Colombia Telecomunicaciones S.A. ESP and Subsidiary Companies

At September 30, 2018

(Figures in thousand million pesos)

Colombia Telecomunicaciones S.A. ESP presents its **Condensed Consolidated Interim Financial Statements**, with a cut-off date of September 30 of 2018 and 2017 and for the period of nine and three months ended on September 30 of 2018 and 2017 and based on the foregoing, it discloses the financial results corresponding to the mentioned cut-off date.

In the third quarter, **The Company** continues to show positive net gain in all products (with the exception of fixed voice services), which, together with the commercial activity's good performance and the efforts in digitization and simplification, translates into the income and OIBDA year-on-year growth acceleration, with expansion on the margin.

I. Operating Results

(For comparative purposes it is important to mention that the Subsidiary Companies have been included in the Consolidated Financial Statements as of October 1, 2017, whereby the nine-month period and quarter ended on September 30, 2017 do not include figures corresponding to such entities).

Mobile accesses (15,3M) grew 8% after recording a net gain of +220k accesses in 3Q (+700k in 9M). Contract accesses grew 2% year-on-year after showing a net gain of +49k in Q3 (+88k in 9M) as a result of the commercial activity’s good performance (+11% year-on-year). In prepay segment, accesses increased by 10% and showed a net gain of +171k in 3Q (+612k in 9M). Smartphones reached a penetration of 45% (+1.9 percentage points year-on-year) and LTE accesses grew 47% year-on-year (penetration of 37%, +9.8 p.p., year-on-year; coverage of 62%).

The fixed business continues being transformed, after connecting 22k FTTH fiber accesses in the quarter thanks to the acceleration in the deployment (1,083M UUII of FTTx passed to September of which 44% are FTTH). **Retail broadband accesses** (1.2M) increased 27% year-on-year (positively affected by the integration of Telebucaramanga and Metrotel Subsidiary Companies since Q4 17) after recording a net gain of +2k accesses in 3Q (+38k accesses) in 9M). Likewise, **paid TV** accesses increased by 6% year-on-year.

II. Consolidated Financial Results

1. Interim Condensed Consolidated Statements of Comprehensive Income

Total Operating Income amounting to COP$4,030MM grew 10.3% compared to the same period of 2017, mainly due to the growth in value accesses, the updating of tariffs in fixed and mobile operation in July 2018, the incorporation of the operation of the Subsidiary Companies as of October 1, 2017 and the net profit on the sale of towers and real estate assets. At the service level of income, **mobile service income** amounts to COP$2.276MM with a 1.6% growth and the **fixed business income** amounting to COP$1.529MM showed a 14.7% growth, leveraged in the good performance of the FTTH broadband service and of new digital services projects, as well as the base effect for the incorporation of the Subsidiary Companies; this when compared with the 3Q/17 result.

Consolidated Operating Costs and Expenses amount to COP$2.665MM (COP$2.507MM at 3Q/17) with a growth of 6.3%, mainly as a consequence of higher expenses associated with the commercial activity, the change in the registration model of fixed equipment (which is now recognized as expenses while it was previously registered as CapEx) and the costs and expenses of the Subsidiary Companies, this partially offset by the positive impact of the digitization and simplification projects.

The **OIBDA** amounting to COP$1.366MM accelerates its growth by 19.1% compared to 3Q/17 and includes a profit of COP$125.5 for the sale of towers and real estate assets. The **OIBDA Margin** amounts to 33.9% (31.4 at 3Q/17).

The increase in the **depreciation and amortization expense** of 25.1% compared to the same period of 2017, is mainly generated by the amortization of the higher value recognized by the spectrum which is a result of the arbitration award, expenses of the Subsidiary Companies and the new capex recognized during the period. The **Net Financial Expense** amounting to COP$240,0MM (COP$639,8MM – 3Q/17) decreases when compared to the end of 3Q/17 due to the effect of the advance payment of the PARAPAT agreement made in September 2017, the lower interest rates of the current loans mainly associated with a lower IBR interest rate, indicator used in the indexation of a large part of the loans denominated in Colombian pesos and better rates contracted in the financial hedges.

The net result at the end of the period was COP$30,1MM against a recorded loss of COP$568,9MM at the end of 3Q/17.

CapEx amounts to COP$406,7MM at 3Q/18 decreased 33.6% year-on-year (impacted by the change in the accounting model mentioned above) and is primarily focused on optic fiber deployment and LTE expansion. The **Operating Cash Flow** (OIBDA-CapEx) increased by 79.0%, compared to 3Q/17.

2. Interim Condensed Consolidated Statements of Financial Position

The Company's **consolidated total assets** amount to $12,3Bn at the end of 3Q/18, with a decrease of 4.9%, compared to 31/12/17. Non-current assets decreased by 6.2% and current assets increased by 5.1%. Main variations are summarized as follows:

i. **Properties, plant and equipment** decreased by $270Mm for net effect of the nine-month period depreciations for $599Mm, write-downs of $43Mm and Capex additions of $372Mm.
ii. **Intangibles assets** decreased by $311Mm due to the net effect of the nine-month period amortizations of $425Mm and TI applications acquisition for $114Mn, mainly.
iii. In regard of the decrease of 1.9% in the line **Debtor clients and contractual assets** it is important to emphasize the most relevant effects as follows:
   a. The sale of real estate assets at the end of September 2018 for $22Mm.
   b. Sale of commercial accounts receivable in July 2018 for $ 152Mm.
   c. The recognition as of January 1, 2018 of the IFRS15 standard related to the recognition of income proceeding from contracts with customers that generates a new concept on the balance sheet called **contractual asset** which reflects the impact of the transition of the standard for $33Mm with effect on accumulated results in equity.
   d. On the other hand, as of January 1, 2018, the IFRS 9 standard introduces a new model of impairment losses for financial assets and introduces the concept of expected loss and whose transition impact was an increase in the provision of Debtor Clients of $62Mm with effect on accumulated results in equity.

iv. In line with the application of IFRS 15, the amount $161Mn is recorded in the item **prepaid expenses**, which represents the costs of contracts compliance with customers and equipment that will be amortized based on the average contractual period and/or average life of the customer (the least). In addition, $97Mm are recorded mainly due to other prepaid expenses related to licenses, maintenance, insurance and leases.
v. **Financial assets** increased by $25Mm due to the devaluation of the exchange rate in 7.9% during the first nine months of 2018, which impacted the valuation of hedging instruments.

Total Consolidated Liabilities amount to $6,1Bn with a net decrease of $369Mm equivalent to 5.7% compared to the end of December 31, 2017. Non-current and current liabilities decreased by 7.5% and 2.3%, respectively. Main variations are summarized as follows:

i. **Total Financial Debt** decreased by 7.1%, equivalent to $281Mm, compared to the end of December 2017, mainly due to the net effect of: i) Debt amortization of $275Mn and interest payment, and ii) Increase in the valuation of hedging instruments, mainly associated to the revaluation of the exchange rate during the period.

ii. **Suppliers, Accounts Payable and Provisions,** short and long term decreased by 12.8% due to the net effect of payments and credits on account to third parties and suppliers, in 2018 showed lower execution of capex and with respect to the provision item, decreased due to seasonality as of the end of December 2017.

iii. The increase in **Contractual Liability** arises in the application of IFRS15 for the first time and corresponds to the obligations contracted with customers on which it will be amortized to the extent that they are transferred. Likewise, the concepts related to contractual liabilities with customers that had historically been reported as deferred income have been reclassified from the **Deferred Liability** to the **Contractual Liability**.

iv. The item of **Taxes and Public Administrations** increased by $142Mm, mainly caused by the taxation of the VAT, which will be compensated with the self-withholdings.

Consolidated net equity as of September 2018 amounts to $6.1Bn with a decrease of $258Mm, that is 4,0% compare to the end of 2017 and whose main effects correspond to: i) the application of IFRS9 and IFRS15 in force as of January 1, 2018 with a cumulative net effect of $-59Mm in accumulated results, ii) the payment of the hybrid bond coupon, iii) the financial derivatives valuation, iv) the profit and loss of the period and the effect on the Other Comprehensive Income.

The information included in this document shall be read together with the **Financial Statements and Notes** to the published financial statements. Financial indicators are included in such financial statements.

Colombia Telecomunicaciones S. A. E.S.P. and Subsidiary Companies

Interim Condensed Consolidated Financial Statements

As of September 30, 2018 and for the period of nine months ended on September 30, 2018
(Not audited information)

Content

COLOMBIA TELECOMUNICACIONES S. A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Figures expressed in thousand Colombian pesos, unless otherwise indicated)
(Not audited)

	Notes	As of September 30 of 2018		As of December 31, 2017	
Assets		(in thousands	(in thousands of COP$)	(in thousands of	(in thousands of
Current Assets					
Cash and cash equivalents		33.529	99.652.823	106.444	316.372.212
Financial Assets	(5)	31.076	92.362.200	18.435	54.790.883
Debtors and other accounts receivable	(6)	270.026	802.566.287	278.575	827.976.423
Prepaid expenses	(7)	42.271	125.635.903	13.997	41.602.240
Contractual asset	(4)	11.540	34.299.288	-	-
Inventories	(8)	58.088	172.649.788	44.828	133.237.447
Taxes and public administrations	(9)	108.625	322.852.802	66.089	196.429.595
Total current assets		**555.155**	**1.650.019.091**	**528.368**	**1.570.408.800**
Non-current assets:					
Financial Assets	(5)	2.417	7.183.959	6.536	19.424.663
Debtors and other account receivables, net	(6)	53.160	158.000.234	59.906	178.051.394
Prepaid expenses	(7)	44.354	131.828.039	19.538	58.070.616
Contractual asset	(4)	53	157.153	-	-
Properties, plant and equipment	(10)	1.681.515	4.997.766.470	1.772.419	5.267.946.843
Investment properties		2.317	6.886.439	2.317	6.886.439
Intangibles	(11)	762.707	2.266.901.956	867.250	2.577.623.529
Goodwill	(3)	461.715	1.372.301.565	487.567	1.449.138.328
Deferred taxes	(12)	562.899	1.673.036.424	593.243	1.763.223.712
Total non-current assets		**3.571.137**	**10.614.062.239**	**3.808.776**	**11.320.365.524**
Total assets		**4.126.292**	**12.264.081.330**	**4.337.144**	**12.890.774.324**
Liabilities					
Current liabilities:					
Financial obligations	(13)	138.917	412.885.131	120.978	359.566.935
Suppliers and accounts payable	(14)	434.992	1.292.875.422	512.638	1.523.651.978
Contractual asset	(4)	30.191	89.732.627	-	-
Taxes and public administrations	(9)	79.049	234.946.582	31.182	92.677.976
Deferred liabilities	(15)	12.320	36.618.152	39.518	117.454.144
Provisions	(16)	58.529	173.957.261	67.735	201.322.045
Pension liability	(16)	5.946	17.673.116	5.946	17.673.116
Total current liabilities		**759.944**	**2.258.688.291**	**777.997**	**2.312.346.194**
Non-current liabilities:					
Financial obligations	(13)	1.103.687	3.280.354.178	1.216.037	3.614.282.330
Suppliers and accounts payable	(14)	62.514	185.802.724	59.374	176.470.413
Contractual liability	(4)	19.283	57.312.807	-	-
Deferred liabilities	(15)	5.248	15.599.280	25.150	74.751.487
Provisions	(16)	16.666	49.535.566	16.725	49.708.673
Pension liability	(16)	66.007	196.186.093	66.660	198.126.843
Deferred taxes	(12)	24.865	73.904.263	20.334	60.435.401
Total non-current liabilities		**1.298.270**	**3.858.694.911**	**1.404.280**	**4.173.775.147**
Total liabilities		**2.058.214**	**6.117.383.202**	**2.182.277**	**6.486.121.341**
Total equity, net	(17)	**2.064.379**	**6.135.704.551**	**2.151.727**	**6.395.321.415**
Equity, net attributable to minority interests		**3.699**	**10.993.577**	**3.140**	**9.331.568**
Total Liabilities and Shareholders Equity		**4.126.292**	**12.264.081.330**	**4.337.144**	**12.890.774.324**

(a) For the reader's convenience, the amounts in Colombian pesos at September 30, 2018 and December 31, 2017 were converted to US dollars at the exchange rate formed in the interbank market on September 30, 2018 for COP$2.972,18 to US$1,00

Notes 1 to 25 are integral part of this Interim Condensed Consolidated Statement of Financial Position.

COLOMBIA TELECOMUNICACIONES S. A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Figures expressed in thousand Colombian pesos, unless otherwise indicated)
(Not audited)

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		Nine-month period ended as of September 30,		Quarter ended as of September 30,	
		2018	2017	2018	2017
			(USD$000)(a)		
Operating income:					
Sales and service provision	(18)	1.279.905	1.201.604	443.697	397.686
Other operating income	(18)	76.098	27.824	40.086	9.457
		1.356.003	**1.229.428**	**483.783**	**407.143**
Operating costs and expenses	(19)	(896.495)	(843.459)	(306.870)	(279.613)
Operating result before		**459.508**	**385.969**	**176.913**	**127.530**
Depreciation and amortization	(20)	(344.666)	(275.512)	(115.496)	(96.559)
Operating result		**114.842**	**110.457**	**61.417**	**30.971**
Financial expense, net	(21)	(80.748)	(97.344)	(27.993)	(32.917)
Interest expense – PARAPAT	(21)	-	(117.910)	-	(39.687)
Result before wealth tax		**34.094**	**(104.797)**	**33.424**	**(41.633)**
Wealth tax	(22)	-	(1.715)	-	(572)
Result before taxes		**34.094**	**(106.512)**	**33.424**	**(42.205)**
Income tax and complementary	(22)	(23.954)	(84.881)	(12.662)	(27.578)
Net result of the period		**10.140**	**(191.393)**	**20.762**	**(69.783)**
Profit (loss) attributable to:					
Controlling participations		10.860	(191.393)	21.076	(69.783)
Minority shareholders		(720)	-	(314)	-
Net profit (loss) for the period		**10.140**	**(191.393)**	**20.762**	**(69.783)**
(Loss) benefit in other comprehensive results					
Hedging derivative instruments valuation		(28.756)	1.536	(2.529)	2.598
Revaluation of immovable property		(6.358)	(1.369)	2.665	(451)
Actuarial results		(1.771)	-	(3.416)	-
(Loss) benefit in other comprehensive results	(12)	**(36.885)**	**167**	**(3.280)**	**2.147**
Integral result for the period		**(26.745)**	**(191.226)**	**17.482**	**(67.636)**
Integral (loss) benefit attributable to:					
Controlling participations		(37.055)	167	(3.363)	2.147
Minority shareholders		170	-	83	-
(Loss) benefit in other comprehensive income		**(36.885)**	**167**	**(3.280)**	**2.147**

(a) For the reader's convenience, the amounts in Colombian pesos at September 30, 2018 and September 30, 2017 were converted to US dollars at the exchange rate formed in the interbank market on September 30, 2018 for COP$2.972,18 to US$1,00.

Notes 1 to 25 are integral part of this Interim Condensed Consolidated Statement of Comprehensive Income.

COLOMBIA TELECOMUNICACIONES S. A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Figures expressed in thousand Colombian pesos, unless otherwise indicated)
(Not audited)

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		Period de nueve meses terminado el 30 de September de		Trimestre terminado el 30 de September de	
		2018	**2017**	**2018**	**2017**
		(COP$000)			
Operating income:					
Sales and service provision	(18)	3.804.107.790	3.571.382.307	1.318.747.979	1.181.993.182
Other operating income	(18)	226.178.378	82.696.864	119.141.642	28.107.306
		4.030.286.168	**3.654.079.171**	**1.437.889.621**	**1.210.100.488**
Operating costs and expenses	(19)	(2.664.544.989)	(2.506.913.144)	(912.072.378)	(831.060.071)
Operating result before		**1.365.741.179**	**1.147.166.027**	**525.817.243**	**379.040.417**
Depreciation and amortization	(20)	(1.024.408.415)	(818.870.773)	(343.273.905)	(286.990.538)
Operating result		**341.332.764**	**328.295.254**	**182.543.338**	**92.049.879**
Financial expense, net	(21)	(239.998.440)	(289.324.345)	(83.201.051)	(97.834.538)
Interest expense – PARAPAT	(21)	-	(350.451.210)	-	(117.958.137)
Result before wealth tax		**101.334.324**	**(311.480.301)**	**99.342.287**	**(123.742.796)**
Wealth tax	(22)	-	(5.098.107)	-	(1.699.369)
Result before taxes		**101.334.324**	**(316.578.408)**	**99.342.287**	**(125.442.165)**
Income tax and complementary	(22)	(71.194.189)	(252.280.659)	(37.632.568)	(81.966.802)
Net result of the period		**30.140.135**	**(568.859.067)**	**61.709.719**	**(207.408.967)**
Profit (loss) attributable to:					
Controlling participations		32.279.503	(568.859.067)	62.644.456	(207.408.967)
Minority shareholders		(2.139.368)	-	(934.737)	-
Net profit (loss) for the period		**30.140.135**	**(568.859.067)**	**61.709.719**	**(207.408.967)**
(Loss) benefit in other comprehensive results					
Hedging derivative instruments valuation		(85.467.994)	4.565.849	(7.517.362)	7.720.535
Revaluation of immovable property		(18.896.198)	(4.068.526)	7.920.858	(1.339.172)
Actuarial results		(5.265.189)	-	(10.152.398)	-
(Loss) benefit in other comprehensive results	(12)	**(109.629.381)**	**497.323**	**(9.748.902)**	**6.381.363**
Integral result for the period		**(79.489.246)**	**(568.361.744)**	**51.960.817**	**(201.027.604)**
Integral (loss) benefit attributable to:					
Controlling participations		(110.135.990)	497.323	(9.994.746)	6.381.363
Minority shareholders		506.609	-	245.844	-
(Loss) benefit in other comprehensive income		**(109.629.381)**	**497.323**	**(9.748.902)**	**6.381.363**

Notes 1 to 25 are integral part of this Interim Condensed Consolidated Statement of Comprehensive Income.

COLOMBIA TELECOMUNICACIONES S. A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)
(Not audited)

	Subscribed and paid capital	Issue premium	Reserves	Other equity instruments	Revaluation reserves and hedge derivatives	Retained earnings	Total equity
				(US$000)(a)			
Balances as of December 31, 2016	**489**	**1.140.330**	**12.148**	**424.957**	**158.283**	**(1.857.672)**	**(121.465)**
Issue of shares	658	2.165.648	-	-	-	-	**2.166.306**
Perpetual equity instruments coupon (Note 16)	-	-	-	-	-	(41.847)	**(41.847)**
Net result of the period	-	-	-	-	-	(191.393)	**(191.393)**
Amortización y baja de inmuebles revaluados, net	-	-	-	-	(1.369)	-	**(1.369)**
Other integral result for the period	-	-	-	-	1.536	-	**1.536**
Balances as of September 2017	**1.147**	**3.305.978**	**12.148**	**424.957**	**158.450**	**(2.090.912)**	**1.811.768**

	Subscribed and paid capital	Issue premium	Reserves	Other equity instruments	Revaluation reserves and hedge derivatives	Actuarial result for post-employment benefit obligations	Retained earnings	Total	Minority shareholders participation	Total equity
					(USD$000)(a)					
Balances as of December 31, 2017	**1.147**	**3.304.773**	**17.088**	**424.957**	**201.742**	**664**	**(1.798.643)**	**2.151.728**	**3.140**	**2.154.868**
First time adjustment of IFRS 9 application (Note 4)	-	-	-	-	-	-	(21.014)	**(21.014)**	94	**(20.920)**
First time adjustment of IFRS 15 application (Note 4)	-	-	-	-	-	-	1.167	**1.167**	(15)	**1.152**
Perpetual equity instruments coupon	-	-	-	-	-	-	(41.251)	**(41.251)**	-	**(41.251)**
Consolidation reserves	-	-	(6.989)	-	-	-	-	**(6.989)**	-	**(6.989)**
Subsidiary Companies Acquisition Price, net	-	-	-	-	-	-	404	**404**	-	**404**
Net result of the period	-	-	-	-	-	-	10.861	**10.861**	(720)	**10.141**
Minority shareholders	-	-	-	-	-	-	-	**-**	1.030	**1.030**
Amortization and derecognition of revaluated immovable properties	-	-	-	-	(6.358)	-	6.358	**-**	-	**-**
Other integral result of the period	-	-	-	-	(28.756)	(1.771)	-	**(30.527)**	170	**(30.357)**
Balances as of September 30, 2018	**1.147**	**3.304.773**	**10.099**	**424.957**	**166.628**	**(1.107)**	**(1.842.118)**	**2.064.379**	**3.699**	**2.068.078**

(a) For the reader's convenience, the amounts in Colombian pesos at September 30, 2018 and December 31, 2017 were converted to US dollars at the exchange rate formed in the interbank market on September 30, 2018 for COP$2.972,18 to US$1,00.

Notes 1 to 25 are integral part of this Interim Condensed Consolidated Statement of Changes in Equity.

COLOMBIA TELECOMUNICACIONES S. A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)
(Not audited)

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	Subscribed and paid capital	Issue premium	Reserves	Other equity instruments	Revaluation reserves and hedge derivatives	Retained earnings	Total Equity
				(COP$000)			
Balances as of December 31, 2016	**1.454.871**	**3.389.266.946**	**36.105.611**	**1.263.049.667**	**470.446.615**	**(5.521.336.695)**	**(361.012.985)**
Issue of shares	1.955.188	6.436.694.762	-	-	-	-	**6.438.649.950**
Perpetual equity instruments coupon (Note 16)	-	-	-	-	-	(124.377.527)	**(124.377.527)**
Net result of the period	-	-	-	-	-	(568.859.067)	**(568.859.067)**
Amortization and derecognition of revaluated immovable property, net	-	-	-	-	(4.068.526)	-	**(4.068.526)**
Other integral result for the period	-	-	-	-	4.565.849	-	**4.565.849**
Balances as of September 2017	**3.410.059**	**9.825.961.708**	**36.105.611**	**1.263.049.667**	**470.943.938**	**(6.214.573.289)**	**5.384.897.694**

	Subscribed and paid capital	Issue premium	Reserves	Other equity instruments	Revaluation reserves and hedge derivatives	Actuarial result for post-employment benefit obligations	Retained earnings	Total	Minority shareholders participation	Total equity
						(COP$000)				
Balances as of December 31, 2017	**3.410.059**	**9.822.380.645**	**50.787.793**	**1.263.049.667**	**599.612.227**	**1.972.731**	**(5.345.891.707)**	**6.395.321.415**	**9.331.568**	**6.404.652.983**
First time adjustment of IFRS 9 application (Note 4)	-	-	-	-	-	-	(62.458.584)	**(62.458.584)**	278.217	**(62.180.367)**
First time adjustment of IFRS 15 application (Note 4)	-	-	-	-	-	-	3.469.089	**3.469.089**	(44.706)	**3.424.383**
Perpetual equity instruments coupon	-	-	-	-	-	-	(122.604.425)	**(122.604.425)**	-	**(122.604.425)**
Consolidation reserves	-	-	(20.769.987)	-	-	-	-	**(20.769.987)**	-	**(20.769.987)**
Subsidiary Companies Acquisition Price, net	-	-	-	-	-	-	1.200.723	**1.200.723**	-	**1.200.723**
Net result of the period	-	-	-	-	-	-	32.279.503	**32.279.503**	(2.139.368)	**30.140.135**
Minority shareholders	-	-	-	-	-	-	-	**-**	3.061.257	**3.061.257**
Amortization and derecognition of revaluated immovable properties	-	-	-	-	(18.896.198)	-	18.896.198	**-**	-	**-**
Other integral result of the period	-	-	-	-	(85.467.994)	(5.265.189)	-	**(90.733.183)**	506.609	**(90.226.574)**
Balances as of September 30, 2018	**3.410.059**	**9.822.380.645**	**30.017.806**	**1.263.049.667**	**495.248.035**	**(3.292.458)**	**(5.475.109.203)**	**6.135.704.551**	**10.993.577**	**6.146.698.128**

Notes 1 to 25 are integral part of this Interim Condensed Consolidated Statement of Changes in Equity.

	Nine-month period ended as of September 30,			
	2018		2017	
	(in thousands of US$)(a)	(in thousands of COP$)	(in thousands of US$)(a)	(in thousands of COP$)
Net cash flows originated in operating activities				
Cash received from customers	1.484.334	4.411.706.489	1.333.915	3.964.635.884
Cash paid to suppliers and other accounts payable	(1.028.122)	(3.055.763.080)	(869.059)	(2.583.000.753)
Net interest paid and other financial expenses	(101.699)	(302.268.309)	(64.560)	(191.885.102)
Consideration fee to Parapat	-	-	(87.994)	(261.534.068)
Tax payment	(95.229)	(283.038.303)	(102.790)	(305.509.883)
Net cash provided by operating activities	**259.284**	**770.636.797**	**209.512**	**622.706.078**
Net cash flows used in investment activities				
Collections for sale of real and personal property	53.486	158.969.949	-	-
Payments for equity investments	-	-	(115.818)	(344.233.093)
Payments for investments in plant and equipment and intangibles	(238.703)	(709.467.731)	(608.594)	(1.808.850.005)
Net cash used in investment activities	**(185.217)**	**(550.497.782)**	**(724.412)**	**(2.153.083.098)**
Net cash flows (used) provided in financing activities				
Coupon payment of perpetual equity instruments	(41.251)	(122.604.425)	(41.847)	(124.377.527)
New financial debt	68.950	204.930.841	61.893	183.957.538
Charges (payments) for exchange rate hedges	(13.133)	(39.032.563)	93.462	277.785.103
Financial debt payment	(161.549)	(480.152.257)	(167.242)	(497.072.557)
Amortization of PARAPAT capital	-	-	(915.599)	(2.721.325.310)
Capital increase	-	-	1.465.283	4.355.085.484
Net cash provided (used) in financing activities	**(146.983)**	**(436.858.404)**	**495.950**	**1.474.052.731**
Net decrease in cash and cash equivalents	**(72.916)**	**(216.719.389)**	**(18.950)**	**(56.324.289)**
Cash and cash equivalents as of January 1st	106.445	316.372.212	72.224	214.661.546
Cash and cash equivalents as of September 30	**33.529**	**99.652.823**	**53.274**	**158.337.257**
Cash and cash equivalents as of January 1st	**106.445**	**316.372.212**	**72.224**	**214.661.546**
Cash, cash desk and banks	72.143	214.421.755	50.949	151.429.174
Temporary investments	34.302	101.950.457	21.275	63.232.372
Cash and cash equivalents as of September 30	**33.529**	**99.652.823**	**53.274**	**158.337.257**
Cash, cash desk and banks	21.905	65.106.894	46.999	139.689.834
Temporary investments	11.624	34.545.929	6.275	18.647.423

(a) For the reader's convenience, the amounts in Colombian pesos at September 30, 2018 and September 30, 2017 were converted to US dollars at the exchange rate formed in the interbank market on September 30, 2018 for COP$2.972,18 to US$1,00.

Notes 1 to 25 are integral part of this Interim Condensed Consolidated Statement of Cash Flows.

1. GENERAL INFORMATION

Reporting Entity

Colombia Telecomunicaciones S.A. E.S.P. (hereinafter "the Company") was established as a commercial stock company in Colombia through Public Deed No. 1331 of June 16, 2003 with a duration until December 31, 2092 and with its main domicile in Bogotá D.C. located in transversal 60 No.114 A 55. The Company, whose capital is majority owned by individuals, is subject to the legal regime provided by Law 1341 of 2009 and other applicable regulations, thus being classified as an utility service provider (E.S.P., for its abbreviation in Spanish). However, its applicable regime for its actions and contract is private law.

The Company's main corporate purpose is the organization, operation, provision and exploitation of activities related to telecommunication networks and services, such as local commuted basic public telephony, local extended and domestic and international long-distance, mobile services, mobile telephony services in any part of the national and international territory, carriers, teleservices, telematic, added value, satellite services in their various types, television services in every type, including cable television, broadcasting services, internet and broad band services, wireless technology, video, lodging services for IT applications, data center services, operation services of private and public telecommunications and total information system operations, content supply and/or generation services and applications, information services and any other activity, product or services qualified as of telecommunications and/or of information and communication technologies (TIC, for its Spanish acronym) such as resources, tools, equipment, IT programs, applications, networks and media, which allow the compilation, processing, storage, information transmission such as voice, data, text, video and images, including its communications and information activities, including its complementary and supplementary activities within the national territory and abroad, and with foreign connection; for such purpose using own goods, assets and rights, or applying the use of third parties' goods, assets and rights. Likewise, the Company may perform the commercial activities defined in its bylaws.

The Nation's decision of disposing its shares in Colombia Telecomunicaciones, S.A. ESP.

At the Ordinary Shareholders' Meeting held on March 22, 2018, the Nation – Ministry of Finance and Public Credit, informed the Shareholders of the intention to dispose its shareholding in national and international markets, and it was approved: (i) the permanent registration of Colombia Telecomunicaciones S.A. ESP and its shares in the National Registry of Securities and Issuers and in the Stock Exchange of Colombia, as well as, (ii) the dematerialization of the share certificates, was approved.

On April 20, 2018, an Extraordinary Shareholders' Meeting was held in which the amendment of the Company's bylaws was approved to reflect the dematerialization of share certificates and incorporate some provisions of the Country Code (government recommendations aimed at raising corporate standards and practices).

On April 30, 2018, the Company requested the permanent registration of Colombia Telecomunicaciones S.A. ESP and its shares in the National Securities and Issuers Registry (RNVE, for its abbreviation in Spanish) to the Financial Superintendence of Colombia (SFC, for its abbreviation in Spanish), which was authorized by resolution of May 10, 2018.

On the occasion of the Company's registration in the National Securities and Issuers Registry, as of May 23, 2018, the Company is subject to the control of the Financial Superintendence of Colombia and therefore, shall comply with the provisions in Fourth Title – Articles 5.2.4.1.2 and 5.2.4.1.3 of the Unique Decree 2555 of 2010 of the Financial Superintendence of Colombia; likewise, it is obliged to present separate and consolidated financial statements that include shares in subsidiary companies.

On May 23, 2018, the Company requested the registration of its shares in the Colombian Stock Exchange (BVC for its abbreviation in Spanish), subject to two suspensory conditions consisting of: (i) the publication of the offer notice to the recipients of the special conditions of Law 226 of 1995 by the Nation, and (ii) the issuance by the BVC of a pronouncement confirming that the publication of the first notice of public offer to the solidary sector by the Nation – Ministry of Finance and Public Credit, constitutes the final fulfillment of the requirements established in numerals 1 and 2 of article 1.3.3.2 of the General Regulations of the BVC regarding the shareholding percentage in head of persons other than those that make up the same beneficial owner and the minimum number of shareholders. The application was approved by the BVC, on the same date, through written communication.

On August 2, 2018, the Nation – Ministry of Finance and Public Credit, in its capacity as shareholder of Colombia Telecomunicaciones S.A. ESP, published a notice of public offering of its shares in the Company to the solidary sector, in accordance with Law 226 of 1995.

With the publication of said notice of public offering and the pronouncement of the BVC dated May 23, 2018, the suspension conditions previously determined for the registration of the Company's ordinary shares were fulfilled, which are, therefore, registered in the BVC as of August 2, 2018, registration that produces all the legal effects derived from this circumstance.

As a result, the requirements established in numerals 1 and 2 of article 1.3.3.2 of the General Regulations of the BVC, related to the shareholding percentage in head of persons other than those that make up the same beneficial owner and the minimum number of shareholders has been definitively complied.

The validity of the Alienation Program is one year as of July 13, 2018. The Nation may extend the term for up to one more year, suspend it or terminate it in advance.

2. PRESENTATION BASIS AND MAIN ACCOUNTING POLICIES

2.1 Presentation Basis of Consolidated Financial Statements

The Group prepares its Interim Condensed Consolidated Financial Statements in accordance with the Accounting and Financial Information Standards accepted in Colombia ("NCIF", hereinafter, for its abbreviation in Spanish), established in Law 1314 of 2009, regulated by the Single Decree 2420 of 2015 modified by Decree 2496 of 2015, 2131 of 2016 and 2170 of 2017. These accounting and financial reporting standards are based on the International Financial Reporting Standards – IFRS – translated in an official manner and authorized by the International Accounting Standards Board (IASB, for its abbreviation in English) until December 31, 2015, and in other legal provisions defined by the surveillance entities that may differ in some aspects from those established by other State control bodies.

Information Comparison

The comparison of the interim financial statements refers to the nine-month period ended as of September 30, 2018 and 2017, except for the consolidated statement of financial position that compares September 30, 2018 with December 31, 2017. Likewise, the quarters ended as of September 30, 2018 and 2017 are presented in the consolidated statement of comprehensive income.

2.2 Measurement Basis

The interim condensed consolidated financial statements as of September 30 and for the periods of three and nine months period ended as of September 30, 2018, have been prepared in accordance with IAS 34 Interim Financial Information and do not include all the information required for a complete set of Financial Statements under NCIF; therefore, they must be read in conjunction with the Group's latest consolidated annual financial statements as of December 31, 2017. Notwithstanding the foregoing, selected notes and comparative information are included for a better understanding of the changes in the Group's financial position and performance since the last financial report.

In the preparation of these interim condensed consolidated financial statements, significant judgments in applying the accounting policies were the same as those applied to the financial statements for the year ended December 31, 2017, except as indicated in Note 4 – Changes in Accounting Policies of these interim condensed consolidated financial statements. The interim condensed consolidated financial statements have been prepared based on the historical cost model with the exception of land and buildings and derivative financial instruments, which have been measured at fair value. The carrying amounts of assets and liabilities recognized and designated as hedged items in fair value hedge relationships that would otherwise have been accounted for their amortized cost, have been adjusted to record the changes in fair values attributable to the risks that are covered in the respective effective hedging relationships.

2.3 Functional and presentation currency

The financial statements are presented in Colombian pesos, which in turn is the Group's functional and presentation currency. Its figures are expressed in thousands of Colombian pesos (COP$000), unless otherwise indicated.

2.4 Classification of current and non-current items

The Group presents assets and liabilities in the statement of financial position, classified as current and non-current. An asset is classified as current when the entity: expects to realize the asset or has the intention to sell it or consume it in its normal operating cycle; maintains the asset primarily for trading purposes; expects to realize the asset within the following twelve months after the reporting period; or the asset is cash or cash equivalent unless it is restricted for a minimum period of twelve months after the closing of the reporting period. All other assets are classified as non-current. A liability is classified as current when the entity expects to settle the liability in its normal operating cycle or maintains it mainly for trading purposes.

2.5 Estimates, significant accounting judgments and assumptions

In the preparation of interim condensed consolidated financial statements, the administration makes judgments, estimates and assumptions that could affect the values of income, expenses, assets and liabilities reported at the date of the interim condensed consolidated financial statements, including the related disclosures. These amounts may differ from their final effect; the Administration considers that the estimates and assumptions that were used were suitable in each circumstance.

Among the main accounting estimates and judgments are: i) deferred taxes, ii) contingent liabilities, iii) revaluation, iv) impairment of assets' value, v) definition of financial instruments fair value, vi) provision for decommissioning and vii) pension liabilities.

2.6 Fluctuations in the Exchange Rate

Colombian peso (COP$) is the currency in which our financial statements are published, a portion of our assets, liabilities, income and expenses are denominated in different currencies. Therefore, the exposure to fluctuations in the value of such currencies against the Colombian peso is evident. In this sense, exchange rate fluctuations have and may continue to have significant material impact on our financial conditions, results and cash flows.

2.7 Financial Risk Management

The Group actively manages risks through the use of derivative financial instruments (mainly of exchange rate and interest rate); In addition, the net balance sheet positions are taken into account in order to take advantage of natural hedges, which are directly offset by avoiding incurring margin costs on hedging transactions.

The Group's main objectives and policies regarding the management of financial risks as of September 30, 2018, are consistent with those published in the financial statements as of December 31, 2017.

2.8 Consolidated interim condensed cash flow statements

The Interim Condensed Consolidated Statements of Cash Flows were prepared according to the direct method. The direct method separately presents the main categories of collections and payments in gross terms.

2.9 Relative importance or materiality

The information is material or of relative importance if it can influence, individually or as a whole, economic decisions made by users based on the financial statements. Materiality will depend on the error or inaccuracy's magnitude and nature, judged according to the particular circumstances in which they occurred. The item's magnitude or nature, or a combination of both, could be the determining factor.

2.10 Main Accounting Policies

The main accounting policies used in the preparation of this Financial Statements are the following:

2.10.1 Cash and Cash Equivalents

Cash and cash equivalents in the interim condensed consolidated statement of financial position and in the interim condensed consolidated statement of cash flows include cash in hand and banks, highly liquidity investments easily convertible into a certain amount of cash and subject to an insignificant risk of changes in value, with a maturity of three months or less from the acquisition date. These items are initially recorded at historical cost and are updated to recognize their fair value at the date of each accounting period

2.10.2 Impairment of non-current assets

At the end of each period, the presence or absence of impairment indicators is assessed on non-current assets, including goodwill, intangibles and property, plant and equipment, and other financial interests. If such indicators exist or when dealing with assets whose nature requires an annual impairment analysis, the Group estimates the asset's recoverable value, which is the highest between fair value, deducted alienation costs, and its value in use. Said value in use is determined through the discount of estimated future cash flows, applying a pre-tax discount rate that reflects the value of money over time and considering the specific risks associated with the asset.

When an asset's recoverable value or financial valuation is below its net book value, impairment is considered. In this case, the book value is adjusted to the recoverable value, recording the loss in the Statement of Comprehensive Income. Amortization charges for future periods are adjusted to the new carrying amount over the remaining useful life.

Based on the foregoing, to date no matters that indicate that a provision for impairment shall be recognized at the end of the period have been identified.

2.10.3 Impairment of the value of financial assets

At the end of each period, the Group evaluates whether there is any objective evidence that a financial asset or a group of financial assets are impaired in value. A financial asset or a group of financial assets are considered impaired in their value, only if there is objective evidence of impairment of that value as a result of one or more events occurring after the asset's initial recognition (the "event causing the loss"), and that event causing the loss has an impact on the estimated future cash flows generated by the financial asset or group of financial assets, and that impact can be reliably estimated.

Evidence of impairment in value could include, among others, indications such as that the debtors or a group of debtors encounter significant financial difficulties, the debt's default or delay in payments for capital or interests, the probability that they declare bankruptcy or adopt another form of financial reorganization, or when observable data indicate that there is a measurable decrease in estimated future cash flows, as well as adverse changes in the status of payments in default, or in economic conditions that are correlate with breaches.

Charges for impairment of financial assets, net of the corresponding recoveries, are presented in the Statement of Comprehensive Income in the lines of financial costs and operating costs and expenses, as appropriate to the nature of the asset that generates them.

2.10.4 Current and Deferred Income Tax

The income tax expense for the period comprises the current and deferred income tax. The tax is recognized in the Statement of Comprehensive Income, except when dealing with items that are recognized directly in the equity in accordance with IAS 12 "Income Tax", in this case, the tax is also recognized in the equity.

Colombian companies are subject to the income tax at the general rate of 34% in 2017 and 33% in 2018. Law 1819 of 2016 established a surcharge on income tax of 6% for 2017 and 4% and for 2018, applicable to tax bases higher than COP$800,000, leaving the tax rate as follows: 2017 of 40%, 2018 of 37% and 2019 and subsequent years of 33%. In addition to the foregoing, the Colombian tax regulation establishes that the basis for calculating this tax is the highest between ordinary income and presumptive income. According to the applicable regulations, the presumptive income is equivalent to 3.5% of the Company's taxable equity of the previous year; however, in accordance with article 73 of Law 1341 and article 24 of Law 142 of 1994, the Group is not subject to presumptive income.

The miscellaneous income tax is calculated at a 10% rate for the sale of fixed assets owned for 2 years or more; the resulting profit at the time of the sale must be charged in the first instance to the net income through for the recovery of the accumulated depreciation and the remaining profit, if any, constitutes the miscellaneous income.

3. BUSINESS COMBINATIONS

Acquisition of the Control of Empresa de Telecomunicaciones de Telebucaramanga S. A. E.S.P., Metropolitana de Telecomunicaciones S. A. E.S.P. and Operaciones Tecnológicas y Comerciales S. A. S. (Hereinafter "Subsidiary Companies")

On September 27, 2017, as part of the agreement for early termination of the exploitation contract with the PARAPAT, the Company acquired control of the legal entities Empresa de Telecomunicaciones de Telebucaramanga S.A. E.S.P. ("Telebucaramanga"), a company located in the city of Bucaramanga, Colombia, Metropolitana de Telecomunicaciones

S.A. E.S.P. ("Metrotel") and Operaciones Tecnológicas y Comerciales S.A.S. ("Optecom") located in the city of Barranquilla, Colombia, for the amount of US$171.583 (COP$509.974.952). The "Subsidiary Companies" mainly provide fixed telephony, data and paid television services and installation and maintenance services.

As a result of the takeover of the subsidiary companies, the Company reinforces its position as the telecommunications sector's leader in Colombia. The combination of the infrastructure of the Company and its Subsidiary Companies, of the product portfolio and commercial network will allow maximizing product penetration in the mobile and fixed segments of both customer bases, as well as increasing the influence in corporate customers and small and medium enterprises (SMEs). In addition, synergies can be obtained by reducing operating expenses and by decreasing investments in transmission networks, and scale economies can be obtained relative to installation and infrastructure expenses that are eventually duplicated.

Once the final purchase price allocation process (PPA, for its abbreviation in English) is finished, as defined by the standard, the goodwill value has been estimated in the amount of US$145.731 (COP$433.138.188) net of taxes US$171.583 (COP$509.974.952 – December 2017). The difference in the goodwill initial allocation corresponds to the final determination of the assets and liabilities' fair values identified at the time of acquisition and the non-dominant share based on the most recent and available information, generating an impact due to the reversal of depreciation and amortization in Retained Earning of previous years for US$404 (COP$1.200.723).

A summary of the final balances and the generated goodwill is as follows:

		September 30, 2018	
Concepts:	**Notes**	**Market Fair Value**	
		(in thousands of	*(in thousands of*
Consideration paid for the takeover	(a)	171.583	509.974.952
Pre-existing share	(b)	47.640	141.595.989
Minority share	(c)	4.016	11.937.600
Paid consideration		**223.239**	**663.508.541**
Assets and liabilitiles fair value:		**Market Fair Value**	
		(in thousands of	*(in thousands of*
Intangible assets	(d)	15.513	46.107.000
Properties, plant and equipment	(e)	172.026	511.296.663
Assets for deferred assets		8.117	24.123.835
Other non-current assets		18.548	55.128.831
Cash and cash equivalents		14.917	44.335.065
Other current assets		20.500	60.929.350
Deferred tax liabilities		(26.524)	(78.835.038)
Other non-current liabilities		(8.976)	(26.679.663)
Short and long term pension liability	(f)	(74.181)	(220.479.222)
Long-term financial obligations		(33.187)	(98.637.862)
Current liabilities		(29.244)	(86.918.606)
Net assets fair value		**77.509**	**230.370.353**
Goodwill caused by acquisition of Telebucaramanga, Metrotel and Optecom		**145.730**	**433.138.188**

a) Corresponds to the paid price and includes a premium for the takeover of the entities.

b) Corresponds to the pre-existing shareholding in the "Subsidiary Companies". The direct and indirect pre-existing shareholding for Metrotel is 87,45% and for Telebucaramanga it is 94,48%.

c) Corresponds to the value of the minority or non-controlling interest.

(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)

d) Includes customer portfolios that have been appraised through the MEEM (Multiple Excess Earning Method) method, which is based on a discount calculation of cash flows of future economic benefits attributable to the customers' base after the consideration of all contributions to the value of other assets.

e) Corresponds to the fair value adjustment that was determined based on the technical appraisal performed by Onasi Ltda consultants. This assets' higher value will be recoverable based on the value in use of the same considering the buyer's specific synergies that have not been considered at fair value.

f) Includes the pension liability of the Subsidiary Company "Telebucaramanga".

- It is not expected that the recognized Goodwill will be deductible for income tax purposes.
- Operating costs and takeover were charged to costs and expenses in the income statement for the year ended on December 31, 2017.
- The contribution of the "Subsidiary Companies" from the acquisition date and incorporation in the consolidation perimeter and until December 31, 2017 was for US$26.954 (COP$80.111.412) in operating income and an OIBDA of US$4.033 (COP$11.986.456) and for the nine-month period ended on September 30, 2018 for US$49.913 (COP$148.351.269) in operating income and US$15.521 (COP$46.131.945) in OIBDA.

Operations with Minority Shareholders:

During the nine-month period ended as of September 30, 2018, there have been no significant transactions with minority interests.

4. CHANGES IN ACCOUNTING POLICIES

Except as described below, accounting policies and estimates applied in these interim condensed consolidated financial statements are the same as those used in the Group's financial statements and its subsidiary companies at and for the year ended as of December 31, 2017. Changes in accounting policies shall be reflected in the Group's consolidated financial statements and its subsidiary companies for the year ending as of December 31, 2018.

New IFRS and Amendments to IFRS not effective as of September 30, 2018

At the date of these interim financial statements' formulation, the following standards, amendments to standards and interpretations had been published by the IASB, but were not mandatory:

Standards, Interpretations and Amendments to Standards		Mandatory applications: fiscal year started from
IFRS 16	Leases	January 1st, 2019
Interpretation IFRIC 23	Uncertainty regarding income tax treatment	January 1st, 2019
Amendments to IFRS 9	Advance cancellation characteristics	January 1st, 2019
Amendments to IAS 19	Plan modification, reduction or liquidation	January 1st, 2019
Amendments to IAS 28	Long-term investments in associates and joint ventures	January 1st, 2019
Annual improvements to the IFRS, Cycle 2015-2017		January 1st, 2019
IFRS 17	Inssurance contracts	January 1st, 2021

The Group estimates that the application of the new lease standard, IFRS 16 Leases, could have significant impact on the Group's consolidated financial statements at the time of its adoption and prospectively. With respect to the other published standards, amendments and interpretations, but not effective, based on the analyses carried out to date, the Group estimates that their application will not have significant impact on the consolidated financial statements during the initial application period.

IFRS 16 - Leases

IFRS 16 establishes that companies that act as lessees must recognize assets and liabilities derived from all lease agreements in the statement of financial position (with the exception of short-term and low value asset lease agreements).

The Group acts as a lessee in a very large number of lease agreements on various assets, mainly: towers, circuits, fixed assets for offices and experience centers and land where own towers are located. Under current regulations, generally a significant portion of these contracts is classified as an operating lease, with the corresponding payments recorded on a straight-line basis over the term of the agreement.

Currently the Group is in the process of estimating this new standard's impact on such agreements. This analysis includes the estimation of the lease term based on the non-cancellable period and of the periods covered by the renewal options whose exercise is discretionary for the Group and is considered reasonably true, which will depend to a large extent on the facts and specific circumstances by asset type in the telecommunications sector (technology, regulation, competition, business model, among others). Likewise, hypotheses are used to calculate the discount rate, which will mainly depend on the incremental financing rate for the estimated terms.

On the other hand, the Group will choose not to separately record the non-lease components of those that are leased for those asset classes in which the relative importance of the non-lease components is not significant with regard to the total value of the lease.

On the other hand, the standard allows two transition methods: one retroactively for each comparative period presented, and another retroactively with the cumulative effect of the initial application of the standard, recognized on the date of first application. The Group will adopt this second transition method, so it will recognize the cumulative effect of the initial application of the new criteria as an adjustment to reserves in the first year of the adoption of IFRS 16. Likewise, the new standard allows choosing certain practical solutions at the time of the first application, relating to the valuation of the asset, discount rate, impairment, leases ending within the following twelve months after the first application, initial direct costs, and duration of the lease.

The Group is evaluating which of these practical solutions will be adopted in each case. In this regard, the Group will opt for the practical solution that allows it not to assess again whether a contract is, or contains, a lease on the date of initial adoption of IFRS 16, but to directly apply the new requirements to all those contracts that under the previous standard were identified as a lease.

Considering there are multiple alternatives available, and taking into account the estimates' complexity and high number of contracts, the Group has not yet completed the implementation process, so at the current date it is not possible to make a reasonable estimate of the impact that the application of this standard will have.

However, considering the volume of affected contracts, as well as the magnitude of the payments committed for rentals, which are reflected in the Group's annual financial statements, the Company estimates that the amendments introduced by IFRS 16 will have significant impact on the financial statements of the Group from the date of adoption, including the recognition in the statement of financial position of the assets for right of use and the corresponding obligations in relation to most of the contracts that under the current legislation are classified as operating leases.

In addition, the amortization of the right to use the assets and the recognition of interests on the lease obligation will replace a significant part of the amount recognized in the income statement as an operating lease expense under the current standard. Likewise, the classification of lease payments in the statement of cash flows will be affected by the entry into force of this new regulation. For its part, the Group's financial statements will include more extensive disclosures with relevant information in relation to the lease agreements.

Changes in accounting policies since 2018

On January 1, 2018, the new IFRS 9 Financial Instruments and IFRS 15 Income from Ordinary Activities Coming from Agreements with Customers entered into force, introducing changes in the accounting policies applied until then.

(a) IFRS 9 Financial Instruments

IFRS 9 establishes a new accounting framework for the recording, classification, valuation and derecognition of financial instruments, impairment of financial assets and hedge accounting.

In accordance with the standard's transitory provisions, the Group has accepted the option which allows to not restate the 2017 figures presented for comparative purposes (that is, said comparative information is prepared in accordance with the accounting regulations in force at that time: IAS 39 Financial Instruments: Recognition and Measurement and other related interpretations). The difference between the carrying amounts of financial assets and financial liabilities resulting from the first application of the new criteria has been recognized in "retained earnings" (see Note 17).

The main impact of IFRS 9 on the Company has been the increase in the opening balance of the impairment account of accounts receivable and other debtors is as follows:

	Impact of first time adoption of IFRS 9	
	(in thousands of US$)	*(in thousands of COP$)*
Impairment of portfolio (Note 6)		
Debtors (customers) and other accounts receivable	12.512	37.188.085
Portfolio of sold equipment at installments	6.820	20.271.395
Other debtors	973	2.891.681
Portfolio of unbilled provided services	709	2.107.423
	21.014	**62.458.584**

(b) IFRS 15 Revenues from Ordinary Activities Resulting from Agreements with Customers

IFRS 15 establishes the criteria for the recognition of income resulting from contracts with customers. The Group has adopted this new standard using one of the two allowed alternative transition methods: retroactively with the cumulative effect of the initial application recognized as an adjustment to the opening balance of "retained earnings" on the date of first application, January 1 of 2018. (See Note 17).

As a result, figures corresponding to 2017 which were presented for comparative purposes have not been restated (that is, they are prepared in accordance with the accounting regulations in force at that time: IAS 18 Income from Ordinary Activities, IAS 11 Construction Contracts and other related interpretations).

The main accounting policies considered significant under the new model introduced by the IFRS 15 and the nature of the main changes to previously applied policies in relation to income recording are described below. The most relevant impacts refer to the recording of contractual assets, which under the IFRS 15 lead to an acceleration in the recognition of income from sale of equipment, and to the activation and deferral of incremental costs related to obtaining contracts, which under the IFRS 15 suppose a deferral in the record of expenses of customer acquisition

The information regarding impacts of the first application of this standard is as follows:

Impact on Equity – Retained Earnings

	Impact of first time adoption of IFRS 15	
	(in thousands of US$)	*(in thousands of COP$)*
Concept		
Benefits in agreements with customers	784	2.331.570
Irrevocable right of use	383	1.137.519
	1.167	**3.469.089**

Impact on Balance – Contractual Asset and Liability

The following table provides information on the balance of contractual assets and liabilities from contracts with customers:

	As of September 30, 2018	
	(in thousands of US$)	*(in thousands of COP$)*
Contractual asset:		
Current – Benefits in agreements with customers	11.540	34.299.288
Non-current – Benefits in agreements with customers	53	157.153
	11.593	**34.456.441**
Contractual liability:		
Current – Obligations in agreements with customers (*)	30.191	89.732.627
Non-current – Obligations in agreements with customers (*)	19.283	57.312.807
	49.474	**147.045.434**

(*) For presentation purposes and in accordance with the analyses and definitions, the Company has reclassified from deferred liabilities to contractual liabilities, those concepts related to contractual liabilities with customers that had historically been reported as deferred income. Deferred liabilities reclassified to short-term contractual liabilities mainly correspond to deferred prepaid income and prepaid customer billings for US$27.656 (COP$82.197.478). Deferred liabilities reclassified to the long-term contractual liability mainly correspond to IRUs for US$15.644 (COP$46.496.362).

5. FINANCIAL ASSETS

A summary of the balance of financial assets is as follows:

	As of September 30, 2018		As of December 31, 2017	
	(in thousands of US$)	***(in thousands of COP$)***	***(in thousands of US$)***	***(in thousands of COP$)***
Current financial assets:				
Hedge instruments	31.053	92.296.331	18.432	54.785.883
Deposits and guarantees	23	65.869	3	5.000
	31.076	**92.362.200**	**18.435**	**54.790.883**
Non-current financial assets:				
Deposits and guarantees	2.206	6.555.149	1.847	5.488.499
Hedge instruments (Note 13)	191	568.810	4.669	13.876.164
Other financial assets	20	60.000	20	60.000
	2.417	**7.183.959**	**6.536**	**19.424.663**
	33.493	**99.546.159**	**24.971**	**74.215.546**

6. DEBTORS AND OTHER ACCOUNTS RECEIVABLE, NET

The balance of debtors and other accounts receivable is the following:

	As of September 30,		**As of December 31,**	
	2018		**2017**	
	(in thousands of US$)	***(in thousands of COP$)***	***(in thousands of US$)***	***(in thousands of COP$)***
Current:				
Customers for sales and services provision (1)	404.273	1.201.572.138	371.821	1.105.118.394
Commercial agents and distribution channels	52.733	156.733.048	50.437	149.906.361
Other debtors (2)	37.620	111.814.257	28.350	84.260.051
Portfolio with domestic operators	27.127	80.625.570	24.523	72.885.876
Shareholders, related economic parties and associated companies	19.070	56.678.555	15.617	46.416.257
Portfolio for equipment sold at installments	12.732	37.841.894	48.631	144.539.475
Portfolio impairment (5)	(283.529)	(842.699.175)	(260.804)	(775.149.991)
	270.026	**802.566.287**	**278.575**	**827.976.423**
Non-current:				
Portfolio with domestic operators (6)	45.290	134.610.499	45.290	134.610.499
Customers for sales and services provision (4)	40.175	119.407.870	44.322	131.731.538
Portfolio for subsidies and contributions (3)	12.823	38.111.870	12.823	38.111.870
Shareholders, related economic parties and associated companies	12.141	36.086.563	12.753	37.905.278
Portfolio for equipment sold at installments	626	1.859.248	2.614	7.768.025
Portfolio impairment	(57.895)	(172.075.816)	(57.896)	(172.075.816)
	53.160	**158.000.234**	**59.906**	**178.051.394**
	323.186	**960.566.521**	**338.481**	**1.006.027.817**

(1) Corresponds to residential customers, companies, corporations, officials (includes National Academic Network – RENATA) and wholesalers.

(2) Mainly includes portfolio balances for the sale of fixed assets, commercial support, roaming, international operators and provided advances.

(3) Corresponds to the portfolio with the Government for subsidies and contributions, which is 100% provisioned.

(4) Corresponds to the portfolio with the National Academic Network Corporation - RENATA, for the sale of equipment for MPLS (dedicated channels) and connectivity.

(5) Includes as of January 1, 2018 the recognition of the initial application of the International Financial Information Standard IFRS 9 for US$21.014 (COP$62.458.585). (Note 4 and 17).

(6) Corresponds to the balance receivable for the access charges with Empresa de Telecomunicaciones de Bogotá (ETB), for which the administration is advancing the legal procedures that allow its recovery. This portfolio is 100% provisioned.

7. EXPENSES PAID IN ADVANCE

The balance of expenses paid in advance is the following:

	As of September 30,		As of December 31,	
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Current:				
Cost of equipment and compliance with agreements (1)	21.639	64.315.972	4.362	12.964.610
Support and maintenance (2)	8.890	26.421.222	3.839	11.408.919
Radio spectrum (3)	5.405	16.064.445	-	-
Rights of irrevocable use - capacity	2.327	6.916.285	2.089	6.208.342
Insurance policies	2.227	6.619.357	1.754	5.214.374
Others	1.115	3.313.148	461	1.371.452
Leases	668	1.985.474	787	2.338.737
Cost of interadministrative agreements	-	-	705	2.095.806
	42.271	**125.635.903**	**13.997**	**41.602.240**
Non-Current:				
Cost of equipment and compliance with agreements (1)	32.389	96.268.234	7.441	22.115.441
Rights of irrevocable use - capacity	9.751	28.981.508	2.396	7.122.477
Support and maintenance (2)	1.763	5.239.122	9.021	26.811.547
Insurance policies	451	1.339.175	680	2.021.151
	44.354	**131.828.039**	**19.538**	**58.070.616**
	86.625	**257.463.942**	**33.535**	**99.672.856**

(1) Corresponds to equipment for the customer's house, and expenses for the agreements' compliance, mainly for installation services.

(2) Includes licensing services and support and maintenance of platforms and applications.

(3) Right to use the radio space.

8. INVENTORIES

The balance of inventories net of provision is the following:

	As of September 30,		As of December 31,	
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Mobile phones and accesories	33.127	98.459.333	32.074	95.329.658
Materials and equipment (1)	14.560	43.275.356	7.262	21.584.251
Equipment in transit	11.764	34.964.885	6.609	19.644.370
Computer equipment	380	1.130.870	511	1.517.518
	59.831	**177.830.444**	**46.456**	**138.075.797**
Provision for obsolescence	(1.743)	(5.180.656)	(1.628)	(4.838.350)
	58.088	**172.649.788**	**44.828**	**133.237.447**

(*) Includes modems, equipment for corporate services, locating equipment, customer-home television equipment, basic line and broadband.

9. TAXES AND PUBLIC ADMINISTRATIONS

The balance of the asset for taxes and public administrations is presented as follows:

	As of September 30,		As of December 31,	
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Balance in favor for income tax (1)	60.159	178.805.594	2.545	7.564.978
Self-withholdings for income tax	41.849	124.383.868	54.728	162.660.761
Advances, retentions and self-withholdings of the ICA	4.447	13.216.117	5.616	16.691.260
Withholdings for income tax	2.088	6.204.787	3.058	9.089.721
Other current taxes	82	242.436	142	422.875
	108.625	**322.852.802**	**66.089**	**196.429.595**

The balance of the liability for taxes and public administrations is presented as follows:

	As of September 30,		As of December 31,	
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Sales tax and proportionality – VAT (1)	64.507	191.724.546	13.134	39.038.213
Withholdings and self-withholdings	10.330	30.701.421	12.794	38.024.888
National consumption tax (1)	2.726	8.102.994	2.056	6.109.761
Other current taxes (2)	1.486	4.417.621	3.198	9.505.114
	79.049	**234.946.582**	**31.182**	**92.677.976**

(1) The balance in favor of the income tax for 2017 is in the compensation process with the liability for sales tax VAT for US$54.649 (COP$162.426.458), the liability for national consumption tax for US$1.781 (COP$5.294.529) and return of the balance in favor by the National Tax Administration of US$3.729 (COP$11.084.607).

(2) Includes municipal taxes for imports, surcharges and stamps.

10. PROPERTIES, PLANT AND EQUIPMENT

The cost of properties, plant and equipment and their corresponding accumulated depreciation is presented as follows:

Concept	As of September 2018 Cost	As of September 2018 Accumulated depreciation	As of September 2018 Carrying value	As of December 2017 Cost	As of December 2017 Carrying value	As of December 2017 Carrying value
	(USD$000)					
Land and construction	1.134.271	(599.913)	534.359	1.140.324	(578.145)	562.179
Technical facilities, machinery and others	3.207.497	(2.199.622)	1.007.875	3.032.460	(2.041.675)	990.785
Assets under construction	39.398	-	39.398	152.108	-	152.108
Furniture, information equipment and others (*)	307.871	(207.987)	99.883	258.050	(190.703)	67.347
	4.689.037	**(3.007.522)**	**1.681.515**	**4.582.942**	**(2.810.523)**	**1.772.419**

Concept	As of September 2018 Cost	As of September 2018 Accumulated	As of September 2018 Carrying value	As of December 2017 Cost	As of December 2017 Carrying	As of December 2017 Carrying
	(COP$000)					
Land and construction	3.371.258.519	(1.783.048.225)	1.588.210.294	3.389.247.850	(1.718.350.334)	1.670.897.516
Technical facilities, machinery and others	9.533.257.511	(6.537.671.503)	2.995.586.008	9.013.018.024	(6.068.225.448)	2.944.792.576
Assets under construction	117.099.059	-	117.099.059	452.091.030	-	452.091.030
Furniture, information equipment and others (*)	915.046.768	(618.175.659)	296.871.109	766.972.610	(566.806.889)	200.165.721
	13.936.661.857	**(8.938.895.387)**	**4.997.766.470**	**13.621.329.514**	**(8.353.382.671)**	**5.267.946.843**

(*) Includes vehicles under leasing as of september 30, 2018 for US$1.332 (COP$3.958.246) and as of december 31, 2017 for US$1.916 (COP$5.694.490).

The movements for the nine-month period ended as of September 30, 2018 of the items that comprise the cost of properties, plant and equipment are as follows:

Concept	As of December 2017	Additions	Derecognition	Transfers	Revaluación	As of September 2018
	(USD$000)					
Cost:						
Land and construction	1.140.324	5.938	(5.323)	5.484	(12.152)	1.134.271
Technical facilities, machinery and others	3.032.461	89.497	(3.443)	88.982	-	3.207.497
Assets under construction	152.107	1.451	461	(114.621)	-	39.398
Furniture, information equipment and others	258.050	46.070	(123)	3.874	-	307.871
	4.582.942	**142.956**	**(8.428)**	**(16.281)**	**(12.152)**	**4.689.037**

Concept	As of December 2017	Additions	Derecognition	Transfers	Revaluation	As of September 2018
	(COP$000)					
Cost:						
Land and construction	3.389.247.850	17.649.506	(15.820.517)	16.300.856	(36.119.176)	3.371.258.519
Technical facilities, machinery and others	9.013.018.024	266.000.980	(10.233.074)	264.471.581	-	9.533.257.511
Assets under construction	452.091.030	4.311.949	1.368.960	(340.672.880)	-	117.099.059
Furniture, information equipment and others	766.972.610	136.927.617	(366.693)	11.513.234	-	915.046.768
	13.621.329.514	**424.890.052**	**(25.051.324)**	**(48.387.209)**	**(36.119.176)**	**13.936.661.857**

The movements of depreciation for the nine-month period ended as of September 30, 2018 of the items that comprise the cost of properties, plant and equipment are as follows:

			(USD$000)			
Accumulated depreciation:						
Constructions	(578.145)	(21.276)	2.096	(224)	(2.364)	(599.913)
Technical facilities, machinery and other	(2.041.675)	(159.749)	2.893	(1.090)	-	(2.199.622)
Furniture, information equipment and other	(190.703)	(17.340)	57	-	-	(207.987)
	(2.810.523)	**(198.365)**	**5.046**	**(1.314)**	**(2.364)**	**(3.007.522)**
	1.772.419	**(55.409)**	**(3.382)**	**(17.595)**	**(14.516)**	**1.681.515**

0	2.738.118
	7.024.759

(1) Includes depreciation for the nine-month period ended September 30, 2018 for revalued assets, land and buildings US$3.285 (COP$9.762.877) and write-offs US$921 (COP$2.738.118).

11. INTANGIBLES

Accumulated cost and amortization of intangibles is the following:

Concept	As of September 30, 2018			As of December 2017		
	Cost	Accumulated amortization	Carrying value	Cost	Accumulated amortization	Carrying value
			(USD$000)			
Operating permits	786.563	(206.276)	580.287	786.563	(126.083)	660.480
Computer applications	658.786	(513.686)	145.100	614.799	(461.485)	153.314
Customer list	224.637	(213.822)	10.815	232.174	(211.640)	20.534
Other intangibles	37.363	(10.858)	26.505	43.982	(11.060)	32.922
	1.707.349	**(944.642)**	**762.707**	**1.677.518**	**(810.268)**	**867.250**

Concept	As of September 30, 2018			As of December 2017		
	Cost	Accumulated amortization	Carrying value	Cost	Accumulated amortization	Carrying value
			(COP$000)			
Operating permits	2.337.806.459	(613.088.769)	1.724.717.690	2.337.806.459	(374.740.705)	1.963.065.754
Computer applications	1.958.030.986	(1.526.768.494)	431.262.492	1.827.294.528	(1.371.618.794)	455.675.734
Customer list	667.662.370	(635.518.931)	32.143.439	690.063.337	(629.032.020)	61.031.317
Other intangibles	111.049.927	(32.271.592)	78.778.335	130.722.865	(32.872.141)	97.850.724
	5.074.549.742	**(2.807.647.786)**	**2.266.901.956**	**4.985.887.189**	**(2.408.263.660)**	**2.577.623.529**

The following have been the movements of intangibles for the nine-month period ended as of September 30, 2018:

Concept	As of December 31, 2017	Additions	Derecognition	Transfers	As of September 30, 2018
			(USD$000)		
Cost:					
Operating permits	786.563	-	-	-	786.563
Computer applications	614.799	24.854	(7.017)	26.150	658.786
Customer list	232.174	(7.537)	-	-	224.637
Other intangibles	43.982	3.048	(21)	(9.646)	37.363
	1.677.518	**20.365**	**(7.038)**	**16.504**	**1.707.349**
Accumulated amortization:					
Operating permits	(126.083)	(80.193)	-	-	(206.276)
Computer applications	(461.485)	(59.211)	7.011	-	(513.685)
Customer list	(211.640)	(2.204)	21	-	(213.823)
Other intangibles	(11.060)	(888)	-	1.090	(10.858)
	(810.268)	**(142.496)**	**7.032**	**1.090**	**(944.642)**
	867.250	**(122.131)**	**(6)**	**17.594**	**762.707**

Concept	As of December 31, 2017	Additions	Derecognition	Transfers	As of September 30, 2018
			(COP$000)		
Cost:					
Operating permits	2.337.806.459	-	-	-	2.337.806.459
Computer applications	1.827.294.528	73.870.485	(20.856.943)	77.722.916	1.958.030.986
Customer list	690.063.337	(22.400.967)	-	-	667.662.370
Other intangibles	130.722.865	9.058.983	(63.206)	(28.668.715)	111.049.927
	4.985.887.189	**60.528.501**	**(20.920.149)**	**49.054.201**	**5.074.549.742**
Accumulated amortization:					
Operating permits	(374.740.705)	(238.348.064)	-	-	(613.088.769)
Computer applications	(1.371.618.794)	(175.988.613)	20.838.913	-	(1.526.768.494)
Customer list	(629.032.020)	(6.550.588)	63.677	-	(635.518.931)
Other intangibles	(32.872.141)	(2.639.151)	-	3.239.700	(32.271.592)
	(2.408.263.660)	**(423.526.416)**	**20.902.590**	**3.239.700**	**(2.807.647.786)**
	2.577.623.529	**(362.997.915)**	**(17.559)**	**52.293.901**	**2.266.901.956**

12. DEFERRED TAXES

Balance of assets and liabilities for deferred taxes is as follows:

	As of September 30,		As of December 31,	
	2018		2017	
	(in thousands of	*(in thousands of*	*(in thousands of*	*(in thousa*
Deferred tax asset:				
Intangibles, properties, plant and equipment	81.743	242.955.368	81.826	24
Employee benefits	4.284	12.731.630	6.821	2
Accounts receivable	5.852	17.394.510	6.756	2
Estimated liabilities and provisions	499	1.482.939	3.113	
Other assets	5.644	16.775.997	2.446	
Deferred tax asset on temporary differences	**98.022**	**291.340.444**	**100.962**	**30**
Deferred tax asset for tax losses (*)	503.293	1.495.874.464	536.072	1.59
	601.315	**1.787.214.908**	**637.034**	**1.89**
Revaluation of real estate	(38.416)	(114.178.484)	(43.791)	(13
	562.899	**1.673.036.424**	**593.243**	**1.70**
Deferred tax liabilities				
Taxable temporary differences	24.865	73.904.263	20.334	6
	24.865	**73.904.263**	**20.334**	**6**

(*) Corresponds to the activation of the tax effect of the tax losses generated in previous taxable years, which will be offset by the net taxable income that will be generated in 2018 and subsequent taxable years.

The balances of Other Comprehensive Income, net of taxes is presented as follows:

	Period de nueve meses terminado el 30 de September de			
	2018	2018	2017	201
	(in thousands of	*(in thousands of*	*(in thousands of*	*(in thousa*
Hedges valuation	(28.756)	(85.467.994)	(12.891)	(3
Hedges valuation deferred tax	-	-	14.427	4
Result in hedges valuation, net of taxes	**(28.756)**	**(85.467.994)**	**1.536**	
Revaluation of land and buildings, net of depreciation and write-offs	(10.839)	(32.215.144)	(2.271)	(
Deferred property tax immovable property	4.481	13.318.946	902	
Revaluation of land and buildings, net of taxes	**(6.358)**	**(18.896.198)**	**(1.369)**	**(**
Actuarial results by equity method	(1.771)	(5.265.189)	-	
	(36.885)	**(109.629.381)**	**167**	

13. FINANCIAL OBLIGATIONS

The balance of financial obligations is the following:

	As of September 30,		As of December 31,	
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Current:				
Obligaciones financieras	119.896	356.353.917	79.303	235.701.282
Instrumentos de cobertura (2)	11.157	33.159.468	21.392	63.580.471
Otras obligaciones financieras - intereses	7.420	22.052.688	19.508	57.980.334
Financial lease	444	1.319.058	775	2.304.848
	138.917	**412.885.131**	**120.978**	**359.566.935**
Non-current:				
Financial obligations (1)	1.066.588	3.170.090.985	1.201.292	3.570.458.680
Hedge instruments (2)	36.279	107.826.305	13.674	40.640.778
Financial lease	820	2.436.888	1.071	3.182.872
	1.103.687	**3.280.354.178**	**1.216.037**	**3.614.282.330**
	1.242.604	**3.693.239.309**	**1.337.015**	**3.973.849.265**

(1) Includes the senior bond with the following balance and characteristics:

As of September 30, 2018 and December 31, 2017, the nominal value on the bonds amounted to US$750.000 equivalent to $2.229.135.000 and $2.238.000.000, respectively, and the transaction cost for US$1.429 (COP$4.246.246) and US$1.621 (COP$5.024.654), measured respectively to amortized cost.

The characteristics of the issue are summarized below:

Format	Issue currency	Premiums and discounts	Total issuance amount	Total issued amount	Redemption max. term	Date of issuance	Expiration date	Rate / Payment	Use of resources
R 144A/ Reg S	USD	Zero	$750.000.000	$750.000.000	10 years	27-sep-12	27-sep-22	5,375% / biannual	Substitution of financial liabilities

The interest payable on the bonds amounted as of September 30, 2018, US$448 (COP$1.331.289) (accrual of 4 days) and as of December 31, 2017, US$10.568 (COP$31.409.708) (accrual of 94 days).

(2) Hedge Instruments

The Group manages the exchange rate and interest rate risk through derivative financial instruments to reduce exposure to fluctuations in its accounts receivable and accounts payable with third parties (CAPEX - Capital expenditures and OPEX - Operating expenses), future cash flows in foreign currency and its financial liabilities denominated in US dollars and euros, also indexed to variable interest rates such as Libor and IBR through Non Delivery Forwards (NDF), Cross Currency Swaps (CCS), FX options and Interest Rate Swap (IRS) operations. These transactions are valued at market prices at the end of each period.

A summary of the effects of exchange rate and interest rate is presented below:

	Al 30 de September de		**Al 31 de December de**	
	2018		**2017**	
Detail by concept	***(in thousands of US$)***	***(in thousands of COP$)***	***(in thousands of US$)***	***(in thousands of COP$)***
At short-term:				
Mark to Market – of exchange rate for financial operations(1)	30.602	90.953.766	14.438	42.911.964
Mark to Market – exchange rate for trading transactions	685	2.036.924	957	2.845.294
Mark to Market – effect of interest rate	(12.283)	(36.504.349)	(19.072)	(56.683.441)
CVA/DVA(3)	892	2.650.522	717	2.131.595
Total at short-term, net (Note 4 and 13) (2)	**19.896**	**59.136.863**	**(2.960)**	**(8.794.588)**
At long-term				
Mark to Market – Effect of exchange rate for financial operations(1)	-	-	4.669	13.876.164
Mark to Market – effect of the exchange rate	(36.088)	(107.257.495)	(13.674)	(40.640.778)
Total at long-term, net (Note 4 and 13) (2)	**(36.088)**	**(107.257.495)**	**(9.005)**	**(26.764.614)**
Total Mark to Market	**(16.192)**	**(48.120.632)**	**(11.965)**	**(35.559.202)**
Detail of the effect:				
Effect of the exchange rate				
Effect of exchange rate for financial operations (1)	30.602	90.953.766	19.107	56.788.128
Effect of the exchange rate trading transactions	685	2.036.924	957	2.845.294
Total effect of the exchange rate	**31.287**	**92.990.690**	**20.064**	**59.633.422**
Total effect of interest rate	(48.371)	(143.761.844)	(32.746)	(97.324.219)
CVA/DVA (3)	892	2.650.522	717	2.131.595
Total Mark to Market	**(16.192)**	**(48.120.632)**	**(11.965)**	**(35.559.202)**

(1) Corresponds to the exchange rate of the derivatives, which cover financial underlyings.

(2) Corresponds to net position. Note 13 and 4 – Hedging Instruments.

(3) Credit Valuation Adjustment / Debit Valuation Adjustment, for their respective acronym in English CVA/DVA

14. SUPPLIERS AND ACCOUNTS PAYABLE

The balance of the suppliers and accounts payable is as follows:

	As of September 30, 2018		As of December 31, 2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Current:				
Creditors and suppliers (1)	298.943	888.511.192	263.769	783.968.480
Fixed asset suppliers	70.329	209.029.371	170.107	505.588.542
Shareholders, economic related parties and associated companies	54.949	163.319.614	64.659	192.178.246
Labor remuneration payable	8.431	25.059.782	12.335	36.660.541
Parafiscal contributions	1.438	4.274.958	1.768	5.256.169
Equity share based payments (4)	902	2.680.505	-	-
	434.992	**1.292.875.422**	**512.638**	**1.523.651.978**
Non-current:				
Creditors and suppliers (2)	51.509	153.093.029	49.058	145.809.348
Government Grants (3)	10.494	31.190.903	10.303	30.623.654
Equity share based payments (4)	498	1.481.381	-	-
Deposits received from customers	13	37.411	13	37.411
	62.514	**185.802.724**	**59.374**	**176.470.413**
	497.506	**1.478.678.146**	**572.012**	**1.700.122.391**

(1) Includes balances payable to creditors and suppliers, mainly for the following items: purchase of terminals, maintenance and support services, commissioning of sales, rentals, contents, interconnection, renting, utilities and customer service, among others.

(2) Includes balances of obligations to do for the extension of 15 MHz in 2011 for cellular telephony, renewal of the spectrum for the provision of cellular telephony service in March 2014 for 10 years and concession right for operation and exploitation of the satellite television service for 10 years from February 2017 and inter-administrative contracts.

(3) In 2010, Colombia Telecomunicaciones S.A. E.S.P. signed an agreement with the National Government, known as Biannual Plan III, which aims to develop the necessary transportation infrastructure to provide fixed broadband services in socio-economic status 1, 2 and SMEs in rural and urban areas and the capture of high-speed Internet demand in coverage areas specified in the plan and the replacement of obsolete wireless systems. The resources of the Biannual Plan III are administered through a Trust and are recorded as debtors and other accounts receivable in trust rights.

(4) Remuneration to executives who have a five-year tenure, where the right to receive a certain number of shares of Telefónica S.A. is granted, subject to compliance with certain conditions relating to the shares' behavior during the period and permanence in the job.

15. DEFERRED LIABILITIES

The balance of deferred liabilities is the following:

	As of September 30,		As of December 31,	
	2018		2017	
Current:	*(in thousands of US$)*	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Income received in advance				
Other deferred income (1) (a)	11.658	34.651.004	35.049	104.172.329
Government grants (2)	662	1.967.148	700	2.081.265
Usage rights assignment (3) (a)	-	-	408	1.211.501
Deferred income for prepaid charges (a)	-	-	3.361	9.989.049
	12.320	**36.618.152**	**39.518**	**117.454.144**
Non-current:				
Income received in advance				
Government grants (2)	3.697	10.988.895	4.198	12.478.327
Other deferred income (1)	1.551	4.610.385	1.652	4.909.403
Usage rights assignment (3) (a)	-	-	19.300	57.363.757
	5.248	**15.599.280**	**25.150**	**74.751.487**
	17.568	**52.217.432**	**64.668**	**192.205.631**

(1) Includes, land leases up to the year 2028, billing to clients on behalf of third parties and as of December 31, 2017, included customer advances for basic charges (a).

(2) Includes income received for Government grants (schools, localities and educational institutions).

(3) As of December 31, 2017, it included income received by Irrevocable Right of Use – IRU until the year 2027 (a).

(a) As of September 30, 2018, these concepts are classified in the "contractual liability" according to the compliance obligations with the customer in the framework of application of IFRS 15 since January 1st, 2018.

16. PROVISIONS

The balance of provisions is the following:

	As of September 30,		As of December 31,	
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Current:				
Tax responsibilities and contributions (1)	33.260	98.853.367	40.392	120.052.073
Labor (2)	13.040	38.755.759	10.486	31.167.685
Claims (Note 23)	6.409	19.048.706	3.719	11.053.152
Voluntary retirement (3)	5.820	17.299.429	11.801	35.074.364
Equity share based payments (6)	-	-	1.337	3.974.771
	58.529	**173.957.261**	**67.735**	**201.322.045**
Pension liability:				
Post-employment defined provision plans (5)	5.946	17.673.116	5.946	17.673.116
	64.475	**191.630.377**	**73.681**	**218.995.161**
Non-current:				
Dismantling (4)	11.539	34.296.013	9.958	29.596.383
Claims (Note 23)	5.127	15.239.553	5.561	16.527.670
Equity share based payments (6)	-	-	1.206	3.584.620
	16.666	**49.535.566**	**16.725**	**49.708.673**
Pension liability:				
Post-employment defined provision plans (5)	66.007	196.186.093	66.660	198.126.843
	82.673	**245.721.659**	**83.385**	**247.835.516**
	147.148	**437.352.036**	**157.066**	**466.830.677**

(1) Includes the tax provision for miscellaneous income, industry and commerce tax (ICA), contribution to the Communications Regulation Commission (CRC), consideration to the Ministry of ICT and uncollected VAT.

(2) Includes the incentive to employees for compliance and performance.

(3) Constituted provision to meet the changes in the Group's structure.

(4) Corresponds to the estimation of costs associated with the dismantling or removal of the properties, plant and equipment element in leased sites and the rehabilitation of its place of placement at the expiration of each contract, when it has been agreed upon.

(5) The Group recognizes post-employment benefits corresponding to retirement pensions, which include pension allowance and health.

(6) Remuneration to executives who have a five-year tenure in the Company, where the right to receive a certain number of Telefónica S.A. shares is granted, subject to compliance with certain conditions relating to the shares' behavior during the period and tenure of office.

17. EQUITY, NET

Authorized, subscribed and paid capital and shareholding as of September 30, 2018 and December 31, 2017 is as follows:

Social Capital

	(in thousands of US$)	(in thousands of COP$)
Authorized capital	489.496	1.454.870.740
Subscribed and paid capital	1.147	3.410.059
Nominal value (COP)	0,00034	1

Shareholders	Number of shares	Participation percentage
Telefónica Latinoamérica Holding. S.L.	1.756.837.596	51,5192683200%
The Nation – Ministry of Finance and Public Credit	1.108.269.271	32,5000000418%
Latin America Cellular Holdings S.L.	275.602.636	8,0820482133%
Telefónica S.A.	269.339.586	7,8983842513%
Radio Televisión Nacional de Colombia-RTVC	10.000	0,0002932500%
Canal Regional de Televisión Ltda.- TEVEANDINA	200	0,0000058650%
Central de Inversiones S.A.- CISA	1	0,0000000293%
Terra Networks Colombia S.A.S.- En Liquidación	1	0,0000000293%
	3.410.059.291	**100,0000000000%**

Impact of the first application of the new standards IFRS 9 and IFRS 15

The first application of the new IFRS 9 Financial Instruments and IFRS 15 Income from Agreements with Customers that came into force on January 1, 2018, has had an impact on net equity of US$21.014 (COP$62.458.585) and US$1.167 (COP$3.469.089), respectively, as detailed in Note 4 in these Financial Statements. Such amounts have been recognized in the item “Retained Earnings”.

Other perpetual equity instruments

On March 30, 2015, the Company issued subordinated perpetual obligations for a total amount of US$430.130 (COP$1.278.425.000) amortizable at the option of Colombia Telecomunicaciones S.A. E.S.P. from the fifth year of the issuance date. Obligations will accrue interest on the principal as follows:

i. From March 30, 2015 (included) (the "issue date") until March 30, 2020 (excluded) (the "first amortization option date"), the obligations will accrue an annual coupon of 8,5% payable semiannually to expiration of each period of interest; and,

ii. From the first amortization option date (included) to the amortization date (excluded), if any, for each review period the obligations will accrue an interest equal to the applicable 5-year Swap rate expressed in percentage terms, plus the initial margin (6,96%); plus:

    a) In relation to the review period beginning on the first repayment option date or later: 0,25%;

    b) In relation to the review periods beginning on March 30, 2035 or later: plus 2,75% (unless the issuer's credit rating by Standard & Poor's has been updated to investment grade and becomes effective as of March 30, 2035; then, said increase of 2,75% will be effective only for the review periods beginning on March 30, 2040 or later).

This obligation is presented within the equity in the "Other equity instruments" account of the Statement of Changes in Equity.

Format	Issuance Currency	Premiums and discounts	Issuance total amount	Total amount issued	Minimum Term of Redemption	Issuance date	Rate /Payment	Observations	Use of resources
R 144A/ Reg S	USD	Zero	500.000.000	500.000.000	Perpetual NC 5	March 30, 2015	8,5% / Biannual	1. Possibility of deferring coupons at the issuer's discretion. 2. Redemption option as of year 5 and in each payment of semi-annual payments due	Substitution of financial liabilities

During the nine-month period ended as of September 30 of 2018 and 2017 interest coupons were paid for a total net amount of US$41.251 (COP$122.604.425) and US$41.847 (COP$124.377.527) respectively, these values are recognized in the Statement of Changes in Equity in the item Retained Earnings.

18. OPERATING INCOME

Operating income is presented as follows:

	Nine-month period ended as of September 30,			
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Mobile services:				
Data services and transmission - connectivity	334.841	995.213.146	332.851	989.291.374
Basic charges and airtime	209.227	621.860.219	220.288	654.736.703
Sale of terminal equipment	114.073	339.046.030	114.447	340.157.837
Value-added services (1)	46.031	136.811.214	25.404	75.506.172
Interconnection and roaming	43.341	128.817.038	37.700	112.051.137
Carrier services (2)	18.111	53.827.709	22.707	67.489.099
	765.624	**2.275.575.356**	**753.397**	**2.239.232.322**
Fixed services:				
Data transmission services	221.363	657.929.689	190.986	567.644.315
Local and long distance telephony	140.487	417.552.416	137.367	408.279.747
Satellite television	83.088	246.951.067	71.972	213.912.294
Other operating projects (3)	68.968	204.985.151	47.305	140.598.470
Equipment sale	375	1.114.111	577	1.715.159
	514.281	**1.528.532.434**	**448.207**	**1.332.149.985**
Operating income	**1.279.905**	**3.804.107.790**	**1.201.604**	**3.571.382.307**
Other operating income (4)	76.098	226.178.378	27.824	82.696.864
Total operating income	**1.356.003**	**4.030.286.168**	**1.229.428**	**3.654.079.171**

(1) Includes downloads of applications, text messages, charges for reconnection, subscription of favorite contacts, among others.

(2) Includes services provided to the Virtual Mobile Operator Virgin Mobile.

(3) Includes development services for consulting projects, application management, equipment, communication infrastructure and security management.

(4) A breakdown of other operating income is presented below:
(5)

	Period de nueve meses terminado el 30 de September de			
	2018		2017	
	(in thousands of	*(in thousands of*	*(in thousands of*	*(in thousands of*
Sale of movable and immovable property	42.235	125.531.157	26	77.921
Other operating income (1)	20.553	61.086.367	16.327	48.523.875
Works performed for fixed assets (3)	13.310	39.560.854	11.471	34.095.068
	76.098	**226.178.378**	**27.824**	**82.696.864**

(1) Includes billing for reimbursement of expenses and fees with companies of the Group, lease of physical spaces and indemnities for breach of contracts, Government grants.

(2) Correspond to the work carried out by the Company's personnel and that given its characteristics are directly related to the development and commissioning of fixed assets.

19. OPERATING COSTS AND EXPENSES

Operating costs and expenses are as follows:

	Nine-month period ended as of September 30,			
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Cost of terminals (1)	140.732	418.279.522	134.220	398.924.168
Labor costs	104.038	309.219.285	89.916	267.246.430
Rental of media and other network infrastructures	94.662	281.351.466	94.150	279.830.464
Other costs and operating expenses (2)	82.738	245.912.521	67.301	200.031.717
Taxes and considerations	72.113	214.333.823	65.293	194.063.759
Maintenance	68.381	203.240.119	69.022	205.145.029
Commisions	66.930	198.929.360	57.193	169.989.032
Interconnection and roaming	56.528	168.012.728	60.617	180.164.872
Content providers	44.823	133.223.378	39.602	117.704.849
Energy	41.859	124.411.404	38.096	113.228.359
Computer Services	35.605	105.824.261	38.475	114.353.579
Renting and third party activities to clients	33.708	100.184.816	20.326	60.413.491
Advertising (3)	26.897	79.943.266	36.164	107.486.596
Customer service	17.833	53.003.836	19.933	59.243.560
Other costs and expenses and non-recurring (4)	4.909	14.590.048	3.232	9.605.167
Impairment (5)	4.739	14.085.156	9.919	29.482.072
	896.495	**2.664.544.989**	**843.459**	**2.506.913.144**

(1) Corresponds to mobile terminal costs of 2018 for US$117.439 (COP$349.051.328) ((2017 – US$127.835) (COP$379.947.931)) and equipment for fixed services of 2018 for US$23.292 ((COP$69.228.194) (2017 – US$6.385 (COP$18.976.237)).

(2) Includes fees, surveillance, leases, banking services, transportation and insurance, among others.

(3) Includes expenses for advertising campaigns and for the period of 2017, it included brand use.

(4) Mainly includes legal contingencies and cable theft.

(5) Includes: i) portfolio impairment for US$4.472 (COP$13.292.716) ((2017 – US$10.216 (COP$30.363.622)) and ii) provision of inventories for US$(COP$792.440) and 2017 a net recovery of US$297 (COP$881.550).

20. DEPRECIATION AND AMORTIZATION

Depreciation and amortization are as follows:

	Nine-month period ended as of September 30,			
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Depreciation of properties, plant and equipment	(201.651)	(599.341.936)	(201.232)	(598.098.575)
Amortization of intangible assets	(143.015)	(425.066.479)	(74.280)	(220.772.198)
	(344.666)	**(1.024.408.415)**	**(275.512)**	**(818.870.773)**

21. FINANCIAL EXPENSES, NET

Financial expenses, net, are as follows:

	Nine-month period ended as of September 30,			
	2018		2017	
	(in thousands of	*(in thousands of*	*(in thousands of*	*(in thousands of*
Income:				
Default interests	4.219	12.539.698	4.188	12.448.118
Investment yields and bank accounts	267	793.626	124	368.195
	4.486	**13.333.324**	**4.312**	**12.816.313**
Gastos:				
Interest on loans, obligations and bonds	(56.417)	(167.683.891)	(64.373)	(191.328.920)
Interest coverage transactions, net	(18.323)	(54.459.456)	(26.626)	(79.136.187)
Financial update of liabilities (1)	(4.226)	(12.559.031)	(477)	(1.418.621)
Tribute to financial transactions	(404)	(1.199.363)	(5.169)	(15.363.853)
Other financial expenses (2)	(6.000)	(17.833.686)	(3.477)	(10.333.039)
	(85.370)	**(253.735.427)**	**(100.122)**	**(297.580.620)**
Gain (loss) for difference in exchange, net	136	403.663	(1.534)	(4.560.038)
	(85.234)	**(253.331.764)**	**(101.656)**	**(302.140.658)**
Financial expense, net	**(80.748)**	**(239.998.440)**	**(97.344)**	**(289.324.345)**
Interest expense – PARAPAT (3)	-	-	-	(350.451.210)
	(80.748)	**(239.998.440)**	**(97.344)**	**(639.775.555)**

(1) Corresponds to the financial restatement of pension liabilities, obligations to make and dismantling of assets.

(2) It mainly includes the encumbrances generated by the advance payment with the Parapat in 2017.

(3) Mainly includes financial expenses in portfolio sales and interest generated in legal proceedings.

(4) In September 2017, the Company made an advance payment of the balance of the Parapat obligation.

22. WEALTH TAX, INCOME AND DEFERRED TAX

The expense for wealth tax for the nine-month period ended as of September 30, 2017 and applied until that year as established in Law 1739 of 2014 was US$1.715 (COP$5.098.107).

The expense for income taxes and deferred taxes is presented below:

	Nine-month period ended as of September 30,			
	2018		**2017**	
	(in thousands of US$)	***(in thousands of COP$)***	***(in thousands of US$)***	***(in thousands of COP$)***
Current tax:				
Income tax (1)	10	30.064	-	-
Miscellaneous income tax	-	-	1	1.569
Tax expense of previous years and provision	-	-	8	22.966
	10	**30.064**	**9**	**24.535**
Deferred tax:				
Tax credits (2)	32.779	97.424.386	(260.565)	(774.444.314)
Deductible temporary differences	(1.763)	(5.240.939)	362.570	1.077.623.392
Taxable temporary differences	(7.072)	(21.019.322)	(17.133)	(50.922.954)
	23.944	**71.164.125**	**84.872**	**252.256.124**
	23.954	**71.194.189**	**84.881**	**252.280.659**

(1) Corresponds to the income tax of the subsidiary Optecom S.A.S.

(2) Corresponds to the use of deferred tax assets for tax losses generated in previous taxable years.

23. CONTINGENCIES

The Group classifies contingencies according to the probability of probable, possible and remote loss, determining the value of the claims that must be provisioned and supported by the reports and evaluations of the Group's legal advisors.

As of September 30, 2018, 1.645 processes are ongoing, of which 213 correspond to probable contingencies, 825 are qualified as possible and 607 are classified as remote. A summary for each concept is presented below:

23.1 Possible contingencies

Contingencies qualified as possible are detailed as follows (Note 16).

	As of September 30, 2018			As of December 31, 2017		
	Amount	(in thousands of US$)	(in thousands of COP$)	Cantidad	(in thousands of US$)	(in thousands of COP$)
Current:						
Administrative, regulatory and competition investigations	79	5.851	17.389.900	138	3.104	9.225.864
Labor processes	14	558	1.658.806	13	615	1.827.288
	93	**6.409**	**19.048.706**	**151**	**3.719**	**11.053.152**
Non-current:						
Judicial, fiscal and administrative proceedings	78	4.329	12.866.567	79	4.797	14.257.413
Labor processes	42	798	2.372.986	43	764	2.270.257
	120	**5.127**	**15.239.553**	**122**	**5.561**	**16.527.670**
	213	**11.536**	**34.288.259**	**273**	**9.280**	**27.580.822**

23.2 Possible Contingencies

The Group is a party in litigations classified as possible, which are currently pending before judicial, administrative and arbitration bodies.

Taking into account the reports of the Group's legal advisers in these proceedings, it is reasonable to consider that this litigation will not significantly affect the Group's financial-economic situation or solvency.

a. Legal Proceedings

Processes tending to obtain a decision from the jurisdictional authority called to resolve the controversial issue. They include processes of civil, contentious administrative, criminal, and constitutional jurisdictions, among others. There are 134 open processes classified as possible US$20.014 (COP$59.486.449).

b. Labor Proceedings

Labor lawsuits through which the payment of labor rights derived from the relations that the claimants have or have had directly with the Group or with a third party is sought, in the latter case, claiming the solidarity of Colombia Telecomunicaciones S.A. E.S.P. There are 337 open processes classified as possible for a value of US$7.495 (COP$22.275.093).

c. Administrative Investigations

Processes initiated by administrative authorities through the formulation of indictments, ex officio or by complaints from third parties, aimed at determining the responsibility of the investigated party in the violation of regulations.

Contingencies for administrative investigations are classified in:

i) *Prosecutors*: Processes under discussion for taxes with different municipalities of the country, corresponding to claims, such as industry and commerce tax (ICA, for its abbreviation in Spanish), and public lighting tax, among others. There are 227 administrative and judicial proceedings in progress with possible qualification, valued at US$2.704 (COP$8.038.061).

ii) *Petitions, Complaints and Claims*: Administrative procedures initiated by the Superintendence of Industry and Commerce – SIC, for positive administrative silence, habeas data, or breach of resolutions. Ninety-two (92) possible processes are reported for US$1.940 (COP$5.765.277).

iii) *Regulatory*: Administrative procedures initiated by surveillance and control authorities for alleged faults in compliance with telecommunications regulatory standards. There are 35 possible processes for US$7.131 (COP$21.195.206).

24. OPERATING AND FINANCIAL MEASURES NOT DEFINED IN THE IFRS

The Group uses a series of decision-making measures, additional to those expressly defined in the IFRS, considering that they provide additional information useful for evaluating performance, solvency and liquidity. These measures should not be evaluated separately nor should they be considered a substitute for the amounts presented in accordance with the IFRS.

a. EBITDA – Income before taxes, interest, depreciation and amortization

The EBITDA is used to follow the evolution of the business and establish operational and strategic objectives in the Group. EBITDA is a commonly reported and widespread measure among analysts, investors and other stakeholders in the telecommunications industry; although it is not an explicit indicator defined as such in IFRS, and may therefore not be comparable with other similar indicators used by other companies. EBITDA should not be considered as a substitute for operating income.

	Nine-month period ended as of September 30,			
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Net result of the period	10.141	30.140.135	(191.395)	(568.859.067)
Plus:				
Depreciation and amortization	344.665	1.024.408.415	275.513	818.870.773
Financial expense, net	80.748	239.998.440	215.255	639.775.555
Income tax and complementary	23.954	71.194.189	86.596	257.378.766
EBITDA	**459.508**	**1.365.741.179**	**385.969**	**1.147.166.027**

b. EBITDA Margin

	Nine-month period ended as of September 30,	
	2018	2017
EBITDA Margin (*)	33,9%	31,4%

(*) Represents the EBITDA divided in net income.

c. Ratio of net debt on EBITDA

Financial indicator No GAAP

Ratio: Debt/EBITDA

	Nine-month period ended as of September 30,			
	2018		2017	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Short-term financial obligations (1)				
Financial institutions	120.782	358.985.876	91.329	271.447.191
Financial lease	444	1.319.058	746	2.217.836
	121.226	**360.304.934**	**92.075**	**273.665.027**
Long-term financial obligations				
Senior bond (2)	750.000	2.229.135.000	741.039	2.202.502.500
Financial institutions	318.016	945.202.231	407.735	1.211.861.860
Financial lease	820	2.436.888	1.058	3.144.092
	1.068.836	**3.176.774.119**	**1.149.832**	**3.417.508.452**
Hybrid bond (3)	430.130	1.278.425.000	430.130	1.278.425.000
Total debt	**1.620.192**	**4.815.504.053**	**1.672.037**	**4.969.598.479**
Valuation of exchange rate derivatives	(30.602)	(90.953.766)	(4.271)	(12.692.972)
Cash and cash equivalents	(33.529)	(99.652.823)	(53.273)	(158.337.257)
Total net debt	**1.556.061**	**4.624.897.464**	**1.614.493**	**4.798.568.250**
EBITDA - last twelve months	**596.187**	**1.771.974.007**	**518.789**	**1.541.935.121**
Total financial debt on EBITDA	**2,61**	**2,61**	**3,11**	**3,11**

(1) The balance of the short-term Financial Obligations excludes the account of interest payable and hedging valuations.

(2) Corresponds to the nominal value of the senior bond issuance, valued at the exchange rate at the end of each period. It does not include the value of transaction costs.

(3) Corresponds to the nominal value of the issuance of the perpetual equity instrument, valued at the exchange rate of the issuance date, does not include the value of transaction costs, this instrument is considered as replacement debt under the prospectus of the principal debt's issuance; therefore it is included as financial debt, however, its recognition in the Financial Statements is in equity (See Note 17).

d. Accesses

	2018			2017	
	sep-30	**jun-30**	**mar-31**	**dec-31**	**sep-30**
			(Units 000)		
Final customers access	**18.711**	**18.499**	**18.100**	**17.925**	**16.947**
Basic line (1) (3)	1.626	1.636	1.620	1.610	1.319
Internet and Data (2) (3)	1.231	1.229	1.217	1.194	969
Television	564	564	547	530	529
Mobile service	15.290	15.070	14.716	14.591	14.130
Prepaid	*11.469*	*11.298*	*11.004*	*10.858*	*10.401*
Postpaid	*3.821*	*3.772*	*3.712*	*3.733*	*3.729*
	18.711	**18.499**	**18.100**	**17.925**	**16.947**

(1) Includes "fixed wireless" and voice over IP accesses.

(2) Includes the "Narrowband" accesses.

(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)

(3) After the cancellation of the debt derived from the Operating Agreement with the PARAPAT and after taking control of the subsidiary companies 'Telebucaramanga', 'Metrotel' and 'Optecom', consolidated results are included as of October 1, 2017.

e. Average Revenues per User – ARPU

	2018			2017	
	sep-30	jun-30	mar-31	dec-31	sep-30
			(USD$)		
Basic line (1) (4)	7,9	7,9	8,3	8,2	8,4
Broad band (2) (4)	13,8	13,4	12,9	12,5	11,8
Television	15,0	15,2	14,9	15,1	14,6
Total Mobile services (3)	4,5	4,4	4,6	4,8	4,7
Prepaid	1,1	1,1	1,2	1,3	1,2
Postpaid	*14,7*	*14,3*	*14,7*	*14,9*	*14,4*

	2018			2017	
	sep-30	jun-30	mar-31	dec-31	sep-30
			(COP$)		
Basic line (1) (4)	23.611	23.417	24.579	24.476	24.974
Broad band (2) (4)	41.162	39.875	38.239	37.078	35.089
Television	44.715	45.238	44.176	44.770	43.414
Total Mobile services (3)	13.315	13.080	13.703	14.224	13.953
Prepaid	*3.245*	*3.201*	*3.549*	*3.791*	*3.595*
Postpaid	*43.584*	*42.639*	*43.560*	*44.358*	*42.688*

(1) Includes fixed monthly rates.

(2) Excludes data and rental income.

(3) Excludes OMV and terminal sales income.

(4) After the cancellation of the debt derived from the Operating Agreement with the PARAPAT and after taking control of the Telebucaramanga, Metrotel and Optecom subsidiaries, consolidated results are included as of October 1, 2017.

f. Financial Indicators

The following are the financial indicators calculated by the Group and which are an integral part of the carried out financial analysis:

Indebtedness indices

This indicator measures to what extent and in what way short-term and long-term creditors participate in the Group's financing.

	As of September 30, 2018	As of December 31, 2017
a) Total debt level	50%	50%
b) Short-term total debt level	37%	36%

(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)

Solvency indices

The solvency index indicates how many resources are held in assets compared to the liabilities.

	As of September 30, 2018	As of December 31, 2017
Solvency indices	2,00	1,99

Profitability indices

Profitability is an index that measures the ratio between profits or benefits, and the investment or resources that were used to obtain them.

	Nine-month period ended as of September 30,	
	2018	2017
a) Operating margin	8,47%	8,98%
b) OIBDA Margin	33,89%	31,39%

Liquidity indices

Indicates the short-term availability to meet its short-term commitments.

	As of September 30, 2018	As of December 31, 2017
a) Work net capital	(608.669.200)	(741.937.394)
b) Current ratio	0,73	0,68
c) Acid test ratio	0,65	0,62

25. SUBSEQUENT FACTS TO THE PUBLICATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On October 3, 2018, the Bolsa de Valores de Colombia S.A., through newsletter No. 242, reported that the first stage of the program of the sale of shares owned by the Nation – Ministry of Finance and Public Credit in Colombia Telecomunicaciones S.A. E.S.P., addressed to the recipients of special conditions of Law 226, was declared void, considering it did not receive acceptances during the term of the Offer.

In the second stage, shares will be offered to the public. Its duration shall be stated in the Second Stage Regulations.