	35,752	10%
EBITDA MARGIN CORFERIAS FREE ZONE	31%	32%	
EBITDA MARGIN CORFERIAS FREE ZONE + CORFERIAS SAS	32%	33%	

8. LEGAL STATUS

8.1. LEGAL PROCESSES

In the processes listed below, external lawyers of the highest quality, who specialize

in legal issues that address each of the law suits are responsible for representing Corferias. Likewise, in cases of civil liability, Corferias has called, as collaterals, the insurance companies with whom the

corresponding policies had been entered into.

- **Sabz Goltab vs. Corferias:** the petitioner filed an ordinary civil process for extra contractual liability because, since they were not able to take part in the Home Fair Expo in 2012 they suffered economic losses. The Court ruling declared the petitioner's aspirations as unfounded.
- **Martha Isabel Abril vs. Corferias:** an ordinary process civil of extra contractual liability for the death of a student at the International Book Fair in 2004. The defendant, Corferias, was found not guilty in first and second instance. However, the plaintiff filed an extraordinary appeal before the Supreme Court. The Supreme Court dismissed the appeal as ill - founded. We are awaiting transfer for us to be able to present our defense. The applicant filed a motion for reconsideration against that order, we answered that transference and are now waiting for the Court to decide whether it is to review the background of the appeal proceedings.
- **Corferias vs. Superintendency of Industry and Commerce (Agroexpo Class 35):** Corferias filed a simple nullity action before the Council of State in order to get the annulment of the granting of registration of the Expoagro Class 35 Colombian mark to the company Corporación Colombiana Internacional. This process is pending initiation of the evidentiary stage.
- **Corferias vs. Ministry of Finance:** Corferias has filed for annulment and restoration of the right against administrative acts by the District Department of the Ministry of Finance through which sanctions were imposed to Corferias for the alleged lack of

payment of the tax on public events in the exhibitions held during the corresponding periods from 2005 to 2009. The Court ruled against the interests of Corferias in the first instance. In virtue of the appeal, the process went to the second instance where it is awaiting the Court ruling.

- **Corferias vs. Superintendency of Industry and Commerce (Book Fair Class 35):** Corferias filed an action for annulment before the Council of State on the administrative act issued by the Superintendency of Industry and Commerce through which Corferias was denied registration of the International Book Fair in class 35 mark. The process is in the preliminary stages.
- **Income Tax Declaration 2009:** The Control Board of the Management Division of DIAN's Tax Sectional Directorate for Large Taxpayers carried out a process control to Corferias for income tax paid during the tax year of 2009. As a result of this investigation, the Division ruled against Corferias, and determined a Special Requirement on 21 June 2012 through which they denied certain deductions for productive fixed assets. Additionally, in August 2013 DIAN raised a statement of objections against Corferias for having wrongfully refunded the monies derived from the deductions mentioned. The Corporation advanced its defense via the government, however the Administration reaffirmed its decision, reason why, in August 2014 we filed an application for annulment and restoration of the right before the Administrative Tribunal of Cundinamarca.

8.2. COPYRIGHT AND INTELLECTUAL PROPERTY

As to the application of Law 603 of July 2000 on copyright and intellectual property, the company has fully complied with it, given that

all brands of the exhibition products have their corresponding records that prove their property. Also, the software used in the computer equipment that belong to the Company is duly licensed and supply of these tools is done by well - known suppliers within the market and authorized by the manufacturers of those products.

8.3. AUDIT COMMITTEE AND SIPLA

During the last term, the Audit Committee of the Board of Directors held sessions in accordance with the provisions of Act 964 of 2005, exercising its duties as supervising agency of compliance with the audit program and ensuring that the financial information of the Corporation meets the provisions of the law. In compliance with the above rule, the Committee gave its approval to the Financial Statements that have been brought before you today.

Regarding the System for the Prevention of Money Laundering, over 2014 various actions were conducted to implement the SIPLA Handbook and Code of Ethics as updated in the year 2013. Additionally, training to officials of the Corporation were conducted, reports on compliance with SIPLA were submitted before the Audit Committee and the Board of Directors periodic reports were submitted to the UIAF in accordance with the orders given by law. Both the Internal Audit and the Statutory Auditor Office perform their audits on the system.

It is gratifying to report that according to the report given by the Compliance Officer of the Corporation, during 2014 no suspicious activity was detected in the transactions carried out by the shareholders of the Company or the nationalization of goods from abroad.

8.4. ON THE FACTORING ACTIVITY

In compliance with the provisions of paragraphs 1st and 2nd of Article 87 of Act

1676 of 2013, added to Article 7th of the Act 1231 of 2008, Corporación de Ferias y Exposiciones S.A. (Corporation of Fairs and Exhibitions S.A.) an Operator User of the Duty Free Zone, notes that during 2014, there were no activities intended to impede the free movement of invoices issued by sellers and suppliers

8.5. IMPORTANT EVENTS AFTER THE YEAR

Between December 31, 2014 and the date of submission of this report to the Board of Directors and the Shareholders Meeting there has not been any significant events worth highlighting.

8.6. TRANSACTIONS WITH AFFILIATES AND ADMINISTRATORS

All transactions carried out with Corferias' partners and managers, are listed in the notes to the financial statements of this report.

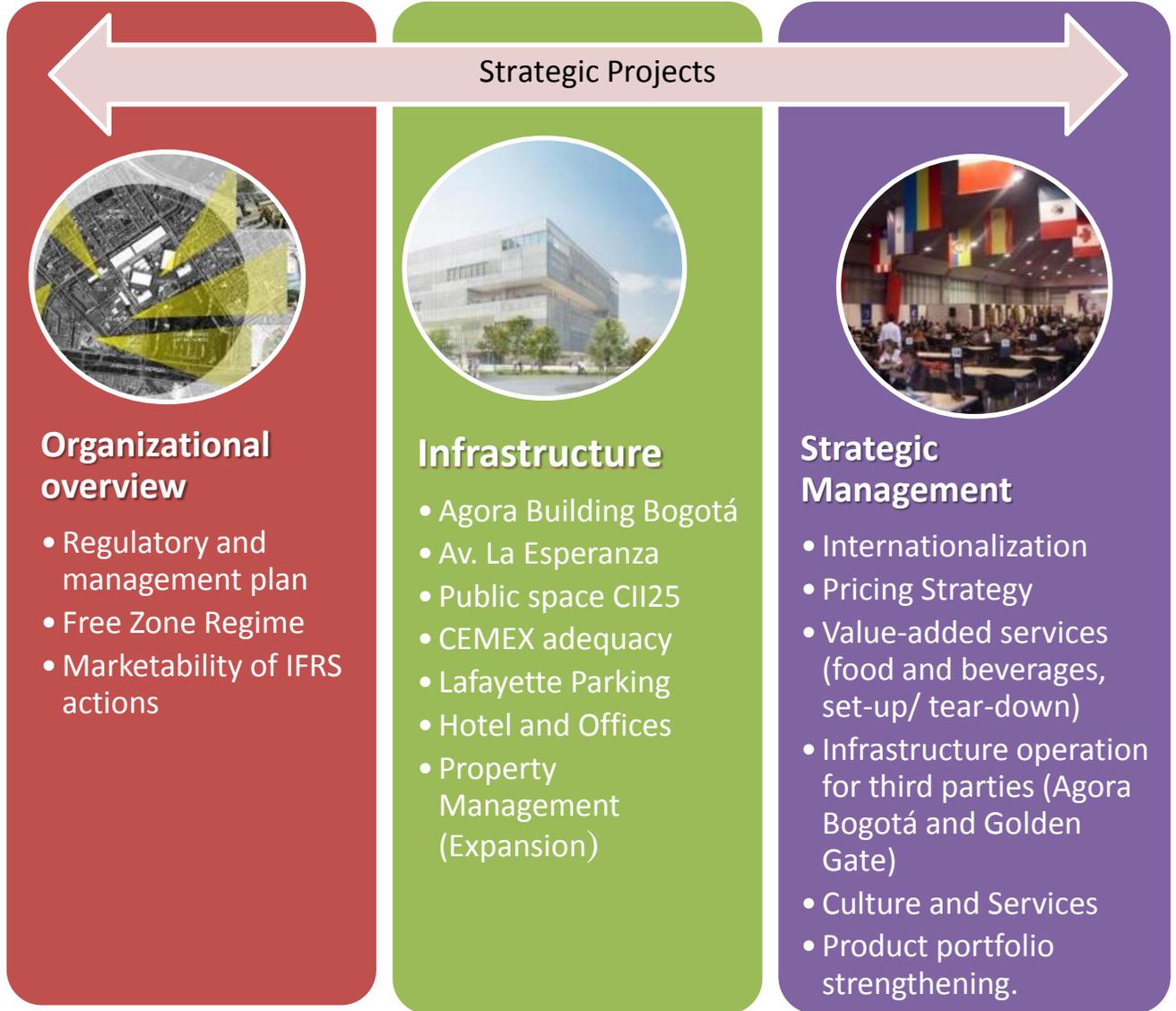
9. CHALLENGES FOR 2015

Corferias, under the framework of the guidelines of the current Strategic Plan, the vision that has been defined for the Company, the value proposition established for each of the business units, the proposed strategic objectives and the various projects that have been formulated, has been moving forward in implementing initiatives oriented towards following the "Towards a comprehensive industry leadership Fairs and Events" path.

Specifically, during 2015 the company will continue to make progress in each of the stated strategic projects to achieve the proposed vision. Those strategic projects are listed in the following table and which

are running.
The strategic projects have been grouped into three areas: 1) Organizational

Perspective; 2) Infrastructure and 3) Strategic Management.





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STATUTORY AUDITOR'S REPORT

Shareholders

Corporación de Ferias y Exposiciones S. A. Operator User of Duty Free Zone:

I have audited the financial statements of Corporación de Ferias y Exposiciones S.A. Operator User of Duty Free Zone (the Corporation), which comprises the balance sheet at December 31, 2014 and 2013 and the statements of income, changes in equity, changes in financial position and cash flows for the years then ended and related notes including a summary of the significant accounting policies and other explanatory information.

Management is responsible for the proper preparation and presentation of these financial statements in accordance with accounting principles generally accepted in Colombia and the instructions of the Superintendencia Financiera de Colombia regarding the accounting and valuation of investments in shares. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements free of errors of material importance, whether due to fraud or error; selecting and applying appropriate accounting policies as well as establishing reasonable accounting estimates under the circumstances.

My responsibility is to express an opinion on these financial statements based on my audits. I obtained the information necessary to fulfill my duties and conducted my audits in accordance with the auditing standards generally accepted in Colombia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of errors of material importance.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the statutory auditor's judgment, including assessing the risk of errors of material importance in the financial statements. In that risk assessment, the statutory auditor takes into account internal control relevant to the preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the use of appropriate accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements in general. I believe that the audit evidence obtained provides a reasonable basis for the opinion expressed below.

KPMG Ltda., A Colombian limited liability partnership and a member firm of the network of independent member firms of KPMG affiliated to KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Ltda.
Nit. 860000846-4

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In my opinion, such financial statements, which have been taken faithfully from the books and which are attached to this report fairly present, in all respects of material importance, the financial position of the Corporation up to December 31, 2014 and 2013, the results of their operations, all changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in Colombia and instructions of the Superintendencia Financiera de Colombia regarding the accounting and valuation of permanent investments in stock, as applied uniformly.

Based on the results of my tests, in my opinion:

- a) Accounting of the Corporation has been carried in accordance with the technical accounting and legal standards.
- b) The transactions recorded in the books and the actions of managers comply with the statutes and decisions made by the Meeting of Shareholders.
- c) Correspondence, accounting vouchers and the books of minutes and share registry are kept and preserved properly.
- d) There are adequate internal control measures, to prevent money laundering and terrorist financing, for maintenance and custody of the assets of the Corporation and third parties who are in their power.
- e) There is agreement between the accompanying financial statements and the management report prepared by the Directors, which includes the record by the administration on the free movement of endorsed invoices issued by suppliers.
- f) The information contained in the statements of self -liquidation of contributions to the integral social security system, in particular the one concerning members and their income base for contribution has been taken from the accounting records and accounting supports. The Corporation is not in arrears in respect of contributions to the integral social security system.

Liana Marcela Arango Mayo

Corporación de Ferias y Exposiciones S. A. Operator User of Duty Free Zone:
Professional Card 163815-T
A Member of KPMG Ltda.

March 3, 2015



THE UNDERSIGNED ANDRES LOPEZ VALDERRAMA, LEGAL REPRESENTATIVE OF CORPORACION DE FERIAS Y EXPOSICIONES S. A. OPERATOR USER OF THE DUTY FREE ZONE IN ACCORDANCE WITH ARTICLE 46 and 47 ACT 964 OF 2005.

HEREBY CERTIFIES:

That the Financial Statements at December 31, 2014 and 2013, the reports, documents and statements contained therein in accordance with the regulations and the law, do not contain defects, inaccuracies or errors that prevent ascertaining the true financial condition or the operations of the Corporación de Ferias y Exposiciones S.A. Operator User of the Duty Free Zone and that the information contained herein was taken faithfully from the official ledgers.

Also this information has all control and disclosure procedures which guarantee that the financial information is presented properly.

In light of the foregoing, this record is signed on the twenty - seventh (27) of February of two thousand fifteen (2015).

Sincerely,

ANDRES LOPEZ VALDERRAMA
Legal Representative



THE UNDERSIGNED ANDRES LOPEZ VALDERRAMA, LEGAL REPRESENTATIVE AND JUAN CARLOS SANCHEZ, GENERAL ACCOUNTANT OF CORPORACION DE FERIAS Y EXPOSICIONES S. A. OPERATOR USER OF THE DUTY FREE ZONE IN ACCORDANCE WITH THE PROVISIONS IN ARTICLE 37 OF ACT 222 AND ARTICLES 22 AND 57 OF DECREE 2649 OF 1993.

HEREBY CERTIFY:

That the Financial Statements at December 31, 2014 and 2013, the reports, documents and statements contained therein in accordance with the regulations and the law, and which are submitted to the General Assembly, have been made and revised and they adequately reflect the financial situation of the entity at that time. At the same time it is noted that all the information sets contained herein was taken faithfully from the official ledgers and that all explicit statements of the elements that make up the Financial Statements were verified.

In light of the foregoing, this record is signed on the twenty - seventh (27) days of February of two thousand fifteen (2015).

Sincerely,

ANDRÉS LÓPEZ VALDERRAMA
Legal Representative

JUAN CARLOS SÁNCHEZ
Public Accountant
Professional Card 102419-T

CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. OPERATOR USER OF THE DUTY FREE ZONE

General Balance Sheets
December 31, 2014 and 2013 (Expressed in thousands of pesos)

	2014	2013
Current assets		
Available (note 3)	\$ 5.578.544	11.842.321
Temporary investments (Note 4)	692.605	17.049
Receivables, net (Note 5)	9.868.658	26.642.455
Inventories (note 6)	55.344	-
Expenses paid in advance	215.187	248.285
Deferred charges (Note 9)	<u>597.699</u>	<u>905.141</u>
Total current assets	<u>17.008.037</u>	<u>39.655.251</u>
Permanent, net Investments (Notes 8 and 35)	12.426.628	11.530.274
Property and equipment, net (Note 10)	159.301.120	127.407.808
Other assets (note 7)	3.893.332	829.932
Deferred charges (Note 9)	1.853.698	1.370.477
Valuations (notes 11 and 35)	365.438.892	338.015.371
Total assets	\$ 559,921,707	518,809,113
Memorandum debit accounts (note 21)	314.581.924	314.865.037
Credit memorandum accounts against (note 21)	60.961.104	59.787.043
Total memorandum accounts	\$ 375,543,028	374,652,080
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Financial Obligations (note 12)	1.200.000	-
Vendors	448.082	525.813
Accounts payable (Note 12)	4.482.422	9,111,480
Taxes, fees and charges (note 13)	2.232.149	2.851.500
Labor obligations (Note 14)	739.554	525.735
Estimated liabilities and provisions (note 15)	10.632.878	6.186.998
Income received in advance (note 16)	3.335.125	5.891.123
Other liabilities (note 17)	<u>6.071.116</u>	<u>6,111,801</u>
Total current liabilities	<u>29.141.326</u>	<u>31.204.450</u>
Financial Obligations (note 12)	3.900.000	-
Pensions (note 18)	1.835.400	2.047.045
Credit deferred monetary correction	617.038	677.567
Total liabilities	\$ 35.493.764	33.929.062



Equity:			
Share capital (note 19)		1.673.919	1.673.919
Capital Surplus		43.451.721	43.451.721
Mandated and discretionary reserves (note 20)		42.773.671	31.954.346
Revaluation of assets		48.146.867	48.146.867
Revaluation surplus (Note 11 and 35)		365.438.892	338.015.371
Net income for the period		<u>22.942.873</u>	<u>21.637.827</u>
Total assets		<u>524.427.943</u>	<u>484.880.051</u>
Total liabilities and equity	\$	559.921.707	518.809.113
Memorandum debit accounts (note 21)		314.581.924	314.865.037
Memorandum credit accounts (note 21)		60.961.104	59.787.043
Total memorandum accounts	\$	375.543.028	374.652.080

See accompanying notes to financial statements.

Andrés López Valderrama
Legal Representative

Juan Carlos Sánchez
Certified Public Accountant
Professional Card 102419-T

Liana Marcela Arango Mayo
Statutory Auditor
Professional Card 163815-T

A Member of KPMG Ltda.
(See my report dated March 3, 2015)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. OPERATOR USER OF THE DUTY FREE ZONE

Statement of Income
Years ended December 31, 2014 and 2013
(In thousands of dollars, except per share profit)

	<u>2014</u>	<u>2013</u>
Operating income (Notes 22 and 35)		
	\$	
Hotels and Restaurants	1,391,388	-
Real estate, renting and business	14,625,494	12,898,852
Entertainment and recreation	89,825,276	88,441,064
Returns, rebates and discounts on sales	<u>(67,011)</u>	<u>(46,756)</u>
Cost of sales	<u>105,775,147</u>	<u>101,293,160</u>
Hotels and Restaurants	<u>533,212</u>	-
Operational administrative expenses (Note 35)	<u>533,212</u>	-
Staff costs (note 23)	14,362,948	12,572,121
Fees	1,434,291	1,571,193
Taxes	3,286,352	3,151,593
Services	3,929,111	3,930,473
Adaptation and facilities	1,599,406	1,015,709
Depreciations (note 24)	6,147,869	5,961,488
Amortizations	486,915	407,288
Other (note 25)	4,805,172	3,296,422
Provisions (note 26)	<u>983,594</u>	<u>1,255,681</u>
	<u>37,035,658</u>	<u>33,161,968</u>
Operational costs of sales (Note 35)		
Staff costs (note 23)	3,157,740	2,662,023
Fees	2,842,651	2,747,740
Leases	1,514,554	794,790
Contributions and affiliations	3,539,937	9,037,335
Services (note 27)	12,168,850	13,102,530
Adaptation and facilities (note 28)	6,083,022	8,024,681
Commissions	1,080,250	596,032
Provisions (note 26)	4,150,732	2,360,467
Other (note 29)	<u>6,132,479</u>	<u>3,287,202</u>
	<u>40,670,215</u>	<u>42,612,800</u>
Operating Income	27,536,062	25,518,392
Non-operating income (note 35)		
Interests	32,235	27,720
Exchange difference	604,614	238,198
Financial	561,542	679,598
Dividends and shares (note 8)	1,042,859	1,089,483
Commissions	60,705	-
Income share method	1,067,577	334,073
Recoveries (note 30)	1,292,328	2,037,573
Uses	221,293	67,620
Other (note 31)	<u>113,691</u>	<u>146,508</u>
	<u>4,996,844</u>	<u>4,620,773</u>
Non-operating expenses		
Interests	3,592	56,637
Financial (note 32)	572,027	333,502
Losses in property and equipment decommissioning	55,915	1,749
Decommissioning other assets	179,450	-
Extraordinary expenses	794,413	387,321
Donations	397,925	531,575
Other (note 33)	<u>2,870,641</u>	<u>3,047,415</u>
	<u>4,873,963</u>	<u>4,358,199</u>



Net non - operatingrResult		<u>122.881</u>	<u>262.574</u>
Profit before income tax		27.658.943	25.780.966
Income tax and complementary (note 34)		<u>4.716.070</u>	<u>4.143.139</u>
Net income for the period	\$	22.942.873	21.637.827
Earnings per share (in pesos)	\$	137,15	129,34

See accompanying notes to financial statements.

Andrés López Valderrama
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(See my report dated March 3, 2015)

**CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. OPERATOR USER
OF THE DUTY FREE ZONE**

Statement of Changes in Equity
Years ended December 31, 2014 and 2013
(In thousands of dollars, except per share profit)

	Social capital	Surplus Capital	Reserves Mandatory and occasional	Equity Revaluation	Surplus by Valuations	Utility of the Period	Total Equity
Balance at December 31, 2012 \$	1.673.919	43.451.721	21.472.119	48.146.867	294.361.200	20.964.480	430.070.306
Dividend pay in cash for \$ 62,66 per share, on 167,287,797 subscribed and paid shares; paid in September 2013	-	-	-	-	-	(10,482,253)	(10,482,253)
Appropriation of legal and occasional reserves	-	-	10.482.227	-	-	(10,482,227)	-
Movement of the Period	-	-	-	-	43.654.171	-	43.654.171
Net income for the period	-	-	-	-	-	21.637.827	21.637.827
Balance at December 31, 2013	1.673.919	43.451.721	31.954.346	48.146.867	338.015.371	21.637.827	484.880.051
Payment of cash dividends of \$ 64.67 per share on 167,287,797 shares subscribed and paid; paid in April and October 2014	-	-	-	-	-	(10,818,502)	(10,818,502)
Appropriation of legal and occasional reserves	-	-	10.819.325	-	-	(10,819,325)	-
Movement of the Period	-	-	-	-	27.423.521	-	27.423.521
Net income for the period	-	-	-	-	-	22.942.873	22.942.873
Balance at December 31, 2014 \$	1.673.919	43.451.721	42.773.671	48.146.867	365.438.892	22.942.873	524.427.943

See accompanying notes to financial statements.

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**CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. OPERATOR USER OF THE DUTY
FREE ZONE**

Statement of Changes in Financial Position
Years ended December 31, 2014 and 2013 (Expressed in thousands of pesos)

	<u>2014</u>	<u>2013</u>
FINANCIAL RESOURCES PROVIDED BY: Net income for the period		
	\$ 22.942.873	21.637.827
Plus (less) Items not affecting working capital: Depreciation	6.147.869	5.961.488
Amortizations	486.915	407.288
Provision for other assets - administrative expenses	840.708	867.018
Provision for other assets - exhibitions costs	4.150.732	2.360.467
Losses in property and equipment decommissioning	55.915	1.749
Reimbursement provision other assets - Exhibitions and administrative expenses	(758,171)	(1.689.376)
Decrease in retirement pensions	(211,645)	(32.128)
Increase in long-term financial obligations	3.900.000	-
Credit restatement	<u>(60.529)</u>	<u>(60.529)</u>
Working capital provided by operations	37.494.667	29.453.804
FINANCIAL RESOURCES USED FOR:		
Permanent Investment	896.354	390.650
Property and equipment	38.097.096	5.595.585
Deferred charges	483.221	528.533
Other assets	7.783.584	2.169.800
Declared dividends	10.818.502	10.482.253
Total resources used	<u>58.078.757</u>	<u>19.166.821</u>
(Decrease) Increase in working capital	\$ <u>(20.584.090)</u>	<u>10.286.983</u>
Changes in components of working capital		
Increase (decrease) in current assets: Available	(6.263.777)	9.744.361
Temporary investments	675.556	(199,949)
Debtors	(16.773.797)	9.595.445
Inventories	55.344	-
Expenses paid in advance and deferred charges	<u>(340,540)</u>	<u>295.787</u>
	(22.647.214)	19.435.644



Decrease (increase) in current liabilities:		
Financial obligations	1.200.000	-
Vendors	(77,731)	43.661
Accounts payable	(4.629.058)	(2.414.361)
Taxes, fees and charges	(619,351)	(573,014)
Labor Obligations	213.819	(40,677)
Estimated liabilities and provisions	4.445.880	(2.217.091)
Income received in advance	(2.555.998)	(1.272.132)
Other liabilities	<u>(40.685)</u>	<u>(2.675.047)</u>
	<u>(2.063.124)</u>	<u>(9.148.661)</u>
(Decrease) Increase in working capital	\$ (20.584.090)	10.286.983

See accompanying notes to financial statements.

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**CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. OPERATOR USER OF THE DUTY FREE
ZONE**

Cash Flow Statement
Years ended December 31, 2014 and 2013 (Expressed in
thousands of pesos)

CASH FLOW FROM OPERATING ACTIVITIES

	<u>2014</u>	<u>2013</u>
Net income for the period	\$ 22.942.873	21.637.827
Reconciliation between profit for the year and net cash from operating activities:		
Depreciations	6.147.869	5.961.488
Amortizations	486.915	407.288
Bad debts provision	142.887	388.663
Other asset provision - administrative expense	840.708	867.018
Other asset provision - fairs expense	4.150.732	2.360.467
Allowance for social benefits	1.107.257	1.372.431
Property and equipment retirement provision, net	55.915	1.749
Other asset provision repayment	(758.171)	(1.689.376)
Bad debts provision repayment	(323.004)	(25.944)
Social benefits payment	(1.327.683)	(858.552)
Equity method (profit) loss, net	<u>(1.067.577)</u>	<u>(334.073)</u>
	<u>32.398.721</u>	<u>30.088.986</u>
Decrease (increase) in debtors	16.953.914	(9.958.164)
Increase in Inventories	(55,344)	
Net increase of expenses paid in advance and deferred charges	(142,681)	(824,321)
Increase in other assets	(7.783.584)	(2.169.800)
Vendors Decrease	(77,731)	(43,661)
(Decrease) increase in accounts payable	(4.662.506)	2.391.790
(Decrease) increase in taxes, charges and fees	(619,351)	573.014
(Increase) decrease in employee benefits	434.245	(473,202)
Increase in estimated liabilities and provisions	4.445.880	2.217.091
Decrease in retirement pensions	(211,645)	(32.128)
(Decrease) increase income received in advance and deferred monetary correction	(2.616.527)	1.211.603
(Decrease) increase in other liabilities	<u>(40.685)</u>	<u>2.675.047</u>



NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>38.022.706</u>	<u>25.656.255</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease in investments	(504,333)	143.372
Purchase of property and equipment	<u>(38.097.096)</u>	<u>(5.595.585)</u>
TOTAL FUNDS USED IN INVESTING ACTIVITIES	(38.601.429)	(5.452.213)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increased financial obligations	5.100.000	
Dividends paid in cash	<u>(10.785.054)</u>	<u>(10.459.681)</u>
TOTAL FUNDS USED IN FINANCING ACTIVITIES	(5.685.054)	(10.459.681)
(DECREASE) INCREASE IN CASH	(6.263.777)	9.744.361
CASH BALANCE AT BEGINNING OF YEAR	<u>11.842.321</u>	<u>2.097.960</u>
CASH BALANCE AT END OF YEAR	<u>\$ 5.578.544</u>	<u>11.842.321</u>

See accompanying notes to the financial statements

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CORPORACIÓN DE FERIAS Y EXPOSICIONES S. A. OPERATOR USER OF THE DUTY FREE ZONE
December 31, 2014 and 2013 (Expressed in thousands of pesos)

(1) Reporting Entity

Corporación de Ferias y Exposiciones S. A Operator User of Duty Free Zone, hereinafter the Corporation is a corporation established by Public Deed No. 3640 of July 18, 1955, issued by the Notary Second (2nd) of Bogotá DC, lasting until July 2099.

Its social objective is that to promote industrial and commercial development at regional, national and international level and strengthen Colombia's bonds of friendship and cooperation with nations frienda. Organizing fairs, national and international exhibitions of industrial, commercial, agricultural or scientific nature within their exhibit facilities or outside, at home or abroad; and to promote and organize the participation of Colombia in fairs and exhibitions that take place abroad.

The Corporation is subject to the Chamber of Commerce of Bogotá.

The Corporation was incorporated as a Permanent Special Operator User of the Duty Free Zone by Resolution No. 5425 of June 20, 2008. According to Public Deed No. 2931 of July 25, 2008 of Notary 48 of Bogotá DC, registered on July 28, 2008 under number 01231243 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.

(2) Main Accounting Policies

a) Basis for the Preparation and Presentation

The financial statements are prepared and presented in accordance with the accounting principles generally accepted in Colombia and the instructions of the Superintendencia Financiera de Colombia regarding the

accounting and valuation of investments in shares.

b) Criteria of Materiality or Relative Importance

Economic events are recognized and presented according to their relative importance. In preparing the financial statements, materiality was determined in relation to total assets and liabilities, the total assets and liabilities, working capital, equity, or the results of operations, as appropriate.

c) Investments

All investments are recorded at cost, which does not exceed the market value.

Accounting for noncontrolling permanent equity investments are made in accordance with the provisions of External Circular 11 of 1998, issued by the Superintendencia Financiera de Colombia, which provides the following:

- If the realizable value of the investment is higher than the value in books, the difference represents a recovery of investment. It is recorded in the valuation account and is counterbalanced is the equity affecting the surplus account due to valuations.
- If the realizable value of the investment is less than the amount in books, the difference is an impairment of the investment. It is recorded in the valuation account and it is recognized against the equity in the revaluation surplus account, notwithstanding that the net balance of accounts cometh to be contrary to the nature of the financial statement element to which it belongs.
- The Corporation recorded provisions for investments in accordance with the provisions of Decree 2650 of 1993, to be charged to the income statement in order to cover the resulting difference between the cost of investments and the intrinsic value.
- Investments in subsidiaries where the Corporation has the power to arrange the

profits, are accounted for by using the equity method at year end. This is the accounting process by means of which the investment is initially recorded at cost to later increase or decrease its value according to changes in the subordinate equity.

- Likewise, the Corporation has provided making temporary investments in order to maximize the efficiency of the available capital. In order to do so, the Corporation assesses, at the existing stock market, the best alternative to reliability and performance fees, as may be issuers of securities with an AAA rating, continually renegotiating its portfolio, based on better financial results.

d) Related Parties

The Corporation reveals, as related parties, all assets, liabilities and transactions carried out with shareholders, managers and companies in which the Corporation holds subordination.

e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles, requires management of the Company to record the estimates and provisions that affect the values of assets and liabilities that have been reported and to disclose the contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

f) Cash Equivalents

For the purposes of the cash flow statements, the components of the group of available capital are considered cash equivalents.

g) Debtors Provision

Debtors record the rights recognized by the economic entity as accounts receivable from clients, all advances and early payments made to suppliers. Income receivable and loans made to officials.

The accounts due to items other than the activity of the economic entity are recognized separately.

It is evaluated on a monthly basis under the policy established by the company or loss recoverability of accounts receivable in the ordinary course of business, as follows:

- 5% for overdue debts between 31 and 180 days.
- 50% for overdue debts between 181 and 365 days.
- 100% For debts over 365 days overdue.

The Administration chose to follow this policy in order to safeguard the interests of the Corporation by applying a provision higher than the one required by tax rules.

h) Inventories

Inventories are recorded by the perpetual inventory system, the method of valuation is weighted average.

i) Deferred Charges

These charges correspond to costs and expenses that benefit future periods and which are not susceptible to be recovered. Amortization is recognized from the date on which they contribute to income generation, taking the following into account:

- Software in a period that does not exceed three (3) years.
- EXhibitions costs correspond to the expenses of exhibition events that will be held in 2015, and shall be recovered in the corresponding month in which the event takes place.
- Deferred income tax is amortized over the period in which the temporary differences that gave rise to them are reversed.
- All charges due to deferred monetary correction, starting April 1st of 2004 are amortized over a period of thirty (30) years, which corresponds to the time when the constructions and buildings are depreciated in accordance with the Buildings and



Constructions lifetime policy..

the beneficiary is the same trustor.

- All exhibition decoration elements are amortized in accordance with the policy that has been approved by the Administration, defined based on the life cycle of these elements. This policy is discriminated as follows:

Assembly material	Amortization Period
Profiling, props, closings	5 years
Electric elements	15 years
Telephone elements	3 years
Carpet	1 year

Decorating material	Amortization Period
Furniture	3 years
Mechanical equipment, electrical and electronic	5 years

- All organization and pre - operating expenses correspond to disbursements made to study an investment that the Corporation has planned for 2015.

j) Other Assets - Intangible

Intangible assets are recorded at cost and include all inflation adjustments up to December 31, 2006.

The Corporation has the following intangibles in its records:

- "Colony Trade Fair" Mark, which is fully amortized by the straight - line method at 10 years.
 - Participation of 6.7% on the Expoconstrucción and Expodiseño Trade Fair" trademark which was acquired in December 2014 for \$ 1,236,790. This will be amortized by the straight - line method to five years.
- Rights in property trusts, which contain the records of all trust agreements by means of which a property is transferred to the fiduciary agency for it to manage and develop a real estate project in accordance with the instructions outlined in the contract whenever

- The foreclosed assets are artistic works received from the Colombian Artistic Youth Foundation to pay an obligation from the year 2006.

k) Property and Equipment

Property and equipment are recorded at purchase cost and include the effect of the inflation accrued up to December 31, 2006.

Depreciation is calculated using the straight - line method, on the inflation - adjusted cost according to the estimated useful life cycle of each asset, as follows:

	Years of age
• Buildings and constructions	30
• Machinery and equipment	10
• Office equipment	10
• Computer and Communication Equipment	5
• Fleet and transport equipment	5

All improvements and extraordinary repairs that extend the useful life of the asset, are capitalized. All other repairs and preventive maintenance are recorded in the income statement of the year.

i) Valuations and Impairment

The accounting policies related to the recognition of revaluations and devaluations are presented below:

Property and Equipment

Resulting from comparing technical appraisals with their net book value, when the technical appraisal is higher than the amount in books, the difference is recorded as recovery in balance sheet accounts; otherwise, an impairment is recorded and it is charged to the income.

Appraisals are performed at least every three years. During the intervening years, the appraisal are updated based on the Consumer Price Index for middle - income CPI.

In November 2013, a technical appraisal for all real estate properties was carried out in accordance with the accounting principles generally accepted in Colombia. The appraisal was incorporated into the balance sheet at 31 December 2013. For 2014 valuations were adjusted at period closing by the Consumer Price Index for middle income as set by the National Administrative Department of Statistics DANE, whose percentage for the year 2014 was 3.66%.

m) Taxes, Charges and Fees

The income tax expense is determined based on taxable income. The effect of temporary differences which mean determining a lower or higher tax in the current year, estimated at current rates, is recognized as deferred tax asset or liability, as applicable, provided there is a reasonable expectation in the sense that such differences will be reverted.

In accordance with number 11 of Article 191 of the Tax Code which provides that all event and convention centers in which the Chambers of Commerce mainly participate and those that have been created as industrial and commercial companies of the State or mixed economy companies in which participation of state capital exceeds 51%, provided that they are duly authorized by the Ministry of Commerce, Industry and Tourism, are not subject to estate tax.

Act 1739 of December 23, 2014, created the wealth tax for the years 2015 to 2018, which kept within the non-contributing parties the exemption provided under the above cited article and which the Corporation has accepted.

Additionally this law also created the surcharge to the income tax on equity CREE, for the years 2015 to 2018, which

affects CREE taxpayers whose taxable income for this tax exceeds \$ 800 million.

Although this law changed some aspects related to the CREE income tax on equity, which was created by Act 1607 of 2012, it did keep the exclusion of this tax for companies located in duty free zones, as well as payment of payroll taxes and employer health for workers earning less than 10 SMMLV (minimum legal wage)

Starting in the year 2014, it is necessary to file tax returns and supporting documentation related to the transfer pricing regime for all transactions between companies located in the duty free zones and their affiliates of the national customs territory.

The Corporation was authorized as a Permanent Special Operator User of the Duty Free Zone by Resolution No. 5425 of June 20, 2008, therefore the income tax has been calculated at the rate of 15% since 2008.

Regarding the sales tax, Act 1739, 2014, did not make any changes thereto.

With the launching of the food and beverage business since the end of August 2014, the Corporation started being responsible for collecting the consumption tax, which must be charged upon selling food to the table provided by restaurants and bars.

Finally, the tax reform of 2014 decided that the tax on financial transactions had to be charged for another four years, decreasing one percentage point per year as of 2019, until it fades away.

n) Retirement Pensions

The retirement pension liability represents the present value of all future amounts the Corporation shall pay to those employees who meet certain statutory requirements as to age, length of service and others.

The present value of liabilities by the Corporation, is determined on a yearly basis based on actuarial studies according to the rules of the Financial Superintendence of Colombia. Amortization of this item is charged to the income results in accordance with Decree 4565 of December 7, 2010 by the Ministry of Finance and Public Credit.

o) Deferred Income

They correspond to anticipated invoicing of future revenues from exhibition leases, their amortization is carried out in accordance with the date of completion of each event.

p) Memorandum Accounts

All transactions carried out with any third parties, which due to their nature do not affect the financial situation of the Corporation are recorded on memorandum accounts. It also includes those control accounts used for internal control purposes and differences between the accounting records and tax returns.

q) Recognition of Revenues, Costs and Expenses

All income resulting from fair related and not fair related activities, is caused when the events are actually held. A final exchange operation is created once all risks and benefits have been transferred to the exhibitor; revenue from services when they are provided or during the contract period. All costs and expenses incurred in during the operations are recognized by the accrual system.

In the food and beverage business income is caused when the service is provided satisfactorily, since it is a final exchange transaction.

The returns generated by fiduciary assignments, are caused based on the amount calculated by the trusts and which are reported in the bank statements, where an account receivable is recorded against the

income.

r) Transactions and Balances in Foreign Currency

Transactions and balances in foreign currencies are converted into Colombian Pesos at the representative market rate as certified by the Superintendencia Financiera de Colombia.

Transactions in foreign currency are posted in pesos at the prevailing exchange rate at the date of the transaction. The balances of assets and liabilities in foreign currency up to December 31, 2014 and 2013, were converted in Colombian Pesos at the representative market rates of \$ 2,392.46 (in pesos) and \$ 1,926.83 (in pesos), correspondingly. The exchange difference resulting from the adjustment of assets and liabilities is recognized in income.

s) Real Estate, Corporate and Business Rental

Records all income originated in leasing spaces and services directly related to the organization of non-exhibition events.

t) Entertainment and Leisure

Records all the income obtained from the leasing of spaces and rendering services in the organization and implementation of exhibition events.

u) Net Income per Share

At December 31, 2014 and 2013 to determine the net income per share, the number of shares in circulation that was used was 167,287,797.

Net profit per share amounted to \$ 137,15 (in pesos) and \$ 129.34 (in pesos), respectively.



Following is the available balance as of December 31:

	<u>2014</u>	<u>2013</u>
Legal currency	\$ 2.274	500
Cash	490.398	367.941
Banks	4.720.582	11.457.206
Saving accounts	<u>153</u>	-
	<u>5.213.407</u>	<u>11.825.647</u>
Foreign currency reduced to legal currency		
Cash (1)	27.741	9.273
Banks (2)	<u>337.396</u>	<u>7.401</u>
	<u>365.137</u>	<u>16.674</u>
	<u>\$ 5.578.544</u>	<u>11.842.321</u>

(1) is equivalent to US \$ 11,595.41 and US \$4,812.45

(2) is equivalent to US \$ 141,024.66 and US \$ 3,840.95

At December 31, 2014 and 2013, no restrictions on available cash are recorded and there are no bank reconciling items affecting the income statement.

The decrease in available cash is due to the fact that there are no large value payments in 2014 as was the case in 2013, when the Servicio Nacional de Aprendizaje - SENA, transferred the resources needed to mount the WorldSkills event, which was held in April. On the other hand, balances in foreign currency banks increases due to the appropriation of the exhibitors at the Artbo Fair held in October 2014, as well as the increase in the exchange rate at the end of the year.



(4) Temporary Investments

The following is a breakdown of temporary investments at December 31:

			Annual effective <u>Interest rate</u>	
	2014	2013	2014	2013
Legal Currency:				
Fiduciary rights:				
Superior Open Collective Portfolio	2,76	3,09	\$ 679.903	8.195
Renting Open Collective Portfolio	3,15	2,6	<u>12.702</u>	<u>8.854</u>
			\$ <u>692.605</u>	<u>17.049</u>

The values represented in the interest rates are averaged according to the securities purchased.

At December 31, 2014 and 2013, there were no restrictions on investments.

(5) Debtors

The following is the detail of debtors at December 31:

		<u>2014</u>	<u>2013</u>
Customers (1)	\$	6.328.446	5.769.543
Prepayments and advances		2.388.784	3.417.165
Promises to buy and sale (2)		-	17.222.509
Income receivable		613.089	5.209



Accounts receivable from employees	702.662	411.415
Bad debts (3)	<u>1.960.340</u>	<u>2.121.422</u>
	11.993.321	28.947.263
Less Provision	<u>(2.124.663)</u>	<u>(2.304.808)</u>
	<u>\$ 9.868.658</u>	<u>26.642.455</u>

- (1) In 2014 the promise to purchase fiduciary assignments related to the assets of Cemex and Inversiones AMBV was legalized. As a result, the amounts recorded therein were reclassified to fixed assets.
- (2) Bad debts decreased in comparison to the previous year due to the recovery of the receivable from Iberoamerican Theater Festival in 2012 in the amount of \$ 300,000.

Debtors Provision

The following is the movement in the allowance for doubtful accounts for the years that ended December 31:

	<u>2014</u>	<u>2013</u>
Opening balance	\$ 2.304.780	1.942.089
More: Provision charged to operating expenses	142.887	388.663
Less: Repayment of provision	<u>(323.004)</u>	<u>(25.944)</u>
Closing balance	\$ <u>2.124.663</u>	<u>2.304.808</u>

The provision reimbursement increases due to the settlement and payment of the debt by the Corporation Iberoamerican Theater Festival of Bogotá in 2012.

The following is the detail of debtors by deadlines at December 31:

Overdue in 2014



	Outstanding	Balances	1 to 30 days	31 to 90 days	91 to 180 days	181 to 365 days	More than 365 days
Customers	\$ 6,328,446	3,668,769	1,615,570	465,781	329,209	249,117	-
Prepayments and advances	2,388,784	2,388,784	-	-	-	-	-
Buy and Sell Agreements	613,089	613,089	-	-	-	-	-
Income receivable	702,662	702,662	-	-	-	-	-
Accounts receivable from Workers	<u>1,960,340</u>	-	-	-	-	-	<u>1,960,340</u>
Bad debts	<u>11,993,321</u>	<u>7,373,304</u>	<u>1,615,570</u>	<u>465,781</u>	<u>329,209</u>	<u>249,117</u>	<u>1,960,340</u>
Less provision	<u>(2,124,663)</u>	-	-	<u>(23,289)</u>	<u>(16,460)</u>	<u>(124,574)</u>	<u>(1,960,340)</u>
	\$ <u>9,868,658</u>	7,373,304	1,615,570	442,492	312,749	124,543	-

Overdue in 2013

	Outstanding	Balances	1 to 30 days	31 to 90 days	91 to 180 days	181 to 365 days	More than 365 days
Customers	\$ 5,769,543	2,846,684	1,847,624	671,270	117,051	286,914	-
Prepayments and advances	3,417,165	3,417,165	-	-	-	-	-
Buy and Sell Agreements	17,222,509	17,222,509	-	-	-	-	-
Income receivable	5,209	4,182	-	-	1,027	-	-
Accounts receivable from Workers	411,415	411,415	-	-	-	-	-
Bad debts	<u>2,121,422</u>	-	-	-	-	-	<u>2,121,422</u>
Less provision	<u>28,947,263</u>	<u>23,901,955</u>	<u>1,847,624</u>	<u>671,270</u>	<u>117,051</u>	<u>287,941</u>	<u>2,121,422</u>
	(2,304,808)	-	-	(33,564)	(5,851)	(143,971)	(2,121,422)
	\$ 26,642,455	23,901,955	1,847,624	637,706	111,200	143,970	-



All customers with portfolio correspond to the invoicing due to their participation in trade fairs, non - exhibition events and services provided to exhibitors. The category of income receivable includes interests, dividends receivable and other items.

(6) Inventories

The following is the detail of the inventories at December 31:

Raw Materials	\$	35.901
Goods Not Manufactured by the Company		10.732
Materials, Parts and Accessories		2,053
Containers and Packaging		6,658
	\$	55.344

At the end of August 2014, the Corporation started the food and beverage business, which involves managing distribution and inventory, the above figures correspond to the valuation of these assets at year end.

(7) Other Assets

The following is the detail of the other assets at December

		<u>2014</u>	<u>2013</u>
Intangible - acquired brands (1)	\$	1.653.858	63.768
Intangible - real estate trusts (2)		1.398.650	
Foreclosed assets		66.400	66.400
Electrical elements		275.238	214.722
Construction and plumbing materials		163.382	172.332
Stationery		203.493	188.347



Food, Liquors, Toilet and wardrobe	132.311	124.363
	\$ 3.893.332	829.932

(1) During the year 2014, the Corporation began negotiations to acquire the fair brands it is currently undertaking in partnership. In order to do that a valuation study was carried out and negotiations with owners were conducted through an international firm whose cost was capitalized as brand additions. By the end of year 2014 the Corporation purchased 6.7% of the Expoconstrucción and Expodiseño Trade Fair from the company Prodiseño Promotores de Diseñ S. A., which amounted to \$ 1,236,790.

(2) In November 2014 the Autonomous Equity was created for the construction of the International Convention Centre - AGORA in Bogotá, to which the Corporation is a partner. The contribution made at year end is \$ 1,398,650.

(8) Permanent Investments

The following is the detail of the permanent investments at December 31:

2014								
	% Share	Cost of Acquisition	Application of equity method	Cost Adjusted	Provision	Amount Net	Value Intrinsic	Valuation (Impairment)
Alpopular Almacén								
General de Depósito S. A.	28,90	\$ 9.672.974	-	9.672.974	(5,048)	9.667.926	40.406.767	30.738.841
La Previsora S. A Insurance Company	0,13	3.037.186	-	3.037.186	(1.602.873)	1.434.313	504.569	(929,744)
Exhibition and								
Conventions Center from Bucaramanga	1,17	174.448	-	174.448		174.448	163.398	(11,049)

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



Corferias Inversiones S. A. S	100,00	161.868	1.067.577	1.229.445	-	1.229.445	-	
Corporation Metropolitan Club	-	-	-	-	(79,601)	(79,601)	-	
Acerías Paz del Rio S. A.	-	97	-	97	-	97	25	(72)
		<u>\$ 13.046.573</u>	<u>1.067.577</u>	<u>14.114.150</u>	<u>(1.687.522)</u>	<u>12.426.628</u>	<u>41.074.759</u>	<u>29.797.976</u>

2013

	% Share	Cost of Acquisition	Application of equity method	Cost Adjusted	Provision	Amount Net	Amount Intrinsic	Valuation (Impairment)
Alpopular Almacén								
General de Depósito S. A.	28,90	\$ 9.364.082	-	9.364.082	(5,048)	9.359.034	34.656.987	25.297.953
La Previsora S. A Insurance Company	0,13	3.037.186	-	3.037.186	(1.602.873)	1.434.313	490.236	(944,077)
Exhibition and								
Conventions Center from Bucaramanga	1,17	174.448	-	174.448	-	174.448	176.894	2.446
Corferias Inversiones S. A. S	100,00	128.460	334.073	462.533	-	462.533	-	-
Corporation Metropolitan Club	-	142.903	-	142.903	(79,601)	63.302	-	-
Promotora Club Nogal SA	-	36.547	-	36.547	-	36.547	-	-
Acerías Paz del Rio S. A.	-	97	-	97	-	97	22	(75)
		<u>\$ 12.883.723</u>	<u>334.073</u>	<u>13.217.796</u>	<u>(1.687.522)</u>	<u>11.530.274</u>	<u>35.324.139</u>	<u>24.356.247</u>

At December 31, 2014 and 2013, there were no restrictions on investments.

The valuation of investments was adjusted based on the intrinsic value certificates up to November 30, 2014, provided by the companies in which the



Corporation holds shares; except for Paz del Rio, whose estimate was performed with the value of trading on the Colombian stock exchange at November 30, 2014.

At December 31, 2014 and 2013, the economic activity and the number of shares that the Company owns in issuing companies is as follows:

Issuing Company	Economic Activity	2014		Shares 2013	
		Number	Class	Number	Class
Alpopular Almacén					
General de Depósito S. A. (1)	Almacén de Depósitos	23.440.791	Ordinary	23.260.035	Ordinary
La Previsora S. A.					
Insurance Company (1)	Insurance Company	1.337.031	Ordinary	1.337.031	Ordinary
Corferias Inversiones S. A. S (2)	Lease of Spaces	100.000	Ordinary	100.000	Ordinary
Fairs and Exhibitions Center					
in Bucaramanga (1)	Performing Exhibition Events	16.021	Ordinary	16.021	Ordinary
Acerías Paz del Rio S. A. (1)	Iron Production	1.885	Ordinary	1.885	Ordinary

(1) These investments are permanent, not controlled of variable income, the following are the companies that generate dividends or shares.

Entity	2014	2013
Alpopular Almacén General de Depósito S. A.	\$ 1.029.643	1.042.346
La Previsora S. A Insurance Company	<u>13.216</u>	<u>47.137</u>
	<u>\$ 1.042.859</u>	<u>1.089.483</u>



- (2) The Corporation established the subordinated company Corferias Investment SAS, in April 30, 2012, with a capital of \$ 100,000, where the Corporation is the sole shareholder. upon estimating the equity method up to December 31, 2014 and 2013, net profits of \$ 1,067,577 and \$ 334,073 respectively were obtained, which were recognized in the income statement.

Corferias Investment S.A.S' social objective it is to carry out any lawful business activity both in Colombia and abroad. The company may carry out, in general, all operations of whatever nature they may be, associated with said objective, as well as any similar, related or complementary activities or which allow for facilitating or developing the company's trade or industry. Currently the activity performed by Corferias Investment S.A.S is the administration of the estate of the parking tower and the Cemex parking lot.

(9) Deferred Charges

The following is a breakdown of deferred charges:

Short term:

		<u>2014</u>	<u>2013</u>
Organization and preoperational	\$	20.500	125.919
Computer Programs		129.816	88.803
Exhibition expenses (1)		383.299	630.114
Diferred income tax		41.378	35.185
Diferred monetary correction charges		22.706	25.120
		597.699	905.141

Long term:



Computer Programs		59.675
Deferred income tax	234.480	199.385
Diferred monetary correction charges	431.410	477.282
Exhibition decoration elements (2)	<u>1.128.133</u>	<u>634.135</u>
	<u>1.853.698</u>	<u>1.370.477</u>
	\$ <u>2.451.397</u>	<u>2.275.618</u>

The amortization expense for the years 2014 and 2013, amounts to \$ 486,915 and \$ 407,288 respectively.

(1) It corresponds to market research costs, fees, stationery, telemarketing services; airplane tickets and advertising for the exhibitions to be held in 2015.

(2) The deferred charges for exhibition decoration elements increased due to the investment made to service the WorldSkills event, held in April 2014.

(10) Property and Equipment

		<u>2014</u>	
Adjusted cost		Adjusted depreciation	Net Book Value
Land	\$ 33.646.278	-	33.646.278
Construction in progress	16.445.734	-	16.445.734
Buildings and constructions	165.783.275	62.654.079	103.129.196
Machinery and equipment	7.354.816	3.493.891	3.860.925
Office equipment	3.018.326	1.750.468	1.267.858
Computer and Communication Equipment	3.682.350	2.850.904	831.446
Fleet and transport equipment	<u>503.154</u>	<u>383.471</u>	<u>119.683</u>
	\$ <u>230.433.933</u>	<u>71.132.813</u>	<u>159.301.120</u>



		2013			
		Depreciation		Net Worth	
		Adjusted		in Books	
Land	\$ 9.819.187				9.819.187
Constructions in progr	4.106.838				4.106.838
Buildings and construc	165.491.177	57.611.780			107.879.397
Machinery and equipm	6.510.936	3.066.682			3.444.254
Office equipment	2.881.199	1.518.252			1.362.947
Computer and commu equipment	3.182.669	2.540.744			641.925
Fleet and transportati	503.154	349.894			153.260
	\$ 192.495.160	65.087.352			127.407.808

At December 31, 2014 and 2013, there were no restrictions on these assets.

Lands increased by \$ 23,827,091 due to the acquisition of those properties from the following companies Cemex and AMBV Inversiones, for the properties located at Calle 20 and Carrera 42 No 36-28 No 20-06 and 20-12

In turn the constructions in progress had an increase especially derived by the implementation of the parking lot project that is being carried out at the "Lafayette" parking lot, which was awarded to TVEstahl Consortium, which will be operational in 2015.

(11)	<u>Valuations / Impairment</u>		
	The following is a breakdown of valuations and impairment:		
	Investments:	<u>2014</u>	<u>2013</u>



	Valuations	\$ 30.738.841	25.300.399
	Impairment	(940,865)	(944,152)
		29.797.976	24.356.247
	Property and equipment: (1) Real Estate	333.757.445	312.877.686
	Movable property	1.883.471	781.438
		335.640.916	313.659.124
		\$ 365.438.892	338.015.371

(1) The commercial appraisals of real estate, machinery and equipment, office equipment, computer equipment and communication and transportation equipment were carried out on November 6, 2013. These appraisals were developed by the firm Borrero Ochoa y Asociados Ltda, under the Accounting Principles Generally Accepted in Colombia (GAAP). Valuations correspond to the differences that exist between the realizable value, determined by the appraisals made by third parties, and the net book value of the equipment properties. These valuations are recorded in separate accounts within the same assets and were determined based on appraisals carried out in 2013, which were adjusted at period end by the Index of Consumer Prices for middle income as established by the National Administrative Department of Statistics DANE 2014 at 3.66%.

(12) Financial obligations and Accounts payable

The following is a breakdown of financial obligations up to December 31, 2014:

Notes (1)

Short Term	\$	1.200.000
Long Term		<u>3.900.000</u>
	\$	<u>5.100.000</u>



- (1) In January 2014, the Corporation obtained a loan in the amount of \$ 6,000,000 at a rate of DTF + 2.5% TA, amortization of the debt during the year was \$ 900,000

The following is a breakdown of accounts payable at December 31:

	2014	2013
To contractors (1)	\$ 1.323.334	1.169.425
Costs and expenses payable:		
Commissions	-	100
Fees	230.550	623.156
Technical Services	-	1.564
Maintenance services	104.163	541.792
Leases	99.481	270.572
Representation expenses and public relations	17.730	32.120
Transportation, freight and haulage	10.997	117.264
Utilities	-	223
Others - Advertising (2)	1.715.992	5.169.177
Insurance and Travel Expenses	780	11.176
	2.179.693	6.767.144
Withholding tax	610.807	779.850
Withheld sales tax	-	
Withheld industry and trade tax	71.894	56.836
Payroll deductions and contributions	58.583	79.440
Dividends payable (3)	187.896	154.448
Sundry creditors	50.215	104.337



	\$ 4.482.422	9,111,480
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- (1) For the years 2014 and 2013, the balance represents unpaid bills to contractors on account of the assemblies that were held for the events held in November and December, such as the Auto Show and Expoartesánías.
- (2) They are obligations acquired from advertising, and the participation of strategic partners to carry out some events, the decrease is due to the recognition in 2013 of an account payable by \$ 2,488,415 to the company Imocom SA for the import of machines to be used at the WorldSkills 2014 event, which was organized by Servicio Nacional de Aprendizaje - SENA.
- (3) The balance of dividends payable corresponds to accounts in favor of minority shareholders who have not complied with the corresponding proceedings to receive the payment.

(13) Taxes, Charges and Fees

The following is a breakdown of taxes, charges and fees at December 31:

	<u>2014</u>	<u>2013</u>	
Sales payable	\$ 676.469	1.155.344	
Industry and trade	290.333	244.860	
Tourism	94.206	57.406	
Income and Complementary	1.125.291	1.393.890	
Consumption Tax	45.850		



	\$ 2.232.149	2.851.500	
<u>(14) Labor Obligations</u>			
The following is a breakdown of labor obligations at 31 December:			
	<u>2014</u>	<u>2013</u>	
Wages Payable	\$ 1.710	24.335	
Consolidated Severance	459.302	288.424	
Interest on severance	55.315	34.687	
Consolidated Holidays	158.821	140.618	
Additional Benefits	64.406	37.671	
	\$ 739.554	525.735	

(1) There is an increase in all items related to social benefits, especially in consolidated severance payments, which originates from hiring, for an indefinite term, about 90 workers who previously were settled on a yearly basis.

(15) Estimated Liabilities and Provisions

The following is a breakdown of estimated liabilities and provisions at December 31:

Costs (1)

	<u>2014</u>	<u>2013</u>
Colombian Petroleum Show	\$ -	524.534
Expoartesanías Trade Fair	1.606.601	1.134.858



Mobility and Transportation Trade Fair		13.262
Health and Beauty Fair		
Corporate Event		64.000
Home Fair Expo Expo		171
Sofa		30.000
Housing Trade Fair		
Car Show	1.154.653	
Expodefense		
Expo Oil and Gas	1.053.695	
Smart Cities		10.040
Commercial Vehicle		143.000
Moto Go		56.500
Expo specials (3)		83.726
World Skills		260.500
E Net Expo		947
International Fair of Animals		
International Art Fair		
Aeronautics		3.000
Alimentec		
Babies and Kids		30.000
Book Fair		5.888
International Fair of Bogotá		
	\$ 4.160.573	2.360.467

Expenses



Administrative Expenses (2)	6,472,305	3,826,531
	<u>\$ 10.632.878</u>	<u>6.186.998</u>

- (1) The provision for costs and expenses is established in order to meet expenses which have not been invoiced by suppliers and contractors by the end of the period.
- (2) By 2014, the second part of the provision was included to address the legal process of public entertainment tax by \$ 2,806,883 to get to \$ 5,613,765. This process ended in a court ruling against the Corporation in May 2013. It was issued by the Administrative Tribunal of Cundinamarca. Currently the process is pending ruling on appeal before the State Council. Provisions for maintenance and repairs in the amount of \$ 858,540 are also included.
- (3) Expoespeciales is a fair that is held every two years, and payment to the partner by \$ 9,841 is pending. This amount will be paid in 2015, when the VI version of the event takes place.

(16) Income Received in Advance			
The following is a breakdown of the income received in advance		December 31:	
		<u>2014</u>	<u>2013</u>
Leases	\$ 35.190	253.526	
Participation in 2014 and 2015 exhibitions (1)	3.267.459	5.601.936	
Monetary correction credit	32.476	35.661	
	<u>\$ 3.335.125</u>	<u>5.891.123</u>	

- (1) Decrease is due to early billings done in 2013, to Servicio Nacional de Aprendizaje - SENA for the WorldSkills event which was held in April 2014. By 2014, the most significant percentage of this income corresponds to Expoconstrucción, Colombian Congress of Oil and Agroexpo, events to be held during 2015.

(17) Other Liabilities



The following is a breakdown of customers' deposits for participation in fair events at December 31:

	<u>2014</u>	<u>2013</u>
Meditech	\$ 30.496	262.611
Expoartesañas	199.769	143.185
Administration	131.049	138.638
Beauty and Health Fair	148.130	47.847
International Fair of Bogotá	79.639	92.782
Agroexpo	366.544	45.567
Home Fair Expo	60.891	51.270
Book Fair	101.654	97.924
Colombia Petroleum Show	35.150	39.480
Colony Trade Fair	22.476	22.459
Textile Show	8.210	8.210
Expoconstruction & Expodesign	1.632.494	92.503
International Motor Show	63.977	34.981
Firm	454	38.284
Alimentec	7.891	131.940
Babies & Kids Fair	8.434	8.434
Furniture and Decoration Trade Fair	5.600	5.600
Food Fair	10.501	10.501
Exposcience – Expotechnology	624	
Liable Colombia	11.875	13.526
Expoffers	2.500	2.500
Fashion Show	9.659	9.659
Andinapack	<u>1.878</u>	<u>1.368</u>
Continues	\$ <u>2.939.896</u>	<u>1.299.893</u>



	2014	2013
Continued	\$ 2.939.896	1.299.893
Mechanics	301	301
Andigráfica	5.892	1.995
Non - Exhibition Fixed Events	81.331	59.797
Exposervices	1.552	1.552
Expomarketing	16.969	16.969
Avanza	56	
Housing Trade Fair	19.434	16.457
Non - Exhibition Event Food Court	62.673	42.914
Automatiza	127.957	765
Non Exhibition Events Children	246.976	71.959
Proflora	142	142
Non Exhibition Event Parking Lots	475	475
Fadja	490	490
Young Entrepreneurs	2.663	2.560
Anato	284	160
Expocotelco	414	414
Sports Fair	40	
Leather Show - February	149	149
Leather Show - August	528	553
Industrial Furniture and Wood Show	12	100.012
Expoinvestment Colombia	5.644	5.644
Sofa	2.027	1.822
Expoparts	50.860	860
Mining	367	367



Expo Oil & Gas	544	97.482
Expo specials	5.055	5.055
Artbo	60.300	22.416
International Dentistry Fair	-	2.381
Expodefense	1.818	1.780
Expostate	6	6
Bicentennial	68	68
Zebu	35	35
Edudidáctica	1.317	1.317
Mobility	4.076	4.076
Expofamily	8	8
Exposignals	1.670	1.670
Expostudent	69	-
Colombia 3,0	65	65
Efficiency and Safety	13.648	3.176
Smart Cities	-	2.784
Final Car Audio	150	150
Americas WorldSkills 2014 (1)	7.200	4.309.816
Feel	5.130	-
E.net expo	455	-
National Livestock Exhibition	133	-
Public transportation for passengers trade fair	8.268	-
Colpatria insurance company's year end party	38	-
Chamber of Commerce Party	16.146	-
Claro's Event	50	-
Water company union general meeting	24.657	-
Coopsena Anniversary	15.384	-
Tecotelevision	66.015	-



Suramericana end or year party	4.000	-
Expocorea	12.677	-
Kids choice awards	300	-
Logistics Hall of the Americas	945	-
A & B Events	998	-
Colciencias	99.500	-
Others	<u>45.032</u>	<u>33.170</u>
	<u>\$ 3.962.889</u>	<u>6.111.801</u>
Guarantee Retention (2)	<u>403.229</u>	-
Mandate Contract (3)	<u>1.704.998</u>	-
	<u>\$ 6.071.116</u>	<u>6.111.801</u>

- (1) Corresponds to the payment made by Servicio Nacional de Aprendizaje - SENA, by virtue of the mandate contract entered into with the Corporation in order to purchase the machinery necessary for carrying out the 2014 WorldSkills event.
- (2) The corporation submitted the research project "Innovation Capsules - Corferias" to Colciencias, which was approved and supported by this entity by 50%, the resources for the project were disbursed in December 2014
- (3) On September 19, 2014, the Corporation signed a contract with the Chamber of Commerce of Bogota to carry out the logistics operation for Artbo the Art Trade Fair through the mandate mode, which at year end is still pending settlement.

(18) Retirement Pensions		
The following is the movement of retirement pensions:		
	2014	2013
Actuarial calculation at December 31 last year	\$ 2.047.045	2.079.173



	Less: Recovery of provision	211.645	32.128
	Actuarial calculation at December 31	\$ 1.835.400	2.047.045

The Corporation annually hires an actuarial calculation study of its pension liabilities, which for the years that ended December 31, 2014 and 2013, used a technical interest rate of 4.8%, according to Article 1st of Decree 2783 of 2001. The number of people covered by the estimated on those dates is five, and six people respectively, among retirees and people with post-mortem annuities. It is due to this that during 2014, a recovery in the provision for 2013 was seen.

The Corporation invoked Article 1 of Decree 4565 of December 7, 2010 from the Ministry of the Finance and Public Credit, in the sense of amortizing the actuarial estimates generated with the mortality charts of Male and Female Annuitants updated by the Superintendencia Financiera de Colombia by resolution 1555 of July 30, 2010, since the Corporation had already amortized 100% of the actuarial reserves at December 31, 2009.

(19) Social Capital

At December 31, 2014 and 2013, the authorized capital is \$ 2,000,000 represented in two hundred million (200,000,000) shares with a par value of ten pesos (\$ 10) each, and the subscribed and paid capital up to December 31 of 2014 and 2013, consists of 167,391,943 ordinary shares with a par value of ten pesos (\$ 10) each.

At December 31, 2014 and 2013, the Corporation has repurchased 104,146 own shares whose inherent rights are suspended for as long as they remain under the Corporation possession.

(20)	<u>Compulsory and Occasional Reserves</u>		
	The following is the detail of the reserves at December 31:		
		<u>2014</u>	<u>2013</u>
	Legal reserve	\$ 839.707	839.708
	Reserve to repurchase own shares	1.164	1.164



Treasury stock	(1,041)	(1,042)
Occasional reserves	41.933.841	31.114.516
	\$ 42.773.671	31.954.346

Legal Reserve

According to the legal provisions, every company needs to constitute a legal reserve by assigning ten percent (10%) of the net profits of each year until the reach fifty percent (50%) of the subscribed capital. The reserve may be reduced to less than fifty percent (50%) of the subscribed capital, whenever its purpose is to stem losses in excess of undistributed earnings. The legal reserve may not be used to pay dividends or to cover expenses or losses during the time that the entity has retained the non - distributed earnings.

Occasional Reserves

An occasional reserve was created by permission of the Ordinary General Meeting of Shareholders held on March 27, 2014 in the amount of \$ 10,819,325 to address the priorities identified by the General Assembly of Shareholders.

(21) Memorandum Accounts:

The following is the detail of the memorandum accounts at December 31:

2014 **2013**

Debtors		
Tax debtors	\$ 261.775.621	261.775.621
Control debtors:		
Property, plant and equipment fully depreciated	5.346.449	5.346.450
Written down assets	117.419	117.419
Other control accounts receivable	74.496	357.609



Asset adjustments due to inflation	47.267.938	47.267.938
	\$ 314.581.924	314.865.031
Creditors		
Equity inflation adjustments	\$ 60.961.104	<u>59.787.043</u>

(22) Operational Income

The following is a breakdown of the operational income for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Hotels and Restaurants	\$ 1.391.388	-
Real Estate, renting and business activities	14.625.494	12.898.852
Entertainment and recreation	89.825.276	88.441.064
Returns, rebates and discounts on sales	(67,011)	(46,756)
	\$ 105.775.147	101.293.160

Income increased by 4.42% over the previous year, leveraged by the increase in the number of events, which is mainly due to the performance of WorldSkills Americas 2014, held in April 2014, which can be reflected in real estate, renting and business activities. Also there was a \$ 1,384,213 increase in revenues from fairs, which is reflected in entertainment and recreation; finally the food and beverage operation formally began in September 2014, contributed to improving the performance of the operation.

(23) Staff Costs

The following is a breakdown of staff related costs for the years ended December 31:



Administration	2014	2013
Salaries and benefits	\$ 10.745.907	9.645.821
Pension Funds	205.870	238.468
Fiscal contributions	749.625	682.650
Contributions to pension funds	904.934	876.562
Contributions to E. P . S and A.R.P	734.038	710.812
Others	<u>1.022.574</u>	<u>417.808</u>
	\$ 14.362.948	12.572.121
Sales		
Salaries and benefits	\$ 2.467.127	2.132.135
Fiscal contributions	200.890	152.563
Contributions to pension funds	266.809	200.839
Contributions to E. P . S and A.R.P	199.682	151.346
Others	<u>23.232</u>	<u>25.140</u>
	\$ 3.157.740	<u>2.662.023</u>

The heading that corresponds to personnel expenses had an increase of \$ 1,893,077 in administration and \$ 495,716 in sales. These increases are due to the recruitment of officials who handle new business segments such as food and beverage, International Convention Center; as well as the changes made to ninety staff contracts who were fixed - term and became permanent.

(24) Operational Administrative Expenses Depreciation

The following is a breakdown of the depreciation expense for the years ended December 31:

	2014	2013

Buildings and constructions	\$ 5.144.516	5.128.367
Machinery and equipment	427.208	311.094
Office equipment	232.216	225.911
Computer and communication equipment	310.352	282.142
Fleet and transportation equipment	33.577	13.974
	<u>\$ 6.147.869</u>	<u>5.961.488</u>

(25) Other Administrative Operational Expenses

The following is a breakdown of other operational administrative expenses for the years ended December 31:

	<u>2014</u>	<u>2013</u>
leases	\$ 359.344	225.067
Contributions and affiliations	237.759	224.648
insurance	427.091	354.563
legal expenses	23.491	19.166
Maintenance and repairs	1.304.074	798.572
Travel expenses	184.099	300.405
Representation expenses and public relations	424.625	344.903
Useful, stationery and photocopying	112.979	70.654
Taxis and buses	133.248	103.969
Casino and Restaurant	59.633	79.333
parking	233.372	1.237
Ornamental elements and maintenance	1.229.236	726.348
others	76.221	47.557
	<u>\$ 4.805.172</u>	<u>3.296.422</u>

These expenses increased by 45.77% compared to 2013, that is to say \$ 1,508,750. The most representative increases correspond to the parking heading, which since March 2014, is provided exclusively by the subsidiary of the Corporation, Corferias Inversiones S.A.S, recovering the price of the service provided to exhibitors. A significant increase on the decoration and maintenance elements was also generated, due to the purchases and uses made during the WorldSkills 2014 event.



(26) Provisions

The following is a breakdown of the administration provisions for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Provisión para deudores	\$ 142.887	388.663
Provisión Otros Activos- Administracion (1)	<u>840.708</u>	<u>867.018</u>
	<u>\$ 983.595</u>	<u>1.255.681</u>

El siguiente es el detalle de las provisiones de ferias:

Feria Expoartesánias	1.606.601	1.134.858
Movilidad y Transporte	-	13.262
Feria de la Belleza y Salud	3.011	21
Evento corporativo	50.883	64.000
Feria del Hogar	14	171
Sofa	11.428	30.000
Feria Internacional de Bogotá	20	-
Gran Salón Inmobiliario	3.208	20
Salón Internacional del Automóvil	1.154.653	-
Worldskills Américas 2014	-	260.500
E.Net expo	-	947
Expo Oil & Gas	1.053.695	-
Aeronáutica	-	3.000
Smart Cities	-	10.040
Moto Go	-	56.500
Expocomerciales	-	143.000
Expospeciales	-	83.726
Congreso Colombiano de Petroleo Gas	-	524.534
Feria Internacional de Animales	500	-



Feria Internacional del Arte	9.748	-
Feria Babies y Kids	-	30.000
Alimentec	4.384	-
Feria Internacional del Libro	-	5.888
Expodefensa	<u>252.587</u>	<u>-</u>
	<u>\$ 4.150.732</u>	<u>2.360.467</u>

- (1) For the years 2014 and 2013, provisions related to utilities, maintenance and repairs that were performed in December at the fairgrounds.

All expenses that correspond to Expoartesanías Exhibition, which is held in December, are not billed in full: which is the reason why many of these expenses must be provisioned. Additionally, the International Car Show and Expo and oil & gas were held in November, and the most representative ones associated with strategic partners and advertising are still pending billing.

(27) Service Sales Operational Expenses

The following is a breakdown of service sales operational expenses for the years ended on December 31:

	<u>2014</u>	<u>2013</u>
Housekeeping and surveillance	\$ 756.997	871.462
Temporary Employees	1.836.052	1.944.558
Technical assistance	44.245	29.555
Water and sewerage	230.304	225.341
Electric power	1.188.526	1.075.116
Telephone	85.686	18.517
Mail, postage and telegram	231.885	232.112
Gas service	29.304	31.685
Freight, transportation and haulage	346.130	304.690
Advertising and publicity	7.093.635	7.850.637



Others	326.086	518.857
	\$ 12.168.850	13.102.530

Sale operational expenses decreased by 7.13% as compared to the year 2013. This is due to the fact that the costs of advertising and publicity for the Car Show and Expoartesánías were not billed before year's end. These expenses have been provisioned.

(28) Sales, Installation and Adaptation Operational Expenses

The following is a breakdown of the sales, installation and adaptation as well as local repairs operational expenses for the years ended December 31:

	2014	2013
Electrical installations	\$ 331.832	342.996
Ornamental arrangements	5.503.794	7.512.408
Local repairs	247.396	169.277
	\$ 6.083.022	8.024.681

(29) Other Sales Operational Expenses

The following is a breakdown of other sales operational expenses for the years ended December 31:

	2014	2013
Maintenance and repairs	\$ 125.631	146.870
Travel expenses	922.818	921.094
Representation expenses and public relations	380.438	280.044



Tools and stationery	810.772	888.565
Casino and Restaurant	565.013	226.977
Taxis and buses	70.708	84.964
Ornamental elements and maintenance	3.179.829	630.152
others	<u>77.270</u>	<u>108.536</u>
Maintenance and repairs	\$ <u>6.132.479</u>	<u>3.287.202</u>

The increase in other sales operating expenses corresponds to decoration elements that were used for the assembly of the skills and inputs needed for the completion of the WorldSkills 2014 event, held in April 2014.

(30) Non-operating income Recoveries

The following is a breakdown of the recoveries for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Debtors provision refund	\$ 323.004	25.944
Other assets provision refund (1)	758.171	1.689.376
Reimbursement for breach of contract	30.604	128.956
Refund of other costs and expenses	<u>180.549</u>	<u>193.297</u>
	\$ <u>1.292.328</u>	<u>2.037.573</u>

- (1) The decrease is due to the fact that in 2013 the provision made in 2012 was reimbursed. This provision had been made for a possible negotiation with the Tax and Customs Office for the balance in favor of the tax return for 2009, amounting to \$ 1,276,000. In 2014, the exceedings of the provisions that had been made on the exhibitions were the only ones reimbursed.

(31) Other Non - Operational Income

The following is a breakdown of other non - operational income for the years ended December 31:



		<u>2014</u>	<u>2013</u>
Claims	\$	34.179	-
Breach of contract		-	8.340
E.P.S disabilities		985	16.422
Adjust the weight		259	1.366
Phone calls employees		10.943	13.869
Prior year income		3.070	42.796
Loan repayment deferred monetary correction		63.715	63.715
Other		<u>540</u>	-
	\$	<u>113.691</u>	<u>146.508</u>

(32) Financial Non - Operational Expenses

The following is a breakdown of the financial expenses for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Bank Expenses	\$ -	
Commissions	165.252	189.672
Exchange difference	<u>406.775</u>	<u>143.826</u>
	\$ <u>572.027</u>	<u>333.502</u>

(33) Other Non-Operating Expenses

The following is a breakdown of other non - operational expenses for the years ended December 31:

	<u>2014</u>	<u>2013</u>

Fines, penalties and litigation (1)	\$ 2.817.086	2.967.790
Other costs and expenses	<u>53.555</u>	<u>79.625</u>
	\$ <u>2.870.641</u>	<u>3.047.415</u>

- (1) In May 2013, the Administrative Court of Cundinamarca ruled at first instance, against the Corporation on the legal process regarding public entertainment tax. For this reason, in December 2013, the Board of Directors of the Corporation decided to provision the estimated amount of process as follows, in the next three years: 35% for 2013, 35% for 2014 and the rest in 2015. Given this order the accrued value for the year was \$ 2,806,883.

(34) Income Tax and Complementary

The following is a reconciliation between the net income and the estimated taxable income at 31 December:

	<u>2014</u>	<u>2013</u>
Profit before income tax	27.658.943	25.780.966

More non Deductible Expenses

Industry and Trade Tax Provision	290.333	300.885
Tourism tax	-	182.266
Vehicle tax	5.007	3.197
Public entertainment tax	15.684	16.809
Tax levy on financial transactions 50%	285.067	229.858
Other taxes	-	7.582
Memberships and contributions	33.740	17.128
Software amortization	34.777	
Maintenance and repairs	-	80.878



Non- deductible payments to contractors	916.546	470.945
Stamps	-	38.740
Compensation for damage to third parties	2.000	863
Debtors provision	35.722	388.662
Provision for administrative and exhibition expenses	179.069	85.557
Utilities provision	73.143	35.826
Provision for other assets	1.037.683	330.465
Losses in property and equipment decommissioning	55.915	1.749
Decommissioning of other assets	179.450	
Costs and expenses from previous years	738.083	242.838
Assumed taxes	8.045	96.119
Fines and penalties	2.817.086	2.967.790
Non deductible donations	-	1.500
Non deductible contributions to social security and payroll	57.923	
Spending without fiscal support	<u>39.763</u>	<u>59.407</u>

Less Tax Deductible Expenses

Using deductible provisions	(293,538)	
ICA Tax paid	(275,664)	(280,677)
Recovery allowance tax valuation		(334,547)

Continues \$ **33.894.776** **30.724.806**

2014 **2013**

continued \$ **33.894.776** **30.724.806**



Less Non - Taxed Income

Non - taxed dividends	(521,429)	(980,535)
Provision reimbursement and / or recovery	(546,826)	(1.659.670)
Income equity method	(1.067.577)	(334,073)
Reimbursement of costs and expenses	(21,835)	
Bad debt recovery due to portfolio punishment	(21,390)	-
Total estimated taxable income	<u>31.715.719</u>	<u>27.750.528</u>
Income Tax (15%)	4.757.358	4.162.579
Deferred tax receivables	(41,288)	(19,440)
Total income tax expense	<u>\$ 4.716.070</u>	<u>4.143.139</u>
The following is a breakdown of income tax liability at 31		
	December:	
	<u>2014</u>	<u>2013</u>
Income Tax	\$ 4.757.358	4.162.579
Less: Advance withholdings and self - withholding taxes	<u>3.632.067</u>	<u>2.768.689</u>
Total income tax to be paid	<u>1.125.291</u>	<u>1.393.890</u>

The following temporary differences originate the deferred taxes movement at December 31:

2014 **2013**

Deferred income tax receivables

Exhibition expenses provision	\$ 622.610	330.465
Administrative expenses provision	89.535	85.557



Non - deductible portfolio provision	765.228	811.064
Software amortization	34.777	
Utilities provision	36.572	35.826
Industry and commerce tax	<u>290.333</u>	300.885
Subtotal	<u>1.839.054</u>	1.563.797
Deferred tax asset (15%)	275.858	234.570
Balance in December of the previous year	<u>234.570</u>	215.130
Total deferred tax movement	\$ <u>41.288</u>	19.440

The following is a reconciliation between the book equity and the tax equity at December 31:

	<u>2014</u>	<u>2013</u>
Net book value	\$ 524.427.943	484.880.051
Plus or less items that increase or decrease the fiscal equity		
Permanent Investments	12.725.351	13.801.155
Costs and expenses provision	5,017,452	1.070.779
Portfolio provision	765,228	765.228
Fiscal adjustment to land and buildings	16,262,817	17.109.497
Deferred asset tax	(275,858)	(234,570)
Tax requirements provision	8,995,779	2.806.883
Investment valuation	(29,797,976)	(24.356.248)
Income tax	-	18.546
Land and buildings valuation	<u>(335.640.916)</u>	<u>(313.659.123)</u>
Fiscal equity	<u>\$ 202,479,820</u>	<u>182.202.198</u>



The tax returns for 2013 and 2012 taxable years are pending review by the Tax Administration and National Customs.

The Corporation was authorized as a Permanent Special Operator User of the Duty Free Zone by means of Resolution No. 5425 of June 20, 2008, therefore the income tax has been calculated at a 15% rate since 2008.

(35) Related Party Transactions

All major shareholders, the members of the Board of Directors as well as those companies in which the Corporation holds investments for more than ten percent (10%) or where there are administrative or financial economic interests are considered as related parties. Additionally, those companies where the shareholders or members of the Board of Directors have a share greater than ten percent (10%).

Below you will find a list of the detail of all balances and transactions directly entered into with the administrators and affiliated companies.

	<u>2014</u>	<u>2013</u>
Chamber of Commerce of Bogotá		
Operational income:		
Entertainment and recreation	\$ 1.902.749	1.573.507
Real Estate, renting and business activities	101.098	283.274
	<u>\$ 2.003.847</u>	<u>1.856.781</u>

Administrative operational expenses Other:	<u>2014</u>	<u>2013</u>
Staff training	\$ 5,638	1,037
Fees	230	-
Leases	372	-
Insurance	11,092	7,659



Legal expenses	2,619	2,517
Other	320	335
Paperwork and licenses	372	556

\$ 20.643 12.104

Sales operational expenses:

Other:

Other:

Asesoría técnica	-	762.352
Arrendamientos	\$ 12.129	-
Gastos Legales	116	-
Comisiones	22.335	85.413
Otros	-	344
	\$ <u>34.580</u>	<u>848.109</u>

2014

2013

Alpopular Almacén General de Depósitos S.A.

Inversiones permanentes	\$ 9.672.974	<u>9.364.082</u>
Valorizaciones	\$ 30.738.841	<u>25.297.953</u>
Ingresos operacionales:		
Entretenimiento y	\$ 28.700	210
Actividades inmobiliaria, empresariales y de alquiler	4.808	1.049
	\$ <u>33.508</u>	<u>1.259</u>
Ingresos no operacionales:		
Dividendos y	\$ 1.029.643	1.042.346
Recuperaciones	-	-
	\$ <u>1.029.643</u>	<u>1.042.346</u>
Gastos operacionales		
administración: Otros:		
Arrendamientos	\$ 10.708	8.955



Asesoría Técnica	\$	16.497	-
		<u>27.205</u>	<u>8.955</u>

2014 **2013**

Corferias Inversiones S.A.S.

Inversiones permanentes	\$	1.229.445	<u>462.533</u>
Ingresos no operacionales:			
Ingreso Método de Participación	\$	1.067.577	<u>334.073</u>
	\$	1.067.577	<u>334.073</u>
Gastos operacionales administración:			
Parqueaderos	\$	<u>232.196</u>	-
	\$	232.196	<u>-</u>

The following are the transactions carried out with the legal representative and the administrators:

	<u>2014</u>	<u>2013</u>
Assets:		
Accounts receivable from employees		
Delia Ines Neira Bustos	\$ 19.609	66.274
Carlos Martín Camargo Pérez	90.563	16.830
Mario Cajiao Pedraza	56.872	24.170
Mauricio Paredes García	9.322	18.479
Lyda Paola Navas Lindo	1.071	-
Roberto Vergara Restrepo	13.510	23.057
Helena Vargas Angarita	366	69
Liliana Oyuela Taborda		<u>-</u>



	\$ 206.478	150.223
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Non - operational income - Interests:

Delia Ines Neira Bustos	\$ 3.191	4.671
Carlos Martín Camargo Pérez	4.494	1.608
Mario Cajiao Pedraza	2.739	998
Liliana Oyuela Taborda	731	-
Mauricio Paredes García	629	42
Roberto Vergara Restrepo	<u>1.188</u>	<u>1.481</u>
	\$ 12.972	<u>8.800</u>

These operations and loans were granted under the same terms to all officers of the Corporation.

(36) Reclassifications

At December 31, 2014 and 2013, some accounts were reclassified for the purposes of presenting the financial statements.

(37) Subsequent Events

No subsequent events occurred between December 31 and the date on the Tax Auditor's report that may have an impact on the financial statements.

(38) Convergence with International Accounting Standards

According to Decree 2784 of 2012, the Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca belongs to Group 1 of preparers of the financial information and, on August 31, 2014 they submitted to the Financial Superintendence of Colombia, the preliminary status financial position of openness to January 1, 2014, which will serve as a starting point for accounting under International Financial Reporting Standards - IFRS.

On the 31st of December 2014, the transition period ended, and issuing the first financial statements of the Corporation under the International



Financial Reporting Standards - IFRS will be in 2015.



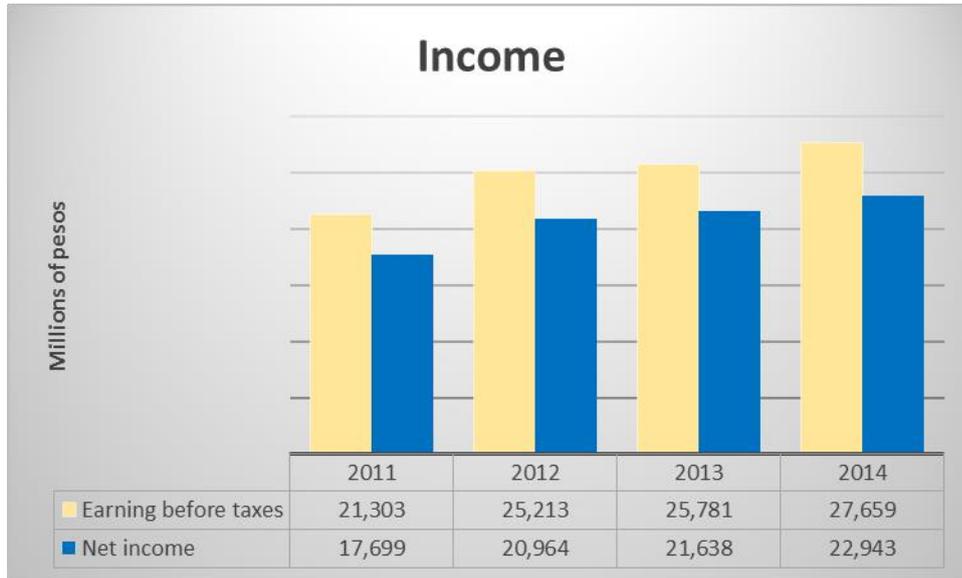
Total Fixed Assets



Equity



	2011	2012	2013	2014
Equity	212,795	411,119	484,880	524,428





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

Financial Indicators
 (Expressed in thousands of pesos)

2014

I) LIQUIDITY

A. Current Ratio =

0,58

1,27

In 2014 Corferias has fifty - eight cents (\$ 0.58) for each peso (\$ 1.00) owed in the short term, and in 2013 Corferias had one peso and twenty - seven cents (\$ 1.27) to support this obligation.

B. Net Working Capital =

-12.133.289

8.450.801

This means that in case Corferias were forced to immediately pay its short - term liabilities, it would not have enough resources in the current assets to cover those obligations.

II) INDEBTEDNESS INDICATORS

A. Debt Level =

6,34%

6,54%

In 2014 for each one hundred pesos (\$ 100.00) Corferias has invested in assets, \$ 6.34 pesos has been funded by creditors (banks, contractors, suppliers, employees, etc.) and in 2013, \$ 6.54 has been funded by creditors; that is, in 2014 creditors own 6,34% of the company and in 2013 they owned 6,54%.

B. Concentration of Short - Term Debt =

82,10%

91,97%

For every one hundred pesos (\$ 100.00) of debt Corferias has with any Or in other words it means that 82,10% (2014) and 91, 97% (2013) of the liabilities with third parties have a maturity lower to one year.

C. Interest coverage =

7.665,94

450,6

During the period, Corferias generated an operating profit of 7,665,94 times in 2014 and 450, 56 times in 2013 higher than the interests paid. Which means that in 2014 the company had a capacity, in terms of profits, that was enough to pay interests that were higher than the current, which means that, from this point of view, the company has a greater indebtedness capacity.

D. LEVERAGE INDICATORS (0 LEVERAGE)

D.1 Total Leverage =

0,07

0,07

This indicator shows the commitment of the shareholders to the company

creditors. It is possible to see that for each peso of equity there are debts in the amount of seven cents (\$ 0.07) for 2014 and seven cents (\$ 0.07) for 2013.

D.2 Short Term Leverage =

0,06

0,06

This indicates that for every peso (\$ 1.00) in equity there are short -term commitments by six cents (\$ 0.06) in 2014 and six cents (\$ 0.06) for 2013, that is, that for each peso of the shareholders there is a 6% commitment in the short term for each year.

III) ACTIVITY INDICATORS

A. Portfolio turnover =

8,04

8,39

Corferias' accounts receivable turned 8,04 times in 2014 and 8,39 times in 2013, that is \$ 13,158 million (the average for 2014) and \$ 12,080 million (the average for 2013) turned into cash 8,04 times and 8,39 times respectively each year. It is necessary to clarify that the total operating revenues for each year was taken; and regarding the accounts receivable the average of the corresponding year in order to get a more realistic turnover figure.

B. Average collection period =

44,78

42,93

This means that on average, Corferias takes 44,78 days (2014) and 42,93 days (2013) to recover its portfolio or the accounts receivable from fair events and non - fair events. In other words the entire portfolio is being converted to cash, on average every 45 days (2014) and every 43 days (2013).

IV) PERFORMANCE INDICATORS

A. Net profit margin =

21,69%

21,36%

This means that the net profit corresponds to 21,69% (2014) and 21,36% (2013) of the net operating income, in other words this means that each peso of income generated 21,69 cents and 21,36 cents of net income in each year. B. Return on equity =

This means that the shareholders of the Corporation obtained a return on their investment, which was equivalent to 4,37% (2014) and 4,46% (2013) respectively in the years that were analyzed.

B. Return on equity

4,37%

4,46%

This means that the shareholders of the Corporation obtains a return on investment of 4.37% (2014) and 4.46% (2013) respectively in the years analyzed.

CORPORACION DE FERIAS Y EXPOSICIONES S.A USUARIO OPERADOR DE ZONA FRANCA
PROFIT DISTRIBUTION PROJECT FOR THE YEAR 2014

THE REGULAR MEETING OF SHAREHOLDERS HEREBY APPROVES THE FOLLOWING
PROJECT
FOR THE DISTRIBUTION OF PROFITS FOR THE YEAR OF THE PERIOD THAT GOES FROM
JANUARY 1st TO DECEMBER 31st OF 2014

Net income for the Period	\$ 22,942,872,806
<u>LESS</u>	
Legal Reserve Increase	
- Occasional Reserve to address the priorities identified by the General Shareholders Meeting	11,471,948,565
Total Dividends available to the General Meeting of Shareholders to be distributed	11,470,924,240

To pay a cash dividend of \$ 68,57 per share on 167,287,797
Subscribed and paid shares that are outstanding, in favor of whoever holds the
quality of Shareholder upon payment made payable and in proportion to the
number of shares owned, discriminated as follows:

DIVIDEND TO BE DISTRIBUTED IN CASH, IN AN AMOUNT OF \$
\$ 68,57 PER SHARE TO BE PAID LIKE THAT IN ACCORDANCE WITH
PROVISIONS OF ARTICLES 156 AND 455 OF THE CODE OF COMMERCE,
AS REQUESTED BY THE SHAREHOLDERS OF THE COMPANY AND WHEREAS
THAT THE CASH FLOW FOR THE YEAR 2015 ALLOWS FOR:

The shareholders who hold up to six percent (6%) of the outstanding shares will be made a single payment for such concept on the thirtieth (30th) of April of 2015	1,241,309,202
The shareholders who hold more than six percent (6%) of the outstanding shares (Chamber of Commerce of Bogotá and Corporación Ambiental Empresarial) will be made a single payment for such concept on the thirtieth (30th) of October of 2015	10,229,615,039
Total Dividends to be distributed	\$ 11,470,924,240

**According to the current regulations in force, the dividend will be paid to to
whoever holds the capacity as shareholder, five market days
before the date of the corresponding payment**



CORFERIAS INVERSIONES SAS

MANAGEMENT REPORT 2014

MARCH 2015

KPMG Ltda. member firms

Calle 90 No. 19C - 57 74 Fax (1) 218 5490
Bogotá, DC www.kpmg.com.co

Phone Numbers 57 (1) 618 8100

STATUTORY AUDITOR'S REPORT

Dear Shareholders

Corferias Inversiones S. A. S

I have audited Corferias Inversiones S.A.S' financial statements (the Company), which include the general balance sheets up to December 31, 2014 and 2013 as well as the statements of income, the statements of changes in equity, the statements of changes in financial position and cash flows for the years then ended and their related notes including a summary of the significant accounting policies and other explanatory information.

Management is responsible for the proper preparation and presentation of these financial statements in accordance with accounting principles generally accepted in Colombia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of financial statements free of errors of material importance, whether due to fraud or error; selecting and applying appropriate accounting policies as well as establishing reasonable accounting estimates under the circumstances.

My responsibility is to express an opinion on these financial statements based on my audits. I obtained the information necessary to fulfill my duties and conducted my audits in accordance with the auditing standards generally accepted in Colombia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of errors of material importance.

An audit involves performing procedures to obtain audit evidence regarding the amounts and disclosures in the financial statements. The procedures selected depend on the statutory auditor's judgment, including assessing the risk of errors of material importance in the financial statements. In that risk assessment, the statutory auditor takes into account internal control relevant to the preparation and presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the use of appropriate accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements in general. I believe that the audit evidence obtained provides a reasonable basis for the opinion expressed below.



In my opinion, such financial statements, which have been taken faithfully from the books and which are attached to this report fairly present, in all respects of material importance, the financial position of the Company up to December 31, 2014 and 2013, the results of their operations, all changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in Colombia, as applied uniformly.

Based on the results of the tests carried out by me, it is my opinion:

- a) The accounting of the Company has been carried in accordance with the accounting technique and legal standards.
- b) The transactions recorded in the books and the actions of managers comply with the statutes and decisions made by the Meeting of Shareholders.
- c) Correspondence, accounting vouchers and the minutes books and share registry are kept and preserved properly.
- d) There are adequate measures for internal control, for the conservation and custody of the Company's assets and any of the third parties' assets that are in possession of the Company.
- e) There is agreement between the accompanying financial statements and the management report prepared by the Directors, which includes the record by the administration on the free movement of endorsed invoices issued by suppliers.
- f) The information contained in the statements of self -liquidation of contributions to the integral social security system, in particular the one concerning members and their income base for contribution has been taken from the accounting records and accounting supports. The Company is not in arrears in respect of contributions to the integral social security system.

Liana Marcela Arango Mayo

Statutory Auditor for Corferias Inversiones S.A.S Professional Card 163,815 - T
A Member of KPMG Ltda

March 3, 2015

THE UNDERSIGNED ANDRES LOPEZ VALDERRAMA, LEGAL REPRESENTATIVE OF
CORFERIAS INVERSIONES S.A.S, IN ACCORDANCE WITH ARTICLE 46 and 47 of ACT 964 OF
2005.

HEREBY CERTIFIES:

That the Financial Statements at December 31, 2014 and 2013, the reports, documents and statements contained therein in accordance with the regulations and the law, do not contain any defects, inaccuracies or errors that prevent from ascertaining the true financial condition or the operations of the Corferias Inversiones S.A.S and that the information contained herein was taken faithfully from the official ledgers.

Also this information has all control and disclosure procedures which guarantee that the financial information is presented properly.

In light of the foregoing, this record is signed on the twenty– seventh, (27) of February of two thousand fifteen (2015).

Sincerely,

ANDRES LOPEZ VALDERRAMA
Legal Representative

THE UNDERSIGNED ANDRES LOPEZ VALDERRAMA, LEGAL REPRESENTATIVE AND JUAN CARLOS SANCHEZ, GENERAL ACCOUNTANT OF CORFERIAS INVERSIONES IN ACCORDANCE WITH THE PROVISIONS IN ARTICLE 37 OF ACT 222 OF 1995 AND ARTICLES 22 AND 57 OF DECREE 2649 OF 1993.

HEREBY CERTIFY:

That the Financial Statements at December 31, 2014 and 2013, the reports, documents and statements contained therein in accordance with the regulations and the law, and which are submitted to the General Shareholders Meeting, have been made and revised and they adequately reflect the financial situation of the entity at that time. At the same time it is noted that all the information sets contained herein was taken faithfully from the official ledgers and that all-explicit statements of the elements that make up the Financial Statements were verified.

In light of the foregoing, this record is signed on the twenty seventh (27) days of February of two thousand fifteen (2015).

Sincerely,

ANDRÉS LÓPEZ VALDERRAMA
Legal Representative

JUAN CARLOS SÁNCHEZ
Certified Public Accountant
Professional Card 102419-T

CORFERIAS INVERSIONES S.A.S.

General Balance Sheets
 At December 31, 2014 and 2013
 (Expressed in pesos)

<u>ASSET</u>	<u>2014</u>	<u>2013</u>
Current assets		
Available (note 3)	\$ 199.239.271	91.076.588
Investments (Note 4)	1.733.397.071	392.821.597
Debtors (Notes 5 and 18)	175.144.396	168.014.904
Deferred charges (note 6)	<u>12.914.941</u>	<u>6.715.667</u>
Total current assets	2.120.695.679	<u>658.628.756</u>
Property and equipment	4.062.341	2.436.522
Deferred charges (note 6)	6.243.698	3.128.248
Total assets	\$ <u>2.131.001.718</u>	664.193.526
 <u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Suppliers (note 7)	4.476.352	
Accounts payable (Note 7 and 18)	90.172.267	1.760.000
Taxes, levies and fees (Note 8)	761.266.789	196.900.033
Labor obligations	3.518.131	
Estimated liabilities and provisions	42.123.376	3.000.000
Total current liabilities	<u>901.556.915</u>	<u>201.660.033</u>
Total liabilities	<u>901.556.915</u>	
<u>201,660,033</u>		
Equity		
Share capital (note 10)	100.000.000	100.000.000
Required reserves (note 11)	61.867.493	28.460.018
Net income for the period	<u>1.067.577.310</u>	<u>334.073.475</u>
Total equity	<u>1,229,444,803</u>	<u>462,533,493</u>
Total liabilities and equity	\$ <u>2,131,001,718</u>	<u>664,193,526</u>

See accompanying notes to the financial statements.

Andrés López Valderrama	Juan Carlos Sánchez	Liana Marcela Arango Mayo
Legal Representative	Certified Public Accountant	Statutory Auditor for Corferias Inversiones S.A.
	Professional Card 102419	Professional Card 163815-T
		A Member of KPMG Ltda. (See my report dated March 3, 2015)

CORFERIAS INVERSIONES S.A.S.
 Statement of Income
 Years ended December 31, 2014 and 2013 (Expressed in pesos)

	<u>2014</u>	<u>2013</u>
Operating income (notes 12 and 18)		
Real estate, business and leasing activities	\$2.472.269.958	748.176.756
Administrative Operating Expenses (note 13)	685.328.258	219.895.463
Sales Operating Expenses (note 14)		
Services	148.051.744	-
Other	<u>68.644.042</u>	-
	216.695.786	-
Operating Income	1.570.245.913	528.281.293
Non-operating income (note 15)		
Interest income	31.795.748	10.055.524
Recoveries (note 29)	17.815.410	776.000
Other	<u>5.434</u>	<u>1.800</u>
	49.616.592	10.833.324
Non-operating expenses		
Financial expenses (note 31)	656.741	177.983
Extraordinary expenses	-	21.150.682
Other	<u>12.446</u>	7.477
	<u>669.187</u>	<u>21.336.142</u>
Non-operating proceeds – net	<u>48.947.405</u>	<u>(10.502.818)</u>
Earnings before income tax	1.619.193.319	517.778.475
Income tax and complementary taxes (note 17)	<u>551.616.009</u>	<u>183.705.000</u>
Profits at the end of the year	<u>1.067.577.310</u>	<u>334.073.475</u>
Earnings per share	<u>10.675</u>	<u>3.340</u>
See the accompanying notes.		

Andrés López Valderrama
 Legal Representative

Juan Carlos Sánchez
 Certified Public Accountant
 Professional Card 102419–T

Liana Marcela Arango Mayo
 Statutory Auditor for Corferias Inversiones S.A.S
 Professional Card 163815–T



CORFERIAS INVERSIONES S.A.S.
 Statement of Changes in Equity
 Years ended December 31, 2014 and 2013 (Expressed in pesos)

	Capital	Reserves	Profits	Total
	<u>Social</u>	<u>Mandatory</u>	<u>of the Period</u>	<u>Equity</u>
Balance at December 31, 2012 \$	100,000,000	-	284,585,018	384,585,018
Distribution of cash dividends at a rate of \$ 2,561.25 per share on 100,000 subscribed & paid shares; paid in March 2013			-256.125.000	-256.125.000
Appropriation of legal reserve		28.460.018	-28.460.018	
Net income for the period			334.073.475	334.073.475
Balance at December 31, 2013	100.000.000	28.460.018	334.073.475	462.533.493
Distribution of dividends in cash at a rate of \$ 3006,66 per share on 100,000 subscribed & paid shares; paid in March 2013			-300.666.000	-300.666.000
Appropriation of legal reserve		33.407.475	-33.407.475	
Net income for the period			1.067.577.310	1.067.577.310
Balance at December 31, 2014	100.000.000	61.867.493	1.067.577.310	1.229.444.803

See accompanying notes to the financial statement:

Andrés López Valderrama
 Legal Representative

Juan Carlos Sánchez
 Certified Public Accountant
 Professional Card 102419-T

Liana Marcela Arango Mayo
 Statutory Auditor for Corferias Inversiones S.A.S
 Professional Card 163815-T

A Member of KPMG Ltda.
 (See my report dated March 3, 2015)

CORFERIAS INVERSIONES S.A.S.

Statement of Changes in Financial Position
Years ended December 31, 2014 and 2013 (Expressed in pesos)

FINANCIAL RESOURCES PROVIDED BY:	<u>2014</u>	<u>2013</u>
Net income for the period	\$ 1.067.577.310	334.073.475
Plus Items not affecting working capital: Amortizations	9.944.056	5.008.074
Depreciations	923.861	186.528
Working capital provided by the operations	1.078.445.227	339.268.077
 FINANCIAL RESOURCES USED FOR:		
Property and equipment	2.549.680	2.623.050
Deferred charges	13.059.506	1.733.333
Declared dividends	<u>300.666.000</u>	<u>256.125.000</u>
Total resources used	316.275.186	260.481.383
 Increase in working capital	\$ 762.170.041	78.786.694
 Changes in the components of working capital		
Increase (Decrease) in current assets: Available Cash	108.162.683	35.424.823
Investments	1.340.575.474	166.077.353
Debtors	7.129.492	(83,405,978)
Deferred charges	<u>6.199.274</u>	<u>2.316.667</u>
	<u>1.462.066.923</u>	<u>120.412.865</u>
Decrease (Increase) in current liabilities:		
Vendors	4.476.352	
Accounts payable	88.412.267	(1,037,862)
Taxes, fees and charges	564.366.756	39.664.033
Labor Obligations	3.518.131	
Estimated liabilities and provisions	39.123.376	3.000.000
	699.896.882	41.626.171
 Increase in working capital	\$ <u>762.170.041</u>	78.786.694

See accompanying notes to the financial statements.

CORFERIAS INVERSIONES S.A.S.

Cash Flow Statement
Years ended December 31, 2014 and 2013 (Expressed in pesos)

	<u>2014</u>	<u>2013</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	1,067,577,310	334.073.475
Reconciliation of net income and net cash provided by the operation activities:		
Amortizations	9,944,056	5.008.074
Depreciation	923,861	186.528
	\$ <u>1.078.445.227</u>	<u>339.268.077</u>
Changes in operational items:		
Debtors (increase) decrease	(7,129,492)	83.405.978
(Increase) in deferred charges	(19,258,780)	(4,050,000)
Vendors increase	4,476,352	-
Increase (decrease) in accounts payable	88,412,267	(1,037,862)
Tax, charges and fees increase	564,366,756	39.664.033
Increase in Labor obligations	3,518,131	-
Increase in estimated liabilities and provisions	<u>39,123,376</u>	<u>3.000.000</u>
NET CASH PROVIDED IN OPERATING ACTIVITIES	\$ <u>1.751.953.837</u>	<u>460.250.226</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) in investments	(1,340,575,474)	(166,077,353)
(Increase) in Property and equipment	<u>(2,549,680)</u>	<u>(2.623.050)</u>
TOTAL FUNDS USED IN INVESTING ACTIVITIES	\$ <u>(1,343,125,154)</u>	<u>(168,700,403)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid in cash	<u>300,666,000</u>	<u>256.125.000</u>
TOTAL FUNDS USED IN INVESTING ACTIVITIES	\$ <u>(300,666,000)</u>	<u>(256,125,000)</u>
NET INCREASE IN CASH	108,162,683	35.424.823
CASH BALANCE AT BEGINNING OF THE YEAR	91,076,588	55.651.765
CASH BALANCE AT END OF YEAR	\$ <u>199,239,271</u>	<u>91.076.588</u>

See accompanying notes to the financial statements.

Andrés López Valderrama
Legal Representative

Juan Carlos Sánchez
Certified Public Accountant
Professional Card 102419-T

Liana Marcela Arango Mayo
Statutory Auditor for Corferias Inversiones S.A.S
Professional Card 163815-T

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



**CORFERIAS
INVESTMENTS SAS
Notes to Financial
Statements**

**December 31,
2014 and 2013
(Expressed in
pesos)**

(1) Reporting Company

Corferias Inversiones S.A.S is a company incorporated by private document from April 30, 2012, for an indefinite term of duration. It started to develop economic activities on 1 June 2012. Its economical activity is to carry out any lawful business activity both in Colombia and abroad. The Company may carry out, in general, all operations of whatever nature they may be, associated with said objective, as well as any similar, related or complementary activities or which allow for facilitating or developing the Company's trade or industry. Currently the Company is managing the parking tower.

Corferias Inversiones S.A.S, is subordinate to Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca.

(2) Main Accounting Policies

a) Basis for the Preparation and Presentation of Financial Statements

The financial statements are prepared and submitted in accordance with the accounting principles generally accepted in Colombia.

b) Criteria of Materiality or Relative Importance

All economic events are recognized and presented according to their relative importance. In preparing the financial statements, materiality was determined in relation to total assets and liabilities, total assets and liabilities, the working capital, equity, or the results of operations, as the case may be.

c) Use of Estimates

The presentation of the financial statements in conformity with generally accepted accounting principles, requires management of the Company to record the estimates and provisions that affect the values of assets and liabilities that have been reported and to disclose the contingent liabilities at the date of the financial statements. Actual results may differ from those estimates.

d) Cash Equivalents

For the purposes of the cash flow statements, the components of the group of available capital are considered cash equivalents.

e) Debtors Provision

Debtors record the rights recognized by the economic entity as accounts receivable from clients, all advances and early payments made to suppliers, income receivables and tax advances.

The accounts due to items other than the activity of the economic entity are recognized separately.

It is evaluated on a monthly basis under the policy established by the Company the capacity to recover or the loss of accounts receivable in the ordinary course of business, as follows:

- 5% for overdue debts between 91 and 180 days
- 5% for overdue debts between 181 and 365 days
- 15% for debts that are more than 365 days overdue

f) Investments

All investments are recorded at cost at the time of purchase. In the case of interests generated by the certificates of deposit CDT, they are cause based on the interest

rate given by the financial institution, by recording an account receivable charged to the period end. The returns generated by the investment funds - collective portfolios, are caused based on the amount estimated by the trusts and which are reported in the bank statements, where an account receivable is recorded against the income.

g) Property and equipment

Property and equipment are recorded at purchase cost. Depreciation is estimated using the straight - line method on the cost - adjusted cost according to the estimated useful life cycle of each asset, as follows:

Years of age

- Computer and communication equipment 5

h) Deferred Charges

These charges correspond to costs and expenses that benefit future periods and which are not susceptible to be recovered. Amortization is recognized from the date on which they contribute to income generation, taking the following into account:

- Software in a period that does not exceed three (3) years
- Deferred income tax is amortized over the period in which the temporary differences that gave rise to them are reversed.

i) Taxes, Charges and Fees

The income tax expense is determined based on the taxable income, it was 34% for the year 2014 and 2013, out of which 25% corresponds to income tax and complementary and 9% corresponds to CREE income tax for equity.

The taxable base is determined from the total gross income without including

capital gains, income that does not constitute income. This base can reduce costs and deductions accepted in debugging income by the ordinary system, except some deductions such as: donations, contributions to mutual funds, tax loss compensation, actual productive fixed assets deduction. Such taxable income base may not be less than three percent (3%) of net worth of the previous year

j) Accounts payable

They represent the obligations of the Company resulting from purchases of goods or services. They are recorded separately depending on their importance, in vendors, linked accounts, taxes or other creditors. The Company's payment policy is 30 days after filing the bill of sale or collection account appropriately.

k) Revenue, Costs and Expenses Recognition

All income resulting from the economic activity, are caused once they are provided or during the contractual term. All costs and expenses incurred in during the operations are recognized by the accrual system.

Real Estate, Business and Rental Activities

It records all revenues resulting from leasing parking spaces.

m) Related Parties

The Company revealed as related parties, all assets, liabilities and transactions carried out with shareholders and managers.

n) Net Income per Share

At December 31, 2014 and 2013, and in order to determine the net income per share, the number of shares in circulation that was used was 100,000. Net earnings per share amounted to \$ 10,675,7 and \$ 3,340,73 respectively.

(3) Available Cash

The following is the detail of cash available at December 31:

Legal Currency:

	<u>2014</u>	<u>2013</u>		
Savings accounts			\$ 120,583,432	91,076,588
			Open interest fund	
	<u>55,839</u>	<u>-</u>		
	\$ 199.239.271	91.076.588		

At December 31, 2014 and 2013, there are no restrictions on the cash available, nor are there reconciling items affecting the income statement.

(4) Investments

The following is the detail of the investments at December 31:

	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	%	%	<u>Annual Effective Interest rate</u>	
Legal Currency:				
Certificate of deposit	4,45	4,1	\$ 1.080.000.000	252.417.520
Certificate of deposit	4,7	4,0	410.000.000	140.000.000
Investment fund - collective portfolio	3,15	5,69	<u>243.397.071</u>	<u>404.077</u>
			<u>\$ 1.733.397.071</u>	<u>392.821.597</u>

The values represented in the interest rates are averaged according to the securities that have been purchased. At December 31, 2014 and 2013, there were no restrictions on investments.

The investment category has increased \$ 1,340,575,474, which is caused by the increase in certificates of deposit at \$ 1,097,582,480 and the investment fund - collective portfolio \$242,992,994.

(5) Debtors

The following is the detail of debtors at December 31:

		<u>2013</u>
Customers (1)	\$ 68.201.868	132.345.268
Pre - payments and advance	11.056.565	-
Income receivable	11.580.893	1.783.988
Taxes and complementary a	84.305.070	33.885.648
	\$ 175.144.396	<u>168.014.904</u>

- (1) At December 31, 2014 and 2013, the debtors' balances did not exceed 90 days, therefore no portfolio provision was established.
- (2) It corresponds to advances and early payments made to Hoteles Estelar S.A, for providing the hosting service to the Board of Directors, during the launch of Corferias Inversiones S.A.S as the operator of the Golden Gate fair facilities, which was held in December 2014.
- (3) The increase is due to the CREE self –withholding, which started being performed in 2014.

(6) Deferred Charges

The following is the detail of deferred charges at December 31:

Short term:			
	<u>2014</u>	<u>2013</u>	
Computer Programs		\$ 10.631.161	5.265.667
Deferred income tax		2.283.780	1.450.000
		12.914.941	6.715.667
Long term:			
Computer Programs		6,243,698	3,128,248
		\$ 19.158.639	9.843.915

The amortization expense for years 2014 and 2013, amounts to \$9,944,056 and \$ 5,008,07 respectively.

Deferred charges show an increase of \$ 9,314,724 due to the purchase of the payroll and budget modules of the Novasoft ERP. Purchases were made in April 2014.

(7) Vendors and Accounts Payable

The following is a breakdown of the vendors and accounts payable at December 31:

	<u>2014</u>	<u>2013</u>
Vendors	\$ 4.476.352 -	
Contractors	1.866.560 -	
Costs and expenses payable (1)	74.200.787 -	
Withholding tax	13.560.000	1.760.000
Payroll deductions and contributions		-
Sundry creditors	<u>85.576</u>	<u>-</u>
	\$ <u>94.648.619</u>	<u>1.760.000</u>

(1) The increase in this item is originated in the transportation service provided by the company Celu vans Ltda, to transport visitors from the parking tower to the fairground.

(8) Taxes, Charges and Fees

The following is a breakdown of taxes, charges and fees at December 31:

	<u>2014</u>	<u>2013</u>
Tax on sales payable	\$ 203.601.000	38.164.000
Industry and commerce tax	5.216.000 -	
Income tax and complementary	<u>552.449.789</u>	<u>158.736.033</u>
	\$ <u>761.266.789</u>	<u>196.900.033</u>

There is an increase in tax obligations due to the increase in operational income that corresponds to the parking service starting February 2014.

(9) Estimated liabilities and provisions

The estimated liabilities and provisions at December 31, 2014 and 2013 correspond to administrative expenses by \$ 42,123,376 and 3,000,000, respectively, which at year end have not been invoiced by suppliers and contractors.

(10) Social Capital

At December 31, 2014 and 2013, the authorized capital is \$ 2'800.000.000 and is represented by two million eight hundred thousand (2,800,000) shares with a par value of one thousand pesos (\$ 1,000) each. The paid-in capital up to December 31, 2014 and 2013 consists of 100,000 common shares with a par value of one thousand dollars (\$ 1,000) each.

(11) Compulsory Reserve

At December 31, 2014 and 2013, the compulsory reserves were \$ 61,867,493 and \$ 28,460,018, respectively.

According to the legal provisions, every company needs to constitute a legal reserve by assigning ten percent (10%) of the net profits of each year until they reach fifty percent (50%) of the subscribed capital. The reserve may be reduced to less than fifty percent (50%) of the subscribed capital, whenever its purpose is to stem losses in excess of undistributed earnings. The legal reserve may not be used to pay dividends or to cover expenses or losses during the time that the entity has retained the non-distributed earnings.

(12) Operational Income

The following is a breakdown of the operational income for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Real estate, renting and business activities		
Local listings for parking lots	\$ 377.330.255	670.890.201
Rent or parking service	<u>2.094.939.703</u>	<u>77.286.555</u>
	\$ <u>2.472.269.958</u>	<u>748.176.756</u>

(13) Administrative Operational Expenses

The following is a breakdown of the operational administrative expenses for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Staff costs (1)	\$ 102.250.177	16.846.405
Fees (2)	57.430.860	8.584.035
Tax (3)	271.267.326	10.248.029
leases	2.162.000	-
services	157.081.866	161.423.939
legal expenses	1.013.427	521.600
Maintenance and repairs	-	12.231.853
Fitness and installation	3.447.905	-
Travel expenses	13.519.932	-
depreciation	923.861	186.528
Depreciation	9.944.056	5.008.074
provisions	42.123.376	3.000.000
commissions	955.186	-
Liquor and flowers	131.387	-
Cocktails and business lunches	6.689.644	-
Awards, diplomas and attention	241.000	-
Elements toilet and cafeteria	2.554.415	-

Useful, stationery and photocopying	4.212.070	1.714.000
Taxis and buses	74.000	-
Casino and Restaurant	<u>9.305.771</u>	<u>131.000</u>
Staff costs (1)	\$ <u>685.328.258</u>	<u>219.895.463</u>

(1) For the administration of the parking tower, from 2014, 8 staff members were hired.

(2) It includes all fees for the Statutory Auditor Service and the service offered by the company CTPartners, regarding the selection of the Director of the new business of the Company called Golden Gate.

(3) It corresponds to the property tax for the lot where the parking tower is located.

(14) Sales Operational Expenses

The following is a breakdown of the sales operational expenses for the years ended December 31, 2014:

	<u>2014</u>
Services (1)	\$ 148.051.744
Housekeeping and cafeteria elements	2.099.831
Office Supplies, stationery and photocopies	842.097
Taxis and buses fares	55.573.631
Casino and Restaurant	7.520.600
Compensation for damages to third parties	<u>2.607.883</u>
	\$ <u>216.695.786</u>

(1) These are the parking tower management expenses. The most representative items is that of services which is made up of the temp staff \$ 112,895,950, box office and credential services \$ 30,356,054 and \$ 3,238 housekeeping \$ 3,238,330.

(15) Non - Operational Income

The following is a breakdown of the non - operational income for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Interest certificates of deposit	\$ 25.198.734	4.314.003
Interest savings accounts	6.597.015	5.741.521
Recoveries (1)	17.815.410	776.000

others	5.434	1.800
	\$ 49.616.592	10.833.324

(1) It corresponds to the Company's payment of the VAT and ICA tax return for 2012
Cemex Colombia S.A.

16) Non-Operational Expenses

The following is a breakdown of the non - operational expenses for the years ended December 31:

	<u>2014</u>	<u>2013</u>
Commissions	\$ 655.241	177.983
Interests	1.500	-
Costs and expenses from prior years	-	2.816.843
Assumed taxes	-	18.333.839
Others	<u>12.446</u>	<u>7.477</u>
	\$ <u>669.187</u>	<u>21.336.142</u>

(17) Income Tax and Complementary and CREE Tax for Equity

Pursuant to the provisions laid down in Act 1607 of 2012, the income tax rate dropped from 33% to 25% and the CREE income tax for equity was created, with a rate of 8%. However, for years 2013 and 2014, the established rate is 9%.

The following is a reconciliation between the net income and the estimated taxable income at December 31:

	<u>2014</u>	<u>2013</u>
Profit before income tax	\$ 1,619,193,319	517,778,475
Plus non Deductible Expenses		
Industry and Trade Tax Provision	6.717.000	1.266.000
Other non Deductible Expenses		2.346.000
Tax on financial transactions 50%	2.970.294	1.461.490
Compensation for damages to third parties	2.607.883	
Provision for administrative expenses	12.443.034	3.000.000
Costs and expenses from prior years		2.816.843
Assumed taxes		18.333.839
Fines, penalties and others	<u>5.200</u>	<u>5.883</u>
Less Fiscally Deductible Expenses	\$ 1.643.936.730	547.008.530
Industry and commerce tax	(1,269,000)	(1,659,000)

Less Non - Taxed Income

Costs and expenses reimbursement	(16,115,817)	-
Provision reimbursement and / or recovery	<u>(1,699,593)</u>	<u>(776,000)</u>
Total estimated taxable income	<u>1.624.852.320</u>	<u>544.573.530</u>
Income tax (25%)	406.213.080	136.143.382
CREE income tax (9%)	146.236.709	49.011.618
Deferred income tax receivable	(833,780)	(1,450,000)
Total income tax and CREE tax expense	\$ <u>551.616.009</u>	<u>183.705.000</u>

The following temporary differences originate the deferred receivable tax movement at December 31:

	<u>2014</u>	<u>2013</u>
Industry and commerce tax	\$ 6.717.000	1.266.000
Estimated liabilities provision	- <u>3.000.000</u>	<u> </u>
Total temporary differences	<u>6.717.000</u>	<u>4.266.000</u>
Deferred income tax receivable	\$ 2.283.780	1.450.000

	<u>2014</u>	<u>2013</u>
Accounting equity	\$ 1,229,444,803	462,533,493

Plus (less) items that increase (decrease) the fiscal equity:

Deferred income tax receivables (34%)	(2.283.780)	(1,450,000)
Estimated liabilities	<u>12.443.034</u>	<u>3.000.000</u>
Fiscal equity	<u>\$ 1,239,604,057</u>	<u>464,083,493</u>

Tax returns for taxable years 2013 and 2012 are still open and pending review by the Tax Administration and National Customs - DIAN.

(18) Transactions with Related Parties

The following is a breakdown of all the transactions carried out with related parties as performed in the year that ended December 31, 2014:

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

Debtors	
Customers	\$ <u>37.379.501</u>

Costs and expenses payable
(1)

Other \$ 5,835,439

Real Estate, Renting and Business Activities

Rent or parking services \$ 232,196,035

(19) Subsequent Events

No subsequent situations occurred between December 31 and the date on the Tax Auditor's report that may have an impact on the financial statements.

(20) Convergence with International Accounting Standards

Pursuant to Decree 2784 of 2012, Corferias Inversiones S.A.S belongs to Group 1 of financial information preparers, since it is a subsidiary of Corporación de Ferias y Exposiciones S.A Usuario Operador de Zona Franca and, on August 31, 2014 submitted to the Superintendencia Financiera de Colombia, the preliminary consolidated statement of financial opening position with its matrix up to January 1, 2014, which will serve as a starting point for accounting under the International Financial Reporting Standards - IFRS.

On the 31st of December, 2014, ended the transition period, and issuing the first financial statements of the Corporation under the International Financial Reporting Standards - IFRS will be in 2015.

PROFIT DISTRIBUTION PROJECT FOR THE YEAR 2014

THE REGULAR MEETING OF SHAREHOLDERS HEREBY APPROVES THE FOLLOWING
PROJECT
FOR THE DISTRIBUTION OF PROFITS FOR THE YEAR OF THE PERIOD THAT GOES
FROM JUNE 1st TO DECEMBER 31st OF 2014

(amounts expressed in pesos)

Net income for the Period \$ 1.067.577.309,61

LESS

Legal Reserve Increase -

Occasional reserve to meet the priorities

as determined by the General Assembly of Shareholders

533.788.309,61

Total dividends available to the Assembly to be distributed

533.789.000,00

To pay an ordinary dividend in the amount of \$ 5,337.89 per share on 100,000
subscribed and paid Shares that are in circulation and to anyone who can be
considered a shareholder at the time of enforcing payment. Discriminated as
follows:

**DIVIDEND TO BE DISTRIBUTED IN CASH,
IN AN AMOUNT OF \$ 5,337,89 PER SHARE, WHICH WILL BE PAID AS FOLLOWS:**

**DIVIDEND TO BE DISTRIBUTED IN CASH, IN AN AMOUNT OF \$ 5,
337.89 PER SHARE**

A cash dividend in the amount of \$ 5,337.89 per share will be paid
to Shareholders on March 30, 2015, that is the sum of:

533.789.000,00

Total dividends to be distributed

\$ 533,789,000.00



corferias^{CS}
Bogotá
Centro Internacional de
Negocios y Exposiciones

