Colombia Telecomunicaciones S.A. ESP and Subsidiary Companies

As of June 30, 2019

(Figures in thousands million of Colombian pesos or when otherwise indicated)

Colombia Telecomunicaciones S.A. ESP (the Company) reports that today, on August 14, 2019, it submitted the **Consolidated and Separate Financial Statements** to the Financial Superintendence of Colombia with cut-off date as of June 30, 2019 and December 31, 2018 and for the quarters ended as of June 30, 2019 and 2018.

Telefónica Colombia Group continues progressing in its transformation through most efficient use of networks and end-to-end digitalization, which has generated a solid commercial evolution, improving the value proposition of connectivity and digital services aimed at both residential customers and businesses, on more advanced, agile and capable networks. We are present in 284 municipalities with fixed broadband, in 957 municipalities with mobile telephony and in 776 municipalities, we offer 4G LTE technology, **and we continue growing!**

The Consolidated Financial Statements at the first half of 2019 reflect **the adoption of the International Financial Reporting Standard – IFRS – 16** as of January 1, 2019 (the results from January to June of 2018 are reported under the previous regulations IAS – 17). The main effects of the accounting change corresponding to the first half of 2019 are the following: +$16 in EBITDA[1], +$81 in amortization of Rights of Use (ROU) and +$8.3 in net financial expenses. Also, they reflect lease liabilities for an amount of +$649.

On May 29, 2019, the Company performed the **issuance and allocation of ordinary bonds** in the local capital markets for an amount of $500 distributed into two tranches, as follows: 1) $348 (to 5 years tenor and coupon rate of 6.65% fixed) and 2) $152 (to 10 years tenor and coupon rate of 3,39% spread over CPI).

as a result of the issuance, the objectives of extending the debt average-life, obtaining competitive financing rates, diversifying financing sources and building a long-term relationship with the local capital markets, were achieved.

Colombia Telecomunicaciones S.A. ESP increased its participation as shareholder in Metropolitana de Telecomunicaciones S.A. ESP – (Metrotel), acquiring 511,057,478 common shares, from a direct shareholding of 47.2303% to 57.4083%. The registration in the book of registration of shares and issuance of the shareholding was made on July 15, 2019.

I. Operating Results

Total customers of Telefónica Colombia Group as of June 30, 2019 amounted to 19.2M with a 4.1% (753k) growth year-over-year. **Mobile business accesses** amount to 16.0M (+6.4% year-over-year) after showing a positive net adds of +313k customers in the first half of 2019. Contract accesses increased 4.2% year-over-year with a positive net adds of +62k accesses (+96k in 1S), positive net portability for sixth consecutive quarter and adds growing at+6% year-over-year due

1 EBITDA – Earnings Before Interest, Tax, Depreciation and Amortisation.

to the good performance in the new commercial offer (increase in data services, data roaming in 61 countries, new applications and GB transfer from the data franchise). **Prepaid accesses** (+7%) show positive net adds of +217k in the first half of the year and a reduction in churn[2] rate (3.4%, -0.1 p.p. year-over-year), after offers' repositioning. **Accesses with LTE technology** grew by 39% (penetration of 45%; +10 p.p. year-over-year) after increasing population coverage by +3 p.p. year-over-year up to 63%, and smartphones reached a penetration of 46% (+2 p.p. year-over-year). These results are leveraged by the good performance of the commercial activity despite the intense market competitive aggressiveness during the first semester of 2019, with offers including services for the same or lower price. **Fixed business customers** amounted to 3.2M, which decreased by 6.0% compared to the same period of the previous year, after presenting a net loss of −111k customers in the first semester of 2019. Fixed telephony customers are 1,521k, which decreased by 7.0 % (-62k) in the first semester of 2019; 1,170k corresponding to broadband, showing a decrease of 4.8% represented with −34k customers in the first half of 2019, 533k television customers presenting a decrease of 5.4%, represented in −15k customers in the first half of 2019. The Company continues accelerating its strategy of deploying its fiber to the home network, which allows a differential experience, closing June with 788k home passed and reaching 135K customers connected; although this does not yet allow to offset the loss of copper customers. Additionally, we launched our new IPTV[3] service on the same fiber, reaching a 17.6K subscriptions in the first half of 2019. To compensate the loss of fixed customers, loyalty and retention strategies are being executed and we are focus on fiber and IPTV deployment.

II. Consolidated Financial Results

1. Consolidated Financial Statements

Operating income for $2,763 grew a 6.6% year-over-year ($2,592 in 1Q 2018) supported on mobile service revenues and terminals' sales. **Mobile service revenues** of $1,532 showed a +2.9% growth year-over-year, as a result of accesses growth. Likewise, revenues from the sale of terminals increased 11.4% during the first half of 2019 compared to the same period of 2018. **Fixed business revenues of** $1,025 grew +2,9% year-over-year, supported by digital and fiber home services, which partially compensate the decrease in traditional voice, copper and DTH services; the latter, in turn as a result of the focus on IPTV deployment. **Other operating income** amount to $206, growing 92.3% year-over-year, mainly as a result of the sale of non-strategic fixed assets.

Operating costs and expenses for $1,842 increased by 5.1% year-over-year, mainly due to higher expenses associated with the increase in commercial activity, including the cost of selling mobile terminals, higher interconnection expenses associated to higher traffic demand and the impact of the peso depreciation against the dollar on TV content, network equipment and IT expenses mainly.

The **EBITDA** at the end of the period amounted for $921, meaning a growth of 9.7% year-over-year, partially driven by the adoption of IFRS 16 and the sale of real estate assets and towers. The **EBITDA margin** stands at 33.3% (+0,9 p.p. year-over-year) at the end of the period.

2 CHURN Represents the loss index of a company's customers.

3 IPTV, as for "Internet Protocol Television".

The increase in **Depreciation and Amortization Expense** of 7.4% year-over-year, was mainly associated to the adoption of IFRS 16. On the other hand, the **net financial expense** decreased 8.3% year-over-year despite the impact of the IFRS 16 adoption, mainly due to the prepayment of financial obligations with local banks and to better financial conditions agreed in hedging derivative contracts and some financial obligations.

at the end of the period the net loss stood at $47.5, which includes income tax expenses for $93. (1Q 2018 showed a net loss of $31.6).

Capex[4] totaled $287 in the first half of 2019, increasing 25.2% and representing 11% of total revenues in the period. **Operating cash flow** (EBITDA – Capex) grew +3,8% year-over-year.

2. Consolidated Financial Statements

Consolidated total assets of the Group amounted to $13.3Bn at the end of the first half of 2019, showing an increase of 5.0% compared to the end of 2018 and whose most relevant impact corresponds to the recognition of IFRS 16 effects and the revaluation to fair value of land and buildings. Current assets increased by 25.5% and non-current assets by 1.4%. The main short-term asset variations are summarized below.:

i. Short and long-term **financial assets** decreased by $99, mainly due to the exchange rate revaluation of 1.4% compared to the end of 2018, impacting the hedging instruments valuation.
ii. **Prepaid expenses** increased $129 compared to the end of 2018, mainly due to the costs of executing agreements with customers and the cost of equipment installed in the customers' homes for $70MM. Other concepts for $59 were related to radio spectrum, IT licenses and maintenance.
iii. **Assets held for sale.** At the end of June 2019, the Company entered into an agreement on the property located in Morato, which includes, among other aspects, the terms and conditions that will be applicable to *(i)* the transfer of the property through purchase and *(ii)* the subscription of a lease on a portion of the property. Said asset has been reclassified from property, plant and equipment to assets held for sale.
iv. **Inventory** grew at 17% which represents the mobile and fixed equipment to the operation.
v. **Public taxes and administration** grew $131, mainly due to the tax credit recorded into the balance-sheet coming from 2018 income tax, which is awaiting to be offset.

The long-term assets present the following variation compared to the end of December 2018, as follows:

vi. **Rights of use Assets -** With the IFRS 16 entry into force as of January 1, 2019 (Leases), the assets derived from all the lease agreements held by the Group are recognized in the balance-sheet of the financial statements, considering some exceptions. Based on the foregoing, at the end of the first half of 2019, the Group records in the non-current assets line, assets from rights of use for $575, which is amortized during the non-prepayment period of each current agreement.

vii. **Intangible assets** decreased $197 mainly due to the net effect of the amortization during the period for $267 and the acquisition of computer applications for $59.

4 CAPEX - Capital Expenditure.

viii. in relation to the net increase in **debtors and other accounts receivable** of 15.6%, is mainly associated to the real estate assets sale.

ix. **Deferred taxes** mainly decreased by $126 due to the tax credit activation during the period.

Total Consolidated Liabilities amount to $6,628 and reflected a net increase of $531, equivalent to 8.7% compared to the end of 2018 and include the impact of the IFRS 16 recognition. Current and non-current liabilities increased by 7.1% and 9.7%, respectively. The main variations are summarized below:

i. **Total financial debt** increased by 17.7%, equivalent to $630 compared to the end 2018, which includes the recognition of liabilities derived from the lease agreements arise from the entry into force of IFRS 16 which accounted $649 at the end of the first half of 2019. Excluding the effect of the IFRS 16 application, financial obligations also increased as a result of a short-term credit agreement dated in January of 2019.

ii. **Suppliers and accounts payable** decreased by $254 compared to the end of 2018 (-14.9%), mainly due to the payment of obligations and commitments with third parties mainly related to commercial activity and network equipment.

iii. **Provisions and pension liability** decrease by $38 compared to the end of 2018 (-8.5%), mainly explained to the payment of the annual incentive for compliance and performance to employees and the favorable closing of legal processes being held during the period.

The **net consolidated equity** at the end of the first half of 2019 amounts to $6,653 with a net increase of $101 (+1.5%) compared to the end of 2018, mainly due to the fair value revaluation of land and buildings as of June 30, whose impact was +$188, portfolio of derivatives valuation of +$29, the hybrid bond coupon payment for –$68 and the net income of the first half of 2019.

III. Financial Results – Separated

1. Statement of Comprehensive Income

During the first half of 2019, there was an increase in operating income of 7.6%, compared to the same period of the previous year, driven by mobile service revenues and the sale of real estate assets and towers. **Mobile services revenues** amount to $1,532 with a year-over-year growth of 2,9%, as a result of the ARPU stabilization, service tariffs increase in May and June and net accesses growth. Likewise, revenues from the sale of handsets increased by 11.3% during the period. Revenues from fixed business amount to $944 with a year over-year growth of 4.8% boosted by broadband, satellite television and new services revenues. In **other operating income** there is a 92.3% growth (+ $205) year-over-year, mainly due to the sale of non-strategic fixed assets.

Operating costs and expenses grew at 6.5% year-over-year mainly due to higher interconnection expenses associated to increase in traffic demand, expenses associated with intense commercial activity in handsets and the impact of the Colombian peso depreciation against the dollar in content TV, network equipment and IT expenses mainly.

The **EBITDA** at the end of the period amounted for$891, meaning an increase of 9.7% year-over-year, partially driven by the adoption of IFRS 16 and the sale of real estate assets and towers. **EBITDA margin** stands at 33.2% (+0,7 p.p. year-over-year) at the end of the period.

Increase in **Depreciation and Amortization Expense** of 6.7% year-over-year was mainly associated to the amortization of rights of use that are recognized in the financial statements as of January 1. **Net financial expense** decreases 9.0% despite the impact of the adoption of IFRS 16, mainly due to the prepayment of financial obligations with local banks and to better financial conditions agreed in hedging derivative contracts and some financial obligations.

at the end of the period, the net loss stood at $35,6, which includes income tax expenses for $96. (1Q 2018 - net loss of $23.7).

Capex totaled $282 in the first half of 2019,increasing 29.0%, year-over-year. The **Operating Cash Flow** (EBITDA – Capex) grew +2,6%, year-over-year.

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

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

Interim Condensed Consolidated Financial Statements

As of June, 30, 2019, and for the period of six months ended as on June 30, 2019

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Interim Condensed Consolidated Financial Statements

COLOMBIA TELECOMUNICACIONES S.A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2019
(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)

	Notes	At of june 30 of 2019		At of december 31 of 2018	
		(in thousands of US$)(a)	*(in thousands of COP$)*	*(in thousands of US$)(a)*	*(in thousands of COP$)*
Assets					
Current Assets					
Cash and cash equivalents		47.269	151.528.395	38.587	123.696.866
Financial assets measured at fair value	5	26.639	85.395.840	59.798	191.691.761
Debtors and other accounts receivable, net	6	363.787	1.166.181.318	314.620	1.008.569.401
Prepaid expenses	7	67.658	216.887.664	34.828	111.648.316
Contractual asset	8	8.767	28.104.025	9.820	31.480.035
Inventories	9	69.453	222.643.344	59.229	189.869.531
Taxes and public administrations	10	110.835	355.301.000	69.969	224.298.047
Assets held for sale	11	41.978	134.566.415	-	-
Total current assets		**736.386**	**2.360.608.001**	**586.851**	**1.881.253.957**
Non-current assets:					
Financial assets measured at fair value	5	5.641	18.084.511	3.441	11.031.991
Debtors and other accounts receivable, net	6	45.273	145.131.688	49.369	158.261.570
Prepaid expenses	7	54.689	175.314.055	47.298	151.621.057
Contractual asset	8	23	75.012	52	167.739
Assets for rights of use	12	179.262	574.655.646	-	-
Properties, plant and equipment	13	1.518.274	4.867.084.168	1.554.859	4.984.366.349
Investment properties		2.353	7.542.910	2.148	6.886.439
Intangibles	14	604.785	1.938.739.895	666.251	2.135.779.889
Goodwill	2	428.086	1.372.301.565	428.086	1.372.301.565
Deferred taxes	15	568.294	1.821.762.111	607.468	1.947.342.233
Total non-current assets		**3.406.680**	**10.920.691.561**	**3.358.972**	**10.767.758.832**
Total assets		**4.143.066**	**13.281.299.562**	**3.945.823**	**12.649.012.789**
Liabilities					
Current liabilities:					
Financial obligations	16	193.533	620.401.750	108.300	347.175.021
Suppliers and accounts payable	17	404.208	1.295.756.414	478.918	1.535.253.213
Contractual liability	8	25.820	82.769.931	25.063	80.343.993
Taxes and public administrations	10	82.621	264.857.001	32.850	105.306.962
Deferred liabilities	18	13.250	42.476.615	11.584	37.133.703
Provisions and pension liabilities	19	50.246	161.064.658	61.622	197.555.544
Total current liabilities		**769.678**	**2.467.326.369**	**718.337**	**2.302.768.436**
Non-current liabilities:					
Financial obligations	16	1.116.115	3.577.897.467	1.004.740	3.220.864.936
Suppliers and accounts payable	17	49.122	157.468.897	53.776	172.388.215
Contractual liability	8	16.073	51.525.652	17.259	55.325.402
Deferred liabilities	18	4.268	13.680.713	4.639	14.871.074
Provisions and pension liabilities	19	77.189	247.445.648	77.689	249.038.239
Deferred taxes	15	35.088	112.481.576	25.461	81.618.268
Total non-current liabilities		**1.297.855**	**4.160.499.953**	**1.183.564**	**3.794.106.134**
Total liabilities		**2.067.533**	**6.627.826.322**	**1.901.901**	**6.096.874.570**
Total equity, attributable to the parent company	20	**2.073.162**	**6.645.873.230**	**2.041.456**	**6.544.232.913**
Equity attributable to minority interests		**2.371**	**7.600.010**	**2.466**	**7.905.306**
Total liabilities and shareholders' equity		**4.143.066**	**13.281.299.562**	**3.945.823**	**12.649.012.789**

(a) Solely for the convenience of the reader, Colombian pesos amounts at June 30, 2019 and December 31, 2018, have been translated into US dollars at the exchange rate formed in the interbank market on June 30, 2019 of COP$3.205,67 to US$1.00.

Notes 1 to 29 are integral part of the Interim Condensed Consolidated Financial Statements.

COLOMBIA TELECOMUNICACIONES S.A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
AS OF JUNE 30, 2019 AND FOR THE SIX MONTH PERIOD ENDED AS OF JUNE 30, 2019
(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)

		Period ended as of june 30,				Quarter ended as of june 30,			
	Notes	2019		2018		2019		2018	
		(in thousands of US$)(a)	(in thousands of COP$)	(in thousands of US$)(a)	(in thousands of COP$)	(in thousands of US$)(a)	(in thousands of COP$)	(in thousands of US$)(a)	(in thousands of COP$)
Operating income:									
Revenue from contracts with customers and other services	21	861.991	2.763.257.981	808.691	2.592.396.547	443.296	1.421.061.092	404.612	1.297.051.376
Costs and operating expenses	22	(574.627)	(1.842.063.924)	(546.679)	(1.752.472.611)	(298.601)	(957.216.290)	(277.141)	(888.424.188)
Operating result before depreciation and amortization		**287.364**	**921.194.057**	**262.012**	**839.923.936**	**144.695**	**463.844.802**	**127.471**	**408.627.188**
Depreciation and amortization	23	(228.270)	(731.757.876)	(212.478)	(681.134.510)	(114.338)	(366.528.998)	(98.295)	(315.102.764)
Operational result		**59.094**	**189.436.181**	**49.534**	**158.789.426**	**30.357**	**97.315.804**	**29.176**	**93.524.424**
Financial expense, net	24	(44.875)	(143.854.639)	(48.913)	(156.797.389)	(23.659)	(75.844.441)	(25.549)	(81.903.016)
Income before taxes		**14.219**	**45.581.542**	**621**	**1.992.037**	**6.698**	**21.471.363**	**3.627**	**11.621.408**
Income tax and complementary	25	(29.021)	(93.032.658)	(10.469)	(33.561.621)	(18.466)	(59.195.216)	(9.687)	(31.052.414)
Net income for the period attributed to minority interests		-	-	376	1.204.631	-	-	376	1.204.631
Net loss of the period		**(14.802)**	**(47.451.116)**	**(9.472)**	**(30.364.953)**	**(11.768)**	**(37.723.853)**	**(5.684)**	**(18.226.375)**
Loss attributable to:									
Controlling participations		(14.284)	(45.789.419)	(9.848)	(31.569.584)	(11.321)	(36.292.908)	(6.343)	(20.332.825)
Minority shareholders		(518)	(1.661.697)	376	1.204.631	(446)	(1.430.945)	657	2.106.450
Net profit of the period		**(14.802)**	**(47.451.116)**	**(9.472)**	**(30.364.953)**	**(11.767)**	**(37.723.853)**	**(5.686)**	**(18.226.375)**
(Loss) benefit in other comprehensive income:									
Items that are classified to the income statement:									
Valuation of hedging derivative instruments		8.914	28.573.748	(24.316)	(77.950.632)	8.334	26.715.748	13.929	44.651.199
		8.914	**28.573.748**	**(24.316)**	**(77.950.632)**	**8.334**	**26.715.748**	**13.929**	**44.651.199**
Items that are not reclassified to the income statement:									
Revaluation of real estate, net of taxes		56.129	179.929.542	(8.366)	(26.817.056)	56.129	179.929.542	(8.366)	(26.817.056)
Actuarial earnigns		2.626	8.418.706	1.525	4.887.209	2.626	8.418.706	1.525	4.887.209
Benefit (Loss) in other comprehensive income		**67.669**	**216.921.996**	**(31.157)**	**(99.880.479)**	**67.089**	**215.063.996**	**7.088**	**22.721.352**
Comprehensive loss of the period		**52.867**	**169.470.880**	**(40.629)**	**(130.245.432)**	**55.321**	**177.340.143**	**1.404**	**4.494.977**
Loss in other comprehensive income attributable to:									
Controlling participations		52.961	169.776.176	(31.237)	(100.141.244)	55.194	176.934.248	7.009	22.460.587
Minority shareholders		(95)	(305.296)	81	260.765	127	405.895	81	260.765
Comprehensive loss of the period		**52.866**	**169.470.880**	**(31.156)**	**(99.880.479)**	**55.321**	**177.340.143**	**7.090**	**22.721.352**

(a) Solely for the convenience of the reader, Colombian pesos amounts at June 30, 2019 and June 30, 2018, have been translated into US dollars at the exchange rate formed in the interbank market on June 30, 2019 of COP$3.205,67 to US$1.00.

Notes 1 to 29 are integral part of the Interim Condensed Consolidated Financial Statements.

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COLOMBIA TELECOMUNICACIONES S.A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF JUNE 30, 2019 AND FOR THE SIX MONTH PERIOD ENDED AS OF JUNE 30, 2019
(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)

	Subscribed and paid capital	Issue premium	Reserves	Other equity instruments	Revaluation surplus and hedges derivatives	Actuarial results in obligations for post-employment benefits	Accumulated results	Total	Share of minority shareholders	Total equity
						(US$000)(a)				
Balances as of December 31, 2017	**1.064**	**3.064.065**	**15.843**	**394.005**	**187.047**	**615**	**(1.667.636)**	**1.995.003**	**2.911**	**1.997.914**
Adjustment for the adoption of IFRS 9 and IFRS 15	-	-	-	-	-	-	(18.402)	**(18.402)**	73	**(18.329)**
Balances as of January 1, 2018	**1.064**	**3.064.065**	**15.843**	**394.005**	**187.047**	**615**	**(1.686.038)**	**1.976.601**	**2.984**	**1.979.585**
Coupon of perpetual equity instruments (Note 20)	-	-	-	-	-	-	(18.429)	**(18.429)**	-	**(18.429)**
Transfers	-	-	-	- -	8.366	-	8.366	**-**	-	**-**
Consolidation effect	-	-	(3.291)	-	-	-	-	**(3.291)**	-	**(3.291)**
Net income of the period	-	-	-	-	-	-	(9.848)	**(9.848)**	376	**(9.472)**
Minority shareholders	-	-	-	-	-	-	-	**-**	(1.210)	**(1.210)**
Other comprehensive income	-	-	-	-	(24.316)	1.525	-	**(22.791)**	(81)	**(22.872)**
Balances as of June 30, 2018	**1.064**	**3.064.065**	**12.552**	**394.005**	**154.365**	**2.140**	**(1.705.949)**	**1.922.242**	**2.069**	**1.924.311**
Balances as of December 31, 2018	**1.064**	**3.064.065**	**7.900**	**394.005**	**140.890**	**(3.906)**	**(1.562.562)**	**2.041.456**	**2.466**	**2.043.922**
Coupon of perpetual equity instruments (Note 20)	-	-	-	-	-	-	(21.152)	**(21.152)**	-	**(21.152)**
Transfers (Note 2)	-	-	-	-	(4.542)	-	4.542	**-**	-	**-**
Consolidation effect	-	-	(102)	-	-	-	-	**(102)**	-	**(102)**
Net income of the period	-	-	-	-	-	-	(14.284)	**(14.284)**	(518)	**(14.802)**
Other comprehensive income	-	-	-	-	67.245	-	-	**67.245**	423	**67.668**
Balances as of June 30, 2019	**1.064**	**3.064.065**	**7.798**	**394.005**	**203.593**	**(3.906)**	**(1.593.456)**	**2.073.163**	**2.371**	**2.075.534**

(a) Solely for the convenience of the reader, Colombian pesos amounts at June 30, 2019 and June 30, 2018, have been translated into US dollars at the exchange rate formed in the interbank market on June 30, 2019 of COP$3.205,67 to US$1.00

Notes 1 to 29 are integral part of the Interim Condensed Consolidated Financial Statements.

COLOMBIA TELECOMUNICACIONES S.A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS OF JUNE 30, 2019 AND FOR THE SIX MONTH PERIOD ENDED AS OF JUNE 30, 2019
(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)

	Subscribed and paid capital	Issue premium	Reserves	Other equity instruments	Superavit por revaluación y derivados de cobertura	Actuarial results in obligations for post-employment benefits	Accumulated results	Total	Share of minority shareholders	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**
Adjustment for the adoption of IFRS 9 and IFRS 15	-	-	-	-	-	-	(58.989.495)	**(58.989.495)**	233.511	**(58.755.984)**
Balances as of January 1, 2018	**3.410.059**	**9.822.380.645**	**50.787.793**	**1.263.049.667**	**599.612.227**	**1.972.731**	**(5.404.881.202)**	**6.336.331.920**	**9.565.079**	**6.345.896.999**
Coupon of perpetual equity instruments (Note 20)	-	-	-	-	-	-	(59.075.850)	**(59.075.850)**	-	**(59.075.850)**
Transfers	-	-	-	-	(26.817.056)		26.817.056	**-**	-	**-**
Consolidation effect	-	-	(10.550.663)	-	-	-	-	**(10.550.663)**	-	**(10.550.663)**
Net income of the period	-	-	-	-	-	-	(31.569.584)	**(31.569.584)**	1.204.631	**(30.364.953)**
Minority shareholders	-	-	-	-	-	-	-	**-**	(3.878.447)	**(3.878.447)**
Other comprehensive income	-	-	-	-	(77.950.632)	4.887.209	-	**(73.063.423)**	(260.765)	**(73.324.188)**
Balances as of June 30, 2018	**3.410.059**	**9.822.380.645**	**40.237.130**	**1.263.049.667**	**494.844.539**	**6.859.940**	**(5.468.709.580)**	**6.162.072.400**	**6.630.498**	**6.168.702.898**
Balances as of December 31, 2018	**3.410.059**	**9.822.380.645**	**25.325.208**	**1.263.049.667**	**451.647.002**	**(12.522.435)**	**(5.009.057.233)**	**6.544.232.913**	**7.905.306**	**6.552.138.219**
Coupon of perpetual equity instruments (Note 20)	-	-	-	-	-	-	(67.807.475)	**(67.807.475)**	-	**(67.807.475)**
Transfers (Note 2)	-	-	-	-	(14.560.885)	-	14.560.885	**-**	-	**-**
Consolidation effect	-	-	(328.384)	-	-	-	-	**(328.384)**	-	**(328.384)**
Net income of the period	-	-	-	-	-	-	(45.789.419)	**(45.789.419)**	(1.661.697)	**(47.451.116)**
Other comprehensive income	-	-	-	-	215.565.595	-	-	**215.565.595**	1.356.401	**216.921.996**
Balances as of June 30, 2019	**3.410.059**	**9.822.380.645**	**24.996.824**	**1.263.049.667**	**652.651.712**	**(12.522.435)**	**(5.108.093.242)**	**6.645.873.230**	**7.600.010**	**6.653.473.240**

Notes 1 to 29 are integral part of the Interim Condensed Consolidated Financial Statements.

COLOMBIA TELECOMUNICACIONES S.A. E.S.P. AND SUBSIDIARY COMPANIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2019 AND FOR THE SIX MONTH PERIOD ENDED AS OF JUNE 30, 2019
(Figures expressed in thousands of Colombian pesos, unless otherwise indicated)

	Period ended as of june 30,			
	2019		2018	
	(in thousands of US$)(a)	*(in thousands of COP$)*	*(in thousands of US$)(a)*	*(in thousands of COP$)*
Net cash flows from operating activities				
Cash received from customers	899.011	2.881.931.707	875.879	2.807.777.663
Cash paid to suppliers and other accounts payable	(730.308)	(2.341.126.766)	(646.449)	(2.072.301.596)
Net interest paid and other financial expenses	(39.271)	(125.888.690)	(58.723)	(188.247.686)
Direct taxes paid	(28.577)	(91.608.508)	(16.570)	(53.116.634)
Self-withholding tax on income	(7.275)	(23.320.915)	(26.943)	(86.369.620)
Interest paid for financial leases	(2.695)	(8.639.556)	-	-
Net cash provided by operating activities	**90.885**	**291.347.272**	**127.194**	**407.742.127**
Net cash flows used in investment activities				
Collections for the sale of movable and immovable property	53.164	170.426.594	12.356	39.609.375
Payment in advance for purchase of shares	(4.671)	(14.973.984)	-	-
Payments for investments in plant and equipment and intangibles	(125.479)	(402.242.790)	(180.936)	(580.022.254)
Net cash used for investment activities	**(76.986)**	**(246.790.180)**	**(168.580)**	**(540.412.879)**
Net cash flows (used in) provided in financing activities				
New financial debt	102.529	328.672.804	63.928	204.930.841
Collections (payments) for exchange rate hedging	22.444	71.947.791	(20.316)	(65.125.407)
Payment financial debt	(238.619)	(764.935.039)	(52.650)	(168.777.321)
Bonds emission	155.974	500.000.000	-	-
Payment coupon perpetual equity instruments	(21.152)	(67.807.475)	(18.429)	(59.075.850)
Financial lease payments	(26.392)	(84.603.644)	-	-
Net cash (used in) provided by financing activities	**(5.216)**	**(16.725.563)**	**(27.467)**	**(88.047.737)**
Net increase (decrease) of cash and cash equivalents	**8.683**	**27.831.529**	**(68.853)**	**(220.718.489)**
Cash and cash equivalents as of January 1	38.587	123.696.866	98.691	316.372.212
Cash and cash equivalents as of June 30	**47.270**	**151.528.395**	**29.838**	**95.653.723**
Cash and cash equivalents as of January 1	**38.587**	**123.696.866**	**98.691**	**316.372.212**
Cash, cash and banks	31.193	99.993.521	66.888	214.421.755
Temporary investments	7.394	23.703.345	31.803	101.950.457
Cash and cash equivalents as of June 30	**47.268**	**151.528.395**	**29.841**	**95.653.723**
Cash, cash and banks	32.405	103.881.117	5.044	16.162.906
Temporary investments	14.863	47.647.278	24.797	79.490.817

(a) Solely for the convenience of the reader, Colombian pesos amounts at June 30, 2019 and June 30, 2018, have been translated into US dollars at the exchange rate formed in the interbank market on June 30, 2019 of COP$3.205,67 to US$1.00

Notes 1 to 29 are integral part of the Interim Condensed Consolidated Financial Statements.

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 a utility service provider (E.S.P., for its Spanish acronym).

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 services, satellite services in their various types, television services in every type, including cable television, internet and broad band services, broadcasting services, wireless technologies, 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. E.S.P.

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 position in the local and international capital markets, and (i) the permanent registration of Colombia Telecomunicaciones S.A. E.S.P. 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, were approved.

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

On April 30, 2018, the Company requested the permanent registration of Colombia Telecomunicaciones S.A. E.S.P. and its shares in the National Securities and Issuers Registry (RNVE, for its Spanish acronym) 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 – RNVE, since May 23, 2018, the Company is subject to the control of the Financial Superintendence of Colombia and therefore, shall comply with the provisions in Title Fourth Articles 5.2.4.1.1 and subsequent 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. E.S.P., 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 ordinary shares of Colombia Telecomunicaciones

S.A. E.S.P 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.

Pursuant to Decree 1215 of July 2018, the first stage of the program to transfer the ordinary shares that the Nation – Ministry of Finance and Public Credit has directly in Colombia Telecomunicaciones S.A. E.S.P. equivalent to 32,5% of the total subscribed shares, was carried out in 2018. In the first stage, a public offering of all the shares was made to the recipients of special conditions provided in articles 3 of Law 226 of 1995 and 16 of Law 789 of 2002. This stage was declared deserted in the bulletin No. 242 of the BVC on October 3, 2018.

The validity of the Alienation Program of the Nation 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.

Common Shares Disposal Program that the Metropolitan Area of Barranquilla has in Metrotel S.A. E.S.P.

Through Metropolitan Agreement No. 005-18 dated as of September 19, 2018, the Metropolitan Board authorized the Director of the Barranquilla Metropolitan Area to sell 512.098.849 shares that it owns in the company Metrotel S.A. E.S.P., equivalent to 10,20% of the subscribed and paid capital of said company.

In development of the Common Stock Disposal Program of Metrotel and pursuant to its Regulations, through Resolution No. 116-19 of April 30, 2019, 1.041.371 common shares of Metrotel S.A. E.S.P. were awarded during the first stage to recipients of special conditions and through Resolution No. 172 of June 28, 2019, 511,057,478 common shares of Metrotel S.A. E.S.P. for a value of USD$4.671 (COP$14.973.984), were awarded during the second phase of the disposal program to Colombia Telecomunicaciones S.A. E.S.P., which were paid by the Companies pursuant to the provisions of the alienation regulations; that is, a first payment on June 14, 2019, for the amount of USD$2.457 (COP$7.875.449) and a second payment on June 27, 2019, for the amount of USD$2.214 (COP$7.098.535) for the remaining shares (Note 28).

Integration of Subsidiary Companies

With the advance payment of the operating agreement with the Parapat in 2017 and the transfer to the Company of the shares that it had in Empresa Metropolitana de Telecomunicaciones S.A. E.S.P. and Empresa de Telecomunicaciones de Bucaramanga S.A. E.S.P. – the Subsidiary Companies, since the fourth quarter of 2017, Colombia Telecomunicaciones has achieved with the Subsidiary Companies: (i) operational integration without affecting the service; (ii) integral management of processes, (iii) unification of the brand and the offer and (iv) important synergies.

The next estimated step is legal integration. For this, in the Board of Directors No. 128 of June 12, 2019, the Company's Management proposed to carry out a merger by acquisition through which Colombia Telecomunicaciones S.A. E.S.P. will acquire Empresa Metropolitana de Telecomunicaciones S.A. E.S.P. and Empresa de Telecomunicaciones de Bucaramanga S.A. E.S.P. The Board of Directors decided:

- Propose to the Company’s General Assembly of Shareholders for its consideration and subsequent approval, the merger through which the Company will acquire the Empresa Metropolitana de Telecomunicaciones S.A. E.S.P. and Empresa de Telecomunicaciones de Bucaramanga S.A. E.S.P., after the completion of independent valuation processes and of preparation of special purpose financial statements, as well as compliance with the legal and corporate provisions that may take place.

- Order the administration to carry out all actions required to set up the meeting of the Shareholders Assembly, as well as all those acts aimed to develop the merger.

Issuance of Ordinary Bonds

The Shareholders' Meeting held in March 1 and 28, 2019, authorized the issuance of Ordinary Bonds for up to five hundred billion Pesos (COP$500,000,000,000) equivalent to USD$155.973.634 and delegated the approval of the Issuance and Placement Regulations to the Company’s Board of Directors.

The Company’s Board of Directors, in a meeting held on April 5, 2019, approved the regulations for the issuance and allocation of bonds and the registration of the issuance in the National Registry of Securities and Issuers in the Colombian Stock Exchange (BVC, for its abbreviation in Spanish).

Pursuant to the authorization, on May 29, 2019, the Company issued an ordinary bond in the local capital markets, allocating 100% of the issuance total value, COP$500 billion in two tranches, at 5 years in fixed rate and 10 years indexed to CPI, with a proportion of 70% and 30%, respectively.

As a result of the issuance, the objectives of extending the average life of the debt, achieving competitive financing rates lower than the debt subject to be replaced, diversifying sources of funding and starting to build a long-term relationship with the local capital markets, were achieved.

2. PRESENTATION BASIS AND MAIN ACCOUNTING POLICIES

2.1. Applied Professional Accounting Standards

2.1.1. Presentation Basis of Consolidated Financial Statements

The Telefonica Colombia Group prepares its Interim Condensed Consolidated Financial Statements in accordance with the Accounting and Financial Information Standards accepted in Colombia (hereinafter “NCIF”, 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 and compiled by Decree 2483 of 2018. These accounting and financial reporting standards are based on the International Financial Reporting Standards – IFRS – (“NIIF” for its abbreviation in Spanish) translated in an official manner and authorized by the International Accounting Standards Board – IASB – 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.

The comparison of the Interim Condensed Consolidated Financial Statements refers to the six-month period ended as of June 30, 2019 and 2018, except for the Interim Condensed Consolidated Financial Statement of Financial Position that compares June 30, 2019 with December 31, 2018.

2.1.2. Consolidated Financial Statements

The Group prepares its Interim Condensed Consolidated Financial Statements that include the Group's information as a single company through the global integration methodology, adding assets, liabilities and the operations carried out during the period, excluding those transactions carried out between the Company and its subordinates. By its bylaws, the Group perform the accounting process in annual basis and prepares the Consolidated Financial Statements every year. The Group prepared the Consolidated Financial Statements as of the end of the fiscal year 2017.

Under the above, the consolidation of the subsidiary companies takes place considering the ownership interest as indicated below, of Colombia Telecomunicaciones S.A. E.S.P. as majority shareholder as of June 30, 2019:

Company	Country / City	% shareholding
Empresa de Telecomunicaciones de Bucaramanga S.A. ESP	Colombia / Bucaramanga	94,48
Metropolitana de Telecomunicaciones S.A. ESP	Colombia / Barranquilla	87,45
Operaciónes Tecnológicas y Comerciales S.A.S.	Colombia / Barranquilla	90,26

These Companies are consolidated as of the date on which Colombia Telecomunicaciones S.A. E.S.P. obtains control and will continue to be consolidated until the date on which such control ceases and/or becomes available. For each of them, separate financial statements are prepared for the same reporting period as that of Colombia Telecomunicaciones S.A. E.S.P., applying uniform accounting policies. All unrealized balances, transactions, gains and losses arising from the transactions between the Group entities are completely eliminated.

Empresa de Telecomunicaciones de Bucaramanga S.A. E.S.P.

Financial information is as follows:

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Financial information:				
Total assets	124.932	400.490.402	126.095	404.219.741
Total liabilities	83.647	268.141.732	90.879	291.326.125
Total equity	41.286	132.348.670	35.217	112.893.616
Result of the period	(169)	(542.372)	(8.211)	(26.321.102)

Metropolitana de Telecomunicaciones S.A. E.S.P.

Financial information is as follows:

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Financial information:				
Total assets	89.993	288.489.247	92.226	295.647.361
Total liabilities	83.056	266.247.348	86.525	277.369.599
Total equity	6.938	22.241.899	5.702	18.277.762
Result of the period	(2.126)	(6.814.758)	(6.101)	(19.556.471)

Operaciones Tecnológicas y Comerciales S.A.S.

Financial information is as follows:

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Financial information:				
Total assets	5.214	16.715.664	4.579	14.677.197
Total liabilities	4.796	15.373.062	4.045	12.966.457
Total equity	419	1.342.602	534	1.710.740
Result of the period	(115)	(368.137)	28	90.763

2.2. Measurement basis

The Interim Condensed Consolidated Financial Statements as of June 30 and for the six-month period ended as of June 30, 2019, 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, 2018. 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 preparing these interim condensed consolidated financial statements, the significant judgments in applying the accounting policies were the same as those applied to the financial statements for the year ended as of December 31, 2018, except as indicated in Note 4 – Accounting Changes for the adoption of new standards of these interim condensed consolidated financial statements. The interim condensed consolidated financial statements have been prepared on the basis of the historical cost model except for land and buildings and derivative financial instruments that have been measured at fair value. The book value of assets and liabilities recognized and designated as hedged items in fair value hedging relationships that would otherwise have been accounted for at amortized cost, have been adjusted to record changes in fair values attributable to risks that are covered in the respective effective hedging relationships.

2.3. Functional and presentation currency

The items included in the Interim Condensed Consolidated Financial Statements are expressed in the currency in which the Group operates (functional currency). The Financial Statements are presented in Colombian pesos, which is the functional currency and the presentation of the Group's financial information.

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

The preparation of Financial Statements pursuant to the NCIF requires the use of certain critical accounting estimates. Based on the foregoing, the Administration makes estimates and assumptions that could affect the values of income, costs and expenses, assets and liabilities reported at the date of the Financial Statements, including the related disclosures. Even when they may differ from their final effect, the Administration considers that the estimates and assumptions that were used were suitable under each circumstance.

The estimates and judgments used are continuously evaluated and are based on historical experience and other factors, including the expectation of occurrence of future events that are considered reasonable according to the circumstances.

The following is a summary of the main accounting estimates and judgments made by the Group in the preparation of the financial statements:

- Impairment of non-monetary assets

The Group annually assesses whether its property, plant and equipment and intangible assets have suffered impairment pursuant to the policy indicated in Note 2.10.6. The Group has not identified events or changes in economic circumstances that provide evidence that the book value of the assets is not recoverable.

- Useful lives of property, plant and equipment

The determination of the economic useful life of properties, plant and equipment is subject to the estimation of the Group's management regarding the assets' level of use, as well as the expected technological evolution. The Group reviews its depreciation rates at the end of each year to consider any changes in the level of use, technological framework and its future development, which are difficult events to foresee and, if applicable, are prospectively adjusted.

- Provisions

The Group estimates the amounts to be settled in the future, including the corresponding contractual obligations, pending litigation or other liabilities.

These estimates are subject to interpretations of current events and circumstances, future projections and estimates of the financial effects of such events.

- Taxes

The Group is subject to Colombian tax regulations. Significant judgments are required in the determination of provisions for taxes. There are transactions and calculations for which the determination of taxes is uncertain during the ordinary course of operations. The Group evaluates the recognition of liabilities for discrepancies that may arise with tax authorities based on estimates of additional taxes that must be paid. The amounts provisioned for the payment of income tax are estimated by the administration on the basis of their interpretation of current tax regulations.

The Group evaluates the recoverability of deferred tax assets based on estimates of future tax results and the ability to generate sufficient results during the periods in which such deferred taxes are deductible. Deferred tax liabilities are recorded based on estimates made of net assets that will not be tax deductible in the future.

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. However, the Group adequately oversees to mitigate such impacts.

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 in foreign currency are considered 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 June 30, 2019, are consistent with those published in the financial statements as of December 31, 2018.

2.8. Interim Condensed Consolidated Statement of 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

Both cash funds and bank deposits are considered cash of free availability.

Cash equivalents are considered short-term investments of high liquidity and free availability that, without prior notice or relevant cost, can easily be converted into a certain amount of known cash with a high degree of certainty at the time of availability, are subject to a significant little risk of changes in value, with maturities up to three months, after the date of the respective impositions, and whose main destination is not investment or similar, but the payment of short-term commitments. Advances in bank current accounts are loans that accrue interest, are repayable on demand, and are part of the Group's treasury management, so they are also assimilated to cash equivalents.

For purposes of the Financial Statements, cash and cash equivalents are presented net of bank overdrafts, if any

2.10.2. Properties, Plant and Equipment

The elements of properties, plant and equipment are valued at their acquisition cost and decreased by accumulated depreciation and by losses due to their value impairment, if any, except for land and buildings that are recognized at revalued cost. Land is not depreciated.

Acquisition cost includes the external costs plus the internal costs arisen from the consumption of warehouse materials, direct labor costs used in the installation and an allocation of indirect costs that are required to carry out the investment. Acquisition cost includes the estimation of the costs associated with the dismantling or removal of the item and the rehabilitation of its location, only when they constitute contractual obligations incurred as a result of the construction or acquisition of the item.

The costs of expansion, modernization or improvement, which represent an increase in productivity, capacity or efficiency, or an extension of the useful life of the goods, are capitalized as a higher cost when they meet the recognition requirements, only when they are likely to generate future economic benefits for the Group and the cost of these assets can be fairly valued.

The cost of property, plant and equipment includes the transfer from the Other Comprehensive Income of any gain or loss arising from the cash flow hedges used for purchases in foreign currency.

The results from the sale of assets correspond to the difference between the income of the transaction and the book value thereof. These income and expense differences are included in the Income Statement.

For significant components of property, plant and equipment that must be replaced periodically, the Group records the withdrawal of the replaced component and recognizes the new component with its corresponding useful life and depreciation. Likewise, when an inspection is carried out, the cost of the inspection is recognized as the replacement to the extent that the requirements for its recognition as an asset are met. All other routine repair and maintenance costs are recognized as an expense in the Income Statement as they are incurred.

The Group depreciates its properties, plant and equipment from the moment they are in conditions of use, linearly distributing the cost of the assets between the years of useful life, as follows:

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

Description	Minimum Useful Life (Years)	Maximum Useful Life (Years)
Constructions	10	40
Technical facilities, machinery and others	2	20
Furniture	10	10
Information processing equipment	4	5
Transportation equipment	7	7

Methods and amortization periods applied are reviewed at the end of each fiscal year and, if applicable, are adjusted prospectively.

2.10.3. Contractual Asset and Liability

IFRS 15 establishes a global framework for determining when to recognize income from ordinary activities and for what amount, and in this determination, impacts that originate a contractual asset or liability are generated.

The Group presents the contract with the customer in the statement of financial position as a contractual asset or a contractual liability, depending on the relationship between the transfer of the Group's goods and/or services and the customer's payment.

If the Group makes the transfer of goods and/or services to the customer before the customer pays the consideration or before the payment is due, the Group presents the contract with the customer as a contractual asset, excluding from this item the amounts presented as accounts receivable.

A contractual asset is the Group's right to consideration in exchange for the goods or services that the Group has transferred to the customer. The Group will evaluate a contractual asset for impairment in accordance with IFRS 9. An impairment of a contractual asset will be measured, presented and disclosed in the same way as a financial asset that is within the scope of IFRS 9.

If a customer pays a consideration or the Group has an unconditional right to receive an amount as consideration (that is, an account receivable) before the Group transfers a good or provides a service to the customer, the Group will present the contract with the customer as a contractual liability, when the payment is made or is enforceable (whichever comes first).

A contractual liability is the obligation that the Group has to transfer goods or services to a customer when the Group has already received a consideration (or that consideration is already required by the customer).

2.10.4. Right of Use Assets

IFRS 16 establishes a global and methodological framework for the recognition of Right of Use assets registered by the Group. The assets from the Right of Use correspond to assets that represent the right for a lessee to use an underlying asset during the time of the lease. They are valued at cost, reduced by accumulated amortization and losses due to impairment, if any, adjusted for any new measurement of the lease liability, made with the purpose of reflecting new measurements or modifications thereof.

The cost of the asset from rights of use corresponds to the value of the initial measurement of the lease liability that is determined as the net present value of future lease payments committed within the minimum term that cannot be paid on the initial recognition date.

The Group depreciates the assets for rights of use by applying the straight-line method according to the minimum non-cancelable period of each current contract, as follows:

Description	Minimum term	Maximum term
Assets for rights of use of land and buildings	1	10
Assets for rights of use of technical facilities	1	10
Assets for rights of use of transportation equipment	1	2

2.10.5. Revaluation of Immovable Property

From the convergence to International Financial Reporting Standards (NCIF, for its abbreviation in Spanish), the Group has carried out the subsequent measurement under the revalued cost policy for land and buildings, taking as fair value the revalued value minus the accumulated depreciation and the accumulated amount of impairment losses.

The revaluation surplus of land and buildings included in equity may be directly transferred to accumulated results, when the asset is written off. At the end of each period, the Group transfers from the surplus reserve to accumulated results to the extent of the use of revalued assets; said transfer is systematic with the recognized depreciation of revalued assets.

Any revaluation increase is recognized in the Other Consolidated Comprehensive Income and is accumulated in the equity in the reserve by revaluation of assets, unless said increase reverses a revaluation decrease of the same asset previously recognized in the Consolidated Income Statement, except if said decrease compensates for an increase in revaluation of the same asset previously recognized in the reserve by the revaluation of assets.

The land and buildings' fair value is valued through the IVS methodology(International Valuation Standars); therefore, the Group made the last valuation as of June 30, 2019, which was prepared by different appraisers that are registered in the Real Estate Market.

The frequency of revaluations depends on changes in the fair values of the land and buildings that are being revalued. When the fair value of the revalued asset differs significantly from its book value, a new revaluation will be necessary, made at least every three years.

At the end of each period, a depreciation is applied to this value based on the remaining useful life corresponding to each asset included in the technical appraisal. In addition to the foregoing, this value is reduced as a result of losses due to accidents, obsolescence and other factors inherent in the asset operation.

The Group has carried out the subsequent measurement under the revalued cost policy for land and buildings, taking as fair value the revalued value minus the accumulated depreciation and the accumulated amount of impairment losses.

The reserve generated by real state revaluation is restricted for distribution to shareholders.

2.10.6. Assets Available for Sale

Non-current assets held for sale correspond to land that the Group has in its current conditions for immediate sale, based on a highly probable sales plan. The value registered is the lower between the net book value and its fair value minus sales costs.

2.10.7. Business Combination and Goodwill

Colombia Telecomunicaciones S.A. E.S.P. recognized the remeasurement of goodwill in its Opening Financial Statements under IFRS 1, from the moment of the acquisition of Compañía Celular de Colombia S.A. – COCELCO S.A., based on IFRS 3. In September 2017, the Company acquired control of the subsidiary companies, Empresa de Telecomunicaciones de Bucaramanga S.A. E.S.P and Metropolitana de Telecomunicaciones S.A. E.S.P., recognizing a new goodwill for the acquisition of control of these subsidiary companies.

Goodwill is initially measured at cost, represented by the excess of the sum of the consideration transferred and the amount recognized for the non-controlling interest, with respect to the net of the identifiable assets acquired and the liabilities assumed. If the consideration is less than the fair value of the net assets acquired, the difference is recognized as a gain at the acquisition date. After initial recognition, goodwill is measured at cost minus any accumulated loss due to impairment, if any.

2.10.8. Impairment of Non-Current Assets

At the end of each reporting period, the presence or absence of impairment indicators is assessed on non-current assets, including goodwill, intangibles and property, plant and equipment. 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 Income Statement. Amortization charges for future periods are adjusted to the new carrying amount over the remaining useful life.

To determine the impairment calculations, the Group uses the strategic plan and financial projections of its sole cash generating unit. This strategic plan generally covers a period of three years. For longer periods, projections based on these strategic plans are applied starting from the third year, applying a constant growth rate. This rate considers separately each element evaluated and the growth included reflects the trend of the same in recent years.

When new events take place, or changes in existing circumstances, which show that an impairment loss recorded in an earlier period may have disappeared or been reduced, a new estimate of the recoverable value of the corresponding asset is made. Previously recorded impairment losses are reversed only if the assumptions used in the calculation of the recoverable value have changed since the most recent impairment loss was recognized. In this case, the book value of the asset is increased to its new recoverable value, with the limit of the net book value that the asset would have had if no impairment losses had been recorded in previous periods.

The reversal is recorded in the Income Statement and the amortization charges for future periods are adjusted to the new carrying amount, unless the asset is accounted for by its revalued value, in which case the reversal is treated similarly to an increase in revaluation. Goodwill impairment losses are not reversed in subsequent periods.

2.10.9. Impairment of the Financial Assets Value

At the end of each reporting period and pursuant to IFRS 9, the Group establishes a model of expected credit losses for the recognition of impairment of financial assets. The expected credit loss model is applied to financial assets that are debt instruments, measured at amortized cost or at fair value with changes in other comprehensive income (includes accounts receivable, contractual assets within the scope of IFRS 15, contracts with customers, customers pending billing and other debtors).

The estimation of the expected losses of financial assets is based on the simplified model, supported by an "estimated uncollectible rate" approach to estimate the expected credit loss for the entire life of the asset.

The application of the simplified model is developed through provision matrices, which are constructed from historical default rates over the expected life of trade receivable and through: i) appropriate groupings of trade accounts over the basis of shared credit risk characteristics, ii) historical of representative collection harvests and iii) time horizon in accordance with the collection management policy for each type of account.

For accounts receivable in installments to customers, such as the case of financed sales of terminals or other types of equipment, the policy is based on the historical uncollectibility ratios to predict customers behavior throughout their entire life of the contract; that is, at the expiration of each monthly installment, allows estimating, approximately, the debt percentage that will be finally pending payment (expected loss), for its registration at the initial moment.

The carrying amount of the asset is reduced through the recognition of the provision for impairment loss and the result of the period as a gain or loss due to impairment of the amount of expected credit losses (or reversal) in which it is required that the value correction for losses on the presentation date is adjusted.

2.10.10. Liabilities for Financial Leasing

As defined in IFRS 16, the lease liability will initially be measured based on the present value of the lease payments to be made over the contract term. On the start date, lease payments included in the measurement of the lease liability include the following payments for the right to use the underlying asset during the lease term that is not paid on the start date:

- Fixed payments, including essentially fixed payments, minus any lease incentive receivable;
- Variable lease payments, which depend on an index or a rate, initially measured using the index or rate on the start date;
- Amounts that the lessee expects to pay as residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably sure to exercise that option; and,
- Penalty payments for terminating the lease, if the lease term reflects that the lessee will exercise an option to terminate the lease.

Lease payments will be discounted using the interest rate implicit in the lease.
The lessee's incremental borrowing rate will be the interest rate that the lessee would have to pay to borrow the necessary funds to obtain an asset of a similar value to the right of use asset, for a similar term. The incremental borrowing rate will be based on the interest curves available in Telefónica Group by calculating the implicit rate of the lease conditions.

2.10.11. 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 Income Statement, except when dealing with items that are recognized directly in the equity; in this case, the tax is also recognized in the equity.

The income tax expense for each year includes both current tax and deferred taxes, if applicable.

2.10.11.1. Current Income Tax

Assets and liabilities for current income taxes are calculated on the basis of the tax laws promulgated or substantially enacted as of the date of the Statement of Financial Position. The Administration periodically evaluates the positions assumed in the submitted tax returns in relation to situations in which the tax laws are subject to interpretation. When appropriate, provisions are made on the amounts that are expected to be paid to the tax authorities.

The book value of assets and liabilities relating to the current tax of the current period and of previous periods represents the value that is estimated to be recovered from, or paid to, the tax authorities. The tax rates and fiscal regulations used in the calculation of these amounts are those that are in force at the closing date, including the income tax rate.

2.10.11.2. Taxes on Deferred Income

The amount of deferred taxes is obtained from the analysis of the Statement of Financial Position considering the temporary differences, which are reversed in time, between the tax value of assets and liabilities and their respective book values.

Deferred tax assets are recognized to the extent that temporary differences are likely to be recovered in the future, the book value of unused tax credits and unused tax losses can be used, except if the deferred tax liability arises from the initial recognition of Goodwill or of an asset or a liability arising from a transaction that is not a business combination and at the time of the transaction did not affect the accounting profit or the tax profit (loss).

Deferred tax liabilities are recognized in all cases of taxable temporary differences associated with investments in subsidiaries, branches and associates, or with interests in joint agreements, unless the following two conditions are jointly produced:

- The holding company, investor, participant in a joint venture or joint operator is able to control the timing of the reversal of the temporary difference; and

- It is likely that the temporary difference does not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is an enforceable right to offset assets and liabilities for current taxes, and when deferred tax assets and liabilities are derived from income taxes corresponding to the same tax authority and fall on the same entity or taxpayer, or in different entities or taxpayers, but the Group intends to liquidate the current tax assets and liabilities for their net amount, or, simultaneously, carry out its tax assets and liabilities.

The main temporary differences arise from differences between the tax and accounting values of property, plant and equipment, intangible assets, estimated liabilities and provisions, portfolio impairment, deferred income, hedges valuation, as well as differences between the fair value of the net assets acquired from an entity and its tax values.

Deferred tax assets and liabilities are not discounted at their current value and are classified as non-current asset, regardless of the date of reversal. At each end of period the accounting value of the assets for deferred taxes recorded is analyzed, and the necessary adjustments are made to the extent that there are doubts about its future recoverability. Likewise, deferred tax assets not recorded in the Statement of Financial Position are evaluated at each end of period and these are recognized as they are likely to be recovered with future tax benefits.

Deferred income tax is determined using the tax rates that have been enacted as of the date of the Statement of Financial Position and that are expected to be applicable when the deferred income tax asset is realized, or the deferred tax liability is paid.

Current and deferred taxes are recorded directly against equity if the tax refers to items that are charged or paid directly against the equity.

2.10.12. Income Recognition

Income is recorded in the Income Statement based on the accrued criteria; that is, when the actual receipt or delivery of the goods occurs and for the provision of services, identifying the compliance obligations that are met “at a given time" and those that are met "in time", depending on when the control of goods or services passes to the customer, assigning the transaction price in the different compliance obligations identified in the contract and regardless of when cash reception or delivery occurs.

IFRS 15 Revenue from ordinary activities from Contracts with Customers establishes the criteria for income recognition from contracts with customers. In addition, the new standard allows the adoption of certain practical solutions to reduce the complexity in the application of the new criteria. The main practical solutions applied by the Group are:

- Completed contracts: The Group does not apply retrospectively new criteria to those contracts that were completed before January 1, 2018.

- Contract grouping: The Group applies the requirements of the standard to groups of contracts with similar characteristics (massive customer, where a standard offer is marketed); for contracts with corporate customers all those obligations transferred and agreed through the non-standard offer are identified

Income from Government Grants

Government grants are recognized when there is reasonable certainty that these will be received and that all conditions attached to them will be met. When the grant relates to an expenditure item, it is recognized as income on a systematic basis throughout the periods in which the Group recognizes the costs to be compensated by the grant. When the grant relates to an asset, it is accounted for as a deferred income and is recognized in income on a systematic basis throughout the estimated useful life of the corresponding asset.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS INCORPORATED TO THE ACCOUNTING FRAMEWORK ACCEPTED IN COLOMBIA, WHOSE APPLICATION SHOULD BE ASSESSED BEYOND JANUARY 1, 2020, OR THAT IN SOME CASES COULD BE ANTICIPATEDLY APPLIED

Decree 2483 of 2018 compiled and updated the technical frameworks of the Accounting and Financial Information Standards Accepted in Colombia, which had been incorporated by Decrees 2420 and 2496 of 2015, 2131 of 2016 and 2170 of 2017, including a new standard issued by the International Accounting Standards Board (IASB), to be applied since January 1st, 2020, although its application could be carried out in advance.

Except as described below, the accounting policies and estimates applied in these interim condensed consolidated financial statements are the same as those used in the Group's financial statements for and for the year ended as of December 31, 2018. Changes in the accounting policies will be reflected in the interim condensed consolidated financial statements of the Group for the six-month period ending as of June 30, 2019

IFRS 17 Insurance Agreements

IFRS 17 Insurance Agreements establishes principles for the recognition, measurement, presentation and disclosure of issued insurance contracts. It also requires similar principles to apply to maintained reinsurance contracts and to investment contracts issued with discretionary participation features. The objective is to ensure that entities provide relevant information in a way that truly represents those contracts to assess the effect that contracts within the scope of IFRS 17 have on an entity’s financial position, financial performance and cash flows.

IFRS 17 will be applied to annual periods beginning on or after January 1, 2021. Its early application is permitted.

The Group does not expect impacts from this standard, considering that it has not identified that it will develop insurance contracts; in any case, detailed analyzes are being carried out.

4. ACCOUNTING CHANGES FOR ADOPTION OF NEW STANDARDS

CINIIF 23 Uncertainty over Income Tax Treatments

IFRIC 23 was issued in May 2017. This Interpretation clarifies how to apply the recognition and measurement requirements of IAS 12 when there is uncertainty regarding income tax treatment. Under this circumstance, an entity will recognize and measure its asset or liability for deferred or current taxes by applying the requirements of IAS 12 on the basis of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by the application of this interpretation.

according to the application of IFRIC 23, it is important to state that the Group has carried out the analysis of the different operations incorporated in the income statement and considers that there is no uncertainty in determining the Group's income tax, and therefore there is not an uncertain tax effect, since the special operations that have been declared are duly supported according to the current tax standard; likewise, the Group relies on the concepts of external advisors in relation to similar operations, as well as applicable jurisprudence and doctrine. In addition, the results issued by the annual audits performed to the Group by the tax authority have not generated any controversy based on differences in criteria between the Group and the tax authority.

In accordance with the foregoing, the Group has proceeded to determine the corresponding corporate tax provision and calculate the respective deferred taxes, both for temporary differences, and for tax credits generated by unused negative tax bases, without any uncertainty.

Except as described below, the accounting policies and estimates applied in these interim condensed consolidated financial statements are the same as those used in the Group's financial statements for and for the year ended December 31, 2018. Changes The accounting policies will be reflected in the consolidated condensed interim financial statements of the Group for the year ending December 31, 2019.

IFRS 16 Leases

IFRS 16 establishes that companies that act as lessees shall recognize assets and liabilities derived from all lease agreements in the Statement of Financial Position (with the exception of short-term lease agreements and those that have minor value assets as their object).

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, Telefónica Group adopted this second transition method.

The Group has an important number of lease agreements as a lessee of various assets, mainly: towers, circuits, office and store buildings, and land where own towers are located. The new regulations include these contracts, recording the corresponding payments on a straight-line basis over the term of the contract.

Telefónica Group opted for the practical solution that allows it not to evaluate again whether a contract is, or contains, a lease on the date of initial adoption of the IFRS 16, but directly apply the new requirements to all those contracts that under the previous standard were identified as a lease. On the other hand, the new standard allows choosing certain practical solutions at the time of first application, relating to the valuation of the asset, discount rate, impairment, leases that end within the following twelve months after the first application, initial direct costs, and duration of the lease. In this regard, the Group has chosen to apply the following practical solutions in the transition to the new criteria:

Prior treatment: The treatment given to contracts prior to the entry into force of IFRS 16 (service or lease) prevails as a definition. Discarding of the scope of the standard those cataloged previously like service.

Low value: Identification of contracts classified as low value according to the definition of the Telefónica Group to be treated as operating leases.

Variable income: In the case of leases with variable income, the separation between fixed component and variable component was necessary to determine which portion of the income would be treated as an operating lease and which portion as a financial lease.

Renewals: In accordance with the Group's policy, renewals can only be considered if they are the sole responsibility of Telefónica, considering that Telefónica Group has concluded that reasonably certain additional rental periods of over 3 years cannot be considered when acting as lessee.

Short-term: In accordance with the above definitions and the validity period established in each contract, the minimum term is defined for each contract (non-cancelable period) and those with a time shorter than 12 months, are classified as short-term; consequently, they are treated as operating leases.

Financial sublease: It is a transaction by which an underlying asset is leased again by a lessee (intermediate lessor) to a third party and the lease (the lease by the owner) between the lessor who is the owner and the lessee remains in force.

Capacity contracts, last mile contracts and intangible rental contracts are discarded from the scope of IFRS 16, considering that their analysis does not identify an asset whose use is exclusively assigned to Telefónica, considering them as services.

The right of use assets as a result of the implementation of IFRS 16 are recognized at the net present value of the rental fees committed within the minimum non-cancelable term, decreased by the accumulated amortization and by the probable losses due to impairment value, if any.

The financial liability resulting from each contract will be recognized at the net present value of future payments discounted at the estimated TIR for the terms of each contract and according to the Company's discount rate.

The impact of the application is shown below:

	Impacts first application due to accounting changes IFRS 16 to January 1, 2019	
	(in thousands of US$)	(in thousands of COP$)
Assets		
Right of Use Assets:		
Land and buildings	116.572	373.692.244
Technical facilities	74.000	237.218.831
Transport equipment	2.474	7.930.713
	193.046	**618.841.788**
Transportation equipment transfer (1)	1.102	3.532.392
	194.148	**622.374.180**
Expenses paid in advance (1)	(1.309)	(4.200.232)
	192.839	**618.173.948**
Liabilities		
Short term financial lease	53.061	170.096.774
Long term financial leasing	139.776	448.077.174
	192.837	**618.173.948**

(1) Corresponds to the transfer of prepaid expenses of leases recognized before January 1, 2019 to Right of Use assets.

The Group has assessed the lease agreements and has established the contracts over which the IFRS 16 do not apply and have been recognized during the semester in the Income Statement, as follows:

Short-term contracts for USD$7.284 (COP$23.348.833), corresponding to contracts with a term of less than one year and low-value contracts for USD$5,87 (COP$18.228), corresponding to office-computer services, which are recognized in the Consolidated Statements of Comprehensive Income – Costs and operating expenses.

During the semester ended as of June 30, 2019, the Group recognized the impact of the sale-leaseback transaction corresponding to towers and properties, which are included as Right of Use assets. The impact of this operation was recognized in the Consolidated Statement of Comprehensive Income (Note 21).

In addition, during the same period, the Group recognized interest expenses arising from financial lease liabilities for the amount of USD$2.593 (COP$8.313.747) (Note 24).

5. FINANCIAL ASSETS MEASURED AT FAIR VALUE

The following is a summary of the balance of financial assets measured at fair value at the end of each period:

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Current financial assets:				
Hedging instruments (1)	26.232	84.091.149	59.699	191.375.229
Deposits and bonds (2)	401	1.286.247	99	316.532
Short-term credits, remaining	6	18.444	-	-
	26.639	**85.395.840**	**59.798**	**191.691.761**
Non-current financial assets:				
Hedging instruments (1)	2.780	8.912.235	724	2.319.563
Deposits and bonds (2)	2.842	9.112.276	2.698	8.652.428
Other participations	19	60.000	19	60.000
	5.641	**18.084.511**	**3.441**	**11.031.991**
	32.280	**103.480.351**	**63.239**	**202.723.752**

(1) Corresponds to the valuation of hedging derivatives, using the Non-Delivery Forward and Cross Currency Swap market curves at the end of the period, including the net adjustment for risk of own credit and of the counterpart Credit Valuation Adjustment and Debit Valuation Adjustment.

(2) Corresponds to deposits constituted by a judge order in process of resolution.

6. DEBTORS AND OTHER ACCOUNTS RECEIVABLE, NET

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

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Current:				
Customers for sale and provision of services (1)	402.959	1.291.754.186	375.009	1.202.156.362
Other debtors (2)	92.279	295.814.963	78.201	250.686.271
Commercial agents and distribution channels	46.964	150.550.686	46.705	149.720.698
Portfolio with national operators	26.016	83.398.772	22.716	72.820.340
Portfolio for financed equipment	48.995	157.063.360	27.607	88.499.018
Related parties	16.386	52.528.761	23.158	74.235.975
Portfolio impairment	(269.812)	(864.929.410)	(258.776)	(829.549.263)
	363.787	**1.166.181.318**	**314.620**	**1.008.569.401**
Non current:				
Portfolio with national operators (3)	41.991	134.610.499	41.991	134.610.499
Customers for sales and service provision (4)	30.327	97.218.590	34.930	111.974.993
Related parties	12.140	38.915.324	12.306	39.449.359
Portfolio of subsidies and contributions (5)	11.889	38.111.870	11.889	38.111.870
Portfolio for equipment sold at installments	2.605	8.351.221	1.931	6.190.665
Portfolio impairment	(53.679)	(172.075.816)	(53.678)	(172.075.816)
	45.273	**145.131.688**	**49.369**	**158.261.570**
	409.060	**1.311.313.006**	**363.989**	**1.166.830.971**

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

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

(3) Corresponds to the balance receivable for access charges with Empresa de Teléfonos de Bogotá (ETB, for its abbreviation in Spanish), for which the administration is advancing the legal procedures that allow its recovery. This portfolio 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) Corresponds to the portfolio with the Government for subsidies and contributions, which is 100% provisioned

7. EXPENSES PAID IN ADVANCE

The balance of expenses paid in advance is the following:

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Current:				
Cost of equipment and compliance with contracts (1)	39.609	126.972.623	26.716	85.643.885
Radio spectrum (2)	7.587	24.322.225	-	-
Support and maintenance (3)	7.253	23.251.972	3.596	11.526.808
Licenses	5.430	17.407.834	-	-
Insurance policies	3.186	10.213.517	1.314	4.213.024
Irrevocable use rights - capacity (4)	2.158	6.916.285	2.158	6.916.285
Property	1.136	3.642.637	-	-
Leases	750	2.403.293	649	2.079.791
Others (5)	549	1.757.278	395	1.268.523
	67.658	**216.887.664**	**34.828**	**111.648.316**
Non current:				
Cost of equipment and compliance with contracts (1)	45.641	146.310.610	36.792	117.943.685
irrevocable right of use - capacity (4)	7.372	23.633.588	8.491	27.220.481
Support and maintenance (3)	1.041	3.337.566	1.437	4.605.271
Insurance policies	635	2.032.291	578	1.851.620
	54.689	**175.314.055**	**47.298**	**151.621.057**
	122.347	**392.201.719**	**82.126**	**263.269.373**

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

(2) Corresponds to the payment for the use of the point-to-point links radio spectrum until December 2019.

(3) Mainly includes support, platform maintenance and computer applications.

(4) Irrevocable Right of Use (IRU) of capacity with Sprint, Telxius Cable América, TIWS Colombia S.A. and Telxius Cable España S.L.

(5) Includes, contribution to the Commission of Regulation of Communications - CRC, services of use of software and property tax with validity of 2019.

8. CONTRACTUAL ASSET AND LIABILITY

The following is the evolution for the semester ended as of June 30, 2019 of the contractual asset and liability:

	Balance as of December 31, 2018	Additions	Substractions	Transfers	Balance as of June 30, 2019
			(USD$000)		
Current contractual assets					
Current contractual assets	10.020	6.839	(8.183)	235	8.911
Impairment corrections	(200)	(16)	73	-	(143)
	9.820	**6.823**	**(8.110)**	**235**	**8.768**
Non-current constractual assets					
Current contractual assets	52	206	-	(235)	23
	9.872	**7.029**	**(8.110)**	**-**	**8.791**
Current contractual liabilities	25.063	98.984	- 99.413	1.185	25.819
Non-current contractual liabilities	17.259	-	-	(1.185)	16.074
	42.322	**98.984**	**(99.413)**	**-**	**41.893**

	Balance as of December 31, 2018	Additions	Substractions	Transfers	Balance as of June 30, 2019
			(COP$000)		
Current contractual assets					
Current contractual assets	32.120.909	21.923.791	(26.233.240)	752.569	28.564.029
Impairment corrections	(640.874)	(51.637)	232.507	-	(460.004)
	31.480.035	**21.872.154**	**(26.000.733)**	**752.569**	**28.104.025**
Non-current constractual assets					
Current contractual assets	167.739	659.842	-	(752.569)	75.012
	31.647.774	**22.531.996**	**(26.000.733)**	**-**	**28.179.037**
Current contractual liabilities	80.343.993	317.310.168	(318.683.980)	3.799.750	82.769.931
Non-current contractual liabilities	55.325.402	-	-	(3.799.750)	51.525.652
	135.669.395	**317.310.168**	**(318.683.980)**	**-**	**134.295.583**

9. INVENTORIES

The balance of inventories net of provision is the following:

	At of june 30 of		At of december 31 of	
	2019		2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Mobile phones and accessories	32.538	104.307.618	30.038	96.293.517
Other inventories (1)	22.486	72.078.766	14.474	46.398.856
Equipment in transit	15.598	50.001.333	15.730	50.426.072
Computer equipment	591	1.896.036	741	2.375.274
	71.213	**228.283.753**	**60.983**	**195.493.719**
Provision for obsolescence	(1.760)	(5.640.409)	(1.754)	(5.624.188)
	69.453	**222.643.344**	**59.229**	**189.869.531**

(1) Mainly includes modems, equipment for corporate services, location equipment and equipment for customer homes – broadband, basic line and television.

The consumption of inventories taken to sales cost during the quarters ended as of June 30, 2019 and 2018 was USD$112.031 (COP$359.134.610) and USD$85.986 (COP$275.643.874), respectively. (Note 22).

10. TAXES AND PUBLIC ADMINISTRATIONS

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

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Balance in favor of income tax (1)	56.809	182.111.219	5.128	16.439.147
Self-retention for income tax	31.262	100.214.519	53.812	172.502.460
Tax discount (2)	16.965	54.382.992	2.565	8.224.000
Advances, retentions and self-retentions of ICA	3.320	10.643.398	5.161	16.544.839
Withholdings for income tax	1.687	5.406.867	3.140	10.067.117
Withholding tax on sales	792	2.542.005	163	520.484
	110.835	**355.301.000**	**69.969**	**224.298.047**

(1) Balance in favor of the income tax of the taxable year 2018, in the process of compensation with the declarations of VAT, National Consumption Tax and Withholding Tax.

(2) Tax discounts established in articles 76 and 258-1 of Law 1943 of December 28, 2018, on the industry and commerce tax, notices and boards and the VAT sales tax on the acquisition of productive real fixed assets.

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

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Withholdings and self-retentions	47.533	152.375.582	12.122	38.858.445
Sales tax - VAT	30.563	97.973.429	16.669	53.435.924
National consumption tax	2.449	7.852.183	1.488	4.770.330
Other current taxes	2.076	6.655.807	2.571	8.242.263
	82.621	**264.857.001**	**32.850**	**105.306.962**

11. ASSETS HELD FOR SALE

In accordance with the approval of the Board of Directors of Colombia Telecomunicaciones S.A. E.S.P., at the end of June 2019 the Company celebrated with the company Prabyc Ingenieros S.A.S. a framework agreement on the property of the administrative headquarters, which regulates, among other aspects, the terms and conditions that will be applicable to (i) the transfer of the property for sale and (ii) the signing of a lease agreement on a portion of the property.

To date, the effect in the Interim Condensed Consolidated Financial Statements for the signing of the Framework Agreement is the reclassification of Property, Plant and Equipment (Group - Land and Buildings) to the account of assets held for sale for the amount of USD$41.978 (COP$134.566.415).

12. RIGHT OF USE ASSETS

The cost of the right of use assets and their corresponding accumulated depreciation is presented below:

Concept	At of june 30 of		
	Cost	Acumulate Depreciation	Net value in Books
		(USD$000)	
Land and buildings	127.479	(17.783)	109.696
Technical facilities	74.269	(7.469)	66.800
Transport equipment	3.958	(1.192)	2.766
	205.706	**(26.444)**	**179.262**

Concept	At of june 30 of		
	Cost	Acumulate Depreciation	Net value in Books
		(COP$000)	
Land and buildings	408.657.558	(57.005.021)	351.652.537
Technical facilities	238.082.495	(23.941.966)	214.140.529
Transport equipment	12.686.921	(3.824.341)	8.862.580
	659.426.974	**(84.771.328)**	**574.655.646**

The movements for the quarter ended as of June 30, 2019, of the items that make up the asset by right of use of cost and accumulated depreciation are the following:

Concept	First application impact due to accounting changes IFRS 16 to January 1, 2019	Additions	Derecognitions	Transfers	At of june 30 of 2019
			(USD$000)		
Cost:					
Land and buildings	116.572	10.907	-	-	127.479
Technical facilities	74.000	269	-	-	74.269
Transport equipment	2.474	-	(2.703)	4.187	3.958
	193.046	**11.176**	**(2.703)**	**4.187**	**205.706**
Accumulated depreciation:					
Land and buildings	-	(17.783)	-	-	(17.783)
Technical facilities	-	(7.469)	-	-	(7.469)
Transport equipment	-	(812)	2.705	(3.085)	(1.192)
	-	**(26.064)**	**2.705**	**(3.085)**	**(26.444)**
	193.046	**(14.888)**	**(2.703)**	**1.102**	**179.262**

Concept	First application impact due to accounting changes IFRS 16 to January 1, 2019	Additions	Derecognitions	Transfers	At of june 30 of 2019
			(COP$000)		
Cost:					
Land and buildings	373.692.244	34.965.314	-	-	408.657.558
Technical facilities	237.218.831	863.664	-	-	238.082.495
Transport equipment	7.930.713	-	(8.665.187)	13.421.395	12.686.921
	618.841.788	**35.828.978**	**(8.665.187)**	**13.421.395**	**659.426.974**
Accumulated depreciation:					
Land and buildings	-	(57.005.021)	-	-	(57.005.021)
Technical facilities	-	(23.941.966)	-	-	(23.941.966)
Transport equipment	-	(2.606.372)	8.671.034	(9.889.003)	(3.824.341)
	-	**(83.553.359)**	**8.671.034**	**(9.889.003)**	**(84.771.328)**
	618.841.788	**(47.724.381)**	**(8.665.187)**	**3.532.392**	**574.655.646**

13. PROPERTIES, PLANT AND EQUIPMENT

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

Concept	At of june 30 of 2019			At of december 31 of 2018		
	Cost	Acumulate Depreciation	Net value in Books	Cost	Acumulate Depreciation	Net value in Books
			(USD$000)			
Land and buildings	1.026.871	(552.548)	474.323	1.027.491	(558.241)	469.250
Technical facilities, machinery and other assets	3.075.788	(2.172.748)	903.040	3.044.923	(2.093.909)	951.014
Assets under construction	97.100	-	97.100	81.103	-	81.103
Furniture, information and transport equipment	244.655	(200.844)	43.811	248.549	(195.052)	53.497
	4.444.414	**(2.926.140)**	**1.518.274**	**4.402.066**	**(2.847.202)**	**1.554.864**

Concept	At of june 30 of 2019			At of december 31 of 2018		
	Cost	Acumulate Depreciation	Net value in Books	Cost	Acumulate Depreciation	Net value in Books
			(COP$000)			
Land and buildings	3.291.807.695	(1.771.271.862)	1.520.535.833	3.293.796.465	(1.789.533.515)	1.504.262.950
Technical facilities, machinery and other assets	9.859.964.927	(6.965.115.637)	2.894.849.290	9.761.019.324	(6.712.384.013)	3.048.635.311
Assets under construction	311.255.421	-	311.255.421	259.975.720	-	259.975.720
Furniture, information and transport equipment	784.282.573	(643.838.949)	140.443.624	796.764.129	(625.271.761)	171.492.368
	14.247.310.616	**(9.380.226.448)**	**4.867.084.168**	**14.111.555.638**	**(9.127.189.289)**	**4.984.366.349**

The movements of cost and accumulated depreciation for the semester ended as of June 30, 2019, are as follows:

Concept	At of december 31 of 2018	Additions	Derecognitions	Transfers	Revaluation (*)	At of june 30 of 2019
			(USD$000)			
Cost:						
Land and buildings	1.027.491	50	(20.300)	(16.929)	36.559	1.026.871
Technical facilities, machinery and other	3.044.923	22.570	(18.192)	26.487	-	3.075.788
Assets under construction	81.103	48.116	(28)	(32.091)	-	97.100
Furniture, information and transport equipment	248.549	252	(1.123)	(3.023)	-	244.655
	4.402.066	**70.988**	**(39.643)**	**(25.556)**	**36.559**	**4.444.414**
Accumulated depreciation:						
Constructions	(558.241)	(11.001)	14.305	4.114	(1.725)	(552.548)
Technical facilities, machinery and other assets	(2.093.909)	(96.110)	17.271	-	-	(2.172.748)
Furniture, information and transport equipment	(195.052)	(9.916)	1.039	3.085	-	(200.844)
	(2.847.202)	**(117.027)**	**32.615**	**7.199**	**(1.725)**	**(2.926.140)**
	1.554.864	**(46.039)**	**(7.028)**	**(18.357)**	**34.834**	**1.518.274**

Concept	At of december 31 of 2018	Additions	Derecognitions	Transfers	Revaluation (*)	At of june 30 of 2019
			(COP$000)			
Cost:						
Land and buildings	3.293.796.465	158.812	(65.074.989)	(54.268.978)	117.196.385	3.291.807.695
Technical facilities, machinery and other	9.761.019.324	72.353.359	(58.316.651)	84.908.895	-	9.859.964.927
Assets under construction	259.975.720	154.240.717	(88.421)	(102.872.595)	-	311.255.421
Furniture, information and transport equipment	796.764.129	808.127	(3.599.388)	(9.690.295)	-	784.282.573
	14.111.555.638	**227.561.015**	**(127.079.449)**	**(81.922.973)**	**117.196.385**	**14.247.310.616**
Accumulated depreciation:						
Constructions	(1.789.533.515)	(35.266.202)	45.871.264	13.187.641	(5.531.050)	(1.771.271.862)
Technical facilities, machinery and other assets	(6.712.384.013)	(308.097.877)	55.365.507	746	-	(6.965.115.637)
Furniture, information and transport equipment	(625.271.761)	(31.787.611)	3.331.423	9.889.000	-	(643.838.949)
	(9.127.189.289)	**(375.151.690)**	**104.568.194**	**23.077.387**	**(5.531.050)**	**(9.380.226.448)**
	4.984.366.349	**(147.590.675)**	**(22.511.255)**	**(58.845.586)**	**111.665.335**	**4.867.084.168**

(*) Includes the depreciation of the assets revaluated of Land and Buildings for USD$1.889 (COP$6.054.462) and derecognition of USD$163 (COP$523.412).

The movements for the semester ended as of June 30, 2019 of the land and buildings recognized under the cost method, would be the following:

	At of december 31 of 2018	Additions	Derecognitions	Transfers	At of june 30 of 2019
			(USD$000)		
Cost:					
Land and Constructions	832.703	50	(20.300)	(16.929)	795.524
Acumulated depreciation					
Constructions	(548.215)	(11.001)	14.309	4.114	(540.793)
	284.488	**(10.951)**	**(5.991)**	**(12.815)**	**254.731**

	At of december 31 of 2018	Additions	Derecognitions	Transfers	At of june 30 of 2019
			(COP$000)		
Cost					
Land and Constructions	2.669.371.937	158.812	(65.074.989)	(54.268.978)	2.550.186.782
Acumulated depreciation					
Constructions	(1.757.397.319)	(35.266.202)	45.871.264	13.187.641	(1.733.604.616)
	911.974.618	**(35.107.390)**	**(19.203.725)**	**(41.081.337)**	**816.582.166**

The balances and movements for the semester ended as of June 30, 2019 of the revaluation item are presented below:

	At of december 31 of 2018	Additions	Derecognitions	At of june 30 of 2019
		(USD$000)		
Cost				
Land	116.139	37.786	(2.220)	151.705
Buildings	76.668	31.053	(2.071)	105.650
Investment propertis	-	205	-	205
	192.807	**69.044**	**(4.291)**	**257.560**
Accumulated depreciation:				
Constructions	(9.983)	(1.889)	163	(11.709)
	182.824	**67.155**	**(4.128)**	**245.851**
Deferred Income Tax (Note 15)	(32.084)	(12.916)	1.475	(43.525)
Net deferred tax revaluation	**150.740**	**54.239**	**(2.653)**	**202.326**

	At of december 31 of 2018	Additions	Derecognitions	At of june 30 of 2019
		(COP$000)		
Cost				
Land	372.302.081	121.130.738	(7.118.180)	486.314.639
Buildings	245.771.625	99.547.117	(6.639.880)	338.678.862
Investment propertis	-	656.471	-	656.471
	618.073.706	**221.334.326**	**(13.758.060)**	**825.649.972**
Accumulated depreciation				
Constructions	(32.003.064)	(6.054.462)	523.412	(37.534.114)
	586.070.642	**215.279.864**	**(13.234.648)**	**788.115.858**
Deferred Income Tax (Note 15)	(102.852.123)	(41.404.784)	4.728.224	(139.528.683)
Net deferred tax revaluation	**483.218.519**	**173.875.080**	**(8.506.424)**	**648.587.175**

14. INTANGIBLES

Accumulated cost and amortization of intangibles is the following:

Concept	At of june 30 of 2019			At of december 31 of 2018		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
			(USD$000)			
Operating permits	729.272	(265.603)	463.669	729.272	(216.035)	513.237
Computer applications	625.314	(516.643)	108.671	601.970	(485.117)	116.853
Other intangibles	35.737	(11.785)	23.952	37.257	(11.271)	25.986
Customers list	208.275	(199.782)	8.493	208.275	(198.099)	10.176
	1.598.598	**(993.813)**	**604.785**	**1.576.774**	**(910.522)**	**666.252**

Concept	At of june 30 of 2019			At of december 31 of 2018		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
			(COP$000)			
Operating permits	2.337.806.459	(851.436.836)	1.486.369.623	2.337.806.459	(692.538.126)	1.645.268.333
Computer applications	2.004.545.936	(1.656.188.653)	348.357.283	1.929.713.422	(1.555.125.090)	374.588.332
Other intangibles	114.556.597	(37.772.427)	76.784.170	119.429.994	(36.129.354)	83.300.640
Customers list	667.662.372	(640.433.553)	27.228.819	667.662.372	(635.039.788)	32.622.584
	5.124.571.364	**(3.185.831.469)**	**1.938.739.895**	**5.054.612.247**	**(2.918.832.358)**	**2.135.779.889**

The movements in cost and accumulated depreciation for the semester ended as of June 30, 2019, are the following:

Concept	At of december 31 of 2018	Additions	Transfers	At of june 30 of 2019
		(USD$000)		
Cost:				
Operating permits	729.272	-	-	729.272
Computer applications	601.970	13.941	9.403	625.314
Other intangibles	37.257	4.582	(6.102)	35.737
Customers list	208.275	-	-	208.275
	1.576.774	**18.523**	**3.301**	**1.598.598**
Accumulated anmortization:				
Operating permits	(216.035)	(49.568)	-	(265.603)
Computer applications	(485.117)	(31.526)	-	(516.643)
Other intangibles	(11.271)	(514)	-	(11.785)
Customers list	(198.099)	(1.683)	-	(199.782)
	(910.522)	**(83.291)**	**-**	**(993.813)**
	666.252	**(64.768)**	**3.301**	**604.785**

Concept	At of december 31 of 2018	Additions	Transfers	At of june 30 of 2019
		(COP$000)		
Cost				
Operating permits	2.337.806.459	-	-	2.337.806.459
Computer applications	1.929.713.422	44.689.417	30.143.097	2.004.545.936
Other intangibles	119.429.994	14.688.810	(19.562.207)	114.556.597
Customers list	667.662.372	-	-	667.662.372
	5.054.612.247	**59.378.227**	**10.580.890**	**5.124.571.364**
Accumulated anmortization				
Operating permits	(692.538.126)	(158.898.710)	-	(851.436.836)
Computer applications	(1.555.125.090)	(101.062.817)	(746)	(1.656.188.653)
Other intangibles	(36.129.354)	(1.643.073)	-	(37.772.427)
Customers list	(635.039.788)	(5.393.765)	-	(640.433.553)
	(2.918.832.358)	**(266.998.365)**	**(746)**	**(3.185.831.469)**
	2.135.779.889	**(207.620.138)**	**10.580.144**	**1.938.739.895**

15. DEFERRED TAXES

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

	At of june 30 of 2019		At of december 31 of 2018	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Deferred tax:				
Intangibles and properties, plant and equipment	90.849	291.232.322	97.082	311.213.114
Accounts receivable	5.296	16.977.457	5.261	16.865.617
Benefits to employees	2.348	7.526.783	2.348	7.526.783
Other assets	1.550	4.968.377	1.713	5.492.542
Estimated liabilities and provisions	219	702.908	439	1.405.816
Deferred tax assets on temporary differences	**100.262**	**321.407.847**	**106.843**	**342.503.872**
Assets for deferred tax due to tax losses	510.033	1.634.996.521	531.640	1.704.262.943
Subtotal deferred tax asset	**610.295**	**1.956.404.368**	**638.483**	**2.046.766.815**
Revaluation of real estate	(42.001)	(134.642.257)	(31.015)	(99.424.582)
Total deferred tax assets	**568.294**	**1.821.762.111**	**607.468**	**1.947.342.233**
Deferred tax liability:				
Temporal differences with effect on income	26.831	86.009.868	24.391	78.190.727
Valuation of hedges with effect on others comprehensive income	6.733	21.585.282	-	-
Real estate revaluation with effect on others comprehensive income	1.524	4.886.426	1.069	3.427.541
Total deferred tax liability	**35.088**	**112.481.576**	**25.460**	**81.618.268**

The movements of the deferred tax recognized in Other Comprehensive Income are presented below:

	Period ended as of June 30,			
	2019		2018	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Valuation of hedging instruments	15.647	50.159.030	(24.316)	(77.950.632)
Deferred tax hedges valuation	(6.733)	(21.585.282)	-	-
Result in valuation of hedges, net of taxes	**8.914**	**28.573.748**	**(24.316)**	**(77.950.632)**
Real estate revaluation	69.045	221.334.326	(9.151)	(29.334.360)
Deferred real estate tax	(12.916)	(41.404.784)	785	2.517.304
Revaluation of real estate, net of taxes	**56.129**	**179.929.542**	**(8.366)**	**(26.817.056)**
Actuarial earnings	**2.626**	**8.418.706**	**1.525**	**4.887.209**
	67.669	**216.921.996**	**(31.157)**	**(99.880.479)**

16. FINANCIAL OBLIGATIONS

The balance of financial obligations is the following:

	At of june 30 of		At of december 31 of	
	2019		2018	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Current:				
Financial obligations	119.850	384.200.259	90.590	290.402.886
Financial leasing (1)	55.407	177.615.337	280	898.249
Hedging instruments	5.506	17.650.271	5.213	16.712.403
Other financial obligations - interests	12.770	40.935.883	12.217	39.161.483
	193.533	**620.401.750**	**108.300**	**347.175.021**
Non-current:				
Senior Bond (2)	750.000	2.404.252.500	760.313	2.437.312.500
Local bond (3)	155.974	500.000.000	-	-
Financial Obligations	62.982	201.900.122	227.352	728.814.159
Financial leasing (1)	147.143	471.690.463	710	2.274.982
Hedging instruments	16	54.382	16.366	52.463.295
	1.116.115	**3.577.897.467**	**1.004.741**	**3.220.864.936**
	1.309.648	**4.198.299.217**	**1.113.041**	**3.568.039.957**

(1) The movement of the financial lease liability for the semester ended as of June 30, 2019, is as follows:

	Impacts first application due to accounting changes IFRS 16 to January 1, 2019	Additions	Payments	Derecognitions	Transfers	At of june 30 of 2019
Financial liability			*(USD$000)*			
Short-term						
Financial lease	52.781	6.144	(28.584)	(44)	24.813	55.110
Financial liability - Renting (a)	280	-	(149)	-	165	296
	53.061	**6.144**	**(28.733)**	**(44)**	**24.978**	**55.406**
Long term						
Financial lease	139.067	32.344	-	-	(24.813)	146.598
Financial liability - Renting (a)	710	-	-	-	(165)	545
	139.777	**32.344**	**-**	**-**	**(24.978)**	**147.143**

	Impacts first application due to accounting changes IFRS 16 to January 1, 2019	Additions	Payments	Derecognitions	Transfers	At of june 30 of 2019
Financial liability			*(COP$000)*			
Short-term						
Financial lease	169.198.525	19.696.463	(91.629.310)	(142.040)	79.543.476	176.667.114
Financial liability - Renting (a)	898.249	-	(477.726)	-	527.700	948.223
	170.096.774	**19.696.463**	**(92.107.036)**	**(142.040)**	**80.071.176**	**177.615.337**
Long term						
Financial lease	445.802.194	103.684.465	-	-	(79.543.476)	469.943.183
Financial liability - Renting (a)	2.274.980	-	-	-	(527.700)	1.747.280
	448.077.174	**103.684.465**	**-**	**-**	**(80.071.176)**	**471.690.463**

(a) Corresponds to the financial liability for transport fleet renting, which at the date of adoption of IFRS 16, it was already recognized by the Group, associated with financial leasing contracts of the transport fleet.

(2) Senior bond:

As of June 30, 2019, the nominal value of the outstanding bonds was USD$750 million equivalent to $2.400.784 million net of transaction costs for USD$1,08 million (COP$3.468 million) measured at amortized cost (as of December 31, 2018 USD$759 million (COP$2.433.326 million) and the transaction cost for USD$1,24 million (COP$3.987 million) measured at amortized cost).

(3) Local bonds:

As of June 30, 2019, the nominal value of outstanding bonds was USD$155,58 million (COP$498.745 million) net of transaction costs for USD$0,39 million (COP$1.255 million) measured at amortized cost.

At the end of June 2019, interest payable on senior and local bonds amounted to USD$10.526 (COP$33.743.016) and USD$919 (COP$2.947.548) respectively, (as of December 31, 2018 – USD$10.671 (COP$34.207.004)).

17. SUPPLIERS AND ACCOUNTS PAYABLE

The balance of suppliers and accounts payable is as follows:

	At of june 30 of		At of december 31 of	
	2019		2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Current:				
Cost of equipment and compliance with contracts (1)	39.609	126.972.623	26.716	85.643.885
Radio spectrum (2)	7.587	24.322.225	-	-
Support and maintenance (3)	7.253	23.251.972	3.596	11.526.808
Licenses	5.430	17.407.834	-	-
Insurance policies	3.186	10.213.517	1.314	4.213.024
Irrevocable use rights - capacity (4)	2.158	6.916.285	2.158	6.916.285
Property	1.136	3.642.637	-	-
Leases	750	2.403.293	649	2.079.791
Others (5)	549	1.757.278	395	1.268.523
	67.658	**216.887.664**	**34.828**	**111.648.316**
Non current:				
Cost of equipment and compliance with contracts (1)	45.641	146.310.610	36.792	117.943.685
Irrevocable use rights - capacity (4)	7.372	23.633.588	8.491	27.220.481
Support and maintenance (3)	1.041	3.337.566	1.437	4.605.271
Insurance policies	635	2.032.291	578	1.851.620
	54.689	**175.314.055**	**47.298**	**151.621.057**
	122.347	**392.201.719**	**82.126**	**263.269.373**

(1) Includes mobile terminals suppliers, equipment maintenance, customer services, technical assistance, logistics, general and storage services, 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 since March 2014 for 10 years and concession right for operation and exploitation of the satellite television service for 10 years since February 2017.

(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 presented as 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 the permanence in the job.

18. DEFERRED LIABILITIES

The balance of deferred liabilities is the following:

	At of june 30 of		At of december 31 of	
	2019		2018	
Current	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Income received advance				
Deferred income (1)	12.637	40.509.467	10.970	35.166.555
Govemments Grants (2)	613	1.967.148	614	1.967.148
	13.250	**42.476.615**	**11.584**	**37.133.703**
Non-current				
Income received in advance				
Govemments Grants (2)	2.985	9.567.430	3.273	10.492.417
Deferred income (1)	1.283	4.113.283	1.366	4.378.657
	4.268	**13.680.713**	**4.639**	**14.871.074**
	17.518	**56.157.328**	**16.223**	**52.004.777**

(1) Mainly includes, billing to customers on behalf of third parties and leases received.

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

19. PROVISIONS AND PENSION LIABILITIES

The balance of provisions and pension liabilities is as follows:

	At of june 30 of		At of december 31 of	
	2019		2018	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Current				
Tax responsabilities and considerations (1)	31.199	100.015.137	35.341	113.293.180
Post-employment plans of defined benefit (2)	5.335	17.102.371	5.549	17.786.725
Labor responsabilities (3)	8.028	25.735.446	11.124	35.661.342
For contingencies (Note 26)	3.079	9.870.894	4.730	15.162.844
Voluntary retirement (4)	2.603	8.340.810	4.883	15.651.453
	50.244	**161.064.658**	**61.627**	**197.555.544**
Non-current				
Post-employment plans of defined benefit (2)	59.304	190.108.679	62.182	199.336.233
For dismantling	13.327	42.724.003	11.234	36.005.613
For contingencies (Note 26)	4.558	14.612.966	4.273	13.696.393
	77.189	**247.445.648**	**77.689**	**249.038.239**
	127.433	**408.510.306**	**139.316**	**446.593.783**

(1) Includes provision of the industry and commerce tax (ICA), contribution to the National Television Authority (ANTV), consideration to the Ministry of ICT and uncollected VAT.

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

(3) Includes employees' incentives for compliance and performance, additional to the closing as of June 2019, vacations for the Company's employees.

(4) Includes provision for voluntary retirement. This provision corresponds to a formal plan, identifying functions, approximate number of employees, disbursements that will be carried out and estimated dates of the plan.

20. EQUITY, NET

The authorized, subscribed and paid capital as of June 30, 2019 and December 31, 2018 is presented below:

Social Capital

	(USD$000)	*(COP$000)*
Authorized capital	453.843	1.454.870.740
Subscribed and paid-in capital	1.064	3.410.059
Par value (in pesos)	0,000312	1

Equity interest at the end of the period is presented below:

	At of june 30 of 2019		At of december 31 of 2018	
Shareholders	**Number of shares**	**Percentage**	**Number of shares**	**Percentage**
Telefónica Latinoamérica Holding. S.L.	1.756.837.597	51,51926835%	1.756.837.596	51,51926832%
La Nación-Ministerio de Hacienda y Crédito Público	1.108.269.271	32,50000004%	1.108.269.271	32,50000004%
Latín América Celular Holdings S.L.	275.602.636	8,08204821%	275.602.636	8,08204821%
Telefónica S.A.	269.339.586	7,89838425%	269.339.586	7,89838425%
Radio Televisión Nacional de Colombia-RTVC	10.000	0,00029325%	10.000	0,00029325%
Canal Regional de Televisión Ltda.- TEVEANDINA	200	0,00000587%	200	0,00000587%
Central de Inversiones S.A.- CISA	1	0,00000003%	1	0,00000003%
Terra Networdks Colombia S.A.S. - En Liquidación (1)	-	0,00000000%	1	0,00000003%
	3.410.059.291	**100,00000000%**	**3.410.059.291**	**100,00000000%**

(1) Through an additional award minutes of assets of Terra Networks Colombia S.A.S., liquidated, as of January 11, 2019, it was determined to award a share held by Terra Networks Colombia S.A.S., liquidated as a shareholder of the Company as a remnant and as a subsequent award to the liquidation of the Company under the legal terms of Telefónica Latinoamérica Holding. S.L.

Other perpetual equity instruments

During the semesters ended as of June 30, 2019 and 2018, interest coupons were paid for a total net amount of USD$21.152 (COP$67.807.475) and USD$18.428 (COP$59.075.850), respectively. These values are recognized in the Statement of Changes in Equity, in the item retained earnings.

Other Comprehensive Income

The Group recognized a net loss in Other Comprehensive Income (ORI, for its abbreviation in Spanish) for the semesters ended as of June, 2019 and 2018 for USD$67.668 (COP$216.921.996) and USD$31.157 (COP$99.880.479), respectively.

Revaluation Surplus

As of June 30, 2019, the Group updated the fair value of the land and buildings, which it has registered in property, plant and equipment by the revalued cost method, generating a net positive tax effect for USD$56.128 (COP$179.929.542).

21. OPERATING INCOME

Income from contracts from customers and other services are presented below:

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	Period ended as of june 30,			
	2019		2018	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Telecommunication services – mobile operation				
Data services and transmission - connectivity	212.024	679.677.868	202.890	650.397.094
Basic charges and airtime	108.502	347.820.836	123.182	394.880.880
Sale of terminal equipment	81.121	260.048.152	72.823	233.446.874
Interconnection and roaming	35.294	113.142.360	28.588	91.642.617
Value-added services (1)	30.460	97.645.659	25.581	82.005.521
Carrier services (2)	10.495	33.642.944	11.307	36.244.993
	477.896	**1.531.977.819**	**464.371**	**1.488.617.979**
Telecommunication services – fixed operation				
Data transmission services	138.159	442.891.152	135.779	435.262.312
Local and long distance telephony	78.351	251.168.299	86.567	277.504.621
Satellite television	55.895	179.179.835	50.486	161.841.054
Other operating revenues (3)	47.338	151.750.429	37.855	121.351.063
Equipment sale	134	429.605	244	782.782
	319.877	**1.025.419.320**	**310.931**	**996.741.832**
Total Operating income	**797.773**	**2.557.397.139**	**775.302**	**2.485.359.811**
Sale of movable and immovable assets (4)	39.358	126.168.458	11.587	37.142.875
Other operating income (5)	16.864	54.058.884	13.982	44.822.095
Works done for own fixed assets (6)	7.983	25.592.186	7.785	24.958.676
Lease investment propertis	13	41.314	35	113.090
Other operating income	**64.218**	**205.860.842**	**33.389**	**107.036.736**
Total operating income	**861.991**	**2.763.257.981**	**808.691**	**2.592.396.547**

1) Includes downloads of applications, text messages, charges for reconnection, subscription of favorite contacts, and advertising spots in communication channels.

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) Includes for the semester ended as of June 30, 2019, the impact of IFRS 16 for sale-leaseback with subsequent lease. The detail is as follows:

	(in thousands of US$)	*(in thousands of COP$)*
Sale of telecommunication towers	37.644	120.672.816
Sale of real estate (1)	1.714	5.495.642
	39.358	**126.168.458**

5) Mainly includes: suppliers support, reimbursement of expenses and fees with companies of the Group, lease of physical spaces and compensation for breach of contracts and Government subsidies.

6) Correspond to the work carried out by the Group personnel, which due to their characteristics are directly related to the development and start-up of fixed assets.

22. OPERATING COSTS AND EXPENSES

Operating costs and expenses are as follows:

	Period ended at of june 30,			
	2019		**2018**	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Inventories cost (Note 9)	112.031	359.134.610	85.986	275.643.874
Labor cost	65.872	211.164.540	64.243	205.941.057
Other costs and operating expenses (1)	47.765	153.120.287	51.031	163.587.320
Maintenance of equipments	45.143	144.715.138	41.628	133.444.550
Sales commissions	40.813	130.832.070	34.057	109.176.824
Interconnection and roaming	41.043	131.569.325	34.136	109.429.670
Tributes and considerations	38.074	122.051.852	43.511	139.482.820
Media rental and other network infrastructures	37.941	121.625.350	58.618	187.908.964
Content suppliers	31.448	100.810.339	26.856	86.090.425
Energy	26.029	83.440.055	25.519	81.806.082
Computer services	25.102	80.469.745	21.843	70.022.410
Renting and third parties' activities	19.934	63.902.678	20.566	65.929.273
Advertising expenses	17.731	56.839.970	16.416	52.623.747
Customer service	10.813	34.663.620	11.501	36.867.379
Impairment (2)	12.806	41.052.718	8.107	25.988.685
Other non-recurring costs and operating expenses (3)	2.082	6.671.627	2.661	8.529.531
	574.627	**1.842.063.924**	**546.679**	**1.752.472.611**

(1) Includes costs and operating expenses for banking and logistic services, leases and fees, rental of premises, legal, tax and labor advice, transportation, surveillance, insurance and travel expenses.

(2) For the semesters ended as of June 30, 2019 and 2018, includes: i) impairment for doubtful debts of USD$12.890 (COP$41.321.764) and USD$7.941 (COP$25.454.881), respectively), ii) recovery of written-off portfolio in 2019 from prior periods for USD$32,57 (COP$104.395) and recovery of provision for contractual assets for USD$56,42 (COP$180.872) in 2019 and iii) inventories provision for USD$5,06 (COP$16.221) and $ 166,52 (COP$533.804), respectively.

(3) Includes judicial contingencies and costs for cable replacement, for the semester ended as of June 30, 2019, includes reversal of expense due to termination of legal process with Coopsertel.

23. DEPRECIATION AND AMORTIZATION

Depreciation and amortization are as follows:

	Period ended at of june 30,			
	2019		**2018**	
	(in thousands of US$)	(in thousands of COP$)	(in thousands of US$)	(in thousands of COP$)
Depreciation of properties, plant and equipment (Note 13)	(118.916)	(381.206.152)	(123.990)	(397.470.617)
Amortization of intangible assets (Note 14)	(83.289)	(266.998.365)	(88.488)	(283.663.893)
Amortization of assets for rights of use (Note 12)	(26.065)	(83.553.359)	-	-
	(228.270)	**(731.757.876)**	**(212.478)**	**(681.134.510)**

24. FINANCIAL EXPENSES, NET

Financial income (expenses) net, are as follows:

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	Period ended as of june 30,			
	2019		2018	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Income:				
Customers' default interests	4.649	14.902.060	2.305	7.388.189
Interest from investments and bank accounts	116	372.269	74	235.720
	4.765	**15.274.329**	**2.379**	**7.623.909**
Expenses:				
Interests on loans, obligations and bonds	(31.051)	(99.538.562)	(34.944)	(112.020.304)
intesrest hedging transactions net	(11.700)	(37.505.327)	(11.354)	(36.396.371)
Financial expenses for leases (Note 4)	(2.593)	(8.313.747)	-	-
Updating of financial liabilities	(2.644)	(8.475.137)	(4.250)	(13.624.049)
Other financial expenses	(1.659)	(5.318.030)	(876)	(2.803.225)
Tribute to financial transactions	(818)	(2.621.650)	(140)	(448.941)
	(50.465)	**(161.772.453)**	**(51.564)**	**(165.292.890)**
Net por Exchange rate difference net	825	2.643.485	272	871.592
	(49.640)	**(159.128.968)**	**(51.292)**	**(164.421.298)**
Financial expense, net	**(44.875)**	**(143.854.639)**	**(48.913)**	**(156.797.389)**

25. INCOME TAX AND COMPLEMENTARY

The expense for income and complementary taxes is presented below:

	Period ended at of june 30,			
	2019		2018	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Current tax:				
Income tax	2	5.197	18	57.009
	2	**5.197**	**18**	**57.009**
Deferred tax:				
Tax credits (1)	21.607	69.266.422	13.646	43.744.278
Deductible temporary differences	3.882	12.442.838	1.217	3.900.050
Taxable temporary differences	3.530	11.318.201	(4.412)	(14.139.716)
	29.019	**93.027.461**	**10.451**	**33.504.612**
	29.021	**93.032.658**	**10.469**	**33.561.621**

(1) Corresponds to the use of tax credits on tax profits generated to the semester ended as of June 30 of 2019 and 2018.

26. CONTINGENCIES

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

As of June 30, 2019, 1.836 processes are ongoing, of which 189 as classified as of high probability, 979 are classified as of low probability and 668 are classified as remote.

1. Processes with high probability

The following is the detail of the processes classified as high probability (Note 19).

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	At of june 30 of 2019			At of december 31 of 2018		
	Cantidad	*(in thousands of US$)*	*(in thousands of COP$)*	Cantidad	*(in thousands of US$)*	*(in thousands of COP$)*
Current:						
Users' administrative inquiries	69	1.248	3.999.345	77	2.970	9.522.239
Regulatory and competition administrative enquiries	7	360	1.154.381	8	1.242	3.981.796
Labor proceedings	24	1.471	4.717.168	14	518	1.658.809
	100	**3.079**	**9.870.894**	**99**	**4.730**	**15.162.844**
Non-current:						
Legal proceedings	54	1.164	3.732.254	52	2.657	8.516.942
Labor proceedings	38	98	314.724	38	675	2.164.888
Regulatory and competition administrative enquiries	8	2.606	8.354.087	11	890	2.852.494
Tax proceedings	5	690	2.211.901	5	51	162.069
	105	**4.558**	**14.612.966**	**106**	**4.273**	**13.696.393**
	205	**7.637**	**24.483.860**	**205**	**9.003**	**28.859.237**

2. Processes with low probability

The Group is a party in litigations classified as of low probability, which are currently pending before judicial, administrative and arbitration bodies. Considering 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 133 open processes for the amount of USD$18.072 (COP$57.932.897).

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 440 open processes classified as possible for a value of USD$8.383 (COP$26.872.528).

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 307 administrative and judicial proceedings in progress with possible qualification, valued at USD$5.253 (COP$16.840.101).

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. Seventy-seven (77) processes are reported for USD$1.575 (COP$5.049.705).

iii) Regulatory: Administrative procedures initiated by surveillance and control authorities for alleged faults in compliance with telecommunications regulatory standards. There are 22 possible processes for USD$4.069 (COP$13.044.337).

27. FINANCIAL INDICATORS – NOT DEFINED IN THE FINANCIAL ACCOUNTING AND INFORMATION STANDARDS ACCEPTED IN COLOMBIA

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

1) EBITDA (1)

	Period ended as of june 30,			
	2019		2018	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Net loss of the period	(14.802)	(47.451.116)	(9.472)	(30.364.953)
Plus:				
Depreciation and amortization (Note 23)	228.270	731.757.876	212.478	681.134.510
Financial expense, net	44.875	143.854.639	48.913	156.797.389
Income tax and complementary	29.021	93.032.658	10.469	33.561.621
Result minority interest	-	-	(376)	(1.204.631)
EBITDA	**287.364**	**921.194.057**	**262.012**	**839.923.936**

(1) EBITDA: corresponds to the result before depreciation and amortization, financial expense, equity method and income and complementary taxes.

2) EBITDA Margin

	Period ended at of June 30,	
	2019	2018
EBITDA Margin (*)	33,3%	32,4%

(*) Represents EBITDA divided on operational income.

3) Leverage Ratio: Net debt/EBITDA

	At of june 30 of			
	2019		2018	
	(in thousands of US$)	*(in thousands of COP$)*	*(in thousands of US$)*	*(in thousands of COP$)*
Current financial obligations (1)				
Financial institutions (Note 16)	119.850	384.200.259	126.115	404.282.213
Financial leasing (Note 16)	55.407	177.615.337	458	1.468.393
	175.257	**561.815.596**	**126.573**	**405.750.606**
Long-term financial obligations				
Senior bond (2)	750.000	2.404.252.500	685.691	2.198.100.000
Cop bond (2)	155.974	500.000.000	-	-
Financial institutions	64.064	205.367.960	376.106	1.205.671.478
Financial leasing	147.143	471.690.463	836	2.679.748
	1.117.181	**3.581.310.923**	**1.062.633**	**3.406.451.226**
Perpetual equity instruments (3)	398.801	1.278.425.000	398.801	1.278.425.000
Total financial debt	**1.691.239**	**5.421.551.519**	**1.588.007**	**5.090.626.832**
Derivatives valuation (Exchange rate only) (4)	(20.289)	(65.038.775)	(25.280)	(81.038.964)
Cash and cash equivalents	(47.269)	(151.528.395)	(29.839)	(95.653.723)
Total net debt	**1.623.681**	**5.204.984.349**	**1.532.888**	**4.913.934.145**
EBITDA last twelve months	**597.423**	**1.915.141.369**	**510.589**	**1.636.779.646**
Covenants Debt / EBITDA	**2,72 Times**	**2,72 Times**	**3 Times**	**3 Times**

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

(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 and “Cop” bonds’ 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. It 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.

(4) Includes only valuation of exchange rate hedges.

4) OPERATING INFORMATION

4.1) Accesses

	2019		2018			
	jun-30	mar-31	dec-31	sep-30	jun-30	mar-31
				(Unidades 000)		
Final customers access	**19.255**	**19.175**	**19.050**	**18.711**	**18.499**	**18.100**
Fixed line (1)	1.522	1.561	1.582	1.626	1.636	1.620
Internet and Data	1.171	1.190	1.204	1.231	1.229	1.217
Television	533	540	548	564	564	547
Mobile service	16.029	15.884	15.716	15.290	15.070	14.716
Prepaid	*12.098*	*12.015*	*11.881*	*11.469*	*11.298*	*11.004*
Postpaid	*3.931*	*3.869*	*3.835*	*3.821*	*3.772*	*3.712*

(1) Includes “Fixed Wireless” accesses and voice over IP accesses.

4.2) Average Revenues per User – ARPU

	2019		2018			
	jun-30	mar-31	dec-31	sep-30	jun-30	mar-31
				(USD$)		
BL - I&D - TV (1)	10,5	9,9	9,8	10,4	10,2	10,2
Mobile service (2)	3,9	3,9	4,2	4,2	4,1	4,3
Prepaid	*0,9*	*0,9*	*1,1*	*1,0*	*1,0*	*1,1*
Postpaid	*13,0*	*13,0*	*13,7*	*13,6*	*13,3*	*13,6*

	2019		2018			
	jun-30	mar-31	dec-31	sep-30	jun-30	mar-31
				(COP$)		
BL - I&D - TV (1)	33.558	31.640	31.265	33.412	32.645	32.694
Mobile service (2)	12.351	12.406	13.416	13.315	13.080	13.703
Prepaid	*2.896*	*3.003*	*3.542*	*3.245*	*3.201*	*3.549*
Postpaid	*41.558*	*41.609*	*43.811*	*43.584*	*42.639*	*43.560*

(1) Includes fixed monthly fees and excludes data and rental income.
(2) Excludes OMV income and sales of terminals.

5) Financial Indicators

5.1) Indebtedness ratios

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

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

	At of june 30 of	At of december 31 of
	2019	2018
a) Total debt level	49,90%	48,20%
b) Short term debt level	37,23%	37,77%

5.2) Solvency Ratios

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

	At of june 30 of	At of december 31 of
	2019	2018
Solvency ratio	1,99 v	2,07 v

5.3) Profitability ratios

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

	Period ended at of june 30,	
	2019	2018
a) Operational Margin	6,86%	6,13%

5.4) Liquidity indexes

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

	At of june 30 of	At of december 31 of
	2019	2018
a) Net working capital	(106.718.368)	(421.514.479)
b) Current reatio	0,78 v	0,82 v
c) Acid ratio	0,68 v	0,73 v

5.5) Return on equity

This indicator measures the return on capital invested by the shareholders; profitability on their own resources.

	Period ended at of june 30,	
	2019	2018
Return on equity	2,85%	2,57%

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

5.6) Assets profitability

This indicator allows measuring the capacity of the assets with which the Group has to generate income.

	At of june 30 of 2019	At of december 31 of 2018
Assets profitability	1,43%	1,27%

5.7) Interest hedging

Allows measuring the Group's ability to meet its obligations associated with financial interests.

	Period ended at of june 30,	
	2019	2018
Interest hedging	1,73 v	1,17 v

28. SUBSEQUENT FACTS TO THE DATE OF THE STATEMENT OF FINANCIAL POSITION

Increase in shareholding of Colombia Telecomunicaciones S.A. E.S.P. at Metropolitana de Telecomunicaciones S.A. E.S.P. In development of the Share Disposal Program of Metrotel S.A. E.S.P. and in accordance with its regulations, through Resolution No. 172 of June 28, 2019, 511,057,478 common shares of Metrotel S.A. E.S.P were awarded to Colombia Telecomunicaciones S.A. E.S.P, whose registration in the Share Registration Book and issuance of the shareholding was made on July 15, 2019.

29. APPROVAL OF FINANCIAL STATEMENTS

Interim condensed consolidated financial statements of Colombia Telecomunicaciones S.A. E.S.P. and its Subsidiary Companies, and the accompanying notes were certificated and approved by the Legal Representative and Public Accountant as of August 13, 2019.