

Q2 2010 Report

During the first half of this year, Inversiones Argos posted an EBITDA of COP 457 thousand million for a 13% increase compared to the same period last year

For H1 2010, Inversiones Argos posted COP 1.8 billion (USD 906 million) in consolidated operating revenues, which were 6% lower than for the same period last year. EBITDA came to COP 457 thousand million (USD 236 million), showing a 13% increase compared to H1 2009. Consolidated net earnings totaled COP 190 thousand million, having dropped by 25% compared to the same period last year, given the amount of extraordinary earnings obtained from the sale of coal-mining assets belonging to Cementos Argos during the first half of 2009.

With regard to Inversiones Argos' individual financial statements, assets came to more than COP 11.2 billion for an 11% increase against those recorded at year-end 2009 with liabilities totaling COP 637 thousand million for a 40% increase versus year-end 2009, this due to the amount of short-term loans amounting to COP 119 thousand million that were taken out in order to attend its normal course of business and which were duly authorized by its Board of Directors, as stated in the Relevant Information report issued on June 28.

This increase in assets and shareholders' equity is mainly due to the higher value of its investment portfolio and the purchase of shares in Grupo de Inversiones Suramericana and the Compañía Colombiana de Inversiones during the first half of this year. On a YTD basis, Inversiones Argos' investments have posted a gain of COP 756 thousand million, mainly due to share prices for both Grupo de Inversiones Suramericana and Compañía Colombiana de Inversiones having increased by 22.1% and 21.9% respectively. Cementos Argos' own share also posted a gain of 5.6% during H1 2010.

Since Cementos Argos S.A. and Compañía Colombiana de Inversiones S.A. are Inversiones Argos' main assets, we recommend that investors refer to the Relevant Information Reports released by these same companies showing their H1 2010 results.

Argos' Investment Portfolio at June 30, 2010:

Company	% Stake Held	Share Price (In COP) *	Value at 30/06/2010 (In COP millions)	% Portfolio Weighting
Cementos Argos	62,2%	11.400	8.166.436	63,3%
Grupo Suramericana	9,1%	29.960	1.285.550	10,0%
Colinversiones	48,7%	6.240	2.188.537	17,0%
Bancolombia	3,9%	23.760	467.205	3,6%
Grupo Nal. de Chocolates	4,7%	20.700	420.275	3,3%
EPSA **	11,9%	9.165	376.990	2,9%
Fabricato - Tejicondor	1,1%	29	2.674	0,0%
TOTAL			12.907.667	100,0%

* Closing price at June 30, 2010

** The EPSA share price is its purchase price

INVERSIONES ARGOS S.A.
INDIVIDUAL P&L STATEMENT
At June

In millions of Colombian pesos or US dollars

	Jun. 10	Jun. 09	Var. (%)
Revenues in USD	160,3	116,2	38,0
Operating revenues	308.702	286.350	7,8
Dividends and participations	75.942	35.695	112,8
Revenues via equity method	24.888	214.053	-88,4
Revenue from sales of investments	205.263	10.712	1816,2
Investment appraisals	2.609	25.890	-89,9
Cost of selling off investments	102.614	13	N/C
Cost of selling off investments	102.614	13	N/C
Gross earnings	206.088	286.337	-28,0
Operating expense	2.076	3.901	-46,8
Expense via equity method	-	-	N/C
Administrative expense	1.840	2.436	-24,5
Provisions for investments	92	966	-90,5
Depreciation and amortization	144	499	-71,1
Operating earnings	204.012	282.436	-27,8
Operating margin	66,1%	98,6%	
Operating earnings in USD	106,9	110,3	-3,1
EBITDA	204.156	282.935	-27,8
EBITDA margin	66,1%	98,8%	
EBITDA in USD	107,0	110,5	-3,2
Non-operating revenues	989	3.757	-73,7
Financial	592	3.268	-81,9
Other income	397	489	-18,8
Non-operating expense	13.732	30.477	-54,9
Financial	12.858	29.540	-56,5
Retirement pensions	523	565	-7,4
Other expense	351	372	-5,6
Pre-tax earnings	191.269	255.716	-25,2
Provision for income tax	1.135	1.447	-21,6
Net profits	190.134	254.269	-25,2
Net profits in USD	99,8	98,9	0,8

INVERSIONES ARGOS S.A.
INDIVIDUAL BALANCE SHEET
In millions of Colombian pesos or US dollars

	Jun. 10	Dec. 09	Var. (%)
Current assets	163.400	113.408	44,1
Cash and banks plus temporary investment:	36.998	8.463	337,2
Accounts receivable	126.229	104.945	20,3
Deferred Items	173	-	N/A
Non-current assets	11.105.669	10.017.252	10,9
Permanent investments	8.724.833	8.180.512	6,7
Accounts Payable	6	-	N/A
Property, plant and equipment, net	2.302	2.445	-5,8
Other assets	512	513	-0,2
Intangibles and deferred items	2.829	2.829	0,0
Valuations	2.375.187	1.830.953	29,7
Total assets	11.269.069	10.130.660	11,2
Total assets in USD	5.880,1	4.955,7	18,7
Current liabilities	233.010	50.629	360,2
Financial obligations	119.131	0	N/A
Payables due from related parties	8.589	7.442	15,4
Suppliers and accounts payable	3.983	1.586	151,1
Dividends payable	92.332	31.023	197,6
Taxes and rates	3.356	4.146	-19,1
Labor liabilities and others	998	990	0,8
Other liabilities	4.621	5.442	-15,1
Long-term liabilities	404.362	404.260	0,0
Financial obligations	401.307	401.303	0,0
Pensions payable and others	3.055	2.957	3,3
Total liabilities	637.372	454.889	40,1
Total liabilities in USD	332,6	222,5	49,5
Shareholders Equity in USD	5.547,6	4.733,2	17,2
Shareholders' Equity	10.631.697	9.675.771	9,9
Subscribed and paid-in capital	40.694	40.694	0,0
Capital surplus	553	553	0,0
Surplus on Equity Method	5.622.547	5.281.042	6,5
Reserves	1.748.633	960.867	82,0
Valuation surplus	2.375.187	1.830.953	29,7
Equity revaluation	653.949	655.142	-0,2
Profits for the period	190.134	906.520	-79,0
Liabilities + Shareholders Equity	11.269.069	10.130.660	11,2

INVERSIONES ARGOS S.A.
CONSOLIDATED P&L STATEMENT
At June

In millions of Colombian pesos or US dollars

	Jun. 10	%	Jun. 09	%	Var. (%)
Operating revenues	1.759.872	100%	1.870.315	100%	-5,9
Operating revenue in USD	905,82		804,6		12,6
Variable costs	1.261.898	71,7%	1.414.755	75,6%	-10,8
Cost of goods sold	1.144.750	65,0%	1.285.789	68,7%	-11,0
Depreciation and amortization	117.148	6,7%	128.966	6,9%	-9,2
Gross Profit	497.974	28,3%	455.560	24,4%	9,3
Overheads	198.333	11,3%	222.537	11,9%	-10,9
Administrative expense	109.703	6,2%	126.246	6,7%	-13,1
Selling expense	48.750	2,8%	53.314	2,9%	-8,6
Depreciation and amortization	39.880	2,3%	42.977	2,3%	-7,2
Operating earnings	299.641	17,0%	233.023	12,5%	28,6
Operating earnings in USD	155,42	17,2%	100,7	12,5%	54,4
EBITDA	456.669	25,9%	404.966	21,7%	12,8
EBITDA in USD	236,02	26,1%	174,8	21,7%	35,0
Non-operating revenues	106.255	6,0%	499.230	26,7%	-78,7
Dividends and participations	75.648	4,3%	69.569	3,7%	8,7
Profits (losses) from sales of investments	2.234	0,1%	362.240	19,4%	-99,4
Other income	28.373	1,6%	67.421	3,6%	-57,9
Non-operating expense	185.134	10,5%	283.356	15,2%	-34,7
Net financial expense	96.935	5,5%	140.981	7,5%	-31,2
Losses on sales of fixed assets	2.548	0,1%	7.054	0,4%	-63,9
Other expense	85.651	4,9%	135.321	7,2%	-36,7
Exchange difference	2.372	0,1%	(35.901)	0,0%	106,6
Pre-tax earnings	223.134	12,7%	412.996	22,1%	-46,0
Provision for taxes	13.701	0,8%	50.533	2,7%	-72,9
Minority interest	19.299	1,1%	108.194	5,8%	-82,2
Net profits	190.134	10,8%	254.269	13,6%	-25,2
Net profits in USD	99,76	11,0%	98,9	12,3%	0,8

INVERSIONES ARGOS S.A.
CONSOLIDATED BALANCE SHEET
In millions of Colombian pesos or US dollars

	Jun. 10	Dec. 09	Var. (%)
CURRENT ASSETS	1.684.757	1.877.938	-10,3
Cash and banks	182.767	156.306	16,9
Negotiable investments	293.149	497.264	-41,0
Trade receivables	341.870	277.646	23,1
Accounts receivable, net	498.087	546.037	-8,8
Inventories	340.163	361.135	-5,8
Prepaid expense	28.721	39.550	-27,4
NON-CURRENT ASSETS	17.238.193	16.305.952	5,7
Permanent investments	1.838.958	1.799.391	2,2
Accounts receivable	43.940	57.531	-23,6
Deferred items and intangibles	1.802.342	1.911.710	-5,7
Property, plant and equipment, net	2.856.765	2.870.677	-0,5
Other assets	75.528	77.507	-2,6
Valuations	10.620.660	9.589.136	10,8
TOTAL ASSETS	18.922.950	18.183.890	4,1
TOTAL ASSETS IN USD	9.873,9	8.895,2	11,0
CURRENT LIABILITIES	2.214.362	2.166.393	2,2
Financial obligations	988.691	758.099	30,4
Commercial Paper	250.000	300.000	-16,7
Suppliers and accounts payable	445.571	527.098	-15,5
Dividends payable	145.049	51.671	180,7
Taxes and rates	62.278	198.543	-68,6
Labor liabilities	30.982	28.520	8,6
Other liabilities	263.505	272.108	-3,2
Sundry creditors	28.286	30.354	-6,8
NON-CURRENT LIABILITIES	2.826.482	3.121.617	-9,5
Financial obligations	990.005	1.360.962	-27,3
Labor liabilities	226.277	226.773	-0,2
Deferred items	218.083	131.623	65,7
Bonds outstanding	1.240.000	1.240.000	0,0
Bond placement premium	-12.315	-13.136	6,3
Sundry creditors	164.432	175.395	-6,3
TOTAL LIABILITIES	5.040.844	5.288.010	-4,7
TOTAL LIABILITIES IN USD	2.630,3	2.586,8	1,7
Minority interest	3.852.041	3.641.163	5,8
Minority Interest in USD	2.010,0	1.781,2	12,8
SHAREHOLDERS' EQUITY	10.030.065	9.254.717	8,4
Subscribed and paid-in capital	40.694	40.694	0,0
Capital surplus	553	553	0,0
Reserves	1.343.574	665.664	101,8
Valuation surplus	7.806.230	6.991.213	11,7
Equity revaluation	648.880	650.073	-0,2
Profits for the period	190.134	906.520	-79,0
SHAREHOLDERS EQUITY IN USD	5.233,64	4.527,2	15,6
TOTAL LIABILITIES + SHAREHOLDERS EQUITY	18.922.950	18.183.890	4,1