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

MANAGEMENT REPORT 2018

KPMG S.A.S,
Calle 90 No, 19C - 74
Bogotá, D, C, - Colombia

Teléfono 57 (1) 618 8100
Fax 57 (1) 218 5490
www,kpmg,com,co

REPORT OF THE STATUTORY AUDITOR

To the Shareholders
Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca and subsidiaries:

I have audited the consolidated financial statements of Corporación de Ferias y Exposiciones S,A, Usuario Operador de Zona Franca and subsidiaries, comprising the consolidated statement of financial position at December 31, 2018 and the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the year ended on that date, and related notes that include significant accounting policies and other explanatory information.

Responsibility of management in relation to the consolidated financial statements

Management is responsible for the adequate preparation and presentation of the consolidated financial statements in accordance with Accounting and Financial Information Standards accepted in Colombia. This responsibility includes the design, implementation and maintenance of relevant internal control for the preparation and presentation of these consolidated financial statements free of material error whether through fraud or error; the selection and application of appropriate accounting policies and accounting estimates reasonable in the circumstances,

Responsibility of the Statutory Auditor

My responsibility is to express an opinion on the consolidated financial statements based on my Audit, I obtained the information required to perform my functions and I conducted by examination in accordance with International Audit Standards accepted in Colombia. Those standards require that I comply with ethical requirements, plan and effect the Audit in order to obtain the reasonable assurance that the consolidated financial statements are free of material error.

An Audit includes procedures to obtain evidence regarding the amounts in disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the Statutory Auditor, including an assessment of the risk of material error in the consolidated financial statements. In that assessment of risk the statutory auditor takes account of internal controls related to the preparation and presentation of the financial statements in order to design Audit procedures appropriate to the circumstances. An audit also includes the assessment of appropriate accounting policies and the reasonableness of accounting estimates made by management, and an evaluation of the presentation of the consolidated financial statements as a whole.

I consider that the evidence of the Audit I obtained provides a reasonable basis for the opinion I express below.

Opinion

In my opinion, the consolidated financial statements attached to this Report are a reasonable presentation in all material respects of the consolidated financial position of Corporación de Ferias and Exposiciones S,A, Usuario Operador de Zona Franca and subsidiaries at December 31, 2018, the consolidated results of its operations and cash flows for the year ended on that date in accordance with Accounting and Financial Information Standards accepted in Colombia uniformly applied with the preceding year.

Other matters

The consolidated financial statements at and for the year ended on December 31, 2017 are presented solely for comparison; they were audited by another Public Accountant, member of KPMG S.A.S. and her Report of February 16, 2018 expressed an unqualified opinion on them.

(Original in spanish signed)

Diego Alejandro Corredor Ortiz
Statutory Auditor, Corporación de Ferias and Exposiciones S.A. Usuario
Operador de Zona Franca
T.P. 199.078 - T
Member of KPMG S.A.S,

February 20, 2019

THE UNDERSIGNED ANDRÉS LÓPEZ VALDERRAMA, LEGAL REPRESENTATIVE OF CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND ITS SUBSIDIARY, AS REQUIRED BY ARTICLES 46 AND 47 OF LAW 964 /2005.

CERTIFIES:

That the Consolidated Financial Statements at December 31, 2018 and 2017, the reports, documents and affirmations contained in them in accordance with the law and regulations, do not contain vices or inaccuracies or which would hamper knowledge of the true situation of the equity or operations of Corporación de Ferias and Exposiciones S.A. Usuario Operador de Zona Franca and its subsidiary.

This information also has control and disclosure procedures that ensure that the financial information is appropriately presented.

Signed in witness of February 8, 2019

Cordially,

(Original in spanish signed)
ANDRÉS LÓPEZ VALDERRAMA
Legal Representative

THE UNDERSIGNED ANDRÉS LÓPEZ VALDERRAMA, LEGAL REPRESENTATIVE AND JUAN CARLOS SÁNCHEZ, CONTADOR GENERAL DE LA CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA AND SUBSIDIARY, AS REQUIRED BY ARTICLE 37 OF LAW 222/1995

CERTIFIES:

The Consolidated Financial Statements at December 31, 2018 and 2017, the reports, documents and affirmations contained in them in accordance with the law and regulations, presented to the Shareholders´ General Meeting, were previously verified and reviewed, and adequately reflect the financial position of the entities on those dates. We also place it on record that the set of information indicated here was faithfully taken from the official books of account.

In the light of the foregoing, this certification is signed on February 8, 2019

Cordially,

(Original in spanish signed) *(Original in spanish signed)*

ANDRÉS LÓPEZ VALDERRAMA **JUAN CARLOS SÁNCHEZ**

Legal Representative Public Accountant

T.P. 102.419 - T

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA Y SUBORDINADAS
Consolidated Statement of Financial Position
(amounts in thousands of Colombian pesos)

	Notes		December 31, 2018	December 31, 2017
ASSETS				
Current assets				
Cash and cash equivalernts	8	$	10.987.417	13.440.928
Accounts receivable	9 and 36		28.604.391	18.927.973
Tax assets			310.202	-
Inventories	10		577.655	1.034.839
Other non-financial assets	11 and 36		1.112.283	768.348
Total current assets			41.591.948	34.172.088
Non-current assets				
Other financial assets	12		15.134.980	13.933.834
Investments in associates	13		64.933.159	63.998.057
Intangibles	14		16.468.129	13.396.156
Property and equipment	15		497.147.864	460.600.775
Investment properties	16		233.891.941	146.716.158
Deferred tax assets			268.164	226.256
Total non-current assets			827.844.237	698.871.236
Total assets		$	**869.436.185**	**733.043.324**
LIABILITIES				
Current liabilities				
Financial debt	17		16.563.504	8.126.250
Accounts payable	18 and 36		42.153.304	30.089.911
Tax liabilities	19		1.466.075	2.114.055
Income received in advance	20		14.620.819	11.037.497
Total current liabilities			74.803.702	51.367.713
Non-current liabilities				
Financial debt	17		85.351.606	48.963.750
Employee benefits	22		2.028.167	2.074.888
Other provisions	23		3.348.573	2.578.758
Other non-financial liabilities	21		161.737.822	102.584.077
Deferred tax liabilities			41.865.374	41.077.598
Total non-current liabilities			294.331.542	197.279.071
Total Pasivo		$	**369.135.244**	**248.646.784**
PATRIMONIO				
Capital	24		1.673.920	1.673.920
Share placement premium			43.451.721	43.451.721
Reserves	25		98.641.172	87.249.566
Accumulated profit			328.909.463	328.909.463
Other comprehensive income	26		1.075.700	344.694
Result for the period			26.548.965	22.767.176
Total equity		$	**500.300.941**	**484.396.540**
Total liabilities and equity		$	**869.436.185**	**733.043.324**

See the notes forming part of the consolidated financial statements

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA Y SUBORDINADAS
Consolidated Statement of Income and Other Comprehensive Income
(amounts in thousands of Colombian pesos)

For the years ended on December 31,

	Note		2018	2017
Income from ordinary activities	27 and 36	$	169.803.200	150.475.721
Selling expenses	28 and 36		74.026.504	66.030.838
Overheadn	29 and 36		56.320.467	50.365.237
Impairment on receivables			972.750	956.790
Other income	30		4.055.074	2.502.872
Cost of sales			2.907.402	1.942.336
Other expenses	31		5.107.769	483.620
Profit on operating activities			**34.523.382**	**33.199.772**
Financial income	32		1.506.065	1.356.309
Financial exepnse	33		1.960.219	2.030.936
Profit (loss) on equity method, net	34		622.026	(683.384)
Profit before tax			**34.691.254**	**31.841.761**
Income tax expense	35		8.142.289	9.074.585
Result for the period			**26.548.965**	**22.767.176**
Other comprehensive result, profit on equity investments			731.006	344.694
Result for the period and comprehensive result		$	**27.279.971**	**23.111.870**
Profit per share (pesos)		$	158,60	136,01

See the notes forming part of the consolidated financial statements

(Original in spanish signed)
Andrés López Valderrama
Legal Representative

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

(Original in spanish signed)
Diego Alejandro Corredor Ortiz
Statutory Auditor
Corporación de Ferias y Exposiciones S.A.
Usuario Operador de Zona Franca
T.P. 199078 - T
Member of KPMG S.A.S.
(See my report of February 20, 2019)

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

Consolidated Statement of Changes in Equity

(amounts in thousands of Colombian pesos)

	Note	Capital	Share placement premium	Reserves	Accumulated profit	OCI	Result for the period	Total equity
Years ended on								
Balance at December 31, 2016		$ **1.673.920**	**43.451.721**	**70.289.491**	**328.909.463**	**-**	**33.919.712**	**478.244.307**
Cash dividends declared at $101.38 per share, on 167,287,797 paid shares payable in April and October 2018		-	-	-	-	-	(16.959.637)	**(16.959.637)**
Appropriation to mandatory and voluntary reserves	25	-	-	16.960.075	-	-	(16.960.075)	**-**
Instrumentos de patrimonio a valor razonable		-	-	-	-	344.694	-	**344.694**
Result for the period		-	-	-	-	-	22.767.176	**22.767.176**
Balance at December 31, 2017		$ **1.673.920**	**43.451.721**	**87.249.566**	**328.909.463**	**344.694**	**22.767.176**	**484.396.540**
Cash dividends declared at $68 per share, on 167,287,797 paid shares payable in April and October 2018		-	-	-	-	-	(11.375.570)	**(11.375.570)**
Appropriation to mandatory and voluntary reserves	25	-	-	11.391.606	-	-	(11.391.606)	**-**
Equities at fair value	26	-	-	-	-	731.006		**731.006**
Result for the period		-	-	-	-	-	26.548.965	**26.548.965**
Balance at December 31, 2018		$ **1.673.920**	**43.451.721**	**98.641.172**	**328.909.463**	**1.075.700**	**26.548.965**	**500.300.941**

See the notes forming part of the consolidated financial statements

(Original in spanish signed)
Andrés López Valderrama
Legal Representative

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

(Original in spanish signed)
Diego Alejandro Corredor Ortiz
Statutory Auditor
Corporación de Ferias y Exposiciones S.A.
Usuario Operador de Zona Franca
T.P. 199078 - T
Member of KPMG S.A.S.
(See my report of February 20, 2019)

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA Y SUBORDINADAS
Consolidated Statement of Cash Flows
(Amounts expressed in thousands of Colombia pesos)

For the year ended on December 31,

	Note		2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the period		$	**26.548.965**	**22.767.176**
Reconciliation between profit for the period and net c ash provided by operating activities				
Depreciation	15 and 29		6.596.346	5.744.366
Amortizations	14 and 29		2.363.036	3.390.816
Impairment of receivables, net	9		209.641	650.560
Loss on withdrawals of inventories	31		-	961
Loss on withdrawals of intangibles	31		2.974.139	-
Loss on sale and withdrawals of property and equipment	31		142.577	10.140
Impairment of property and equipment	31		9.928	-
Recovery of provisions for accounts payable	30		(1.064.577)	(446.719)
Provision for contingencies	31		769.815	180.323
(Profit) Loss on the equity method	34		(622.026)	683.384
Income tax	35		8.142.289	9.074.585
			46.070.133	**42.055.592**
Changes in operating accounts				
Accounts receivable			(11.784.579)	(169.169)
Inventories			457.184	(329.656)
Other non-financial assets			(343.935)	(174.263)
Taxes, net			(7.055.071)	(6.579.563)
Accounts payable			18.183.398	6.587.886
Employee beneits			(46.721)	74.888
Income received in advance			3.583.322	(402.778)
Other non-financial liabilities			59.153.745	85.720.506
Deferred taxes			745.868	1.457.899
Interest paid	17		(5.086.221)	(2.746.411)
Income tax paid			(2.045.400)	(514.022)
NEYT CASH PROVIDED BY OPERATING ACTIVITIES			**101.831.723**	**124.980.909**
CASH FLOWS FROM INVESTMENT ACTIVITIES				
Investments			(783.216)	(1.770.426)
Dividends recieived gtom investments in other financial assets	30		1.898.520	1.275.291
Purchase of intangibles	14		(8.409.148)	(7.388.804)
Investment properties			(87.175.783)	(119.716.158)
Transfer if property and equipment			82.142.267	-
Purchases of property and equipment	15		(125.438.207)	(12.054.006)
NET CASH USED IN INVESTMENT ACTIVITIES			**(137.765.567)**	**(139.654.103)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Financial debt			44.825.110	39.490.000
Cash dividends paid	25		(11.344.777)	(16.959.637)
NET CASH PROVIDXED BY FINANCING ACTIVITIES			**33.480.333**	**22.530.363**
(DECREASE)/INCREASE IN CASH			**(2.453.511)**	**7.857.169**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD			13.440.928	5.583.759
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		$	**10.987.417**	**13.440.928**

See the notes forming part of the consolidated financial statements

(Original in spanish signed)
Andrés López Valderrama
Legal Representative

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

(Original in spanish signed)
Diego Alejandro Corredor Ortiz
Statutory Auditor
Corporación de Ferias y Exposiciones S.A.
Usuario Operador de Zona Franca
T. P. 199078 - T
Member of KPMG S.A.S.
(See my report of February 20, 2019)

(Amounts expressed in thousands of Colombian pesos)

1. Reporting entity

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

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

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

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

Corferias Inversiones S.A.S. is a company incorporated by private document on April 30, 2012; its articles do not expire, and its activities began in June 2012. Its business is to conduct any lawful activity in Colombia and elsewhere, which would allow it to facilitate or develop trade or industry. Today, its activities involve the administration of parking areas of the properties "*Torre Parqueaderos*”, “*Avenida Americas*” and “*Parqueadero Verde*”. Further, and in accordance with the contract to operate the Puerta de Oro Exhibition Center in Barranquilla, it is exclusively responsible for the operation, exploitation, conservation and maintenance of that Center and the movable and immovable assets that form the exhibition and Convention Center Puerta de Oro.

Corferias Inversiones S.A.S. has its registered offices in Bogota at Calle 37. 24-67, and in Barranquilla-Atlantico, Calle 77 B No. 57-103. The Parent holds 100% of the capital of Corferias Inversiones S.A.S. It also has the capacity to direct its accounting, administrative and financial policies.

Patrimonio Autónomo Fiducoldex

This escrow was set up to buy property adjoining the Agora Bogotá Convention Center, at Calle 28 No. 13A-24 floors 6 and 7 of Museo del Parque. CORFERIAS is the sole trustor, holding 100%.

The following is the financial information of subsidiaries reported by the Parent for 2018 and 2017

Name	% held	Assets	Liabilities	Equity	Profit
Corferias Inversiones SAS	100%	$ 10.371.646	8.950.844	1.420.802	1.117
P.A. Fiducoldex	100%	1.568.791	717.044	851.747	154.712

2. Basis of preparation

(a) Technical standards framework

The consolidated financial statements have been prepared in accordance with international financial reporting standards accepted in Colombia (“COL-IFRS”), established in Law 1314/2009, regulated by Regulatory Degree 2420/2015, amended by Decree 2496/2015 and Decree 2131/2016, 2170 of 2017 and 2483 of 2018. COL-IFRS is based on International Financial Reporting Standards (IFRS) together with the interpretations issued by the International Accounting Standards Board IASB. The basic standards correspond to those officially translated into Spanish and issued by IASB on first trimester of 2016.

This is the first set of consolidated financial statements in which IFRS 15 – Revenues from Customer Contracts – and IFRS 9 (complete version, July 2014) – Financial Instruments – have been applied. Significant changes in accounting policies related to this are described in Note 3. For legal purposes in Colombia, the principal financial statements are the separate financial statements.

(b) Basis of measurement

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

- Financial instruments at fair value through profit or loss are measured at fair value;
- Investment properties are measured at fair value;
- In relation to employee benefits, the assets for benefits defined are recognized as the total assets of the plan, plus past unrecognized service costs; less unrecognized actuarial gains, and the present value of the obligations for defined benefits.

(c) Functional currency and currency of presentation

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

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

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

(d) Significant Accounting Estimates and Judgment

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

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

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

- Notes 4 Section (e) (i) and 9 –Estimates of impairment of receivables
- Notes 4 (f) and 16 – Classification of investment property
- Notes 4 (g) and 23 – Estimates of provisions.

3. Significant changes in accounting policy

Accounting policies have been consistently applied for all periods presented in these financial statements.

IFRS 5 and IFRS 9 were initially applied as of January 1, 2018. Due to the methods of transition selected in the application of these standards, comparative information has not been re-expressed.

IFRS 15 – Revenues from Customer Contracts

IFRS 15 provides a comprehensive framework to determine when revenues should be recognized, and for how much. It replaces IAS 18 – Revenues from ordinary activities – IAS 11 – Construction contracts – and related interpretations. Under IFRS, revenues are recognized when the customer obtains control of goods or services. The determination of the moment of transfer of control in time or over time, requires judgment. The Parent and subsidiary Corferias Inversiones S.A.S. evaluated categories of service contracts, in the light of the requirements of the standard. Their analysis is based on a determination of the transfer of control of a service rendered. The analysis of the operations of the two entities shows that recognition of revenues meets the requirements of IFRS 15 criteria, with no significant impact in application. IFRS UFRA   Following this, with the application of IFRS 15 using the cumulative effect method and with the effect of initial application of the of the standard recognized on the date of initial application (January 1, 2018) in consequence the information for 2017 has not be re-expressed and continues to appear as presented under IAS 18 and related interpretations.

The Parent and subsidiaries completed their qualitative and quantitative analysis of the impact of the adoption of IFRS 15 on the separate financial statements. This included the following activities amongst others:

- Analysis of customer contracts and their principal characteristics.
- Identification of performance obligations un those contracts.
- Determination of transaction prices and the effects of variable considerations
- Allocation of transaction amounts to each performance obligation.
- Analysis of the appropriate moment for the Company to recognize revenues at a point in time or over time.
- Analysis of the impact of IFRS 15 on accounting policies, processes and internal controls.

. For details of accounting policies on the recognition of revenue, see Note 4. (i).

IFRS 9- Financial instruments

IASB issued the final version of IFRS 9 – Financial Instruments – in July 2014 to replace IAS39. “Financial instruments, recognition and measurement” and all previous versions of IFRS 9. The standard is part of Annex 1.1 to Decree 2420/ 2015 supplemented by Decree 2496/ 2015 and amended by Decree 2131/2016, applicable as of January 1, 2018, early adoption being permitted.

IFRS 9 contains three aspects of the accounting of financial instruments: classification and measurement, impairment, and hedge accounting. Retrospective application is required, but re-expression of comparative information is not mandatory.

IFRS 9 had no impact on accounting policies. For further details on accounting policies for the recognmitrion of financial instruments see Note 4.

4. Significant accounting policies

The accounting policies established as described below have been consistently applied in preparation of the consolidated financial statements in accordance with COL-IFRS, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

A subsidiary is a company over which the Parent directly or indirectly exercises control, through dependence. The

Parent controls the subsidiary when its involvement in it is exposed or is entitled to variable yields derived from its involvement in its interests and has the capacity to influence those yields through the power that it exercises over it. The Parent has the power has power when it possesses current and substantive rights which give it the capacity to direct relevant activities.

Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca consolidates the financial information of Corferias inversiones S.A.S. and P.A. Corferias-Fiducoldex, over which it exercises 100% control.

In compliance with COL-IFRS, the method of consolidation applied is that of equity participation, where:

- Similar items of assets, liabilities, equity, income, expense and cash flows of the Parent are combined with those of the subsidiary.
- The book value of the investments in subsidiaries is eliminated up to the percentage interest held.

- All assets, liabilities, equity, income, expenses and cash flows within the group, related to transactions between group entities, are eliminated.

The Parent and subsidiaries set the same accounting policies for recognition and measurement of transactions of the same type and nature.

The financial statements of the subsidiaries used in the consolidation process are for the same period and with the same date of presentation as those of the Parent.

(b) Transactions eliminated on consolidation

Any intercompany balance or transaction and any income or expense arising between a company and the Parent is eliminated on consolidation. Unrealized gains from transaction companies in which an investment is recognized by the equity method are eliminated from the investment in proportion to the Parent´s holding. Unrealized losses are eliminated in the same way as unrealized profits, but only to the extent that there is no indication of impairment.

(c) Interests in associates

Associates are entities in which the Parent has significant influence, but not control or joint control, on financial and operational policies. One of the presumptions in the standard states that a significant influence exists when the Parent holds between 20% and 50% of voting rights, but the point of significant influence would need review.

The existence a significant influence by the Parent arises usually through one or more of the following ways:

a) Representation on the Management Council or equivalent management organ of the entity in which the interest is held;
b) Participation in processes of policy - making, including participation in decisions on dividends and other distributions;
c) Transactions of relative importance between the entity and the entity in which the interest is held;
d) Exchange of management personnel; or
e) Supply of essential technical information.

The Parent records investments in associated entities as the trust P.A. Centro Internacional de Convenciones de Bogotá (CICB), managed by Fiduciaria Bogotá.

Investments in associates are measured applying IAS 28, using the equity method. Note that the equity method is an accounting practice in which investments in associates are initially recorded at cost, and subsequently adjusted for changes in value proportionate to the percentage interest.

(d) Foreign currency

Foreign currency transactions

Foreign currency transactions are converted to the functional currency of the Parent on the transaction date. Monetary assets and liabilities in foreign currencies at the reporting date are converted to functional currency at the rate of that date. Foreign currency-denominated monetary assets and liabilities are measured at fair value and are converted to functional currency of the exchange rate on the day on which the fair value is determined.

Exchange conversion gains and losses on monetary items is the difference between the book value in the functional currency at the beginning of the period adjusted for interest and cash payments made during the year, and the foreign currency book value converted at the exchange rate at the end of the period.

Exchange differences which arise during conversion are usually recognized in the Income Statement.

Rates used:

Country	**31-12-18**	**31-12-17**
Colombia	3,249.75	2,984.00

(e) Financial instruments

(i) Financial assets

Recognition, initial measurement, subsequent measurement and classification

Initial recognition of financial assets is taken at fair value, and where a financial asset is not held at fair value through profit or loss, transaction costs directly attributable to the acquisition financial asset are added in.

Financial assets are classified subsequently at fair value or amortized cost, on the basis of:

(a) the business model of the entity for managing financial assets, and
(b) the characteristics of contractual cash flows of the financial asset.

Financial assets at fair value

The initial fair value of a financial instrument will normally be the transaction price, that is, the fair value of the consideration delivered or received. The following financial assets are recognized at fair value: cash and cash equivalents, other financial assets and customer accounts receivable.

Financial assets at fair value through profit or loss include financial assets not designated at the time classification as being at amortized cost.

The Parent presents investments measured at fair value through profit or loss, and with through Other Comprehensive Income ("OCI") as detailed later.

Cash and cash equivalents

Cash and cash equivalents of the Parent and subsidiaries is composed of cash balances and sight deposits with original maturities at 90 days or less, and selected for their high quality, easy convertibility into determinate sums of money, with little significant risk of changes in value. Cash and cash equivalents are used as a means of payment to pay liabilities acquired by the Parent and the subsidiary.

Cash and cash equivalents can include:

- General cash
- Petty cash in functional and foreign currencies
- Current and savings accounts in functional and foreign currencies
- Term deposits up to 90 days
- Investments in unit funds

Accounts receivable

Accounts receivable are financial assets which are not derivatives, with fixed or determinable payments; they are not quoted on an active market. The initial recognition is at transaction value, which is taken to be fair value, as is subsequent measurement, less any impairment. Accounts receivable at less than 365 days are not the object of amortized cost, unless there is an important element of discount. Receivables at more than one year, if fully impaired, are not subject to amortized cost. Nonetheless, receivables for employee loans are measured initially and subsequently at amortized cost.

Impairment of customer receivables

IFRS9 (full version 2014) -Financial Instruments - was applied as of January 1, 2018, changing the measurement of impairment in receivables. Regulatory changes were applied prospectively and therefore financial information for 2017 was not re-expressed.

The Parent and subsidiaries analyze the following events of objective evidence where receivables losses are expected, based on the model of expected losses for the next 12 months:

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

The Parent and subsidi<aries estamiated the percentage of expected loss as follows:

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

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

The application of this policy did not cause impacts on measurement because the model used prior to January 1, 2018 was already aligned to these variables and to economic realities of the Parent and subsidiaries, which were not far from the calculation of impairment from expected losses

Financial assets at amortized cost

A financial asset is measured at amortized cost using the effective interest method, net of impairment loss. The Parent and subsidiary have long-term receivables in this category, from employees, and these are measured amortized cost since they have conditions of payment agreed with employees.

Other financial assets

- ***At fair value, through OCI***. Recognition of impairment and its reversion is recorded and reversed in other comprehensive income. The Parent has fair value investments through OCI in the entities Alpopular Almacén General de Depósito S.A. and La Previsora S.A. Compañía de Seguros.

- ***At cost less impairment***: the recognition of impairment and its reversion is recorded and reversed in through profit or loss. The Parent has investments measured at cost less impairment.

The participation in Centro de Ferias y Exposiciones de Bucaramanga uses this type of measurement, following IFRS 9 Para B5.4.14 which states that all equity investments should be measured at fair value; however, in specific circumstances, cost may be an adequate estimate of fair value. This may be the case of recent available information is not enough to measure fair value and in consequence cost represents the best estimate of fair value.

.

- ***At fair value, through profit or loss***. The measurement of exchange-listed investments is based on the quoted price of the share of the closing date. The Parent measures the investment held in Acerías Paz del Rio at the price quoted on the Columbian exchange (BVC) at the close of each year.

Derecognition of financial assets

A financial asset (or, if appropriate, part of one or a group of similar ones) is derecognized when:

- Contractual rights over its cashflows expire;
- Contractual rights over its cashflows are transferred or an obligation to pay all cashflows to a third party without significant delay is undertaken through a transfer agreement;
- Substantially all risks and benefits inherent on ownership of the asset have been transferred; and
- Substantially all risks and benefits of ownership have been retained but control has been transferred

Financial liabilities

Initial and subsequent measurement of financial liabilities

The financial liabilities of the Parent and subsidiaries are measured initially and subsequently at transaction value. For long-term debt, this is amortized cost. Interest calculations use the effective interest rate method. Exchange differences are passed through profit or loss. Financial liabilities include financial debt., accounts payable and revenues received in advance.

Financial debt

This corresponds to financial debt taken by the Parent and subsidiaries to obtain financing for projects. Financial debt for in form of loans is recognized when the loans is received.

Accounts Payable

Parent and subsidiaries recognize as Accounts Payable the rights of payment in favor of third parties originating in the purchase of goods on credit, and in other obligations contracted in favor of third parties. These are initially recognized for transaction value, which is treated as fair value.

Income received in advance

Financial liabilities are initially recognized at transaction value which is treated as fair value, they arise in the Parent and subsidiaries as advances from customers taking part in tradefairs and advances from allies for Parent projects.

Cancellation of liabilities

Financial liabilities are cancelled if the liability is extinguished, because:

- it is discharged (paid)
- it is cancelled (condoned)
- its rights expire (an option has passed its maturity).

(f) Non-financial assets

Non-financial assets of the Parent and subsidiaries are those from which a service is expected to be received in exchange for a financial or an equity instrument. The Parent and subsidiaries classify inventories, other non-financial assets, intangibles, property and equipment and investment properties as *non-financial assets*.

Property and equipment

Recognition, initial measurement and classification

Property and equipment are understood by the Parent and subsidiaries to be all elements of property and equipment acquired for a cost of 3 SMMLV (approx.US$800 equivalent) or more each, or those which by their characteristics, need to be controlled. Also, tangible assets which the entity

- holds for use in production or supply of goods and services, to rent to third parties or for administrative purposes; and
- expects to use during more than one period.

The cost of property and equipment is recognized in the books, if and only, if it is probable that future economic benefits associated with the elements will flow to the entity, and the cost of the element could be determined reliably.

The cost of property and equipment includes:

- acquisition price, including customs duty and non-recoverable indirect taxes, less trade discounts and rebates
- costs directly incurred in placing the asset in the place and conditions where it can operate in the manner intended by management
- initial estimates of costs of dismantling or withdrawing the element, and the reconditioning of the place where it is located.

When parts of an item of property and equipment (important components of immovable goods) have different useful lives, they are recorded separately.

The gain or loss on the sale of an item of property or equipment is recognized in the Income Statement

Subsequent measurement

Subsequent to initial recognition, the Parent and subsidiaries apply the cost model to measure all property and equipment

The cost model requires that after initial recognition property and equipment must be valued at cost, less accumulated depreciation and impairment loss.

Subsequent costs

The book value of a replaced part is derecognized. Routine maintenance of property and equipment is recognized in the Income Statement as and when incurred.

The Parent and subsidiaries incur in asset-related costs subsequent to the capitalization of an item of property and equipment. These costs are capitalized when they represent additions, and they meet the following criteria for recognition:

- if they increase the capacity of to generate future economic benefits, or
- if they increase the expected useful life of the asset.

Depreciation

Depreciation is calculated on the depreciable amount, which is the cost of the asset less residual value. Only real property is assigned a residual value. The residual value of buildings is 10% of cost.

Useful life begins on acquisition date, which is when the asset is able to operate in the form intended by management, even if the asset has not been put into service.

The amount of depreciation is recognized in the Income Statement, on a straight-line basis over the use estimated useful life of the various items composing property and equipment, as follows:

- Real property

Real property involves two materially representative components, with different useful lives, as described in the valuer´s analysis:

- ✓ Component 1. Constructive chapter (civil works, technical installations and finishes) for 22% of the cost of a building with a useful life of up to 30 years
- ✓ Component 2. Constructive chapters (civil works-foundation, structure), for 78% of the cost of the building, and a maximum useful life of 80 years.

- Movable property
- ✓ Office equipment: 10 years
- ✓ Computer and communications equipment: 5 years
- ✓ Transport fleet and equipment: 10 years
- ✓ Machinery and equipment: 10 years.

The components are determined based on the elements that have a significant cost in relation to the total cost of the asset. On that basis, the two materially representative components are determined, and with their differentiated useful lives.

The Parent and subsidiaries review residual values, useful life and depreciation of property and equipment at each annual close. Changes in initial criteria are recognize, where appropriate, with a change of estimate.

Impairment

At each reporting date, the Parent and subsidiaries review the book value of non-financial assets to determine whether there is any indication of impairment. Of that occurs, they estimate the recoverable amount of the asset, and the recoverable amounts of estimated at each closing date.

Derecognition of property and equipment

The book value of an element of property and equipment is derecognized in the accounts upon disposal, or when no further future economic benefits are expected from its use.

Intangible assets

Recognition, with initial measurement and classification

Intangible assets of the Parent and the subsidiary Corferias Inversiones S.A.S. are those non-monetary assets that have no physical presence, but which may be individually identified, either because they are separable or because they arise from some legal or contractual right. In initial measurement, intangibles are recognized at cost.

An intangible asset is the object of recognition when:

a) it is probable that future economic business benefits expected have often flowing into the entity, and
b) the cost of the asset can be reliably measured

Further, the asset must have the following characteristics:

a) It must be identifiable. It must be separable, that is, it can be separated or split off from the entity, and sold, transferred, given for use, rented or exchanged, whether individually or together with a contract, identical asset or liability with which it is related, regardless of whether the entity has the intention of effecting the separation; or it arises from contractual or other legal rights regardless of whether those rights are transferable or separable from the entity or other rights and obligations, control over the resource in question, and the existence of future economic benefits.

b) Control. There will be control over a determined asset provided that there is a power to obtain future economic benefits arising from the resources resulting from it, and further, it is possible to restrict the access of third parties to those benefits

c) Future economic benefits. These include income from ordinary activities arising from the sale of products or services, cost savings and other different yields which arise from the use of the intangible assets by the entity.

Acquisition

The cost of an intangible asset acquired separately will include:

a) acquisition price, including non-recoverable taxes payable on acquisition, and
b) any costs directly attributable to the preparation of the asset for its intended use.

Subsequent measurement

The cost model is used for subsequent measurement of intangible assets, which are recorded as cost less accumulated amortization and impairment losses.

Amortization

Amortization is recognized in the Income Statement on a straight-line basis over the useful estimated useful life of intangible asset, from the date on which it becomes available for use.

The estimated useful life for current periods and comparisons is:

- Trademarks acquired 15-25 years and
- Software licenses 1-5 years.

Methods of amortization and useful lives are reviewed each financial year and adjusted when necessary.

Derecognition

Intangible asset is the derecognized:
a) upon disposal; or
b) when no future economic benefits are expected to be obtained from use or disposal.

The loss or gain arising from the derecognition of an intangible asset is determined as the difference between the net amount obtained upon disposal and the book value of the asset. This is recognized in the Income Statement for the period when derecognition takes place.

Impairment

At each reporting date there is a review of the book value of non-financial assets to determine whether there are indications of impairment. If there are, an estimate is made of the recoverable amount of the asset, and recoverable assets are estimated at each closing date.

Investment property

Investment property is real property held to obtain lease income, or to obtain capital appreciation from the investment, or both; but not for sale in the normal course of business, use in production, or supplies of goods or services, or for administrative purposes. Investment property is initially and subsequently measured at fair value through profit or loss.

Cost includes expenses directly attributable to the acquisition of the investment property. The cost of constructed assets includes the cost of materials and direct labor, and any other costs directly attributable to the process of ensuring that the asset is suited for the purpose intended.

Any gain or loss on the sale of an investment property (calculated as the difference between the consideration obtained upon disposal and book value), is recognized in the Income Statement.

Inventories

Inventories of the Parent and subsidiary Inversiones Corferias SAS are measured initially and subsequently at cost, since they are high-rotation items and are part of the finished product at points of sale as raw materials, disposables, packaging, general materials, spares, accessories and working equipment.

The cost of these inventories comprises all costs related to acquisition and transformation, and other costs incurred to put them in condition and location where they are, including the cost of materials consumed, labor, and factory costs.

Trade discounts and rebates and other similar items are deducted in the determination of acquisition price.

The Parent and subsidiary Corferias Inversiones S.A.S. hold inventories in items of decoration, signposting, electrical and plumbing materials, construction, stationery, the elements of the food and beverages operation.

(g) Non-financial liabilities

Non-financial liabilities are those which are expected to provide a service in exchange for a financial or equity instrument, measured initially and subsequently at transaction value. These non-financial liabilities include employee benefits, other provisions, other non-financial liabilities and tax liabilities.

Employee benefits

Defined benefit plans

The pension obligation represents the present value of future liabilities to be paid by the Parent to employees who meet certain legal requirements of age and service and qualifications. The current liability for account of the Parent is determined annually, based on actuarial studies.

The Parent records the expense of these commitments in accordance with actuarial studies, calculated with the projected credit unit method. Actuarial gains and losses arising from adjustments to the experience and changes in actuarial hypotheses are passed to the Income Statement in the period in which they arise.

The cost of past services corresponding to variations in benefits are recognized immediately in the Income Statement.

Termination benefits

Termination benefits are recognized as an expense when an employee, as a consequence of a decision by the Parent or subsidiary Inversiones Corferias SAS to terminate a contract of employment prior to the legal age for retirement, or when the employee agrees to resign in exchange for those benefits.

Short-term employee benefits

Short-term employee benefits recognize expenses when the related service is rendered. They are expected to be settled within 12 months after the end of the period in which they are reported.

Short-term employee benefits include salary, mandatory and discretionary service bonuses, holidays, severance allowance, life assurance, and payroll taxes. These benefits are accumulated on the accrual method and charged to the Income Statement. They appear as accounts payable in the Statement of Financial Position.

Provisions

Provisions are recognized when the Parent and subsidiaries have a current obligation (whether legal or implied), as a result of some past event, which is probable that the Parent and subsidiaries are obliged to settle the obligation, and a reliable estimate can be made of the value of that obligation. The amount recognized as a provision is the best estimate of the consideration required to settle an obligation current on the date of the statement of financial position, taking account of risks and uncertainties surrounding it.

In the case of litigation, the Parent will base itself on the estimate of expert who, depending on need, will report on the status and amount of claims, specifying the probability that the case will be won or lost.

The following is an illustration of the accounting treatment of provisions:

Situation	Recognition	Disclosure
There is a current obligation that will probably require a disbursement	A full provision is made for the amount	Mandatory disclosure.
There is a possible or current obligation which may or may not require a disbursement	No provision.	Required as a note on contingent liabilities
There is a current obligation for which a disbursement is considered remote	No provision	No disclosure required.

Other non-financial liabilities

The Parent and the subsidiary Corferias Inversiones SAS have other non-financial liabilities for invoices issued in advance to customers. These are booked by the Parent and the subsidiary at the value of the item received.

(h) Capital

Ordinary shares are classified as equity. Incremental costs attributable directly to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effect.

Capital management

The Parent and subsidiaries are able to manage available cash and equivalents adequately, setting up financing with suppliers, banks and other third parties with whom they have obligations. Also, one of the main business practices of the Parent and subsidiary is to generate cash in advance from customers for the sale of fairs and events.

There are no external requirements regarding capital.

(i) Recognition of revenues

Service revenues

The Parent and subsidiary Corferias Inversiones SAS undertake the following operations as their principal business activity:

Property business and lease activities. These activities are related to the lease of space and the provision of non-fair service events services. The Parent offers the services.

The subsidiary records income from parking space rental services.

Entertainment and leisure. This involves activities derived from rental of spaces, and the rendering of services in the organization and materialization of the Parents fairs.

Food and beverages. The food and beverages operations were conceived, developed and implemented as part of the initiatives to move forward in the delivery of added-value services, and to expand the offer of solutions for food and beverages for the public in general.

Parking administration. The income from the parking services is recognized when the service is rendered.

(j) Expenses

The Parent and subsidiaries record costs and expenses as and when economic events occur, such that they are systematically recorded in the appropriate accounting period (by accrual), rather than by financing flows (cash).

Expenses are recognized immediately when a disbursement does not entail future economic benefits, or when the requirements for recording asset are not met.

(k) Financial income and costs

Financial income and costs of the Parent and subsidiaries includes:

- Interest income;
- Interest expense;
- Dividend income;
- Net gains or losses on financial assets recorded at fair value through profit or loss; and
- Gains or losses on the conversion of foreign currency financial assets and liabilities.

Dividend payments are recognized in the Income Statement on the date on which the right of the Parent to receive the payment is established.

(l) Income tax

The income tax expense includes current and deferred income tax and complementary taxes.

Current and deferred taxes are recognized as income or expense, and in are included in the Income Statement except where the refer to OCI items, or directly in equity, in which case the current or deferred tax is also recognized in OCI or equity, as the case may be.

Current tax

Current tax is calculated on the basis of regulations in force at the time of the Statement of Financial Position. Management regularly evaluates the position assumed in tax returns, with regard to situations where tax law has been the object of interpretation, and where necessary, provisions are made on amounts which are expected to have to be paid.

The Parent and subsidiary make calculations based on taxable income in order to determine the income tax or complementary provision.

The effect of timing differences implies a determination of higher or lower taxes in the current year, calculated at current rates. This is recorded as a deferred tax asset or liability, as the case may be, provided that there is a reasonable expectation that those differences will revert.

Under Section 191.11 of the Tax Code, events and convention centres in which city Chambers of Commerce hold a majority interest, and those set up as State Industrial and Commercial Enterprises or mixed-economy companies in which the State´s interest is higher than 51%, provided that they are duly authorised by the Ministry of Trade, Industry and Tourism, are not required to record any liability for Equity Tax.

As of 2014, returns and related documentation are required in relation to the transfer price regime for operation for intercompany operations in free zones and their related parties in customs territory.

Corferias was authorized as a user-operator of the Special Permanent Free Zone in Resolution 5425 of June 20, 2008. Therefore, income tax is now calculated at 20%, following Law 1819/2016, which remains in force following the issue of Law 1942/2018.

With the start-up of the food and beverages business, the Parent and subsidiary began to be liable for consumption tax, which is attracted by the sale of table-served food, as provided by restaurants and bars. The tax remains in force following the issue of Law 1942/2018.

Deferred tax

Deferred tax liabilities and assets are measured at the tax rates to be applied in the periods of which it is expected that assets or liabilities will be settled, based on regulations and rates approved (or on the point of being approved), and considering the tax consequences derived from the way in which the Parent and subsidiary expect to recover assets or settle liabilities.

Deferred tax is recognized using the liability method, determined on timing differences between fiscal basis and the book value of assets and liabilities included in the financial statements.

Deferred tax liabilities are amounts to be paid in the future for income tax related to taxable timing differences, while deferred tax assets are amounts to be recovered from income tax due to the existence of deductible timing differences, negative tax bases that may be netted, or deductions pending application. A timing difference is understood to be the existence of the book value and asset or liability and its tax base.

(i) Recognition of taxable timing differences

Deferred tax liabilities derived from taxable timing differences are recognized in all cases, except where:

- they arise from initial recognition of goodwill or an asset or liability transaction which is not a business combination, and on the date of the transaction there is no effect on the book value or the taxable base value; or.

- they correspond to differences associated with investments in subsidiaries, associates and joint ventures on which the Parent and subsidiary have the capacity to control the timing of reversion, and it is not probable reversion will be produced in the foreseeable future.

(ii) Recognition of deductible timing differences

Deferred tax assets derived from deductible timing differences are recognized provided that:

- it is probable that there are sufficient future taxable profits to offset them, except in cases where differences arise from the initial recognition of assets or liabilities in transaction which is not a business combination and on the date of the transaction there is no effect on the book value or the taxable base.

- they correspond to timing differences associated with investments in subordinates, associates and joint ventures to the extent that the timing differences may revert in a few foreseeable futures and it is expected that positive future tax profits will offset the differences.

Deferred tax assets which do not meet these conditions are not recognized in the Consolidated Statement of Financial Position. The Parent and subsidiary reconsider at the close whether the conditions to recognize deferred tax assets not previously recognized, are now met. The opportunities for tax planning, only consider only considered in the evaluation of the recovery of assets through deferred taxes, if the Parent and subsidiary have the intention of adopting them or is probable that they will do so.

(a) Measurement

The Parent and subsidiary review the book value of deferred tax assets at each close, in order to reduce that amount to the extent that it is not probable that there will be sufficient positive future taxable bases to offset them.

Non-monetary assets and liabilities of the Parent and subsidiary are measured in terms of functional currency. If tax profits or losses are calculated in different currencies, the exchange variations give rise to timing differences, and to the recognition of tax deferred tax liability or asset; and the resulting effect is charged or credited to the Income Statement for the period.

(iii) Netting and classification

The Parent and subsidiary only net deferred tax assets and liabilities if there is a legal right to do so in tax regulations, and those assets or liabilities correspond to the same taxing authority and to the same taxpayer, or indeed, to different taxpayers who wish to realize or settle the current tax assets and liabilities for a net amount, or realise assets and settle liabilities simultaneously, in each of the future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Deferred tax assets and liabilities are recognized in the Consolidated Statement of Financial Position as non-current assets or liabilities, regardless of the expected date of realization or settlement.

(m) Basic profit per share

The Parent presents basic profit per share data. The basic profit is used to calculate the results attributable to ordinary shareholders, divided into the weighted average number of ordinary shares outstanding during the period, adjusted by own shares held in Treasury.

(n) Operating segments

An operating segment is a component of the Parent and its subsidiaries that engages in a business earning ordinary income and incurring expenses; its results are regularly reviewed by the Company´s Board in decision-making for Parent and subsidiary operations, in order to decide on resources to be allotted to it and to evaluate its performance, and in relation which there is differentiated financial information available.

The factors that serve to identify segments in Corferias take account of infrastructure and management only for the rendering of services that define the generation of ordinary income. Therefore, and given that the business lines generate income have similar economic characteristics, the Group applies the criterion of aggregation, after analysing:

a. The nature of the products and services;
b. The nature of processes involved in the service;
c. The type or category of customer targeted by the products and services;
d. The methods used to render the services.

With this, it can be considered that all income, costs, assets and liabilities form a single segment of operation to be reported, taking account of the following products:

- Entertainment and leisure; includes the rental of space and the rendering of services in the organization and the holding of fair events;
- Property, business and rental activities correspond to space rentals and the rendering of services related directly to non-fair events;
- Food and beverages (offered during fair events); and
- Parking management (offered to visitors at fairs and exhibitions)

The results of operations are reviewed regularly by the Board of Corferias as the senior organ of management.

5. Standards issued but not yet effective

Standards and amendments applicable as of January 1, 2019

IFRS	Topic/standard/change	Detail
IFRS 16 – Leases	Recognition, measurement, presentation and information to be disclosed on leases	IFRS 16 – Leases. Sets out the principles for acknowledgement, measurement, presentation and information to be disclosed on leases. The purpose is to ensure that lessees and lessors provide relevant information to represent these transactions correctly. This information provides a basis to users of financial statements to evaluate the effect that leases have on the financial situation, financial yield and cash flows of the entity.
IAS 40 – Investment properties	Transfers of Investment Properties	Amends Para. 57 to reflect the principle that a change of use would involve: (a) an evaluation of whether a property complies or has ceased to comply with the definition of an investment property; and (b) availability of evidence to support the fact that a change of use has occurred. Applying this principle, an entity will transfer properties under construction or development, to, or from investment properties, when, and only when, there exists a change of use of this property supported by evidence.
Annual improvements to IFRS Cycle 2014 – 2016	Amendments to IFRS 12 – Disclosure of interests in other entities	Clarification of scope
	Amendments to IAS28 – Long-term interests in associates and joint ventures	Measurement of the fair value of an associate or joint venture
Amendments to IAS 28	Amendments to IAS28 – Long-term interests in associates and joint ventures	Amendments clarify that business record their long-term interests in an associate or joint venture not measured by the equity method, suing IFRS 9. IASB also gave an example to illustrate how companies apply IFRS 9 and IAS 28

IFRS	Topic/standard/change	Detail
		to long-term interests in associates or joint ventures.
Improvements to cycle 2015-2017	Amendment to IAS 12 – Income tax	Income tax consequences of payments made by financial instruments classed as equities.
	Amendment to IAS 23 - Loan costs	Loan costs that can be capitalized
IFRIC 22	Foreign currency transactions and advance consideration	Remedies lack of clarity as to the date and rate to be used when converting foreign currency transactions in which a payment or advance collection is made.

Impact of the adoption of new standards-IFRS16 and IAS 40

The new standards IFRS 16 and IFRS 40 and annual improvements to the 2014-2016 IFRS cycle will apply as of January 1, 2019. Corferias is evaluating the estimated impact of initial application on equity at January 1, 2019 based on its existing evaluation, as summarized below.

IFRS 16 – Leases

IFRS 16 – Leases – replaces existing guides on the subject including IAS 17 – Leases – SIC 15 – Operating leases – incentives and SIC 27 - Evaluating the substance of transactions involving the legal form of a lease- IFRIC 4- Determination of whether an agreement contains a lease.

The standard is effective for years, starting January 1, 2019. Evaluating the substance of transactions involving the legal form of a leases permitted for entities applying IFRS 15 on the date of initial application of IFRS 16 or before. IFRS 16 introduces a single model of accounting for lessees. The lessee recognizes an asset by rights of use, representing the right to use an underlying asset, and a liability for leasepayments representing his obligation to make the lease-payments.

There are exemptions to recognition for short-term leases and low-value items. The lessor´s books will remain much the dame as today, i.e. the lessor continues to classify the leasepayments as financial or operating.

The Parent and subsidiaries are making a detailed evaluation of the possible impact on their financial statements. The real impact of applying IFRA 16 in the initial period will depend on future economic conditions. At December 31, 2018 the possible impact implies recognition of new assets and liabilities on operating leases but the Parent considers that, as lessor of certain premises within the Exhibition Center , including shops on the Food Plaza and ACTIVE Border, amongst others; and Corferias Inversiones S.A.S., with its rights if use including parking areas, the Grand Tent of the Americas and Puerta de Oro in Barranquilla, will nonetheless not undergo a significant impact in recording their operations. ,

IAS 40 – Investment Properties

IAS 40 – Investment Properties – amends Para 57 to reflect the principle that a change of use implies (a) an evaluation as to whether a property complies with the definition of an investment property, or has ceased to do so, and (b) the evidence to support this change of use. The application of this principle means that the entity must transfer properties under construction or development to or from investment properties when – and only when- there is a change of use of the property supported by evidence.

The Parent recognizes investment properties as assets from initial measurement only when is it probable that there will be future economic benefits associated with them flowing into the entity and the cost of the investment properties can be reliably measured. The Parent will also make regular evaluations in detail of the elements of property and equipment and investment properties in order to determine whether there are factors that imply changes of use to assets subject to these conditions.

5. Determination of fair value

The fair value of a financial asset or liability trading active market is based on quoted market prices at the close of business on the closing date.

The further of financial assets and liabilities not traded active market is determined using valuation techniques; the Parent uses methods and assumes that they are based on market conditions at the close of each period. Valuation techniques used for non-standardized financial instruments, include the use of similar transactions in similar circumstances, and references to other instruments with are substantially the same, and the analysis of the discounted dividend methodology.

Hierarchy of fair value

The fair value hierarchy has the following levels

- Level 1. Unadjusted quoted prices in active markets for identical assets or liabilities of which the entity may have access on the date of measurement. The Parent applies this level to its investment in Acerías Paz del Rio
- Level 2 Data other than quoted prices included in Level 1, observable for the asset or liability whether directly (as a price), or indirectly (as derived from prices)
- Level 3. Data from the asset or liability not based on observable market data (non-observable variables).

If the variables used to measure fair value of an asset or liability can be classified in other levels other than the hierarchy of fair value, then the measurement of their value is classified entirely at the same level of hierarchy of fair value as the lowest- level variable significant to the overall measurement.

The table below uses the fair value hierarchy to show financial assets and liabilities (by class), measured at fair value December 31, 2018 and 2017, on a recurring basis.

December 31, 2018

Asset/liability type	**Level 1**	**Level 2**	**Level 3**	**Evaluation technique Level 2 and 3**	**Prinicipal entry data**
Other financial assets- shares Acerías Paz del Rio	$ 16				Market/share price
Other financial assets (Alpopular and La Previsora).		$ 14,490,376		Gordon discounted dividends model.	Dividends paid, EMBI Colombia, Beta and Devaluation.
Investment property		$233,891,941		Market comparison	Professional valuation
Property private capital fund		$470,140		Valuation of underlying assets	Unit value supplied by the fund manager

December 31, 2017

Asset/liability type	Level 1	Level 2	Level 3	Evaluation technique Level 2 and 3	Prinicipal entry data
Other financial assets- shares Acerías Paz del Rio	$ 17				Market/share price
Other financial assets (Alpopular and La Previsora).		$ 13,759,369		Gordon discounted dividends model.	Dividends paid, EMBI Colombia, Beta and Devaluation.
Employee benefits.		$ 2,074,888		Actuarial studies.	Projected unit method.
Investment property	$ 146,716,158				Professional valuation

The Parent recognizes transfers between fair-value hierarchy levels at the end of the period reported during which the change occurred.

The Parent made no hierarchy level transfers in investments from 2018 to 2017

Fair value of assets and liabilities not measured at fair value.

The following is a comparison between the book value and the fair value of assets and liabilities not measured at fair value.

	December 31, 2018		December 31, 2017	
	Book value(*)	Fair value (*)	Book value (*)	Fair value (*)
Cash and cash equivalents 1)	$ 10.987.417	10.987.417	13.440.928	13.440.928
Accounts receivable (1)	28.604.391	28.604.391	18.927.973	18.927.973
Other financial assets (1)	174.448	174.448	174.448	174.448
Inventories (4)	577.655	577.655	1.034.839	1.034.839
Financial liabilities (2)	149.183.705	149.183.705	90.304.431	90.304.431
Property and equipment (3)	496.835.539	496.835.539	460.600.775	460.600.775
Intangibles (5)	16.468.129	16.468.129	13.396.156	13.396.156

1) The fair value of financial assets not measured at fair value is determined on the basis of the amount which the

instrument could be exchanged in a transaction between interested parties other than a forced sale or settlement. The fair values represent the cost of the transaction and interest where appropriate and are calculated using the effective interest method. No impairment losses are evidenced

2) Financial liabilities include amounts accrued and pending payment generated by the operation including the following items: financial debt, accounts payable and other financial liabilities.
3) Property and equipment are recognized at the initial measurement and subsequently at cost, and in 2017, fair value was established through technical memoranda from expert areas
4) Inventories are measured at the lower of cost and net realizable value. The book value is equivalent to fair value, because the cost is equal to acquisition value. This includes raw materials and inputs for the food and beverages unit, and consumables necessary for fair activity.
5) The fair value of intangibles is equivalent to book value. The item includes software, licences and trademarks which have been an amortized in accordance with their estimated useful lives, and there is no evidence of impairment.

6. Risk management.

The Parent and subsidiary personal following risks with the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This Note presents information on the exposure of the Parent and subsidiaries to each of those risks, and the objectives, policies and procedures they follow to measure and manage that risk.

(i) Framework of risk management

Framework for risk management (unaudited information)

The Parent and subsidiaries seek to secure continuous improvement in their processes and have established a risk management model in each macro process, classifying it by application of the methodology approved by the Risks Committee. The Committee evaluates the probability of occurrence and impact on objectives, of the macro process macro process and the product (fairs and events), and existing controls are identified, as a means of minimizing impact at the time of occurrence of risk, and the residual risk is thus defined.

Risks are prioritized for this purpose, through an exercise in valuation, and they are classed as high, medium or low. With the priority assigned to risks, the risk committee analyses the principal information available and defines the risk which management should treat as a priority.

(ii) Credit risk

Credit risk is the risk of financial loss faced by the Parent and subsidiaries if a customer or counterpart in financial instrument does not comply with its contractual obligations, and it is mainly originated from cash and cash equivalents, customer receivables, and investment instruments of the Parent and subsidiaries.

The following is the major exposure to credit risk:

	Note	2018	2017
Cash and cash equivalents	6	$ 10.987.417	13.440.928
Accounts receivable	8	28.604.391	18.927.973
Other financial assets	12	15.134.980	13.933.834

Credit risks identified in the Parent and subsidiaries are:

Cash and cash equivalents

Cash and cash equivalents are held in banks and financial institutions overseen by the Colombian Financial Superintendency, and rated AA+ and AAA, according to risk rating agencies authorized to act in Colombia. Details appear in Note 8.

Trade debtors and other receivables

Exposure to credit risk is also mainly affected by the general characteristics of each customer. The Parent and subsidiary have established a policy of impairment as a function of fair event activity, and the historical record of defaults.

Estimates of uncollectibility among to trade debtors and other receivables are used to record impairment losses. See Note 9 for details

Other financial assets

The Parent and subsidiaries limit their exposure to credit risk by investing only in liquid debt instruments, and only with counterparts who have a credit rating of at least AA+. Note 8 contains greater detail.

(iii) Liquidity risk

Liquidity risk is the risk that the Parent and subsidiaries may have difficulty in meeting their obligations associated with financial liabilities, which are mainly settled through deliveries of cash.

The Parent and subsidiaries focus liquidity management on the need to ensure that as far as possible they will always have sufficient liquidity to meet their obligations when due, and they attempt to maintain a level of cash and equivalents for amounts exceeding cash outgoings expected from financial liabilities.

The Parent and subsidiaries monitor the level of expected cash inflows from trade debtors and other receivables against expected cash outflows to trade creditors, other payables, and investment projects.

The Parent and subsidiaries have a low liquidity risk, because collections from the fairs business are made in advance of the events themselves, and this guarantees the inflow of cash. Note 17 contains further details of contractual maturities of financial liabilities.

(iv) Market risk

Market risk is the risk that changes in market prices - for example, exchange rates, interest rates or the price of shares - may affect the revenues of the Parent and subsidiaries, or the value of financial instruments held.

The Parent and subsidiaries are exposed to a minimum market risk, because all their cash and cash equivalent is invested in sight deposits. The only listed equities held by the Parent exposed to changes in value is the interest in Acerías Paz del Rio, but this investment does not represent a significant percentage of its assets.

The Parent and subsidiaries are exposed to exchange risk, principally in operations for the sale and purchase of goods and services agreed in a currency other than the functional currency (Colombian peso-COP), contracts prepared in foreign currency are minimal in comparison to the total value of income and expenses, and they are collected and/or paid in not more than 60 days.

The bank loans of the Parent and subsidiaries have been taken in the functional currency, up to 5 years term, and the interest agreed is that index rates subject to market conditions (DTF, IBR).

(v) Interest rate risk

Profile
At the end of the period reported, the interest payable on interest-bearing financial instruments was as follows:

Floating-rate instruments	2018	2017
Financial assets subject to interest rate risks	3,980,326	8,253,168
Financial liabilities subject to interest rate risk	101,448,273	57,090,000

Sensitivity analysis for fixed-rate instruments

At the close of December 2018 and 2017, the Parent and subsidiaries have no fixed-rate financial instruments, and the sensitivity analysis for this type of instrument is not made here, given that a variation in the interest rate at the end of the period reported will not affect the result.

Sensitivity analysis for floating-rate instruments

Since all obligations to financial system are indexed at floating rates, the Parent and subsidiaries are exposed to variations in DTF and IBR corresponding to the underlying Central Bank base rate, which at the close of 2018 was 4.54% and 4.24% and at the close of 2017, 8.28% and 4.68%respectively. These rates directly affect bank loans used for working capital and the development of construction projects.

7. OPERATING SEGMENTS

The following is the information related to assets, liabilities and results be operating segment identified by the Company for the years ended December 31, 2018 and 2017:

	2018	2017
Assets	**$ 869,436,185**	**733,043,324**
Cash and cash equivalent	10,987,417	13,440,928
Accounts receivable	28,604,391	18,927,973
Tax assets	310,202	-
Inventories	577,655	1,034,839
Other non-financial assets	1,112,283	768,348
Other financial assets	15,134,980	13,933,834
Investments in associates	64,933,159	63,998,057
Intangibles	16,468,129	13,396,156
Property and equipment	497,147,864	460,600,775
Investment property	233,891,941	146,716,158
Deferred tax assets	268,164	226,256
Financial debt	101,915,110	57,090,000
Liabilities	**$ 369,1365,244**	**248,646,784**
Accounts payable	42,153,304	30,089,911
Tax liabilities	1,466,075	2,114,055
Income received in advance	14,620,819	11,037,497
Employee benefits	2,028,167	2,074,888
Other provisions	3,348,573	2,578,758
Other non-financial liabilities	161,737,822	102,584,077
Deferred tax liability	41,865,374	41,077,598
Equity	**$ 500,300,941**	**484,396,540**
Revenues from ordinary activities	**$ 169,803,200**	**150,475,721**
Activities in entertainment and leisure	137,908,634	127,996,312
Activities in real property, business and rentals	18,498,182	12,104,174
Food and beverages	10,352,238	7,062,431
Parking area administration	3,534,722	3,312,804
Selling expenses	74,026,504	66,030,838
Overhead	57,293,217	51,322,027
Other income	4,055,074	2,502,872
Cost of sales	2,907,402	1,942,336
Other expenses	5,107,769	483,620
Profit from operating activities	**34,523,382**	**33,199,772**
Financial income	1,506,065	1,356,309
Financial expense	1,960,219	2,030,936
Profit /(loss) from equity method	622,026	(683,384)

Profit before tax	**34,691,254**	**31,841,761**
Income tax expense	8,142,289	9,074,585
Result for the period	**26,548,965**	**22,767,176**
Other comprehensive income - profit on equity investments	731,006	344,694
Result for the period and OCI	**$ 27,279,971**	**23,111,870**

8. Cash and cash equivalents

The following is the detail of cash and cash equivalents

		2018	2017
Cash	$	19.247	42.704
Checking accounts		449.808	578.601
Savings accounts (1)		6.538.036	4.566.455
Funds		13.086	-
Unit investment funds (2)		3.967.240	8.253.168
	$	10.987.417	13.440.928

At December 2018 and 2017, there are no restrictions on cash and cash equivalents.

1) Savings accounts increased use of payments received from customers for participation in fairs and events during the second half of 2018.a
2) This represents a variation cash mainly represented by an increase in cash placements in the Fiducoldex unit fund.

The following is a detail of the credit quality published by independent rating agencies for the financial institutions in which the Parent and subsidiary held cash in banks, trust rights and other financial entities, in gross amounts:

		2018		
Issuer		**Nominal**	**Rating**	**Nominal**
Banco AV Villas SA	$	1.442	AAA	116.358
Banco de Occidente SA		245.638	AAA	11.251
Bancolombia SA		431.611	AAA	474.781
Banco Itaú Corpbanca Colombia SA		6.788	AA+	6.895
Banco Popular SA		1.232.951	AAA	1.656.625
Banco Davivienda SA		4.336.262	AAA	2.879.145
Banco Sudameris		733.152	AA+	-
Cartera Colectiva Abierta Superior		3.967.240	AAA	268.700
Cartera Colectiva Abierta Interés		-	AAA	980.195
Casa de Bolsa Liquidez Fondo Abierto		11.596	AAA	12.413
Cartera Colectiva Abierta Rentar		1.490	AAA	792.238
Fondo de Inversión Colectiva Fiducoldex		-	AAA	6.199.623
	$	10.968.170		13.398.224

9. Accounts receivable

The following is the detail of current accounts receivable:

		2018	2017
Customers (1)	$	19.842.962	11.158.343
Sundry debtors (2)		8.522.871	7.613.998
Accounts receivable from employees (3)		450.478	621.901
Doubtful accounts		2.213.233	1.749.243
		31.029.544	21.143.485
Less: impairment (4)		(2.425.153)	(2.215.512)
	$	28.604.391	18.927.973

(1) The increase is due mainly to public sector customer receivables from the Expocundinamarca fair in December for $5,659,142.
(2) In 2018 the balance is mostly a receivable from Operador Hotelero Pactia Corferias S.A.S for $2,387,043 and Patrimonio Autónomo CICB administered by Fiduciaria Bogotá for $1.109.398; and there is income pending invoicing and progress payment due from expenses associated with fairs to be held in the following year.
(3) Corresponds to employee loans, mainly for home purchases or vehicle purchases, for which the current market placement rate is calculated at the time of disbursement.
(4) Long-term receivables are fully impaired. The ageing of impaired current and non-current receivables at the end of the period was:

		2018	2017
91 - 150 days	$	117.314	178.749
151 - 365 day		94.606	287.520
Over 365 days		2.213.233	1.749.243
	$	2.425.153	2.215.512

The following is the movement of impairment of receivables during the year:

		Impairment
Balance at December 31, 2016	$	1.564.952
Impairment of accounts receivable		956.790
Recoveries		(306.230)
Written off		-
Balance at December 31, 2017		2.215.512
Impairment of accounts receivable		972.750
Recoveries		(763.109)
Balance at December 31, 2018	$	2.425.153

Receivables are considered to be “current”, i.e., recoverable, up to 12 months after the end of the period reported.

10. Inventories

The following is the detail inventories:

		2018	2017
Raw materials	$	51.290	42.577
Goods n ot produced by the entity		43.620	38.357
Materials, Spares and Accessories (1)		387.895	896.068
Packaging and containers		94.850	57.837
	$	577.655	1.034.839

Al December 31, 2018 and 2017, there are no restrictions on the inventories.

(1) In 2018 there was a reduction in items of decoration and signposting, construction inputs, cleaning materials and liquor in Corferias S.A. and the Corferias Inversiones SAS accounts record cleaning and cafeteria materials and working clothing and equipment.

11. Other non-financial assets

The following is the detail of other non-financial assets:

		2018	2017
Interest on employee loans		151.087	277.478
Prepaid expenses (1)		961.196	490.870
	$	1.112.283	768.348

(1) This item corresponds to insurance taken by the Parent and subsidiary Corferias Inversiones SAS, such as life insurance, performance bonds, property damage, and third-party liability at December 31, 2018 and 2017; and the amount drawn by the Parent as an advance on the acquisition of property adjoining the Agora Convention Center, for $706,393.

12. Other financial assets

The following is the detail of other financial assets

Investments in : (1)		2018	2017
Alpopular Almacén General de Depósito S. A.	$	14.106.244	13.373.750
La Previsora S.A Compañía de Seguros		384.132	385.619
Centro de Ferias y Exposiciones de Bucaramanga		174.448	174.448
Acerías Paz del Río S. A.		16	17
Fondo de Capital Privado (2)		470.140	-
	$	15.134.980	13.933.834

At December 31, 2018 and 2017 there were no restrictions on these investments

(1) These are financial instruments in entities in which the Parent has no control or significant influence

(2) Corresponds to the Parent´s investment in Fondo de Capital Privado Nexus Inmobiliario managed by Fiduciaria de Occidente S.A. for $468,745, representing 1.10%, generating daily yields and totalling $1,395 at the close.

At December 31, 2018 and 2017 the Company had no intention to sell these financial assets

13. Investments in associates

The following is the detail of Investments in associates:

		2018	2017
Investments in associates (1)	$	64.933.159	63.998.057

(1) Corresponds to the investment in Patrimonio Autónomo Centro Internacional de Convenciones de Bogotá - CICB, incorporated to manage funds received from the Nogotá Chamber of Commerce, Patrimonio Autónomo Fondo Nacional del Turismo - FONTUR and Corferias to develop the Agora Bogotá International Convention Center

The loss or profit on this investment is recognized in the CORFERIAS financial statements under the equity method

The following is a summary of financial information of investments valued by the equity method at December 31, 2018 and 2017.

2018

Entity	% interest	Domicile	Assets	Liabilities	Income	Expenses	Net loss
Patrimonio Autónomo Centro Internacional CICB	17.77%	Calle 67 7 – 37, Bogotá, Colombia	376,278,435	10,902,076	8,534,490	3,297,662	5,236,828

2017

Entity	% interest	Domicile	Assets	Liabilities	Income	Expenses	Net loss
Patrimonio Autónomo Centro Internacional CICB	19%	Calle 67 7 – 37, Bogotá, Colombia	348,542,338	17,153,644	6,380,428	9,888,196	(3,507,768)

14. Intangibles

The following is the detail of intangibles:

		2018	2017
Trademarks acquired (1)	$	15.483.592	12.769.723
Software Licences (2)		4.139.912	3.221.062
Accumulated amortization		(3.155.375)	(2.594.629)
	$	16.468.129	13.396.156

(1) Comprises the acquisition by the Parent of trademarks in 2018, such as Expoagrofuturo, Gran Salón Inmobiliario.

(2) CORFERIAS and Subsidiary Corferias Inversiones SAS invested in computer programs and licenses in 2018, in order to manage security cameras, optimize collaborative tools, and renew the physical server licensing costs and Cloud Services.

The following is the detail of movement in intangibles in 2018:

Intangibles	Balance at 31/12/2017	Purchases	Impairment	Amortizarion in period	Balance at 31/12/2018
Software licenses	3.221.062	2.421.853	-	(1.503.002)	4.139.913
Trademarks acquired	10.175.094	5.987.295	(2.974.139)	(860.034)	12.328.216
Total Intangibles	**13.396.156**	**8.409.148**	**(2.974.139)**	**(2.363.036)**	**16.468.129**

The following is the detail of the movement in intangibles in 2017:

Intangibles	Balance at 31/12/2016	Purchases	Amortizarion in period	Balance at 31/12/2017
Software licenses	1.953.612	2.365.070	(1.097.620)	3.221.062
Trademarks acquired	7.444.557	5.023.733	(2.293.196)	10.175.094
Total Intangibles	**9.394.512**	**7.388.803**	**(3.390.816)**	**13.396.156**

The accumulated amortization on trademarks was $3,155,375 and $2,594,629 at December 31, 2018 and December 31, 2017 respectively.

During 2018 the trademark ALMAX suffered impairment of $2,974,139 as a result of the commercialization of some events in which the brand was used to identify the producer, but ticket sales targets were not met and had to be canceled. An evaluation by the Events determined that t the asset was obsolete. In relation to the other intangibles, there is no evidence of impairment in the Parent or in the subsidiary Corferias Inversiones S.A.S.at December 2018 and 2017.

15. Property and equipment

The following is the detail of property and equipment:

		2018	2017
Land	$	234.003.546	234.003.546
Improvements to third party property (1)		312.866	144.822
Construction in progress (2)		72.602.486	52.072.639
Construction and buildings		183.516.839	168.354.484
Machinery and equipment		12.234.570	11.482.021
Office equipment		9.563.103	6.826.146
Computers and communications equipment		10.077.516	6.301.753
Transport fleet and equipment		265.804	265.804
Accumulated depreciation		-25.418.938	-18.850.440
Impairment		-9.928	-
	$	497.147.864	460.600.775

At December 31, 2018 and 2017 there were no restrictions on these assets.

(1) Corresponds to Corferias Inversiones S.A.S. improvements to the office facilities at Puerta de Oro, following agreements under the strategic alliance contract for the operation.
(2) The Parent´s execution of the Active Border project and the Corferias offices.

The following is the detail of movement of property and equipment in 2018

Property and equipment	Balance at 31/12/2017	Purchases	Withdrawn	Depreciation for the year	Transfers	Impairment lossses	Balance at 31/12/2018
Land	234.003.546	-	-	-	-	-	234.003.546
Improvements to third party property	144.822	168.044	-	(541)	-	-	312.325
Construction in progress	52.072.639	117.937.134	-	-	(97.407.287)		72.602.486
Construction and buildings	157.702.944	51.497	(131.492)	(2.802.432)	15.265.019	-	170.397.862
Computer and communication equipment	3.777.177	3.772.267	(544)	(1.556.072)	-	-	5.992.828
Office equipment	4.593.392	2.746.340	(2.112)	(983.250)	-	(9.928)	6.344.442
Machinery and equipment	8.187.531	762.925	(8.429)	(1.217.281)	-	-	7.724.746
Transport fleet and equipment	118.724	-	-	(36.770)	-	-	81.954
Total, property and equipment	**460.600.775**	**125.438.207**	**(142.577)**	**(6.596.346)**	**(82.142.267)**	**(9.928)**	**497.147.864**

The following is the detail of movement of property and equipment in 2017

Property and equipment	Balance at 31/12/2017	Purchases	Withdrawn	Transferred	Period depreciation	Balance at 31/12/2018
Land	$ 234,003,546	-	-	-	-	234,003,546
Construction in progress	44,757,334	7,460,127	-	-	-	52,217,461
Construction and buildings	160,436,183	102,847	-	-	(2,836,086)	157,702,944
Machinery and equipment	7,634,000	1,672,277	(587)	-	(1,117,332)	8,188,358
Office equipment	4,587,101	844,241	(9,541)	-	(822,112)	4,599,689
Equipo de computación y comunicación	2,727,617	1,974,514	(12)	-	(932,066)	3,770,053
Transport fleet and equipment	155,494	-	-	-	(36,770)	118,724
Total property and equipment	**454,301,275**	**12,054,006**	**(10,140)**	**-**	**(5,744,366)**	**460,600,775**

Accumulated depreciation at December 31, 2018 and 2017 was $25,418,397 and $18,850,440 respectively

In 2018 there was evidence of impairment in the Parent for assets classed as fair setting up equipment for $9,928 as a consequence of an evaluation of the recoverable value measured by an external valuer. There was no evidence of impairment of other assets of this type at December 31, 2018 and 2017

The following is a detail of assets in use and fully depreciated in 2018 and 2017:

	Detail	**Cost**
2018	Machinery and equipment	$ 71.065
	Office equipment	194.194
	Transport equipment	101.900
2017	Machinery and equipment	265.804
	Office equipment	151.937
	Computing equipment	493.945
	Communications equipment	66.078
	Buildings	339.716

16. Investment property

The following is the detail of investment property:

		2018	2017
Investment property - Lot	$	27.000.000	27.000.000
Investment property - construction in progrress		195.887.467	119.716.158
Investment property - hotel equipment		11.004.474	-
	$	233.891.941	146.716.158

The following is the detail of movement of investment propertyt in 2018:

Investment property	Balance at 31/12/2017	Purchased	Withdrawn	Transferred	Adjustment to fair value	Balance at 31/12/2018
Land	$27.000.000	-	-	-	-	27.000.000
Construction in progress	119.716.158	76.171.309	-	-	-	195.887.467
Hotel equipment	-	11.004.474	-	-	-	11.004.474
Total, Investment property	**146.716.158**	**87.175.783**	**-**	**-**	**-**	**233.891.941**

The following is the detail of movement of investment propertyt in 2017:

Investment property	Balance at 31/12/2016	Purchase	Withdrawn	Transferred	Adjustment to fair value	Balance at 31/12/2017
Land	$27.000.000	-	-	-	-	27.000.000
Construction in progress	-	119.716.158	-	-	-	119.716.158
Hotel equipment	-	-	-	-	-	-
Total, Investment property	**27.000.000**	**119.716.158**	**-**	**-**	**-**	**146.716.158**

At December 31, 2018 the investment property – Lot - was mortgaged to Banco de Bogotá S.A. and Banco Comercial AV Villas S.A., in order to obtain capital to complete the Hotel project. At December 31, 2017, there were no restrictions on investment property.

During 2017, as part of commitments made in the investor agreement, the Project made progress of $119,716,158 and in 2018, of $76,171,309recorded as Construction in Progress; and progress in equipment installation totalled $11.004.474.

Investment properties in 2018 and 2017 had not impairment losses to affect results, and there were not restrictions on execution of work.

17. Financial debt

The following is the detail of financial debt:

			2018	2017
Short term debt	$		16.563.504	8.126.250
Long term debt			85.351.606	48.963.750
	$		101.915.110	57.090.000

The Parent increased its debt with the execution of the Active Border, hotel and the Corferias offices.

The following are the contractual terms of the debt:
2018

Name	Initial date	Due date	Initial value	Interest	Capital repaid	Interest paid	Current portion	Non-current portion	Closing balance	Interest payable
Banco Popular S.A.	21/01//2014	21/01/2019	$ 6.000.000	DTF + 2,50%	$ 5.700.000	$ 60.584	$ 300.000	$ -	$ 300.000	$ 1.719
Banco Popular S.A.	30/01/2015	30/01/2020	2.000.000	DTF + 2,50%	1.500.000	50.938	400.000	100.000	$ 500.000	2.878
Banco Popular S.A.	02/05/2017	2/05/2022	2.000.000	IBR + 3,50%	700.000	113.644	400.000	900.000	$ 1.300.000	8.195
Banco Popular S.A.	7/02/2017	7/02/2022	1.400.000	IBR + 3,40%	490.000	79.466	280.000	630.000	$ 910.000	5.733
Banco Popular S.A.	27/10/2017	27/10/2024	12.630.000	IBR + 3,05%	-	1.082.409	2.105.000	10.525.000	$ 12.630.000	75.843
Banco Popular S.A.	18/01/2017	18/01/2019	3.500.000	IBR + 2,00%	-	97.224	3.500.000	-	$ 3.500.000	17.938
Banco Popular S.A.	26/07/2018	26/07/2024	5.000.000	IBR + 3,60%	-	165.417	416.667	4.583.333	$ 5.000.000	32.317
Banco AV Villas	14/11/2017	14/11/2024	11.000.000	IBR + 2,70%	-	868.791	1.833.333	9.166.667	$ 11.000.000	62.487
Banco AV Villas	20/12/2017	20/12/2024	6.000.000	IBR + 2,60%	-	405.550	750.000	5.250.000	$ 6.000.000	11.176
Banco AV Villas	27/12/2017	27/12/2024	1.000.000	IBR + 2,60%	-	68.044	125.000	875.000	$ 1.000.000	931
Cámara de com. de Bogota	01/02/2018	01/02/2025	20.000.000	IBR 90 DN +1,30%	-	994.333	3.333.333	16.666.667	$ 20.000.000	90.550
Cámara de com. de Bogota	01/02/2018	01/02/2025	16.000.000	IBR 90 DN +1,30%	-	723.013	1.333.333	14.666.667	$ 16.000.000	72.572
Banco Davivienda SA	25/05/2018	25/05/2026	3.600.000	DTF + 1,85%	-	130.015	300.000	3.300.000	$ 3.600.000	18.300
Banco de Bogota	26/11/2018	26/11/2031	1.744.433	IBR T.V. E.A + 4.40	-	14.157	-	1.744.433	$ 1.744.433	14.157
Banco de Bogota	23/11/2018	23/11/2031	6.866.448	IBR E.A + 4.40 T.V.	-	27.827	-	6.866.448	$ 6.866.448	27.827
Banco AV Villas	13/11/2018	13/12/2031	1.356.821	IBR T.V. E.A + 4.40	-	1.295	-	1.356.821	$ 1.356.821	1.295
Banco AV Villas	12/12/2018	12/12/2031	5.340.571	IBR T.V. E.A + 4.40	-	22.919	-	5.340.570	$ 5.340.570	22.920
Banco Popular S.A.	14/07/2017	14/07/2022	600.000	IBR + 3,5% T.V.	150.000	38.639	120.000	330.000	$ 450.000	-
Banco Popular S.A.	25/06/2018	25/06/2023	500.000	IBR+3.50% S.V.	50.000	19.368	200.000	250.000	$ 450.000	-
Banco Davivienda SA	13/07/2018	13/07/2023	3.000.000	IBR+3.50% M.V.	-	106.894	600.000	2.400.000	$ 3.000.000	-
Banco Davivienda SA	14/08/2018	14/08/2023	500.000	DTF+3,65% E.A	-	14.542	100.000	400.000	$ 500.000	-
						5.085.068	**16.096.666**	**85.351.606**	**101.448.272**	**466.838**

The following are the contractual terms of the debt:
2017

Name	Initial date	Due date	Initial value	Interest	Capital repaid	Interest paid	Current portion	Non-current portion	Closing balance
Banco Popular S.A.	21/01/2014	21/01/2019	$ 6.000.000	DTF + 2,50%	$ 4.500.000	$ 1.111.449	$ 1.200.000	$ 300.000	$ 1.500.000
Banco Popular S.A.	30/01/2015	30/01/2020	$ 2.000.000	DTF + 2,50%	1.100.000	320.782	400.000	500.000	900.000
Banco Popular S.A.	02/05/2017	2/05/2022	$ 2.000.000	IBR + 3,50%	300.000	155.311	400.000	1.300.000	1.700.000
Banco Popular S.A.	7/02/2017	7/02/2022	$ 1.400.000	IBR + 3,40%	210.000	108.149	280.000	910.000	1.190.000
Banco Popular S.A.	2/05/2017	2/05/2022	$ 2.000.000	IBR + 3,50%	200.000	112.469	400.000	1.400.000	1.800.000
Banco Popular S.A.	29/06/2017	29/06/2022	$ 1.500.000	IBR + 3,50%	75.000	64.069	300.000	1.125.000	1.425.000
Banco Popular S.A.	27/10/2017	27/10/2024	$ 12.630.000	IBR + 3,05%	-	180.592	526.250	12.103.750	12.630.000
Banco AV Villas	26/10/2016	26/10/2021	$ 5.000.000	DTF + 3,58%	1.000.000	514.472	1.000.000	3.000.000	4.000.000
Banco AV Villas	6/12/2016	6/12/2021	$ 3.000.000	DTF + 3,58%	600.000	280.510	600.000	1.800.000	2.400.000
Banco AV Villas	23/12/2016	23/12/2021	$ 2.000.000	DTF + 3,65%	400.000	180.575	400.000	1.200.000	1.600.000
Banco AV Villas	16/01/2017	16/01/2022	$ 5.500.000	DTF + 3,50%	825.000	455.982	1.100.000	3.575.000	4.675.000
Banco AV Villas	20/02/2017	20/02/2022	$ 2.000.000	DTF + 4,00%	300.000	104.676	400.000	1.300.000	1.700.000
Banco AV Villas	14/11/2017	14/11/2024	$ 11.000.000	IBR + 2,70%	-	103.267	-	11.000.000	11.000.000
Banco AV Villas	20/12/2017	20/12/2024	$ 6.000.000	IBR + 2,60%	-	12.929	-	6.000.000	6.000.000
Banco AV Villas	27/12/2017	27/12/2024	$ 1.000.000	IBR + 2,60%	-	982	-	1.000.000	1.000.000
Banco Av villas	30/12/2015	30/12/2020	$ 2.000.000	DTF + 3,80%	800.000	326.389	400.000	800.000	1.200.000
Banco Av villas	22/12/2016	22/12/2021	$ 2.000.000	DTF + 3,65%	400.000	177.291	400.000	1.200.000	1.600.000
Banco Popular S.A.	29/06/2017	29/06/2018	$ 400.000	IBR + 2,5%	200.000	13.595	200.000	-	200.000
Banco Popular S.A.	14/07/2017	14/07/2022	$ 600.000	IBR + 3,5%	30.000	23.969	120.000	450.000	570.000
						4.247.458	**8.126.250**	**48.963.750**	**57.090.000**

At December 31, 2018 and 2017, debt guaranteed in the Parent totaled $15,308,273; Banco de Bogotá, $ 8,610,881: AV Villas $6,697,392.

17. Accounts payable

The following is the detail of accounts payable:

		2018	2017
Local		4.000.878	1.088.157
Contractors (1)		11.194.118	5.122.184
Costs and expenses payable (2)		20.464.935	19.575.439
Dividendos / capita yields payable (3)		264.885	235.756
Withholdings		2.209.083	1.570.427
Turnover tax withheld		153.394	136.600
Payroll withholdings and contributions		735.847	209.646
Sundry creditos (4)		790.079	100.361
Salaries payable		12.130	41.339
Long-term severance liability		972.600	777.274
Interest on severance liability		113.114	93.634
Holidays		381.383	383.449
Discretionary benefits		164.762	166.613
Withholdings from third parties on contracts.		696.096	589.032
	$	42.153.304	30.089.911

(1) In 2018 the balance consists mainly of invoices pending payment by the Parent to service contractors for $3,519,484, advertising $2,168,769; share of fair profits Salón Internacional Automóvil $1,212,737, SOFA, $825,583; Exoagrofuturo, $313,532; and in the subsidiary Corferias Inversiones S.A.S., Sabor Barranquilla. $28,773; and setting up services, $69,437.

(2) Costs and expenses payable refer to:

	2018	2017
Financial costs	306.512	637.213
Fees	420.598	1.020.351
Technical services	106.111	41.417
Maintenance	989.640	736.580
Rent	877.617	244.772
Transport, freight and haulage	54.498	53.446
Public services	-	35.535
Insurance	171	171
Entertainment and public relations	-	2.291
Other(*)	12.247.710	2.756.263
Other payables	5.462.078	14.047.400
	20.464.935	19.575.439

* The balance for 2018 is mainly for investor remuneration of the AGORA Convention Center for operations in the year totaling $5,718,724 and Turnover Tax, Sales Tax, Tourism Tax and Consumer Tax for $1,844,564 and VAT payable withholdings of $744,178. In 2017 the taxes payable totaled e $2,504,031.

** Other payables are accruals for expenses not billed by the end of the year but for services rendered in December. The remainder is mainly fai profits for $2,339,017, advertising $392,999 and setting-up services $475,825. The subsidiary Corferias Inversiones S.A.S. owed public service bills for $530,208.

(3) In 2018 and 2017 cash dividends were declared for $11,375,570 and $16,959,637 on profits of 2016 and 2015.

(4) Mainly, Corferias Inversiones S.A.S. a liability arising from a loss in the equity method recording of Operador Hotelero Pactia Corferias S.A.S. due to implied obligations under the operating contracts.

(5)

19. Tax Liabilities

The following is the detail of tax liabilities:

		2018	2017
Income and related taxes	$	1.466.075	2.114.055

The decrease in the income tax liability is due to higher levels of self-withholdings paid over the year as a result of increased revenues.

20. Income received in advance

The following is the detail:

		2018	2017
Deposits received for fairs and events (1)	$	$ 14.620.819	$11.037.497

(1) Deposits received from customers for Corferias own fairs. The funds are received up to one year in advance and applied at the time of the event to the invoice for the customer´s participation. The increase is due to advance payments for Agroexpo, Expoconstrucción & Diseño and Andinapack.

21. Other non-financial liabilities

The following is the detail of other non-financial liabilities:

		2018	2017
Deposits received for project management (1)	$	161.737.822	102.584.077

(1) Corresponds to contributions received by P.A, Pactia as investor in the hotel Project. These contributions and those of the Parent as investors appears as investment property in the accounts.

22. Employee benefits

The following is the detail of long-term Parent employee benefits:

		2018	2017
Opening balance of defined benefit plans	$	2.074.887	2.000.000
Interest cost		183.280	131.888
Benefits paid by the company		(230.000)	(221.000)
Loss on actuarial assumptions		-	164.000
Closing balance of defined benefits	$	2.028.167	2.074.888

The actuarial assumptions used in studies of pensions are as follows:

Hypotheses:

	2018	2017
Discount rate	6.75%	6.50%
Salary increase rate	3.50%	3.50%

Payments expected over the next 10 years ($ million)

		2018	2017
Year 1	$	239	229
Year 2		242	235
Year 3		244	238
Year 4		242	239
Year 5		237	237
Next 5 Years	$	1.021	1065

Pension studies and five-year periods include the following assumptions:

Exonomic assumptions	December 31, 2018	December 31, 2017
Discount rate	6,75%	6.5%
Salary increase	3,5%	3.5%
Social security increase	3,5%	3.5%
Cost- of-living increase	3,5%	3.5%
Mortality	Tabla RV08. See table of demographic hypotheses	Colombian mortality table RV2008
Disability	None	None
Rotation	SOA 2003 rotation table, assuming no dismissals without cause	SOA 2003 rotation table, assuming no dismissals without cause
Retirement age	62 for men 57 for women	62 for men 57 for women
Valuation of assets	All assets are reserved in books	All assets are reserved in books

The liability of defined benefit plans was calculated using the "projected credit units" method. The method consists in quantifying the benefits of each participant in the plan as and when he has rights to them, taking account of future salary increases, with a formula for the allocation of benefits. The valuation was made individually for each pensioner. The application of the actuarial hypothesis calculates the amount of projected benefit, which depends on the estimated date of termination, service completed, and the salary at the time of termination.

Further, and to attend to the terms of Decree 1625 of October 11, 2016 on actuarial calculations, the present value of the pension liability for account of the Parent is determined annually on the basis of actuarial studies following Financial Superintendency instructions , and applying Article 2 of Ministry of Finance Decree 2783 of December 20, 2001.

Amortization is affected under Ministry of Finance Decree 4565 of December 7, 2010 and charged to the Income Statement.

The Parent adopted Article 1 of Ministry of Finance Decree 4565 of December 7,2010 and amortized the actuarial calculation taken from the Mortality Tables-Rentiers -Men and Women-updated by the Financial Superintendency in Resolution 1555 of July 31, 2010.

Finally, and as required by Decree 2131/2016, we disclose below the variables used and the differences between the calculation of postemployment liability is determined according to IAS 19, and the parameters of Decree 1625/2016.

2018

Personnel	Group	No.	Reserves
Shared old-age benefit	2	4	1.832.018
Reserve at December 31, 2018	5	1	34.447
Total reserve at December 31, 2018		5	**1.866.465**

2017

Personnel	Group	No.	Reserves
Shared old-age benefit	2	4	1.845.122
Reserve at December 31, 2017	5	1	35.076
Total reserve at December 31, 2017		5	**1.880.198**

Under IAS 19, the hypothesis used to determine benefit obligations for defined benefit obligations are a discount rate of 6.75%; the pension increase rate and salary inflation rate of 3.5%, but Decree 4565 December 7, 2010 provides a calculation for the pension liability using a technical interest rate of 4.07%. Therefore, the difference between calculation made under local government requirements and the terms of COL-IFRS is $ 161,703 for 2018 and $ 194,690 for 2017.

23. Other provisions

The following is the detail of other provisions:

		2018	2017
Accruals and provisions	$	3.348.573	2.578.758

At December 31, 2018 and 2017, this corresponds mainly to labor cases involving the Parent; in 2018 the contingency was $3,310,810 and in 2017, $2,578,758. The increase is due to revised estimates made by outside counsel.

24. Capital

At December 31, 2018 and 2017, the authorised capital of the Parent was 200,000,000 shares of $ 10(pesos) par value each, and subscribed and paid capital on those dates for 167, 391, 943 ordinary shares, worth $1,673,920.

At December 31, 2018 and 2017 the Parent records 104,146 shares reacquired, with rights suspended while held in Treasury.

All shares are fully paid.

Ordinary shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share in General Meetings.

Basic profit per share

The Parent presents the data of profit per share as a basic figure. This basic figure is used to calculate the dividend, being the result attributable to ordinary shareholders in the Parent divided into the weighted average number of ordinary shares outstanding during the period.

Item	2018	2017
Net profit	$ 26.548.965	22.767.176
Shares outstanding	167.391.943	167.391.943
Basic profit per share of controlling interest	158,60	136,01

25. Reserves

The following is the detail of reserves:

		2018	2017
Mandatory reserve	$	839.707	839.707
Reserve fo repurchase of own shares		1.164	1.164
Own shares repurchased		(1.041)	(1.041)
Voluntary reserves		97.801.342	86.409.736
	$	98.641.172	87.249.566

Local regulations require entities to set up a mandatory reserve, by appropriating 10% of annual net profits until the reserve reaches 50% of subscribed capital. The reserve may be reduced to less than 50% of subscribed capital to absorb losses in excess of undistributed profits. The reserve may not be used to pay dividends or to cover expenses or losses while the company has undistributed profits.

(1) In the AGMs held on March 30, 2018 and March 29, 2017, it was decided to set up a voluntary reserve of $11,391,570 and $16,960,075, to leverage modernization projects.

Additionally, in 2018 and 2017, dividends were declared for $11,375,570 and $16,959,637 and dividends for $11,344,777 and $16,959,637 were paid out.

26. Other elements of equity - OCI

The following is the detail of OCI balances included kin equity at December 31, 2018 and 2017:

		Unrealized profit/loss
Balance at December 2017	$	344.694
Variation in equities measured at fair valuer value (Alpopular and La Previsora)		731.006
Balance at December 2018	$	1.075.700

The increase in this account in 2018 is due to updates of fair value using the discounted dividend method.

27. Revenues from ordinary activities

The following is the detail of revenues from ordinary activities:

Years ended on December 31

		2018	2017
Food and Beverages (1)	$	10.352.238	7.062.431
Property, business and rental activities (2)		18.007.606	12.104.174
Entertainment and leisure		137.908.634	127.996.312
Parking area administration (4)		3.534.722	3.312.804
	$	169.803.200	150.475.721

1) Food and beverages: the account records the value of revenues obtained from food and beverage services of the Parent and subsidiary Corferias Inversiones SAS
2) Property, business and rental activities. The account records revenues from the lease of space and rendering services directly with the organization of non-fair events of the Parent and subsidiary Corferias Inversiones SAS. In 2018, the greatest revenue earners for the Parent were: Elections for President and Congress, for $6,194,261, Expovinos $1,042,105, Lego Fun Fest. $999,676.
3) Entertainment and Leisure. The account records revenues from the rental of spaces and the provision and the rendering services in the organization of the Parents and subsidiary´s fairs. In 2018 the leaders were the International Fair, $11,421,424, Salón Internacional del Automóvil, $11,533,769, Feria del Hogar $11,527,424; Sabor Barranquilla, $%1,622,254; Agroexpo Cartibe, $1,052,768; and Comic con Medellín, $1,052,002. The increase is due to the holding this year of the biennial Salón Internacional del Automóvil.

4) The subsidiary Corferias Inversiones SAS earned revenues from the parking service in 2018 for $3,534,722 and in 2017, 3,312,804, from exhibitors and visitors to the Parent's fairs in those two years.

28. Selling expenses

The following is the detail of selling expense:

		2018	2017
Payroll (1)	$	6.142.704	5.151.806
Fees (2)		3.446.418	3.393.814
Taxes		332.248	186.303
Rent (3)		4.621.027	1.528.737
Contributions and affiliations (4)		14.496.630	7.746.089
Insirance		43.425	46.302
Services (5)		25.311.609	18.381.594
Legak expenses		93.820	107.933
Maitenan ce and repairs		305.771	325.621
Renodeling and installations		12.435.487	14.413.943
Travel		1.250.931	1.582.856
Subnry (7)		4.942.598	3.597.501
Other (8)		603.836	9.568.339

(1) The following is the detail of the payroll expense:

		2018	2017
Salaries and other personnel expenses *	$	4.043.912	3.389.848
Payroll taxes and benefits		1.240.884	1.074.378
Bonuses		130.110	75.545
Subventions **		106.782	82.137
Pension funds contributions		520.897	432.843
Health contributions (E.P.S. and A.R.L.)		81.868	81.810
Other employment expenses ***		18.251	15.245
	$	6.142.704	5.151.806

* Salaries, overtime, commissions, sick leave,
** Subsidies for transport, assistance for prepaid medicine programs.
*** Sundry items – work clothes and equipment, training, sports and recreation, incentives etc.

2) Fees paid by the Parent, principally for fairs. The reduction in 2018 was due to the fact that there was no Film and Music Fair this year, and no fees were paid. In the subsidiary Corferias Inversiones SAS, fees were paid for commercialization of fairs in Puerta de Oro.
3) Comprises rentals of machinery and equipment and decorations required to hold fairs and events in Bogotá and Puerta de Oro.The increase is mainly due to Parent business of rentals of audiovisual equipment and stand materials to contractors for CICB Agora operations.
4) Expenses incurred by the Parent for participation of entities in a number of the Parent´s fairs, in particular Cámara Colombiana del Libro, for the Book Fair, Artesanías de Colombia, for Expoartesanías, Salón Internacional del Automóvil and remuneration of investors of CICB Agora for 2018 operations, totalling $5,718,724.
   In the subsidiary Corferias Inversiones SAS, this corresponds to the participation of strategic allies in association in Barranquilla, including particularly Federación Nacional de Comerciantes FENALCO-Atlántico in the Flavour of Barranquilla and the Caribbean Car Show.
5) Comprises services such as cleaning, security, temporary staff, technical assistance, and public services for fair events of the Parent and subsidiary. The increase is due to seasonality of biennial fairs and the operations of CICB AGORA in 2018.
6) Represents ornamental arrangements, signposting, montage and other services to setup and takedown fair events of the Parent and subsidiary Corferias Inversiones SAS
7) Sundry items such as stationery, decorations and signposting, cafeteria, local transport and other needs for holding fairs
8) The reduction in other expenses is due to seasonality of biennial fairs.

29. Overhead

The following is the detail of overhead:

Years ended on December 31,

		2018	2017
Payroll (1)	$	23.476.906	20.003.184
Fees		1.599.078	1.540.764
Taxes (2)		5.995.922	5.112.083
Rent		567.605	1.091.720
Contributions and affiliations		913.730	595.350
Insurance		404.227	93.111
Servicie (3)		7.248.486	4.784.735
Legal expense		67.504	62.916
Maintenance and repairs		1.964.770	1.463.893
Remodeling and installations		1.831.075	1.821.212
Travel		433.065	580.075
Depreciation		6.596.346	5.744.366
Amortizations		2.363.036	3.756.910
Sundry (5)		2.267.702	2.234.803
Other (6)		591.015	1.480.115
	$	56.320.467	50.365.237

The following is the detail of personnel expense:

Years ended on December 31,		2018	2017
"all-in" salaries	$	4.896.238	4.458.676
Pensions		229.733	269.561
Salaries and other personnel expenses		10.461.179	8.744.782
Payroll taxes and benefits		3.826.407	3.193.029
Bonuses		700.977	3.943
Subventions **		178.562	94.209
Pension fund contributions		1.741.044	1.447.783
Health contributions E.P.S. and A.R.L.		720.667	659.298
Other employment expenses ***		722.099	1.131.903
	$	23.476.906	20.003.184

is an

*** Clothing and implements for work, training, sports and recreation, incentives etc.

1) Turnover tax, property tax tourism tax, public public performances tax, financial transaction tax, fire-brigade surcharge
2) Services such as cleaning, security, temporary staff, technical assistance, public services and other expenses required by operating overhead and events.
3) Ornamental arrangements, signage, montage and other services to set up events.
4) Consumables: items of decoration, signposting, construction, plumbing, stationery, cleaning and beverages.
5) Expenses generated at the end of the period and not invoiced by suppliers and contractors

30. Other Income

The following is the detail of other income:

Years ended on December 31:

		2018	2017
Valuation gain on shares	$	1.394	-
Dividends and other capital yields (1)		1.898.520	1.275.291
Commissions		34.903	40.712
Recoveries (2)		1.836.927	753.914
Other income (3)		283.330	432.955
	$	4.055.074	2.502.872

1) Dividends earned by the Parent derived from investments in Alpopular Almacén General de Depósito S.A.for $1.868.015 and la Previsora S.A. Compañía de Seguros for $30.505, valued at fair value through OCI.
2) Income from recovery of expenses in 2018 derived from the previous period, such as recovery or impairment of receivables worth $763.109, recovery of payables provision for $1.064.57.
   In 2017, mainly due to portfolio impairment recoveries were of the order of $ 306,230 and accounts payable of $ 446,719.
3) Sundry income includes reimbursements for sick leaves, retail sales, disposable elements, repayments for telephone services, and indemnities for damage caused by third parties.

31. Other income

The following is the detail of other income

Years ende don December 31,

		2018	2017
Loss on withdrawal of investment	$	-	961
Loss on withdrawal of property and equipment		142.577	10.140
Loss on withdrawal of intangibles (1)		2.974.139	-
Loss on impairment of equipment	$	9.928	-
Other expenses (2)		1.981.124	472.519
		5.107.768	483.620

1) Withdrawal of the brand ALMAX used to sell come events where it was treated as the producer, but did not meet ticketing targets, leading to cancellations. The asset was declared obsolete after an evaluation by the Events Committee
2) Mainly, recognition of a legal contingency provisions for $769,815 in 2018 and $180.323 in 2017. Also contains donations for $466,466 in 2018 and $133.454 in 2017.

32. Financial income

The following is the detail of financial income:

Years ended on December 31,

		2018	2017
Savings interest	$	599.961	350.623
Exchange difference		785.466	754.071
Discounts		120.638	251.615
	$	1.506.065	1.356.309

33. Financial expense

The following is the detail of financial expense:

Years ended on December 31

		2018	2017
Bank charges	$	523	936
Commissions		472.858	392.996
Interest		823.335	914.475
Exchange differnce		642.361	688.788
Other		21.142	33.741
	$	1.960.219	2.030.936

34. Equity method profit /(loss) in the period

	2018	2017
Profit (loss) on the equity method	622.026	(683.384)

The balance in 2018 iis the equity method income from Patrimonio Autónomo Centro Internacional de Convenciones de Bogotá – CICB of $935,101, and a los by Corferias Inversiones S.A.S. in Opeador Hotelero Pactia Corferias S.A.S.for $313,075. In 2017 there was nan equity method loss on CICB.

35. Income tax expense

The following is the detail of income tax expense for the years ended on December 31, 2018 and 2017:

		2018	**2017**
Current income tax	$	7.537.365	7.508.319
Income tax of previous years		(140.943)	108.367
		7.396.422	**7.616.686**
Deferred tax for the year		745.867	1.457.899
Total income tax expense		**8.142.289**	**9.074.585**

Reconciliation of the tax rate:

Tax regulations applicable to the Parent and subsidiary state that:

The Parent was authorized as a User Operator of the Permanent Special Free Zone, by Resolution 5425 of June 20, 2008. Income tax is calculated under Law 1819 /2016, at 20%.

The income tax expense for the subsidiary Corferias Inversiones SAS is as follows for regulations applicable at 2018, and in Colombia:

Taxable income is taxed at 40% in 2017 (including a 6% surcharge) and 37% in 2018 (including a 4% surcharge) Law 1943/2018 sets future income tax rates as follows: 2019, 33%; 2020, 32%; 2021, 31%; and 2022, 30%.

For 2017 and 2018 "Presumed income" – the threshold for the calculation of minimum taxes payable – was 3.5% of the previous year´s net assets.

Tax Reform of Law 1943/2018 (December 28)

Principal provisions:

- Corporate income tax rates were set as follows:
- 2019, 33%; 2020, 32%; 2021, 31%; 2022 onwards, 30%.

- As a general rule, income-related taxes, rates and contributions – other than income tax itself – became tax-allowable; as a special exception, 50% of all Bank Transaction Tax paid became allowable.

- 50% of income-related Turnover Tax paid is allowable for the year of payment until 2021. As of 2022, 100% of the tax becomes allowable.

- VAT on imports, formation, construction or acquisition of real fixed assets included in services are a deduction against income tax, for VAT-liable businesses.

- There is a new Regime for Megainvestments for taxpayers contracting 250 or more employees and investing US$340 million (approx. equivalent in 2019) in (potentially) productive property, plant and equipment. These investments also have tax incentives – an income tax rate of 27%; depreciation of fixed assets over at least 2 years; exemption from equity tax and tax on "presumed income"; special tax rates on dividends paid, and more. Provided that the business involved is not related to the exploitation of non-renewable natural resources, the Megainvestor may also sign a tax stability agreement with the State to keep these privileges intact for 20 years.

- The base rate for calculating "presumed income" is reduced to 1.,5% of the preceding year´s net assets for 2019 and 2020, and is cut to 0% thereafter,

- Tax returns for taxpayers whose net income tax liability for 2019 is 30% higher than for 2018 will not be open to audit after 12 months from filing date; the same applies to those whose liability for 2020 is 20% higher than for 2019 after 6 months from filing date.

- As of 2017, tax losses can be offset against taxable income over the next 12 years.

- Excess tax on "presumed income" paid can be offset over the next 5 years.

- Capital gains tax is still 10%

Following IAS 12 paragraph 81(c), the reconciliation between tax payable at current rates and the effective tax rate for periods ended on December 31, 2018 and 2017, is as follows:

		2018	2017
Profit before tax	$	**34.691.254**	**31.841.761**
Technical tax		6.997.456	6.709.581
Presumed fiscal interest		17	37
Non-allowable expenses of previous periods		76.202	4.708
Non-allowable expense - fines, sanctions, litigation		173.013	38.006
Other non-allowable expenses		1.085.198	496.443
Non-allowable taxes		159.098	124.403
Untaxed dividends		(379.704)	(255.058)
Recovery of costs and other untaxed items		(89.504)	(57.434)
Marginal interval of surcharge		(32.000)	(48.000)
Effect of difference in rates		32.505	18.345
Ajustment to previous years´ income		7.620	445.029
Difference between IFRS and taxable profit		-	510.116
Adjustment to deferred tax, previous periods		-	1.088.463
Other items		(7.464)	(54)
Tax discounts		(16.404)	-
Capital gains		136.256	-
Total income tax expense	$	**8.142.289**	**9.074.585**

Movement of deferred taxes

The difference between the asset and liability bases for the purposes of COL-IFRS and the tax bases for the same assets and liabilities for local tax effects gives rise to timing differences that generate deferred tax, calculated and recorded at December 31, 2018 and 2017 on the basis of then-current tax rates for the years in which the timing differences would be reverted.

The effect of timing differences implied by a determination of a higher or lower tax liability in the current year, calculated at current rates, is recorded as a deferred tax asset or liability, as applicable, and provided that there is a reasonable expectation that those differences will revert.

Tax effects of allowable timing differences	**Balance at December 31, 2017**	**Credited, charged to Income Statement**	**Balance at December 31, 2018**
Cash	$ 998	- 998	-
Accounts receivable	313.241	- 73.344	239.897
Inventory of goods not produced by the company	-	-	-
Trademarks	518.926	112.149	631.075
Property and equipment	6.180.439	3.608	6.184.047
Licenses	-	128.041	128.041
Prepaid expenses	23.683	- 21.256	2.427
Costs and expenses payable	354.220	39.066	393.286
Employer obligations	5.750	4.163	9.913
Employee benefits	30.560	7.354	37.914
Subtotal tax effects of allowable timing differences	**$ 7.427.817**	**198.783**	**7.626.600**

Tax effects of taxable timing differences	**Balance at December 31, 2017**	**Credited, charged to Income Statement**	**Balance at December 31, 2018**
Disponible	$ -	2.772	- 2.772
Investments in associates	- 10.880.250	27.591	- 10.907.841
Sundry debtors	- 9.499	- 9.370	- 129
Inventory of materials, spares and accessorie	- 1.463	-	- 1.463
Trademarks	- 1.098.972	169.242	- 1.268.214
Land	- 19.616.958	305.843	- 19.922.801
Accumulated depreciation	- 14.184.878	542.004	- 14.726.882
Licenses	- 78.906	- 78.906	-
Investment properties	- 2.237.400	-	- 2.237.400
Deposits received for fairs and events	- 141.011	- 11.439	- 129.572
Monetary correction	- 29.822	- 3.086	- 26.736
Subtotal Tax effects of taxable timing differences	**$ - 48.279.159**	**944.651**	**- 49.223.810**
Total	**- 40.851.342**	**1.143.434**	**- 41.597.210**

Tax effects of differences in tax deductions		Balance at December 31, 2016	Credited, charged to Income Statement	Balance at December 31, 2017
Cash	$	-	998	998
Accounts receivable		231.883	81.358	313.241
Inventory of goods not produced by the company		6.915	- 6.915	-
Trademarks		-	518.926	518.926
Property and equipment		7.268.952	- 1.088.513	6.180.439
Licenses		110.282	- 110.282	-
Prepaid expenses		-	23.683	23.683
Costs and expenses payable		280.771	73.449	354.220
EMployer obligations		5.539	211	5.750
Employee benefits		54.043	- 23.483	30.560
Subtotal Tax effects of differences in tax deductions	$	**7.958.385**	**- 530.568**	**7.427.817**

Tax effects of taxable timing differences		Balance at December 31, 2016	Credited, charged to Income Statement	Balance at December 31, 2017
Investments in associates	$	- 10.271.186	- 609.064	- 10.880.250
Sundry debtors		- 351.125	341.626	- 9.499
Inventory of materials, spares and accessorie		- 124.736	123.273	- 1.463
Trademarks		- 576.129	- 522.843	- 1.098.972
Land		- 19.860.110	243.152	- 19.616.958
Accumulated depreciation		- 13.635.762	- 549.116	- 14.184.878
Licenses		-	- 78.906	- 78.906
Investment properties		- 2.237.400	-	- 2.237.400
Deposits received for fairs and events		- 190.964	49.953	- 141.011
Monetary correction		- 104.416	74.594	- 29.822
Subtotal Tax effects of taxable timing differences	$	**- 47.351.828**	**- 927.331**	**- 48.279.159**
Total		**- 39.393.443**	**- 1.457.899**	**- 40.851.342**

The Parent and subsidiary netted deferred tax assets and liabilities as allowed under Para 74 of IAS 12 in the light of the application of current tax regulations in Colombia on the legal right to net them with current tax assets and liabilities.

Realization of deferred tax assets

It is expected that in future periods there will continue to be taxable income against which deferred tax assets may be offset. The estimation of future tax positions is based on the projections for the operations of the Parent and subsidiaries, and it is expected that the present positive trend will continue.

At December 31, 2018 and 2017, the Parent and subsidiary had no tax uncertainties that would require a provision.

36. Related parties

Under IAS 24, a related party is an individual or entity related to the entity, over which control or joint control can be exercised, or significant influence exercised; or a key member of management or of the controlling company of the reporting entity.

The Parent and subsidiaries consider that related parties are the principal shareholders, directors, key management personnel, and companies in which shareholders or members of the Board of Directors have an interest greater than 10%.

The Parent and subsidiaries recognize the balance of assets, liabilities, income and expenses caused in each period, corresponding to operations with related parties such as the supporting, associates, key management personnel and shareholders.

The compensation of key management personnel includes salaries and short-term benefits, and *key management personnel* is held to mean the Management Committee and the Board of Directors.

Terms and conditions of transactions with related parties were not undertaken on more favorable conditions of those available in the market, or those that would reasonably have expected to be available in similar transactions

The most representative balances of December 31, 2018 and 2017 with related parties are included in the following accounts.

Receivables from related parties

The following is the detail of accounts receivable from related parties

		2018	2017
Cámara de Comercio de Bogotá (1)	$	363.268	127.673
Alpopular Almacén General de Depositos		311.024	-
Key management personnel(2)		161.775	203.201
PA Centro Internacional (3)		2.264.342	1.922.612
Operador Hotelero Pactia Corferias S.A.S.		2.929.212	-
Fiduciaria Colombiana de Comercio Exterior S.A.		20.000	-
Shareholders		483.529	515.878
	$	6.533.150	2.769.364

1) In 2018, this represents mainly to the balance of participation of the event of the AGM of the Bogotá Chamber of Commerce. In 2017, it represented support from the Chamber of Commerce to participants in Expoartesanías.

2) In 2018, and 2017 this represents loans to members of the Management Committee for home purchase, vehicle purchase, and others. These loans are offered on the same conditions for all Parent's employees

3) The balance and the variation correspond to withholdings made by the Parent as trustor of Patrimonio Autónomo del Centro Internacional de Convenciones de Bogotá – Ágora, and the urban demarcation tax for the property constructed for that escrow.

Accounts payable to related parties

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

		2018	2017
Cámara de Comercio de Bogotá (1)	$	36.254.084	17.542
Key management personnel(2)		341.739	11.655
PA Centro Internacional (3)		5.718.725	-

(1) In 2018, this is the balance of a loan of $36,000,000 plus interest taken to fund construction projects in progress. In 2017 it represented the balance payable on the profits of ARTBO as reflected in the final accounts.
(2) Represents commissions due to personnel for work in 2018 and 2017.
(3) Remuneration payable to shareholders for AGORA results.
(4) Dividends payable to shareholders

Income and expenses

Bogotá Chamber of Commerce

Income		2018	2017
Hotels and restaurants	$	139.634	31.228
Property, business and rental activities		-	12.605
Entertainment and leisure		2.537.437	2.375.583
	$	2.677.071	2.419.416

Overhead			
Personnel - training	$	2.145	5.135
Insurance		7.243	-
Legal expenses		4.483	4.940
	$	13.871	10.075
Selling expenses			
Legal expenses	$	-	5
Financial expenses	$	407.592	-

Alpopular Almacén General de Depósitos S.A.

		2018	2017
Investments	$	14.106.244	13.373.750
Income			
Property, business and rental activities		1.279	4.523
Dividends and other capital yields		1.868.015	1.235.152
	$	1.869.294	1.239.675
Overgead			
Rent		13.970	13.815
Services		-	429
	$	13.970	14.244

Key management personnel

		2018	2017
Income			
Financial - loan interest	$	13.999	-
Overhead			
Personnel expense	$	3.408.994	3.261.404
Fees		-	228.772
Expenses and travel		1.283	144.759
Other		685	73
	$	3.410.962	3.635.008
Selling expense			
Travel	$	92	-

Patrimonio Autónomo Centro Internacional

		2018	2017
Investments	$	65.784.906	63.998.057
Income			
Technical assistance fees	$	970.541	-
Equity method income		935.101	-
	$	1.905.642	-

Shareholders

Income		2018	2017
Hotels and restaurants	$	39.599	89.755
Property, business and rental activities		923.149	154.368
Entertainment and leisure		5.097.516	3.097.783
	$	6.060.264	3.341.906

Overhead			
Payroll	$	266.451	334.638
Rent		279	-
Servic es		56	396
Legal expense		31	-
Travel		174.652	183.199
Amortizations		83.922	-
Other expenses		23.876	7.343
	$	549.267	525.576

Selling expenses			
Fees	$	189.542	132.584
Rent		-	-
Contributions and affiliations		-	1.133.945
Services		64.139	89.698
Remodeling and installations		100	20
Travel		432.241	609.322
Other		4.351	1.737
	$	690.373	1.967.306

37. Contingencies

The Parent has the following contingencies of December 31, 2018 and 2017:

- Trademark registration cases, Agroexpo, FILBo and Meditech
- Ordinary litigation and tax disputes with the tax authority DIAN for 2009 income tax filings
- Labor cases currently in progress in the courts, in which the claimants state that there was a relationship between with each of them and CORFERIAS governed by a contract of employment, and therefore CORFERIAS should be ordered to pay their claims (See Note 22)

The subsidiaries have no contingencies at December 31, 2018 and 2017.

38. Post-closing events

There were no post-closing events between December 31, 2018 of the date of this the Statutory Auditor's report, which would have any impact on the Consolidated Financial Statements

39. Approval of the financial statements

The Consolidated Financial Statements and accompanying notes were approved by the Board (on February 6, 2019for presentation to the Annual General Meeting for approval or amendment.

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

Financial indicators
(expressed in thousands of Colombian pesos)

	2018	2017

I) LIQUIDITY

A. Current ratio =

In 2018, the Parent and subsidiary held $0.67 per peso of short-term debt (2017, $0.64).

B. Net working capital =

This means that if the Parent and subsidiary were required to repay short-term debt immediately, they would not have sufficient funds in current account to do so.

II) INDEBTEDNESS IDNICATORS

A. Indebtedness =

In 2018, the Parent and subsidiary had $33.92 of every $100 invested in assets financed by creditors (banks, contractors, suppliers, employees, etc.) (2017, $19.60). In other words, creditors owned 33,92% of the business in 2018 and 19.60% in 2017.

B. Concentration of short-term debt =

In 2018, $20.66 of every $100 of the Parent and subsidiary´s debts had short-term due dates (less than one year) (2017, $37.00).
.

C. Interest cover =

The Parent and subsidiary generated operating profits of 36.3 times interest paid in 2018 (2017, 105.67 times).

This means that in 2018 the company had profits sufficient to service interest in 2018.