

## 29. Contingencies

- a. As of the date of these financial statements, the Entity has judicial procedures in process with the competent authorities for diverse reasons, mainly for foreign trade duties, for the recovery of accounts receivable and of labor matters.

The estimated amount of these judgments at December 31, 2014 amounts to \$593,916; for which the Entity has recognized provisions \$85,744 which is included in other liabilities in the consolidated statements of financial position. During 2014, the Entity made payments related to these matters of approximately \$37,576. While the results of these legal proceedings cannot be predicted with certainty, management does not believe that any such matters will result in a material adverse effect on the Entity's financial position or operating results.

- b. The Entity is involved in legal proceedings related to mercantile, tax and labor matters. These matters have arisen in the normal course of business and they are normal for the industry in which the Entity participates. However, the matters are deemed to have a smaller than probable, but greater than remote probability of resulting in a loss to the Entity. Nevertheless, the Entity believes that these matters will not have a material adverse effect on its financial position or operating results.
- c. Certain subsidiaries are currently engaged in legal proceedings with the competent authorities, primarily for taxes and to recover long-term accounts receivable. The Entity's officers and attorneys consider that most of these proceedings will receive favorable verdicts. However, unfavorable verdicts will not substantially affect the Entity's financial position or results of operations.
- d. At December 31, 2014 and 2013, the Entity has written guarantees, mainly on behalf of their clients, for \$6,655,515 and U.S \$44,093 and \$6,479,758 and U.S\$62,710, respectively, which were the amounts of liability in force in those periods.
- e. Performance warranties. In the normal course of the operations, the Entity is required to guarantee its obligations, mainly derived from construction contracts by means of letters of credit or deposits, regarding the compliance with contracts or the quality of the developed works.