GRUPO ARGOS

Results Presentation

3Q 2017

IMPORTANT NOTE

This presentation contains certain forward-looking information and statements related to GRUPO ARGOS and its subsidiaries that are based on knowledge of current events, expectations and forecasts, circumstances, and assumptions of future events. Many factors could cause the future results, performance or achievements of GRUPO ARGOS and its subsidiaries to be different to those expressed or assumed herein.

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.

COHERENCE AND DISCIPLINE IN OUR STARTEGY: LEVERAGE OF EXCELENT RESULTS

1 Simplification and focus 2 Portfolio profitability 3 Profitable growth 4 Efficient capital allocation

TYPE OF HOLDING: ACTIVE MANAGER

2014
- ✓ 6.3 mm **Sura PF** shares divested

2015
- ✓ **Divestment** of 300 thousand shares of **Sura PF**
- ✓ **Divestment** of 5 mm shares of **Bancolombia Ord**

2016
- ✓ **Completed acquisition of 98.6% of Odinsa**
- ✓ **Divestment** of 2.2 mm of **Sura PF** shares
- ✓ **Divestment** of 7.7 mm shares of **Bancolombia Ord**

Sept 2017
- ✓ **Acquisition of 30% of Opain (Control 65%)**
- ✓ **Optimization and simplification of Odinsa´s portfolio**
- ✓ **Divestment of Compas**
- ✓ **Reached shareholding participation in Odinsa of 99.7%**
- ✓ **Close and first debt disbursement for the 4G project Pacifico II**
- ✓ **Odinsa issues COP 400bn in bonds (oversubscribed 2.23x)**
- ❖ Intentions to **simplify the energy business** with the announcement of Celsia to **acquire up to 14% of EPSA and issue up to 350 mm of shares**
- ❖ Divestment of land parcels with profitability focus




SALE OF COMPAS REAFFIRMS OUR COMMITMENT TO MANAGE EFFICIENTLY OUR INVESTMENT PORTFOLIO

Strategic 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

Accounting Impact on Grupo Argos

COP billion	P&L separate	P&L consolidated
Revenues from sale of shares	COP 403	COP 403
Cost of shares	COP 182	COP 250
Ebitda of the operation	COP 221	COP 153

- Accounting effects at the consolidated level will imply a reduction in profit of -COP 4 bn/ year on the equity method

Contribution to the 3Q17 strategy

Change in the debt profile

Amortization: COP 195 bn

Gross debt / adjusted Ebitda 2.2x

Cash position 3Q17
COP 267 bn

CELSIA'S ANNOUNCEMENT IS IN LINE WITH OUR SIMPLIFICATION AND EFFICIENT CAPITAL ALLOCATION STRATEGY

Simplification of the strategic architecture of Grupo Argos

- Consolidation of the energy business in a single vehicle
- Greater clarity of the holding structure for the market

Strengthening of the energy business

- Capitalization with the issuance of up to 350 million shares
- Strengthen the capital structure necessary for the businesses to continue its profitable growth
- Leverage reduction
- Strengthening of Celsia's cash flow

Value reveal

- Recognition of the value of EPSA, unleashing a cascade of value for both the shareholders of Grupo Argos and those of Celsia

In a framework of transparency and equitability for minority shareholders

- Market operations
- Independent valuers
- Decisions taken by independent members of the board of directors of Celsia

GRUPO ARGOS AND ITS SUBSIDIARY CEMENTOS ARGOS RECOGNIZED AS GLOBAL LEADERS IN SUSTAINABILITY

Sustainability as the axis of our strategy

Dow Jones Sustainability Indexes

Included for the 5th consecutive year as members of the Dow Jones Sustainability Global Index

The index evaluated 2,500 companies this year and selected only 319 to be part of the index

MILA MERCADO INTEGRADO LATINOAMERICANO

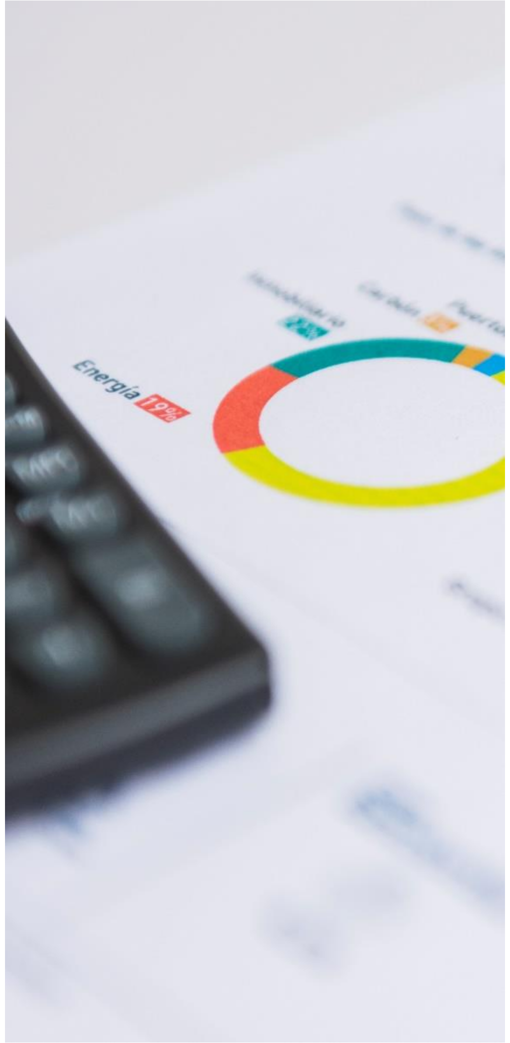
Included in the Dow Jones Sustainability Index Mila Pacific Alliance, the first of its category for the region

Composed of the 42 issuers from Chile, Colombia, Mexico and Peru with the highest sustainability ratings

- ✓ **Strengthens trust** with our groups of interest
- ✓ Allows investors to **identify opportunities that generate long-term sustainable value**
- ✓ **Seeks to promote ESG criteria** (environmental, social, government) for investment strategies in the MILA

Grupo Argos

CONSOLIDATED RESULTS REFLECT SUCCESSFUL CAPITAL ALLOCATION STRATEGY WITH 29% EBITDA MARGIN, THE HIGHEST IN THE LAST 2 YEARS



3Q17 consolidated

Revenues
COP 4.1 trillion

EBITDA
COP 1.2 trillion → Margin 29%

Net income
COP 452 bn

Net income for the parent company
COP 340 bn

CONSOLIDATED RESULTS

- **Revenues increased 20% in 3Q17** after a positive contribution from the sale of Compas (COP 403 bn), in line with an efficient capital allocation strategy
- **Ebitda increase of 28% Y/Y for a margin of 29% in 3Q17**
  - Positive contribution to the Ebitda from all businesses
  - Compas +COP 153 bn after disinvestment
  - Concessions +COP 11 bn, Energy +COP 16 bn, Cements + COP 15 bn
- **Net profit for the parent company of COP 340 bn, growing 116% Y/Y**

INDIVIDUAL RESULTS

- **Individual revenues grow 253% in 3Q17** in line with portfolio simplification strategy with revenues from the sale of Compas
- **Ebitda margin of 56%** for the quarter and year to date
- **Leverage indicator at a separate level closes at 2.2x** due to higher Ebitda generation
- For the 3Q17 Grupo Argos closes with a **relevant cash position of COP 267 bn**

GRUPO ARGOS
ARGOS CELSIA ODINSA

RESULTS AT CONSOLIDATED LEVEL WITH GROWTH IN ALL LINES. POSITIVE CONTRIBUTION OF THE CEMENT BUSINESS FOR THE FIRST TIME IN 2017

RELEVANT FIGURES

Consolidated income statement

	COP bn	3Q2017	3Q2016	YoY	Sept 17	Sept 16	YoY
1	**Revenue**	4,066	3,402	19.5%	10,988	10,829	1.5%
	Cost, Expenses and other income	3,237	2,738	18.3%	9,107	8,915	2.2%
	Operating Profit	829	664	24.8%	1,881	1,914	-1.7%
2	**EBITDA**	1,193	936	27.5%	2,932	2,780	5.5%
	EBITDA Margin (%)	29.3%	27.5%	180 pb	26.7%	25.7%	100 pb
3	**Net Income**	452	328	37.6%	812	912	-11.0%
	Net Margin	11.1%	9.6%	140 pb	7.4%	8.4%	100 pb
	Controlling Net Income	340	158	115.7%	566	410	38.2%
	Controlling Net Margin	8.4%	4.6%	380 pb	5.2%	3.8%	140 pb

NOTES

1
- ✓ **Positive contribution** from the **cement and energy businesses for the first time in 2017**
- ✓ Includes the **divestment of Compas with a contribution of COP 403 bn**
- ✓ Increase in the **contributions of the concessions** mainly due to the consolidation of **Opain**

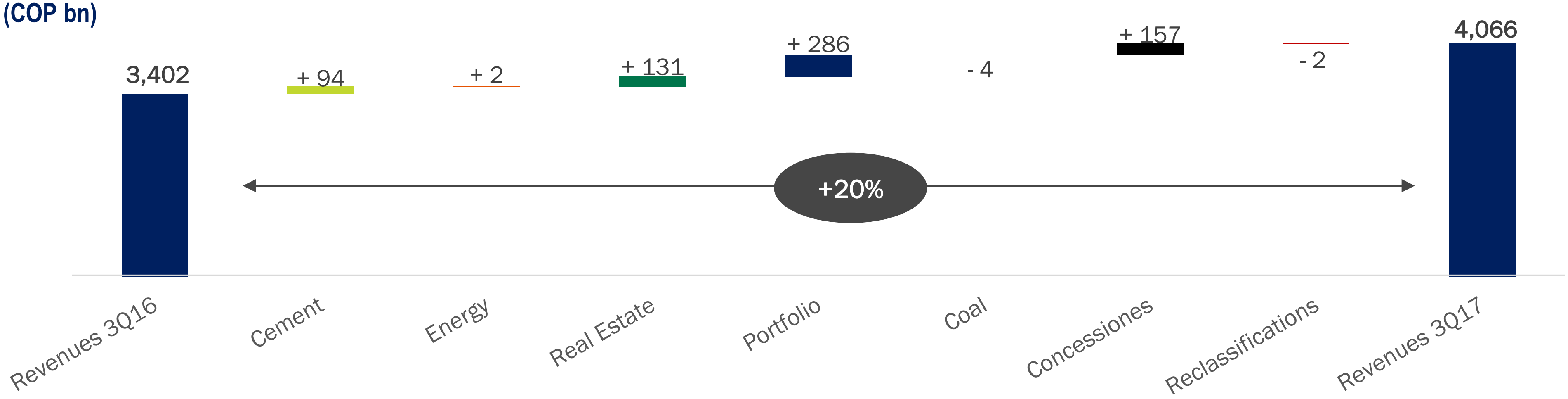
2
- ✓ Positive **contribution from Cement business** due to stabilization of prices in Colombia and positive environment in the US in line with the change in trend observed in June
- ✓ Increase from **Energy business** contribution due to **lower generation cost** given the normalization of water conditions
- ✓ Positive contribution from **divestment of Compas COP 153 bn**

3
- ✓ Growth in **net financial expenses (+ 7% YoY) and taxes (+ 8% YoY) below growth in Ebitda (+ 28% YoY)**
- ✓ Growth in financial expenses from: bridge loan for the acquisition of Martinsburg, consolidation of ADN and BTA in the Dominican Republic and consolidation of Opain
- ✓ **Net profit of the controller accumulated year to date grows 116% YoY**

ADEQUATE PORTFOLIO ALLOCATION REFLECTED IN THE POSITIVE CONTRIBUTION OF ALL BUSINESSES TO REVENUE AND EBITDA

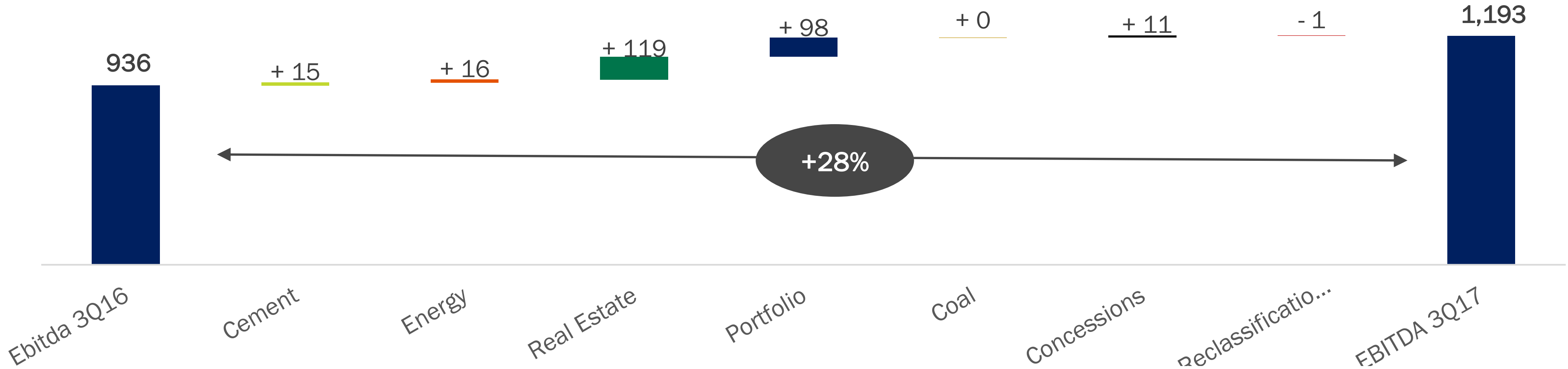
BUSINESS CONTRIBUTION

REVENUES (COP bn)



BUSINESS CONTRIBUTION

EBITDA (COP bn)



- Portfolio includes dividends received and equity method and divestments
- Real Estate includes divestment of lots and adjustments for valuation

GRUPO ARGOS

ARGOS CELSIA ODINSA

INDIVIDUAL EBITDA REFLECTS COMPASS DIVESTMENT AND RECOVERY OF CEMENTOS ARGOS AND CELSIA

RELEVANT FIGURES

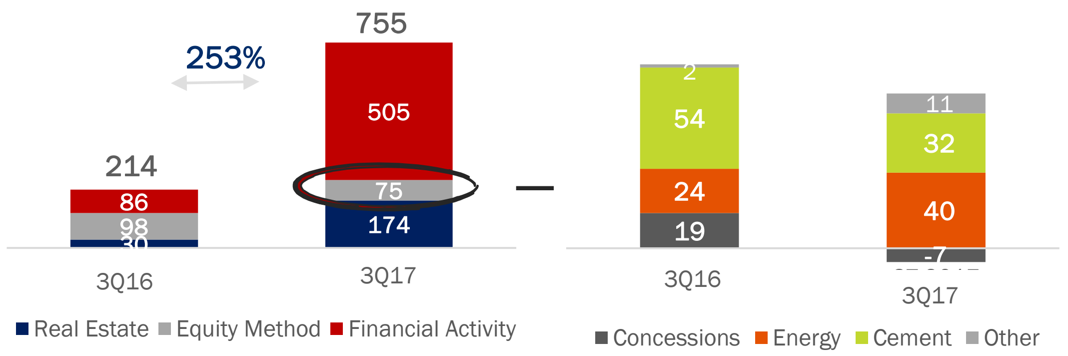
Individual income statement

COP billions	3Q2017	3Q2016	Var (%)	Sept-2017	Sept-2016	Var (%)
1 **Revenue**	**755**	**214**	**253%**	**1,142**	**496**	**130%**
2 Costs	297	78	281%	391	81	386%
Expenses and other Income	54	26	108%	132	103	27%
Operating Profit	404	110	267%	619	312	99%
3 **EBITDA**	**420**	**111**	**278%**	**640**	**324**	**97%**
EBITDA Margin (%)	56%	52%	372pb	56%	65%	-934 pb
Net Income	**333**	**48**	**601%**	**482**	**183**	**163%**
Net Margin (%)	44%	22%	2190pb	42%	37%	520 pb

NOTAS

1

Revenues distribution 3Q 2017



- ✓ Financial activity includes income from sale of Compas (COP 403 bn)
- ✓ Increase in real estate business income for the valuation of lots
- ✓ Equity method reflects higher contributions from the energy business and a decrease in the contribution from concessions for adjustments in the progress of the work in Aruba and construction costs in AKF

2

- ✓ Higher costs in 3Q17 explained by the sale of Compas that was registered in books at COP 182 bn
- ✓ Higher expenses explained by higher depreciation and expenses associated with the sale of Compas and issuance of commercial paper. Pro-forma administrative expenses would have been of COP 14 bn (-18%), eliminating these non-recurring expenses

3

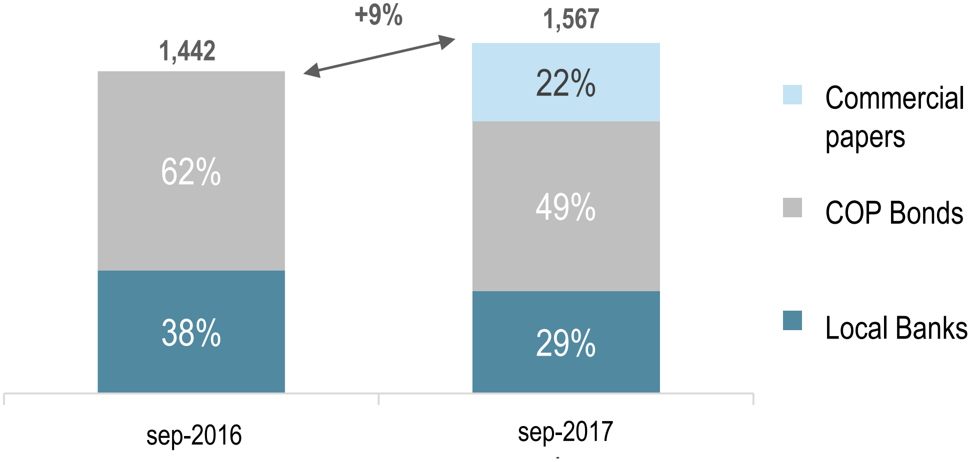
- ✓ Net profit for the quarter of COP 333 bn, 6x higher than that registered in 3Q16
- ✓ Net financial expenses fall 11% to COP 93 bn

GRUPO ARGOS
ARGOS CELSIA ODINSA

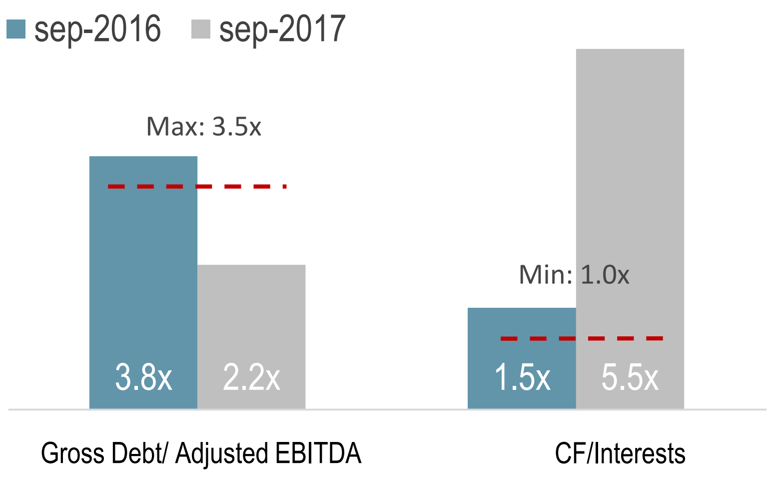
LEVERAGE INDICATOR AT THE INDIVIDUAL LEVEL CLOSES AT A MINIMMUM OF 2.2X, WITH CASH POSITION CLOSING AT COP 267 BN

DEBT

COP bn



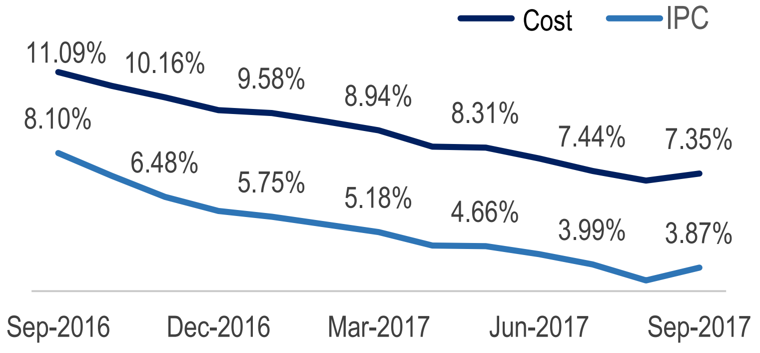
LEVERAGE RATIOS

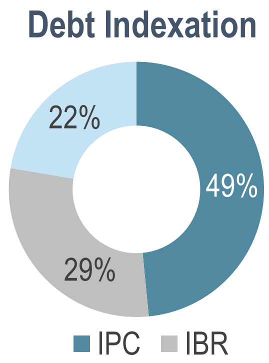


Adjusted EBITDA** (COP billions) (12 months)**

- sep-2016: 376
- sep-2017: 707

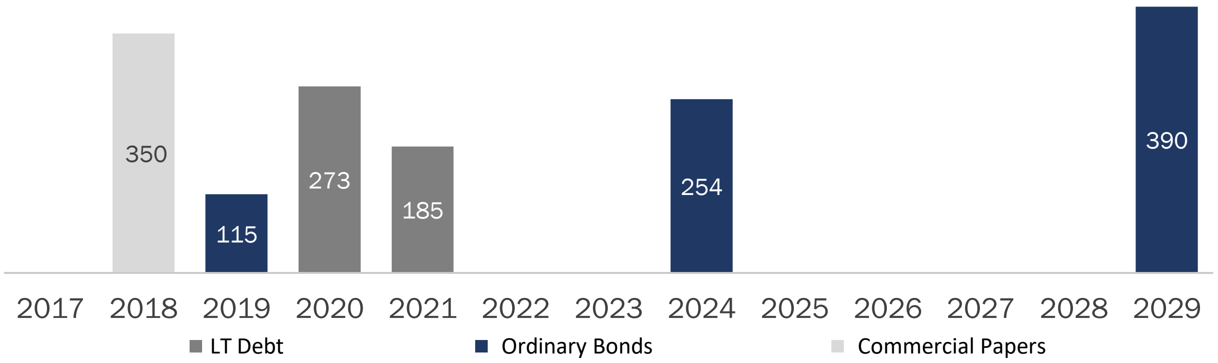
COST OF DEBT*





DEBT PROFILE

COP bn



*Includes only capital balance. Current inflation for the month

** Adjusted EBITDA = EBITDA (-) Equity method (+) Dividends received (+) Divestments revenues– Corporate Rating Methodology

GRUPO ARGOS

Concession Business

MARKET CONFIDENCE IN A ROBUST PORTFOLIO WITH STRATEGIC FOCUS


Autopistas del Nordeste

3Q17 consolidated

Revenues
COP 200 bn

EBITDA
COP 73 bn
→ Margin 36%

Net income for the parent company
COP 2 bn

HIGHLIGHT OF THE QUARTER

- Issuance of **Odinsa bonds for COP 400 bn** with an **overdemand of 2.32x**, which shows **confidence in the strategy of the company**
  - First issuer of the real sector in the last 10 years in going to market with a AA- rating
  - Technical price for a AA- issuance of 150 pbs of spread over financial AAA, Odinsa achieved 95bp of spread
  - Increase in the average life of the debt in ~ 1.5 years
  - Odinsa funding costs decrease by ~ 170 bp
- **First disbursement of Pacifico II financing, with great support from the national and international financial system**, essential to achieve the viability of the 4G projects
  - Total value of financing = USD 250 mm + COP 510 bn
  - Itaú achieved syndication of credit in dollars with five recognized international financial institutions

THE QUARTER REGISTER INCREASE IN VEHICLE TRAFFIC AND AIR PASSENGERS OF 3%

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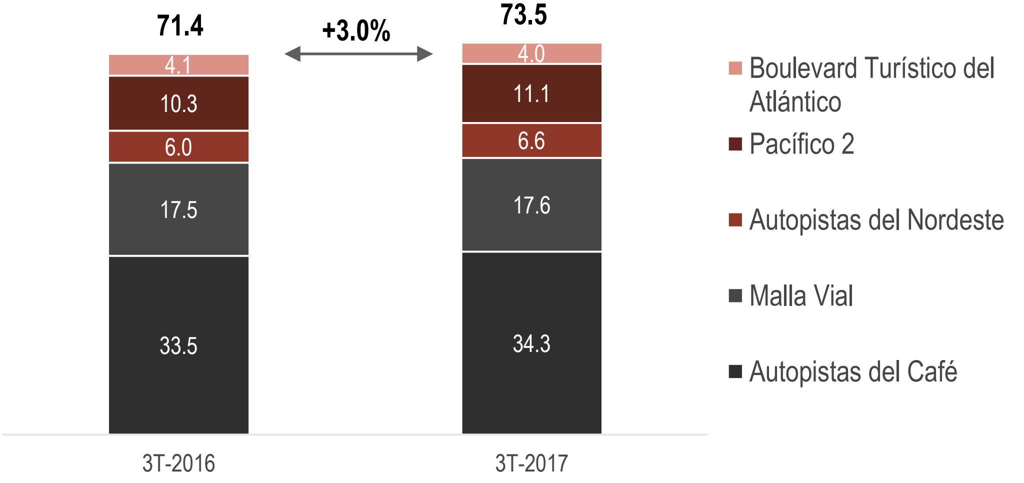
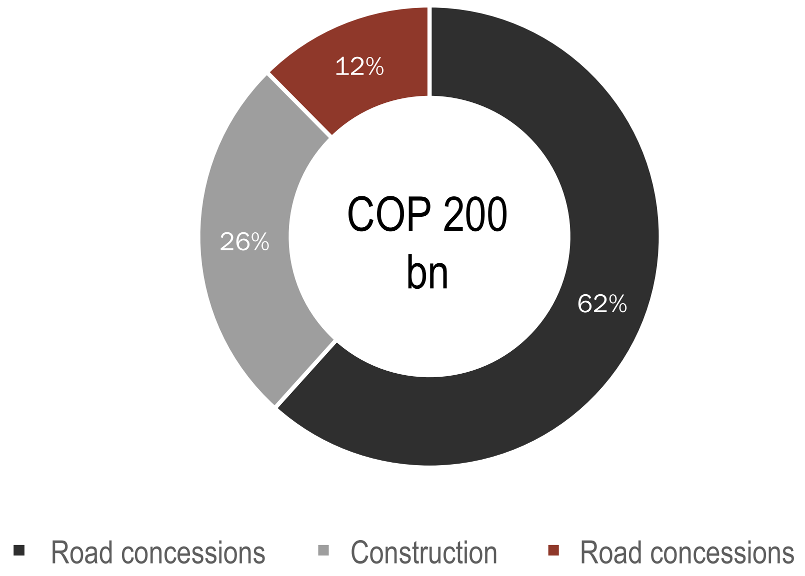
ARGOS CELSIA ODINSA

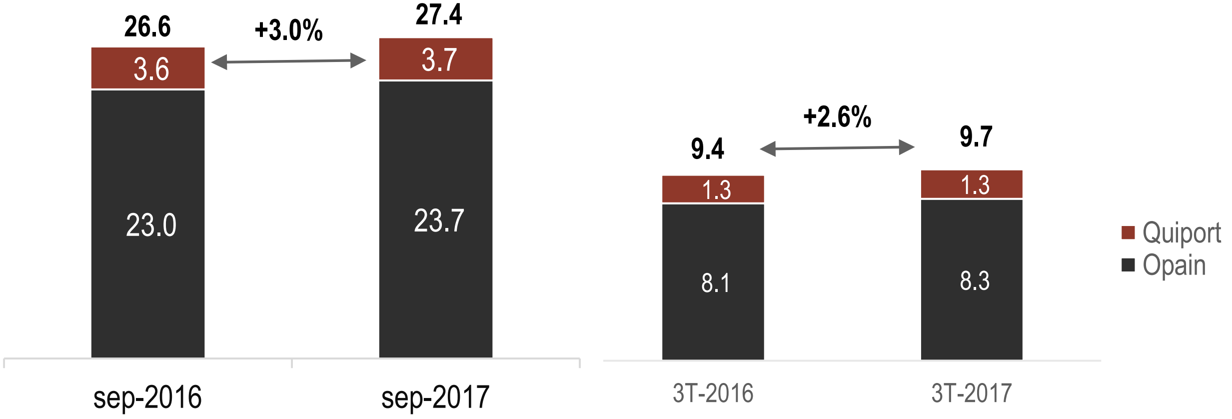
AVERAGE DAILY TRAFFIC
Thousand



REVENUES BREAKDOWN
COP bn

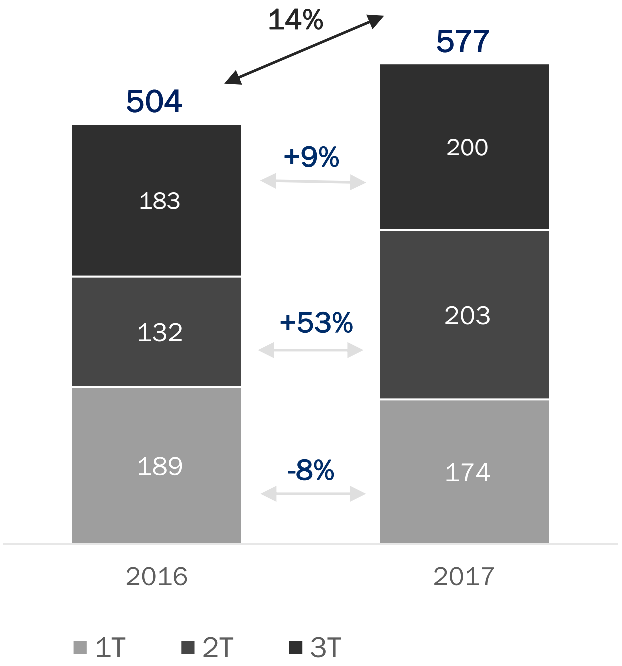


AIRPORT TRAFFIC
mm of passengers

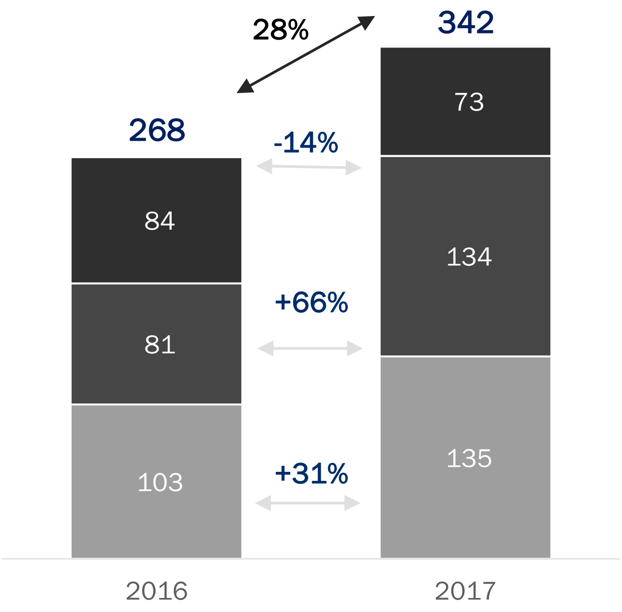


EBITDA FOR THE QUARTER AFFECTED BY NON-RECURRING EXPENSE IN AKF'S WORK. ACCUMULATED EBITDA GROWS 28% Y / Y

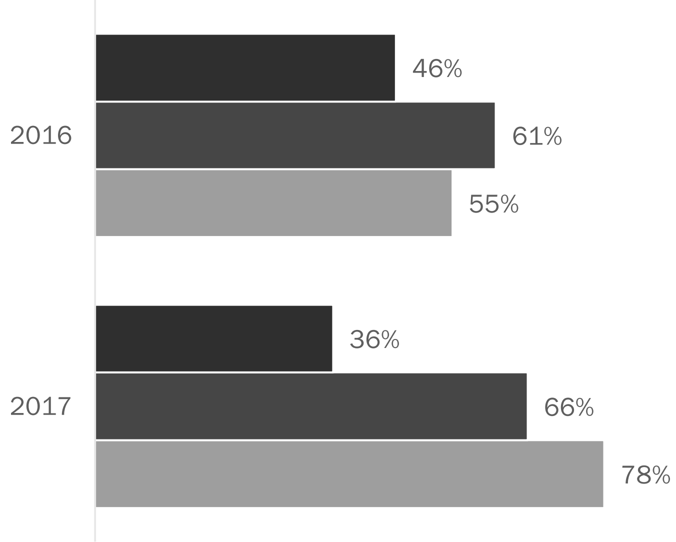
REVENUES
COP bn



EBITDA
COP bn



EBITDA MARGIN



- ✓ Ebitda and Ebitda margin for 3Q affected by a refund for non-execution of works in the AKF Concession of COP 33 bn. Without considering the extraordinary item attributed to Autopistas del Café, Ebitda would have registered a growth of 40%, for an EBITDA figure of COP 375 bn year to date.
- ✓ Year to date Ebitda margin higher than the previous year (59% vs. 53%) after consolidation of DNA and BTA
- ✓ Net income closes the quarter with 94% decrease to COP 2 bn due to mentioned adjustment.

GRUPO ARGOS

Cement Business

IMPROVEMENT IN OPERATIONAL RESULTS DESPITE ADVERSE CLIMATIC CONDITIONS IN THE USA AND THE CARIBBEAN

3Q2017

REVENUES
COP 2.1 tr

EBITDA*
COP 407 bn → Margin 19%

Net Income
COP 65 bn

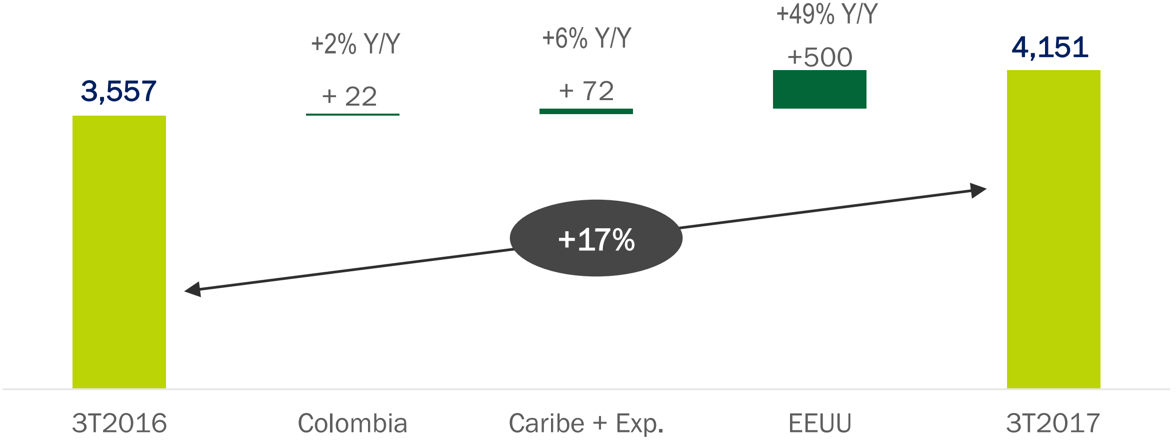
HIGHLIGHT OF THE QUARTER

- **Improvement in operating results is highlighted despite the hurricane season** in the US and the Caribbean that affected the economic dynamics
- **Materialization of the BEST efficiency program in the operating results for 3Q17**, reflected in a better Ebitda
  - **USD10 / TM reduction in costs** in Colombia very close to the target of USD12 / TM
  - **Adjusted EBITDA of COP 428 bn for 3Q17**- eliminating payments for dismissals and early retirement
- **Net result of COP 65 bn**, the highest reached so far during 2017

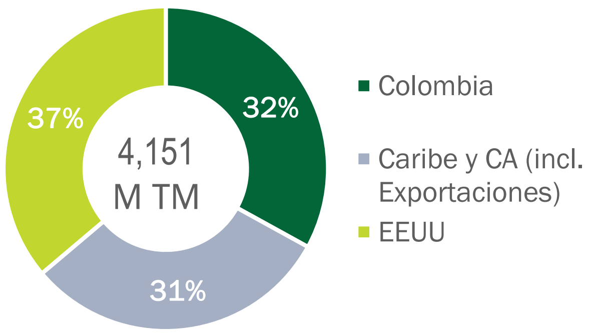
* Ebitda adjusted for non-recurrent expenses associated with the Best efficiency program of COP 428 bn for an Ebitda margin of 19.5%

GROWTH IN CEMENT VOLUMES TROUGH ALL REGIONS

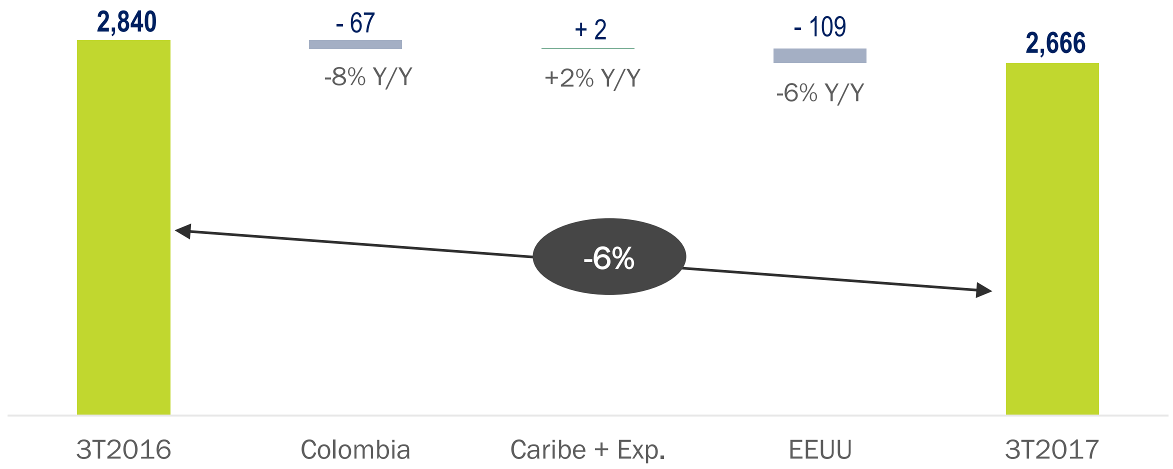
CEMENT VOLUME
(TMT)



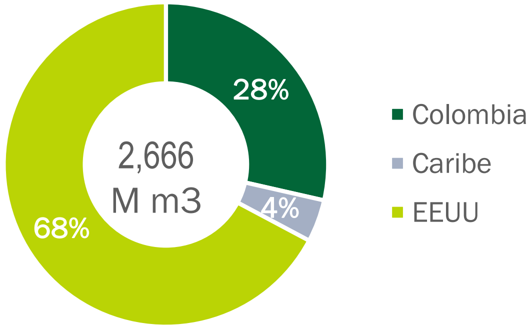
CEMENT VOLUMES
3Q17



READY MIX VOLUME
(TCM)



READY MIX SALES
3Q17



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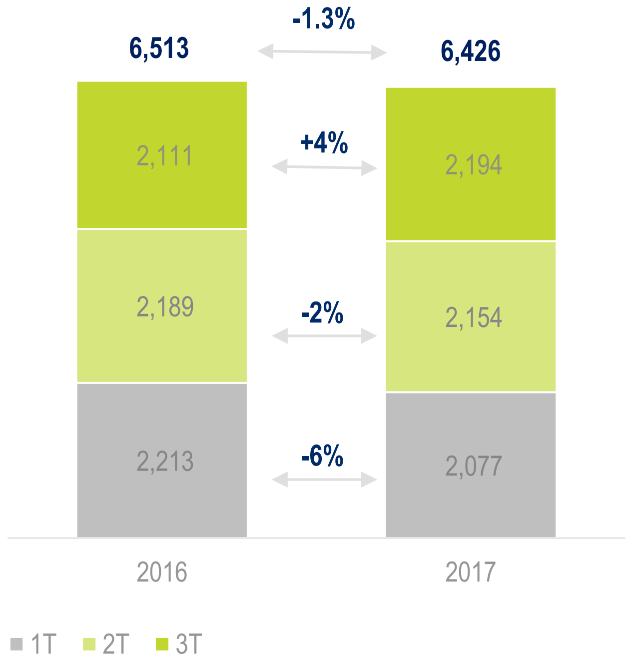
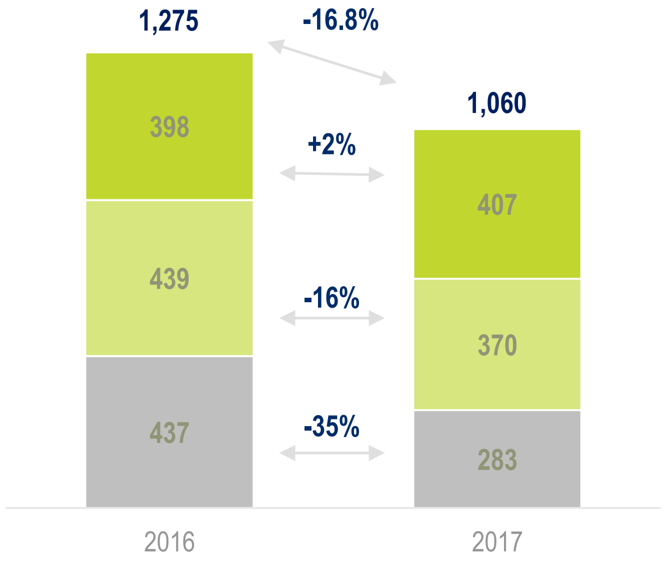
ARGOS CELSIA ODINSA

3Q17 CLOSES WITH ANNUAL GROWTH IN REVENUES AND EBITDA AND A STABLE EBITDA MARGIN COMPARED YOY

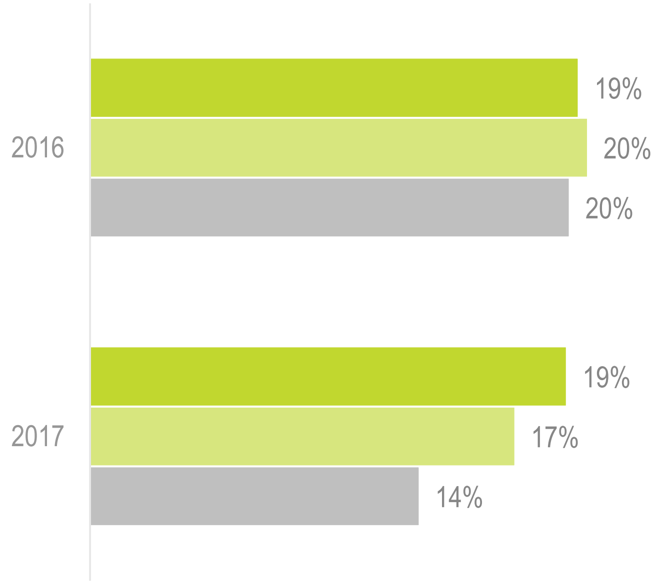
REVENUES
COP bn



EBITDA
COP bn



EBITDA MARGIN



- ✓ For the first time in the year there is an annual growth in revenues and EBITDA during 3Q17
  - ✓ Efficiencies derived from the BEST program in Colombia
  - ✓ Two price increases in Colombia from the minimum in 2Q17
- ✓ Ebitda proforma (adjusted for advanced pensions and other extraordinary expenses) grows 8% Y / Y
- ✓ Net income 3Q17 COP 65 bn, the highest quarterly net profit recorded so far this year

Energy Business

IN 3Q17 CELSIA INAUGURATES FIRST 9.8MW SOLAR PLANT, A FIRM STEP IN ITS STRATEGY TO DIVERSIFY ITS GENERATION MATRIX

3Q2017

REVENUES
COP 785 bn

EBITDA
COP 294 bn → Margin 37%

Net Income
COP 93 bn

Net income for the parent company
COP 66 bn

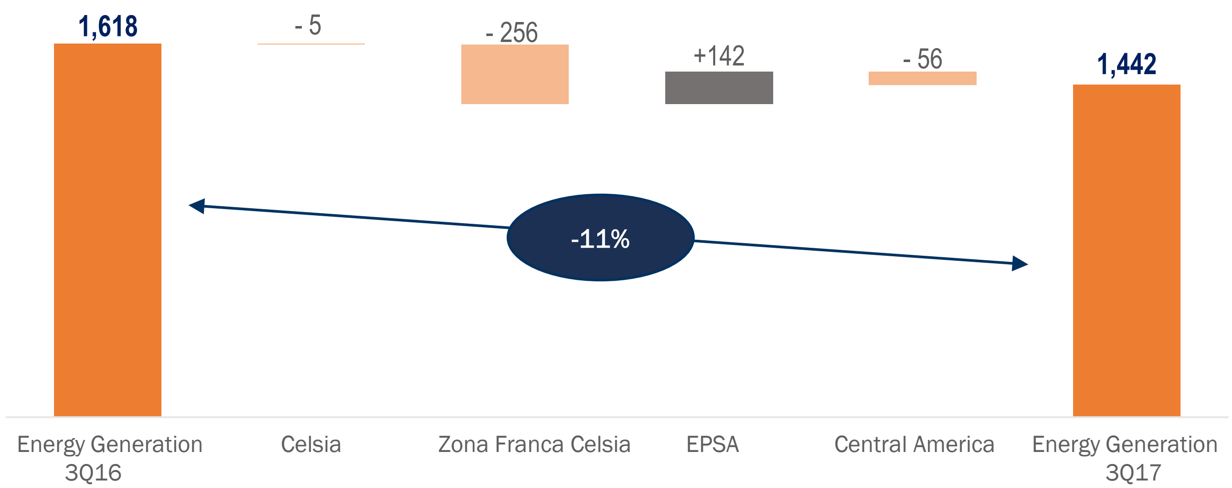
HIGHLIGHT OF THE QUARTER

- **Revenues remain stable** growing 1% YoY despite low energy prices in Colombia
  - Greater income from distribution assets to the system
- **Ebitda increases 20% YoY, a remarkable recovery in profitability**
  - Most efficient operation in Colombia
  - Stability of the distribution and commercialization business
- The net result attributable to the owners of the parent registered a gain of COP 66 bn vs. COP 34 bn in 3Q16
- Net debt / Ebitda of 3.28x in 3Q17 vs. 3.75x in 3Q16
- Celsia Solar Yumbo, with a capacity of 9.8 MW, entered into commercial operation on September 3. The company has a portfolio of 200 MW solar projects
- The implementation of the Plan 5 Caribe project that strengthens the network in that region

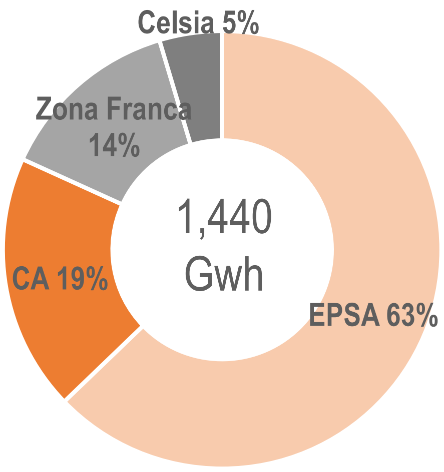
OPERATIONAL FIGURES REFLECT A LOWER THERMAL GENERATION OFFSET BY A GREATER HYDRO GENERATION FROM EPSA

GENERATION

GWh

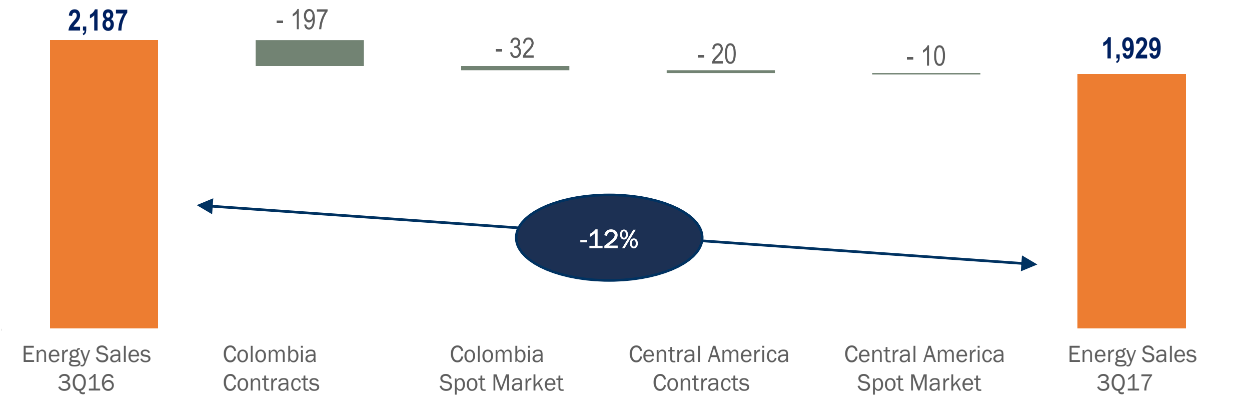


GENERATION MIX



ENERGY SALES

GWh

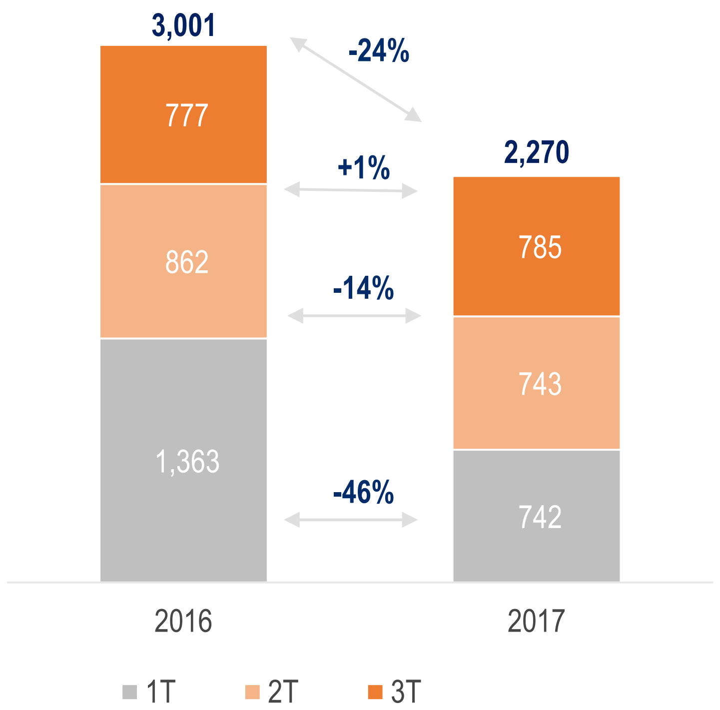


- ✓ Consolidated generation of 1,442 GWh in 3Q17, 11% lower Y/Y
- ✓ Energy generated in Colombia = 1,113 GWh.
- ✓ Increase of 20% in hydraulic generation
- ✓ Thermal generation decreased 56%.
- ✓ Spot prices 3T17 COP 96 / kWh, -40% A / A (COP 159 / kWh).
- ✓ Average contract price of COP 178 / kWh (+ 7% Y / Y)

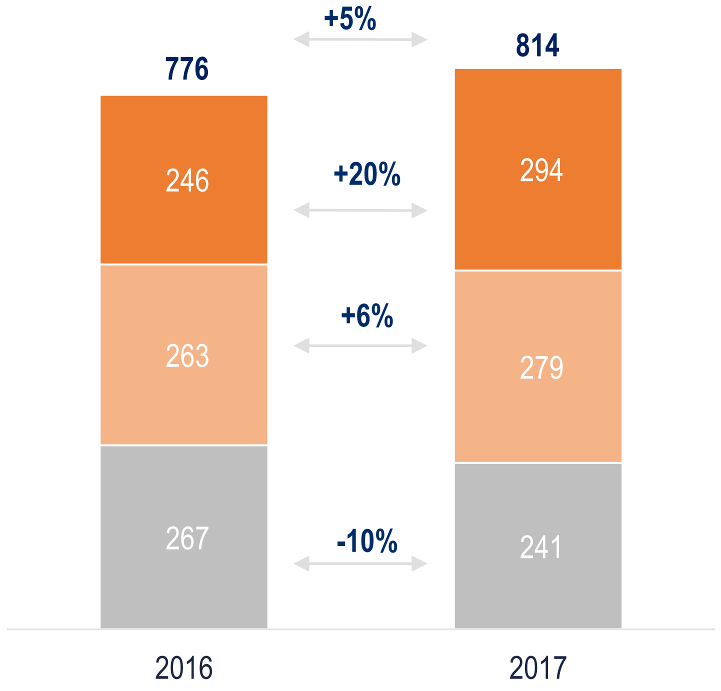
GRUPO ARGOS

CELSIA CONTINUES TO IMPROVE ITS PROFITABILITY WITH A RISE OF 20% YoY IN EBITDA

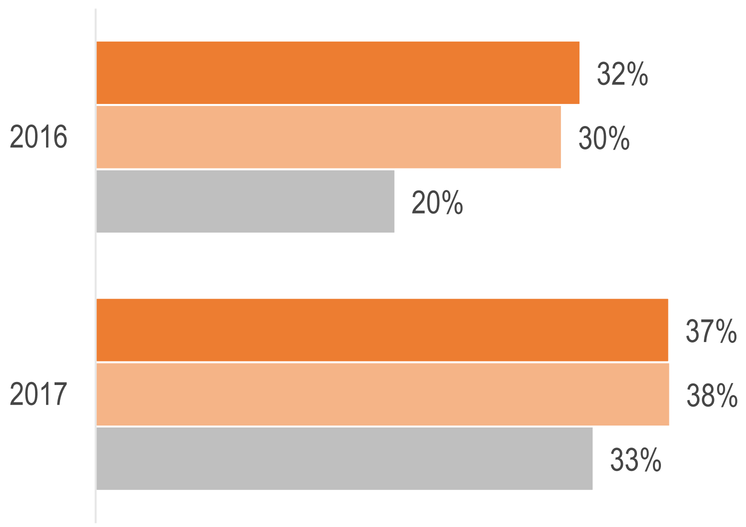
REVENUES
COP bn



EBITDA
COP bn



EBITDA MARGIN



- ✓ **Consolidated revenues reached COP 785 bn with an increase of 1%** compared to the same period of 2016 despite lower energy prices in Colombia for the quarter
- ✓ **Consolidated sales cost to 3Q17 of COP 527 bn, lower by 6%** due to a greater participation of water generation. In Colombia, the cost of sales was lower by 9% due to lower fuel costs and less energy purchase given the lower thermal power generation
- ✓ **Consolidated EBITDA of COP 294 bn 20% more than in 2016**, largely due to the contribution of the generating plant in Colombia, which added COP 120 bn, the stability in the distribution and commercialization businesses that contributed COP 88 bn and the good performance of Central America that participated with US29 mm. So far this year, the consolidated EBITDA reaches COP 815 bn, 5% higher than that observed in 2016
- ✓ Net income in 3Q17 of COP 93 bn, COP 180 bn year to date. Accumulated net profit attributable to the owners of the controlling company amounts to COP 110 bn

GRUPO ARGOS

Real Estate Business

ADVANCES THE NEGOTIATION OF LAND AND CONSOLIDATES REAL ESTATE PORTFOLIO THROUGH ALLIANCE WITH PROTECCION PENSION FUND

GRUPO ARGOS Desarrollo Urbano

- Progress in the negotiation of land.
- For the quarter, 19 thousand m2 were sold and COP 29 bn of income was recognized for the sale of lots
- Cash flow for 3Q17 of COP 44 bn for an year to date cash flow of COP 90 bn
- Valuations for the period were recognized and accounted for COP 114 bn, this in line with the fair value policy adopted (these results also include what corresponds to Grupo Argos for the valuation of Pactia, the private equity fund.

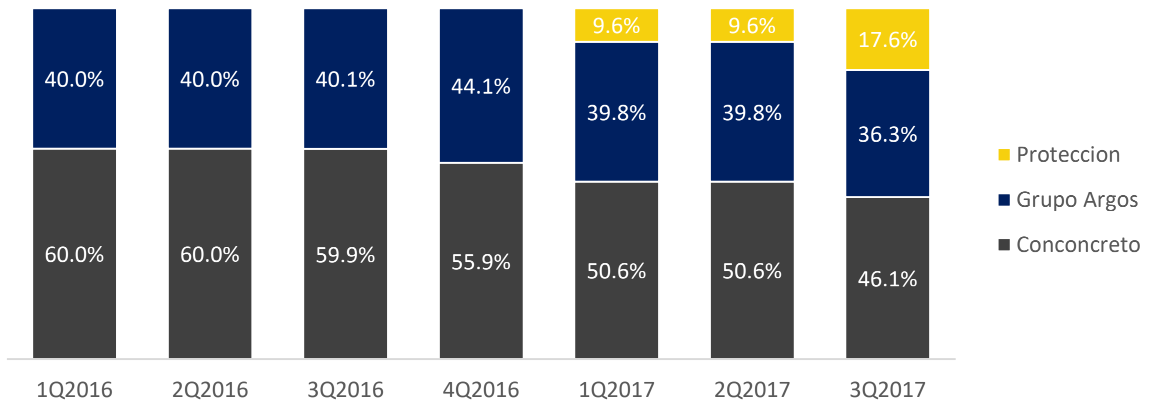
PACTIA

- 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 10,523.9 as of September 30, 2017 .
- Internationalization process in the United States in progress after acquisition of assets in Washington and lots for development in Miami.
- COP 15 bn distributed to investors
- The investment committee made a call for capital to Protection for COP 170,000 mm
- Start of operations of the Gran Plaza Bosa Shopping Center, located in Bogotá and Buró 25 office building, located in Bogotá

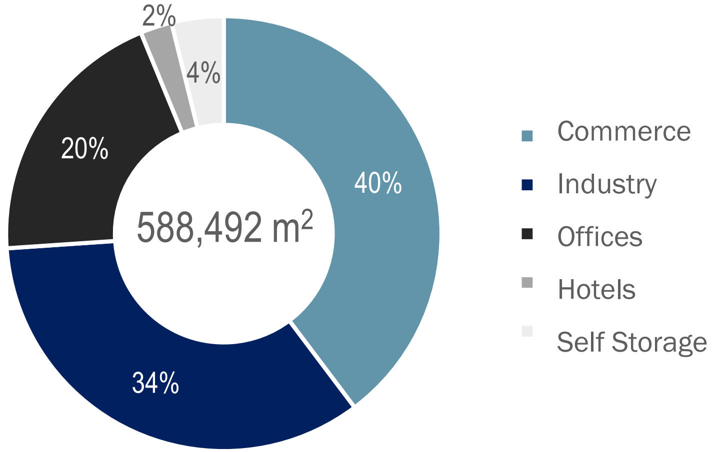
OPERATIONAL FIGURES– REAL ESTATE PRIVATE EQUITY FUND, PACTIA

STAKE IN PACTIA

%



GLA



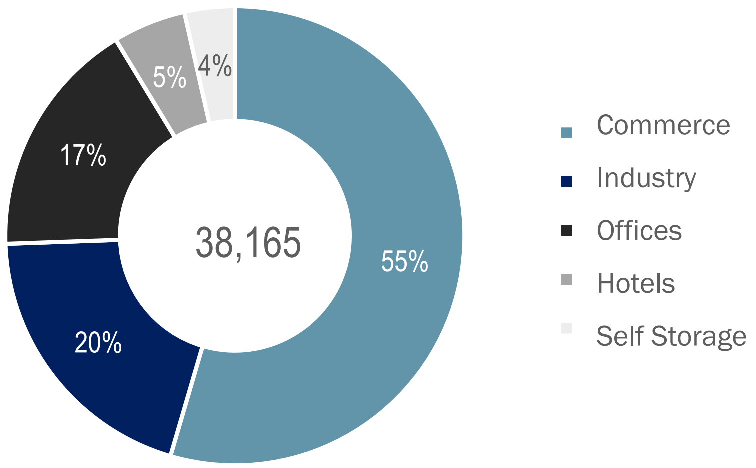
REVENUES AND NOI

COP mm

	3Q2017	3Q2016	Var.(%)	Sept 2017	Sept 2016	Var.(%)
Effective Gross Revenue	51,589	41,920	23.1%	155,051	133,242	16.4%
Operating Costos	13,424	11,715	14.6%	45,892	39,128	17.3%
Net Operating Income	38,165	30,205	26.4%	109,158	94,114	16.0%
Consolidated EBITDA	27,020	25,311	6.8%	77,903	82,040	-5.0%
EBITDA Margin	52.4%	60.4%	(800 pb)	50.2%	61.6%	(1,132 pb)

NOI

COP mm




GRUPO ARGOS
DE SERVICIO