



# **Financial Statements**

## **2 Quarter 2017**



**GRUPO ARGOS**

# Financial Results

1 Quarter 2017



GRUPO ARGOS

## NON-CONSOLIDATED BALANCE SHEET

Million COP	June-17	December-16	Var (%)
Cash and cash equivalents	71,637	179,358	-60.1%
Derivative Financial Instruments	0	0	
Current Investments	0	0	
Trade account receivables, net	384,576	266,766	44.2%
Inventories	128,656	81,488	57.9%
Biological assets	0	0	
Prepayments	5,696	6,660	-14.5%
Non-current assets held for sale	0	0	
<b>Total current assets</b>	<b>590,565</b>	<b>534,272</b>	<b>10.5%</b>
Non-current investment	14,978,206	14,515,263	3.2%
Other non-current account receivables	22,999	4,166	452.1%
Inventories	46,887	42,583	10.1%
Intangibles, net	5,014	5,917	-15.3%
Property, plant and equipment, net	26,267	25,551	2.8%
Investment properties	1,799,146	1,867,447	-3.7%
Deferred taxes	0	0	
Biological Assets	0	0	
Derivative Financial Instruments	0	0	
Prepayments	0	0	
<b>Total non-current assets</b>	<b>16,878,519</b>	<b>16,460,927</b>	<b>2.5%</b>
<b>Total assets</b>	<b>17,469,084</b>	<b>16,995,199</b>	<b>2.8%</b>

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Million COP	June-17	December-16	Var (%)
Current financial liabilities	13,044	5,920	120.3%
Bonds and other financial liabilities	139,748	139,132	0.4%
Current trade and other current payables	225,831	92,004	145.5%
Provisions	1,921	1,921	0.0%
Current tax payables	9,381	5,562	68.7%
Labor liabilities	8,701	11,776	-26.1%
Current employee benefits liability	0	0	
Other current liabilities	49,969	46,770	6.8%
Derivative Financial Instruments	0	0	
Liabilities associated with non-current assets held for sale	0	0	
<b>Total current liabilities</b>	<b>448,595</b>	<b>303,085</b>	<b>48.0%</b>
Non-current financial liabilities	865,036	550,033	57.3%
Bonds and other financial liabilities	766,243	766,243	0.0%
Deferred taxes	127,688	132,865	-3.9%
Provisiones	0	0	
Other accounts payable	0	0	
Employee benefits liability	13,075	13,075	0.0%
Estimated liabilities for employee benefits	0	0	
Derivative Financial Instruments	0	0	
Non - current tax payables	0	0	
Other liabilities	0	0	
<b>Total non-current liabilities</b>	<b>1,772,042</b>	<b>1,462,216</b>	<b>21.2%</b>
<b>Total liabilities</b>	<b>2,220,637</b>	<b>1,765,301</b>	<b>25.8%</b>
<b>Total Equity</b>	<b>15,248,447</b>	<b>15,229,898</b>	<b>0.1%</b>
Issued capital	53,933	53,933	0.0%
Share premium	1,354,759	1,354,759	0.0%
Other Comprehensive Income	1,561,959	1,559,137	0.2%
Reserves	2,829,844	2,743,764	3.1%
Other equity components	599,700	466,622	28.5%
Retained earnings (loss)	8,699,863	8,699,863	0.0%
Net income (loss)	148,389	351,820	-57.8%



## NON-CONSOLIDATED INCOME STATEMENT

Million COP	2Q17	2Q16 restated	Var (%)
<b>Operating Revenues</b>	<b>211,148</b>	<b>120,347</b>	<b>75.45%</b>
Financial income or expenses, net	66,801	77	NA
Real estate income	43,623	8,075	440.22%
Equity method, net	100,724	112,195	(10.22%)
<b>Variable cost</b>	<b>94,127</b>	<b>67</b>	<b>NA</b>
Cost of sales - Financial activities	66,801	67	NA
Cost of sales - Real estate business	27,326	0	NA
<b>Gross income</b>	<b>117,021</b>	<b>120,280</b>	<b>(2.71%)</b>
<i>Gross margin</i>	55%	100%	NA
<b>Overhead</b>	<b>22,303</b>	<b>18,821</b>	<b>18.50%</b>
Administrative expenses	21,224	17,259	22.97%
D&A	672	866	(22.40%)
Selling expenses	407	696	(41.52%)
D&A - selling			
<b>Other income and other expenses</b>	<b>(129)</b>	<b>1,158</b>	<b>(111.14%)</b>
Other income	7,236	3,909	85.11%
Other expenses	(7,291)	(2,751)	165.03%
Wealth tax	(74)	0	NA
<b>Operating income</b>	<b>94,589</b>	<b>102,617</b>	<b>(7.82%)</b>
<i>Operating margin</i>	45%	85%	NA
<b>EBITDA</b>	<b>95,335</b>	<b>103,483</b>	<b>(7.87%)</b>
<i>EBITDA margin</i>	45%	86%	NA
<b>Non-operating revenues and expenses</b>	<b>(29,905)</b>	<b>(36,752)</b>	<b>(18.63%)</b>
Financial revenues and expenses, net	(29,574)	(36,720)	(19.46%)
Ingresos por dividendos			
Exchange difference, net	(331)	(32)	934.38%
<b>Pre-tax profit (loss)</b>	<b>64,684</b>	<b>65,865</b>	<b>(1.79%)</b>
Income tax	3,266	14,733	(77.83%)
<b>Net income</b>	<b>61,418</b>	<b>51,132</b>	<b>20.12%</b>
Net margin	29%	43%	NA



## CONSOLIDATED BALANCE SHEET

Million COP	June-17	December-16	Var (%)
Cash and cash equivalents	2,422,442	1,921,472	26.1%
Derivative financial instruments	98	1,420	-93.1%
Investments	47,722	2,303	1972.2%
Trade account receivables, net	2,915,690	2,707,432	7.7%
Inventories	1,227,443	1,069,615	14.8%
Biological assets	0	-	
Prepayments	191,360	198,478	-3.6%
Non-current assets held for sale	8,346	350,872	-97.6%
<b>Total current assets</b>	<b>6,813,101</b>	<b>6,251,592</b>	<b>9.0%</b>
Non-current investment	9,415,214	9,925,907	-5.1%
Other non-current account receivables	2,632,075	2,560,227	2.8%
Inventories	46,887	42,583	10.1%
Intangibles, net	7,409,157	4,638,553	59.7%
Property, plant and equipment, net	18,415,650	18,258,476	0.9%
Investment properties	2,167,970	2,273,994	-4.7%
Deferred taxes	760,516	758,382	0.3%
Biological assets	20,870	20,870	0.0%
Derivative financial instruments	548	650	-15.7%
Other non-current assets	32,531	18,340	77.4%
<b>Total non-current assets</b>	<b>40,901,418</b>	<b>38,497,982</b>	<b>6.2%</b>
<b>Total assets</b>	<b>47,714,519</b>	<b>44,749,574</b>	<b>6.6%</b>

# Financial Results

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Million COP	June-17	December-16	Var (%)
Current financial liabilities	3,908,209	3,407,874	14.7%
Bonds and other financial liabilities	755,847	760,339	-0.6%
Current trade and other current payables	2,406,692	1,567,365	53.6%
Current provisions	346,850	328,471	5.6%
Current tax payables	223,377	169,270	32.0%
Labor liabilities	168,478	202,657	-16.9%
Estimated liabilities for employee benefits	0	-	
Other current liabilities	599,439	480,889	24.7%
Derivative financial instruments	109,876	102,555	7.1%
Liabilities associated with assets held for sale	824	191,699	-99.6%
<b>Total current liabilities</b>	<b>8,519,592</b>	<b>7,211,119</b>	<b>18.1%</b>
Non-current financial liabilities	6,818,252	6,363,559	7.1%
Bonds and other financial liabilities	5,533,341	4,644,438	19.1%
Deferred taxes	1,601,257	1,580,512	1.3%
Provisions	315,731	298,565	5.7%
Other non-current payables	328,638	319,950	2.7%
Labor liabilities	453,585	440,950	2.9%
Derivative financial instruments	6,665	8,901	-25.1%
Other non-current liabilities	441,063	246,984	78.6%
<b>Total non-current liabilities</b>	<b>15,498,532</b>	<b>13,903,859</b>	<b>11.5%</b>
<b>Total Liabilities</b>	<b>24,018,124</b>	<b>21,114,978</b>	<b>13.7%</b>
Issued capital	53,933	53,933	0.0%
Share premium	1,354,759	1,354,759	0.0%
Other Comprehensive Income	2,152,249	1,987,756	8.3%
Reserves	2,829,844	2,743,764	3.1%
Other components of shareholders' equity	-52,568	-21,305	146.7%
Retained earnings (loss)	9,052,810	8,898,455	1.7%
Net income (loss)	226,494	589,466	-61.6%
<b>Total equity</b>	<b>23,696,395</b>	<b>23,634,596</b>	<b>0.3%</b>
<b>Controlling interest</b>	<b>15,617,521</b>	<b>15,606,828</b>	<b>0.1%</b>
<b>Non- controlling interest</b>	<b>8,078,874</b>	<b>8,027,768</b>	<b>0.6%</b>



# Financial Results

1 Quarter 2017



GRUPO ARGOS

## CONSOLIDATED INCOME STATEMENT

Million COP	2Q17	2Q16 restated	Var (%)
<b>Revenues from operating activities</b>	<b>3,565,133</b>	<b>3,384,379</b>	5.3%
Goods sold	3,202,231	3,268,366	(2.0%)
Financial income/expenses	111,814	23,395	377.9%
Real estate income	234,338	10,460	2140.3%
Equity method, net	76,568	126,817	(39.6%)
Sales returns and discounts	(59,818)	(44,659)	33.9%
<b>Variable cost</b>	<b>2,476,084</b>	<b>2,378,643</b>	4.1%
Cost of goods sold	2,051,400	2,175,634	(5.7%)
Depreciation and amortization	227,498	195,961	16.1%
Cost of sales - Financial act.	66,801	69	96713.0%
Cost of sales - Real estate	130,385	6,979	1768.2%
<b>Gross income</b>	<b>1,089,049</b>	<b>1,005,736</b>	8.3%
<i>Gross margin</i>	31%	30%	
<b>Operating expenses</b>	<b>529,111</b>	<b>323,101</b>	63.8%
Administrative expenses	381,636	227,748	67.6%
D&A- administrative	82,978	25,860	220.9%
Selling expenses	56,284	60,111	(6.4%)
D&A- administrative	8,213	9,382	(12.5%)
<b>Other income/expenses</b>	<b>(5,898)</b>	<b>(34,930)</b>	(83.1%)
Other income	17,790	27,776	(36.0%)
Other expenses	(23,608)	(61,397)	(61.5%)
Wealth Tax	(80)	(1,309)	(93.9%)
<b>Operating profit</b>	<b>554,040</b>	<b>647,705</b>	(14.5%)
<i>Operating margin</i>	15.5%	19.1%	
<b>EBITDA</b>	<b>872,809</b>	<b>880,217</b>	(0.8%)
<i>EBITDA margin</i>	24.5%	26.0%	
<b>Non-operating revenues and expenses</b>	<b>(253,126)</b>	<b>(268,583)</b>	(5.8%)
Financial revenues and expenses, net	(277,709)	(264,232)	5.1%
Exchange difference, net	24,583	(4,351)	(665.0%)
Gain/loss on investment retirement	-	-	
<b>Pre-tax profit (loss)</b>	<b>300,914</b>	<b>379,122</b>	(20.6%)
Income tax	85,468	10,409	721.1%
<b>Profit (loss) from continuing operations</b>	<b>215,446</b>	<b>368,713</b>	(41.6%)
Net loss from discontinued operations	-	-	
<b>Net income</b>	<b>215,446</b>	<b>368,713</b>	(41.6%)
<i>Net margin</i>	6.0%	10.9%	
<b>Controlling interest</b>	<b>105,814</b>	<b>146,221</b>	(27.6%)
<i>Net margin - controlling</i>	3.0%	4.3%	