Results Presentation

2T2017

GRUPO ARGOS

IMPORTANT NOTE

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- If an unforeseen situation occurs, or the premises or estimations are shown to be incorrect, the future results may be considerably different to those stated herein. The forward-looking statements are made to this date, and GRUPO ARGOS and its subsidiaries do not claim nor assume any obligation to update these forward-looking statements as a result of new information, future events or any other factor.

GRUPO ARGOS

With a stable Ebitda margin of 25%, Grupo Argos endorses its portfolio strategy

Operating results for **Grupo Argos** reflect the benefits of an articulated and balanced portfolio with **consolidated revenues growing 5%** for the quarter YoY to COP 3.6 trillion and stability in Ebitda margin.

Odinsa substantially increased its Ebitda for 2Q17 by 65% YoY thanks to a successful strategy of portfolio reshaping and consolidation of strategic operations. In the first half of 2017 it closes the **sale of Gena, Genpac and Santa Marta Paraguachón.**

Cementos Argos demonstrates its ability to adapt to a challenging market condition in Colombia with a sustained **increase in cement volumes of 18% YoY**, coupled with the **improvement in the Ebitda margin**, from 13% in 1Q17to 17% in 2Q17, with a month of **June that exceeds 21%.**

Celsia reports results that reflect a **strengthened operation with Ebitda margins of 38%** and an improvement in leverage ratios to **3.5x net debt/Ebitda**

Exercising its role as an active holding company, Grupo Argos materializes its investment in Compas with an IRR of 26%

From 3 cement terminals (Barranquilla, Tolú, and Buenaventura)

To an articulated and multipurpose logistics network with presence in the Pacific and Atlantic oceans and first level allies.

2012
- ***Establishment of Compas*** from the merger of Muelles del Bosque with the port assets of GA

2013
- *Compas Assumes Operation of South Central Cement Terminal in Houston*
- *Partners with* ***Singapore Port Authority*** *in Aguadulce Project*

2014
- Inauguration of new bulk plant in Tolú

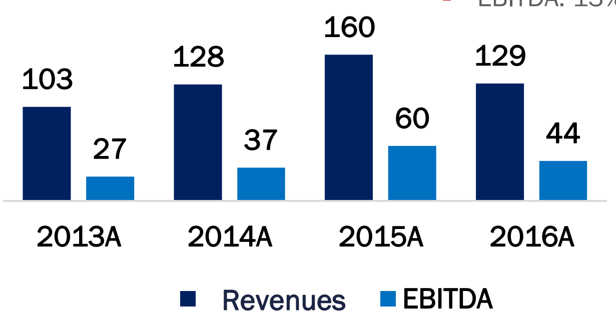
2015
- **Association with APM Terminals** to operate the Cartagena terminal. Investment commitment for USD 200 MM (increase capacity X3)

2016
- Finalizes the construction of the Port of Aguadulce with an investment of ~ USD 120 MM

2017
- **GA materializes its investment thesis with the sale of its participation in Compas**

Financial Results[1]
COP billions

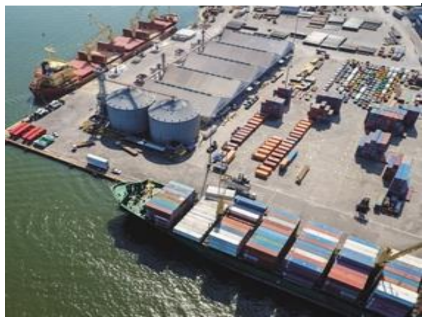
CAGR (2013-16)
- Revenues: 6%
- EBITDA: 13%



[1] 2016 results not comparable with previous years due to the non-consolidation of the Cartagena terminal





Sale of Compas reaffirms our commitment to manage efficiently our investment portfolio

Investment in Compas and transaction multiples

- Since 2012 **Grupo Argos has contributed** to Compas in assets and cash the sum of **COP 166 billion**
- In 2017 Argos Group sells 50% of its stake in Compas for

COP$ 407 billions

25.2x

EV/EBITDA 2016

25.8%

Investment IRR

Rational

- **Fulfillment of investment thesis**
- Exercise role of active holding
- **Focus** on cement, energy and roads and airports concessions
- **Financial flexibility** to efficiently manage portfolio

Impacto Contable GA

COP billions	P&L separate	P&L consolidated
Revenues form sale of shares	COP 402	COP 402
Cost of shares	COP 182	COP 257
Ebitda of the operation	COP 220	COP 145

- Compass divestment increases the adjusted Ebitda of GA by ~COP 220 bn
- Accounting effects at the consolidated level will imply a reduction in profit of -COP 4 bn/ year on the equity method
- GA has not received dividends from Compas - no impacts on separate P&L

Financial markets and rating agencies continue to support our strategy and strengthen us as a Corporate Group

Successful issuance of commercial paper and maintains debt ratings

- Commercial paper issuance, with a **bid to cover of 2,7 times** over the amount initially offered
  - Amount placed = **COP 350,000 billions**
  - Cut-off anual effective rate of **6.14%**
  - **Average debt rate optimization in 30 bp**
- **Fitch Ratings affirmed national ratings of 'AA+ (Col)'** and 'F1+ (Col)' for long and short term debt. Outlook: stable.
- **S&P ratified 'AA+' issuer rating**

Succesful Ordinary Bonds issuance

- 5th ordinary bond issuance with a **bid to cover of 1,7 times** over the amount initially offered.
  - Amount placed = **COP 1 trillion**
  - Approximate cost = **7,22% effective annual rate**

Improvement of long-term debt outlook

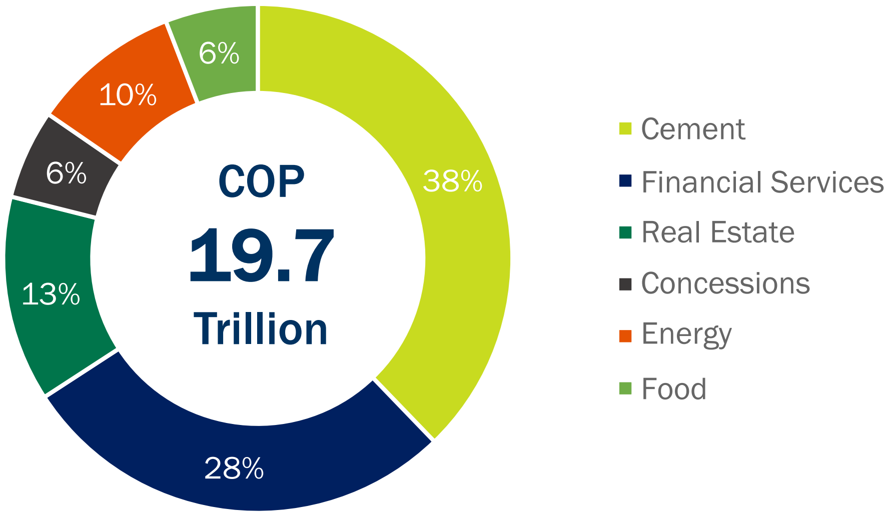
- S&P affirmed the 'AA +' rating on the long-term debt and **revised the outlook to stable from negative** of the COP 800 bn bonds.

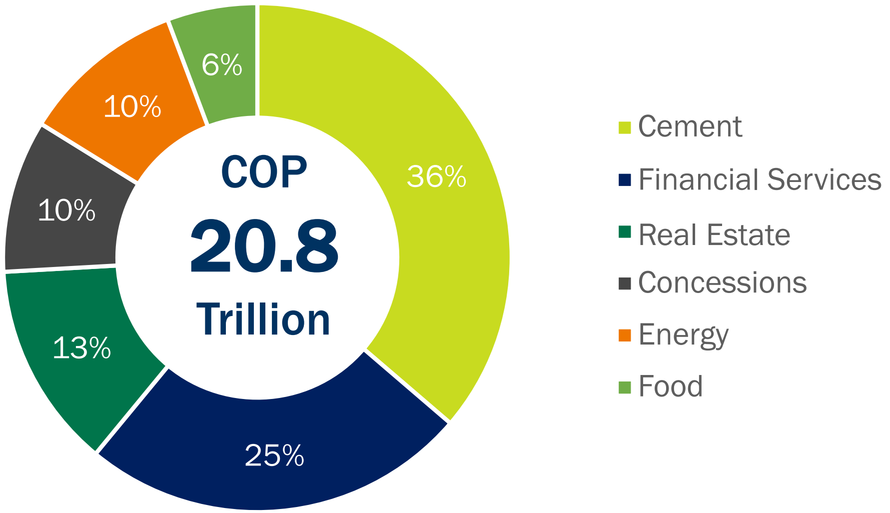
Improvement of long-term debt outlook

- Fitch Ratings **ratified "AA-(col)"** rating for the Odinsa S.A (Odinsa) Ordinary Bonds for COP 100 billion and **revised the Outlook to stable from negative**

Market confidence is evidenced by a valuation of more than 7% of the portfolio

June 2016	June 2017



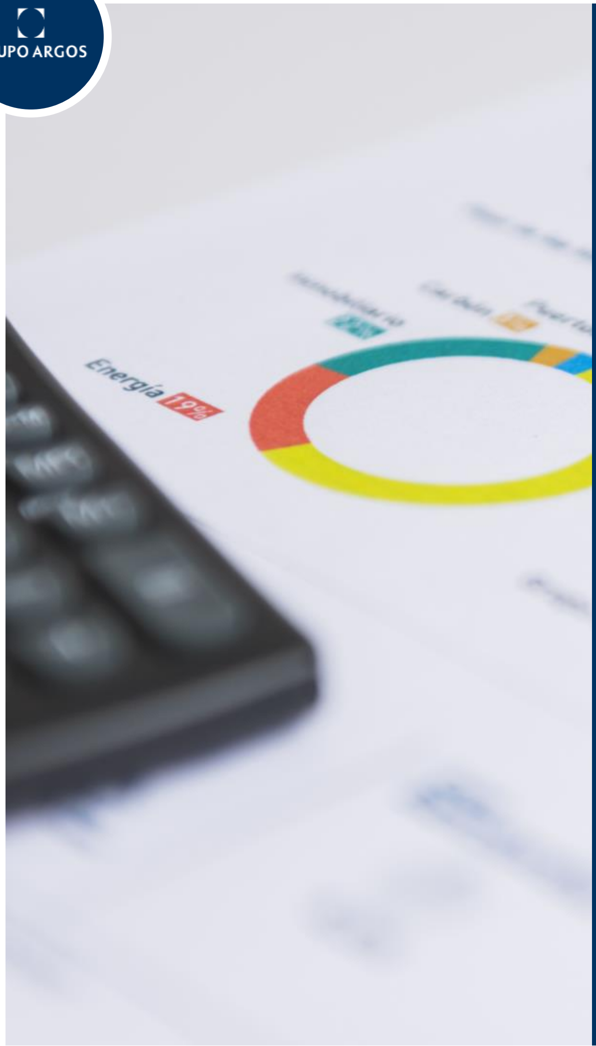


*The value of each investment is calculated based on the securities exchange price on June 2017 and 2016, respectively, for the companies publicly traded, and at book value for non listed assets. In 2016, concessions correspond to the sum of the shareholding in ODINSA and the shareholding in Compas (in 2017 Opain is included); and real estate corresponds to the sum of the land bank and Pactia.
** The price per share of EPSA and Odinsa is the value of the acquisition.

[1]The figures reflect the market value and not the intrinsic value of each company

Grupo Argos

Results reflect a successful capital allocation strategy with growing contribution from the concessions business



2Q2017
consolidated

REVENUES COP 3.6
trillions

EBITDA COP 873
billions

EBITDA Margin
25%

Net Income
COP 215 billions
net income of the parent company
COP 106 billions

Consolidated

- **Revenues increase by 5%** in 2Q17 YoY due to higher contributions from Concessions (consolidation of Opain starting February 2017)
- **Stability in the EBITDA margin** of 25% for 2Q17
  - Margin recovery in **Celsia to 38%** in 2Q17
  - Margin increase in **Odinsa to 66%** in 2Q17 due to better results in Odinsa, and consolidation of AND, BTA, and Opain
  - **Opain Consolidation contributes COP 111 bn in 2017**

Separado

- **Separate proforma revenues**, excluding Sura securities lending, **grew 20% in 2Q17** due to the higher contributions from concessions, energy and real estate businesses
- **Proforma EBITDA margin of 66% for 2Q17 and 69% for 1H17**
- **Accumulated Ebitda to 1H17 grows 3%.** The **decrease in the administrative expenses of the holding company**, excluding real estate, stood at 8%.
- **Separate-level leverage** indicator closes at **2.7x** on higher Ebitda generation

First half of 2017 ends with a stable EBITDA margin of 25%

Significant figures – Consolidated Income Statement

COP billions	2Q2017	2Q2016	YoY	1H2017	1H2016	YoY
1 **Revenue**	3,565	3,384	5.3%	6,922	7,427	-6.8%
Cost, Expenses and other income	3,011	2,737	10.0%	5,882	6,192	-5.0%
Operating Profit	554	648	-14.5%	1,041	1,235	-15.7%
2 **EBITDA**	873	880	-0.8%	1,727	1,829	-5.6%
EBITDA Margin (%)	24.5%	26.0%	(150 pb)	25.0%	24.6%	33 pb
3 **Net Income**	215	369	-41.6%	360	584	-38.3%
Net Margin	6.0%	10.9%	(490 pb)	5.2%	3.4%	180 pb
Controlling Net Income	106	146	-27.6%	226	252	-10.2%
Controlling Net Margin	3.0%	4.30%	(130 pb)	3.3%	3.4%	(13 pb)

Notes

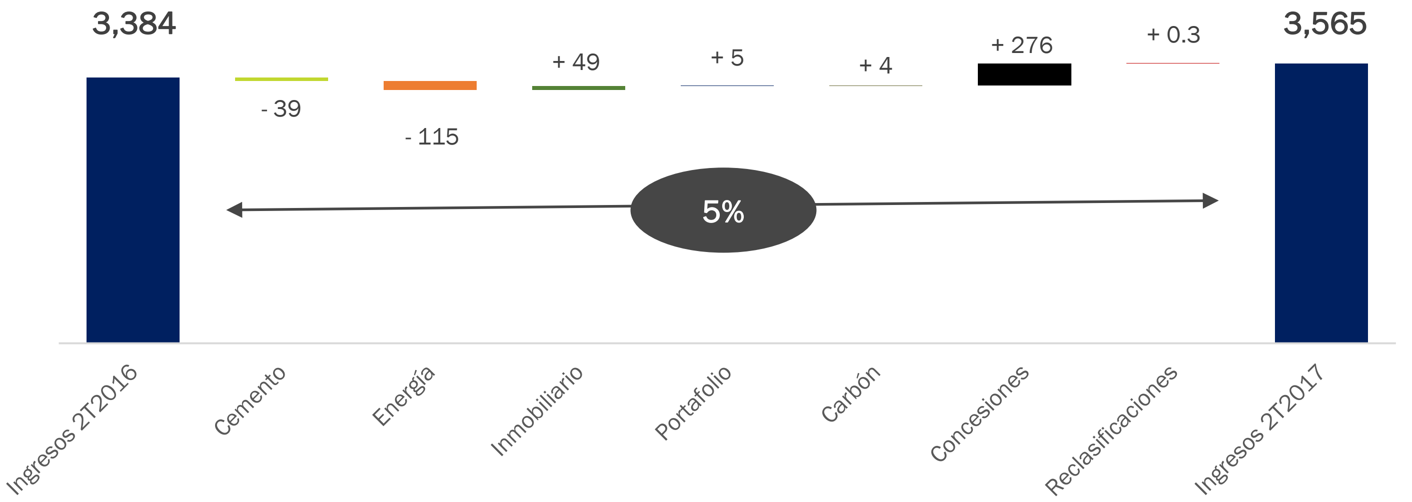
1
- ✓ Revenues increased by 5% in 2Q17 due to **higher contributions from the concession business** that began to **consolidate Opain** starting February 2017.
- ✓ **Lower contributions from Cementos Argos** that has been affected by lower prices and revaluation of the peso (2%).
- ✓ **Decrease in Celsia's contribution** due to lower energy prices

2
- ✓ Ebitda decreases 1% YoY due to:
  - ✓ Consolidation of Opain expenses starting February.
  - ✓ Decrease in Cementos Argos' contribution due to the pressure in Colombian margins, however, Ebitda margins start to show a recovery from 13% in 1Q17 to 17% in 2Q17, due to a more efficient cost structure.
- ✓ Lower contribution of Cementos Argos offset by:
  - ✓ Increase in the contribution of the concession business from better results in Odinsa, and the consolidation of AND, BTA and Opain.
  - ✓ Increase in the contribution form the energy business due to a lower cost on higher hydro generation.

3
- ✓ Higher net financial expenses due to the consolidation of Opain, ADN and BTA and the temporary increase in Cementos' debt for the acquisition of Martinsburg.

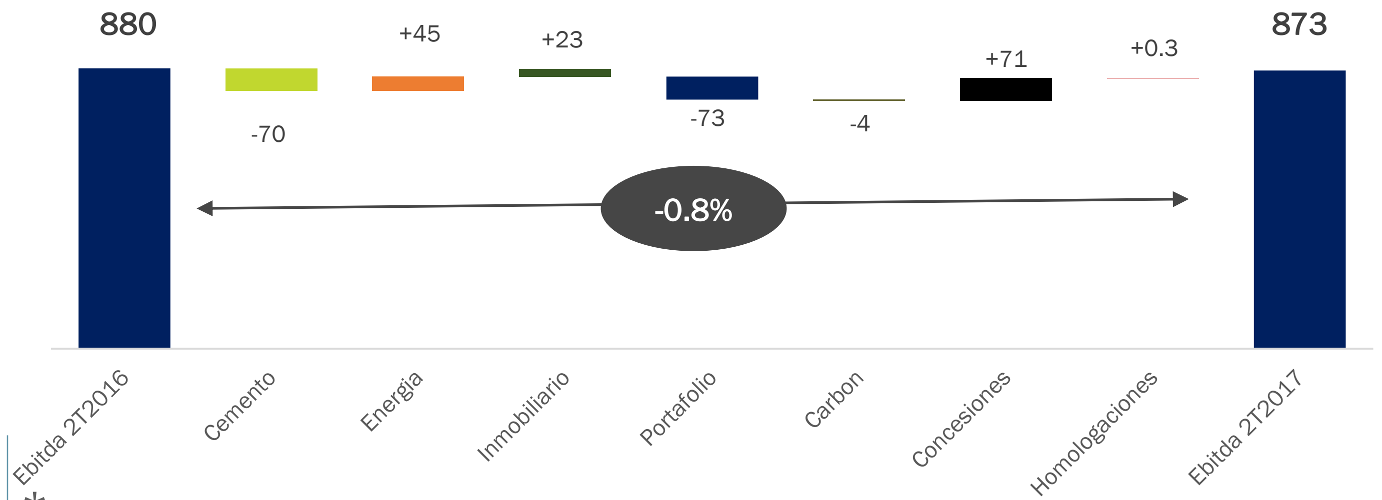
Relevant contribution of the concession business in revenues and Ebitda

Business Contribution – Revenue (Billions of COP)



- ✓ Lower contributions from the Energy business due to lower market prices and lower thermal generation.
- ✓ Lower contributions from Cementos Argos, marked by lower prices in Colombia and revaluation of the peso. The increase in volumes stands out.
- ✓ Increase in the contributions form the concession business mainly from the consolidation of Opain.

Business Contribution – Ebitda (COP millardos)

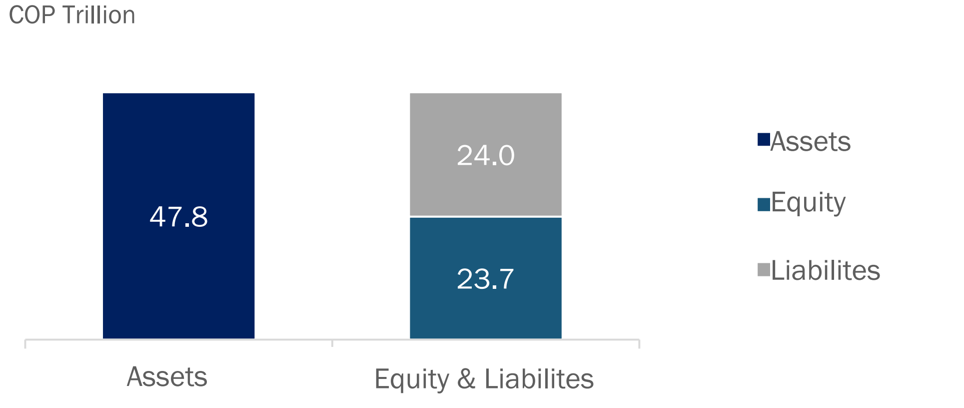


- ✓ Recovery in the energy business stands out
- ✓ Increase in the contribution of the concessions business.
- ✓ Opain Consolidation.

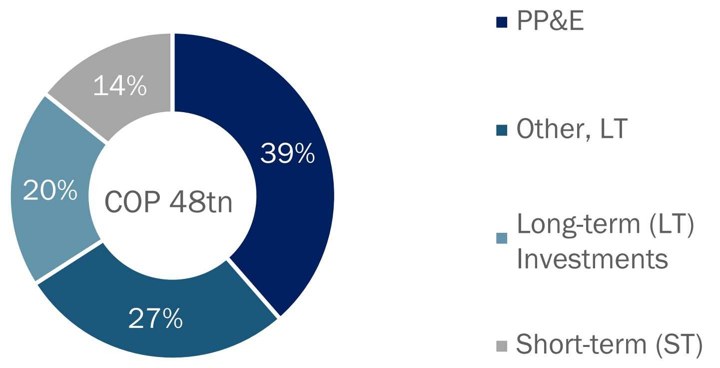
*Portfolio includes dividends received and equity method

Articulated portfolio with assets that reach COP 48 trillions

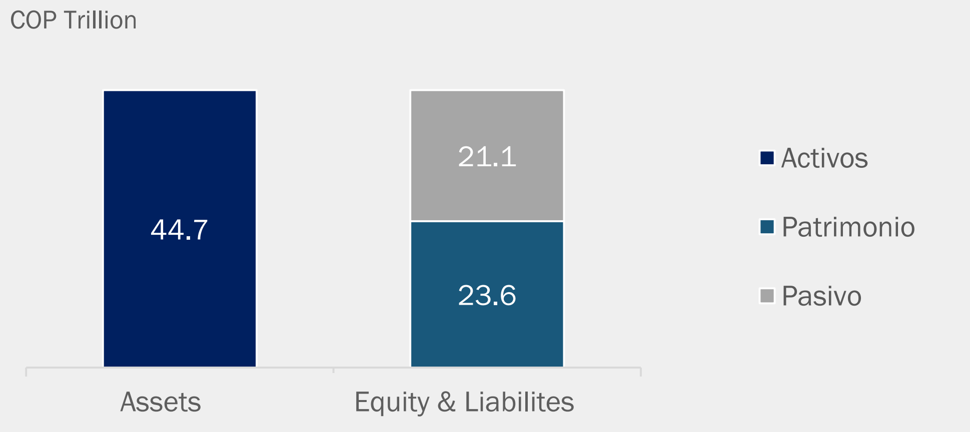
June 2017



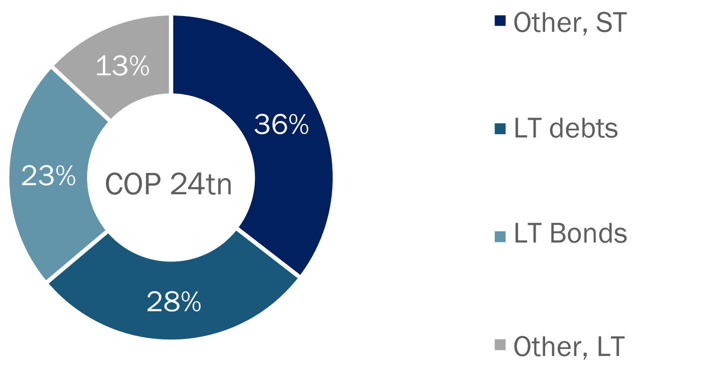
Assets– June 2017



December 2016



Liabilities – June 2017



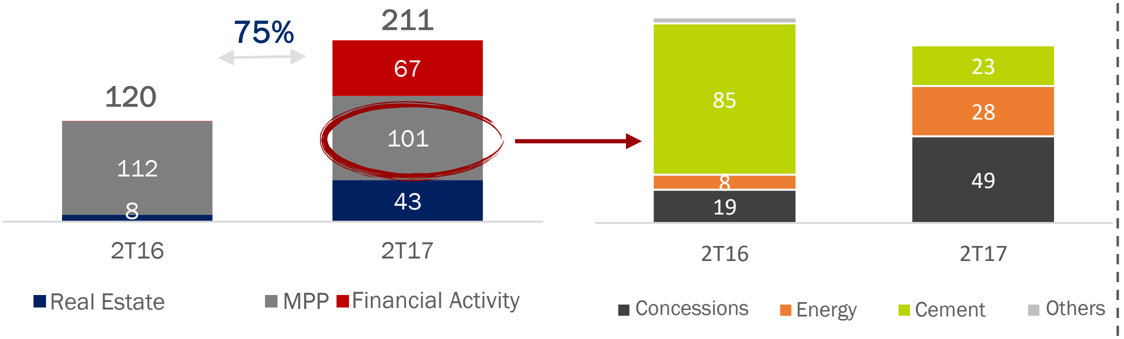
Separate revenues grew 20% in 2Q17 due to the higher contributions from concessions, energy and real estate businesses

Significant figures – Individual Income Statement

COP billions	2Q2017	2Q2016	YoY	1H2017	1H2016	YoY
1 Revenue	211	120	75.0%	387	282	37.3%
2 Costs	94	0		95	3	
Expenses and other Income	22	17	27.0%	78	78	-0.2%
Operating Profit	95	103	-7.8%	215	201	6.6%
3 EBITDA	95	103	-7.9%	219	213	3.0%
EBITDA Margin (%)	45.2%	86.0%		56.7%	75.5%	
Net Income	61	51	20.1%	148	136	9.3%
Net Margin (%)	29.1%	42.5%		38.3%	48.2%	
Revenue Proforma*	144	120	19.9%	320	282	13.6%
Costs, Expenses and other Income	50	18	181.7%	106	81	30.8%
Ebitda margin proforma*	66.0%	86.0%		68.5%	75.5%	
Net Margin proforma*	42.5%	42.5%		46.3%	48.2%	

Notes

1 Revenues distribution 2Q 2017



- ✓ Financial activity in 2Q17 includes securities lending from dividends received of Grupo Sura
- ✓ Increase in real estate revenue from sales of urbanized lots
- ✓ Equity method reflects higher contributions from the concession and energy business

2

- ✓ Higher costs in 2Q17 explained by the securities lending of Suras, however they do not have an impact on Ebitda
- ✓ Pro forma costs reflect higher real estate sales

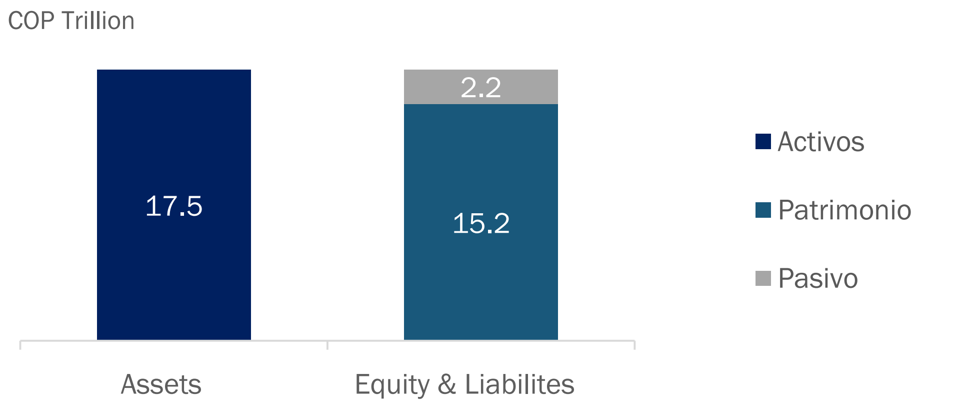
3

- ✓ Proforma EBITDA margin of 66% for 2Q17 and 69% for the 1H2017.
- ✓ Accumulated EBITDA increased 3%. The decrease in the accumulated administrative expenses of the holding company, excluding real estate business, of 8% stands out.

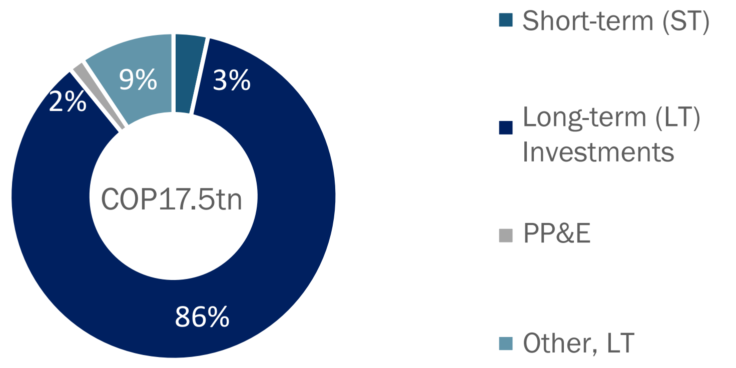
* Proforma = Excludes revenues from the securities lending of Sura for COP 67 bn

Individual Balance Sheet – June 2017

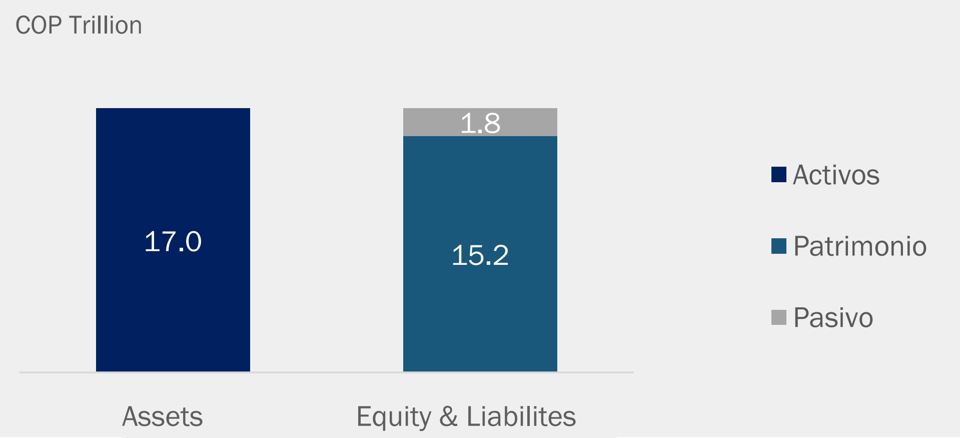
June 2017



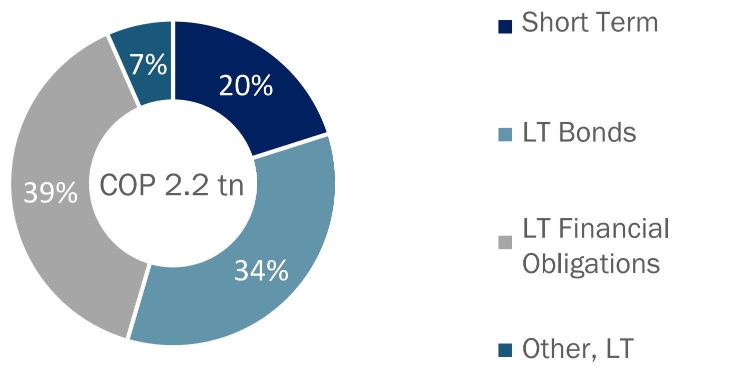
Assets - June 2017



December 2016



Liabilities - June 2017



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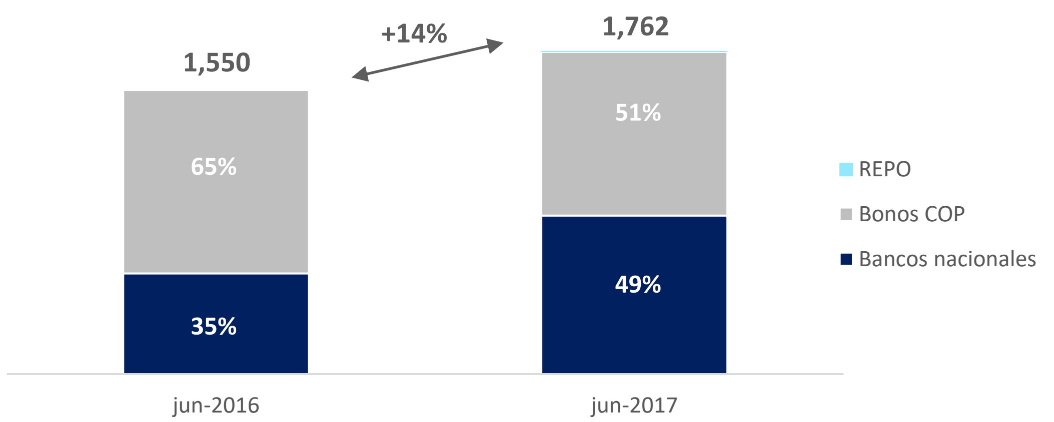
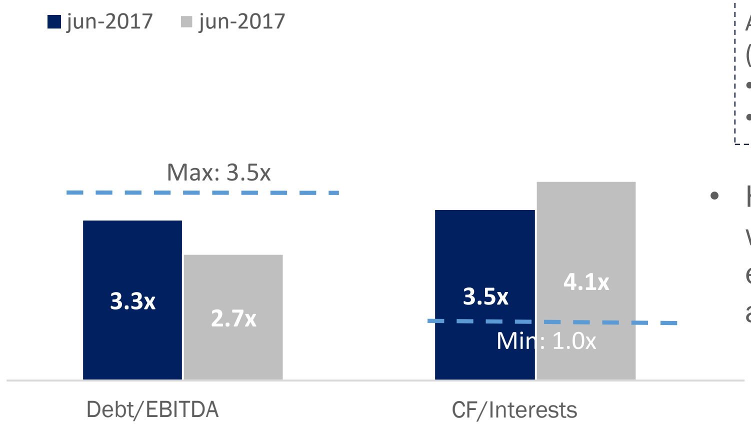
Leverage indicator at the individual level closes the first half at 2.7x with improvement in financial costs that decrease by ~ 350 bp

Debt (COP trillions)



Leverage ratios

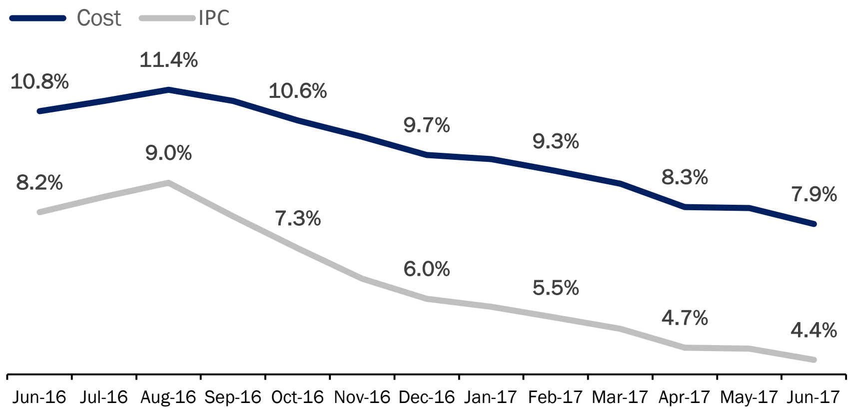


Adjusted EBITDA** (*COP billions*):

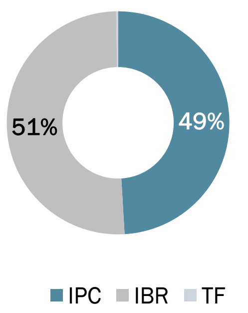
- jun-2016: 463
- jun-2017: 664

- Healthy ratios within the limits establised by risk agencies

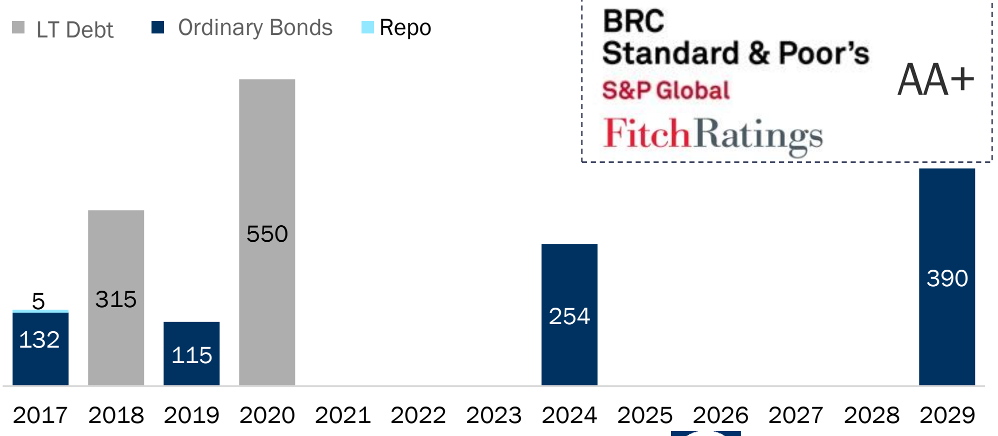
Cost of Individual Debt*



Debt Indexation



Debt Profile

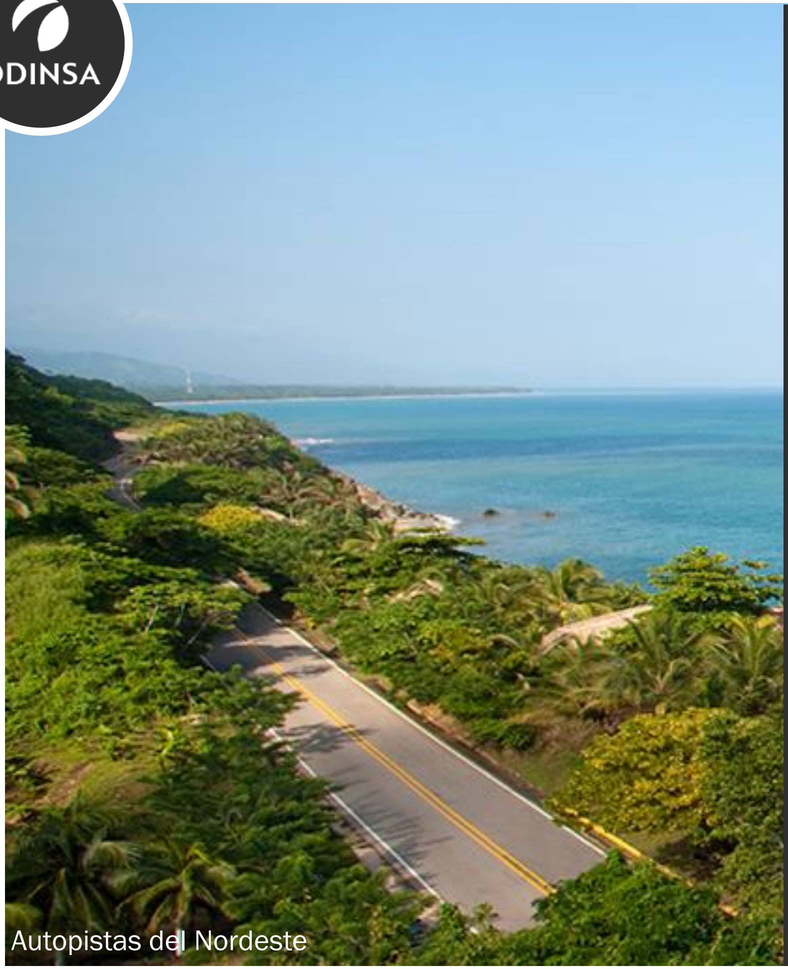


BRC
Standard & Poor's
S&P Global
FitchRatings
AA+

*Includes only capital balance
*Current inflation for the month
** Adjusted EBITDA = EBITDA (-) Equity method (+) Dividends received (+) Divestments revenues– Corporate Rating Methodology

Concessions Business

Emphasis in roads and airports accomplished with sale of generation assets and participation in Santa Marta Paraguachón



Autopistas del Nordeste

2Q2017

REVENUES COP 203

EBITDA
COP 134

EBITDA Margin
66%

NET INCOME COP 64

Net Margin
32%

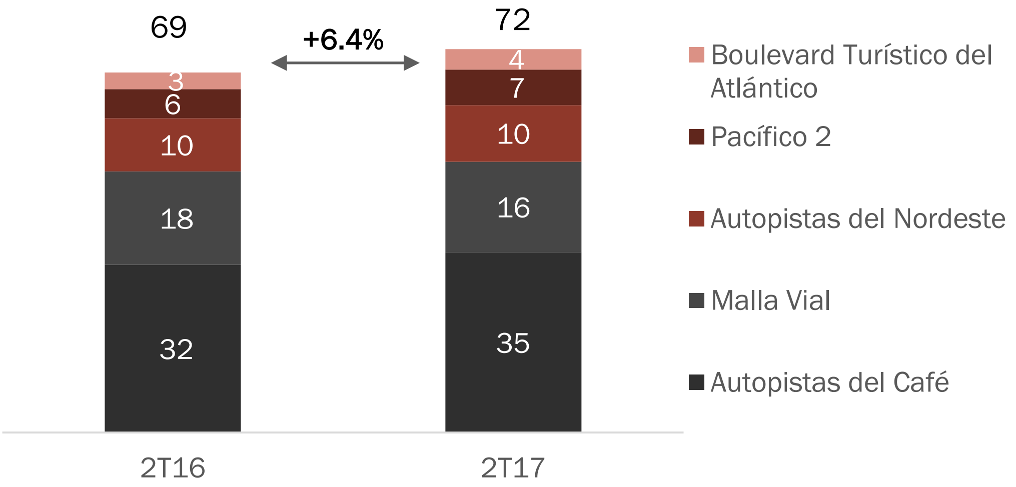
COP billion

- Strategic portfolio management, consolidating a profitable business in infrastructure, which confirms the benefits of having an investment focus.
  - GENPAC USD 48 mm
  - GENA USD 45 mm
  - Santa Marta - Paraguachón COP 118 billion

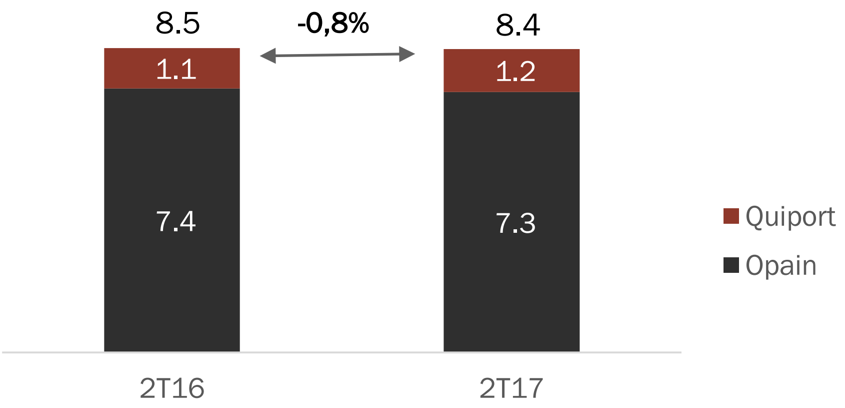
Provide financial flexibility

For 2Q2017 road traffic shows growth above 6%, while Quiport registers increase in passengers.

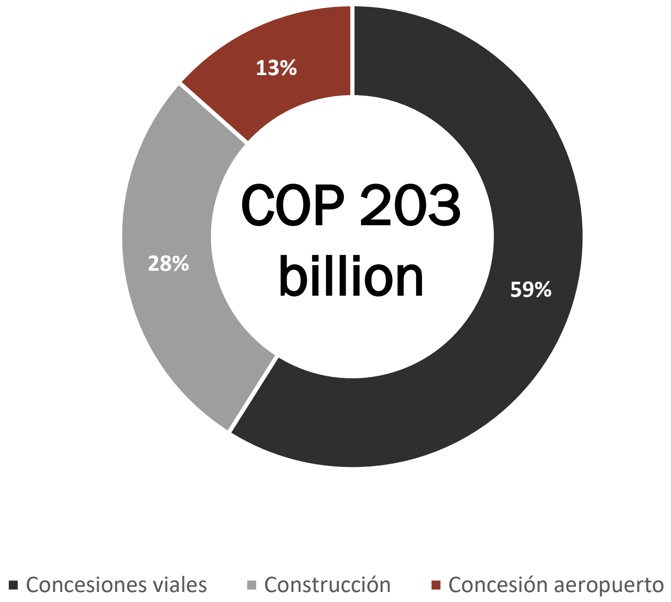
Traffic – Average Daily Traffic *Number of vehicles (thousands)*



Airports Traffic *mm of passengers*

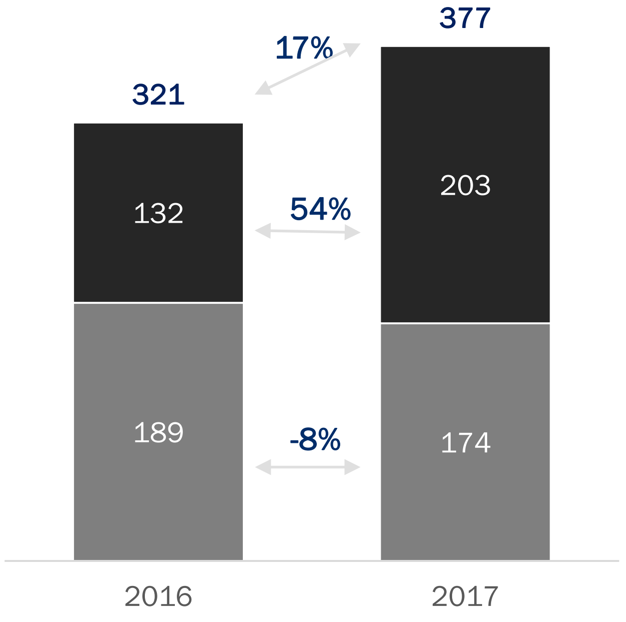


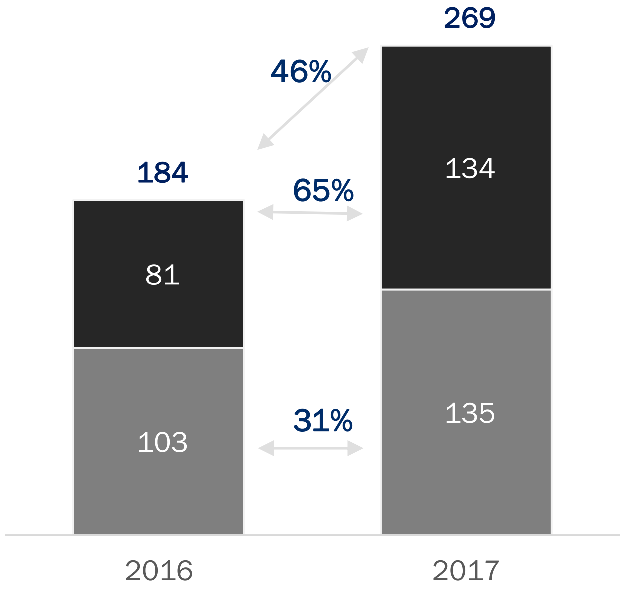
Revenues breakdown

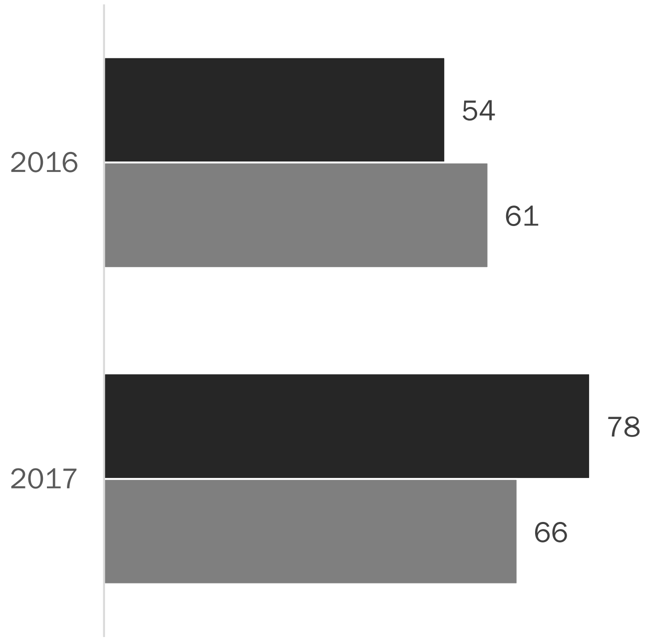


Double-digit growth in revenues, EBITDA and net income after consolidation of ADN and BTA

Revenues (COP bn)	EBITDA (COP bn)	Margen EBITDA (%)







- ✓ Increase in revenues from consolidation of ADN + BTA and greater contributions from the building consortium of Green Corridor from project execution.
- ✓ Ebitda increased significantly due to the good performance of its businesses and the consolidation of ADN and BTA.
- ✓ To highlight Ebitda contribution from the building consortiums of AKF and La Pintada.
- ✓ Net profit for the quarter of COP 64 billion growing 11% despite higher financial expenses from consolidation of ADN and BTA and increase from the amortization of the PPA

■ 1Q ■ 2Q

* Financial information for 2016 is proforma in order to reflect the non consolidation of Gena and Genpac and make numbers comparable

Cement Business

Argos demonstrates its ability to adapt to a challenging market environment in Colombia with tangible results in Ebitda margin

Flandes, Colombia

EBITDA MARGIN

17% for 2Q17
showing signs of moderate recovery

21% consolidated for june
Highest margin registered in 2017

17% for USA regional in 2Q17
Highest registered

31% for Caribbean regional in 2Q17
Within healthy levels

Cement volumes growing
18% YoY
growing in all regionals

AVANCES DE PROGRAMA BEST

Efforts in efficiencies that materialize in results

1. Alternative fuels
2. Productive transformation
3. Clinker / Cement factor reduction

▼ **USD 7**
cost per TM
(in Jun 17 YoY)

▼ **-37%**
SG&A
(in Jun 17 YoY)

Goal end 2017: Reduction of
USD 12
per TM en Colombia

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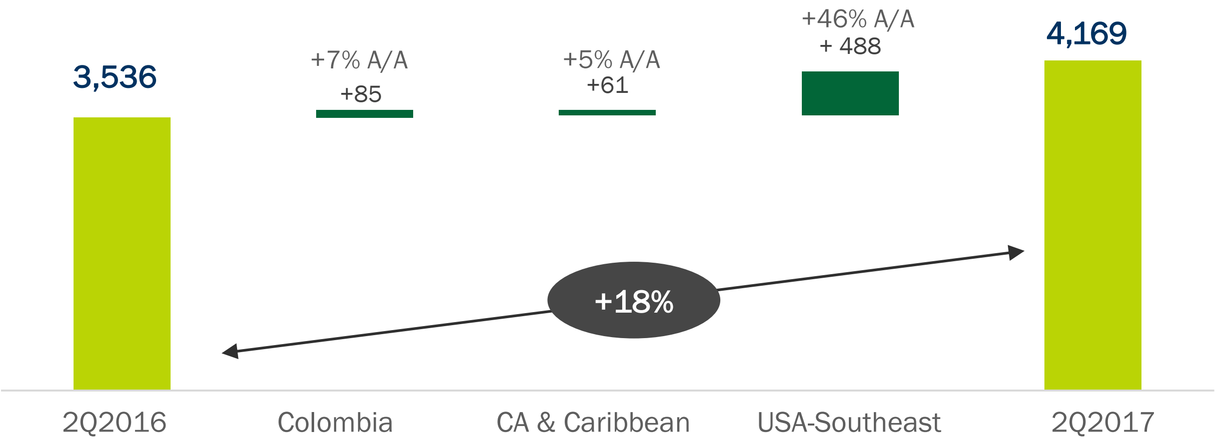
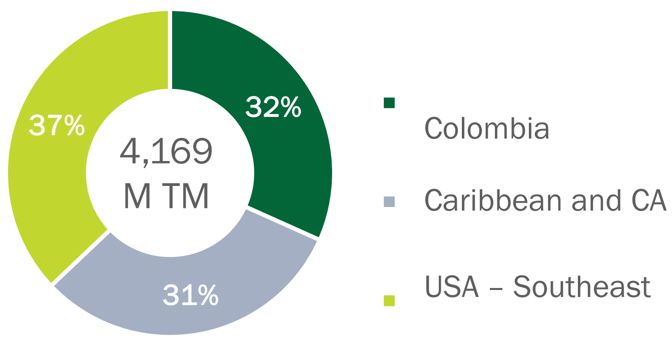
Strong growth in cement volumes in 2Q17 due to better dynamics in the US and Colombian

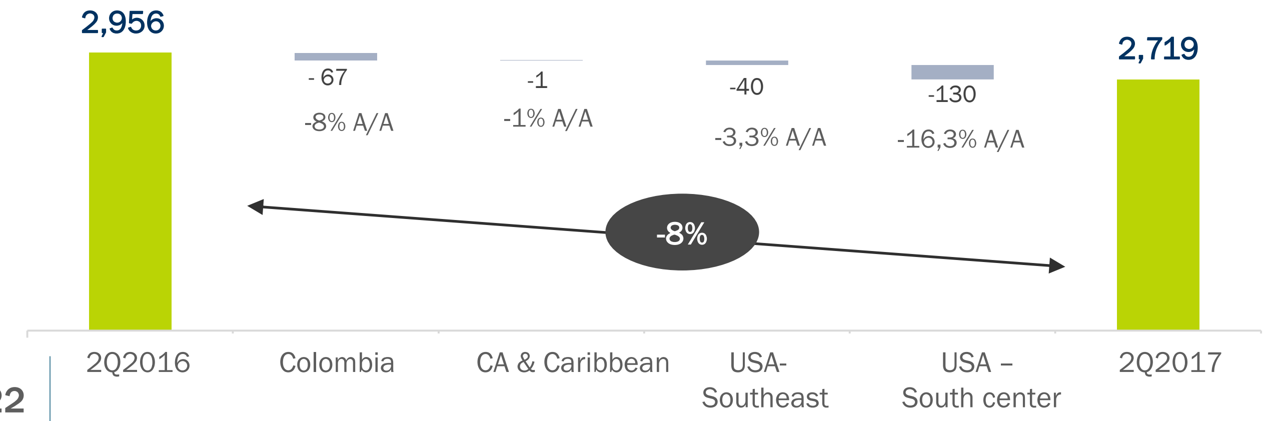
Cement (TMT)



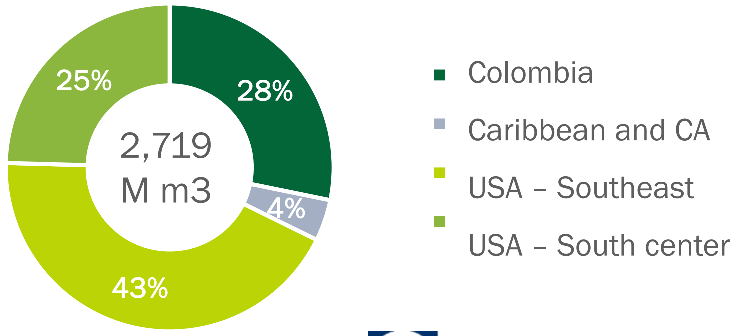
Cement Sales 2Q2017



RMC (TCM)



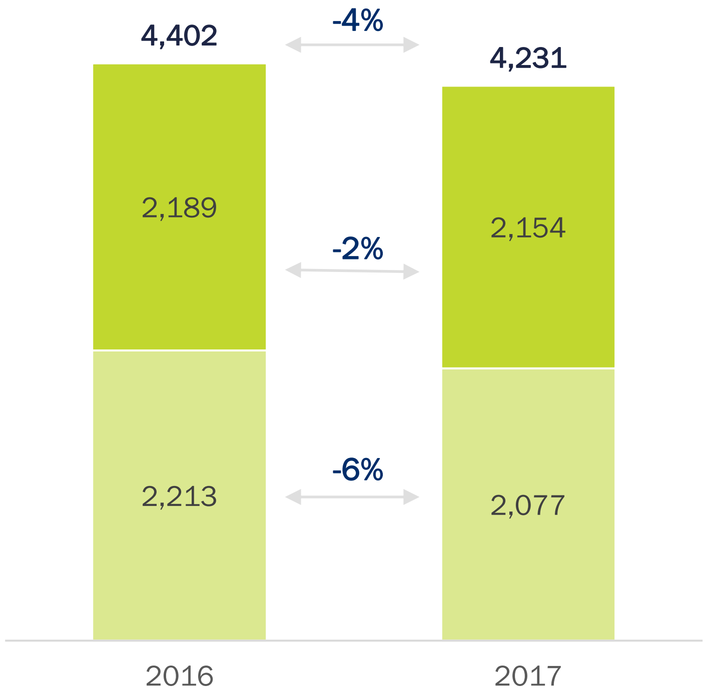
RMC Sales 2Q2017



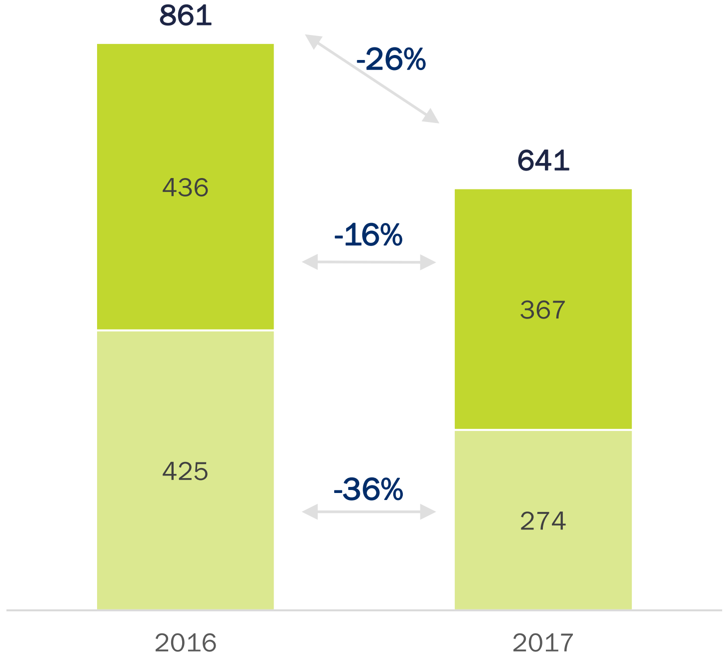
GRUPO ARGOS

Geographical diversification and efficiency program, BEST, starts to show benefits with a recovery of the Ebitda margin to 17% in 2T17 from 13% in 1T17

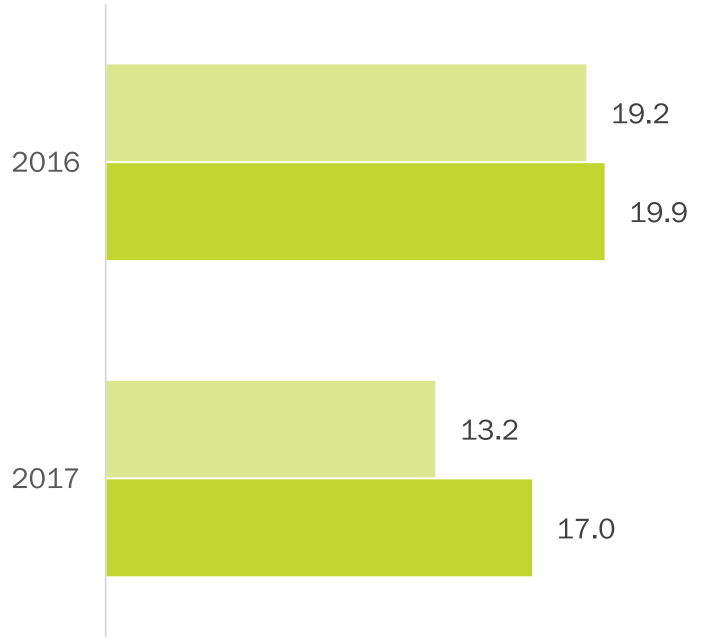
Revenue (COP Billions)



EBITDA (COP Billions)



EBITDA Margin (%)



- ✓ Decrease in revenues of -2% for 2Q17 affected by the revaluation of the COP and lower prices of cement in Colombia.
- ✓ Average cement sales prices reached low in April-May and start to show a slight recovery in June
- ✓ The Ebitda margin for Colombia for the month of June stands at 20% the highest year running Tangible results to June of BEST:
  - ✓ Reduction of 3.8% in administrative expenses (in Colombia regional the decrease is 24%)
  - ✓ In the course of the year a reduction in cost per ton of USD 7 has been achieved with a USD 12 goal reduction for the year
- ✓ Positive net income for 2Q17 of COP 48 billion

1Q 2Q

Cement Business

Results that reflect a strengthened operation with improved leverage ratios and greater efficiencies

2Q2017

REVENUES COP 743

EBITDA COP 279

EBITDA Margin

38%

NET INCOME

COP 64

NET INCOME PARENT COMPANY

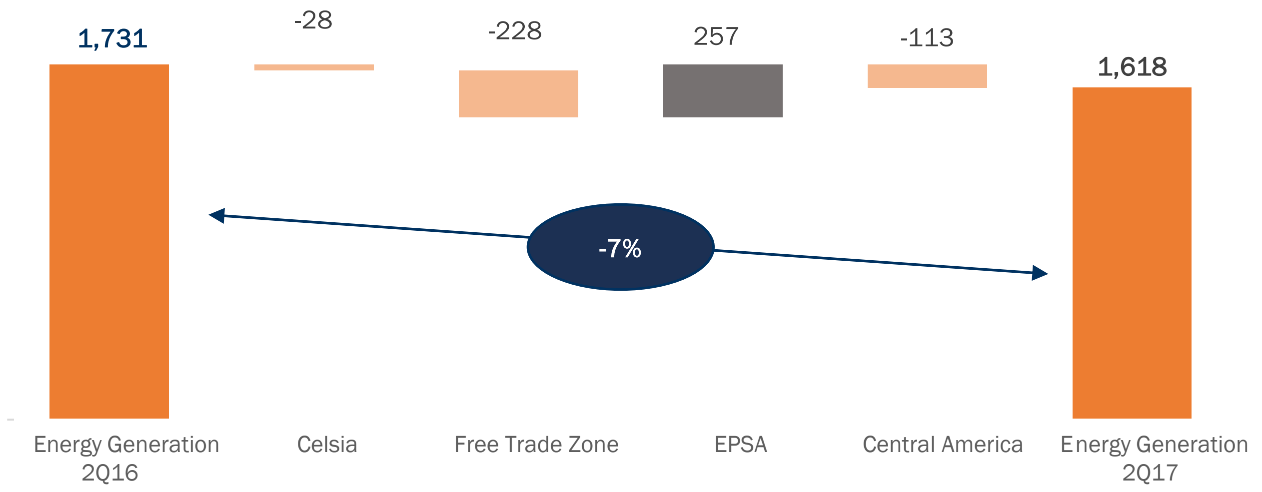
COP 43

COP billions

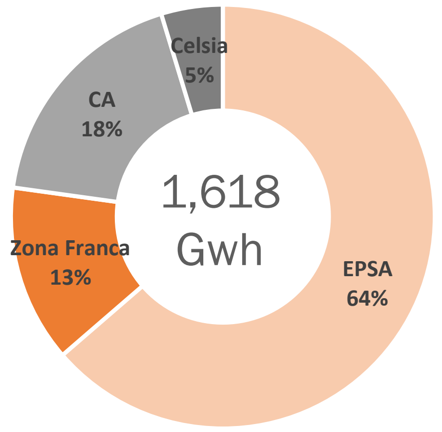
- Debt reduction in ~ COP 163 bn YoY to COP 4 trillion
  - Payment of EPSA´s bonds by COP 86 bn.
  - Net debt / EBITDA of 3.48x in 2Q17 vs. 4.3x in 2Q16.
- Improvement in Ebitda Margin and Net Margin.
- Plan 5 Caribbean advances
- Celsia Solar Yumbo project soon to start operation
- Installation of solar roofs with benefits of law 1715

Operational figures that reflect a lower thermal generation. Higher water generation of EPSA

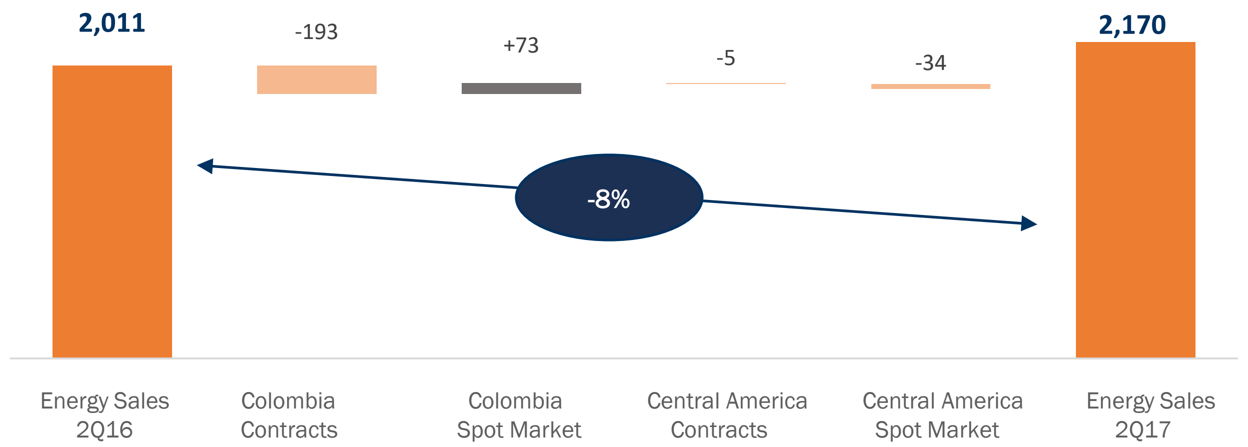
Generation (GWh)



Composition of Power Generation



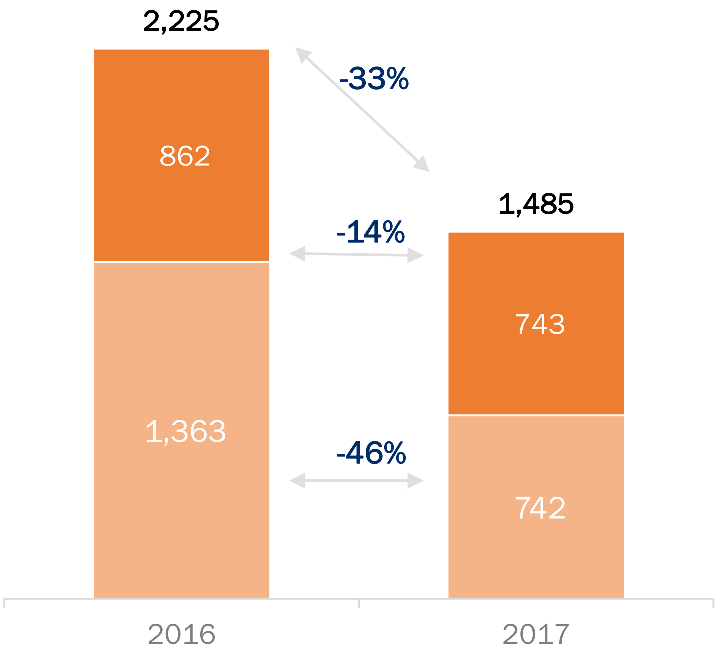
Variation in Energy Sales (GWh)



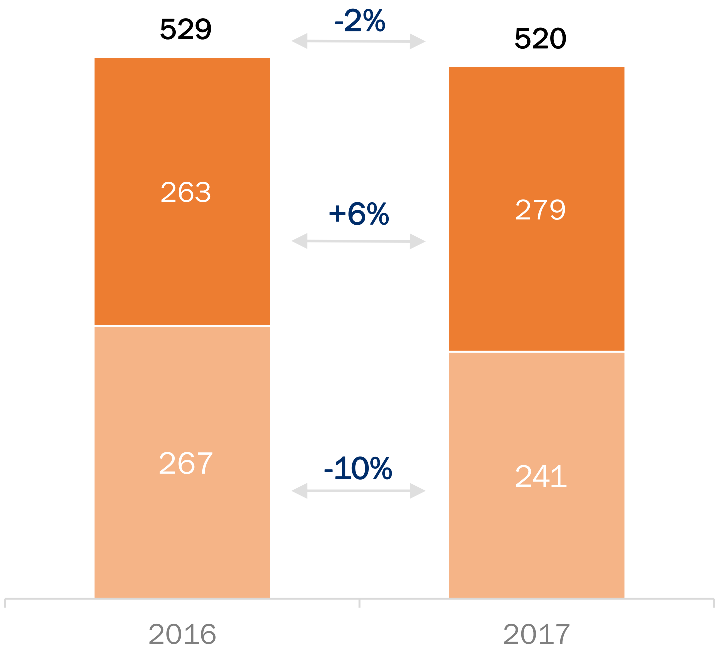
- ✓ Consolidated generation of 1,618 GWh in the quarter, 7% lower than in 2Q16 and 9% higher than in 1Q17
- ✓ In Colombia, the generation in the quarter was 1,325 GWh supported by higher hydro generation (+ 33% YoY). Thermal generation decreased by 56%.

Second highest Ebitda margin in last 7 years endorsed by good performance in Central America and a more efficient operation in Colombia

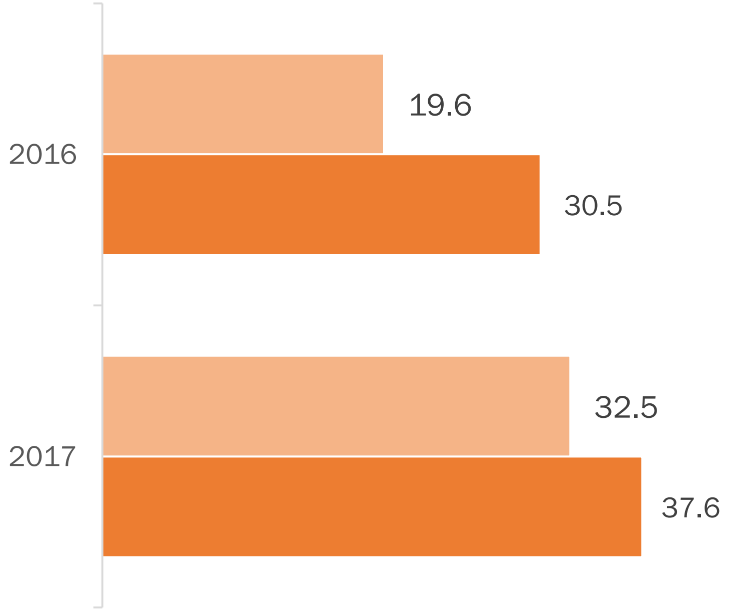
Revenue (COP Billions)



EBITDA (COP Billions)



EBITDA Margin (%)



- ✓ Decrease in revenues associated with a lower market prices in Colombia (average COP 79 / kWh vs (-63% YoY))
- ✓ Reduction in energy business costs (-22%) due to a higher share of water generation compared to 2Q16
- ✓ Improvement in the Ebitda margin, which goes from 31% to 38% (YoY), the second highest value recorded in 7 years supported by the good performance in Central America together with a more efficient operation in Colombia.
- ✓ Net profit of COP 64 bn (+ 101% YoY). The net result attributable to the parent company recorded a gain of COP 43 bn (+ 1,280% YoY)

1Q 2Q

Real Estate Business

Desarrollo urbanístico, Barranquilla

GRUPO ARGOS

Progress in the negotiation of land consolidation of real estate portfolio through alliance with Protection

GRUPO ARGOS
Desarrollo
Urbano

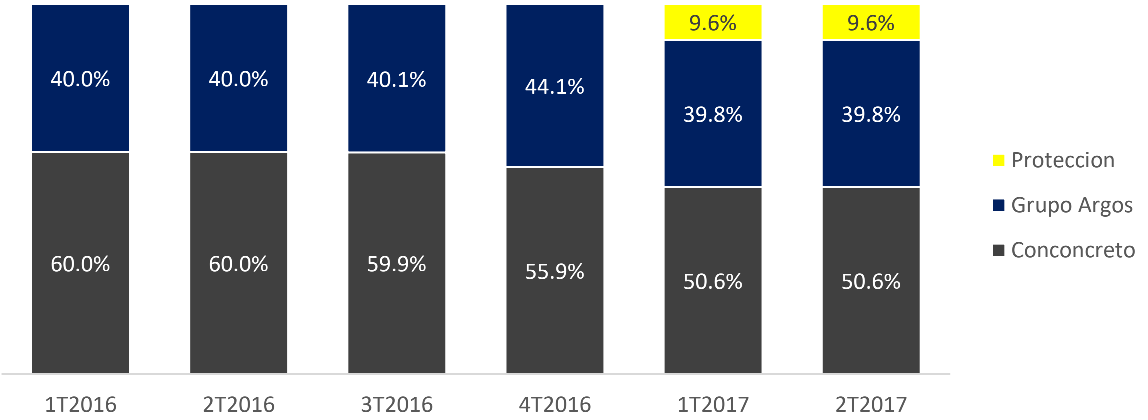
- Progress in the negotiation of land.
- For the quarter, 29 thousand m2 were sold for a total of COP 45 bn in revenue.
- Cash flow for 2Q17 recognized adds to COP 55 billion and total accumulated cash flow for the year is COP 90 billion.
- In June 2017, Barranquilla approved the Riomar Zone Planning bill, a necessary instrument for the development of 223 hectares of the Pavas Molina land

PACTIA

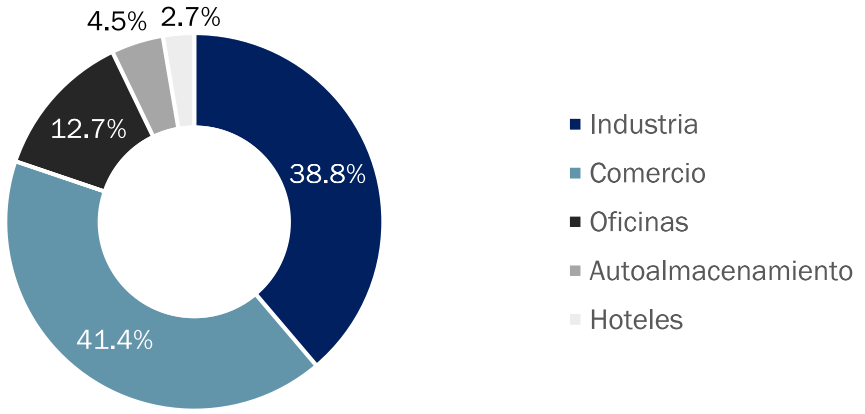
- Positive results in terms of value for Pactia real estate fund. Since the inception of Proteccion on January 20, 2017, the fund has increase the value of the unit with annual effective yields of 7.7%, recording a value per unit of 10,332.7 as of June 30, 2017 .
- Re inauguration of the Gran Plaza Soacha Shopping Center.
- Internationalization strategy is consolidated with the acquisition of a lot in Miami for real estate development.

Operational figures– Real estate portfolio, Pactia

Stake in Pactia (%)



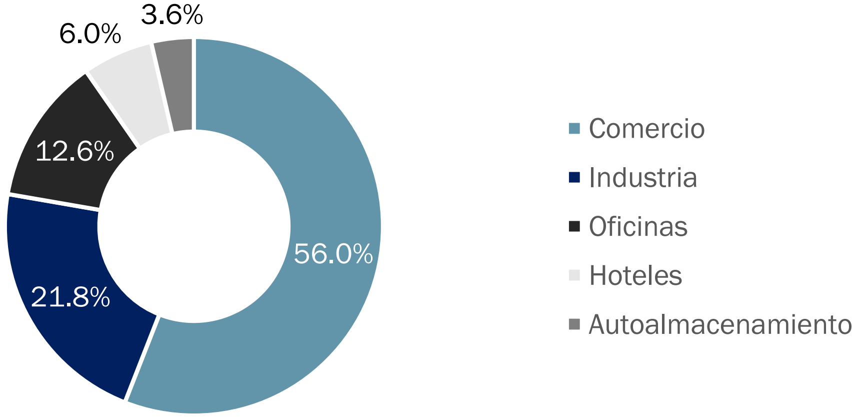
GLA 518,481 m^2



Revenues and NOI

Billions COP$	2Q2017	2Q2016	Var.(%)	1H2017	1H2016	Var.(%)
Effective Gross Revenue	53,718	46,902	15%	103,462	91,322	13%
Operating Costos	16,449	13,519	22%	32,469	27,413	18%
Net Operating Income	37,269	33,382	12%	70,994	63,908	11%
Consolidated EBITDA	23,289	29,252	-20%	50,883	56,729	-10%
EBITDA Margin	43%	62%	-190pb	49%	62%	-130pb

NOI COP 37,269 mill 2T17



GRUPO ARGOS