

QUARTERLY EARNINGS REPORT

2nd Quarter 2019



GRUPO ARGOS

Inversiones que transforman

August 2019

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GRUPO ARGOS INDIVIDUAL FINANCIAL RESULTS 2Q2019

Individual Revenues 2Q2019

Separate revenues of Grupo Argos in Q2 2019 totaled COP 96 billion, broken down into COP 65 billion from the equity method and COP 31 billion from the real estate business. During this period, no revenues from financial activities were reported arising from portfolio transactions, unlike the first quarters of both years, when a divestment of the Epsa shares owned by Grupo Argos was performed, thereby completing the full divestment of ownership in that company.

Revenues by the equity method decreased by 5%, mainly due to a reduction in the contribution of the energy business, which as explained previously, posted lower net income due to higher indebtedness associated with the acquisition of assets in Tolima. This transitory effect, produced by higher leverage, combined with operating results whose benefits were not yet captured during the quarter, because the acquired assets were only consolidated with Celsia in June, is in line with the overall strategy of growing the distribution business, and will be gradually smoothed out by the Company.

In the year to date results, it is important to point out the significant change in financial revenues due to the divestment of Epsa. When such effect is normalized, revenues of the first semester would have totaled COP 281 billion, down 5% year on year.

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Revenue from ordinary activities	96,284	98,531	-2.3%	403,947	949,563	-57.5%
Revenue from financial activity	0	0	NA	222,023	748,656	-70.3%
Real estate revenue (sale of urbanized lots)	30,889	29,779	3.7%	59,988	56,457	6.3%
Profit (loss) net via equity method	65,395	68,752	-4.9%	121,936	144,450	-15.6%

* The income recognized by Grupo Argos includes in the P&L for the real estate business it mainly includes: Sale of urbanized lots, Pactia and valuation of lots. The profit generated by the sale of raw lots is classified in other income in the P&L.

Individual Costs 2Q2019

During the quarter, costs totaled COP 1 billion, up 7%, which reflects the actual executed costs of the deferred revenues of lots in Barranquilla.

Year to date, the change in costs is explained mainly by the Epsa divestment, which in 2018 represented costs of COP 295 billion, whereas in 2019 the cost was COP 58 billion.

Expenses have remained relatively constant during the quarter. However, a 12% reduction in administrative expenses should be highlighted. It should be noted that controllable and

Quarterly Earnings Report

recurring administrative expenses (excluding D&A, taxes and special projects) decreased by 8% in the first semester, reflecting our strong commitment to efficiency.

The depreciation and amortization item displays an increase due to higher amortizations from the acquisition of Opain (+COP 3 billion), as well as increased amortizations arising from application of IFRS 16.

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Cost of ordinary activities	1,000	937	6.6%	60,008	296,588	-79.8%
Cost of sales of financial activity	0	0	NA	58,454	294,774	-80.2%
Cost of sales of real estate business	1,000	937	6.6%	1,554	1,814	-14.4%
Operating expenses	27,075	27,219	-0.5%	78,622	72,675	8.2%
Management	22,925	26,150	-12.3%	70,163	70,549	-0.5%
Management depreciation and amortization	3,973	890	346.4%	8,061	1,778	353.4%
Sales	177	179	-1.1%	398	348	14.4%

Other operating revenues/expense 2Q2019

Costs and expenses show growth compared to the same period of the previous year due to a change in the cyclicity of payments that will not affect annual execution.

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Other revenue and expenditures	-5,827	-545	969.17%	-7,096	2,211	-420.9%
Other revenue	464	1,826	-74.59%	664	9,240	-92.8%
Other expenditures	-6,291	-2,371	165.33%	-7,760	-7,029	10.4%

Ebitda 2Q2019

As a result, separate EBITDA in Q2 2019 totaled COP 66 billion (-6% Y/Y), equivalent to an EBITDA margin of 69%.

Other revenues/expenses 2Q2019

During the quarter, net non-operating expenses decreased by 19% Y/Y to COP 23 billion, as a result of a lower stock of debt (-16% Y/Y) and a low cost of debt of 6.79%

Financial expenses remain at historically low levels and on a continuous downward trend as a result of disciplined cash management. During this year, we have pre-paid short-term debt in the amount of COP 117 billion, which as of June implied a COP 6 billion reduction in financial expenses.

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Non-operating revenue and expenditures	-23,446	-29,085	-19.4%	-49,288	-55,532	-11.2%
Financial, net	-23,446	-29,011	-19.2%	-49,301	-55,344	-10.9%
Exchange rate difference, net	0	-74	-100.0%	13	-188	-106.9%

Net income 2Q2019

Net profit in the quarter was COP 34 billion (-16% Y/Y), equivalent to a net margin of 35%.

Individual Financial Results

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Revenue	96,284	98,531	-2.3%	403,947	949,563	-57.5%
Ebitda	66,355	70,719	-6.2%	266,282	584,289	-54.4%
<i>Ebitda Margin</i>	69%	72%	-286 p	66%	62%	7.1%
Net income	33,529	39,947	-16.1%	205,717	520,336	-60.5%
<i>Net Margin</i>	35%	41%	-14.1%	51%	55%	-7.1%

Individual Financial Results EX IFRS16 and EX EPSA Divestment

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Revenue	96,285	98,531	-2.3%	280,463	294,563	-5%
Ebitda	66,355	70,719	-6.2%	224,289	224,289	-10%
<i>Ebitda Margin</i>	69%	72%	-286 p	72%	76%	-450p
Net income	33,529	39,947	-16.1%	82,717	-134,664	-161%

Debt and cash flow 2Q2019

At the end of the quarter, debt totaled COP 1.5 trillion (-16% Y/Y), with low cost of debt at 6.79%, notwithstanding the 23bps increase in inflation over the same period. Leverage indicators remained at healthy levels and below established limits: adjusted gross debt/EBITDA at 2.1x and gross debt/dividends at 2.3x.

In terms of cash flow, cash at the end of the quarter totaled COP 2 billion, which reflects the simplification of the energy portfolio through the sale of Epsa (COP 123 billion), repayment of debt for COP 117 billion and a positive spread between dividends paid and received of COP 131 billion.

GRUPO ARGOS CONSOLIDATED FINANCIAL RESULTS 1Q2019

Consolidated Revenues 2Q2019

At the end of June 2019, quarterly revenues increased by 7% year on year to COP 3.9 trillion, with positive contributions from the cement (+COP 164 billion) and energy businesses (+COP 93 billion).

Quarterly revenues of the cement business totaled COP 2.3 trillion, up 8% as a result of a strategy to recover prices in Colombia, which in the first semester of the year have increased by over 12%.

Revenues of the cement business grew 11% in the consolidated quarter, of which Colombia contributed 83% of total revenues, up 18%. The higher revenues from this region were partly supported by the start up of operations of the assets acquired in Enertolima, which contributed 130 billion with only one month in operation.

In the concessions business, revenues decreased by 8%, primarily due to lower equity method income from Quiport, due to the concession's drop in net income, following refinancing of the asset's debt to optimize the capital structure of the Odinsa portfolio, and the reduction in construction activities, as a result of the optimization of working capital in the Pacífico 2 Farallones consortium.

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Revenue	3,860,566	3,617,110	6.7%	7,581,882	6,927,656	9.4%
Revenue from sales of goods and services	3,618,288	3,298,957	9.7%	7,009,448	6,372,422	10.0%
Revenue from financial activity	41,223	45,032	-8.5%	131,967	131,745	0.2%

Revenue from real estate business	124,351	180,803	-30.8%	251,813	294,692	-14.6%
Net interest in profit (loss) of associated companies and businesses	141,945	143,208	-0.9%	318,811	255,095	25.0%
-Refunds and sales discounts	-65,241	-49,866	30.8%	-130,157	-126,298	3.1%

Consolidated Costs 2Q2019

Costs increased by 8% Y/Y, mainly associated to increases in energy inputs for cement and the incorporation of the Tolima operation and greater thermal generation in Central America for Celsia. Additionally, the devaluation of the peso impacted the costs of our operations abroad.

D&A also increased due to implementation of IFRS 16.

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Cost of ordinary activities	2,822,418	2,604,825	8.4%	5,507,874	4,980,497	10.6%
Cost of sales of goods and services	2,439,853	2,268,618	7.5%	4,785,938	4,354,920	9.9%
Depreciation and amortization	373,108	294,259	26.8%	701,618	574,320	22.2%
Cost of financial activity	0	0	NA	0	0	NA
Cost of sales of real estate business	9,457	41,948	-77.5%	20,318	51,257	-60.4%

Structural expenses increased by 17% Y/Y to COP 458 billion due to non-recurring effects related to legal advisory services (COP 22 billion), and increases in maintenance costs in areas of the El Dorado Airport that were not in operation in the first months of 2018. Also, greater lease expenses were posted as a result of implementation of IFRS 16.

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Structure Expenses	458,570	392,079	17.0%	901,805	802,919	12.3%
Management	316,734	284,767	11.2%	645,615	587,751	9.8%
D&A	69,503	51,502	35.0%	129,783	105,517	23.0%
Sales	72,333	55,810	29.6%	126,407	109,651	15.3%

Other consolidated revenues/expenses 2Q2019

The other net revenues item increased significantly to COP 31 billion due to a divestment of non-strategic assets by Cementos Argos, which added COP 26 billion to this quarter following acceptance of the offer made by Smurfit for the shares of Cartón de Colombia and the divestment of the equity stake held in OMYA de Colombia.

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Other Revenue and expenditures	30,763	-74,743	141.2%	47,642	8,360	469.9%
Other revenue	80,819	25,381	218.4%	131,904	150,149	-12.2%
Other expenditures	-50,056	-100,124	-50.0%	-84,262	-141,789	-40.6%
Wealth tax	0	0	NA	0	0	NA

Consolidated EBITDA 2Q2019

Consolidated EBITDA increased by 18% Y/Y during the quarter to almost COP 1 trillion, with a positive contribution by all the strategic businesses. EBITDA margin in the quarter increased to 27%, up almost 300 basis points.

Excluding the positive impact of IFRS 16 in 2019, pro forma EBITDA would have increased by 9% Y/Y to COP 970 billion and the EBITDA margin would have remained stable at 25%.

Non-operational revenues/expenses 2Q2019

Financial expenses in the quarter increased by 12% Y/Y to COP 300 billion, as a result of the debt taken on by Epsa to close the Tolima transaction, which included net financial expenses of COP 297 billion (+10%) and a COP 3 billion effect from exchange rate differences.

Consolidated net income 1Q2019

Lastly, net profit totaled COP 219 billion in the quarter (-6% Y/Y) and net profit of the controlling company totaled COP 129 billion (+8% Y/Y).

Grupo Argos Consolidated Results

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Revenue from ordinary activities	3,860,566	3,617,110	6.7%	7,581,882	6,927,656	9.4%
EBITDA	1,052,952	891,224	18.1%	2,051,246	1,832,437	11.9%
EBITDA Margin	27.27%	24.64%	-2.6%	27%	26%	2.3%
Net Income	219,485	232,752	-5.7%	442,767	453,814	-2.4%
Net income attributable to controlling	120,582	119,110	1.2%	264,815	228,575	15.9%

Grupo Argos Consolidated Results EX IFRS16

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Revenue from ordinary activities	3,860	3,617	7%	7,582	6,928	9%
EBITDA	970	891	9%	1,923	1,832	5%
EBITDA Margin	25%	25%	-246 p	25%	26%	-108 p
Net Income	219	233	-6%	443	454	-2%
Net income attributable to controlling	121	119	1%	265	229	16%

*Excludes IFRS16 -COP 128 bn (1Q: COP 46 bn 2Q: COP 82 bn)

NET CONTRIBUTION BY SEGMENT TO THE CONSOLIDATED REVENUES OF GRUPO ARGOS

Below we show the net contribution of the different businesses to the consolidated financial results of Grupo Argos in 1Q18. The contributions do not necessarily match the figures reported for each company, due to the standard adjustments required by accounting standards.

Net contribution by segment 2Q2019

COP billions	Cement	Energy	Real Estate	Portfolio	Coal	Concessions	Total
Revenue	2,347,859	909,187	28,001	100,836	16,282	462,039	3,864,203
Gross Income	437,735	245,845	27,001	94,592	4,577	232,036	1,041,786
Operating Income	230,262	165,703	21,666	66,145	2,816	127,418	614,010
EBITDA	476,943	274,285	21,707	70,477	3,074	210,134	1,056,620
Net Income	75,930	39,583	23,019	34,114	3,705	43,165	219,516
Controlling interest	29,833	4,721	23,019	28,472	3,670	30,897	120,611

Does not include reclassifications

Net contribution by segment 1S2019

COP billions	Cement	Energy	Real Estate	Portfolio	Coal	Concessions	Total
Revenue	4,527,740	1,766,315	48,627	265,526	54,307	921,564	7,584,079
Gross Income	808,842	480,193	47,133	253,594	19,527	466,916	2,076,205
Operating Income	387,631	332,585	9,870	203,716	17,645	270,496	1,221,944
EBITDA	840,308	537,013	9,934	212,321	18,175	435,595	2,053,345
Net Income	101,831	89,371	11,304	147,771	18,874	73,520	442,670
Controlling interest	32,243	19,047	11,304	132,675	18,633	50,816	264,718

Does not include reclassifications

INVESTMENT PORTFOLIO

	Interest	# of shares in the portfolio	Value (COP mm)	Value (USD mm)**	Price per share (COP)*
CEMENT					
Cementos Argos***	58.00%	667,746,710	5,008,100	1,563	7,500
ENERGY					
Celsia	52.9%	566,360,307	2,460,835	768	4,345
CONCESSIONS					
1Odinsa**	99.9%	195,913,649	2,057,093	642	10,500
OTHER					
Grupo Suramericana	27.7%	129,721,643	4,423,508	1,380	34,100
Grupo Nutresa	9.8%	45,243,781	1,131,999	353	25,020
TOTAL			15,081,535	4,706	

* Price at the close of June 30, 2019 for Cementos Argos, Celsia, Grupo Suramericana, and Grupo Nutresa. FX on June 30, 2019: COP 3,205 / 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

Dividend's operating revenue and Cash Flow – Individual Statement

Dividends operating revenue 1Q2019

COP millions	2019	2018	Var A/A
Grupo de Inversiones Suramericana S.A.- Ordinaria	71,347	67,195	6%
Grupo Nutresa S.A.	27,689	25,626	8%
Fondo de Capital Privado Pactia	0	0	NA
Other	195	155	26%
Subtotal dividendos reconocidos en ingresos y actividad financiera	99,231	92,976	6.7%
Fondo de Capital Privado Pactia y Pactia SAS	13,864	7,713	80%
Consorcio Constructor Nuevo Dorado	6,600	4,440	49%
Consorcio Mantenimiento Opain	0	450	0
Otros	6,087	0	NA
Subtotal dividends recognized in Real Estate business	26,551	12,602	NA
Total, dividends	125,782	105,578	19%

Dividends operating revenue (million COP) 1Q2019

	2019	2018	Var YoY
Cementos Argos S.A.	78,460	72,510	8%
Celsia S.A. E.S.P.	50,123	36,800	36%
Empresa de Energía del Pacífico EPSA S.A.	877	-	-
Odinsa S.A.	29,975	-	-
Grupo de Inversiones Suramericana S.A.	34,636	16,799	106%
Grupo Nutresa S.A.	13,329	12,447	7%
Other	227	20	-
Total dividends received	207,627	138,576	50%
Reimbursement of contributions			
Opain + Consorcios	54,600	62,488	-13%
Pactia	13,862	19,843	-30%
Total reimbursement of contributions	68,462	82,331	-17%
Cash Flow received from operation	276,089	220,907	25%

SEPARATE STATEMENT OF FINANCIAL POSITION

BALANCE SHEET – INDIVIDUAL

Million COP	Mar-18	Dec-18	Var %
Cash and cash equivalents	1,810	4,850	-62.68%
Derivative Financial Instruments	0	2,932	-1
Current Investments	0	0	NA
Trade account receivables, net	365,488	172,699	111.63%
Inventories	167,976	172,868	-2.83%
Prepayments	2,538	1,656	53.26%
Total current assets	537,812	355,005	51.49%
Non-current investment	14,911,228	15,219,881	-2.03%
Other non-current account receivables	98,277	107,903	-8.92%
Inventories	37,030	36,747	0.77%
Assets by right of use PPE	13,017	0	NA
Intangibles, net	113,113	119,633	-5.45%
Property, plant and equipment, net	1,615	2,022	-20.13%
Investment properties	2,128,858	2,105,213	1.12%
Other Non Financial Assets	97	0	NA
Total non-current assets	17,303,235	17,591,399	-1.64%
Total assets	17,841,047	17,946,404	-0.59%
Current financial liabilities	144,537	119,106	21.35%
Lease liabilities	956	0	
Bonds and other financial liabilities	94,580	121,691	-22.28%
Current trade and other current payables	242,184	90,551	167.46%
Provisions	701	701	0.00%
Current tax payables	1,711	23,811	-92.81%
Labor liabilities	7,943	11,414	-30.41%
Other current liabilities	24,551	25,420	-3.42%
Derivative Financial Instruments	2,420	175	1282.86%
Total current liabilities	519,583	392,869	32.25%
Non-current financial liabilities	618,552	738,047	-16.19%
Lease liabilities	12,229	0	
Bonds and other financial liabilities	655,517	655,517	0.00%
Deferred taxes	187,680	182,086	3.07%
Employee benefits liability	0	1,865	-100.00%
Derivative Financial Instruments	0	85	-100.00%

Total non-current liabilities	1,473,978	1,577,600	-6.57%
Total liabilities	1,993,561	1,970,469	1.17%
Issued capital	53,933	53,933	0.00%
Share premium	1,354,759	1,354,759	0.00%
Other Comprehensive Income	1,678,096	1,692,653	-0.86%
Reserves	3,513,162	3,001,515	17.05%
Other equity components	338,899	374,968	-9.62%
Retained earnings (loss)	8,702,920	8,686,431	0.19%
Net income (loss)	205,717	811,676	-74.66%
Total Equity	15,847,486	15,975,935	-0.80%

INCOME STATEMENT - INDIVIDUAL

COP billions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Operating Revenues	96,284	98,531	-2.3%	403,947	949,563	-57.5%
Financial income or expenses, net	0	0	NA	222,023	748,656	-70.3%
Real estate revenue	30,889	29,779	3.7%	59,988	56,457	6.3%
Equity method, net	65,395	68,752	-4.9%	121,936	144,450	-15.6%
Variable cost	1,000	937	6.6%	60,008	296,588	-79.8%
Cost of sales - Financial activities	0	0	NA	58,454	294,774	-80.2%
Cost of sales - Real estate business	1,000	937	6.6%	1,554	1,814	-14.4%
Gross income	95,284	97,594	-2.4%	343,939	652,975	-47.3%
Gross margin	98.96%	99.05%		85.14%	68.77%	
Overhead	27,075	27,219	-0.5%	78,622	72,675	8.2%
Administrative expenses	22,925	26,150	-12.3%	70,163	70,549	-0.5%
D&A	3,973	890	346.4%	8,061	1,778	353.4%
Selling expenses	177	179	-1.1%	398	348	14.4%
D&A – selling	0	0	NA	0	0	NA
Other income and other expenses	-5,827	-545	969.2%	-7,096	2,211	-420.9%
Other income	464	1,826	-74.6%	664	9,240	-92.8%
Other expenses	-6,291	-2,371	165.3%	-7,760	-7,029	10.4%
Wealth tax	0	0	NA	0	0	NA
Operating income	62,382	69,830	-10.7%	258,221	582,511	-55.7%
Operating margin	64.79%	70.87%		63.92%	61.35%	
EBITDA	66,355	70,720	-6.2%	266,282	584,289	-54.4%
EBITDA margin	68.92%	71.77%		65.92%	61.53%	
Non-operating revenues and expenses	-23,446	-29,085	-19.4%	-49,288	-55,532	-11.2%
Financial revenues and expenses, net	-23,446	-29,011	-19.2%	-49,301	-55,344	-10.9%
Ingresos por dividendos	0	0	NA	0	0	NA
Exchange difference, net	0	-74	-100.0%	13	-188	-106.9%
Net participation in associates results	0	0	NA	0	0	NA
Pre-tax profit (loss)	38,936	40,745	-4.4%	208,933	526,979	-60.4%
Income tax	5,407	797	578.4%	3,216	6,643	-51.6%
Net income	33,529	39,948	-16.1%	205,717	520,336	-60.5%
Net margin	34.82%	40.54%		50.93%	54.80%	

INDIVIDUAL CASH FLOW STATEMENT

Million COP	June 19	June 18
NET PROFIT	205,717	520,336
Adjustments by:	-	-
Income from dividends and participations of uncontrolled companies	-125,782	-105,579
Expenditure on income tax recognized in the results of the period	3,217	6,643
Share in the result of subsidiaries	-121,936	-144,450
Financial expenses recognized in results of the period	47,442	54,461
(Recovery) recognized with respect to employee benefits and provisions		-1,769
Loss arising on the sale of non-current assets available for sale and other assets	-64,267	-366,276
Net loss (Earnings) by valuation of financial instruments measured at fair value through results	-28,323	-37,423
Depreciation and amortization of non-current assets	8,060	1,778
Impairment, net of non-current assets recognized in results of the period		215
Exchange difference not realized, recognized in results on financial instruments	89	-37
Other adjustments for reconciliation of revenue (loss)	-13	-289
	-75,796	-72,390
CHANGES IN WORKING CAPITAL:		
Trade accounts receivable and other accounts receivable	1,931	31,080
Inventories	-266	-2,220
Other assets	-2,364	14,941
Trade accounts payable and other accounts payable	-5,438	-11,793
Other passives	-7,313	-25,127
CASH (USED IN) GENERATED BY OPERATIONS	-89,246	-65,509
Dividends received and income from other participations	226,415	151,362
Interest received	100	3,490
Taxes on income and wealth paid	-17,029	-30,987
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES	120,240	58,356

CASH FLOWS BY INVESTMENT ACTIVITIES	1Q2019	1Q2018
Financial interests received	4,809	4,108
Acquisition of property, plant and equipment	-27	-66
Acquisition of investment properties	-5,781	
Product of the sale of investment properties	21,977	9,473
Acquisition of subsidiaries	-1,883	-1,081,434
Product of the sale of shares in subsidiary	130,898	654,602
Acquisition of financial assets	-4,278	-4,963
Restitution of subordinated debt	47,999	57,000
Restitution of contributions	189	13,472
NET CASH FLOW USED IN INVESTMENT ACTIVITIES	193,903	-347,808
CASH FLOWS BY FINANCING ACTIVITIES		
Commercial paper issuance	-26,853	-259,039
Payment of bonds and commercial papers	229,150	1,121,335
Increase in other financing instruments	-319,500	-657,706
(Decrease) of other financing instruments	-884	
Lease liabilities paid	-109,608	-103,173
Interest paid	-35,470	-33,343
Dividends paid to owners	-54,006	-63,770
NET CASH FLOW GENERATED BY FINANCING ACTIVITIES	-317,171	4,304
INCREMENTO NETO EN EFECTIVO Y EQUIVALENTES DE EFECTIVO	-3,028	-285,148
Cash and cash equivalents at the beginning of the period	4,850	299,082
Effects of variation in the exchange rate on cash and cash equivalents	-12	-73
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,810	13,861

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

BALANCE SHEET - CONSOLIDATED

Million COP	Jun-19	Dec-18	Var %
Cash and cash equivalents	2,335,279	2,647,532	-11.8%
Derivative financial instruments	18,719	10,392	80.1%
Current Investments	83,448	72,949	14.4%
Trade account receivables, net	2,744,064	2,534,821	8.3%
Inventories	1,428,587	1,291,909	10.6%
Biological assets	8,911	9,360	-4.8%
Prepayments and other non-financial assets	296,924	244,963	21.2%
Non-current assets held for sale	25,003	40,030	-37.5%
Total current assets	6,940,935	6,851,956	1.3%
Non-current investment	10,155,467	9,846,505	3.1%
Other non-current account receivables	2,534,900	2,632,021	-3.7%
Inventories	37,029	36,747	0.8%
Assets by right of use properties, plants and equipment	1,126,595	0	
Intangibles, net	6,926,606	7,101,499	-2.5%
Property, plant and equipment, net	20,616,563	19,332,437	6.6%
Assets by right of use investment properties	0		
Investment properties	2,339,892	2,298,386	1.8%
Deferred taxes	553,460	555,133	-0.3%
Biological assets	46,974	48,225	-2.6%
Derivative financial instruments	0	309	-100.0%
Prepayments and other non-financial assets	7,005	11,137	-37.1%
Total non-current assets	44,344,491	41,862,399	5.9%
Total assets	51,285,426	48,714,355	5.3%
Current financial liabilities	3,231,081	2,613,134	23.6%
Lease liabilities	195,599	0	
Bonds and other financial liabilities	859,860	665,719	29.2%
Current trade and other current payables	2,716,187	2,348,111	15.7%
Current provisions	323,892	337,855	-4.1%
Current tax payables	265,683	237,356	11.9%
Labor liabilities	195,683	241,141	-18.9%
Other current liabilities	552,717	586,007	-5.7%
Derivative financial instruments	16,913	525	NA
Total current liabilities	8,357,615	7,029,848	18.9%
Non-current financial liabilities	6,378,664	6,364,008	0.2%
Lease liabilities	926,941	0	
Bonds and other financial liabilities	7,595,221	6,854,570	10.8%
Deferred taxes	1,349,547	1,385,211	-2.6%
Provisions	224,758	306,615	-26.7%
Other non-current payables	287,788	278,510	3.3%
Labor liabilities	438,445	435,568	0.7%
Derivative financial instruments	51,327	22,750	125.6%
Other non-current liabilities	495,347	464,538	6.6%
Total non-current liabilities	17,748,038	16,111,770	10.2%
Total Liabilities	26,105,653	23,141,618	12.8%
Issued capital	53,933	53,933	0.0%
Share premium	1,354,759	1,354,759	0.0%
Other Comprehensive Income	2,334,625	2,375,778	-1.7%
Reserves	3,513,161	3,001,515	17.0%
Other components of shareholders' equity	-134,952	-178,650	-24.5%
Retained earnings (loss)	9,023,506	9,147,229	-1.4%
Net income (loss)	264,816	671,327	-60.6%
Non-controlling interest	8,769,925	9,146,846	-4.1%
Equity	25,179,773	25,572,737	-1.5%

Quarterly Earnings Report

CONSOLIDATED P&L STATEMENT

COP millones	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Revenues from operating activities	3,860,566	3,617,110	6.7%	7,581,882	6,927,656	9.4%
Goods sold	3,618,288	3,298,957	9.7%	7,009,448	6,372,422	10.0%
Financial income/expenses	41,223	45,032	-8.5%	131,967	131,745	0.2%
Real estate income	124,351	179,779	-30.8%	251,813	294,692	-14.6%
Equity method, net	141,945	143,208	-0.9%	318,811	255,095	25.0%
Sales returns and discounts	-65,241	-49,866	30.8%	-130,157	-126,298	3.1%
Variable cost	2,822,418	2,604,825	8.4%	5,507,874	4,980,497	10.6%
Cost of goods sold	2,439,853	2,268,618	7.5%	4,785,938	4,354,920	9.9%
Depreciation and amortization	373,108	294,259	26.8%	701,618	574,320	22.2%
Cost of sales - Financial act.	0	0	NA	0	0	NA
Cost of sales - Real estate	9,457	41,948	-77.5%	20,318	51,257	-60.4%
Gross income	1,038,148	1,012,285	2.6%	2,074,008	1,947,159	6.5%
Gross margin	26.89%	29.60%		27.35%	28.95%	
Operating expenses	458,570	392,079	17.0%	901,805	802,919	12.3%
Administrative expenses	316,734	284,767	11.2%	645,615	587,751	9.8%
D&A- administrative	59,811	44,069	35.7%	111,120	89,853	23.7%
Selling expenses	72,333	55,810	29.6%	126,407	109,651	15.3%
D&A- administrative	9,692	7,433	30.4%	18,663	15,664	19.1%
Other income/expenses	30,763	-74,743	-141.2%	47,642	8,360	469.9%
Other income	80,819	25,381	218.4%	131,904	150,149	-12.2%
Other expenses	-50,056	-100,124	-50.0%	-84,262	-141,789	-40.6%
Wealth Tax	0	0	NA	0	0	NA
Operating profit	610,341	545,462	11.9%	1,219,845	1,152,599	5.8%
Operating margin	15.81%	15.08%		16.09%	16.64%	
EBITDA	1,052,952	891,224	18.1%	2,051,246	1,832,437	11.9%
EBITDA margin	27.27%	24.64%		27.05%	26.45%	
Non-operating revenues and expenses	-309,171	-242,510	27.5%	-609,311	-511,442	19.1%
Financial revenues and expenses, net	-331,832	-268,875	23.4%	-629,253	-539,443	16.6%
Exchange difference, net	22,661	26,365	-14.0%	19942	28001	-28.8%
Gain/loss on investment retirement	0	0	NA	0	0	NA
Pre-tax profit (loss)	301,170	302,952	-0.6%	610,534	641,157	-4.8%
Income tax	81,685	70,201	16.4%	167,767	187,344	-10.4%
Profit (loss) from continuing operations	219,485	232,751	-5.7%	442,767	453,813	-2.4%
Net loss from discontinued operations	0	0	NA	0	0	NA
Net income	219,485	232,751	-5.7%	442,767	453,813	-2.4%
Net margin	5.69%	6.43%		5.84%	6.55%	
Controlling interest	120,582	119,110	1.2%	264,816	228,574	15.9%
Net margin - controlling	3.12%	3.29%		3.49%	3.30%	

We will hold a conference to discuss first quarter 2019 results on Tuesday, August 14 at 7:30 a.m. Colombia time (8:30 EDT)

Conference ID: 7965786

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.

<https://livestream.com/accounts/19219495/events/8759803>

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ODINSA

During the second quarter of 2019, the Company achieved positive milestones and posted consistent growth figures, supported by the constant progress made in construction of Pacífico 2.

It should be highlighted that at the end of the first semester of the year, the project completion rate stood at 73%, which is 10 percentage points above the target for that date. Another important development was the approval received in May from the National Infrastructure Agency (ANI, for its Spanish original) for the Public-Private Partnership initiative submitted by Odinsa (65%) and Pavimentos de Colombia (35%) to expand and improve the air field (runways and taxiways) of the El Dorado International Airport in Bogotá. With total investment of close to COP 700 billion, in 3 years the El Dorado air field will be transformed, increasing its capacity for new users, reducing waiting times for passengers and creating synergies with our current Opain concession, which is responsible for operating the El Dorado Airport terminal.

In the context of Odinsa's social and environmental commitments, El Dorado received certification and recognition for its environmental management, which consolidate it as an example of sustainability. The airport received Level 2 Reduction of Airport Carbon Accreditation from ACI-LAC last May 3rd, for reducing its emissions by 5% compared to 2017 and by 25% compared to the average of the last three years.

Opain also joined initiatives undertaken by the Colombian government to provide assistance to the Eastern Plains area, to contribute solutions to the situation the region is currently experiencing. An assistance measure provided was to exempt travelers on flights between Bogotá and Villavicencio from airport fee charges. This decision, made jointly with the Transportation Ministry, ANI and the Civil Aviation authority, will be in effect starting on June 22 until September 22, i.e., a three-month period.

Another highlight was that on July 8, Fitch Ratings ratified for the third consecutive year the rating for the bonds issued by the Company (in the amount of COP 400 billion) at AA-(col), with stable outlook. Fitch Ratings highlighted Odinsa's soundness in 4 key aspects: i) the Company's position as a strategic pillar for growth of the parent company, Grupo Argos; ii) the continued strengthening of operating cash flow to honor its medium-term investment commitments; iii) the adequate balance between projects under construction and in operation, and the portfolio's international diversification; and iv) its broad-based experience in the infrastructure industry.

2Q2019 Consolidated Results

The consolidated revenues of Odinsa totaled COP 199 billion in the second quarter, down 8% year-on-year. This change is primarily due to the following two aspects: i) lower equity method income from Quiport, due to the concession's drop in net income, following refinancing of the asset's debt to optimize the capital structure of the Odinsa portfolio through a cashout; and ii) the reduction in construction activities, as there is only one project in this stage.

By segment, revenues of the road concessions totaled COP 151 billion (4% Y/Y), mainly due to improved operating results at Autopistas del Nordeste and greater toll revenues at Autopistas del Café. Revenues in the construction segment totaled COP 31 billion, a 29% Y/Y reduction, for the reasons explained above.

Lastly, in the airports business revenues totaled COP 26 billion (-18% Y/Y), explained by the optimization of the capital structure carried out in the first quarter at Quiport. It should be noted that both airport concessions are included in the consolidated financial statements under the equity method.

EBITDA grew by 5% Y/Y, reaching a total of COP 133 billion. The road concessions segment grew by 10% Y/Y to COP 90 billion, explained mainly by improved operating results at Autopistas del Nordeste and Autopistas del Café. In addition to this, there is greater generation of EBITDA in Pacific 2 due to higher financial income. The construction segment contributed 20 billion (11% Y/Y) to EBITDA, explained mainly by the progress made in the works of Pacifico 2.

The airports segment contributed COP 26 billion (+ 18% Y/Y) to EBITDA, in a similar proportion to its contribution to consolidated revenues.

At the end of the first quarter, the Company's consolidated financial debt totaled COP 2.45 trillion, equivalent to an increase of 4% Y/Y. If the effect of exchange rate fluctuations is excluded, the change is - 3% Y/Y. The Company's cost of debt has continued to decrease in an efficient manner. At the end of the second quarter of 2019, the separate cost of debt in COP decreased by 109 basis points compared to the same period last year; and the cost of debt denominated in USD decreased by 107 basis points. Compared to the same period last year, excluding exchange rate effects, the separate debt balance changed by +2%.

Contribution by business, 2Q19

COP million	Highway Concessions	Construction	Airport Concessions	Other Operations (*)	TOTAL
Total revenues	150.975	31.163	26.019	20.517	199.920
EBIDTA	90.295	19.865	26.007	6.397	132.827
Profit or loss for the parent company	34.036	17.177	26.007	-42.827	29.479
EBIDTA margin	60%	64%	100%	31%	66%
Net margin	23%	55%	100%	-209%	15%

Contribution by business, 2Q18

COP million	Highway Concessions	Construction	Airport Concessions	Other Operations (*)	TOTAL
Total revenues	145.648	44.061	31.711	18.772	217.027
EBIDTA	81.973	17.864	31.711	5.533	127.086
Profit or loss for the parent company	35.791	10.808	31.711	-40.545	30.607
EBIDTA margin	56%	41%	100%	29%	59%
Net margin	25%	25%	100%	-216%	14%

* Direct businesses of Marjoram, Odinsa Holding and Odinsa S.A. (Highway operator, real estate, corporate expenses, financing of affiliates abroad, financial expenses and taxes).
Not shown in the column of intra-business offsetting.

Highway Concessions in Operation

Autopistas del café – AKF

Colombia

Term: 30 years (1997 – 2027)

Guaranteed minimum income

Interest held by Odinsa 60%

In the second quarter of 2019, this concession reported total traffic of 2.91 million vehicles, a change of 2% Y/Y. It should be noted that the concession continues to report increases in traffic volume. In 2018 traffic was affected primarily because of construction works at the Pacífico 3 concession.

Revenues in the second quarter of 2019 were 3% higher than in the same period the previous year, mainly due to the recovery of vehicle traffic.

EBITDA totaled 11 billion, equivalent to a +135% increase Y/Y. It should be noted that in the same period of 2018, the concession paid most of the professional fees related to arbitration tribunal proceedings.

The year-on-year change in net income was -63%, mainly due to greater income tax accruals. It is important to clarify that this change has no short-term effect on the concession's cash flow.

COP millions	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Total traffic (million)	2,91	2,84	2%	6,0	5,8	3%
Average daily traffic	32	31	2%	33	32	3%
Revenue	45.085	43.879	3%	91.451	87.903	4%
EBIDTA	11.031	4.704	135%	30.138	30.997	-3%
Net profit	2.581	6.998	-63%	17.112	18.399	-7%

Autopistas del Nordeste

Dominican Republic

Term: 30 years (2008 – 2038)

Guaranteed minimum income

Interest held by Odinsa 67.5%

In the second quarter, the concession posted a 16% increase in traffic Y/Y, thanks to the positive effect of activities related to tourism. Revenues in the second quarter increased by 4%. EBITDA during the quarter increased by 6% Y/Y.

USD thousands	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Total traffic (million)	1,24	1,07	16%	2,4	2,1	14%
Average daily traffic	14	12	16%	13	12	14%
Revenue	14,647	14,034	4%	29,148	26,651	9%
EBIDTA	12,645	11,933	6%	25,333	22,048	15%
Net profit	5,750	4,195	37%	10,591	8,418	26%

Boulevard Turístico del Atlántico

Dominican Republic

Term: 30 years (2008 – 2038)

Guaranteed minimum income

Interest held by Odinsa 67.5%

Traffic at this concession continues to recover, displaying year-on-year growth of 23%. Revenues remained stable compared to the same period last year. In terms of EBITDA, the change during the quarter was -9% Y/Y. This reduction was primarily explained by higher professional fee expenses and insurance expenses.

The 25% Y/Y change in net income arises primarily due to lower deferred tax provisions compared to the same period the previous year.

USD thousands	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Total traffic (million)	0,55	0,45	23%	1,0	0,9	15%
Average daily traffic	6	5	23%	6	5	15%
Revenue	9,344	9,311	0%	20,676	20,559	1%
EBIDTA	6,653	7,314	-9%	15,712	15,952	-2%
Net profit	3,191	2,545	25%	6,680	5,901	13%

Highway Concessions Under Construction

Concesión la Pintada

Colombia

Under construction

Construction completion date: 2021

Term: 20 years (2043)

Present Value of Toll Revenues (VPIP, for the Spanish original)

Interest held by Odinsa 78.9%

During Q2 2019, traffic remained stable at around 7,000 vehicles per day.

In the second quarter, revenues decreased by 37% Y/Y to COP 124 billion, as a result of the optimization less executions in the works of the concession when compared to the same period of 2018. It should be highlighted that as of June 30, the completion rate of the works stood at 73%, which is 10 percentage points above the scheduled completion at that date. EBITDA totaled COP 41 billion in the quarter, as a result of greater financial revenues associated with the asset and linked to CAPEX investment.

Net income amounted to COP 16 billion, a 20% reduction compared to the same period the previous year. This reduction is primarily the result of higher financial expenses and a greater expense for exchange rate differences. It should be noted that the exchange rate difference is purely an accounting effect, since the cash flow of the dollar-denominated debt is naturally hedged through future period payments, in accordance with the concession contract.

COP million	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Total traffic (million)	0,63	0,64	-1%	1,3	1,3	0%
Average daily traffic	7	7	-1%	7	7	0%
Revenue	124.121	196.212	-37%	254.067	338.136	-25%
EBIDTA	40.814	40.428	1%	78.613	53.085	48%
Net profit	16.227	20.340	-20%	27.843	29.705	-6%

Malla Vial del Meta

Colombia
 Public-Private Association by Private Initiative
 Risk of demand
 Interest held by Odinsa 51%

Average daily traffic at the concession totaled 17,000 vehicles, up 5% compared to the first quarter of 2018. Revenues during the quarter decreased by 11%. Even though toll revenues increased by COP 400 million, construction revenues decreased by COP 1.5 billion. The concession continues to operate functional unit 0, as defined in the contract, while possible alternatives are found to structure a new scope that is both financially and economically viable, based on the ruling of the arbitration tribunal.

EBITDA and net income did not change significantly compared to the first quarter of 2018.

COP millones	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Total traffic (million)	1,59	1,58	1%	3,3	3,2	3%
Average daily traffic	17	17	1%	18	18	3%
Revenue	8.455	8.638	-2%	17.953	19.281	-7%
EBITDA	-742	-852	13%	-1.147	-1.185	3%
Net profit	-857	-697	-23%	-1.580	-1.140	-39%

Green Corridor

Aruba
 DBFM (Design, Build, Finance & Maintain) type contract
 Guaranteed traffic
 Interest held by Odinsa 100%
 Upper threshold of the offer: USD 73 million
 Scope: second lane over 7km; repair and/or rebuild 24 km of existing roads, construction of 5 km of new roads and construction of 13 km of bicycle paths.
 Capex: USD 58.0 million
 Duration of works: 30 months
 Maintenance: 18 years
 Form of Payment: Once the works are completed, the government will make quarterly payments for 18 years. The payments are equivalent to AWG 130 million as of January 2011 (USD 73 million)

Compared to the same period last year, Q2 2019 displays a 45% drop in revenues, due to completion of all CAPEX works related to the project, which last year produced revenues from construction activities.

The change in EBITDA was +3%, to a total of USD 1.4 million. This increase is in step with the start-up of the operating stage of the concession, following the issuance of the project completion certificate. The change in net income in absolute value is not material.

USD thousands	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Revenue	2,076	3,768	-45%	3,977	6,465	-38%
EBIDTA	1,415	1,373	3%	2,580	3,179	-19%
Net profit	0,201	0,247	-18%	0,781	0,926	-16%

Airport Concessions

Opain

Colombia

Term: 20 years (2007 – 2027)

Royalties (% of total revenues): 46.2%

Interest held by Odinsa + AE: 65%

During the second quarter of 2019, passenger traffic increased by 8%, and year-to-date it has increased by 4% compared to the same period last year. Passenger growth in the quarter was driven primarily by domestic operations (+9% Y/Y). During the quarter, international operations increased by 5%, and by 6% year-to-date.

Revenues totaled COP 286 billion in the quarter (+4% Y/Y). This increase is driven by growth in regulated revenues (+21% Y/Y), which is in line with the growth in airport. By the end of the quarter EBITDA grew by 12% to COP 97 billion, while net income reached COP 26 billion (+17% Y/Y). This growth is in line with the increase in EBITDA, combined with lower deferred tax accruals.

Year-to-date as of June 2019, compared to the same period the previous year, revenues increased by 10% to COP 549 billion (+10% Y/Y). This change is also associated with higher regulated revenues (+17% Y/Y). Non-regulated revenues increased by 2% year-to-date.

	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Passengers:	8.482.785	7.883.147	8%	16.562.302	15.858.808	4%
Domestic	5.633.162	5.177.524	9%	10.881.190	10.475.671	4%
International	2.849.623	2.705.623	5%	5.681.112	5.383.137	6%
Revenues (COP million) *	285.702	274.076	4%	548.837	497.730	10%
Regulated	192.175	159.480	21%	369.902	315.874	17%
Non-Regulated	90.885	94.938	-4%	174.725	171.752	2%
EBIDTA (COP million)	96.740	86.363	12%	179.194	158.495	13%
Net Profit (COP million)	25.962	22.169	17%	31.120	27.044	15%

² Revenue includes regulates, non-regulated, construction and other concepts

Quiport

Ecuador

Term: 35 years (2006 – 2041)

Royalties (% of regulated revenues): 11%

Interest held by Odinsa 46.5%

In April, for the second consecutive year, the cargo operations of the Quito International Airport received the Diamond awards (first place) in the category of up to 399,999 tons of cargo per year, Best Cargo Airport in Latin America and Best Specialized Cargo Airport in the World. Another highlight was that in May the airport launched a direct flight Quito-Paris, with frequency of three times per week. In line with the good commercial management of the concession, last July 12, Plus Ultra launched operations; it is a new Spanish airline that will promote tourism between Ecuador and Venezuela.

In the second quarter of 2019, airport traffic decreased (-3% Y/Y). This is primarily explained by the reduced share of the operations of the TAME airline.

Despite the reduction in passenger traffic, it should be noted that regulated revenues remained constant compared to the same period the previous year, non-regulated revenues increased by 5%, and EBITDA totaled USD 30 million (+12% Y/Y). The decrease in net income is explained mainly by higher interest expenses, as a result of the project to re-profile debt, following the successful bond issue for USD 400 million in the international market, which served the purpose of optimizing the capital structure of Odinsa.

The trends in year-to-date figures at June 2019 for revenues, EBITDA and net income follow the same rationale as the quarterly results.

	2Q2019	2Q2018	Var YoY	Jun-19	Jun-18	Var YoY
Passengers:	1.248.740	1.286.596	-3%	2.489.892	2.488.987	0%
International	689.536	717.452	-4%	1.352.686	1.366.954	-1%
Domestic	559.204	569.144	-2%	1.137.206	1.122.033	1%
Revenue: (USD millions)	42.862	42.465	1%	85.030	83.192	2%
Regulated	29.737	29.687	0%	59.676	58.617	2%
Non-Regulated	11.297	10.717	5%	21.728	20.645	5%
Other Revenues	1.827	2.061	-11%	3.625	3.931	-8%
EBIDTA (USD million)	30.416	27.274	12%	59.395	54.432	9%
Net profit (USD million)	10.467	14.040	-25%	26.462	27.866	-5%

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 23 million tons of cement and 17.3 million m3 of concrete.

Key Highlights

- In line with BEST, and as part of the divestment plan, during the quarter Argos sold its stake in OMYA Andina and Cartón de Colombia for 22,742 and 62,680 million pesos respectively.
- According to the strategy to become leaner and a customer-oriented company the organizational chart was simplified in the Design and Services areas. In this sense operation will continue with three regional vice-presidencies (Colombia, USA, Caribbean and Central America) and three design areas: Talent, Legal and Sustainability and Talent.

Consolidated Results

During the second quarter of 2019, consolidated cement and ready-mix volumes posted a 1.8% and 6.8% decrease respectively, on a yearly basis. Revenues closed at 2.3 trillion pesos, with a 7.6% increase, resulting from higher prices in Colombia and the US dollar valuation. Operating EBITDA posted a 5.7% reduction, when discounting the effect of the fine paid to the Superintendencia de Industria y Comercio (SIC) during 2018. These results reflect the challenging political situation in the Caribbean and Central America, the unfavorable weather in the US (especially Texas) and the temporary loss of market share in Colombia. Argos continue to be focus on BEST (Building Efficiency and Sustainability for Tomorrow) to reduce leverage through further divestments in non-strategic concrete rural clusters in the US.

Cement Business

Key Figures		2Q2018	2Q2019	Var YoY	Jun2018	Jun2019	Var YoY
Cement Volume	MM TM	4,205	4,128	-1.8%	7,889	7,987	1.2%
RMC	MM m3	2,747	2,561	- 6.8%	5,188	5,058	-2.5%
Revenue	COP mm	2,184,476	2,349,684	7.6%	4,091,975	4,524,710	10.6%
EBITDA	COP mm	N/A	474,948	N/A	N/A	836,517	N/A
Operating EBITDA	COP mm	328,301	405,046	23.4%	699,419	727,195	4.0%
EBITDA margin	%	N/A	20,2%	N/A	N/A	18.5%	N/A
Operating EBITDA margin	%	15%	17,2%	221 pb	17.1%	16.1%	-102 pbs
Net Income	COP mm	-1,825	55,340	N/A	53,011	70,749	33.5%
Net Margin	%	-0.1%	2.4%	244 pbs	1.3%	1.6%	27 pbs

*Operating EBITDA: excludes non-recurring income related mainly with power plants sale in Colombia (COP 71 Bn 1Q18) and land appraisal income in Colombia (COP 10.6 Bn 1Q19).

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.

Key Highlights

- **Consolidated revenue for the quarter totaled COP 913 billion**, up 11% from the same period the previous year. Year-to-date revenues totaled COP 1.77 trillion, up 6%. Revenues in Colombia accounted for 83% of the consolidated total, and Central America accounted for 17%.

By business: During the quarter, generation revenues in Colombia reached almost COP 280 billion (+3%), and network usage and connection revenues reached close to COP 100 billion (+55%), explained mainly by the inclusion of the Tolima and of Plan5Caribe assets; retail reselling revenues totaled COP 338 billion (+35%), also driven by the greater revenues from the Tolima assets (close to COP 78 billion). Other operating services increased by 62% to COP 21,500 million, thanks both to the good contribution of the service portfolio the Company has developed in recent years, and to the contribution of Tolima, in the amount of COP 1,380 million.

- **Consolidated EBITDA in Q2 totaled COP 287 billion**, up 7% compared to the same period in 2018. Colombian operations contributed COP 258 billion, up 24%, whereas Central America contributed USD 9.2 million. The Tolima operation made a significant contribution to EBITDA in the amount of COP 25 billion.

Year-to-date, EBITDA totaled COP 563 billion, slightly greater than reported EBITDA the previous year.

- This quarter's profit is not readily comparable to that of 2018, because both periods were affected by non-recurring events. The transaction to acquire the Tolima business generated financial expenses this quarter in the amount of COP 33 billion; on the other hand, in 2018 extraordinary income had been received from the cancellation of foreign loans for COP 19 billion. Consequently, the comparable net profit was COP 60,825 million, equivalent to a 39% reduction.

Key Figures

Consolidated financial statements	Units	2Q2019	2Q2018	Var YoY %
Revenues	COP mill.	861.239	846.799	1,7%
Gross profit	COP mill.	238.389	254.756	-6,4%
Earnings before financials	COP mill.	170.440	192.564	-11,5%
Ebitda	COP mill.	275.711	289.812	-4,9%
<i>Ebitda margin</i>	%	32,0%	34,2%	-6,5%
Net income	COP mill.	53.528	79.158	-32,4%
Net income attributable to controlling sh.	COP mill.	34.150	51.227	-33,3%
Generation				
Total energy produced	GWh	1.353	1.753	-22,8%
Total energy sold	GWh	1.823	2.135	-14,6%
Energy produced in Colombia	GWh	1.117	1.434	-22,1%
Hydric	GWh	838	1.037	-19,2%
Thermal	GWh	273	393	-30,5%
Solar	GWh	5,4	3,8	42,1%
Energy sold in Colombia	GWh	1.413	1.606	-12,0%
Contract sales	GWh	785	766	2,6%
Spot market sales	GWh	628	840	-25,3%
Energy produced in Central America	GWh	255	319	-20%
Hydric	GWh	51	94	-45,5%
Thermal	GWh	120	143	-16,2%
Wind farm	GWh	80	83	-3,4%
Energy sold in Central America	GWh	410	528	-22,4%
Contract sales	GWh	276	488	-43,5%
Spot market sales	GWh	134	40	234,5%
Distribution				
Energy losses	%	8,0%	8,6%	-7,5%
Collections rate	%	100%	97%	3,1%
SAIDI - EPSA/CETSA	Horas	3,0	3,0	1,7%
SAIFI - EPSA/CETSA	times	2,5	4,1	-39,9%
Retail sales				
Regulated market sales	GWh	323	291	10,8%
Non-regulated market sales	GWh	261	249	5,0%
Photovoltaic energy sales		4	1	404,8%
Users	Number	629.137	608.461	3,4%

REAL ESTATE BUSINESS

2Q 2019 Financial Results

Revenues in Q2 totaled COP 32 billion, up 9.8% compared to the same period last year. These revenues included 6 billion of the percentage of sales of the deal made in 2017 in Alameda del Río and 4 billion of land revaluation, among others.

Cash flow in the quarter totaled 20 billion, up 23% compared to the same period last year.

We continue to find a substantial increase in appetite for residential products by construction companies in Barranquilla. Several deals are in the pipeline, on which purchase/sale agreements are expected to be signed in the second semester. It should be noted that even though a purchase/sale agreement represents a closed deal, they will only be reflected in the financial statements when the deeds are issued.

At our lands in Barú we continue to make progress in our master plan to develop a world-class eco-tourism project for Cartagena and the Caribbean region. The first stage, which already has license for sub-dividing plots and environmental permits, covers a gross area of over 330 ha and usable area of approximately 170 ha (for sale). In this stage we expect to develop approximately 3,200 hotel rooms and 1,400 second-home units (apartments or houses), featuring extensive areas for environmental protection, mobility and entertainment, and which will become the seed for development of what is undoubtedly the best beach in the Colombian Caribbean.

Construction works are currently in progress at the Sofitel CalaBlanca hotel, which is expected to be inaugurated in 2021. It will operate as a sister property of Sofitel Santa Clara, which is the best hotel in Cartagena and in Colombia. Sofitel CalaBlanca will become an attractive experience of beaches, nature and exclusivity at a level that is not currently available in Cartagena. This hotel is being developed on a 7 ha property as part of the CalaBlanca Project, which also includes beach front villas and apartments. Additionally, Decameron is currently in the design and licensing stage for its new hotel in Barú on a property of 12 usable ha.

We are currently negotiating an additional 25 ha for the two projects, which will consolidate the hotel offerings of our master plan and will enable us to attract different market segments and regions of origin for tourism.

**Breakdown of revenues from developed and non-developed properties
Urban Development Business (Grupo Argos)**

COP millones	Q2 2019	Q2 2018	Var YoY	Jun 2019	Jun 2018	Var YoY
Revenue	32.976	30.029	9,8%	65.090	66.226	-1,7%
Revenue from the sale of lots	5.902	36		9.344	9.554	-2,2%
Lots sale in m2	2.000	387	416,8%	3.285	90.504	-96,4%
Cash Flow	19.687	16.012	23,0%	28.076	28.364	-1,0%

*| The Real Estate Business income includes: the sale of gross and urbanized lots, Pactia and valuations

In the real estate income business, the Pactia real estate fund has posted effective annual rates of 7.25% since it was established on January 20, 2017, reporting a price per unit including yields of COP 11,865.80, and excluding yields of COP 11,424.50. The number of units outstanding as of June 30 totaled 186,611,492, which implies an equity value of the interest held by Grupo Argos (59,752,919 units) of COP 683 billion.

Compared to Q1 2019, total GLA increased from 772,882 m² to 774,282 m². Over the last 12 months, GLA increased by 7%. This difference is explained mainly by the launches of the El Ensueño Shopping Center in Bogotá, the Colgate Distribution Center in Yumbo and the sale of the three VIVA shopping centers last year. Most assets are concentrated in retail and industry, with 584,000 m² of GLA. It should be highlighted that assets under management totaled COP 3.8 trillion in the second quarter, while liabilities totaled COP 1.66 trillion at the end of the period.

The following were the shares of the stakes of interest held as of June 30: 40.27% Concreto, 32.02% Grupo Argos, and 27.71% Protección.

In terms of results, gross cash revenues totaled COP 74 billion, up 10% year on year, and net operating income totaled COP 51 billion, up 2%. During the quarter, EBIDTA totaled COP 36 billion, equivalent to a year-on-year increase of 1%.

The more moderate year-on-year growth in terms of NOI and EBIDTA is the result of having replaced non-stabilized area for stabilized area, which has a direct effect on underlying margins, because operating expenses such as property taxes, insurance and management continue to be paid regardless of vacancy levels, whereas lease revenues depend on the occupancy rate of the asset that is beginning to operate.

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Breakdown of revenues and costs - Pactia

COP millones	2Q2019	2Q2018	Var YoY	Jun 2019	Jun 2018	Var YoY
Gross Actual Revenue	73.852	67.327	10%	141,789	132,248	7.2%
Operating Costs	22.581	16.965	33%	55,401	46,122	20%
Net Operating Income	51.271	50.362	2%	86,388	86,127	0.3%
Consolidated EBITDA	35.657	35.265	1%	56,858	57,812	-2.2%
Ebitda margin	48%	52%	-410 pb	40%	44%	-361 pb