

Quarterly Earnings **Report**

1Q2018



GRUPO ARGOS

GRUPO ARGOS

First Quarter 2018 Earnings Report

BVC TICKER: GRUPOARGOS, PFGRUPOARG

EXECUTIVE SUMMARY

- Grupo Argos, holding of sustainable investments in infrastructure, saw a positive start to 2018, with a consolidated net profit of COP 221 billion, which represents an increase of 53% compared to the same period of the previous year.

It particularly highlights the positive contribution of all the strategic businesses that has allowed the Group to reach a consolidated EBITDA of COP 941 billion, 9% higher than the same period of 2017, and an EBITDA margin of 28%, 272 basis points higher than that obtained in the first quarter of last year.

- Quarterly results show stability in consolidated revenues of COP 3.3 trillion and the growth in all other figures, reaching an operational profit of COP 607 billion, an increase of 23% compared with the same period of 2017, and a net profit of the parent company of COP 109 billion.
- In its development of its role as an active holding, three significant advances are highlighted:
 - Firstly, during the process of expanding the investment in the concessions business, the delisting of Odinsa from the Colombian Stock Exchange was carried out, allowing the subsidiary to have a more flexible and attractive capital structure for the global market.
 - Secondly, the simplification and strengthening of the capital structure of the Energy business, with the follow on of Celsia shares and the increase in participation in Epsa, that allow for a better understanding of the portfolio structure.
 - Finally, the disinvestment plan of Cementos Argos continued with two important operations: the sale at the beginning of the year of 13 concrete block manufacturing plants in the United States for USD 50 million and the divestiture of 3 self-generating plants in Colombia for USD 58 million.
- At the end of the period, assets at the consolidated level were COP 45.7 trillion. Liabilities amounted to COP 22.1 trillion, and equity stood at COP 23.6 trillion.
- By March 2018, the debt closed at COP 1.85 trillion, growing 17% year-on-year. The increase in debt is a response to the strategy that aims for a more efficient capital allocation, which took advantage of a very good market opportunity to substitute liabilities at a lower rate, increase our participation in Cementos Argos and improve the cash position. The leverage indicators remain at very healthy levels of gross debt / EBITDA of 1.8x.

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Grupo Argos Individual Financial Results 1Q2018

Individual revenues 1Q2018

The 1T18 individual financial results are impacted by the sale of 34.6 million EPSA shares, which generates a revenue of COP 655 billion and an EBITDA of COP 360 billion. In this way, individual revenues and EBITDA reach COP 851 billion and COP 514 billion respectively, in both cases growing more than 300% compared to the same period of the previous year.

In any case, excluding the effects of the sale of the Epsa shares, there was an increase in revenues of 10%.

Revenue from the Real Estate Business grew to COP 27 billion and includes both the urbanization and recovery of lots (COP 16 billion), as well as Pactia dividends and the valuation of FCP Pactia (COP 11 billion).

Equity method income decreased by 14% YoY to COP 76 billion during the quarter, since in 2017 they included the positive impact of the previous investment valuation in Opain for COP 63 billion. However, it is worth highlighting the favorable behavior of all the strategic businesses, which contributed positively to the equity method. Among the effects that led to this increase, it is important to highlight that the Cement business went from a negative contribution of COP 31 billion to a positive contribution of COP 28 billion, evidencing the sustained change in the trend in its results. Likewise, the energy business increased its contribution by COP 58 billion thanks to the favorable generation and price conditions evidenced during the quarter.

Million COP	1Q2018	1Q2017	Var YoY
Revenue from ordinary activities	851,032	178,603	376.5%
Revenue from financial activity	748,656	87,695	753.7%
Real estate revenue (sale of urbanized lots)	26,678	2,680	895.4%
Profit (loss) net via equity method	75,698	88,228	-14.2%

Individual costs 1Q2018

The costs of the quarter are mainly represented by the divestiture of EPSA shares.

In relation to structure expenses, a decrease of 8% YoY is observed, reaching COP 45 billion, where the greatest decrease occurs in the urban development business (-46% year-on-year excluding tax expenses and depreciation and amortizations), thanks to the efficiency achieved by the merger of Situm, RoundCorp and FortCorp.

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Million COP	1Q2018	1Q2017	Var YoY
Cost of ordinary activities	295,650	492	59991.5%
Cost of sales of financial activity	294,773	-	0.0%
Cost of sales of real estate business	877	492	78.3%
Operating expenses	45,456	49,395	-8.0%
Management	44,399	48,282	-8.0%
Management depreciation and amortization	888	695	27.8%
Sales	169	418	-59.6%

Other operating revenues / expenses 1Q2018

Other net income reached COP 3 billion during 1Q18, growing by COP 11 billion compared to the same period of the previous year, mainly due to the elimination of the wealth tax as of 2018.

Million COP	1Q2018	1Q2017	Var YoY
Other revenue and expenditures	2,756	-7,813	-135.3%
Other revenue	7,414	175	4136.6%
Other expenditures	4,658	4,653	0.1%
Wealth tax	0	3,335	-100.0%

Ebitda 1Q2018

Thus, the separate EBITDA reached COP 514 billion (+311% YoY) for 1Q18, generating an EBITDA margin of 60%. The divestiture of EPSA contributed COP 360 billion. The adjusted EBITDA¹ reached COP 1,04 billion (+107% YoY).

If we exclude the effects of the Epsa operation, EBITDA would have presented an increase of 23% compared to 2017.

Net non-operating expenses decreased 19% YoY to COP 26 billion due to the lower cost of debt, which went from 8.9% in Mar-2017 to 6.8% in Mar-2018. This reduction has allowed saving in financial interests of COP 7,500 million.

Million COP	1Q2018	1Q2017	Var YoY
Non-operating revenue and expenditures	26,447	32,824	-19.4%
Financial, net	26,333	32,563	-19.1%
Exchange rate difference, net	114	261	-56.3%

¹ Adjusted EBITDA = EBITDA (-) Equity method (+) Dividends received (+) Profit on disinvestments

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Net income 1Q2018

The net income of the year was COP 480 billion, generating a net margin of 56% (49% in 1Q17).

Summary of Grupo Argos Individual Financial Results

Million COP	1Q2018	1Q2017	Var YOY
Revenue	851,032	178,603	376.5%
Ebitda	513,570	124,933	311.1%
Ebitda Margin	60%	70%	-960 pb
Net Income	480,389	86,971	452.4%
Net Margin	56%	49%	775 pb

Debt and cash flow 1Q2018

As of March 2018, debt closed in COP 1.8 trillion, growing 17% year-on-year due to the issuance of commercial papers in the second quarter of 2017 and higher credits with local banks. However, given the substantial improvement in Ebitda, the adjusted Debt / EBITDA indicator remains at healthy levels of 1.8x (3.1x in March 2017), which demonstrates the flexibility of the holding company.

In terms of cash flow, the results of the period reflects the simplification of the energy portfolio and the strategic acquisition of shares in Cementos Argos. In this way, the 1Q18 ends with a cash of COP 90 billion.

In terms of cash flow, the quarter ended with COP 90 billion. A dynamic start of the year in which, as a holding company, an active role was played around all of our strategic business, with the simplification of the energy portfolio, as well as the taking of market opportunities in Cementos Argos. Both transactions were carried out in line with the positive expectations in the behavior of these businesses, since on the one hand the participation in Celsia was maintained and on the other, the participation in Cementos was strengthened, going from 55.3% to 58% during the quarter.

Grupo Argos Consolidated Financial Results 1Q2018

Consolidated revenues 1Q2018

Consolidated revenues for the quarter reached COP 3.3 trillion, which is stable compared to the same period of the previous year. Highlighting the positive contribution of the energy and concessions businesses, offsetting the decrease in Cement, which was impacted by a 4% YoY fall in the consolidated volume and the revaluation of the COP.

It is important to mention that the effect of the sales of 9.99% of EPSA is not reflected in the consolidated profits.

Million COP	1Q2018	1Q2017	Var YOY
Revenue	3,310,546	3,357,194	-1.4%
Revenue from sales of goods and services	3,073,465	3,059,897	0.4%
Revenue from financial activity	86,713	71,238	21.7%
Revenue from real estate business	114,913	127,058	-9.6%
Net interest in profit (loss) of associated companies and businesses	111,887	129,970	-13.9%
-Refunds and sales discounts	-76,432	-30,969	146.8%

Consolidated costs 1Q2018

The costs decreased by 7% YoY and reached COP 2.3 billion in the quarter, with a reduction of around COP 200 billion in Cementos.

Million COP	1Q2018	1Q2017	Var YOY
Cost of ordinary activities	2,317,141	2,479,144	-6.5%
Cost of sales of goods and services	2,086,302	2,162,870	-3.5%
Depreciation and amortization	221,530	245,643	-9.8%
Cost of financial activity	0	0	0.0%
Cost of sales of real estate business	9,309	70,631	-86.8%

Structure expenses increased 3% YoY to COP 469 billion mainly due to the consolidation of Opain during 1Q2018, compared to two months in 2017, and the higher amortization expenses of the PPA due to the purchase of Opain. Excluding both effects, the structural expenses would have decreased by 6% YoY, equivalent to savings of COP 28 billion.

Million COP	1Q2018	1Q2017	Var YOY
SG&A	469,371	453,945	3.4%
Management	302,984	316,536	-4.3%
Depreciation and amortization SG&A	112,546	82,677	36.1%
Sales	53,841	54,732	-1.6%

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Other consolidated revenues/expenses 1Q2018

The variation of 17% YoY in the other net revenue line is explained by the divestment of the Cementos self-generating plants (+COP 75 billion), in line with its strategic plan, and the elimination in the wealth tax (-COP 40 billion). However, in the line of other revenues, the decrease is due to the inclusion in 1Q2017 of the income from the valuation of the previous investment in Opain for COP 96 billion.

Million COP	1Q2018	1Q2017	Var YOY
Other Revenue and expenditures	83,103	71,208	16.7%
Other revenue	124,768	161,888	-22.9%
Other expenditures	41,665	50,990	-18.3%
Wealth tax	0	39,690	-100.0%

Consolidated ebitda 1Q2018

The consolidated EBITDA reached COP 941 billion in the quarter, growing 9% YoY with a positive contribution of all core businesses thanks to the efficiencies generated at the operational level. In Cementos, the expansion of 2% YoY in EBITDA is highlighted, excluding the disinvestment of self-generation plants, which ratifies the organization's commitment to its *Fit to grow* strategy. In this way, the EBITDA consolidated margin went from 26% in 1Q2017 to 28% in 1Q2018.

Consolidated net income 1Q2018

Finally, the net profit was COP 221 billion in the quarter (+53% YoY), which, although positive, was limited by an increase of COP 42 billion in deferred tax, which does not involve cash, of Cementos and Odinsa associated with the reduction of tax losses and the ECE tax (Controlled Foreign Entities)

The controlling net profit closed the quarter at COP 109 billion (-9% YoY) for a controlling net margin of 3%.

Million COP	1Q2018	1Q2017	Var YOY
Revenue from ordinary activities	3,310,546	3,357,194	-1.4%
EBITDA	941,213	863,323	9.0%
EBITDA Margin	28%	26%	272 pb
Net Income	221,062	144,807	52.7%
Net income attributable to controlling	109,465	120,680	-9.3%

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Net contribution by segment to the consolidated revenues of Grupo Argos

The net contribution of the different businesses to the consolidated financial results of Grupo Argos for the first quarter of 2018 is shown below. We emphasize that the contributions do not necessarily coincide with the figures reported by each of the companies due to the homologation adjustments required by accounting standards.

Net contribution by segment 1Q2018

Million COP	Cement	Energy	Real Estate	Portfolio	Coal	Concessions	Total
Revenue	1,905,831	844,316	26,585	104,010	23,147	404,801	3,310,546
Gross Income	335,453	252,376	26,889	99,701	4,934	272,194	993,405
Operating Income	208,203	186,962	7,462	70,080	4,170	128,482	607,137
EBITDA	373,082	278,222	7,486	75,532	4,364	200,750	941,213
Net Income	69,145	76,778	7,471	37,620	3,754	26,377	221,062
Controlling interest	22,889	25,905	7,471	33,489	3,700	16,095	109,465

Does not include reclassifications

The lower contribution of the Cement business, due to the drop-in volumes sold, was offset by the higher contribution in Celsia's revenues, given the increase in generation volumes and the better prices, both in Colombia and Central America.

For the third consecutive quarter there were positive contributions in EBITDA from all the strategic businesses: Cement, Energy and Concessions, for a growth in the consolidated EBITDA of 9% year-on-year.

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Investments portfolio

	Interest	Value (COP millions)	Value (USD millions)	Price per share (COP)*
CEMENT				
Cementos Argos***	58.0%	6,470,466	2,327	9,690
ENERGY				
Celsia	52.9%	2,557,117	920	4,515
EPSA**	1.9%	122,839	44	18,900
CONCESSIONS				
¹ Odinsa**	99.8%	2,055,204	739	10,500
OTHER				
Grupo Suramericana	27.7%	4,882,723	1,756	37,640
Grupo Nutresa	9.8%	1,175,433	423	25,980
TOTAL		17,263,781	6,210	

* Price at the close of March 31, 2018 for Cementos Argos, Celsia, Grupo Suramericana, and Grupo Nutresa. FX on March 31, 2018: COP 2,780 / 1 USD

** The price per share of EPSA (COP 18,900) and Odinsa (COP 10,500) correspond to the price offered in the tender offer of Celsia and to the delisting tender offer launched by Grupo Argos.

*** Grupo Argos' interest in Cementos Argos equates to 46.83% of the outstanding shares and 58% of ordinary shares.

¹Includes the consolidated participation of Grupo Argos and subsidiaries

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Dividend's operating revenue and Cash Flow – Individual Statement

Dividends operating revenue (million COP) 1Q2018

Million COP	1Q2018	1Q2017	Var YOY
Grupo de Inversiones Suramericana S.A.- Ordinary	67,195	63,304	6.1%
Grupo Nutresa S.A.	25,626	24,160	6.1%
Fondo de Capital Privado Pactia	7,713	-	NA
Other	605	232	160.8%
Total	101,139	87,696	15.3%

Cash Flow received from the operation 1Q2018

	1Q2018	1Q2017	Var YOY
Cementos Argos S.A.	34,632	31,866	8.7%
Odinsa S.A.	0		
Grupo de Inversiones Suramericana S.A.- Ordinary	0	14,788	-100%
Celsia S.A. E.S.P.	12,730		100%
Empresa de Energía del Pacífico EPSA S.A.	0		
Grupo Nutresa S.A.	6,039	5,633	7.2%
Other			
Total dividends received	53,402	52,287	2.1%
Reimbursement of contributions			
Opain + Consortiums	450		
Pactia	7,713		
Total reimbursement of contributions	8,163	52,287	NA
Cash flow received from operation	61,564	52,287	18%

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Separate statement of financial position

BALANCE SHEET – INDIVIDUAL

	Mar-18	Dec-17	Var. (%)
Cash and cash equivalents	79,466	299,082	-73.43%
Derivative Financial Instruments	0	0	NA
Current Investments	10,206	13,692	-0.254601227
Trade account receivables, net	567,510	198,433	186.00%
Inventories	164,877	164,685	0.12%
Prepayments	3,349	3,660	-8.50%
Total current assets	825,408	679,552	21.46%
Non-current investment	14,606,363	14,687,131	-0.55%
Other non-current account receivables	11,882	11,965	-0.69%
Inventories	47,952	47,275	1.43%
Intangibles, net	2,680	3,329	-19.50%
Property, plant and equipment, net	10,516	10,724	-1.94%
Investment properties	2,093,232	2,083,575	0.46%
Total non-current assets	16,772,625	16,843,999	-0.42%
Total assets	17,598,033	17,523,551	0.43%
Current financial liabilities	2,871	3,728	-22.99%
Bonds and other financial liabilities	373,220	367,340	1.60%
Current trade and other current payables	16,130	83,789	-80.75%
Provisions	515	515	0.00%
Current tax payables	40,290	45,668	-11.78%
Labor liabilities	15,129	12,683	19.29%
Other current liabilities	41,421	62,970	-34.22%
Total current liabilities	489,576	576,693	-15.11%
Non-current financial liabilities	738,040	458,039	61.13%
Bonds and other financial liabilities	769,075	769,075	0.00%
Deferred taxes	164,054	162,692	0.84%
Employee benefits liability	11,735	11,908	-1.45%
Total non-current liabilities	1,682,904	1,401,714	20.06%
Total liabilities	2,172,480	1,978,407	9.81%
Issued capital	53,933	53,933	0.00%
Share premium	1,354,759	1,354,759	0.00%
Other Comprehensive Income	1,192,509	1,564,176	-23.76%
Reserves	2,829,844	2,829,844	0.00%
Other equity components	366,085	592,604	-38.22%
Retained earnings (loss)	9,148,034	8,696,987	5.19%
Net income (loss)	480,389	452,841	6.08%
Total Equity	15,425,553	15,545,144	-0.77%

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INCOME STATEMENT - INDIVIDUAL

	1Q2018	1Q2017 ²	Var (%)
Operating Revenues	851,032	178,603	376.5%
Financial income or expenses, net	748,656	87,695	753.7%
Real estate income	26,678	2,680	895.4%
Equity method, net	75,698	88,228	-14.2%
Variable cost	295,650	492	59991.5%
Cost of sales - Financial activities	294,773	0	NA
Cost of sales - Real estate business	877	492	78.3%
Gross income	555,382	178,111	211.8%
Gross margin	65.26%	99.72%	
Overhead	45,456	49,395	-8.0%
Administrative expenses	44,399	48,282	-8.0%
D&A	888	695	27.8%
Selling expenses	169	418	-59.6%
D&A - selling	0	0	NA
Other income and other expenses	2,756	-7,813	-135.3%
Other income	7414	175	4136.6%
Other expenses	-4,658	-4,653	0.1%
Wealth tax	0	-3335	-100.0%
Operating income	512,682	120,903	324.0%
Operating margin	60.24%	67.69%	
EBITDA	513,570	124,933	311.1%
EBITDA margin	60.35%	69.95%	
Non-operating revenues and expenses	-26,447	-32,824	-19.4%
Financial revenues and expenses, net	-26,333	-32,563	-19.1%
Ingresos por dividendos	0	0	NA
Exchange difference, net	-114	-261	-56.3%
Net participation in associates results	0	0	NA
Pre-tax profit (loss)	486,235	88,079	452.0%
Income tax	5,846	1,108	427.6%
Net income	480,389	86,971	452.4%
Net margin	56.45%	48.70%	

² Includes proforma adjustments for the merger of Situm, Roundcorp and Fortcorp in the following accounts: 1. Revenue from real estate business for COP 52 mm 2. Result, net by the equity method for COP 2,627 mm 3. Administrative expenses for COP 1,810 mm 4. Depreciation and amortization administration COP 22 mm 5. Other income from COP 7 mm 6. Other expenses from COP 13 mm 7. Financial, net from COP 825 mm 8. Income taxes from COP 16 mm

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INDIVIDUAL CASH FLOW STATEMENT

	Mar-18	Mar-17
CASH FLOWS BY OPERATING ACTIVITIES		
NET INCOME	480,389	86,971
Adjustments for:	-	-
Income from dividends and participations of uncontrolled companies	(101,139)	-
Tax expense recognized during the period	5,846	1,092
Equity method – subsidiaries	(75,698)	(85,601)
Gain/loss from measurement at fair value of investment properties	(12,085)	-
Financial expenses recognized during the period	27,291	33,659
Interest revenues recognized during the period	(2,777)	(2,622)
net income from sale investment	(359,828)	-
net income of fair value arising on investments in associates or joint ventures	(2,991)	-
Gain/loss from disposal of investment properties	(7,088)	-
Gain/loss from measurement at fair value of financial instruments	(624)	541
(Recovery) net loss for provisions recognized in results of the period	-	(21)
D&A of non - current assets	888	673
Exchange difference not realized, recognized in results of financial instruments	159	295
Other adjustments to reconcile the gain (loss)	874	-
	(46,783)	34,987
CHANGE IN WORKING CAPITAL:	-	-
Trade account receivables and other accounts receivables	16,398	(45,243)
Inventories	(869)	(2,646)
Other assets	3,876	277
Trade account payables and other accounts payables	(9,990)	(42,661)
Provisions	-	(835)
Other liabilities	(19,276)	8,472
CASH FROM OPERATIONS	(56,644)	(47,649)
Dividends received and revenue from other participations	61,565	52,287
Income and wealth tax paid	(1,273)	-
CASH FROM OPERATIONS	3,648	4,638
CASH FLOW FROM INVESTMENT ACTIVITIES		
Financial interests received	2,682	-
Acquisition of PP&E	(31)	(1,713)
Sale of property, plant and equipment	9,209	-
Acquisition of intangibles	-	(139)
Acquisition of subsidiaries	(1,080,828)	(243,111)
Sale of participation in subsidiaries	654,602	-
Share acquisition in associates and joint ventures	-	(12,616)
Sale of share in associates and Join Ventures	-	1,464
Acquisition of financial assets	-	(59)
Subordinates debt payment	744	-
CASH FLOW FROM INVESTMENT ACTIVITIES	(413,622)	(256,174)
CASH FLOW FROM FINANCING		
Increase in other financing instruments	920,000	135,057
(Decrease) in other financing instruments	(640,000)	-
Interest paid	(23,226)	-
Dividends paid	(66,307)	(58,648)
CASH FLOW FROM FINANCING	190,467	76,409
INCREASE (DECREASE) NET IN CASH AND CASH EQUIVALENTS	(219,507)	(175,127)
Cash and cash equivalents at the beginning of the period	299,082	179,358
FX effects on cash	(109)	(13)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	79,466	4,218

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Consolidated Statement Of Financial Position

BALANCE SHEET - CONSOLIDATED

	Mar-18	Dec-18	Var %
Cash and cash equivalents	2,492,791	2,625,892	-5.1%
Derivative financial instruments	0	177	-100.0%
Current Investments	19,983	45,371	-56.0%
Trade account receivables, net	2,595,584	2,713,848	-4.4%
Inventories	1,134,852	1,086,669	4.4%
Biological assets	137	134	2.2%
Prepayments and other non-financial assets	213,725	228,103	-6.3%
Non-current assets held for sale	49,884	49,926	-0.1%
Total current assets	6,506,956	6,750,120	-3.6%
Non-current investment	9,294,677	9,616,672	-3.3%
Other non-current account receivables	2,452,386	2,619,431	-6.4%
Inventories	47,952	47,275	1.4%
Intangibles, net	6,895,316	7,196,127	-4.2%
Property, plant and equipment, net	17,804,943	18,481,446	-3.7%
Investment properties	2,217,013	2,203,222	0.6%
Deferred taxes	419,998	573,316	-26.7%
Biological assets	55,109	54,129	1.8%
Derivative financial instruments	8278	2532	226.9%
Prepayments and other non-financial assets	21,330	23,679	-9.9%
Total non-current assets	39,217,002	40,817,829	-3.9%
Total assets	45,723,958	47,567,949	-3.9%
Current financial liabilities	3,280,206	2,874,332	14.1%
Bonds and other financial liabilities	717,532	704,251	1.9%
Current trade and other current payables	2,182,165	2,116,726	3.1%
Current provisions	328,365	340,185	-3.5%
Current tax payables	219,921	189,664	16.0%
Labor liabilities	223,459	210,547	6.1%
Other current liabilities	598,154	667,596	-10.4%
Derivative financial instruments	17,087	3,622	371.8%
Liabilities associated with assets held for sale	824	824	0.0%
Total current liabilities	7,567,713	7,107,747	6.5%
Non-current financial liabilities	5,184,746	6,499,405	-20.2%
Bonds and other financial liabilities	6,526,872	6,653,888	-1.9%
Deferred taxes	1,422,382	1,562,383	-9.0%
Provisions	287,901	304,360	-5.4%
Other non-current payables	233,297	237,324	-1.7%
Labor liabilities	482,020	494,531	-2.5%
Derivative financial instruments	0	0	NA
Other non-current liabilities	424,741	401,163	5.9%
Total non-current liabilities	14,561,959	16,153,054	-9.9%
Total Liabilities	22,129,672	23,260,801	-4.9%
Issued capital	53,933	53,933	0.0%
Share premium	1,354,759	1,354,759	0.0%
Other Comprehensive Income	1,608,320	2,159,131	-25.5%
Reserves	2,829,845	2,829,844	0.0%
Other components of shareholders' equity	-167,939	-7,225	2224.4%
Retained earnings (loss)	9,654,742	9,045,006	6.7%
Net income (loss)	109,465	610,659	-82.1%
Non-controlling interest	8,151,161	8,261,041	-1.3%
Equity	23,594,286	24,307,148	-2.9%

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INCOME STATEMENT - CONSOLIDATED

	1Q2018	1Q2017	Var (%)
Revenues from operating activities	3,310,546	3,357,194	-1.4%
Goods sold	3,073,465	3,059,897	0.4%
Financial income/expenses	86,713	71,238	21.7%
Real estate income	114,913	127,058	-9.6%
Equity method, net	111,887	129,970	-13.9%
Sales returns and discounts	-76,432	-30,969	146.8%
Variable cost	2,317,141	2,479,144	-6.5%
Cost of goods sold	2,086,302	2,162,870	-3.5%
Depreciation and amortization	221,530	245,643	-9.8%
Cost of sales - Financial act.	0	0	NA
Cost of sales - Real estate	9,309	70,631	-86.8%
Gross income	993,405	878,050	13.1%
<i>Gross margin</i>	30.01%	26.15%	
Operating expenses	469,371	453,945	3.4%
Administrative expenses	302,984	316,536	-4.3%
D&A- administrative	104,315	74,705	39.6%
Selling expenses	53,841	54,732	-1.6%
D&A- administrative	8,231	7,972	3.2%
Other income/expenses	83,103	71,208	16.7%
Other income	124,768	161,888	-22.9%
Other expenses	-41,665	-50,990	-18.3%
Wealth Tax	0	-39,690	-100.0%
Operating profit	607,137	495,313	22.6%
<i>Operating margin</i>	18.34%	14.75%	
EBITDA	941,213	863,323	9.0%
<i>EBITDA margin</i>	28.43%	25.72%	
Non-operating revenues and expenses	-268,932	-271,918	-1.1%
Financial revenues and expenses, net	-270,568	-262,567	3.0%
Exchange difference, net	1,636	-9,351	-117.5%
Gain/loss on investment retirement	0	0	NA
Pre-tax profit (loss)	338,205	223,395	51.4%
Income tax	117,143	78,588	49.1%
Profit (loss) from continuing operations	221,062	144,807	52.7%
Net loss from discontinued operations	0	0	NA
Net income	221,062	144,807	52.7%
<i>Net margin</i>	6.68%	4.31%	
Controlling interest	109,465	120,680	-9.3%
<i>Net margin - parent company</i>	3.31%	3.59%	

We will hold a conference to discuss second quarter 2017 results on Thursday, February 22nd at 7:30 a.m. Colombia time.

Conference ID: 1.556.717

United States /Canada: (866) 837 - 3612

Colombia: 01800-913-0176

Int'l/Local: (706) 634 - 9385

A detailed presentation of these results shall be made available on Grupo Argos' Investor Website (www.grupoargos.com) under home or in the Financial Information / Reports section.

CONTACT INFORMATION:

Natalia Agudelo

Investor Relations Director

Grupo Argos

Tel: +57 (4) 319-8712

E-mail: nagudelop@grupoargos.com

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Odinsa

In 1Q12018, Odinsa's concessions operate in an appropriate manner as evidenced by the levels of traffic on the roads and passengers served at the concessioned roads and airports. Likewise, those in the construction phase continue to advance at a very good pace.

In the first three months of 2018, the traffic of vehicles on the roads operated by Odinsa maintained very similar levels to those reported in 2017, registering a slight drop of 0.41% for a total of 6,773,037 vehicles. This reflects the combination of several effects, including; the lower traffic reported in Autopistas del Café, which was affected by the closure of the bridge between Irra and Antioquia and the coffee region, and a slight drop in traffic at Malla Vial del Meta, which is already starting to stabilize after the decline as a result of lower oil activity, which was offset by increase in traffic in the Dominican Republic concessions partly due to the fact that Holy Week in 2018 took place in the first quarter and not in the second as it was in 2017.

In the road concessions business, the most outstanding fact was the arbitration award issued by the arbitration court to Autopistas del Café. This resolved the claim filed by the ANI, in which it was intended to reduce the term of the concession significantly by its interpretation of the concession contract. The final decision concluded that the term of the concession will be maintained until January 31, 2027, as stipulated in the contract from the beginning and as understood by the contracting entity.

As for the road concessions that are under construction, it is worth mentioning the progress of the La Pintada Concession works, where Odinsa participates in the Farallones consortium that is in charge of the construction of this asset. To date, the works have advanced by 37.71%. It is also worth highlighting the progress of works of great technical complexity, such as the construction of the Mulatos tunnel, which has already reported the first 1,000 meters of excavations. In 2018, the concession hopes to complete investments for around COP 400,000.

In the first quarter of 2018, the number of passengers served at the airports operated by Odinsa reached 9,159,075 passengers for a total growth of 4.31% compared to the same period of 2017. As for international passengers, who pay a higher airport fee, growth was of 7.78%. It is important to highlight the growth in the number of passengers of Quiport that increased by 4.28%, confirming the recovery in the traffic of this terminal after the economic slowdown that affected Ecuador in 2016 and 2017.

Odinsa, as part of its strategy to focus solely on the operation of highway and airport concessions, is considering some private initiatives on these two fronts. It is worth mentioning the initiative that was presented to the local and national authorities of a new airport for Cartagena. This project, which will have an estimated investment of USD 600 billion, will allow the mobilization of more than 9 million passengers a year once its first phase is built. This is

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in addition to private initiatives that are in the process of being evaluated by the concessionary entities and will take several months to obtain the respective authorizations.

Consolidated Results 1T18

Revenues for the first quarter of 2018 reached COP 183.89 billion, increasing by 1% compared to the same period of 2017. This is attributable to some drop-in construction revenues, mainly due to lower construction volumes in some of the concessions.

By segment, construction revenues, from the consortiums that consolidate under Odinsa and those that report under the equity method, totaled COP 25.95 billion in the first quarter of 2018, a decrease of 37% YoY. This is the result of lower construction volumes at Aruba Green Corridor and the expansion of El Dorado, whose works were completed in 2017. The Pacifico 2 works, which are advancing at a very good rate, are included in this figure using the equity method, since Odinsa does not control this construction consortium, which is why the 50% participation in the net income reported by the consortium is included.

The revenues from the road concessions business reached COP 138.05 billion (+ 5.51% YoY), mainly as a result of higher levels of collection and financial income in the Autopistas del Café and Autopistas del Nordeste concessions, respectively. These higher revenues were partially offset by lower levels of revenues, by collection and financial, in Malla Vial del Meta and Boulevard Turístico del Atlántico and by the decrease in construction revenues in Aruba Green Corridor. The revenues of Pacifico 2, which are included under the equity method, increased to COP 7.38 billion in this period (vs. -COP 1,66 billion in 1Q2017) as a result of higher construction revenues and higher financial revenues associated with the financial asset.

Finally, in the airport business, revenues reached COP 25.4 billion (+10.69% YoY). It is important to mention that the two airport concessions are recorded under the equity method in the consolidated financial statements of Odinsa. The increase is mainly due to Quiport's net income, which contributed COP 23,65 billion, due to the increase in its operating income, mainly explained by an increase of close to USD 3 per PAX of regulated revenues.

EBITDA for 1Q2018 is COP 124.76 billion, with a reduction of 7.5% compared to the same period of 2017. This is mainly due to the fact that in 2017, a profit of COP 9.5 billion was recorded from the sale of a portion of the Farallones Consortium (Pacific 2) to Construcciones el Cóndor. On the other hand, road and airport concessions increased their contribution to the EBITDA of 2018, with respect to 2017, but not enough to offset the aforementioned effects.

The net profit reached COP 20.15 billion, impacted by the events explained above, in addition to a higher financial expense and tax burden. In the first quarter of 2018, the financial expense went from COP 40.97 billion to COP 48.73 billion as a result of an increase in the stock of debt denominated in pesos, which went from COP 276 billion to COP 510 billion, as a result of the bond issue of October 2017 for COP 400 billion, and the increase in the libor rate, which impacted the dollar-denominated debt, that decreased from USD 691.5 million to USD 630.1 million.

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Likewise, in the first quarter of 2018 the income tax went from COP 16,436 million to COP 33,936 million. Regarding the first quarter of 2017, the amount is discriminated in COP 5,525 million and 10,910 million deferred tax and current tax, respectively. Were as in 2018 the value is divided into COP 18,615 million and 15,320 million deferred tax and current tax, respectively.

Odina has shown great discipline in controlling its levels of indebtedness, considering that it is currently investing in assets that are in the construction stage. The consolidated financial debt of Odinsa as of March 31, 2018 is COP 2.25 billion against COP 2.28 billion in the same period of 2017. Most of the debt consolidated under Odina follows “Project Finance”, which means that it has no recourse against Odina.

1Q2018 contributions per business

COP millones	Road concessions	Construction	Airport concessions ³	Other (*)	Eliminations	TOTAL
Total Revenue	138,047	25,958	25,353	21,049	-26,517	183,888
Gross Profit	100,714	15,759	25,353	20,649	-4,271	158,204
Ebitda	92,155	16,239	25,353	-1,948	-7,043	124,755
Operating Income	91,359	15,981	25,353	-3,151	-16,452	113,089
Net Income	41,980	15,657	25,353	-	-5,947	33,808
				43,234		
Gain/Loss for teh parent company	30,550	11,451	25,353	-	-3,974	20,144
				43,234		
Gross Margin	73%	61%	100%	98%	16%	86%
Ebitda Margin	67%	63%	100%	-9%	27%	68%
Net Margin	30%	60%	100%	-205%	22%	18%

*Direct business of Odinsa Holding (financing to subsidiaries abroad, financial charges and taxes).

Direct business of Odinsa (Operation of Highways, Real Estate, corporate expenses, financial burdens and national taxes).

Highway Concessions in Operation

Autopistas del Café - AKF

Colombia

Period: 30 years (1997 – 2027)

Minimum guaranteed income

Odinsa equity: 60%

The most outstanding fact for the Autopistas del Café concession was the arbitration award made by the arbitration tribunal in its favor. This resolved the claim filed by the ANI, in which it was intended to reduce the term of the concession significantly by its interpretation of the concession contract. The most relevant facts:

³ Airport concessions do not consolidate under Odinsa and are recognized using the equity method

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- The term of the concession was maintained until January 31, 2027.
- The value of the Capex and the operating infrastructure of the financial model was ratified.
- The updating of the financial model was approved only with the CPI and not incorporating the DTF as the ANI intended.
- The concessionaire was not sentenced in the displacements of the Quiebra del Billar, Avenida del Ferrocarril and Circasia 1 investments.
- The concessionaire was ordered to pay COP 13,924 million pesos for the construction of the La María weigh station. Since September 2017, the concession transferred a sum of COP 33,351 million to a sub-account in the equity to cover this contingency.

Autopistas del Café reports a total traffic of 3,000,750 vehicles for 1Q2018, presenting a decrease of 5.5% YoY. The decrease in traffic is explained mainly by the closure of the Irra bridge, which affected the traffic between Antioquia and the coffee region. This situation was partially compensated by the increase in traffic in March, as a result of having Easter in this month in 2018 and the good performance of the tourism industry in this region of the country.

The operating income for the first quarter amounts to COP 44.02 billion, with a growth of 3.66% YoY, which reflects the combination of the increase in tariffs for tolls in accordance with inflation and an increase in financial income recorded by the concession.

In the first quarter of 2018, the concession reported an Ebitda of COP 26.29 billion, which represents an increase of 16.75%, with respect to the same period of 2017, mainly due to the increase in the aforementioned revenues and lower maintenance costs in the period. The first quarter net income reached COP 11.40 billion for a 28.8% decrease compared to the first quarter of 2017 as a result of the higher tax provisions for the period. It is important to clarify that as of 2018 the concession is applying article 290 of the tax reform, referring to the amortization of losses from previous years. Therefore, the provision of income tax increased by COP 7.3 billion with respect to the same period of the previous year.

Million COP	1Q2018	1Q2017	Var YoY
Total traffic	3,000,750	3,175,517	-5.5%
Average Daily Traffic ADT	33,342	35,284	-5.5%
Collection	42,816	45,550	-6.0%
Ebitda	26,293	22,521	16.8%
Net Income	11,401	16,020	-28.8%

Autopistas del Nordeste

Dominican Republic

Period: 30 years (2008 – 2038)

Minimum guaranteed income

Odinsa equity: 67.5%

The concession presents an increase in traffic for the first quarter of 2018 of 9.22% YoY, because of greater tourism activity recorded due to having Easter in this period.

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In terms of revenues, the concession registered an increase of 28.44%, going from COP 28.09 billion to COP 36.08 billion, as a result of recording higher financial revenues during the period. It is worth remembering that this concession depends on the guaranteed minimum income paid by the government.

The Ebitda of the concession increased by 28.8% in line with the growth in income, reaching COP 28.92 billion for the quarter. This is the result of the increase in the aforementioned revenues and of recording lower costs for construction activity and lower administrative expenses. Net income reached COP 12.07 billion as a result of the above, in addition to a lower financial expense and the decrease of amortizations.

Million COP	1Q2018	1Q2017	Var YoY
Total traffic	1,062,221	972,501	9.2%
Average Daily Traffic ADT	11,802	10,806	9.2%
Ebitda	28,917	22,451	28.8%
Net Income	12,067	3,637	231.8%

Boulevard Turístico del Atlántico

Dominican Republic

Period: 30 years (2008 – 2038)

Minimum guaranteed income

Odinsa equity: 67.5%

Like in ADN, BTA recorded a significant increase in vehicle traffic in the first quarter of 2018. This is particularly due to the fact that in late 2017, the works were completed to recover the damage recorded in three sectors of the road, resulting from the bad winter weather of 2016, which affected the province of Samana where the concession is located. In addition to this, and as it is imminently a tourist corridor, the fact of having had Easter in the first quarter of the year contributed to the increase in traffic. Like ADN, this concession depends on the minimum guaranteed revenue established in the concession contract.

During the first quarter of 2018, the revenue decreased by 4.19%, until reaching COP 32.19 billion, mainly because of the lower level of financial income recorded.

In line with the above, for the first quarter of 2018, EBITDA reached COP 24.73 billion from COP 29.59 billion reported in 2017, with a drop of 16.4%. The main reasons for this are the decrease in the income already mentioned, higher costs for services, higher expenses for fees, lower administrative expenses and lower levels of other income.

The net profit for the first quarter of 2018 reached COP 9.63 billion, for a decrease of 41.8% with respect to the previous year, as a result of the aforementioned decrease in EBITDA and higher tax levels.

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COP millones	1Q2018	1Q2017	Var YoY
Total traffic	422,382	347,424	21.6%
Average Daily Traffic ADT	4,693	3,860	21.6%
Ebitda	24,726	29,586	-16.4%
Net Income	9,625	16,537	-41.8%

Highway Concessions under Construction

La Pintada Concession

Colombia

Under construction

Construction termination date 2021

Period: 20 years (2043)

Present value of toll revenue (PVTR)

Odinsa equity: 78.9%

The works of Concesión La Pintada S.A.S. are progressing according to the established work schedule. As of April 2017, the overall progress of the project is 37.71%. Of the 5 functional units, one has already been delivered (UF-5). The other 4 functional units, 1 to 4, record an increase of 62.43%, 22.63%, 12.65% and 25.72% respectively. Among the most complex works is the drilling of the Mulatos Tunnel through its two portals. To date, we report that this work is progressing at a very good pace and 1,000 meters of excavation have been completed.

92% of the properties required for the works have already been released and 57% are already recorded in public deeds. In addition, environmental licensing is at 100%. It is worth noting, that, from the very beginning of the works, the Certificate for the Absence of Ethnic Communities was obtained.

In the first quarter of 2018, the total traffic remained stable at 630,859 with a slight drop of 0.1% compared to the same period of 2017.

In terms of income, the concession reports an increase of 173.9% because of the high construction activity. With relation to Ebitda, it grew 43.9% as a result of the increase in revenues mentioned above. The net profit went to positive territory in the first quarter of 2018, recording an increase of 552% to COP 9.37 billion, mainly as a result of the increase in Ebitda, and a positive difference in FX.

Million COP	1Q2018	1Q2017	Var YoY
Total Traffic	630,859	631,479	-0.1%
Average Daily Traffic ADT	7,010	7,016	-0.1%
Collection	6,595	6,692	-1.5%
Ebitda	12,657	8,795	43.9%
Net Income	9,365	-2,072	552.0%

Malla Vial del Meta

Colombia

Private PPP initiative

Demand risk

Odinsa equity: 51%

This concession executes the Malla Vial del Meta IP project, one of the first government-approved private initiative Public-Private Partnerships (Asociaciones Público-Privadas, APP) and that as of today is in an arbitration court.

The revenues of the Concesión Vial de los Llanos [Llanos Road Concession] come from the five toll stations of the project: Ocoa, Iraca, La Libertad, Yucao and Casetabla. They were impacted by two events: 1) The changes in macroeconomic variables that affected the conditions with which the project was structured, such as the fall in international oil prices, which generated a recomposition of the traffic and a decrease in the number of cargo vehicles that transit through the department of Meta, the country's largest crude oil producer; and 2) the impossibility of implementing the tariff structure of the concession contract from the beginning of project execution in the toll stations of Casetabla and Yucao, and the subsequent issue of resolution 331 of February 15, 2017, through which the Ministry of Transport and the National Infrastructure Agency (Agencia Nacional de Infraestructura, ANI) modified resolution 1130 of 2015 regulating the project's tariff scheme.

Due to the change in the conditions of the concession contract, the concessionaire summoned, on December 1, 2016, a Court of Arbitration before the Chamber of Commerce of Bogotá, to settle the disputes among the parties.

The concessionaire continues to take the necessary steps before the ANI to reach a settlement agreement that allows the viability of executing the concession project. However, in the course of 2018, the Arbitration Tribunal continues to advance in accordance with the established schedule and the following activities have been completed:

- On February 8, 2018, the Conciliation hearing was held, which was declared unsuccessful when an agreement was not reached between the parties. In response to which the first hearing was cited and fees were set for the arbitrators.
- On March 7, the first trial hearing took place. In this trial The Court assumed competence, including topics presented by the ANI such as the Equity Contribution and the Financial Closure. Also tests were decreed, Valora Consultoría S.A.S. was defined as an economic/financial expert and dates for the presentation of witnesses were defined (beginning of April).
- On March 15, a hearing was held where the financial expert Valora Consultoría S.A.S. and their fees and expenses were fixed.

In operating terms, in 1Q2018, the total daily traffic reached 1,656,825 vehicles, with a daily average of 1,656,825 vehicles, which represents a decrease of 1.04% compared to the same period in the previous year. The dynamics of traffic characterizes the continued impact of the fall in oil activity, which is now beginning to show signs of improvement. In line with this and

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with the recomposition of the categories towards light vehicles, the collection decreased by 10% with respect to the same period of the previous year.

In 1Q2018, EBITDA was negative by COP 333 billion due to the low levels of revenues reported by Functional Unit 1, which are lower than the operation and maintenance expenses. The net profit for the quarter is negative by COP 443 million. With respect to 2017, the decrease is 144%, mainly due to the decrease in Ebitda and the decrease in financial income of COP 1.60 billion. The lower amount of income tax in 2018 for COP 1.20 billion was in favor of the concession.

Million COP	1Q2018	1Q2017	Var YoY
Total Traffic	1,656,825	1,674,284	-1.0%
Average Daily Traffic ADT	18,409	18,603	-1.0%
Collection	19,872	22,088	-10.0%
Ebitda	-333	654	-150.9%
Net Income	-443	1,006	-144.3%

Green Corridor

Aruba

DBFM Contract (Design, Build, Finance & Maintain)

Guaranteed traffic

Odinsa equity: 100%

Ceiling amount for the offer: USD 73 mm

Scope: 7 km of secondary roadway, rehabilitation and/or reconstruction of 24 km of existing roads, construction of 5 km of new roads and construction of 13 km of cycle routes.

Capex: USD 58.0 Millon

Project duration: 30 months

Maintenance: 18 years

Method of Payment: Once the works are completed, the state will make quarterly payments over the course of 18 years. The payments will be the equivalent of 130 million florins in January 2011 (USD \$73 Million)

To date, the Aruba Green Corridor project works have been completed and adjustments are being made to overcome deviations resulting from the independent engineer's audit. However, the main works of the project are already in operation. The Spaans Lagoen bridge was opened on September 13. All the way, double roadway, from the airport to the Pos-Chiquito roundabout, was put into service on September 26, as well as the lighting. Paved, demarcated and signposted secondary access roads were delivered. Likewise, the mini parks and the linear park were already enabled for the community.

Once the construction is completed, the contract states that the built infrastructure must be subjected to an audit process. This process will only be completed by June 2018, at which time the availability of the work can be obtained to initiate the payment of availability payments to the contracting entity.

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In the first quarter of 2018, the concession registered operating income of COP 7.80 billion, 47.4% lower than the COP 14.96 billion recorded in the first quarter of 2017, as a result of having already completed the construction and not recording higher revenues for this activity and recording higher levels of financial income.

The EBITDA for 1Q2018 reached COP 5.17 billion from the COP 281 million reported in the first quarter of 2017. This is basically the result of the largest financial income recorded during the period.

Airport Concessions

Opain

Colombia

Period: 20 years (2007 – 2027)

Royalties (% of total revenue): 46.2%

Odinsa equity + AC [administrative costs]: 65%

In the first quarter of 2018, the airport worked very hard to fine-tune the expansion of the new areas, of more than 48,000 m², in the national and international docks, which allowed an increase in the capacity of the terminal to 40 million passengers per year. As a result of this, at the end of April, all Avianca flights operating in the Puente Aéreo terminal were moved to terminal 1 (T1). At the same time, Easyfly and SATENA operations started activities from the Puente Aéreo terminal (T2). This operational change will optimize the operation of these airlines and improve the experience of their users. Likewise, we are working to have: greater efficiency of the check-in and baggage systems; the reconfiguration of the platforms, in accordance with the existing regulations; the adaptation of offices and operational areas; the optimization of uses of airport positions, rooms and resources; the integration of operations in a single terminal; the reduction of waiting times for passengers, and the management of resources of security personnel and operations. These are some of the actions carried out in T1 and T2, to guarantee a better user experience and the complete success of the transfer. We estimate that, in 2018, Avianca will move 15.7 million domestic passengers from T1; Easyfly and SATENA will provide their services to more than 1.2 million passengers from the T2 Air Bridge.

At the end of March, and for the third consecutive year, Skytrax, a British firm specialized in the quality of international air transport, gave El Dorado the recognition by which users ratify El Dorado as the Best Airport in South America. This important recognition took place as part of the *World Airport Awards*, held on March 21 in Stockholm, Sweden. This distinction of the Best Airport in South America is the result of surveys to more than 13 million travelers from around the world, who participated to rate and provide their opinions of their experiences when passing through airport terminals. Skytrax also ratified its 4-Star rating, labeling it as one of the best airports in the world in terms of quality.

The total movement of passengers in El Dorado in the first quarter of 2018 was 7,941,018, with a 4.3% growth compared with the same period of 2017. It is worth noting the growth in

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international passengers, at a rate of 6.7%, reaching 2,658,065 passengers. In the same domestic passengers grew at a rate of 3.2%, which marks a recovery in the national area activity, which had been affected by the slowdown in the economy in 2017, and the Avianca pilot strike that affected the second quarter. Bogota Airport continues to be the third Latin American Airport in passenger traffic, behind the airports of Mexico City and Guarulhos (Sao Paulo).

Operating income for the first quarter of 2018 reached COP 223.65 billion, for a growth of 13.8%, as a result of an increase in regulated and unregulated revenues. The latter were driven by the delivery of new commercial spaces.

Ebitda for the first quarter of 2018 reached COP 72.13 billion, for a growth of 16.7%, as a result of the aforementioned increase in revenues that partially offset an increase in administrative expenses.

Net income for the quarter was COP 4.88 billion, 36.0% lower than that reported in the same period of 2017, as a result of higher levels of depreciation and amortization during the period.

	1Q2018	1Q2017	Var YoY
Passengers	7,941,018	7,612,389	4.3%
Domestic	5,282,953	5,120,576	3.2%
International	2,658,065	2,491,813	6.7%
Revenue (COP Million)	223,654	196,553	13.8%
Regulated	162,165	140,141	15.7%
Unregulated	61,489	56,412	9.0%
EBITDA (COP million)	72,133	62,143	16.1%
Net Income (COP million)	4,875	7,614	-36.0%

Quiport

Ecuador

Period: 35 years (2006 – 2041)

Royalty (% regulated revenues): 11%

Odinsa equity: 46.5%

In the first quarter of 2017, a positive variation of 4.3% was recorded in the number of passengers serviced at Mariscal Sucre Airport, recording 1,218,057. Domestic operations were affected in 1Q2018, with a drop of 2.6%, reaching 640,626 passengers, due to the decrease in frequencies operated by Tame. On the other hand, international traffic increased significantly to reach 577,431 passengers, for an increase of 13.2%, as a result of having a new frequency of Aeromexico and two new ones from Condor airline and the larger size of the aircraft used on international routes in this period.

The cargo volumes managed by Mariscal Sucre International Airport in the first quarter, showed an excellent performance as they increased by about 8.9% until reaching 56,927 tons. This is the result of greater export activity in Ecuador, due to increased demand for fresh flowers in international markets, the elimination of safeguards for the importation of goods

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and the trade agreement signed between Ecuador and the European Union, which was supported by an increase in the frequencies of Qatar Cargo and the number of charter flights.

Within the framework of the *Expo Passenger Terminal* in Stockholm, Sweden, Quito airport received three Skytrax awards on 21 March, the most prestigious honors in the international airport industry. Mariscal Sucre was recognized as the Best Regional Airport in South America, a Four-Star airport and the Best Airport Personnel in South America.

During 1Q2018, Quiport's operating income reached USD 40.7 Million, for an increase of 6.3% over the same period of 2017. This was achieved thanks to an increase in the regulated revenues of the concession, because of the increase in passenger traffic, the increase in cargo volumes and an increase, consequently, in unregulated revenues.

The EBITDA of the Company reached USD 27.2 million, which represents a decrease of 4.9% with respect to 1Q2017. This is the result of the increase in the revenue already mentioned, which was partially offset by an increase in the direct costs of the concession, that figure among other professional services and the workers' participation expenses, which, according to Ecuadorian legislation has a direct relationship with the company's level of net profit.

The net profit for the period was USD 13.8 million, which represents an increase of 12.8% compared to the first quarter of the previous year. This increase is mainly attributable to the increase in EBITDA and a lower financial expense, resulting from amortization and debt payments.

	1Q2018	1Q2017	Var YoY
Passengers	1,218,057	1,168,068	4.3%
International:	640,626	658,064	-2.6%
Domestic	577,431	510,004	13.2%
Operations	13,979	14,361	-2.7%
Revenue (thousands USD)	38,285	35,883	6.7%
Regulated	28,931	26,542	9.0%
Unregulated	9,927	9,323	6.5%
Other income	-573	18	-3,345%
Expenses (thousands USD)	13,569	12,424	9.2%
Direct	11,462	10,351	10.7%
Indirect	2,106	2,074	1.6%
EBITDA (USD million)	27,159	25,899	4.9%
Net Income (USD million)	13,826	12,256	12.8%

Quarterly Earnings Report

1st quarter 2018 – Cement Business



Empresa de cemento del  GRUPO ARGOS

Cementos Argos

BVC: CEMARGOS, PFCEMARGOS

ADR LEVEL 1: CMT0Y / ADR 144A: CMTRY - Reg-S: CMTSY

Cementos Argos S.A. (Argos) is a geographically diverse rapidly growing cement and ready mix concrete (RMC) company with presence in 15 countries and leading market positions in the US, Colombia, Caribbean & Central America (CCA) and total annual capacity of approximately 24 million tons of cement and 18M million m3 of concrete.

Key Highlights

- As part of the BEST program, the divestment strategy advanced with the sale of three inside the fence power generation plants for a total value of USD 57M. Such plants will continue to supply energy to the Nare, Cairo and Sogamoso plants in Colombia, through Power Purchasing Agreements signed with the buyer.
- Launched Argos ONE, a program that unifies all the digital platforms to deliver the best possible value proposition for each client segment and market, in which the Company operates.
 - Successful implementation in Colombia where as of April 2018, 50.6% of the cement and 32.5% of the ready-mix transactions were done through digital channels.
- Cementos Argos was notified regarding the decision from the Superintendencia de Industria y Comercio to ratify the sanction of USD 25M against Argos and other 2 cement producers for an alleged conscious price parallelism.
 - Argos does not share the decision, will now bring the case to the judicial system and will exhaust all the legal instances to demonstrate the good conduct and reputation of the company.

Consolidated Results

Consolidated cement and ready mix volumes decreased 4.1% and 7.5% respectively, on a year over year basis. These results are a consequence of the strong winter in the US, less working days given the Easter Holiday in Colombia and Central America and a still slow market in Colombia.

Adjusted EBITDA, excluding the non-recurring income from the sale of the power generation assets in Colombia, closed in COP 300 billion, 2.0% more compared with the same period of 2017. The EBITDA margin was 15.7%, with a 157 basis points yearly expansion. The results reflect the efficiency efforts made through BEST in Colombia.

Net income was COP 55 billion, which presents a significant increase compared to 2017.

Quarterly Earnings Report

1st quarter 2018 – Cement Business



Empresa de cemento del GRUPO ARGOS

		1Q2018	1Q2017	Var YoY
Cement	mm TM	3,686	3,842	-4.1%
RCM	mm m3	2,440	2,638	-7.5%
Revenues	COP bn	1,907	2,077	-8.2%
Ebitda	COP bn	371	283	31.2%
Adjusted Ebitda	COP bn	300	294	2%
Ebitda margin	%	19,5%	13.6%	583.8 pb
Adjusted Ebitda margin	%	15,7%	14.2%	157.1 pb
Net Income -Controlling	COP bn	54.8	-45.5	NA
Net margin	%	2.9%	-2.2%	NA

To see detailed results, click on the following link:

<https://ir.argos.co/Portals/1/Temp/1368/Cementos%20Argos%201T18%20Reporte.pdf>

Quarterly Earnings Report

1st quarter 2018 – Power Business



Empresa de energía del  GRUPO ARGOS

Celsia

BVC: CELSIA

Celsia is the energy company of the Argos Group, with a presence in Colombia, Panama and Costa Rica and a generation capacity of 2,400 MW through 28 hydroelectric, thermal, photovoltaic and wind power plants, generating around 6,317 GWh per year.

Most notable events

- The Company's consolidated generation was 1,753 GWh in the quarter, up 18% from the same quarter last year. Out of this generation, 64.5% came from hydroelectric power plants, 30.6% from thermal power plants, 4.7% from the wind farm in Costa Rica, and 0.22% (4 GWh) from the new solar farm in Yumbo.
Revenue from electric power generation in Colombia amounted to COP 323,698 million (+22% Y/Y).
Revenue from electric power generation in Central America during the quarter was USD 65 million (+6% Y/Y). Contract sales volumes were 488 GWh (+4% Y/Y) in the period.
- Consolidated revenue for the quarter was COP 846,799 million, up 14% from the same period last year. Revenue from Central America was USD 65 million during the year, representing 22% of the consolidated revenue.
- The EBITDA of the first quarter this year was COP 289,812 million, up 20% compared to the COP 241,430 million reported for the same period in 2017. Taking advantage of good market conditions in both Colombia and Central America enabled the power generation facilities to make a significant contribution to the results, which added to the stability of the T&D business.
- The Organization recorded consolidated net earnings of COP 79,158 million in the quarter, an increase of 262% Y/Y and the second highest quarterly value recorded since the mid-2014. When subtracting the minority interest, the net income attributable to controlling shareholders recorded earnings of COP 51,277 million out of a value of only COP 608 million in 1Q2017.

Quarterly Earnings Report

1st quarter 2018 – Power Business



Empresa de energía del GRUPO ARGOS

Relevan Figures

	Units	4T2017	4T2016	Var YoY %
Ordinary revenue	COP mill.	846.799	741.926	14.1%
Gross earnings	COP mill.	254.756	218.559	16.6%
Earnings before financial results	COP mill.	192.564	140.47	37.1%
EBITDA	COP mill.	289.812	241.43	20.0%
<i>EBITDA Margin</i>	%	34.20%	32.50%	5.2%
Net earnings	COP mill.	79.158	21.869	262.0%
Net earnings attrib. to holding co.	COP mill.	51.227	608	-91.6%
Generation				
Total energy produced	GWh	1.753	1.487	17.9%
Total energy sold	GWh	2.135	1.929	10.7%
Energy produced in Colombia	GWh	1.434	1.246	15.1%
Hydraulic Colombia	GWh	1.037	1.053	-1.5%
Thermal Colombia	GWh	393	193	103.6%
Solar Colombia	GWh	3,8	0,0	N.A
Energy sold Colombia	GWh	1.606	1.427	12.5%
Contract sales Colombia	GWh	766	747	2.5%
Stock exchange transactions Colombia	GWh	840	680	23.5%
Energy produced Central America	GWh	319	241	32.4%
Hydraulic Central America	GWh	94	79	19.0%
Thermal Central America	GWh	143	102	40.2%
Wind Central America	GWh	83	60	38.3%
Energy sold Central America	GWh	528	502	5.2%
Contract sales Central America	GWh	488	468	4.3%
Spot sales Central America	GWh	40	34	17.6%
Distribution				
Energy losses	%	8.60%	8.40%	2.4%
Collection	%	97%	99%	-2.0%
SAIDI - EPSA/CETSA	Hours	3	3.3	-9.1%
SAIFI - EPSA/CETSA	Times	4.1	4.1	0.0%
Retail marketing				
Regulated market sales	GWh	291	287	1.4%
Unregulated market sales	GWh	249	227	9.7%
Users	Number	608.461	591.06	2.9%

To see the detailed results, click the following link:

<http://www.celsia.com/Portals/0/contenidos-celsia/documentos/Presentacion-de-resultados-20181T-ingles.pdf?ver=2018-05-04-165943-240>

Quarterly Earnings Report

1st quarter 2018 – Real Estate Business



Real Estate Business

1st Quarter 2018 results

For the first quarter, the urban development business recorded deeds that amounted to COP 9 billion, corresponding to 90,116 m2.

During this quarter, COP 36.19 billion in revenues were recorded, which include: revenues from deeds, deferred revenue, valuations of lots, valuations of the private equity fund pactia, and dividends received.

Deferred revenues corresponds to accounting under IFRS, which, for the urban development business, only recognizes income in the proportion to which the development progresses.

With respect to the revenues from deeds they amounted to COP 9 billion, those made during this period correspond mostly to sales of lots for the development of the Coastal Concession of the 4G projects.

Dividends were received from the Pactia Private Capital Fund (FCPP) for COP 3,489 million and from the fund manager structure (in which Grupo Argos participates with 50%) for COP 4,673 million for a total of COP 8.16 billion.

Valuations recorded during the period were COP 12.09 billion for the urban development business and COP 2.99 billion for the FCPP.

The cash flow recorded during 1Q18 amounted to COP 12 billion, lower than the one recorded in the same period of 2017, where an income of COP 26 billion was recorded for the sale of Alameda de Rio.

We highlight the decrease in administrative expenses of the urban development business that went from COP 30 billion to COP 26 billion with a decrease of 13%. Of these, the most significant decrease is due to the property expenses that decrease by COP 2 billion thanks to the work we are carrying out with the local authorities for the proper valuation of the lots.

Income details from developed and undeveloped lots

Urban Development Business - Grupo Argos

Million COP	1Q2018	1Q2017	Var YoY
Revenue	36.187	2.623	1.280%
Revenue from the sale of lots	9.517	0	
Lots sale in m2	90.116	0	
Cash Flow	12.353	38.398	(67,8%)

Quarterly Earnings Report

1st quarter 2018 – Real Estate Business



In the real estate rental business, we highlight the positive results of the Pactia real estate fund, which since its creation on January 20, 2017, has shown annual effective yields of 6.8%, recording a per-unit value, including yields, of \$10,812.9 as of March 31, 2018 (per-unit distributed dividends add to \$127.40). The number of outstanding units as of March 31 amounted to 196,236,593 which implies an Equity value for Grupo Argos' stake (34.68%) of COP 727 billion.

In line with its GLA growth strategy, the company continues to make progress in increasing the gross leasable area, which by the end of the third quarter of 2017 amounted to 719,372 m2 thousand square meters, showing a 40% increase over the same period of last year. Most of the assets are concentrated in commerce and industry, with more than 566 thousand m2 of GLA. We note how the assets under management add up to COP 3.4 trillion at the end of the first quarter, and the liabilities amounted to COP 1.3 trillion.

The ownership interests as of March 31 were distributed as follows: 44.1% Concreto, 34.7% Grupo Argos and 21.2% Protección, after a capitalization made by Protección in the month of January of COP 90 bn.

With regard to the results, gross operating revenues were COP 64 billion, growing 31% year-on-year, while net operating income was COP 36 billion, growing by 6%.

EBITDA for the quarter was COP 23 billion, and presents a fall that is explained in large part by the advance payment of all property taxes during the first quarter of the year and, due to the entry into operation of additional assets that generated higher Opex; however, this will be regulated with the accumulated results of the year. The highest value of Assets Under Management (AUM), which is the basis for calculating the manager's commissions, also shows an increase from an AUM of COP 2.6 trillion in 1Q2017 to COP 3.4 trillion in 1Q2018 which implies higher FCPP expenses.

Revenues and costs details - Pactia

Million COP	1Q2018	1Q2017	Var YoY
Gross Actual Revenue	64,921	49,744	30.5%
Operating Costs	29,131	16,020	81.8%
Net Operating Income	35,791	33,724	6.1%
Consolidated EBITDA	22,547	27,594	-18.3%
Ebitda margin	34.7%	55.5%	-2,074