CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A.USUARIO OPERADOR DE ZONA FRANCA
Condensed Consolidated Interim Financial Statements
(Unaudited)

June 30, 2016

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

Consolidated Statement of Financial Position

At 30 June 2016

(With comparative figures as of December 31, 2015)

(Expressed in thousands of Colombian pesos)

	Note		2016	2015
ASSETS			(Unaudited)	
Current assets				
Cash and cash equivalents	4	$	7.599.482	10.092.900
Accounts receivable	5		18.137.535	10.794.641
Assets by tax			1.103.035	-
Inventories	6		563.226	80.150
Other non-financial asset	7		1.474.699	462.892
Total current assets			28.877.977	22.130.583
Non current assets				
Other financial asset	8		13.404.759	13.432.164
Investments in subordinate and associates	8		61.245.132	61.307.795
Intangible	9		4.487.454	3.515.284
Property and equipment	10		435.956.320	430.534.284
Assets by deferred tax			5.815.886	5.815.888
Total non-current assets			520.909.551	514.605.415
Total assets		$	**549.787.528**	**536.735.998**
LIABILITIES				
Current liabilities				
Financial Obligations	11		2.500.000	2.009.407
Debts to pay	12		29.579.494	18.389.664
Tax liabilities	12		1.993.356	2.942.692
Provision employee benefits	13		1.809.146	1.791.146
Other financial liabilities	14		7.418.877	1.638.626
Other non-financial liabilities	14		16.889.069	4.055.991
Government grantS			-	588
Total current liabilities			60.189.942	30.828.114
Non current liabilities				
Financial Obligations	11		5.100.000	5.600.000
Other provisions	13		2.167.468	2.064.050
Deferred tax liabilities			37.727.097	37.727.097
Total non-current liabilities			44.994.565	45.391.147
Total liabilities		$	**105.184.507**	**76.219.261**
EQUITY				
Share and paid capital			1.673.920	1.673.920
Paid-in shares			43.451.721	43.451.721
Reserves	15		70.289.492	54.245.620
Accumulated results			4.831.825	4.803.947
Convergence process results			324.077.638	324.254.758
Profit for the period			278.425	32.086.771
Total equity		$	**444.603.021**	**460.516.737**
Total liabilities and equity		$	**549.787.528**	**536.735.998**

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

Consolidated Income Statement

For the six months-ended at June 30, 2016

(With comparative figures for the six-months ended of June, 2015

(Expressed in thousands of Colombian pesos)

	Note		2016 (Unaudited)	2015
Income from ordinary activities	16	$	34.563.105	36.718.390
Cost of sales			698.360	369.583
Gross profit			**33.864.745**	**36.348.807**
Other income	16		950.082	1.131.686
Administrative expenses	17		20.068.305	16.990.233
Selling expenses	17		13.930.428	13.695.940
Other expenses			353.726	205.877
Results from operating activities			**462.368**	**6.588.443**
Finance income	16		620.537	586.756
Finance cost	17		804.480	416.324
Profit before tax			**278.425**	**6.758.875**
Tax expense	17		-	1.453.532
Net income			**278.425**	**5.305.343**

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

Consolidated Statement of changes in equity

For the six months-ended at June 30, 2016

(With comparative figures for the six-months ended of June, 2015

(Expressed in thousands of Colombian pesos)

		Shared And paid Capital	Paid in Shares	Reserves	Accumulated Results	Convergence Process Results	Profit of the Period	Total Equity
					(Unaudited)			
Balance as of December 31, 2015	$	**1.673.920**	**43.451.721**	**54.245.620**	**4.803.947**	**324.254.758**	**32.086.772**	**460.516.738**
Dividends declared in cash $95,90 per share, over 167.287.797 shares paid capital ; Payments in april and october 2016		-	-	-	-	-	(16.042.900)	**(16.042.900)**
Appropriation of mandatory and occasional reserves		-	-	16.043.872	-	-	(16.043.872)	**-**
Period movement		-	-	-	27.878	(177.120)	-	**(149.242)**
Net income		-	-	-	-	-	278.425	**278.425**
June 30, 2016	$	**1.673.920**	**43.451.721**	**70.289.492**	**4.831.825**	**324.077.638**	**278.425**	**444.603.021**
Balance as of December 31, 2014	$	**1.673.920**	**43.451.721**	**42.773.671**	**-**	**325.266.798**	**27.746.820**	**440.912.930**
Dividends declared in cash $68,57 per share, over 167.287.797 shares paid capital ; Payments in april and october 2015		-	-	-	-	-	(11.470.924)	**(11.470.924)**
Appropriation of mandatory and occasional reserves		-	-	11.471.949	-	-	(11.471.949)	**-**
Period movement		-	-	-	4.803.947	-	(4.803.947)	**-**
Net income		-	-	-	-	-	5.305.343	**5.305.343**
June 30, 2015	$	**1.673.920**	**43.451.721**	**54.245.620**	**4.803.947**	**325.266.798**	**5.305.343**	**434.747.349**

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

Cash Flow Consolidated Statements

For the six-months ended at June 30, 2016

(With comparative figures for the six-months ended at June 30, 2015)

(Expressed in thousands of Colombian pesos)

		2016 (Unaudited)	2015
CASH FLOW FROM OPERATING ACTIVITIES			
Net income	$	**278.425**	**5.305.343**
Reconciliation between net income and net cash provided by operating activities:			
Depreciations		2.424.508	2.292.588
Amortization		432.381	240.807
Impairment (Recovery) Accounts receivable, net		357.153	(8.629)
Provision of contingents		103.418	-
Loss on retirement of property and equipment		43.286	5.374
Provision income level of progress		(2.830.187)	(3.265.140)
Recovery of provision accounts payable		(7.378)	(13.680)
Loss equity method		62.663	-
		864.269	**4.556.663**
Changes in operating items:			
Increase in accounts receivable		(4.869.860)	(12.237.266)
Increase in Inventories		(483.076)	(180.471)
Increase in other non-financial assets		(1.011.807)	(1.268.771)
Increase assets by taxes, net		(1.103.035)	(1.170.412)
Decrease in property and equipment		0	59.896.281
Increase in investments		(121.837)	(60.066.160)
Decrease in accounts payable		(3.159.527)	3.119.002
Increase Tax liabilities, net		671.222	2.377.466
Increase in provisions for employee benefits		18.000	18.000
Increase in other financial liabilities		5.780.251	(2.122.727)
Increase in other non-financial liabilities		12.833.078	18.569.522
Decrease in government grants		(588)	-
Payment of income tax		(1.620.558)	(1.520.253)
NET CASH FLOWS FROM (USED IN) OPERATIONS		**7.796.532**	**9.970.874**
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES			
Decrease in other current financial assets		700.000	1.490.000
Purchase of intangibles		(1.404.551)	(1.958.615)
Purchase of property and equipment		(7.889.830)	(9.675.308)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		**(8.594.381)**	**(10.143.923)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in Financial Obligations		(9.406)	3.300.000
Shares payed in cash		(1.686.163)	(1.228.938)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		**(1.695.569)**	**2.071.062**
INCREASE (DECREASE) IN CASH		**(2.493.418)**	**1.898.013**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIODO		10.092.900	6.713.786
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**7.599.482**	**8.611.799**

CORPORACIÓN DE FERIAS Y EXPOSICIONES S.A. USUARIO OPERADOR DE ZONA FRANCA
Notes on Consolidated Financial Statements
(Amounts in Thousands of Pesos)
Unaudited

1. Reporting Institution

Corporación de Ferias y Exposiciones S.A. Usuario Operador de Zona Franca (henceforth "the parent company") is a public institution incorporated by public deed No. 3640 on July 18, 1955, in the Second (2nd) Notary of Bogotá D.C. expiration date: July 2099. Financial statements established as of December 31, 2015 include the parent company and its subsidiary. The purpose of the parent company is to bolster industry and trade development regionally, nationally and internationally, and to promote Colombia's friendship and cooperation ties with friendly nations; to organize national and international exhibitions and fairs of industrial, commercial, agricultural and scientific nature within its facilities or elsewhere, both in the country and abroad. It also aims 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 company is subordinate to the Chamber of Commerce of Bogota which owns 79.74% of its share capital.

2. Basis of Preparation

(a) Technical Regulatory Framework

The consolidated financial statements have been prepared according to the accounting and financial reporting standards accepted in Colombia (NCIF) and established by Law 1314 of 2009. These statements have been regulated by the Single Regulatory Decree 2420 of 2015 and modified by Decree 2496 of 2015. The IFRS are based on International Financial Reporting Standards and its interpretations are issued by the International Accounting Standards Board (IASB). The basic rules comply with those translated into Spanish, issued on January 1, 2012 and the amendments made by the IASB during 2013.

(b) Measurement Basis

The current consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), including exemptions issued by the national government.

The consolidated financial statements have been prepared in compliance with historical cost basis, exempting the following important items in the statement of financial position:

- Fair value measurement of financial instruments with an impact on results.

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3. Políticas contables significativas

Unless otherwise stated, the reporting policies established hereunder have been applied consistently to all periods presented in the consolidated financial statements when preparing the initial draft of the consolidated financial statements accepted by Colombia on January 1, 2014 for transition purposes to the accounting and financial reporting standards accepted in Colombia.

4. Cash and cash equivalents

		2016	2015
Petty Cash		49.556	34.874
Checking Accounts		782.733	1.310.891
Savings Accounts		3.410.814	7.782.950
Collective Equity Fund		315.031	13.354
Beneficial Entitlements		3.041.348	950.831
	$	**7.599.482**	**10.092.900**

Cash and cash equivalents of the parent company and its subsidiary are comprised of cash balances and deposit rates. Likewise, cash and cash equivalents are investment usually has a “short” maturity period classified as high liquidity assets and easily converted to specific imports of cash and subject to low value variation risks.

Investments in invest portfolios of fiduciary trust companies are financial instruments that are classified as cash and cash equivalents as long as have a “short” maturity period; no more than three months since the acquisition date of the investment. Investments in invest portfolios of fiduciary trust companies which are not available or with restriction, it will not considered as cash al cash equivalents

Cash and cash equivalents are decremented considering the payment of accounting payables of December of 2015.

5. Accounts Receivable

		2016	2015
Customers		13.563.509	9.065.534
Incomes Receivable		4.698.674	1.632.130
Accounts Receivable to employes		525.801	438.140
Uncollectible Accounts		630.620	582.753
Impairment		(1.281.069)	(923.916)
	$	**18.137.535**	**10.794.641**

Accounts receivable are non-derivative financial assets with fixed or defined payments unquoted in an active market. Initial recognition applies to its fair value, while a subsequent recognition measures accounts receivable at amortized costs by means of effective interest rate, excluding any value impairment. Accounts receivable classified under 365 days are not subject to amortized cost, with the exception of a significant discount effect.

The parent company’s impairment policy depends on the exhibition and trade fair activities, according to the payment default at the date of statement. Under these circumstances, the only accounts that present uncollectible proof are those with outstanding payments for over 90 days after concluding the event or trade fair. Uncollectible account probability is 10% for these cases. Now, if the arrearage period continues after 150 days, uncollectible account probability rises by 70% - 90%.

Accounts receivable signed with state institutions under an available budget certificate will not be subject to the impairment estimate, since the certificate guarantees the payment of account receivable.

Account receivable	Maturity	Probability of loss
Accounts receivable from customers	0 - 90 days	0%
	91 - 150 days	10%
	151 - 365 days	70%-Over 4 (Minimum Wages) 90%-Less than 4 (Minimum Wages)
	Over 365 days	100%

The variation of accounts receivables correspond to deposits received from clients for their participation in trade shows and events of the second semester in 2016.

6. Inventories

		2016	2015
Commodities		61.799	17.555
Third-Party Goods		25.205	32.176
Materials, Spare Parts and Accesories		453.846	13.832
Disposables and Packages		22.376	16.587
	$	**563.226**	**80.150**

Inventories are assets:

(a) held for sale in the ordinary course of business;
(b) in the process of production for such sale; or
(c) in the form of materials or supplies to be consumed in the production process or in the rendering of services

The inventories of the parent company are initially and subsequently measured at cost, since such items have a high turnover rate and part of the finished product of the point of sale, as the case of commodities, disposables, packaging, materials, spare parts, accessories and enhancements. The valuation method for inventory involves a weighted average cost calculated at the end of the period. Cost of inventories includes all costs related to item acquisition and transformation, as well as costs which may have been incurred to obtain its current condition and placement. They include the cost of materials used, as well as labor and development costs.

Commercial discounts, discounts obtained and similar items are deduced when determining the acquisition price.

The increased in materials, parts and accessories was caused to acquire assets construction, stationary and electric items among others in order to organize shows an events.

7. Other financial assets

		2016	2015
Advances and pre-payments on expenditure		1.474.699	462.892
	$	**1.474.699**	**462.892**

Advances and pre-payments on expenditure: the recognition of advances and pre-payments on expenditure as assets as long as long demonstrate the definition of asset and the recognition criteria. No advances and pre-payments on expenditure shall be recognized as financial assets. Certain assets that the future economic benefit flowing from obtaining goods or shall be recognized as non-financial assets.

The increased represents the payment to Taller Red Creativa S.A.S. for $450.492.500 for the performance of Jóvenes de Ambiente show and Servicios de Obras Civiles R R S.A.S for $557.353.862 to cement the Américas tent.

8. Other financial assets and investments in associated companies

		2016	2015
Investments		13.404.759	13.432.164
Investments in sister companies		61.245.132	61.307.795
	$	**74.649.891**	**74.739.959**

Investments are financial assets which give to the parent Company contractual rights to:

a) Receiving cash or another financial asset from other company
b) Interexchange financial assets with others, in favorable condition to the partner company.

The investments shall be evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the entity's key management personnel:

- To fair value with effect on results (for investments in the stock exchange market where the title is directly or indirectly negotiated)
- To costs minus value impairment (for investments in equity instruments where the cost might be an adequate estimation of its fair value)
- Invest in sister companies, participation method.

Investments in equity instruments and agreements related to said instruments are measured at fair value. However, in certain circumstances, the cost might be an adequate estimation of its fair value. This might be the case when available recent information is insufficient to estimate the fair value, or when there is a broad range of possible measurements of fair value and costs themselves represents the best estimate.

Investments to costs minus value impairment include financial assets that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured where the cost might be an adequate estimation of its fair value instruments.

Investments must be classified from their initial recognition, in compliance with the management intent that the parent company has with the investments in any of the following standings. Therefore, the parent company will classify its investments in the following way:

- To fair value with effect on results (for investments in the stock exchange market where the title is directly or indirectly negotiated)

- To costs minus value impairment (for investments in equity instruments where the cost might be an adequate estimation of its fair value)

- To participation method: Investments in sister companies are identified by the participation method.

9. Intangibles assets

		2016	2015
Acquired brands		3.645.990	3.272.190
Computer programs		1.039.391	373.109
Accumulated amortization		(197.927)	(130.015)
	$	**4.487.454**	**3.515.284**

An intangible asset is identified when:

a) It is likely that future economic benefits attributed to the item flow towards the institution
b) The cost of the asset can be measured reliably

Acquisition of brands: an intangible assets acquired brands are derived from all other distinctive signs, Web domains, databases, documents market, agreements and know -how.

The separate acquisition of intangible assets derived from the sale of marks made when the seller agrees to transfer the risks and benefits of ownership of the asset to the buyer, who will have enough time to organize, promote, prepare, develop, implement and operate a shows.

The cost of an intangible asset acquired separately will include:

a) Acquisition price, including non-refundable taxes that relapse on the acquisition; and
b) Any cost directly attributed to the preparation of the asset for its intended use

After initial recognition, an intangible asset shall be carried at its cost less any accumulated amortization and any accumulated impairment losses.

Software: the program´s licenses acquired and the updated are recognized agree with the cost to buy and use the program.

Those costs are amortized using the straight-line method during the estimate useful life between one and five years.

Impairment: At every reporting date, the parent company and its subsidiary will review the carrying amount of its non-financial assets to determine if there is any sign of impairment. If signs are true, an estimate of the recoverable amount of the asset will be performed and the recoverable imports will be estimated at every balance date.

10. Property and equipment

	2016	2015
Properties	242.241.373	242.241.373
Constructions underway	37.906.701	32.030.390
Constructions and building	149.094.015	150.365.949
Machinery and equipment	9.249.533	7.736.076
Office supplies	3.921.793	3.736.053
Computing and communication equipment	3.849.767	3.613.612
Buses and transportation equipmen	265.804	265.804
Accumulated depreciation	(10.572.666)	(9.454.973)
	$ 435.956.320	**430.534.284**

A property, and equipment asset is identified when:

c) It is likely that future economic benefits attributed to the item flow towards the institution
d) The cost of the asset can be measured reliably

The cost of property and equipment include:

- Acquisition costs, including import tariffs and non-recoverable indirect taxes excluding commercial discounts and reductions
- Costs directly attributable to placing the asset in the place and conditions necessary to operate in the way intended by management
- Initial estimates regarding dismantling or removing an item, and area recovery of where it was previously located.

After initial recognition, the parent company and its subsidiary will apply the cost model to measure all properties and equipment.

The cost model requires that after initial recognition, property and equipment will be valued at its cost and cumulative depreciation and accumulated losses from impairment will be excluded

El método de depreciación aplicado en la matriz para sus propiedades, planta y equipo es el método de línea recta.

Useful life begins at date of procurement (which is the time that the asset is capable of operating as intended by the administration) even if the asset has not yet been placed in service.

Depreciation is calculated over its cost, excluding its residual value, which is only calculated for immovable property.

The residual value of buildings and structures accounts for 10% of cost values.

Write-down amount is identified in the results by using a direct line method according to the useful life estimate for different areas that include property and equipment.

The useful life estimate by category is as follows:

- Immovable property:
  - ✓ Component 1: Constructive Chapters comprised 22% of the building cost with a 30-year useful life.
  - ✓ Component 2: Constructive Chapters comprised 78% of the building cost with an 80-year useful life.
- Movable property:

- ✓ Office equipment: 10 years
- ✓ Computing and communication equipment: 5 years
- ✓ Vehicles: 5 to 10 years
- ✓ Machinery and equipment: 10 years
- ✓

Components are determined according to items with a significant cost compared to their total cost. On this premise, two representative items with material significance and different useful lives are determined.

Current constructions saw consequential increase, specifically in regards to the development of a Hotel project and the construction of parking lots: Verde and Av. Americas and the asset border. Additional, the machinery and equipment have increased because of the staring of the operation at the Barranquilla´s Convention Center.

11. Financial obligations

		2016	2015
Short-term Financial Obligations		2.500.000	2.009.407
Short-term Financial Obligations		5.100.000	5.600.000
	$	**7.600.000**	**7.609.407**

An entity shall recognize a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial obligations shall be recognized when the parent company get the bank loan. Financial obligations at the initial time are measured at the historical cost minus the transaction cost like fees, commissions, and other expenditures to complete the negotiation.

Financial obligations in the long-term are measured to the effective interest rate without the period of the interests, commissions or paying capital. The parent company assume the interest and other costs monthly.

12. Account payables and tax liabilities

	2016	2015
Domestic	693.122	424.436
Foreing	4.701	-
To Contractors	1.909.604	2.404.112
Costs and Account Payables	9.172.192	12.839.994
Dividends or Interests Payable	14.553.175	196.260
Final Tax Withholded at the Source	921.053	922.965
Withheld Sales Tax	64.501	-
Withheld Industry and Business Tax	39.615	80.372
Withholding and Payroll Contributions	444.095	108.880
Other Creditors	207.008	59.552
Accrued Wages	2.779	47.049
Consolidated Unemployment Fund	-	503.719
Unemployment Fund Interests	595	62.103
Consolidated Vacations	209.735	222.521
Extra-Legal Benefits	86.019	90.107
Laboral Obligation	826.307	-
Third-Party Retentions on Contracts	444.993	427.594
	$ 29.579.494	**18.389.664**

	2016	2015
Sales Tax Payable	1.765.597	2.481.970
Industry and Trade	194.902	336.089
Tourism	-	69.863
National Consumption Tax	28.150	54.770
To fiscal obligation	4.707	-
	$ 1.993.356	**2.942.692**

A liability is defined as a present obligation, arising from past events, the settlement of which is expected to lead to outflow of future economic benefits from the entity.

Short-term receivables and payables with no stated interest rate may be measured at the original invoice amount if the effect of discounting is immaterial.

The employed benefit are recognized for the parent company when:

- When an employee has provided service in exchange for employee benefits to be paid in the future,
- The cost of the asset can be measured reliably
- When the entity has a legal or constructive obligation
- Measurement of that obligation reflects the probability that payment will be required and the length of time for which payment is expected to be made.

Short-term: employment benefits cannot be discounted and are identified as expenditure when the related service is provided. Such benefits must be liquidated within 12 months after the end of the reported period. Obligations are identified for the amount expected if the parent company or its subsidiary has an actual legal or constructive obligation to pay that amount as a result of a service provided by the employee and the obligation may be reliably estimated

long-term: employee benefits, an entity shall recognize as an expensive in the income statement to all forms of consideration given by an entity in exchange for service rendered by employees.

Defined benefit plans: Retirement pension obligations represent the current value of all future outlays that the parent company must pay off to employees that meet certain legal requirements, such as age and time of service. The current value of the liability obligations of the parent company is annually determined based on actuarial studies. The parent company registers the corresponding expenditure to these commitments according to actuarial studies calculated by applying the projected unit credit method. Actuarial profits and losses from adjustments on experience and changes on actuarial hypothesis are added to the result of yearly earnings when produced.

The increased represents the shares that the parent company has to pay to the Cámara de Comercio de Bogotá and the Corporación Ambiental Empresarial.

13. Other provision and employed benefits

		2016	2015
Provisions for Employee Benefits		1.809.146	1.791.146
Estimated Liabilities and Provisions		2.167.468	2.064.050
	$	**3.976.614**	**3.855.196**

Provisions are identified when the parent company and its subsidiary have a present obligation (legal or constructive) as the result of a past event and where it's likely that the parent company will be obliged to settle the obligation and a reliable estimate can be made for the value of the liability. The amount identified as a provision is the best estimate of the required compensations to settle the present liability at the date of the statement of financial position, taking into account the risks and uncertainties surrounding the obligation.

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time. It will often be impossible or prohibitively expensive to settle or transfer an obligation at the end of the reporting period. However, the estimate of the amount that an entity would rationally pay to settle or transfer the obligation gives the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

The current amount of pension liabilities of the parent company is determined according to actuarial studies:

(a) the entity's legal or constructive obligation is limited to the amount that it agrees to contribute to the fund. Thus, the amount of the post-employment benefits received by the employee is determined by the amount of contributions paid by an entity (and perhaps also the employee) to a post-employment benefit plan or to an insurance company, together with investment returns arising from the contributions; and

(b) In consequence, actuarial risk (that benefits will be less than expected) and investment risk (that assets invested will be insufficient to meet expected benefits) fall on the employee

14. Other liabilities

Other financial liabilities

		2016	2015
Advance payments received		5.448.264	1.318.969
Deposits received for Trade Fairs and Events		33.169	33.170
Third-Party Revenue		1.937.444	286.487
	$	**7.418.877**	**1.638.626**

An entity shall recognize a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Unconditional receivables and payables are recognized as assets or liabilities when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash.

The variation of other financial liabilities correspond to deposits received from clients for their participation in shows and events for $4.129.296, also it represents the third part received for $1.650.957 about the mandate contract with the Cámara de Comercio de Bogotá to make ArtBo Show in 2016.

Other non-financial liabilities

		2016	2015
Leasing		-	36.745
Others		16.889.069	4.019.246
	$	**16.889.069**	**4.055.991**

Revenues obtained in advance

Revenues obtained in advance are recognized as non-financial liabilities to the historical cost because it is hold to provide the service. Represent the billing of the clients to the participation has not be finished.

15. Reserves

		2016	2015
Legal Reserve		839.830	839.830
Occasional Reserves		69.449.662	53.405.790
	$	**70.289.492**	**54.245.620**

The equity is defined as the interest of shareholders in the residual value of assets after deduction of liabilities.

The main components of the equity are:

- Capital and capital surplus: obligations arising from the initial contributions shareholder.
- Reserves: Benefits that the parent has not distributed and is being saved for future contingencies. They are recognized at historical cost value of the transaction

At the parent company's shareholders meeting, held on March 29, 2016 a decision was made to raise the occasional reserve to $16.043.872 in order to leverage projects like modernizing Parking Lots Verde and Americas.

16. Financial Income

Revenue is the gross inflow of economic benefits during the period arising in the course of the ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Financial income

	2016	2015
Food and Beverages	1.525.696	1.124.265
Real Estate, Corporate and Leasing Activities	8.299.592	6.920.354
Entertainment and Recreation	24.737.817	28.673.771
	$ 34.563.105	**36.718.390**

Revenue shall be measured at the fair value of the consideration received or receivable. The amount of revenue arising on a transaction is usually determined by agreement between the entity and the buyer or user of the asset. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

Sales of goods are related with food and beverage in the normal operation of the parent company. The provision of services includes activities from leasing spaces and providing services in the organization and implementation of trade fair events at the parent company

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction shall be recognized by reference to the stage of completion of the transaction at the end of the reporting period.

The recognition of revenue by reference to the stage of completion of a transaction is often referred to as the percentage of completion method. Under this method, revenue is recognized in the accounting periods in which the services are rendered. The recognition of revenue on this basis provides useful information on the extent of service activity and performance during a period.

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the entity. However, when an uncertainty arises about the collectability of an amount already included in revenue, the uncollectible amount, or the amount in respect of which recovery has ceased to be probable, is recognized as an expense, rather than as an adjustment of the amount of revenue originally recognized.

The incomes of the period presented a variation compared with the same period last year a due adjustments to the system of government procurement sector, which has delayed the Billing with such entities. In 2016, the revenue was generated mainly by fairs like Alimentec , Alimentec, Feria Internacional de Libro, Feria del Medio Ambiente y Vitrina Turística de Anato. It also has been reflected a strengthening in the area of events, especially with Lego Fun Fest , Macro Rueda ProColombia and Vuelve la Vivienda a Bogota and food and beverage .

Other incomes

		2016	2015
Dividends and Participations		406.126	596.709
Revenue from Equity Method		-	7.849
Commissions		25.636	29.862
Recoveries		419.199	450.981
Compensations		11.212	4.640
incomes from previous years		143	9
Others		87.766	41.636
	$	**950.082**	**1.131.686**

Financial Incomes

		2016	2015
Financial		620.537	586.756
	$	**620.537**	**586.756**

There are other items that meet the definition of income and may or may not arise from ordinary activities carried out by the parent. Gains represent increases in economic benefits and as such are no different in nature from revenue. When gains are recognized in the income statement, they are usually displayed separately because their knowledge is useful for the purposes of making economic decisions. Financial income yields on savings accounts have declined since 2016 the Corporation has smaller deposits in them. Also, dividend income earned by investing in Alpopular Almacén General de Depósitos S.A. were inferior because lower income generated in investment.

17. Expenses

An expense is recognized in the income statement when it emerged a decrease in future economic benefits related to a decrease in assets or an increase in liabilities, plus the cost can be measured reliably. In short, this means that recognition of expenses occurs simultaneously with the recognition of increases in liabilities or decrease in assets.

Administration Expenditure

	2016	2015
Employes expenses	8.142.505	7.130.621
Fees	1.204.400	479.252
Taxes	2.431.380	2.223.339
Leases	267.773	169.089
Contributions and Registrations	222.125	67.963
Insurances	199.088	166.018
Services	1.957.793	1.752.451
Legal Expenses	22.011	20.078
Maintenance and repairs	559.856	774.564
Compliance and Installation	553.308	616.277
Expenditure and Travels	167.028	125.814
Depreciations	2.424.508	2.292.588
Amortizations	432.381	197.450
Assorted	608.411	683.136
Other	875.738	291.593
	$ 20.068.305	**16.990.233**

Selling expenses

	2016	2015
Employes expenses	1.989.585	1.707.170
Taxes	-	7.841
Fees	401.105	330.533
Leases	216.295	524.401
Contributions and Registrations	924.630	1.329.046
Insurances	5.025	22.054
Services	3.204.327	2.933.900
Legal Expenses	3.069	10.068
Maintenance and repairs	81.243	38.668
Compliance and Installation	1.883.936	1.336.671
Expenditure and Travels	252.115	244.211
Assorted	742.544	957.345
Other	4.226.554	4.254.032
	$ 13.930.428	**13.695.940**

Expenses are recognized in the income statement on the basis of a direct association between the costs incurred and the earning of specific items of income. This process, which is commonly called the correlation of costs with revenue, involves the simultaneous or combined recognition of each other that result directly and jointly from the same transactions or other events. Administrative expenses increased due to increased hiring to meet the needs of master development regarding the International Convention Center in Bogota, the hotel construction project and plan offices; finally the breakthrough in technical studies for the construction of edge active project and La Esperanza avenue. The Commercial, Marketing and International Business areas have generated more administrative costs. Selling expenses presented a decrease mainly in 2016 has only participated Colombian Book show with implementation of the International Book Fair. In 2015 the participation of associations as Asociación Colombiana de la Industria de la Comunidad Gráfica, Unión nacional de Asociaciones Ganaderas de Colombia-UNAGA, Cámara Colombiana del Libro y Patricia Acosta Ferias y Congresos to development of fair events for the Corporation .

Other expenses

		2016	2015
Sale Losses and Removal of Assets		43.286	5.374
Extraordinary expenses		86.341	156.984
Other expenses		161.362	43.519
Losses participation method		62.737	-
	$	**353.726**	**205.877**

Represents Losses of other items that meet the definition of expenses and may or may not arise from the ordinary activities of the entity. Losses represent decreases in economic benefits and as such are no different in nature from other expenses. Therefore, in this Framework it is not considered as constituting a separate element.

Other expenses were affected in 2016 due to equity method losses made on Corferias Inversiones SAS, on which the Corporation has a 100% stake.

Financial cost

		2016	2015
Financial		804.480	416.324
	$	**804.480**	**416.324**

Financial costs had caused increase in interest charged by a higher volume of bank loans.

Tax expenses

		2016	2015
Current Income Tax		-	1.453.532
	$	**-**	**1.453.532**

During 2016, it has not generated income tax expense because it is the Corporation has tax loss.

		2016	2015
Assets by deferred tax		5.815.886	5.815.888
Deferred tax liabilities		37.727.097	37.727.097
	$	**31.911.211**	**31.911.209**

Deferred taxes

Income tax expenditure includes common income tax, equity income tax or CREE, surcharge of equity rent (applicable to the subsidiary) and deferred taxes.

From 1 January 2007, by Article 5 of Act 1004 of 2005, which added Article 240-1 to the Tax Code provides that legal persons who are users of free zone liquidate a single tax rate income of 15%.

The assets and liabilities of deferred taxes are measured using tax rates applied to years where assets will be realized and liabilities settled - starting from the regulations and the types approved, or those that will soon be approved- once the tax consequences deriving from the way the parent company is expecting to recover its assets or settle its liabilities have been considered.

The tax base of an asset is the amount that will be deductible from the economic benefits, for tax purposes, for the Bank in the future, when it recovers the carrying amount of the asset. If those economic benefits will not be taxable, the tax base of the asset is equal to its carrying amount.

The tax base of a liability equals its carrying amount less any amount that will eventually be deductible for tax in respect of that liability in future periods.

The tax effect of these differences will be recognized at the time that the temporary difference arises and is recognized as a decrease in spending on the income statement as deferred income tax and the counterpart will be a non-current asset called "Income tax deferred receivable "included in deferred charges. It must be recorded in a separate account of current tax.