



Holding Company with
SUSTAINABLE
INVESTMENTS IN INFRASTRUCTURE

January 2017



GRUPO ARGOS

Principles of our Strategy



Generating value Through	Capital Arbitrage	Active participation in strategy	DNA of business group	
Contributing to its subsidiaries	Access to capital markets in better conditions	Knowledge of target markets through other subsidiaries	Dialogue and relationship with public entities	Mobility of human capital
Acting according to sustainability principles	Good corporate governance and social responsibility practices	Respect for the environment		

Grupo Argos as a Strategic Architect



Institutional

Focused on the Group's relationship with the exterior

- Sustainability agenda at the corporate level
- Relationships with stakeholders at the corporate level
- Government / Regulators relations
- Corporate Social Responsibility management
- External communication strategy



Management

Focused on managing TODAY. How does the group work toward its interior and inter-branch transactional services

- Define, coordinate and control of the Government Model.
- Control and Risk Management Systems.
- Ethics standards and Corporate Governance.
- Find synergies between operations.
- Corporate comptroller role.
- Talent management and corporate culture.

*SUMMA – creation of intercompany services subsidiary to capture synergies



Strategic / Transformer

Focused on defining the Group's FUTURE

- Defines Corporate Strategy.
- Ensures alignment with the Competitive Strategies of the subsidiaries.
- Promotes innovation and monitors opportunities for synergies according to the business models.

*Acquisition of Odinsa and reshaping of portfolio



Financial Strategy

Controls and makes financial decisions to ensure correct capital allocation

- Efficient capital allocation.
- Proposes and evaluates jointly with subsidiary opportunities for merger, acquisition, divestment, and partnership.
- Insurance management strategy
- Fiscal and tax guidelines

30% acquisition of OPAIN guaranteeing the consolidation strategy of ODINSA

Financial closing Pacifico II with a more efficient capital structure



GRUPO ARGOS

Grupo Argos' Portfolio



Mkt Cap¹ Revenue* EBITDA*
USD 5,6 bn USD 4,9 bn USD 1,2 bn

STRATEGIC In Infrastructure

Cement



55,3%**

- Pure cement player in key markets in the America.
- Logistical synergies.
- Efficiency seeking
- Potential for per-capita consumption growth.
- Risk balance – exposure to economies with different economic cycles.

** Cementos Argos 55.3% ordinary shares and 46,83% of outstanding shares

Energy



52,5%

- Presence in 3 countries.
- Integrated (Gx, transmission distribution and commercialization).

Concessions



Roads and airports
98,55%

- Road and Airport concession focus.
- Portfolio Optimization

OPAIN S.A.
30%

- Additional to 35% participation of ODINSA
- 3dr Airport in PAX and 1st in Cargo in LATAM.



Ports
50%

- Multi-purpose terminals
- Strategic alliances
- Ports in the Atlantic and the Pacific

PORTFOLIO

Real Estate



Real Estate Fund

40%***

- Real estate developers.
- > 450.000 m2 of GLA in operation.
- Private Capital fund
- Partnership with Concreto and Protección Pension Fund

*** 50% participation in the investment vehicle, ~40% Economic right with the entrance of Protección Pension Fund



Urban Development

100%

- ~ 2.000 Ha in Barranquilla and Barú.
- Synergy opportunities for groups land development

Financial Services



35,9%****

Protein Chain



9,8%

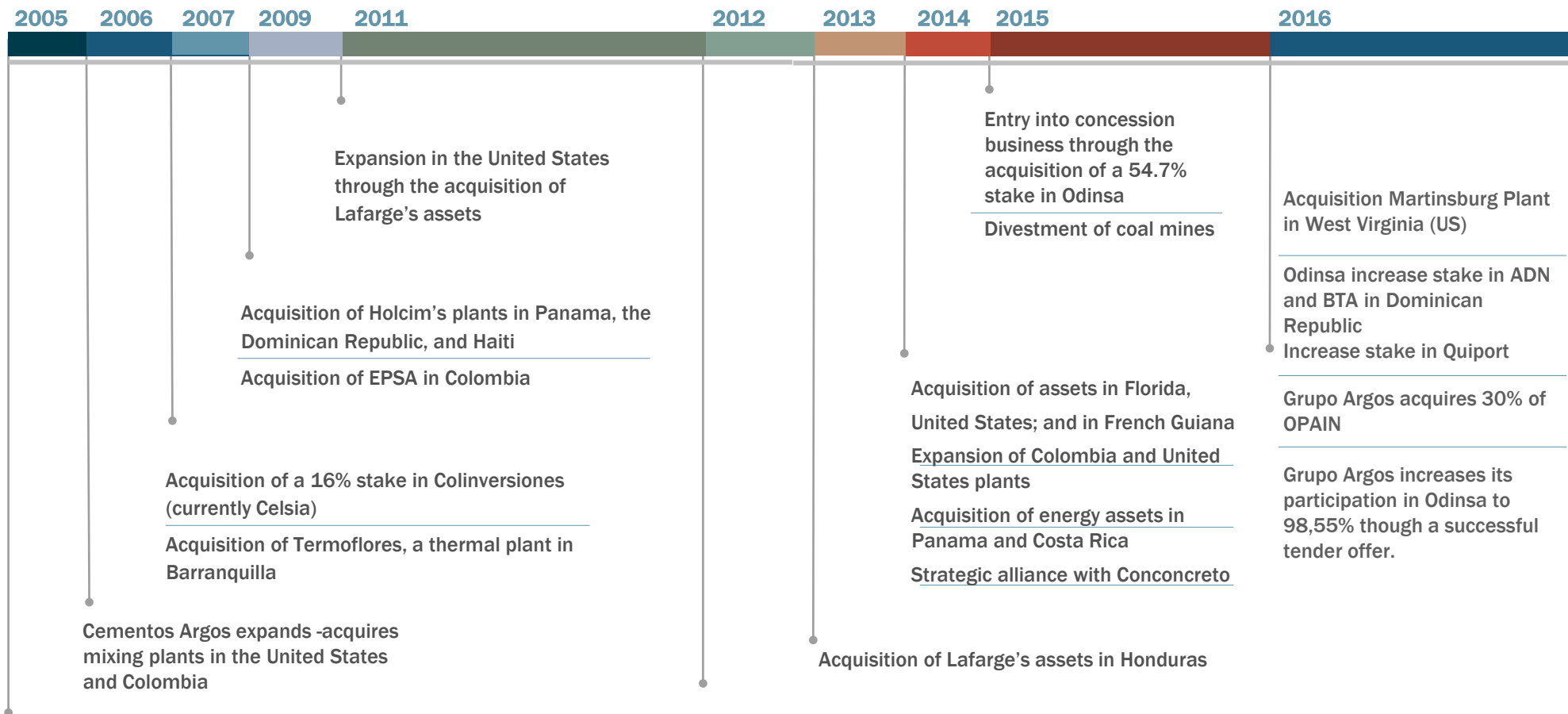
****The participation corresponds to that one that includes Grupo Argos and its related.

History

1934

Founding of Compañía de Cementos Argos (currently Grupo Argos)

Steady organic growth complemented by a track record of value-creating acquisitions



Eight cement-producing companies are merged under the name Cementos Argos

Cementos Argos changes its corporate name to Inversiones Argos

Spin-off of Cementos Argos' non-cement assets and creation of three new businesses: **Ports, urban development and coal**



Recognition and Solid Commitment to Corporate Governance

BOARD OF DIRECTORS

ROSARIO CÓRDOBA

(Chairman of the Board) - Independent

MARIO SCARPETTA

Independent

ANA CRISTINA ARANGO

Independent

ARMANDO MONTENEGRO

Independent

JORGE URIBE

Independent

DAVID BOJANINI

Non – Independent

CARLOS GALLEGU

Non – Independent

JORGE MARIO VELÁSQUEZ

CEO - Non member

SHAREHOLDERS



Figures as of December 30, 2016



Preferred shares do not carry voting rights

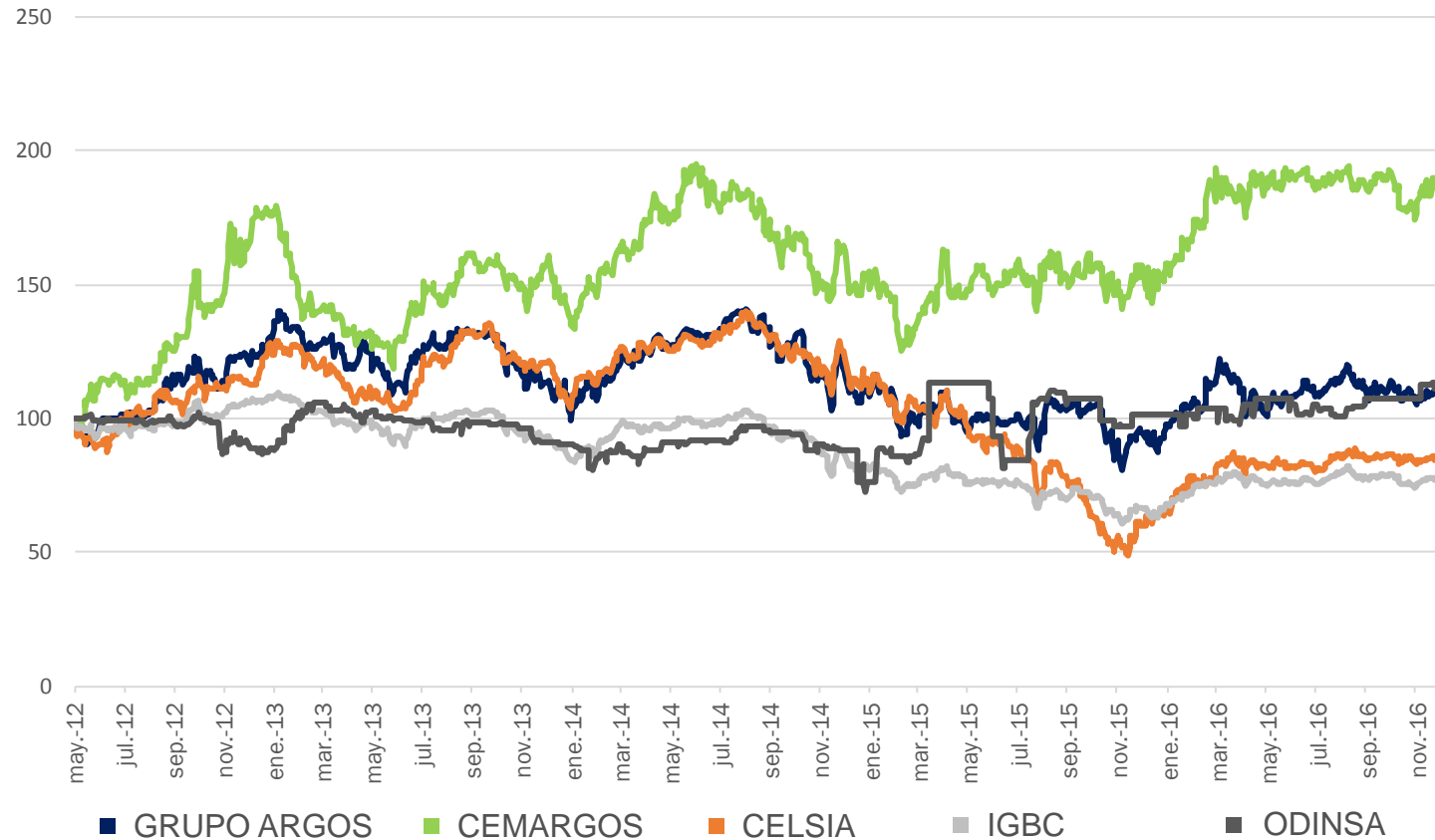
RECOGNITIONS



The CEO Water Mandate

AFFILIATIONS

Performance



Grupo Argos' Advantages as a Holding Company



Correlation among its businesses, enabling synergies



Access to better financing terms

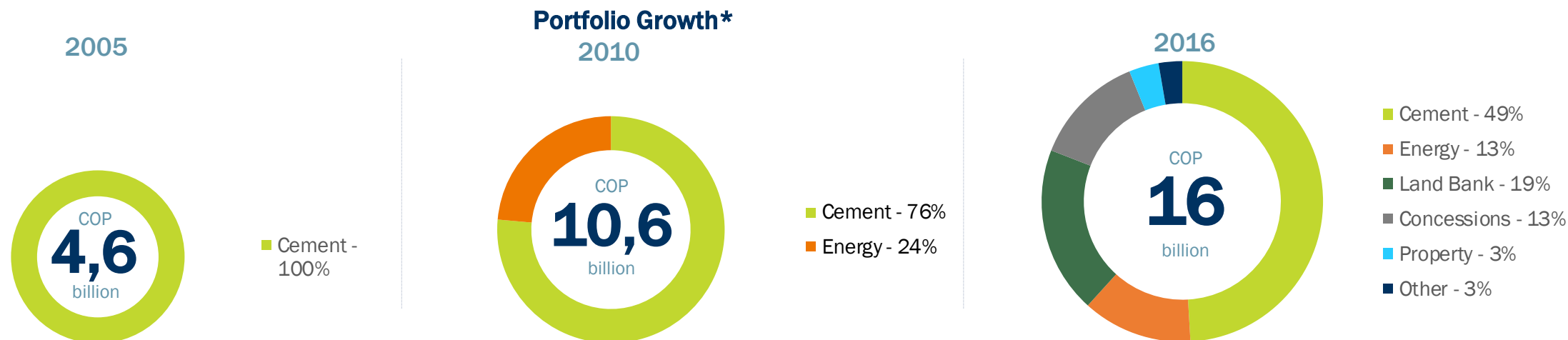


Strategic alignment among subsidiaries

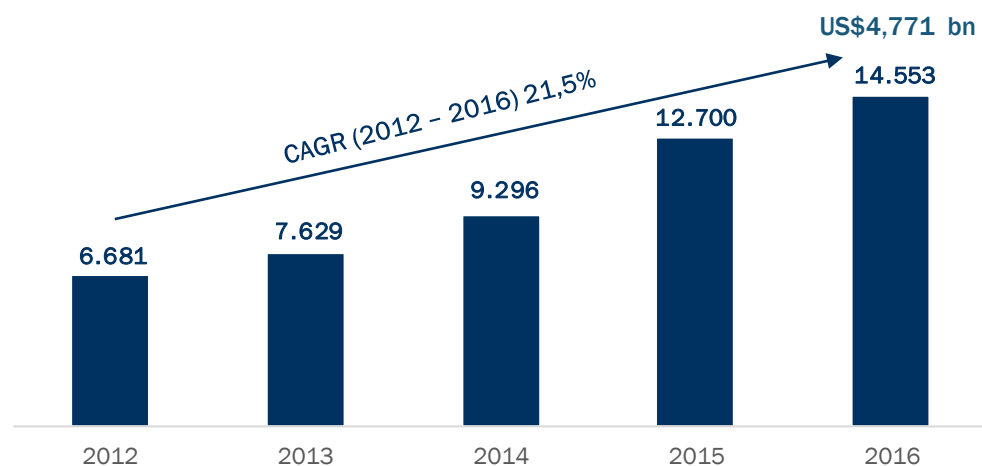


Optimal resource allocation

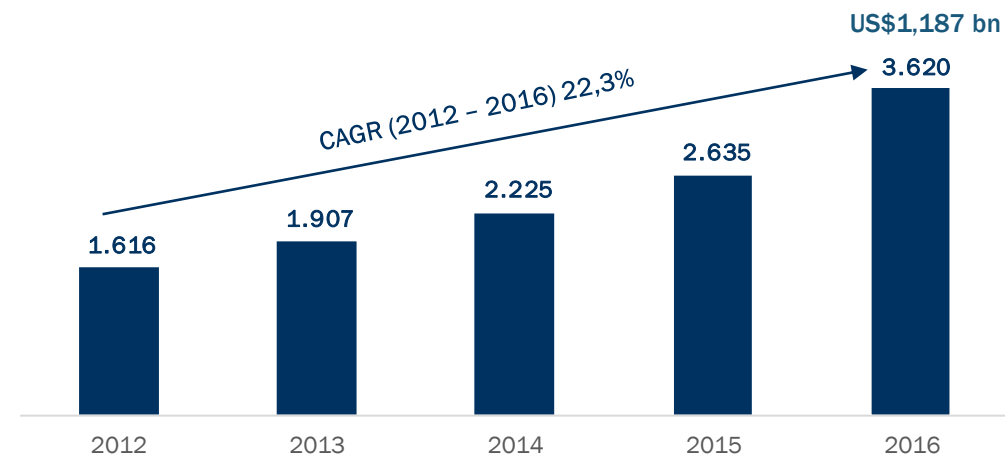
Strategic Portfolio Diversification



Revenues (COP bn)

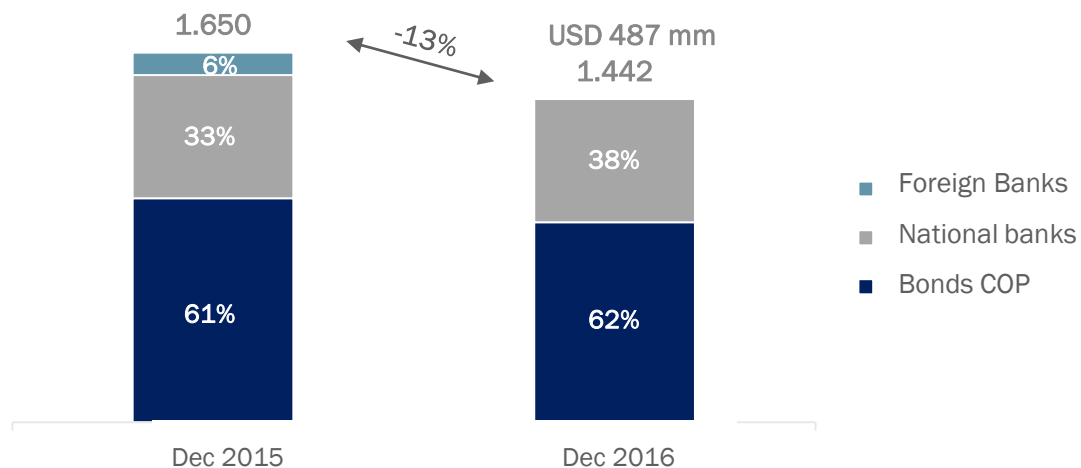


EBITDA (COP bn)

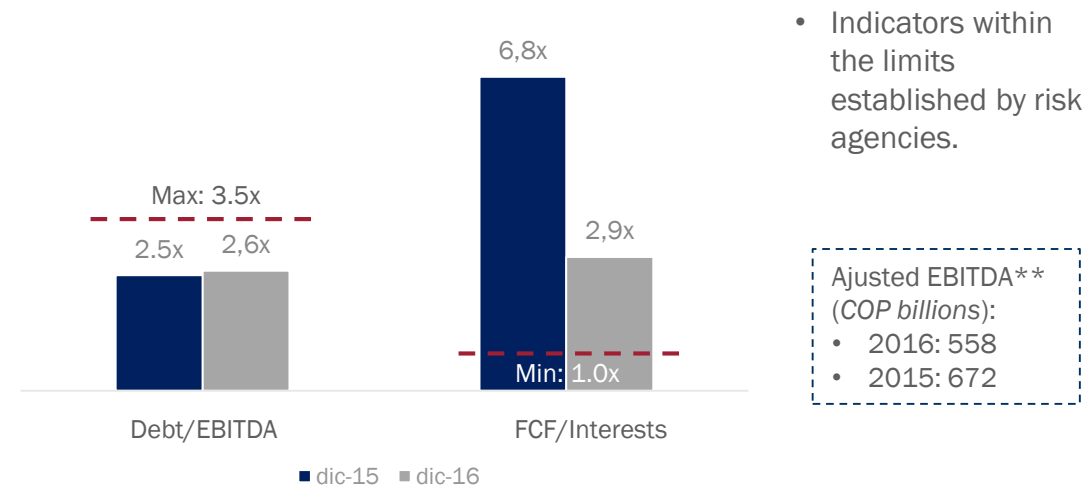


Leverage ratios (separate) healthy and within the limits established by the rating agencies

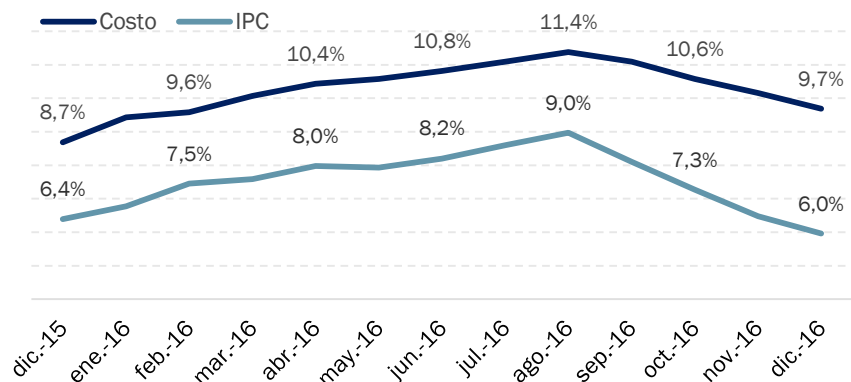
Debt (COP trillions)



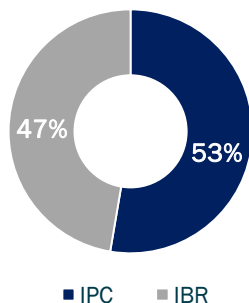
Leverage ratios



Cost of Individual Debt

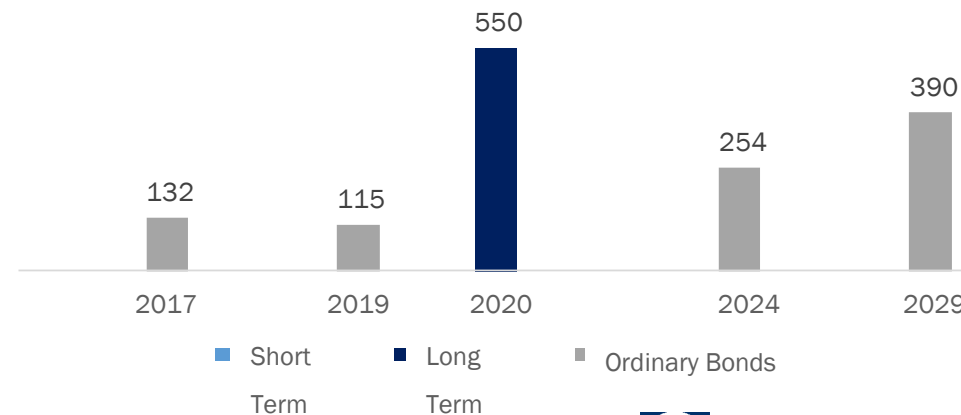


Debt Indexation



Debt Profile

Billions of COP



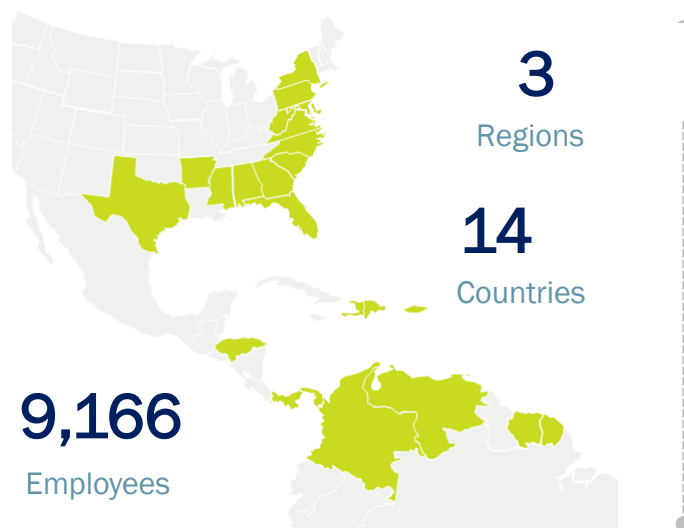


Cement BUSINESS

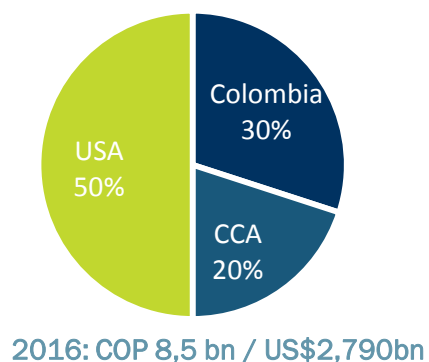


GRUPO ARGOS

Cement and Concrete leader in the Americas

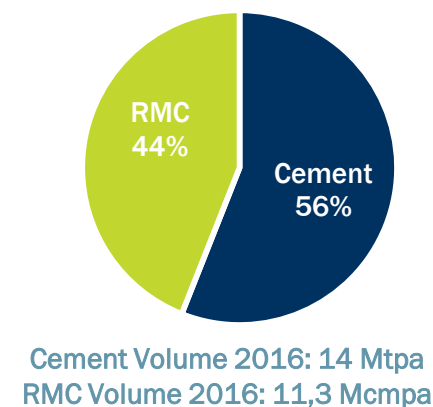


Revenue by Geography

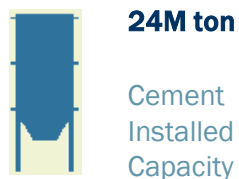
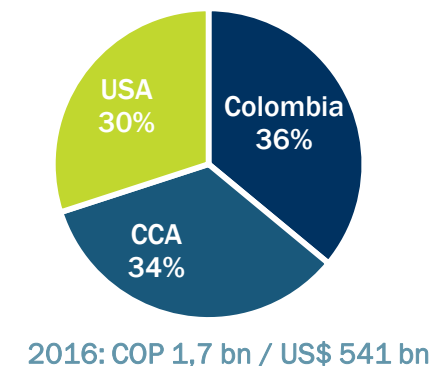


Key Figures (2016)

Revenue by product



EBITDA by Geography



- ✓ Included in the Dow Jones Global and Emerging Markets sustainability index, for 4 consecutive years. Selected as the cement company most sustainable worldwide according to the Dow Jones Sustainability Index.
- ✓ #1 or #2 positions in key emerging and developed interconnected markets in the Americas.
- ✓ Flexible operations with vertical integration and extensive logistics network.
- ✓ Undertaking strategic investments to further enhance efficiency and competitiveness.
- ✓ Operating in countries with significant growth potential
- ✓ Healthy financial position and flexibility to pursue growth

Profitability of the strategy supported by increase in demand

Strategy

- ✓ #1 or #2 Positions in Key Emerging and Developed Interconnected Markets in the Americas
- ✓ Flexible Operations with Vertical Integration and Extensive Logistics Network
- ✓ Operating in Countries with Significant Growth Potential
- ✓ Strategic Investments Further Enhance Efficiency and Competitiveness
- ✓ Track Record of Successfully Implementing Disciplined Growth Strategy
- ✓ Healthy Financial Position and Flexibility to Pursue Growth
- ✓ Focus on Innovation and Sustainability

Drivers & Competitive Advantages



- ✓ Privileged footprint with strategically located plants close to high demand centers
- ✓ Strategically located ports further enhance vertical integration.
- ✓ Leadership in concrete – Leverage cement demand
- ✓ Cement consumption to reach pre-crisis levels in 2020 (+24% vs 2016E).
- ✓ Public infrastructure plans (FAST + Trump plans)
- ✓ Higher capacity factors could benefit prices.
- ✓ Consolidation of recent Martinsburg plant acquisition.



- ✓ Efficiency optimization through BEST program: cash cost reduction target USD 6/ton seeking to be the most competitive.
- ✓ Undisputable market leader in a growing market.
- ✓ Value proposal (retail and infrastructure).
- ✓ Public and private infrastructure projects materialization: 4G Concession + PPA
- ✓ Housing deficit (quantitative of 0.6M and qualitative of 1.1M).

CCA

- ✓ High long term growth prospects
- ✓ Strategic interconnection of all regions
- ✓ USA recovery driving growth in remittances across the region.
- ✓ Scalable investment due to logistic synergies
- ✓ Successful trading strategy in the region with efficiencies.

**Contribution to
Grupo Argos**

Mature Operation
Stable dividend stream
Internationalization
Know How
**Successful growth
strategy**

EBITDA

USD 539

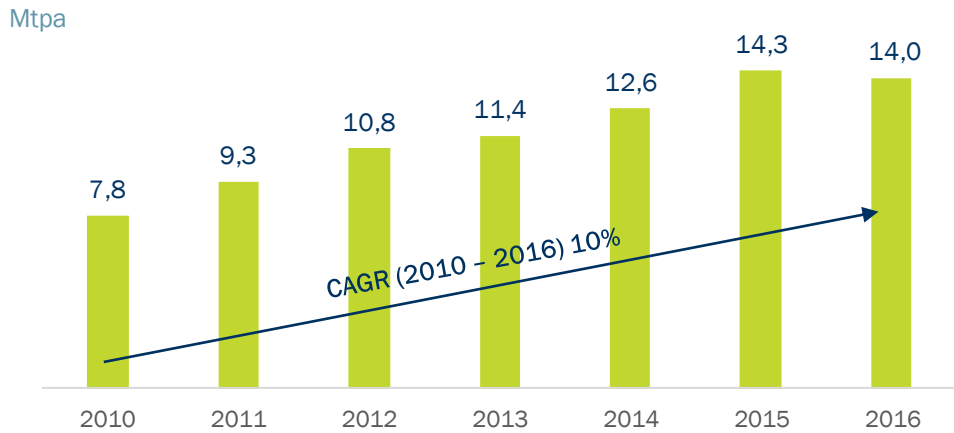
million as of 2016

DIVIDENDS - 2016

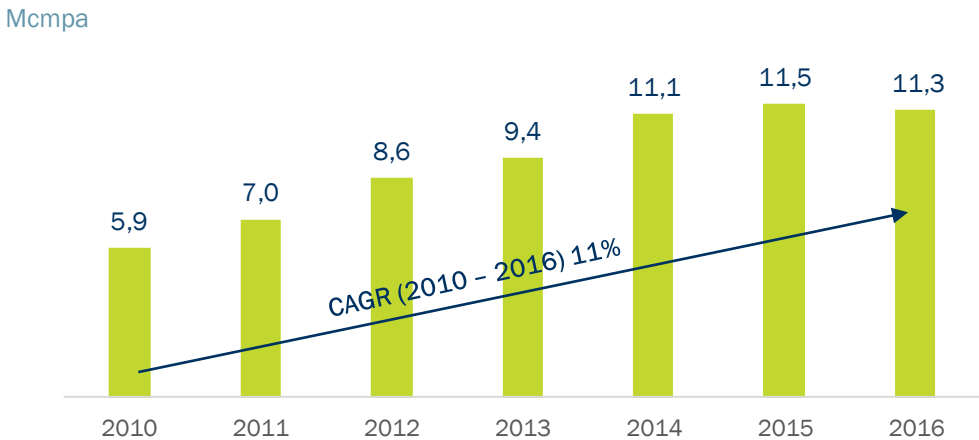
USD 40bn

Results

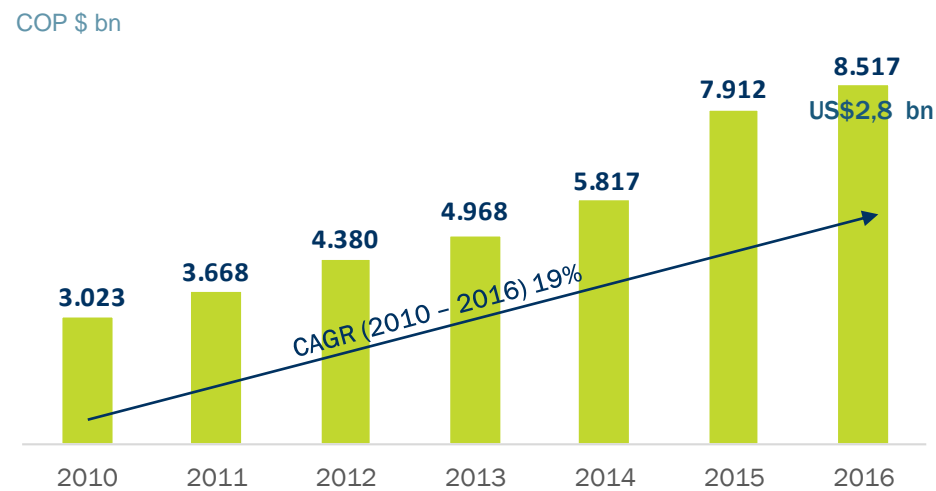
CEMENT VOLUME



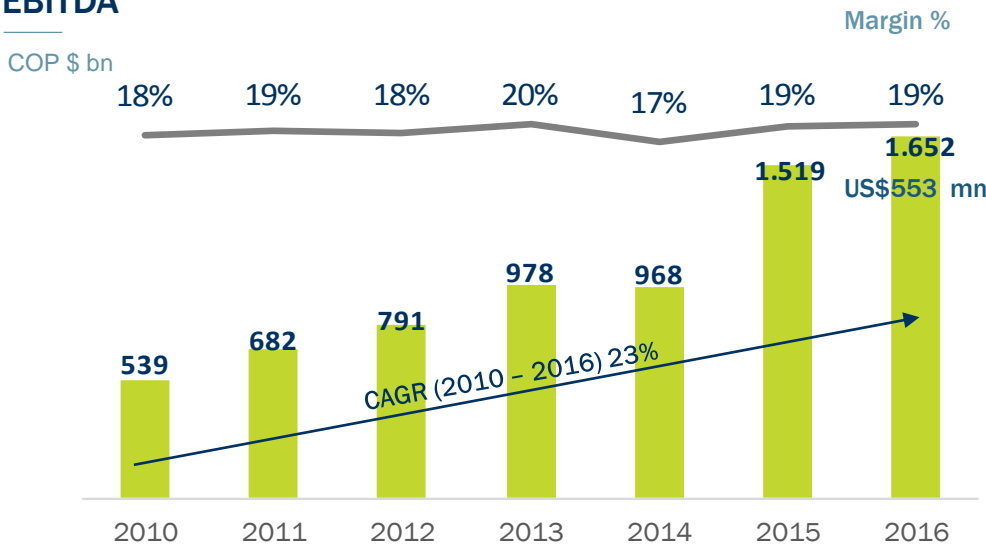
RMC VOLUME



REVENUES



EBITDA





Energy
BUSINESS



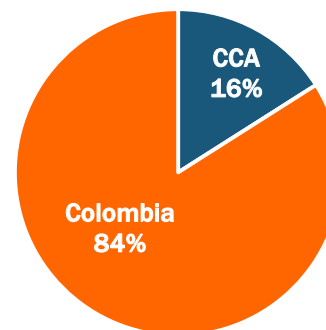
GRUPO ARGOS

Balanced Portfolio in the Power and Distribution Businesses



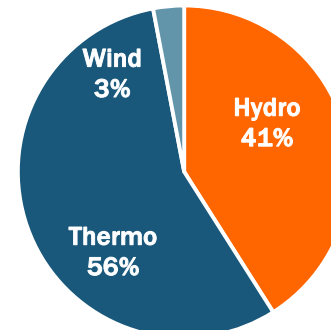
Key Figures (9M16)

Revenue by Geography

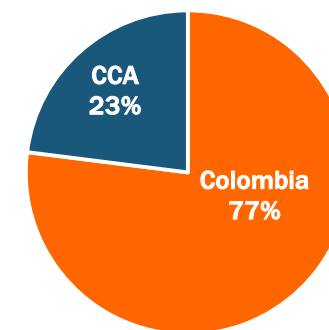


2016: COP 3,795 bn
Gx: 54,9%
Cx+Dx+Tx: 45,1%

Revenue by type of generation



EBITDA by Geography



2016: COP 1,031 bn
Gx: 70,6%
Cx+Dx+Tx: 29,4%

2.390
Mega watts

7,135
GWh of energy generated

580.000
Clients

274
km transmission networks

27
Plants

20.230
km distribution network

- ✓ 5-year CAGR (2011-2015) of 16,1% in revenues and 5,4% (CAGR 2010-2014 ex Niño) in EBITDA.
- ✓ Vertically integrated: Generation, transmission, distribution and commercialization
- ✓ Leader in Gx: 2nd Panama and 4th Colombia.
- ✓ Innovation Focus:
 - Become a strong player in large-scale unconventional renewable energies connected to the grid.

Balanced portfolio with stable cash flow generation

Strategy

- ✓ Balanced portfolio in technologies (Hydro, Thermal, Wind, and Solar) and geographies (Colombia and CCA)
- ✓ Cash flow stability through asset selection.
- ✓ Maximizing returns
- ✓ Become a relevant player in large-scale, grid-connected non-conventional renewable energies.
- ✓ Small-scale, renewable energy generation for on-site use.
- ✓ Focus in innovation

Drivers & Competitive Advantages

- ✓ Vertically integrated (Gx and Cx+Dx+Tx).
- ✓ Leader in operational metrics in the distribution business
- ✓ Project backlog in Gx and Dx
 - ✓ Plan 5 Caribe
 - ✓ Porvenir II being one of the most advanced hydro projects in the country belonging to Celsia
 - ✓ Utility scale solar projects for 200 MW in Colombia and Panama in the next 2 years
- ✓ Thermal assets expected to normalize Ebitda and profits on changes in regulation and gas availability with LNG after one of the strongest Niño phenomenon of the last decade.

Contribution to
Grupo Argos

Cash flow stability
Markets with high
growth potential

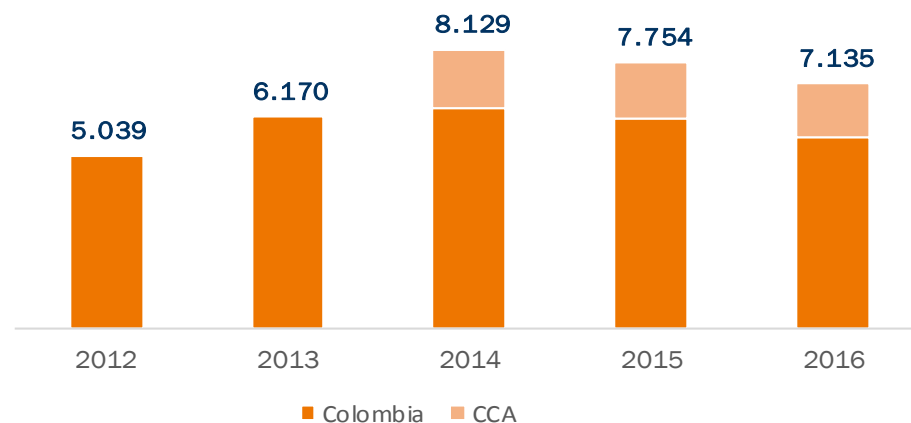
EBITDA
USD 352

Million as of 2016

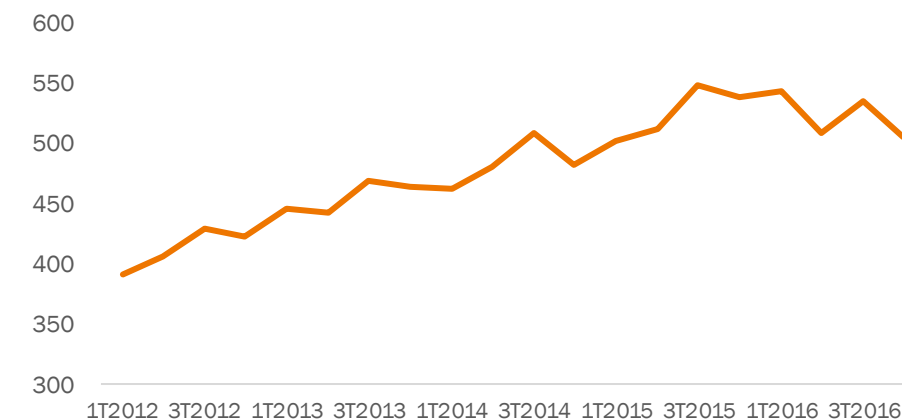
DIVIDENDS - 2016*
USD 24bn

Recent Performance

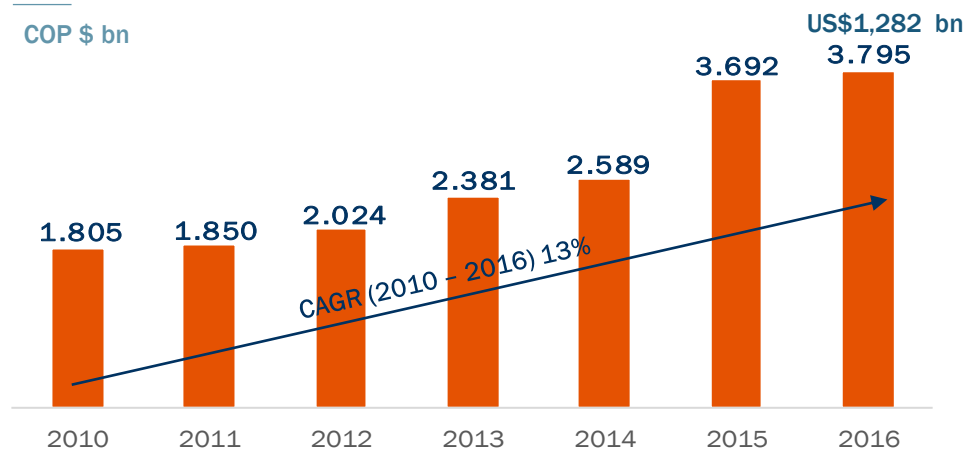
GENERATION GWh



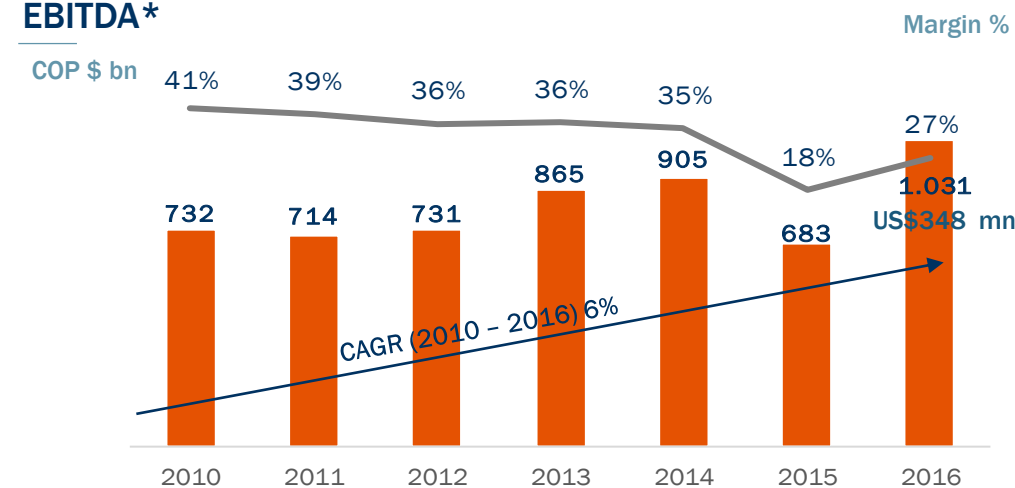
REGULATED AND NON REGULATED MARKET SALES GWh



REVENUES*

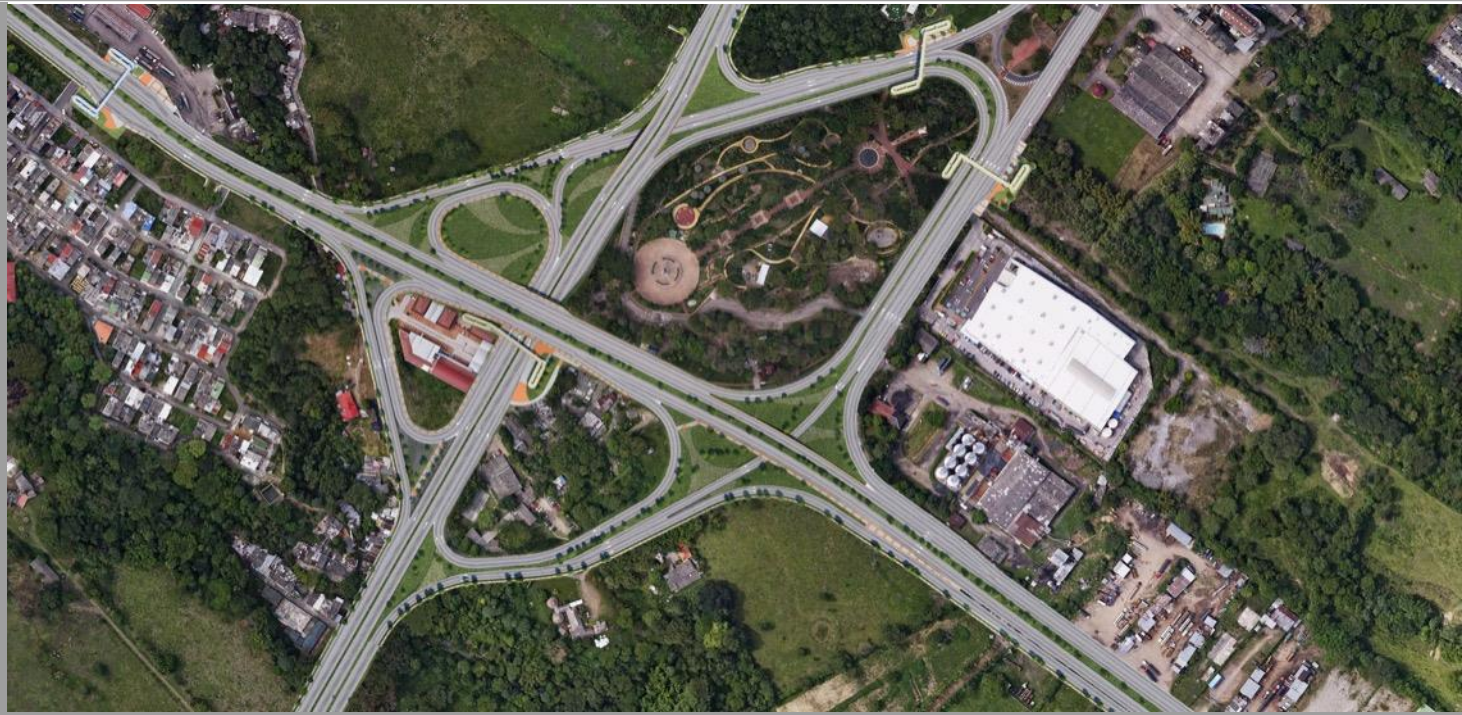


EBITDA*





Concessions Roads & airports



GRUPO ARGOS

Active transformation in the concession business



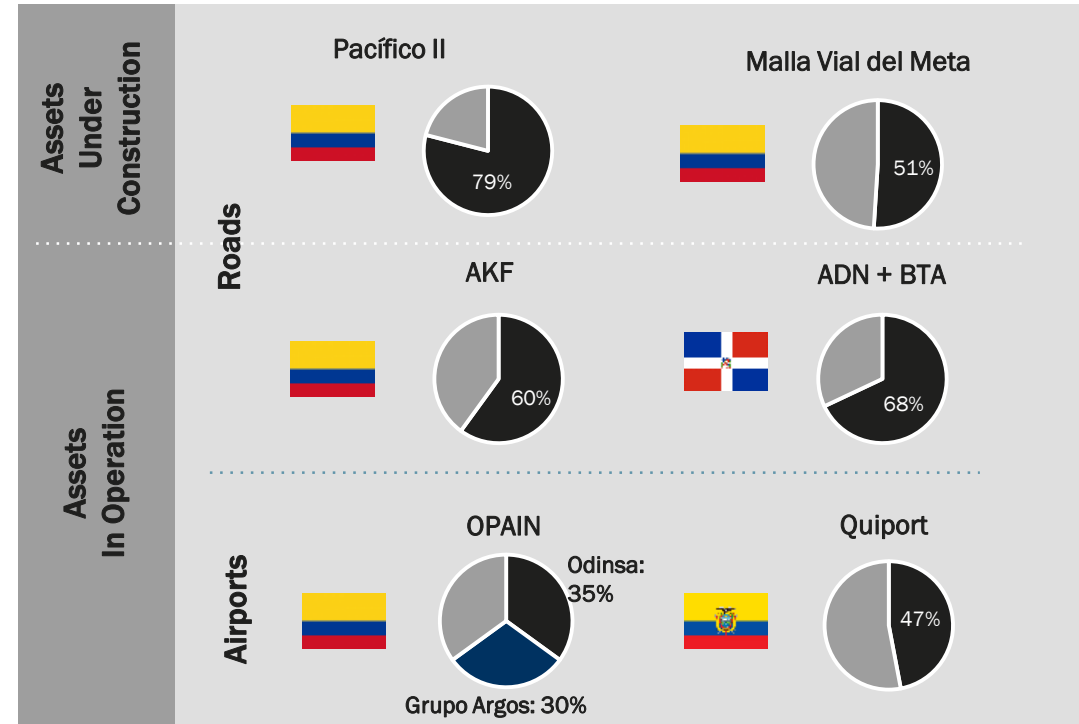
3
highway concessions in operations



2
concessions under construction



2
Airport concessions



- ✓ Long-term infrastructure concessions in two specific business segments, at any stage of the value chain: Roads and Airports
- ✓ 5-year CAGR (2010-2015) of 8,5% in revenues and 12,2% in EBITDA.
- ✓ Construction Backlog (COP 1,9bn /USD630bn).
- ✓ Quito and El Dorado Airport:
 - EBITDA 2015 Quiport: US\$72,2bn
 - EBITDA 2015 El Dorado: US\$115,6bn

Solid Growth Platform in the concession's business

Strategy

- ✓ Focused in Airports and Roads concession business in Latam
- ✓ Majority stake holding in all of the investment guaranteeing control and an active management strategy
- ✓ Diversified portfolio in roads and airports concessions including green and brown field projects with different risks exposure.
- ✓ Presence in countries with big infrastructure need
- ✓ Diversified business lines that guarantee stable cash flow generation (mature projects and projects with MRG)
- ✓ Selective pursue of projects guaranteeing minimum profitability

Drivers & Competitive Advantages

- ✓ Know how and consolidation in the business that gives credentials to participate in future tender processes.
- ✓ Natural entry barriers sector given the characteristics of being capital intensive. Grupo Argos gives the financial support necessary to guarantee a competitive position for future projects in which Odinsa would intend to participate.
- ✓ Strong corporate governance with Grupo Argos ADN.
- ✓ Ability to develop efficient financial structures according to the projects characteristics strengthen by Grupo Argos.
- ✓ Infrastructure in Latam with big delays and shortcoming with respect to industrialized countries.
- ✓ Institutional strengthening – Creation of National infrastructure agency (ANI).
- ✓ 4G Concession Program ~COP41 Tn (USD13,7 bn)
 - Phase 1: 10 projects (COP16.0 Tn). All with financial closing.
 - Phase 2: 9 projects awarded (COP19.8 Tn). 8 with financial closing
 - Phase 3: 2 projects awarded (COP4.8 Tn)
- ✓ (PPPs): 9 privately funded projects awarded in 2016, 3 with financial closing (COP 22.8 Tn (USD 7.3 Bn)).

Contribution to Grupo Argos

Credentials / Expertise
Infrastructure Pillar
Growth potential platform
Developed platform
Optimal portfolio with
project in different stages

EBITDA

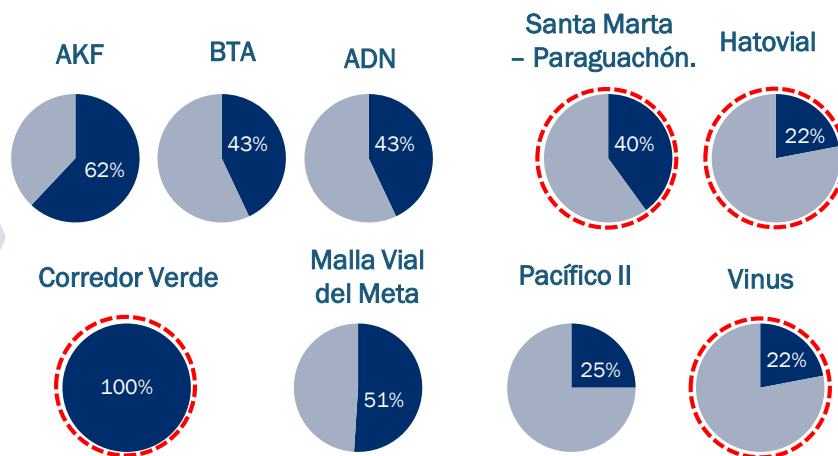
USD 164bn

Million as of 2016

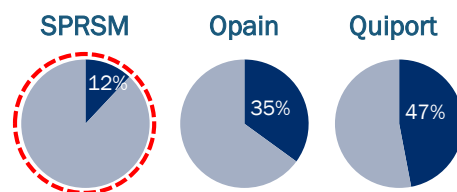
Successful consolidation in the Airport and Road concession business

2015 End of Year

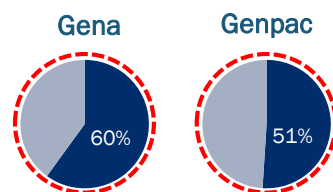
Road Concessions



Port and airport concessions



Energy Assets

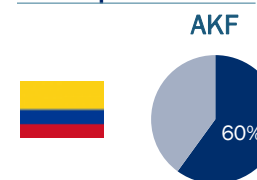


- ✓ Control in ADN and BTA in D.R.
- ✓ Acquisition of control in Pacifico 2, a 4G project (25% to 79%) swap for Hatovial (22%), Vías del Nus (22%), Autopistas del Café (2%) and Green Corridor (100%).
- ✓ Divestment process in Santa Marta - Paraguachón

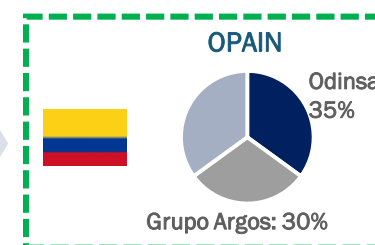
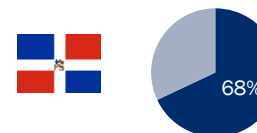
- ✓ Close in Quiport acquisition
- ✓ Divestment in Sociedad Portuaria de Santa Marta (12% to 0%)

Expected Situation YE2016

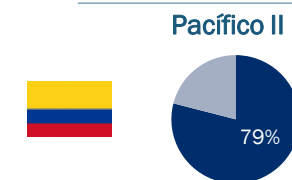
In Operation



ADN + BTA



Under Construction



Malla Vial del Meta

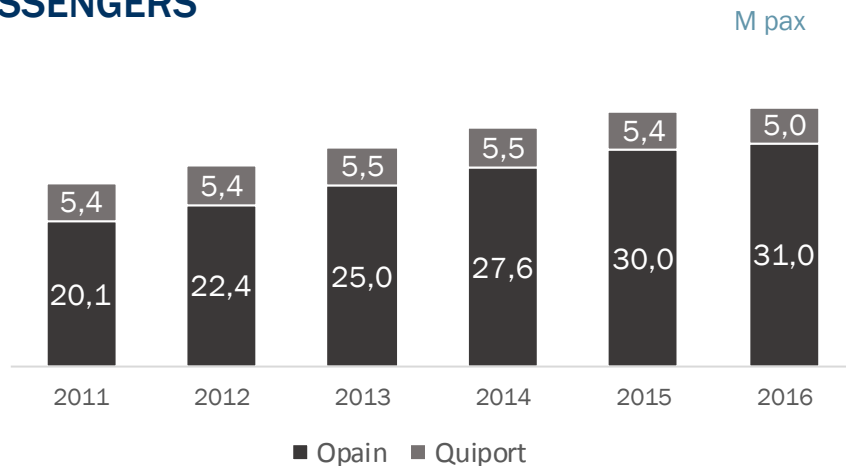


Quiport

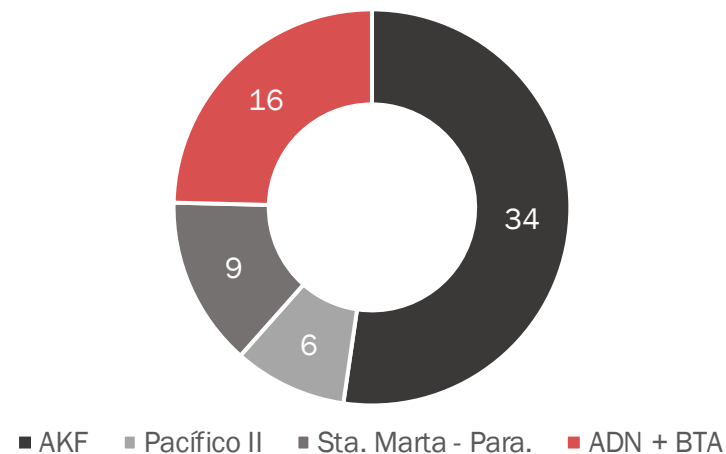


Recent Performance

PASSENGERS

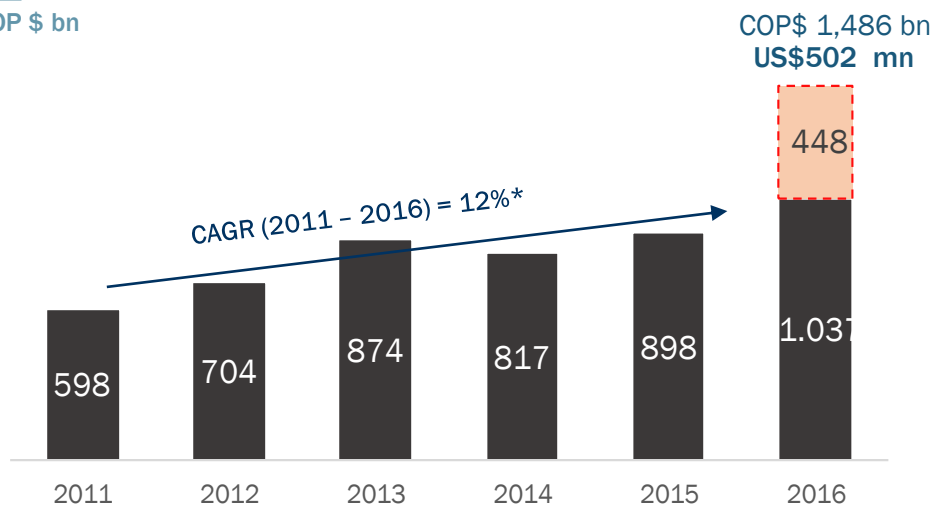


TRAFFIC 2015



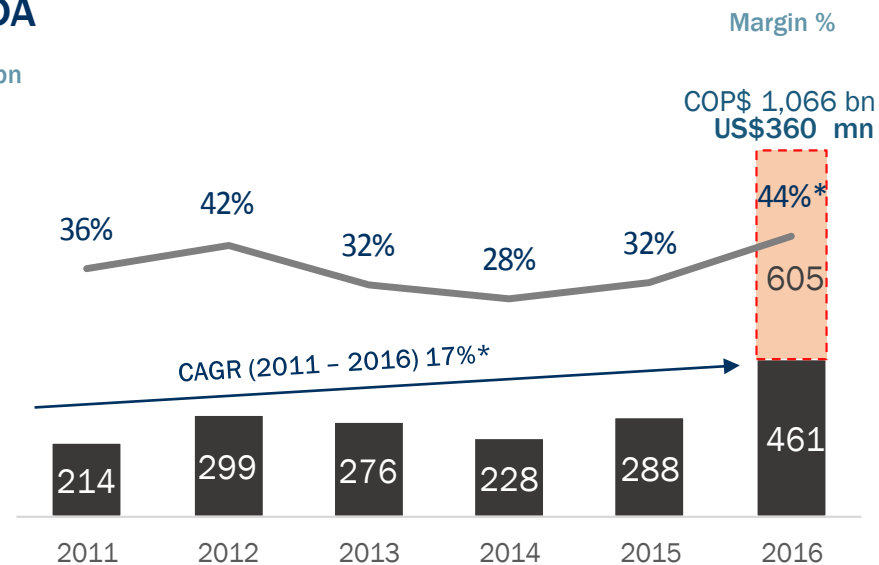
REVENUES*

COP \$ bn



EBITDA

COP \$ bn





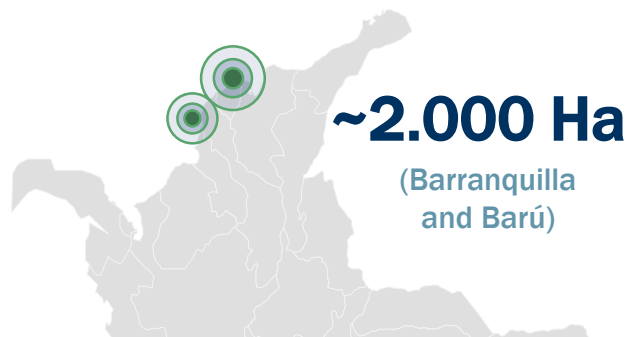
Real - Estate



GRUPO ARGOS

Land Bank with cash generation potential

Situm



416 Ha developed up to 2015



2002

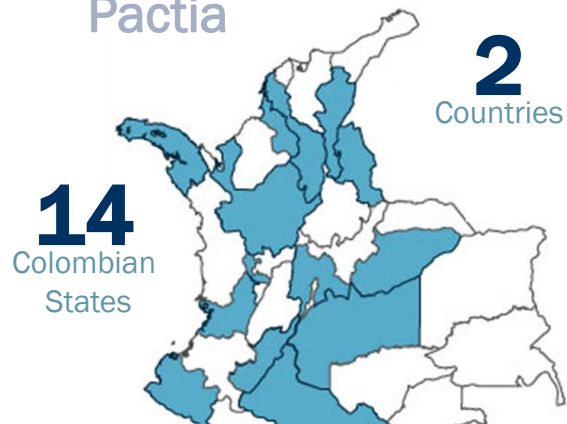


2009

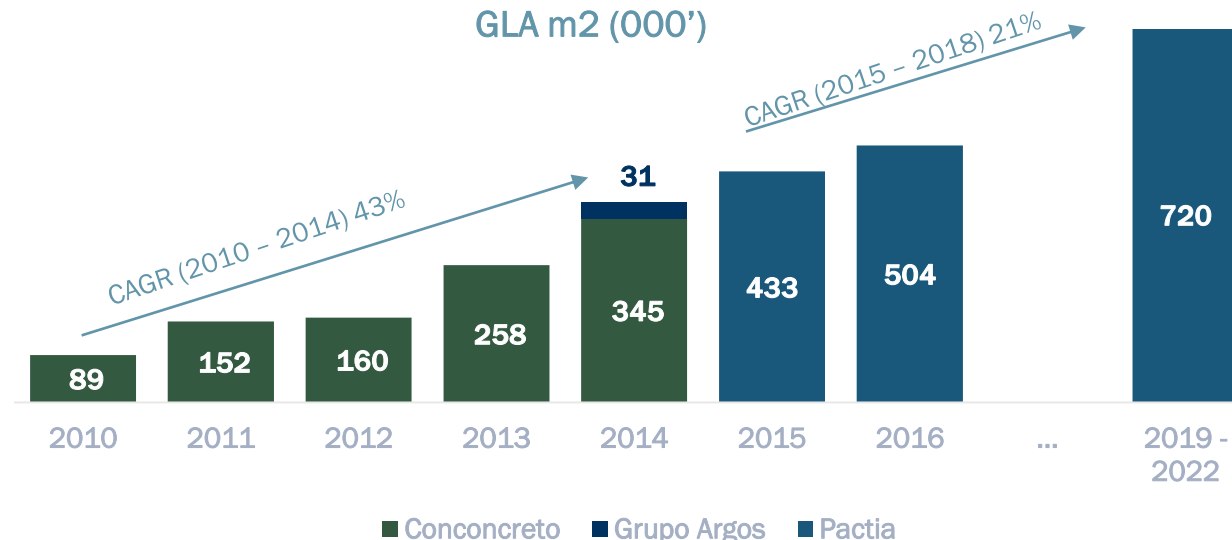
- ✓ ~ 2.000 Ha to develop between Barranquilla and Barú.
 - Land development in Barranquilla: 833 Ha equivalent to 2,5x Central Park in NYC.
 - Land development in Barú: 1.180 Ha. Tourism potential.
- ✓ 35 years of expertise.
 - Orderly planning, optimizing investment, verifying costs that are appropriate for the operation and increase efficiency.
 - Synergy opportunities for development of all the groups lands assets.

Property Joint Venture with growth potential

Pactia



Evolution of Concreto and Grupo Argos GLA m2 (000')



~ 500.000 m2

Shopping centers, offices, warehouses, self-storage and hotels



USD 680

million in assets



>1800

commercial units

- ✓ EBITDA CAGR projected 2016 - 2026: 21%
- ✓ ~ 260.000 m2 in pipeline to reach 720.000 m2 in GLA in the next 4 years.
- ✓ Assets:
 - 16 shopping centers
 - 14 industrial projects
 - 10 corporate buildings
 - 1.117 rooms in 6 properties
 - + 3.000 self-storage units in 8 properties



Concessions Ports



GRUPO ARGOS

Integrated logistic with strong partnerships



5

mn tons Handled in 2015



5

Terminals under Operation



2

operations in association



2

Terminals under construction



Port Terminals

- ✓ Cartagena
- ✓ Barranquilla
- ✓ Buenaventura
- ✓ Tolú
- ✓ Houston (Operation)
- ✓ Boscoal (Buenaventura)

- ✓ Invest in the modernization and specialization of our terminals
- ✓ Boscoal - Port under construction:
 - Will be the main port of entrance to Colombia.
 - Estimates entry 1Q17
 - Alliance with Singapore Port Terminal (SPT).
 - Capacity to move bulk, general cargo and containers
 - Estimated investment (US120mn Grupo Argos and US 800mn SPT in two phases)
- ✓ Tolu port with Privileged location for the industry, 150km closer to Antioquia than Cartagena port.
- ✓ Cartagena port recently signed Alliance with APM Terminals (APM terminals has its own ships guaranteeing container flow)



Commercial Partnership

- ✓ Buenaventura
- ✓ Cartagena
- ✓ Comship
- ✓ Brokers



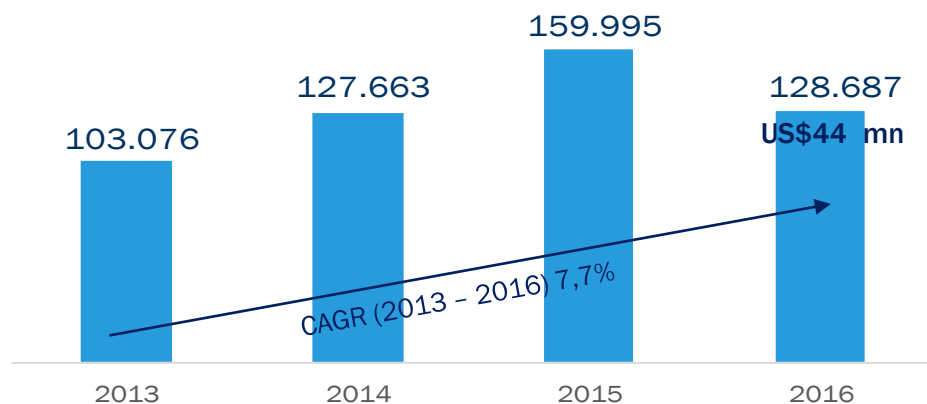
Ership



Recent Performance

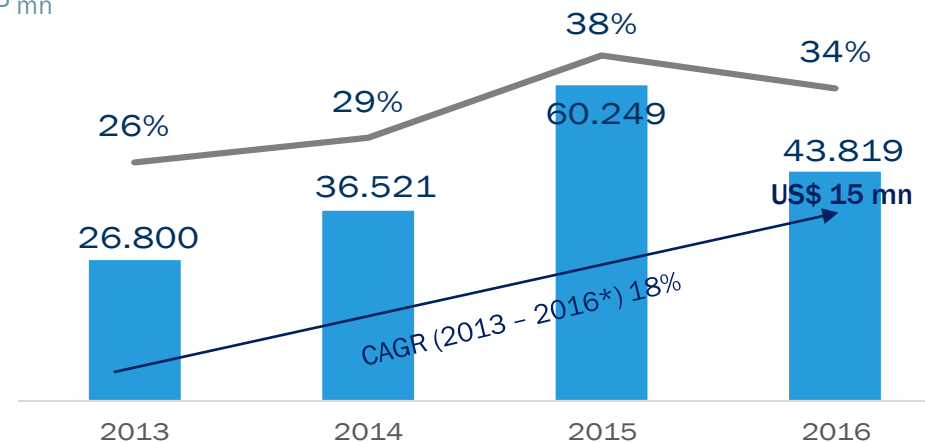
REVENUES*

COP mn

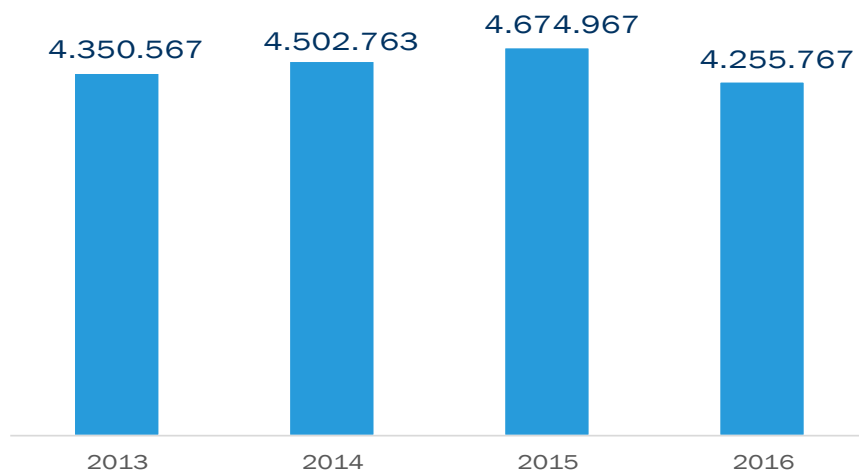


EBITDA*

COP mn



TONS OF CARGO (Including Containers)



Contact

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