



Corporate
presentation



GRUPO ARGOS

Disclaimer



This document contains forward-looking statements relating to GRUPO ARGOS and its subsidiaries based upon management projections.

These projections reflect GRUPO ARGOS' opinion on future events that may be subject to a number of risks, uncertainties and assumptions. Various factors may cause actual results to differ from those expressed herein.

Grupo Argos assumes no obligation to update or correct the information contained in this presentation.

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Cement plant, Yumbo, Colombia

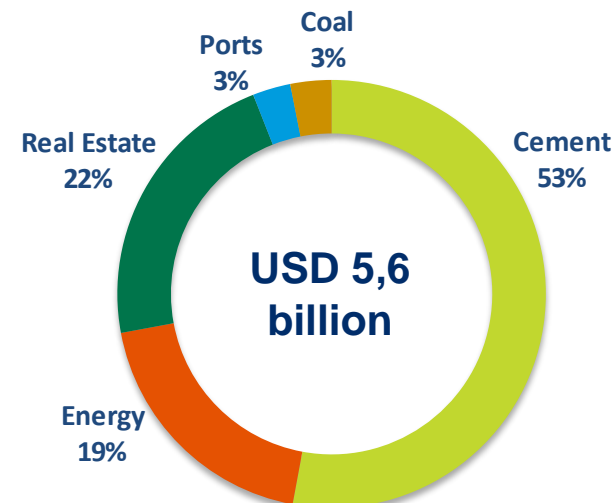
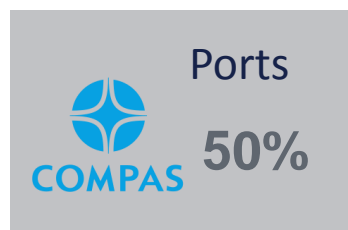
Strategic Investments



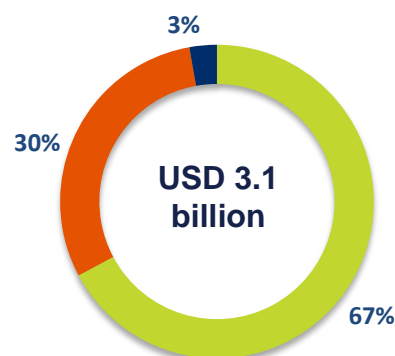
Listed



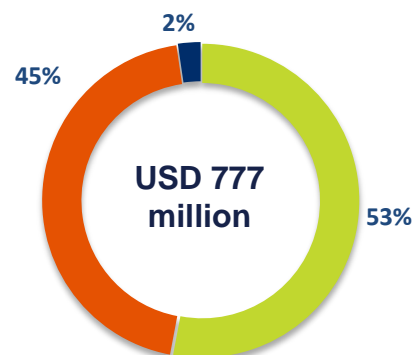
Non Listed



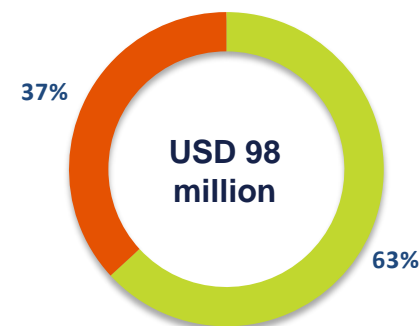
Revenues



EBITDA



Dividends 2014

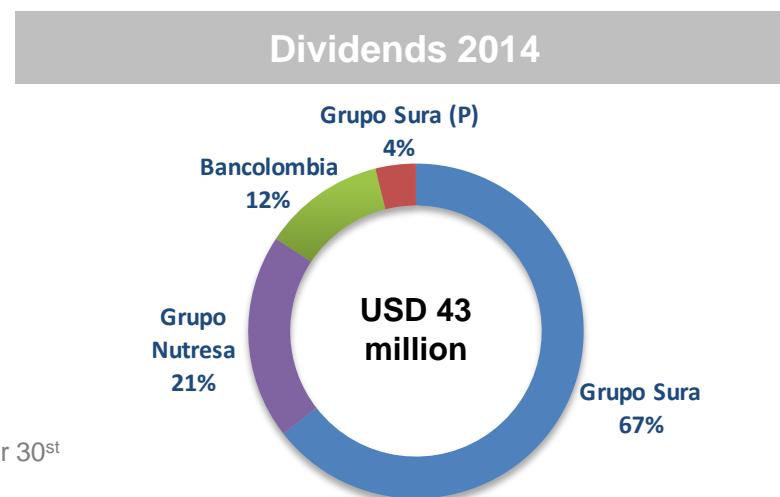
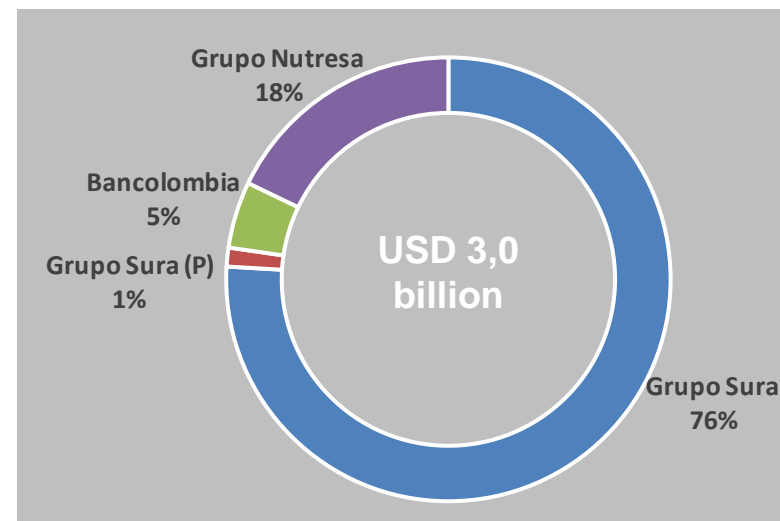
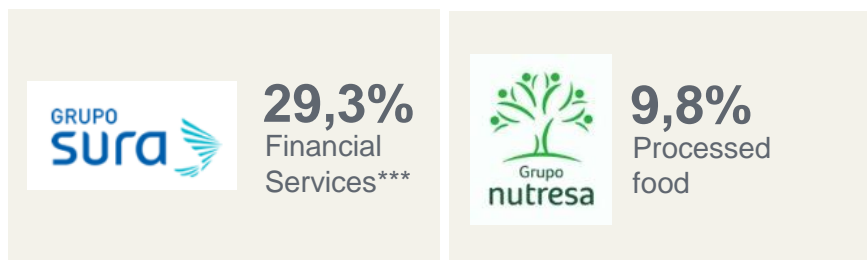


3Q2014 Results

■ Cement ■ Energy ■ Others

NOTE: * Argos and Celsia, at market value as of December 30st and Real Estate, Ports and Coal values are based on the spin-off valuation
FX: 2,378 COP/USD

Portfolio Investments

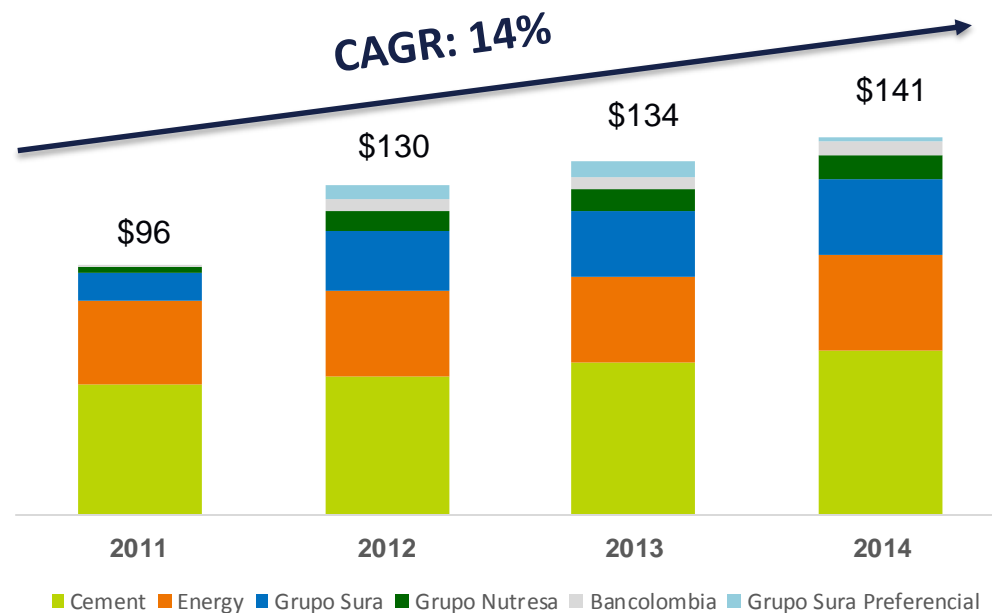
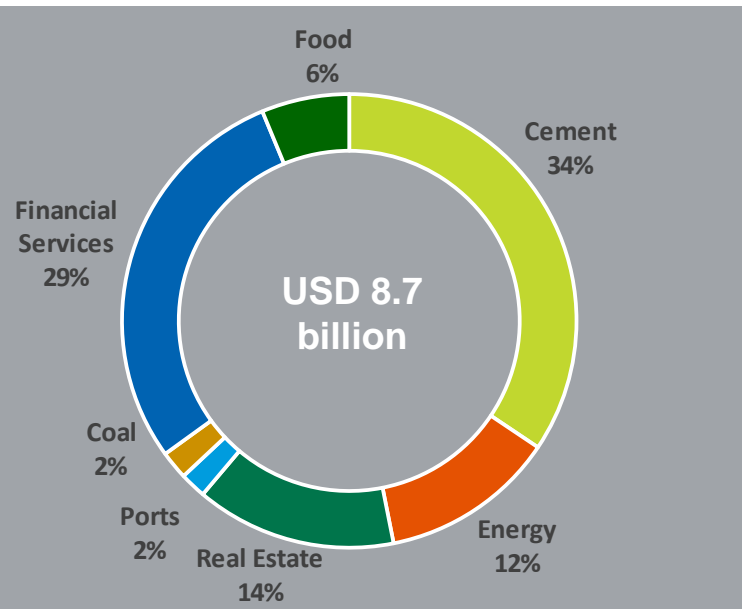


NOTE: * Grupo Sura, Grupo Nutresa and bancolombia at market value as of December 30st

** FX: 2,378 COP/USD

*** 29.3% stake held of the ordinary shares with voting rights and 2.4% stake held of the preferred shares

Total Value of Investments and Dividends Flow *(Million USD)*



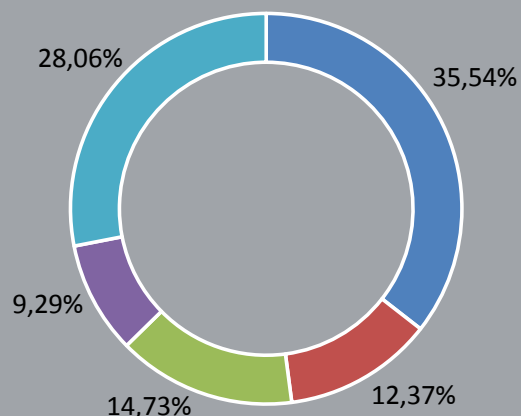
NOTE: Argos and Celsia, at market value as of December 30st and Real Estate, Ports and Coal values are based on the spin-off valuation
FX: 2,378 COP/USD

NOTE: Non listed companies at 2012 spin-off values. Listed companies at market values as of December 30st

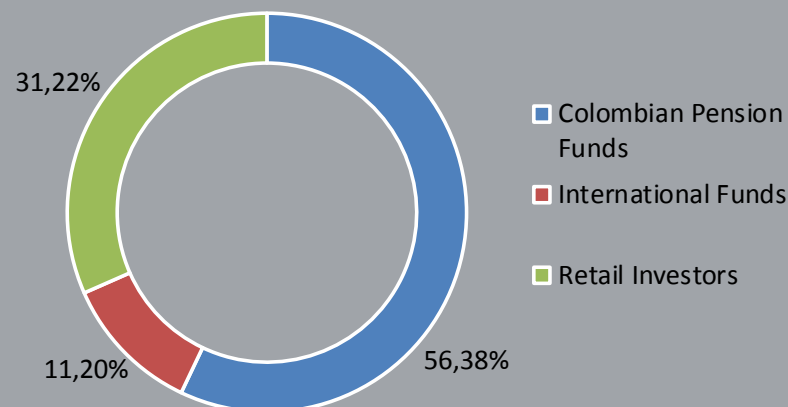
Increase Diversified Ownership



Shareholders
Ordinary Shares



Shareholders
Preferred Shares



Market Cap: 6.8 USD billion

Outstanding ord. shares: 645,400,000
Outstanding pref. shares: 147,715,568
Total outstanding shares: 793,115,568

International funds Dec 2014:
375 (vs. 90 in 2009)
Number of shareholders: 11,133

Average Daily Volume (Million USD)	
YTD at 24/09/2014	3.7
LTM	4.4
Post – Spin Off (07/06/12)	4.2

Note: Under Colombian law the only difference between the types of shares is the right to vote.

Grupo Argos benefits from its structure



CAPITAL ASSET PRICING MODEL BENCHMARK EMERGING MARKETS IN LATAM

Company	Industry	Beta	ke [USD]	Equity share
Grupo Argos - Subsidiaries				
Argos	Cement	0.55	9.0%	34.3%
Celsia	Energy (electricity)	0.63	9.8%	12.4%
Situm	Real estate	1.04	12.6%	15.8%
Compas	Ports	1.23	14.6%	2.1%
Sator	Coal	1.43	13.1%	2.2%
Grupo Argos - Portfolio Investments				
Bancolombia	Banking	1.02	14.0%	1.6%
Suramericana	Diversified	0.64	8.8%	25.8%
Nutresa	Food processing	0.88	12.5%	5.8%
Cost of Equity				
	(w portfolio investment)	0.90	10.3%	100.0%
Grupo Argos	(w/o portfolio investment)	0.86	10.1%	66.8%
	(actual)	0.68	8.9%	100.0%

Source of information for further calculations: Damodaran, A. webpage.
http://people.stern.nyu.edu/adamodar/New_Home_Page/data.html

The market rewards Grupo Argos with a lower cost of equity as a diversified firm.

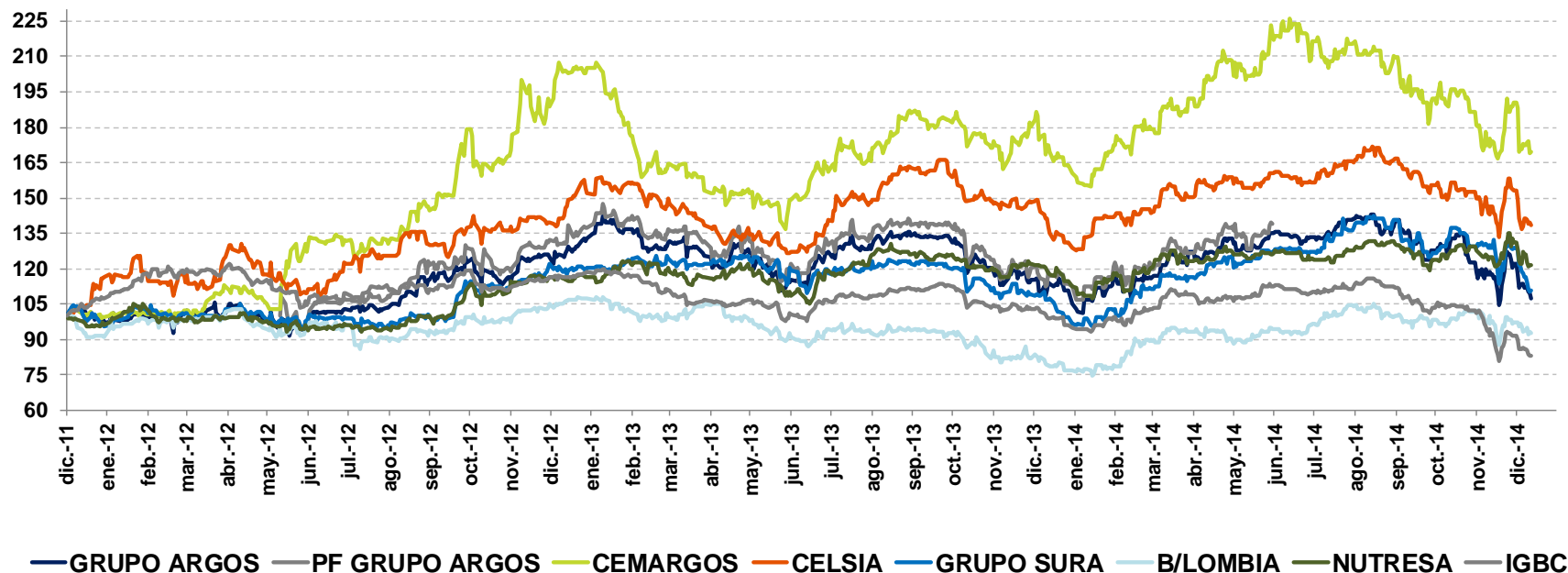
The actual beta is lower than those estimated as a weighted average (w and w/o portfolio investments).

The prior indicates that being a holding in a country where the stock market is on its first steps to become a mature market, adds more value than simply replicating the position.

For calculations in this table:

- 10 yr T-bond = 2.6%
- ERP = 5.0%
- Country risk = 2.0%

Market rewards management decisions



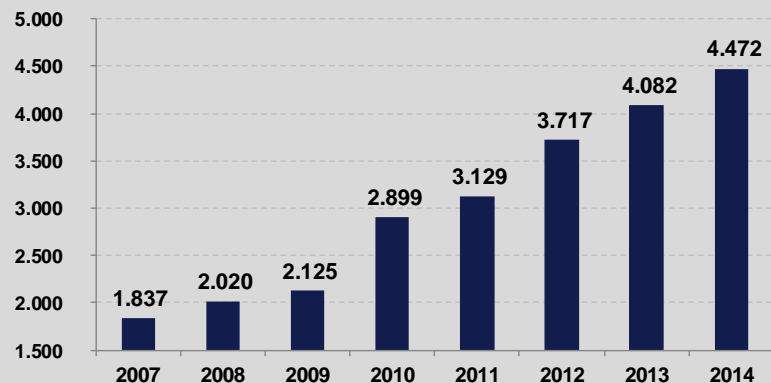
	GRUPO ARGOS	CEMARGOS	CELSIA	GRUPO SURA	B/LOMBIA	NUTRESA	IGBC
2014	5,1%	2,2%	16,9%	17,7%	7,9%	3,0%	-10,99%
Post – Spin off (06/07/12)	27,0%	84,7%	2,4%	31,7%	37,1%	29,9%	-17,77%

Grupo Argos: Main Figures



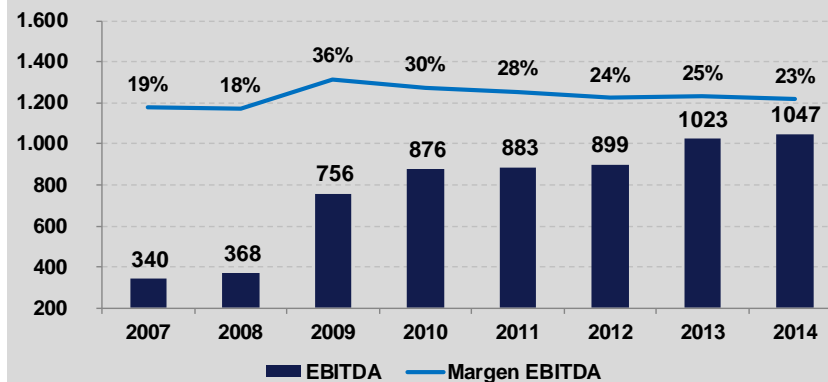
Consolidated revenues

US\$ millions



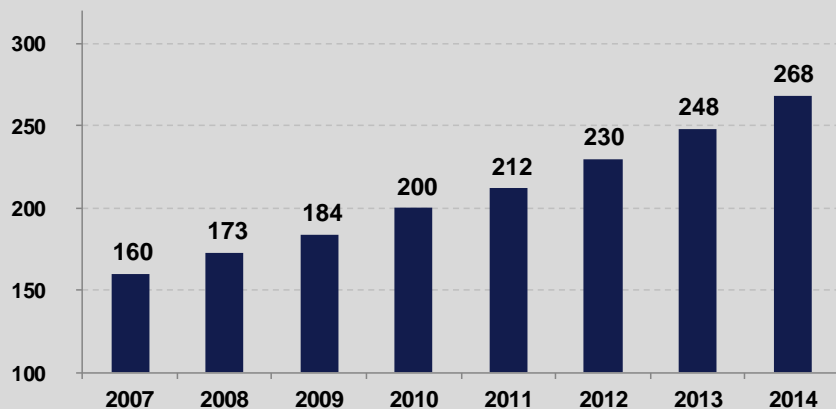
Consolidated EBITDA

US\$ millions



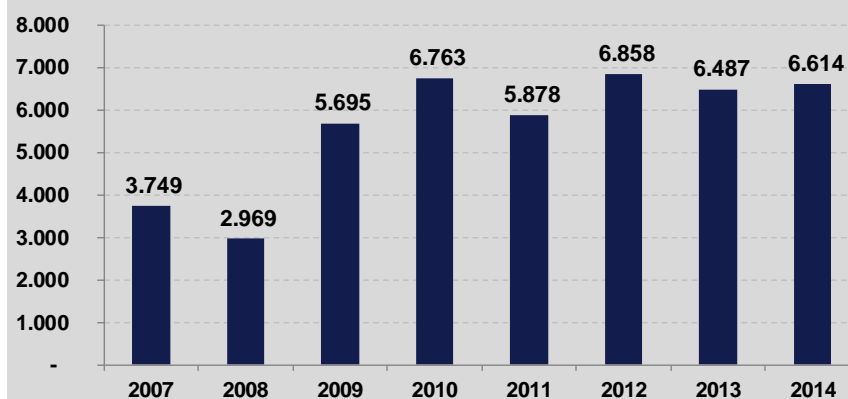
Annual dividend per share

COP\$

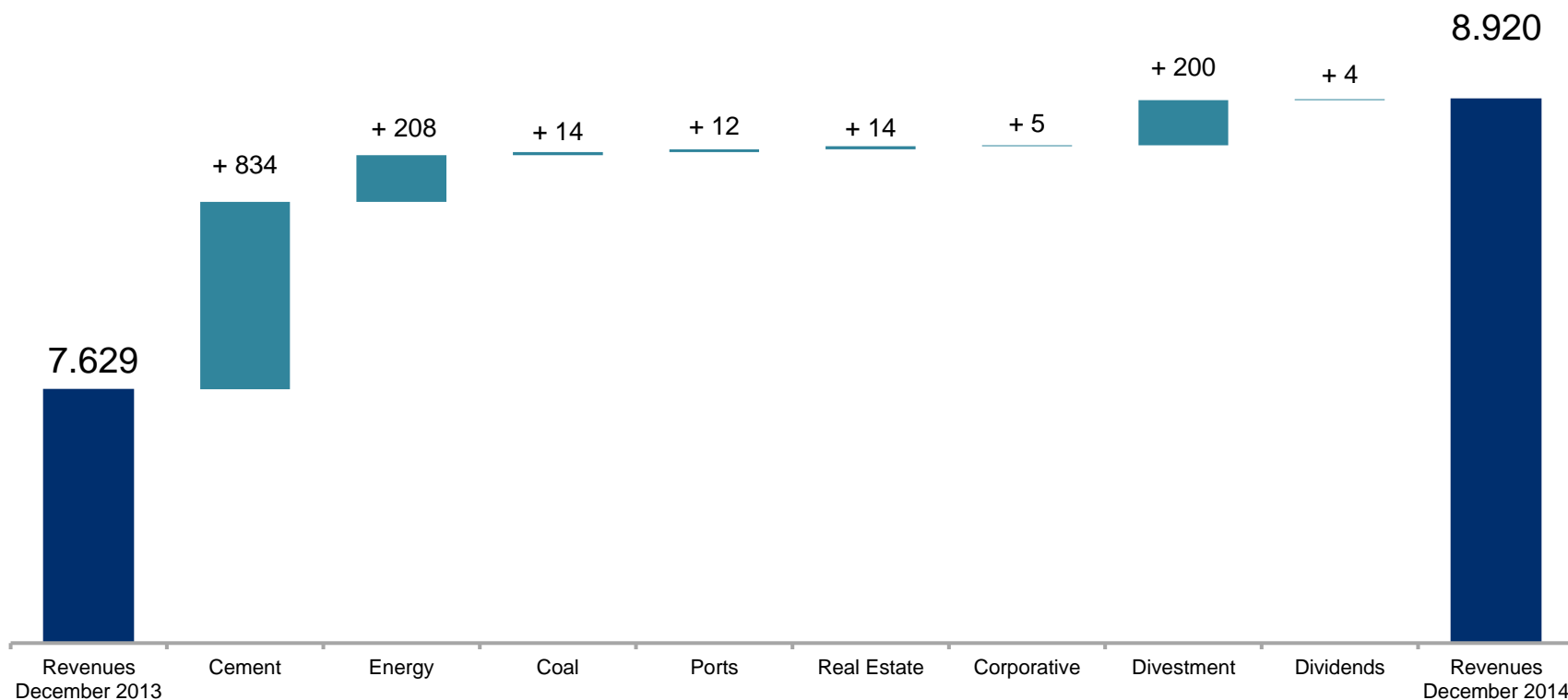


Market Cap

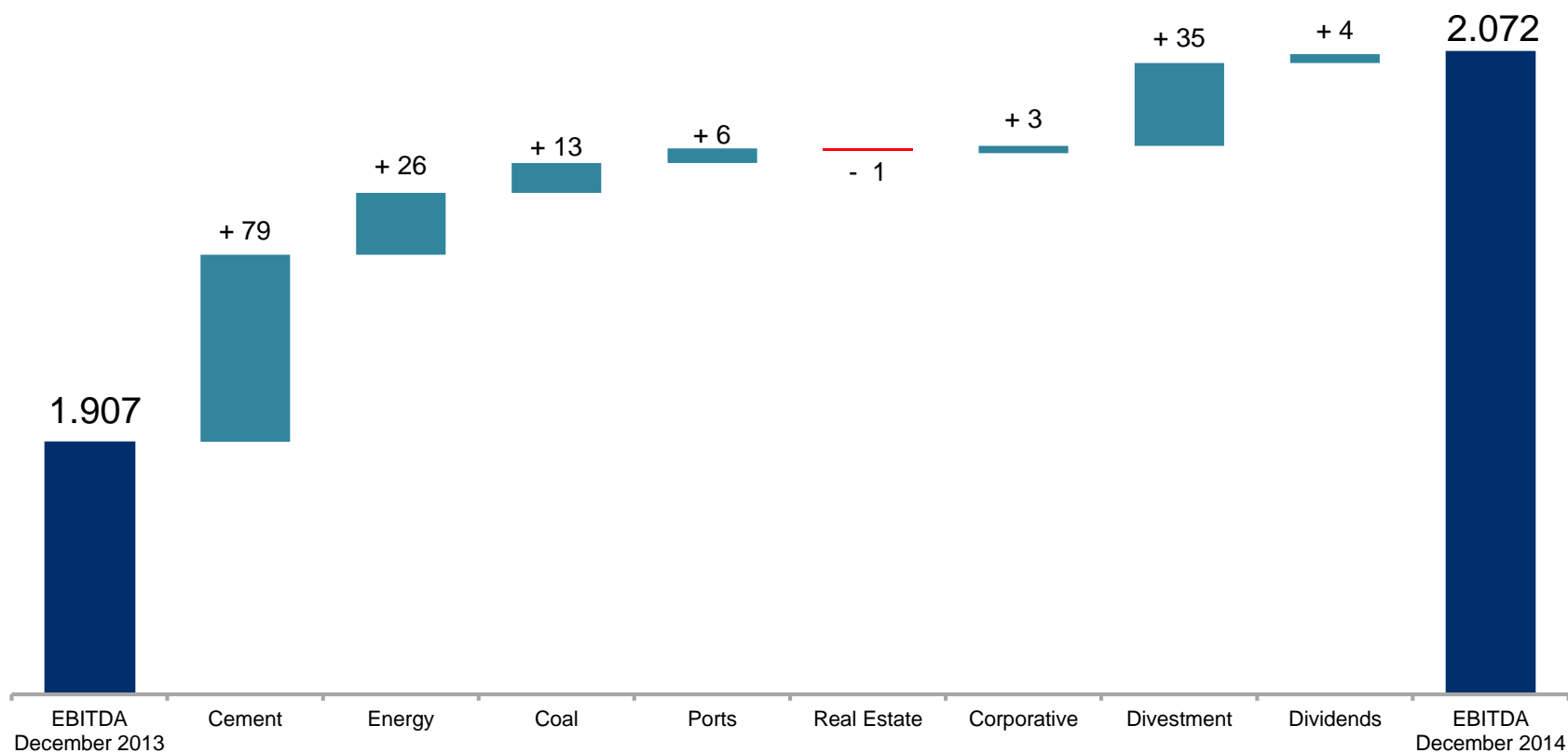
US\$ millions



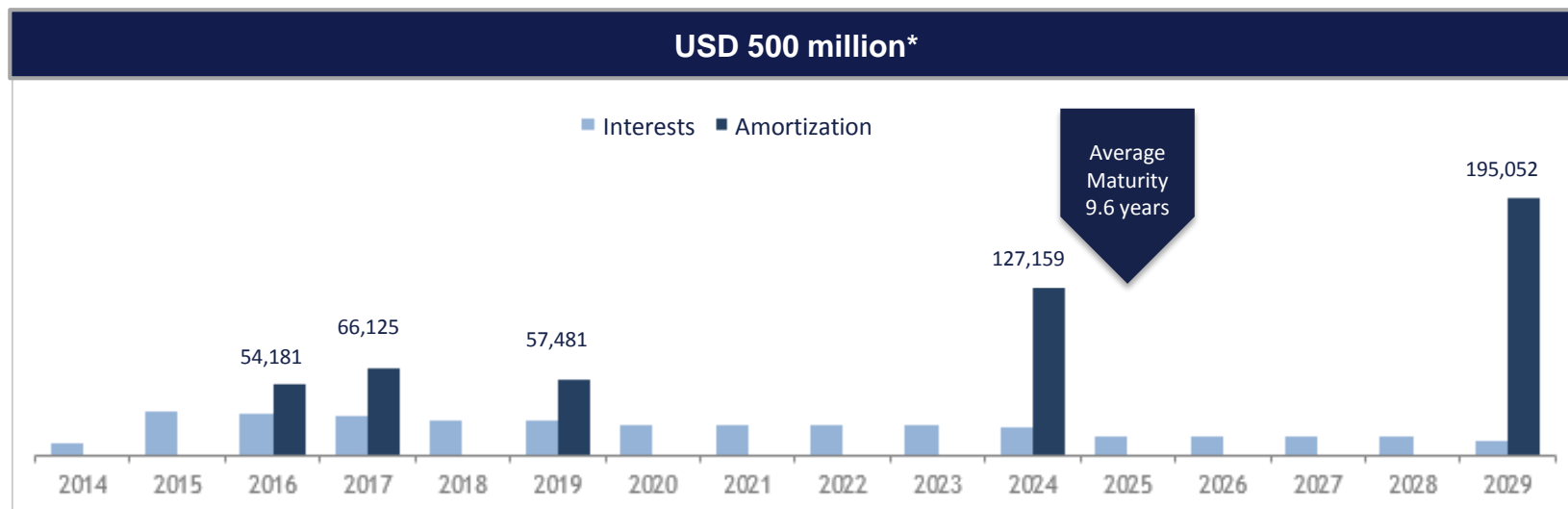
4Q2014: Consolidated Results -Revenues



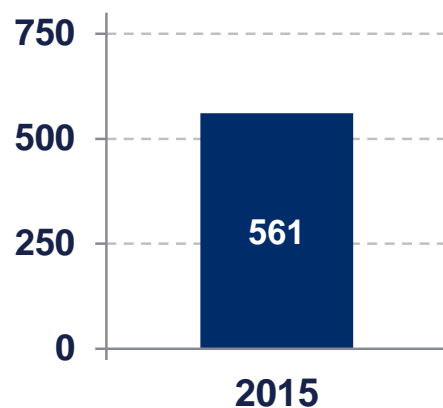
4Q2014: Consolidated Results - Ebitda



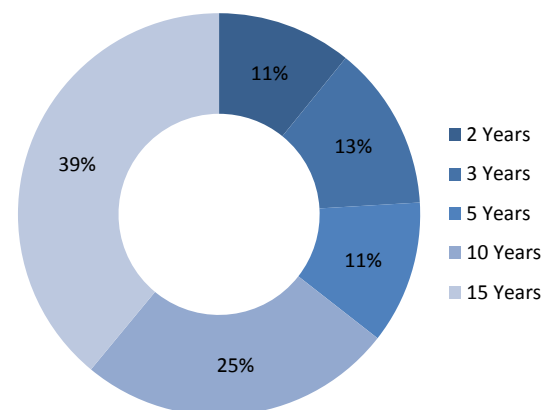
During 3Q2014 Grupo Argos issued bonds to optimize its financial structure



Mandatory Convertible Bonds



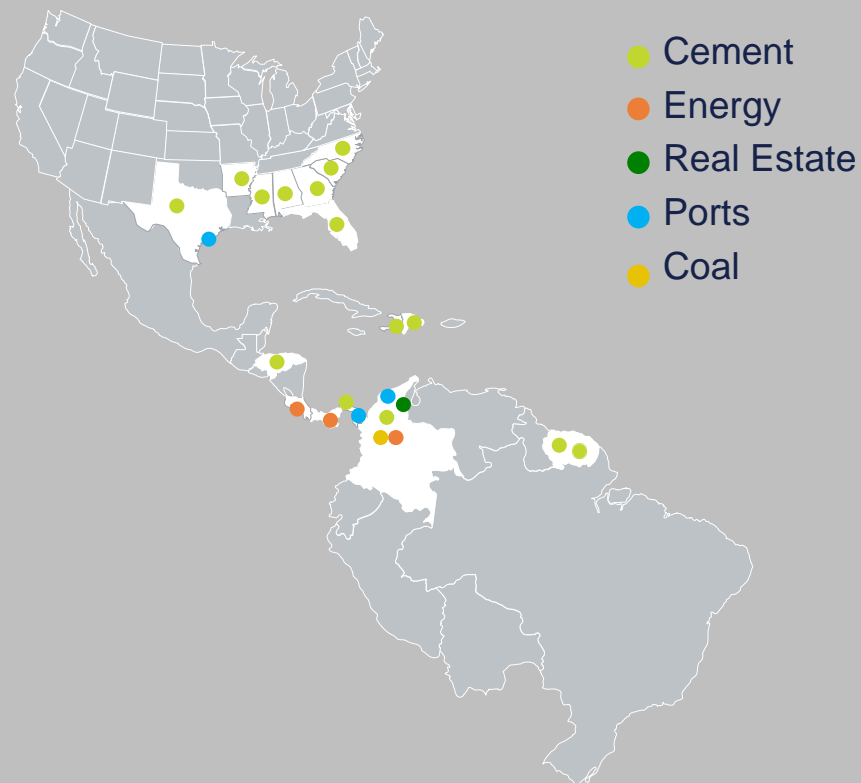
Total Debt by Maturity



*FX COP2000/USD

** Mandatory convertible bonds in thousands, due November 2015

Investment Criteria



Investment Management Criteria

- Growth Potential
- Controlling Stake
- Economical, environmental and social performance
- Corporate Governance
- Brand development



ARGOS

70 years in
the market



CELSIA

6 years in
the market

**Real
Estate**



COMPAS

Emerging Opportunities
Post spin off business



SATOR

Coal business being
divested

Highest Standards of Corporate Governance



- Important role of independent Directors:
- Audit and Finance, Corporate Governance and Compensation Committees all lead by individual Directors

GRUPO ARGOS BVC: GrupoArgos		CEMENTOS ARGOS BVC: CEMARGOS / ADR nivel 1: CMTOTY.PK		CELSIA BVC: CELSIA	
Board of Directors		Board of Directors		Board of Directors	
Non Independent Director	Independent Director	Non Independent Director	Independent Director	Non Independent Director	Independent Director
David Bojanini Carlos Gallego	Rosario Córdoba Guillermo Heins Ana Arango Mario Scarpetta Esteban Giraldo*	José Vélez* Camilo Abello	León Teicher Carlos Arrieta Cecilia Rodriguez Esteban Piedrahita Claudia Betancourt	José Vélez* Ricardo Sierra Gonzalo Pérez	Manuel Dussán Maria Mesa Juan Benavides Maria Mejia
CEO: José Vélez		CEO: Jorge Velásquez		CEO: Juan Londoño	



*Chairman of the Board

Audit firm: Deloitte

Administrative Structure in place to secure and obtain common objectives

Steering Committee



Special Groups



Objective: To analyze and discuss specific issues with the subsidiaries, strategy and M&A, corporate affairs and sustainability, etc.

Ethics and Conduct Committee



Objective: To create a common set of values and behavior through the whole Group.



President
(CEO)



Vicepresidents



Holding



Subsidiaries


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Almagran offices, Medellín, Colombia

Potential Growth: Real Estate

Colombia's Population 

46ML → 54ML
2020

Persons per Household 

4 → 3,5
Decrease
2020

Housing Deficit 

36%
4 Million houses

Government Support 

100.000
+ Subsidies to Interest Rate

Famous world brands arriving to Colombia



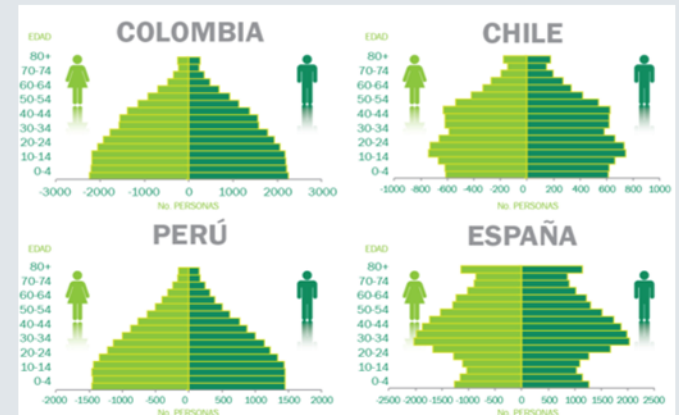
Commercial Development Potential – Low Commercial Density (m2/100)

Chile	19,2
Colombia	7,2
Peru	5,5
Venezuela	12,4
Spain	32

Commercial GDP 8,2% Nominal 4,7% Real

18,4B 2000 → 47,3B 2012

Demographic Density



Real Estate Business Structure



50%

50%

100%

Property Business



Assets Under
Management
US \$600 million

Land Bank



Actual Appraisal
Value US\$ 1.5 Billion



Developer of
the land bank

Track Record of 12 years in
Barranquilla and more 350
hectares developed.
Highest standard in Colombia

Real Estate Expected Returns



Types of assets

- Industrial properties and distribution centers.
- Office and corporate buildings .
- Data centers.
- Retail, regional malls and Shopping centers.

Why Grupo Argos?

- Strong reputation and financial strength.
- Deep knowledge of real estate business through its cement subsidiary and Situm.
- Long term partner.

	Land Development
EBITDA Margin⁽¹⁾	16%
Investor IRR– Before taxes	15 - 25%

	Shopping Centers	Offices	Industrial properties
Project IRR– Before taxes	11 - 13%	11 - 13%	12 - 14%
Investor IRR⁽²⁾– Before taxes	12 - 14%	12 - 14%	14 - 16%
Market CapRate	8.6%	8.1%	8.5%

Notes:

1. Includes the cost of the land at 2012 Colliers appraisals

2. Capital structure for property, 60% equity – 40% debt.

Grupo Argos – Conconcreto Real Estate Fund



In December 2014, Grupo Argos reached an agreement with Conconcreto to jointly develop their property rental strategy, through the contribution of certain assets that enable the composition of a portfolio focused on development and operation.



Shared Principles

- Organizational culture
- Human resources
- Internationalization
- Technical leadership and innovation
- Corporate Governance and sustainability

Why Conconcreto?

- Know-How : 7 years in the rental-properties business
- Experienced team in the operation and management of real estate assets
- Competitive costs
- Strong brand

Premises

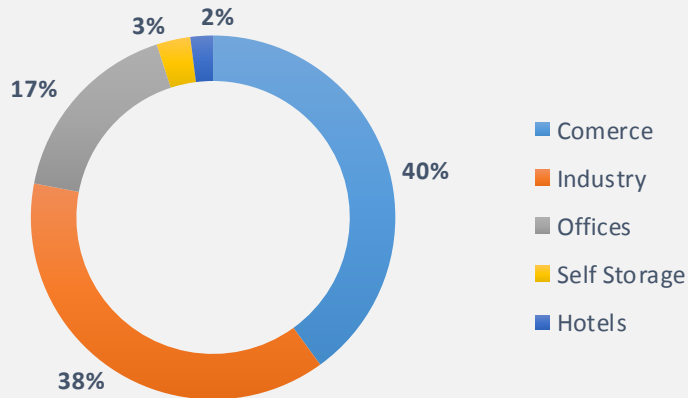
- Grupo Argos will continue to developing land.
- Grupo Argos will not be involved in construction, but will assume construction risk.
- The fund may acquire projects developed by third parties.

Grupo Argos – Conconcreto

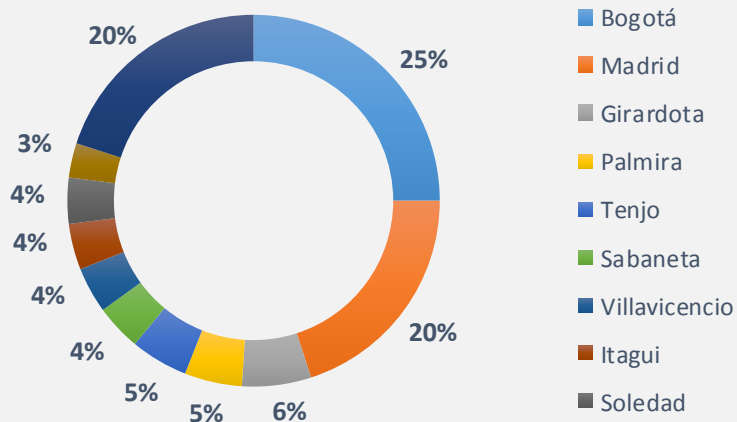
Real Estate fund



Breakdown by Type of Property



Breakdown by Geography



Current

GLA: 437,863

AUM: USD 600 MM

4-year target

GLA: 700,000

AUM: USD 1200 MM

Our brands:



*Gross Leasable Area in square meters

Some of our properties



Torre Argos Offices (Bogotá)

Use	Offices
GLA*	4,949
Occupation	91%



Almagran Offices (Medellín)

Use	Offices
GLA*	896
Occupation	100%



Viva Villavicencio (Villavicencio)

Use	Commercial
GLA*	26,585
Occupation	97%

* In square meters, represents portion owned by the Grupo Argos-Concreto real estate fund

USD 1.5 Billion of Actual Land Bank in Strategic Locations



Barranquilla

- 1,200 hectares
- Area with the highest projected growth in Barranquilla and Puerto Colombia
- Potential for:
- High-income housing
- Commercial
- Services
- Light Industry
- 765 hectares Master Plan to develop (Project Riomar)

Value: US\$ 845 Million



Barú

- 1,300 hectares
- 22 Km of coast line
- Near Cartagena, city declared Historical and Cultural Heritage of Humanity by the United Nations
- High potential for international tourism and world class 2nd home projects
- Master Plan developed by EDSA, an US-based international project development consultant

Value: US\$ 529 Million



Others

- 2,600 hectares
- Located throughout Colombia
- Potential for:
- Tourism
- Housing
- Services
- Others
- Value: US\$126 million*

Value: US\$ 126 Million

Note: Colliers Appraisals 2012

Land development – Barranquilla



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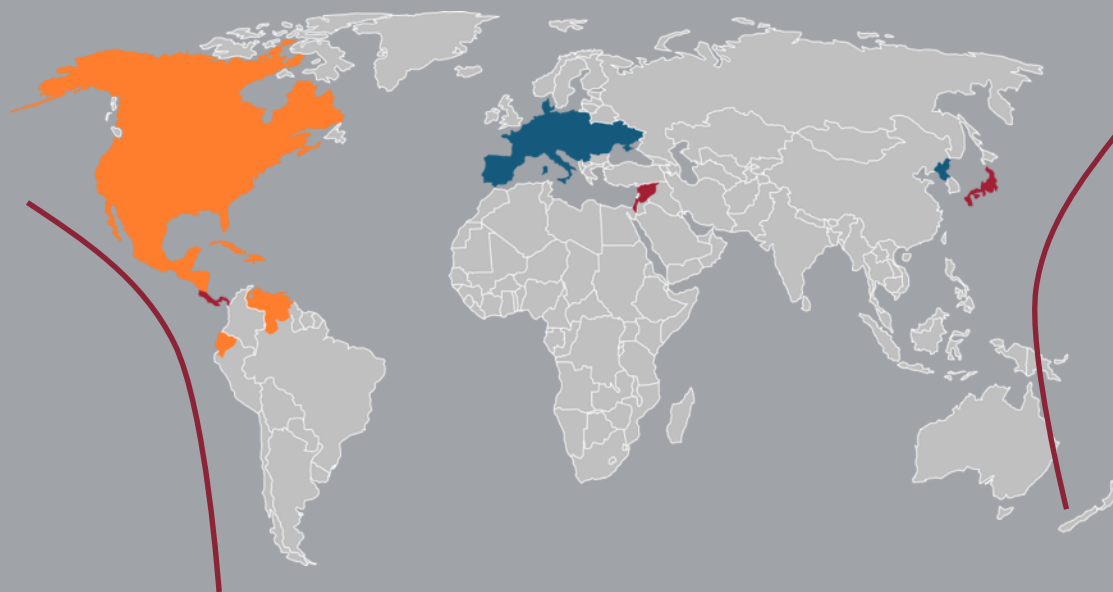
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Energy plant, Calima, Colombia

Potential Growth: Ports

Foreign Trade Agreement



-  In force
-  Subscribed
-  In negotiation

Foreign Trade Projection

6%

IMF



Volumes

76
ML
TON
2003



129
ML TON
2013



13
ML
TON
2003



29
ML TON
2013



Compas – Only Company in Colombia with diversified locations and multipurpose terminals.

Cartagena Port



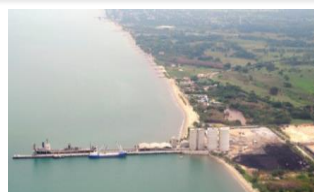
- 22 Hectares
- 17,000 m2 of warehouse
- 3.5 millions tons of capacity

Barranquilla Port



- 25 Hectares
- Port concession until Feb. 2029
- 1.5 millions tons of capacity

Tolú Port



- 25 Hectares
- Public port since 2011
- 1.5 millions tons of capacity
- 31 hectares available for future expansion

Buenaventura Port



- Port Concession until 2021
- 1.1 millions tons of capacity
- 100% Bulk

Houston Port



- 11 Hectares
- 1.0 million tons of capacity

Buenavista Port



- New facility in Cartagena
- 40 hectares – In land logistics available
- Partners: SAAM (Chilean largest port operator) and ABOCOL (Fertilizing Company)
- Port is operational

Aguadulce Port



- Future port in Buenaventura
- Partner: ICTSI from the Philippines and SPA (top 5 container terminal operator in the world) and Singapur Ports Authority
- COMPAS will own and operate the bulk and general cargo and ICTSI and SPA the containers cargo
- Dredging and road construction under way



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Eolic energy plant, Guanacaste, Costa Rica

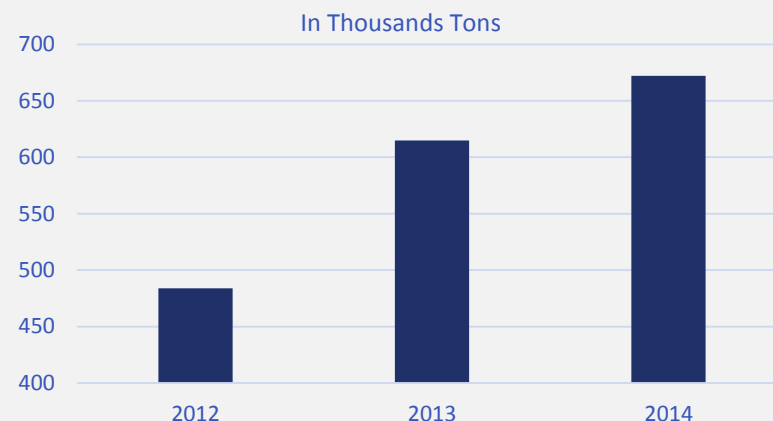


Area: 10.443 ha
Capacity: 1.000.000 tpa
Inventory: 974 Mt

Divested mines in 2014

- **El Palmar:** returned to Cementos Argos
- **Montserrat:** sold to Los Pinos for US\$500,000 in June 2014
- **Alejandro:** sold to Los Pinos for US\$400,00
- **Trinidad:** sold to Los Pinos for US\$650,00
- **Nechí:** sold to Sparta for US\$3.3 million

Production*



- One underground mine (Nechí) and one open pit mine (Bijao).
- Five underground mines divested during 2014.
- SGS GEOSTAT was retained to evaluate the mine's resources under JORC code standards
- Production domestically consumed

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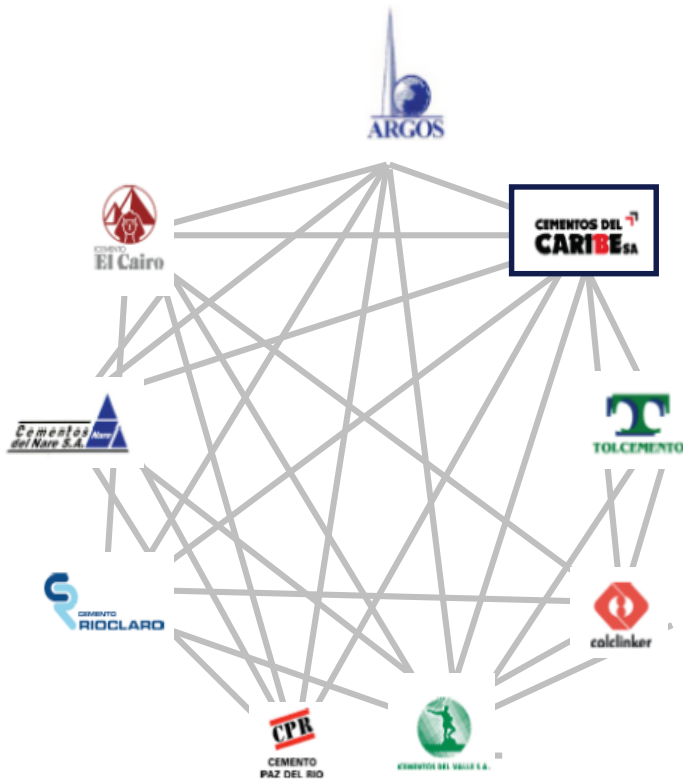
El Corro dam, Panamá

80 years of profitable and continuous growth



2006

Holding Structure prior to 2006



After the merger of 8 cement companies



70%

Cementos Argos



Merger of 8 cement companies under the name of Cementos Argos

Last 10 years: Path of expansion and consolidation



Energy

2008

Acquisition of 24% of Celsia a diversified company that started a process of focalizing in energy.

2009

- Acquisition of controlling stake in Celsia.
- Divestment of non controlling stake in Cementos Argos. US\$430 M.

2010

Celsia acquires a controlling stake in EPSA, becoming the 4th largest generator in Colombia. US\$ 1 billion.



Cement and Grupo Argos

2012

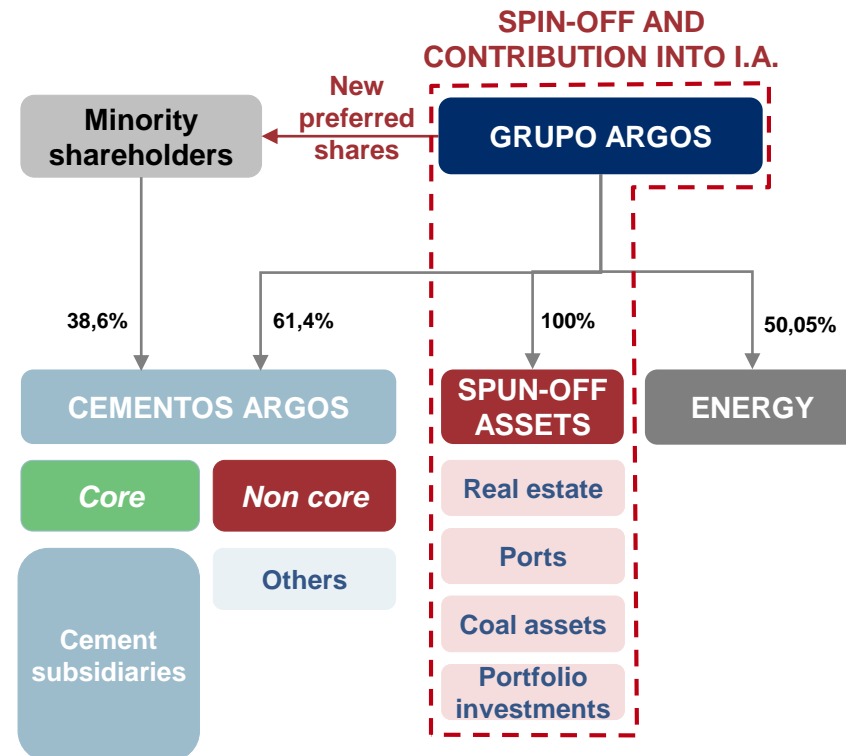


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Tocumen plant, Panamá

Potential Growth: Cement

Housing
Deficit



36%
4ML

people
per house



4 → 3,5
Decrease
2020

Infrastructure
Investment



99 BL
2022
3%
GDP

US housing
Prices



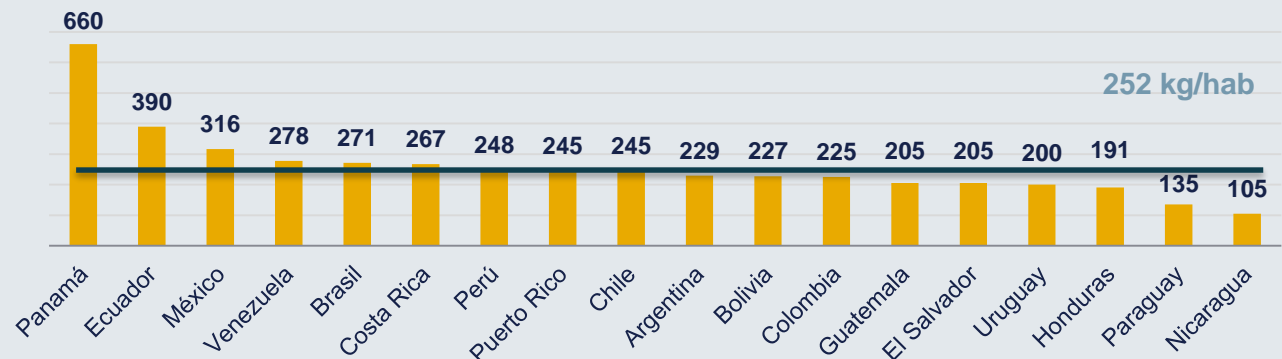
↑
June 2012
May 2006
December 2014

LATAM
Population



790ML
2050
↑
600ML
2010

Per Capita Consumption



- Market Cap: **US\$ 5.8 billion** *
- Revenues: **US\$ 2.9 billion**
- EBITDA: **US\$ 534 million**
- Net Debt: **US\$ 1,7 billion**
- Portfolio Investment: **US\$ 710 million**
- Exports to 40 countries
- ~7800 employees

Colombia's leader in Cement, Ready Mix Concrete and Aggregates since 1934

5th

Cement producer in
LATAM

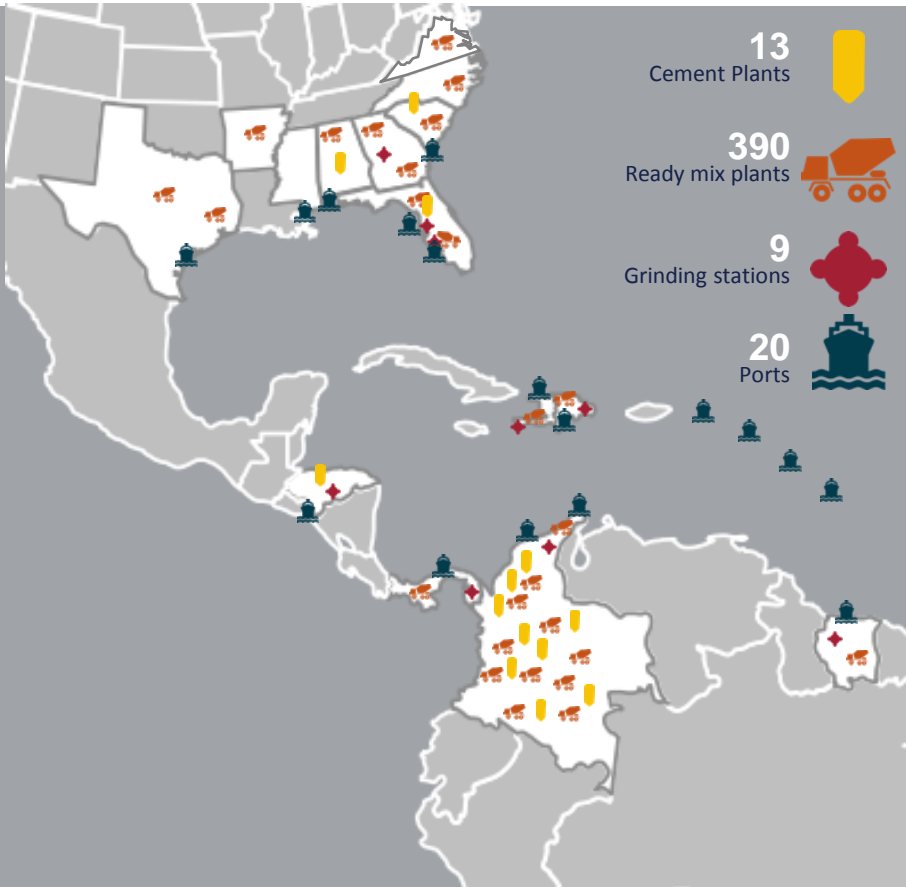
2rd

Concrete producer
in the US



Cartagena plant, Cartagena, Colombia

* As of December 2014



Ready-mix operations in Panama and Haiti. Source: Argos, BVC.

3Based on PCA data on grinding capacity in Alabama, Georgia, North Carolina and South Carolina.

Colombia

Cement

- ~49% Market share
- **Installed Capacity: 9.9 mm TPA**
- Plants: 9
- Grinding Stations: 1
- Ports: 1

Ready - mix

- **Installed Capacity: 3.5mm m³**
- Plants: 54
- Mixers: 540

United States

Cement

- **Second largest producer of the Southeast**
- **Installed Capacity : 6.6mm TPA**
- Plants: 3
- Grinding Stations: 3
- Ports: 11

Ready - Mix

- **Secon largest producer in the US.**
- **Installed Capacity: 13.1mm m³**
- Plants: 308
- Block plants: 13

Caribbean

Operations in Panama, Haiti, Dominican Republic, Surinam, St. Maarten, St. Thomas, Antigua, Dominica and Curacao

Cement

- **1 out of 2 cement producers leaders in Panama y and the Caribbean in 2013 volumes sales**
- **Installed Capacity: 3.8 mm TPA**
- Cement Plants: 1
- Grinding Stations: 5
- Ports: 9

Ready - Mix¹

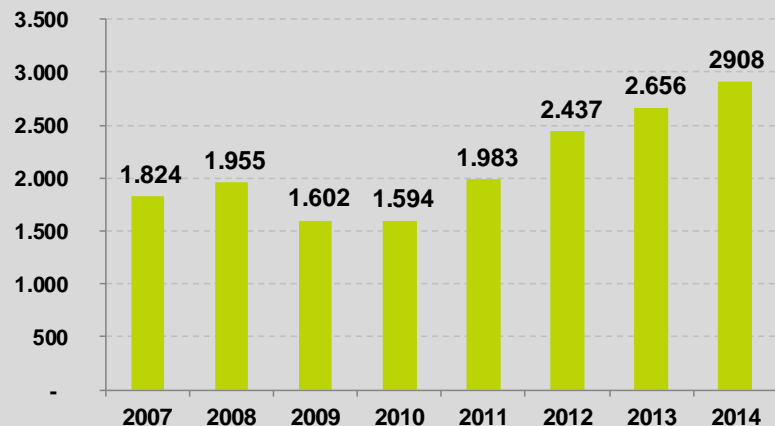
- **Installed Capacity: 0.8 mm m³**

Cementos Argos – Results



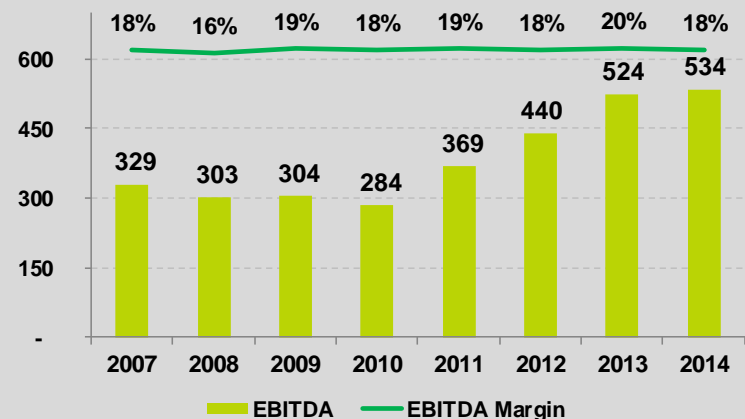
Consolidated revenues

US\$ millions



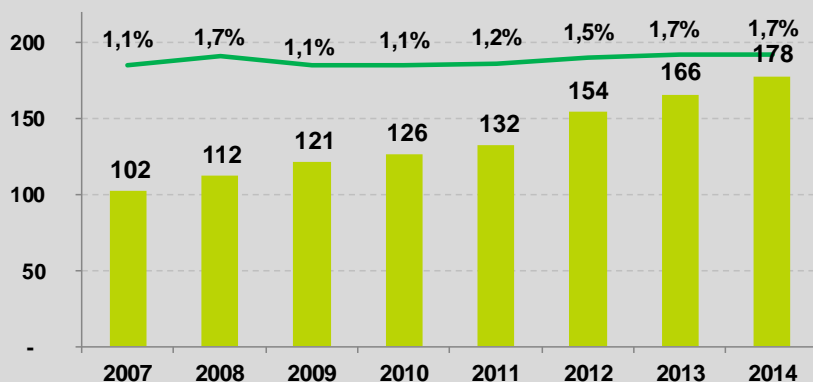
Consolidated EBITDA

US\$ millions



Annual dividend per share

COP\$



Market Cap

US\$ millions

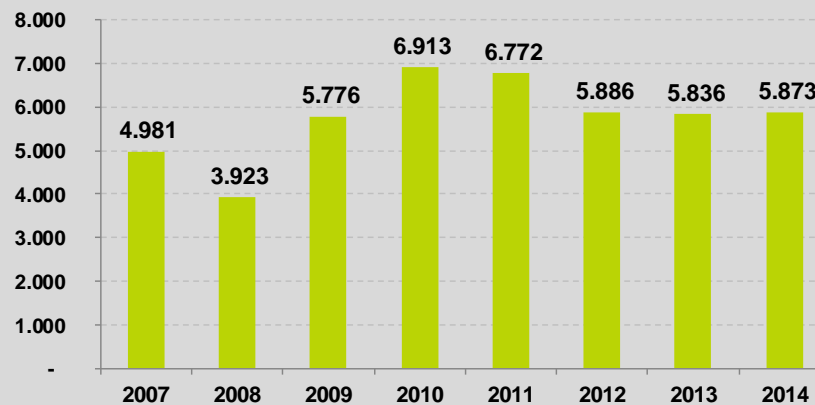


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CTC coal energy plant, Panamá

Potential Growth: Energy

Per Capita KWH

United States		13.394
Japan		8.394
France		7.729
Germany		7.215
Chile		3.297
World		2.975
Brasil		2.384
Mexico		1.990
<u>Latam and Caribbean</u>		1.982
Panama		1.832
Peru		1.106
Colombia		1.012



- Revenues: **US\$1,1 billion** *
- EBITDA : **US\$374 million**
- Net Debt: **US\$367 million**
- Market Cap.: **US\$1.8 billion**
- 1.000 employees

4º

Power generator in
Colombia

2º

Thermal power
generator

5º

Energy distributor in
Colombia



Energy plant, Barranquilla, Colombia

* As of December 2014

Celsia – Geographic Coverage



Power generation

- 2,332 MW installed capacity
- 26 plants in operation
- 49% hydro, 49% thermo and 2% Eolic
- 9,645 GWh-year (10% of Colombia in 2013)
- 487MW (+28%) in ongoing and under development projects

Transmission

- 274 km 220 kV power lines
- Seven 220 kV substations

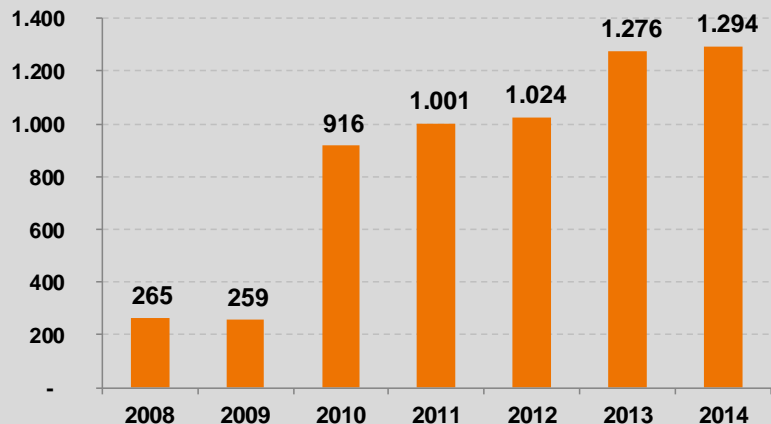
Distribution

- +525,000 clients
- 1,610 GWh supplied
- 4.0% of Colombia's demand
- 18,033 km of 110 kV and 13.5 kV power lines
- Effectiveness in collection: 99.7%
- Losses level: 9.73%

Celsia – Geographic Coverage

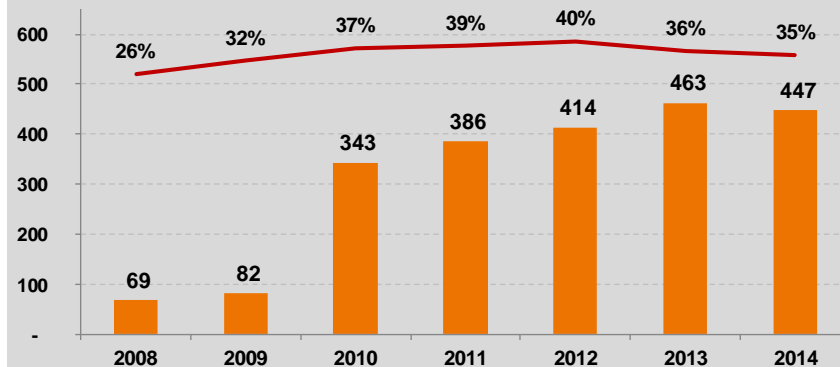
Consolidated revenues

US\$ millones



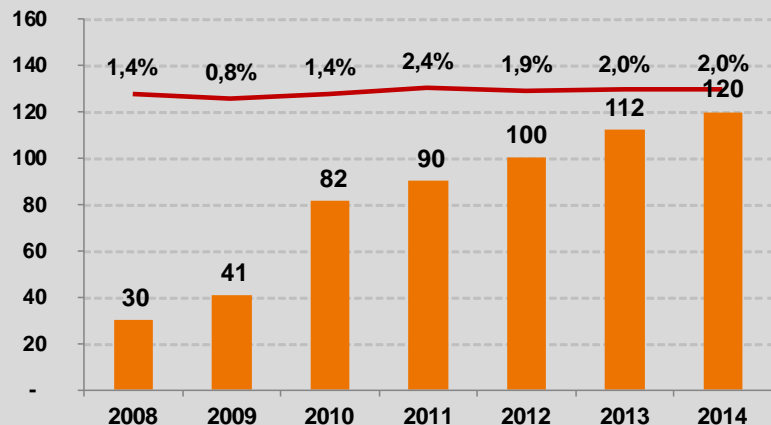
Consolidated EBITDA

US\$ millones



Annual dividend per share

COP\$



Market Cap

US\$ millones

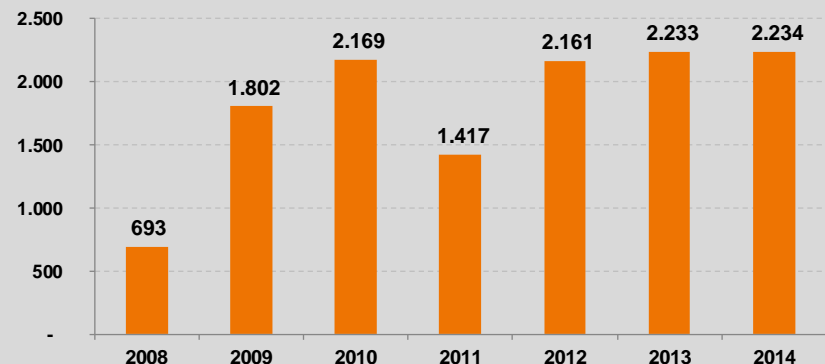


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Alto Achicayá dam, Colombia



US\$ 9.7 billion
Market Cap

US\$ 346 million
Revenues

US\$ 281 million
Net Income

Grupo Sura:

Investments in the financial, insurance and social security sectors.

* Figures as of December 2014



US\$ 5.5 billion

Market Cap

US\$ 2.9 billion

Revenues

US\$ 394 million

Ebitda

Nutresa:

Colombia's leading processed food company and one of the top ten regional players in the Latin American food sector. Products sold in 72 countries

