

Results Presentation 4Q2016



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

2016 a year of actions towards reaching our long term plan

① Strengthened our infrastructure pillar

- **COP1,3 trillion** in investments over 2016.
- Successful acquisition of **44%** of Odinsa, reaching **99%*** shareholding.
- Acquisition of **30%** of Opain, strengthening our airports concessions position.

② Strategic Architects, defining four pursuance focus



Strategic



Financial



Manager



Institutional

③ Built powerful infrastructure portfolio

- Strategic focus on **Cement, Energy and Concessions**
- **COP45 trillion** in AUM
- Complementary sectors
- Articulated portfolio
- Diversified over **geographies, currencies and sectors**

A successful year for Grupo Argos and its affiliates

Consolidated Results 2016

Revenues	14,553
EBITDA	3,620
Net Income	1,132

Separated Results 2016

Revenues	1,097
EBITDA	518
Net Income	352

Cement

Revenues	8,517
Consolidated EBITDA	1,595
Net Income	514

Concessions

Revenues	1,486
Consolidated EBITDA	1,066
Net Income	840

Energy

Revenues	3,795
Consolidated EBITDA	1,015
Net Income	171

A year of concrete events exercising its role as Strategic Architect

REAL ESTATE

Private equity fund started and includes Proteccion Pension Fund.
COP\$ 2,5 trillion AUM.
Increases flexibility to finance expansion plan.
Cash flow stability for dividend distribution.
Accelerate the land bank divestures strategy capturing the maximum value for each piece of land

OPAIN

Grupo Argos acquired 30% of Opain, backing up ODINSA's portfolio strategy.
Grupo Argos now holds control with 65% stake.



SUMMA

Creation of Summa, a **Shared Services Center** for Grupo Argos and its affiliates.
Development and operation of shared processes, contributing to competitiveness.
BUILDING SINERGIES.
Estimated savings of USD 150 mm in the next 6 years.

ODINSA

Assets portfolio optimization with strong focus on roads and airports concessions.
Successful Takeover Bid over ODINSA, increasing our shareholding by 43.8%, mainly backed up by preferred shares of Grupo Argos

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Advances in the consolidation of Grupo Argos as an Infrastructure Holding, backed up by the financial market

El Dorado Airport



99%

Of voting rights
after successful
takeover bid

Acquisition of
**CONTROL
OF OPAIN**

35% + 30%
Odinsa
Shareholding Grupo Argos
Shareholding



Successful Grupo Argos' Takeover Bid (TOB) with
~44% acceptances, reaching a total participation
of **99% in Odinsa**.

The Takeover Bid was successfully backed up by
the financial market. **83%** of the acceptances
opted to receive preferred shares of Grupo
Argos, issuing **~38.7 million preferred
shares**

Odinsa Opain Total
~COP 816 ~COP 480 transactions
bn bn tn
= ~COP\$1,3

**Assets portfolio
Divestment Strategy**

Sell portfolio for
~COP 460 Bn

Land parcels sells for
~COP 110 Bn

**TOTAL
divestures
COP 570 Bn**

Accounting policy change in investment properties to fair value – aligned with nature of business

Adjusted Cost

- Cost of acquisition plus costs necessary to put the asset under operation.
- Is depreciated
- Assets appraisals must be made in a yearly basis and revealed but are not recorded if positive.
- If there is a deterioration in value, it is reflected directly in the revenues and loss statement.

Fair Value

- Cost of acquisition plus costs necessary to put the asset under operation.
- Not depreciated
- The appraisals must be carried out at least annually and their impact, positive or negative, is carried against results. Both impairments and valuations affect the revenues and loss statement.

Advantages fair value policy:

- Greater comparability with companies of the sector, since **90% of the main companies of the real sector that apply IFRS, have this model.**
- **Better reflection of current market conditions**, which would provide a better indicator of the company's net asset position.
- The fair value option **eliminates the depreciation expense** considered to be of little relevance to the real estate industry.
- **It is highly unlikely that the cost model will provide a more relevant presentation.**

Year	Grupo Argos consolidated effect for Investment properties at fair value
2016	63 bn
2015	38 bn
2014	63 bn

Robecosam ratifies our commitment with sustainability

- **The sustainability yearbook selects the most sustainable companies in the world** in each industry as determined by the Dow Jones Sustainability Index DJSI.
- **Recognizes good practices in terms of sustainability in the economic, environmental and social dimensions** for companies registered in stock markets.
- **Reflection of the consistency in the implementation of our sustainability policy**
- **Cementos Argos Named as the Most Sustainable Cement Company in the World** according to the Dow Jones Sustainability Index
- **Celsia was included** in the 2016 yearbook of RobecoSam.



Consolidated results that reflect strong business performance

Significant figures - Income Statement

<i>Billions of COP</i>	2016	2015 Restated	Var Y/Y (%)	4Q2016	4Q2015 Restated	Var Q/Q (%)
1 Revenue	14,553	12,700	14.6	3,739	3,998	(6.5)
Costs and Expenses	12,117	11,075	9.4	3,253	3,745	(13.1)
Operating Profit	2,436	1,625	49.9	568	265	114.7
2 EBITDA	3.620	2.635	37.4	883	516	71.1
EBITDA Margin (%)	24.9	20,7	420pb	23,6	12,9	1007pb
Net Income	1,132	648	74.7	252	13	1,839
Net margin	7.8%	5.1%	270pb	6,7%	0,3%	640pb

Notes

1

- ✓ Positive variation in revenues of Odinsa that in 2016 consolidated throughout the year vs 2015 when it only consolidated for 3 months.
- ✓ Includes adjustments at fair value for Odinsas investment properties.
- ✓ Greater revenues from Cementos Argos supported on growth of its USA regional.
- ✓ Greater hydro generation from Celsia with increased revenues.

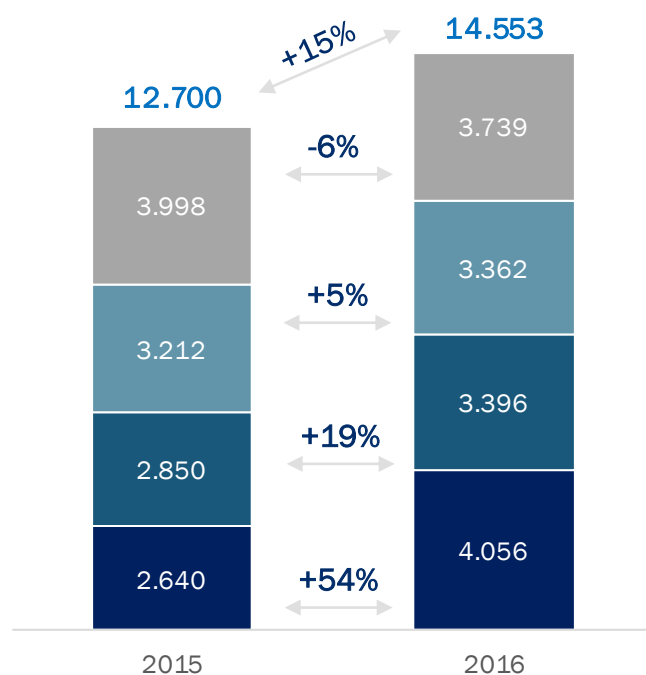
2

- Increase in Ebitda and the Ebitda margin:**
- ✓ Consolidation of Odinsa during the 12 months of the year.
 - ✓ Improvement in the recurring margin of Odinsa after the acquisition of Quiport and the consolidation of ADN and BTA.
 - ✓ Recovery of results of Celsia that allowed the company to register a growth of 43% in the Ebitda from 2015.

Consolidated results reflecting strong business performance

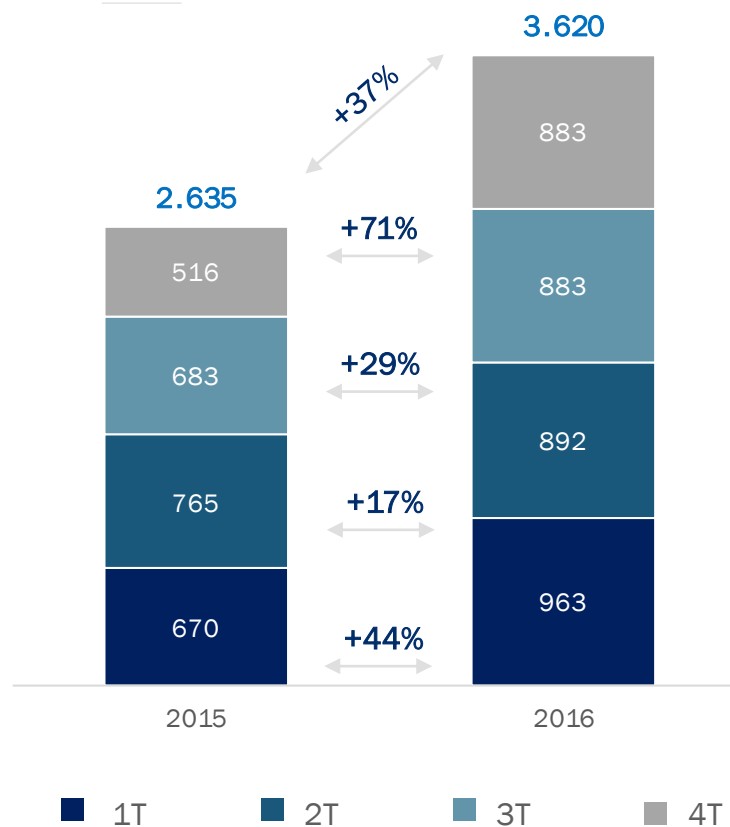
Revenue

Billions of COP

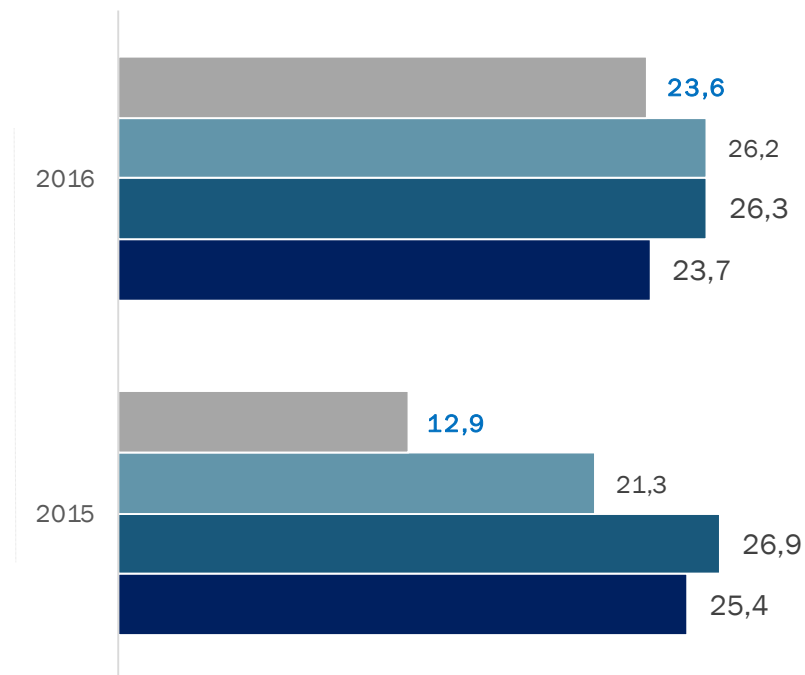


EBITDA

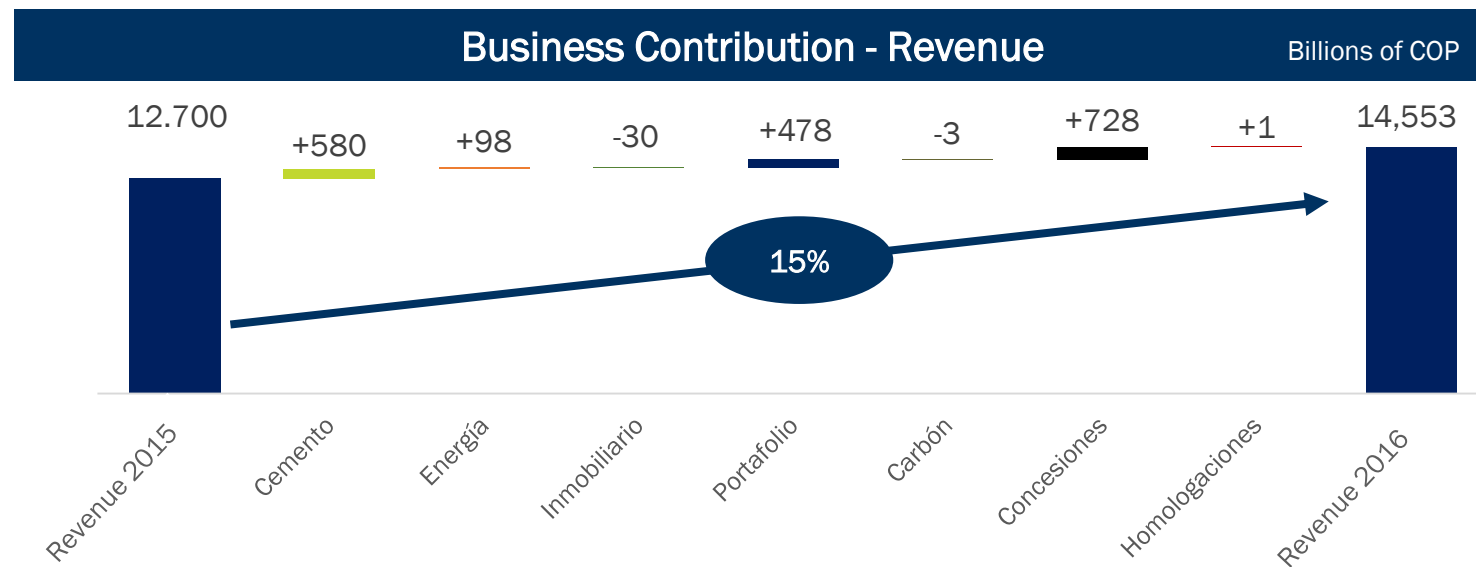
Billions of COP



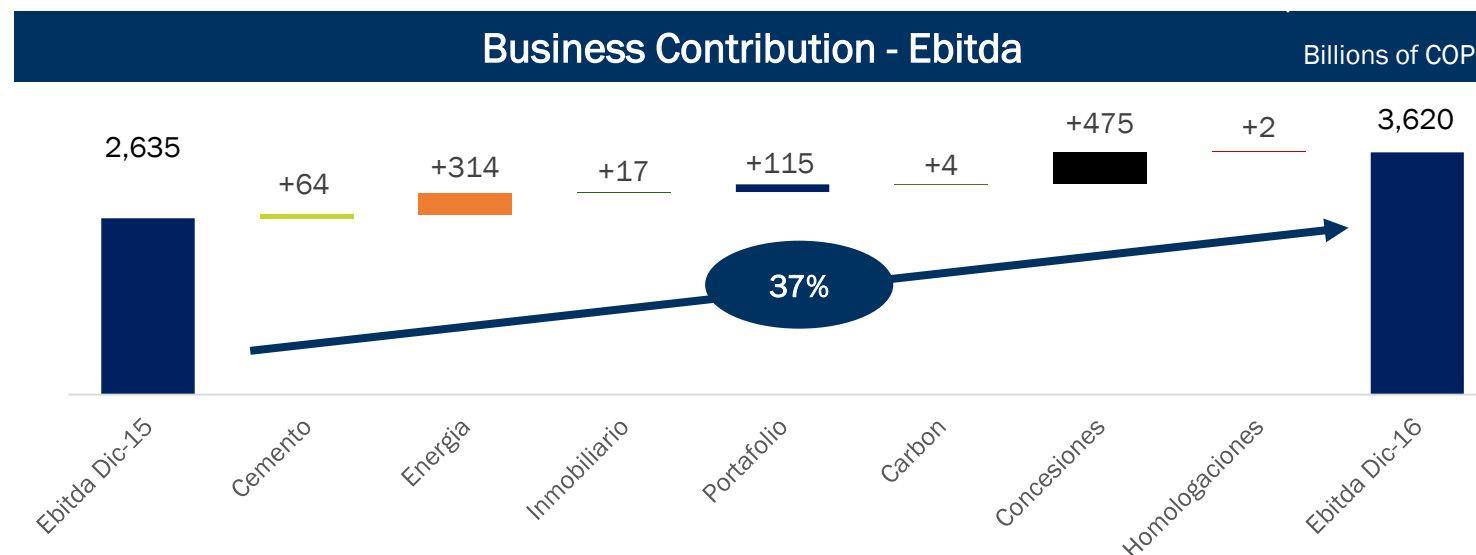
EBITDA Margin (%)



Concession and energy businesses stand out for their contribution in revenues and Ebitda for Argos Group



- ✓ Consolidated 12 months of Odinsa in 2016.
- ✓ Increase in Odinsa attributable to consolidation of Quiport, ADN, and BTA.
- ✓ We highlight the results of the US and Central America division in the results of Cementos Argos.
- ✓ The portfolio segment includes the participation method for associates in joint ventures, income from sale of investments and dividends, with Grupo Sura being the most significant within the equity method (+ COP \$ 391 billion).

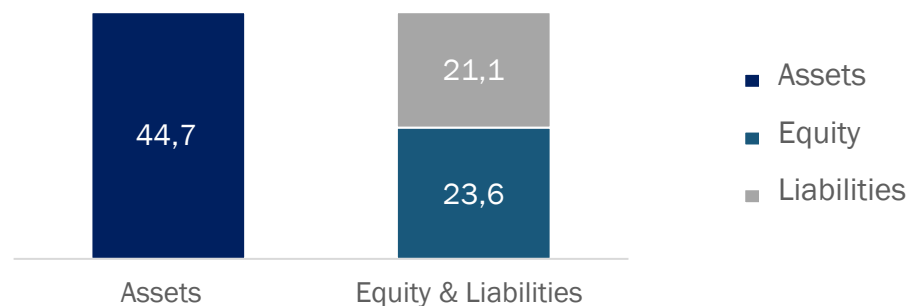


- ✓ Highlight recovery in the energy business given the normalization of the weather conditions.
- ✓ Includes 12 months of Odinsa in 2016 vs. 3 months in 2015.
- ✓ Increase in Odinsa attributable to consolidation of Quiport, ADN, and BTA.

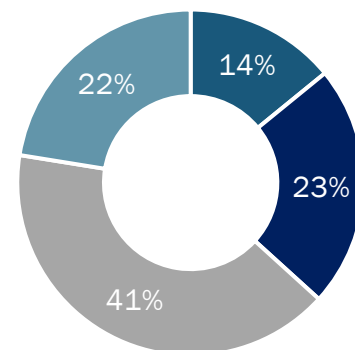
Consolidated Balance Sheet - December 2016

December 2016

Trillions of COP



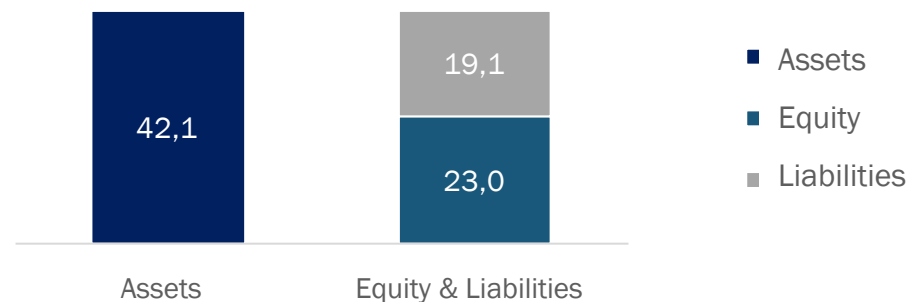
Assets



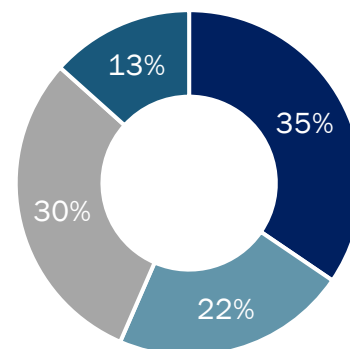
- Short-term (ST)
- Long-term (LT) Investments
- PP&E
- Other, LT

December 2015 Restated

Trillions of COP



Liabilities



- Other, ST
- LT Bonds
- LT debts
- Other, LT

Separate results in 2016 non comparable on portfolio divestments

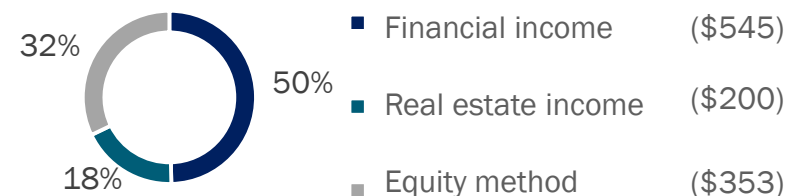
Significant figures - Income Statement

<i>Billions of COP</i>	2016	2015 Restated	Var Y/Y (%)	4Q2016	4Q2015 Restated	Var Q/Q (%)
1 Revenue	1.097	1.144	(4.2%)	622	152	309%
2 Costs and Expenses	592	613	(3.4%)	408	142	187%
Operating Profit	505	531	(5.0%)	214	10	2085%
3 EBITDA	518	544	(4.6%)	215	10	2000%
EBITDA Margin (%)	47.2%	47,50%	-20pb	34.5%	6.7%	2779 pb
Net Income	352	395	(11.0%)	189	-55	-446%
Net margin	32.1%	34.6%	-250pb	30.4%	(35.9%)	6625 pb

Notas

1

Revenues Distribution



- ✓ Revenues declined due to lower portfolio divestment. Cementos Argos shares sold in 2015 for COP 603,000 MM
- ✓ Positive effect of the higher net income of Odinsa.

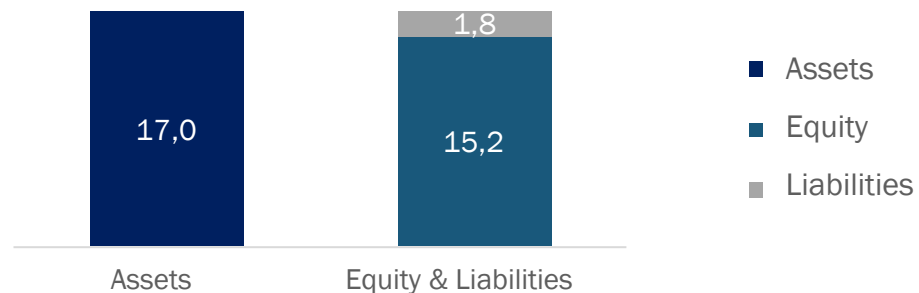
2

73% of the costs and expenses (COP 435,000 MM) correspond to the cost recognized after the sale of the shares of Bancolombia and Grupo Sura.

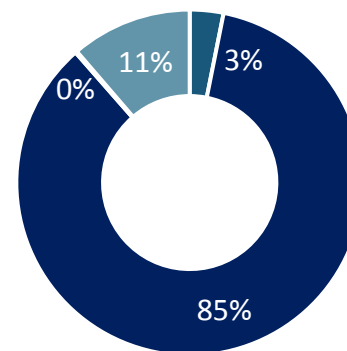
Individual Balance Sheet - December 2016

December 2016

Trillions of COP



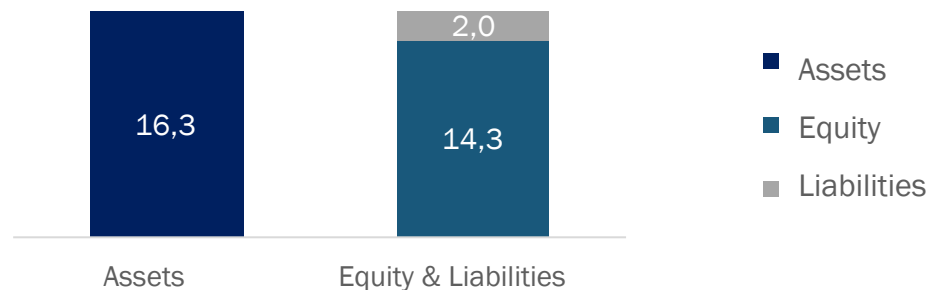
Assets



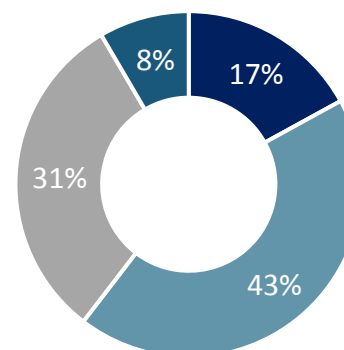
- Short-term (ST)
- Long-term (LT) Investments
- PP&E
- Other, LT

December 2015 Restated

Trillions of COP



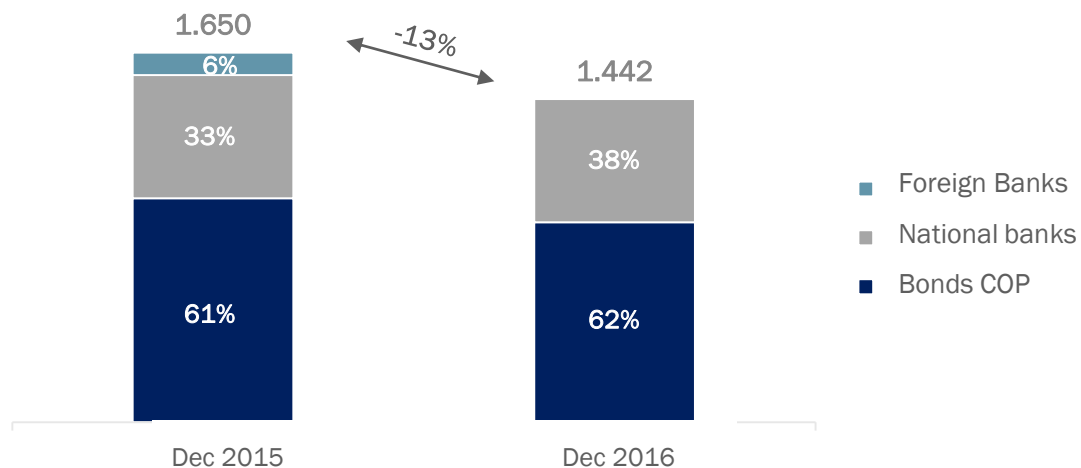
Liabilities



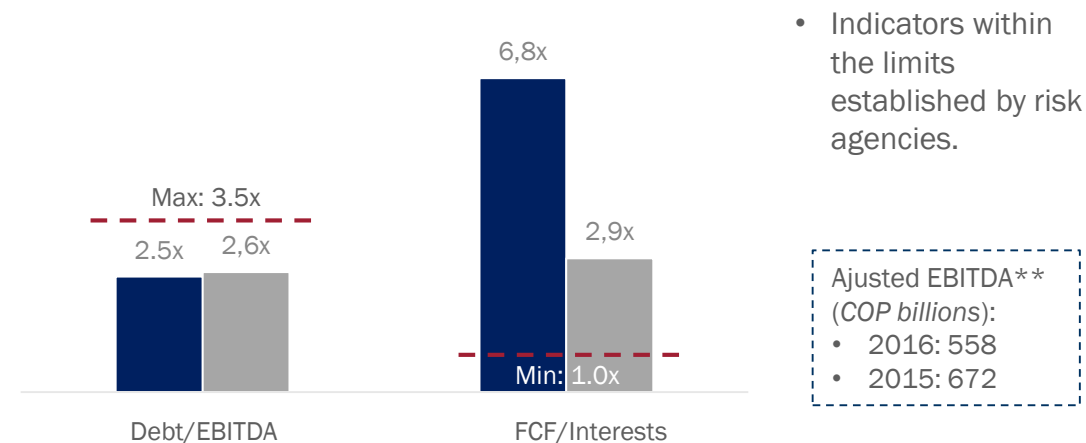
- Other, ST
- LT Bonds
- LT debts
- Other, LT

Leverage ratios (separate) healthy and within the limits established by the rating agencies

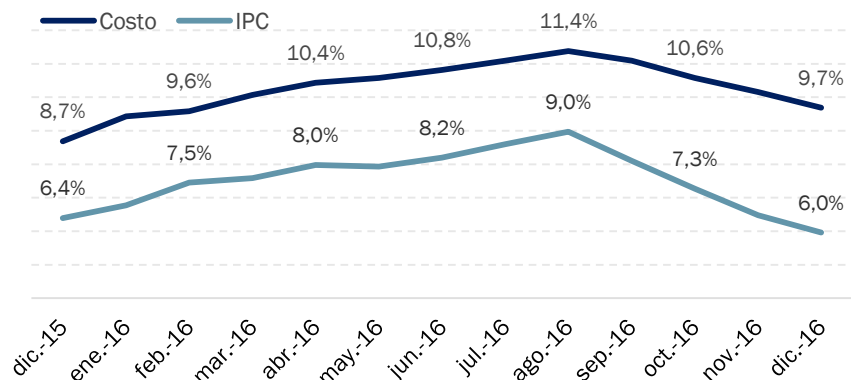
Debt (COP trillions)



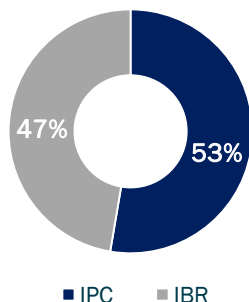
Leverage ratios



Cost of Individual Debt

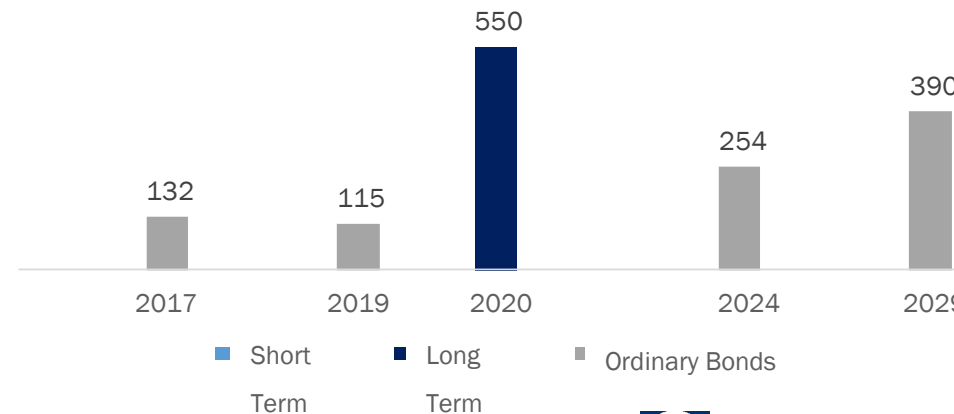


Debt Indexation



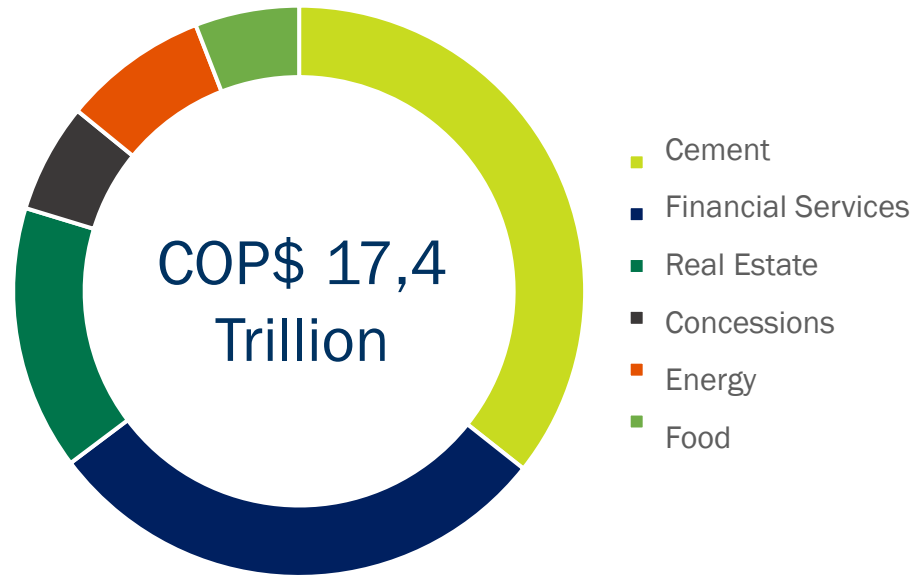
Debt Profile

Billions of COP

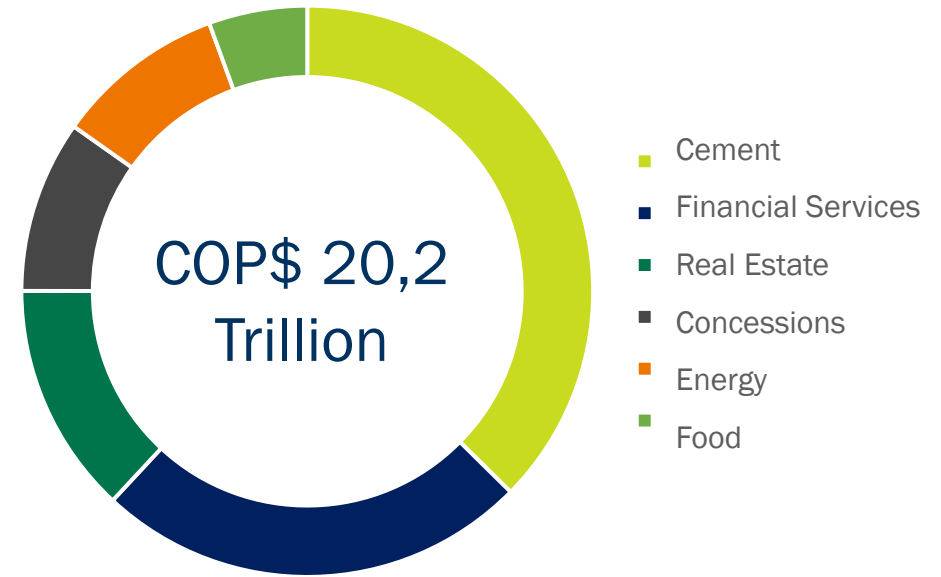


Investment Portfolio grows 16.3% as a result of the consolidation in the concessions business

Decembre 2015



December 2016



+ 16,3%

*The value of each investment is calculated based on the securities exchange price on December 2015 and 2016, respectively, for the companies publicly traded on the securities exchange, and on books fair value for non listed assets. In 2016, concessions correspond to the sum of the shareholding in ODINSA and the shareholding in Compas; and real estate corresponds to the sum of the land bank and Pactia.



Cement Business



GRUPO ARGOS

United States most representative división + Efficiency Focus



BEST

Productive Transformation
Sabanagrande and San Gil
Savings of
~COP 30 bn/year

Reduce the
clinker / cement
factor

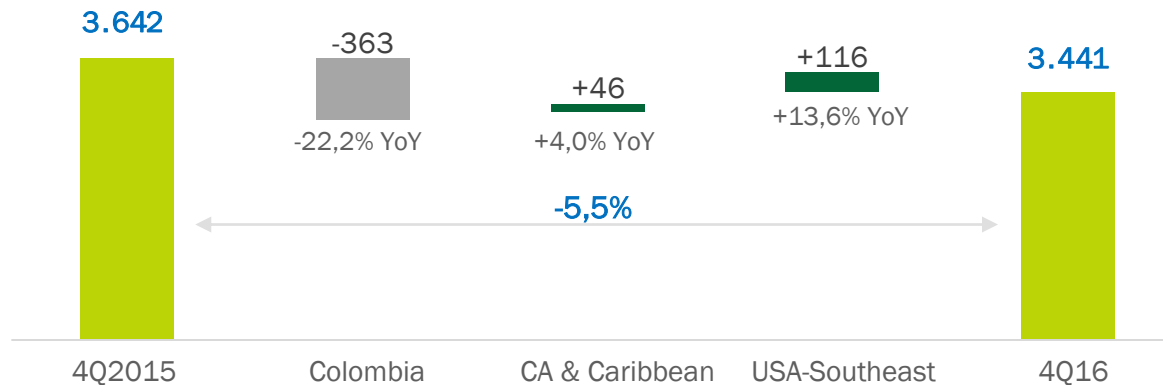
Shared service center
Savings
~USD 3.5 mm in 2017

2017
Estimated savings of
USD 6/ton

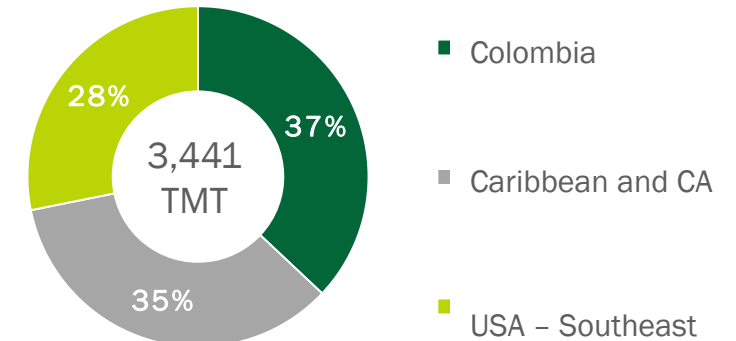


Lower cement and ready-mix sales' volumen due to a competitive environment in Colombia

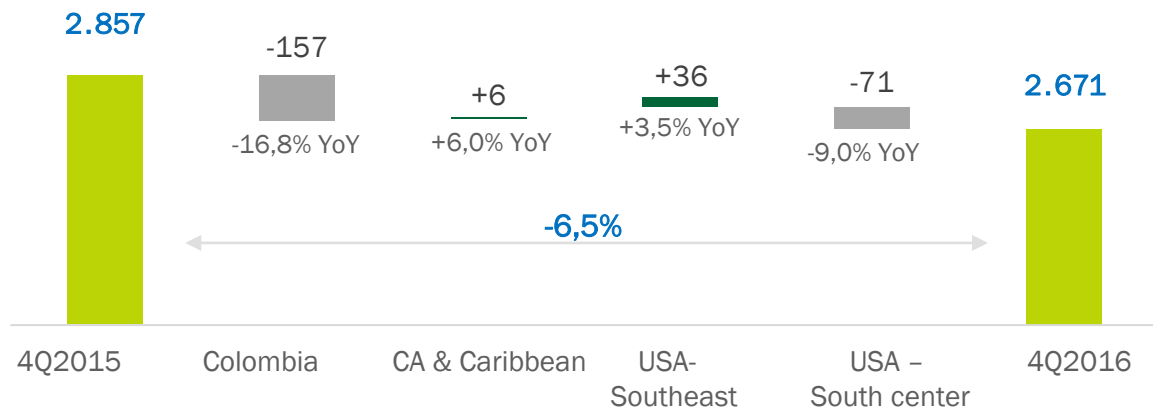
Cement (TMT)



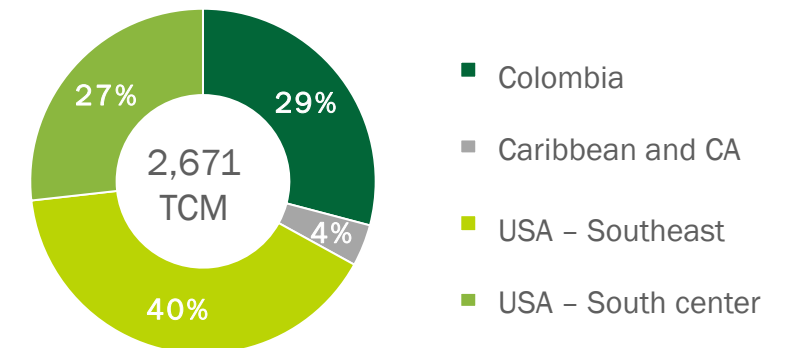
Cement sales 4Q2016



Ready-mix (TCM)



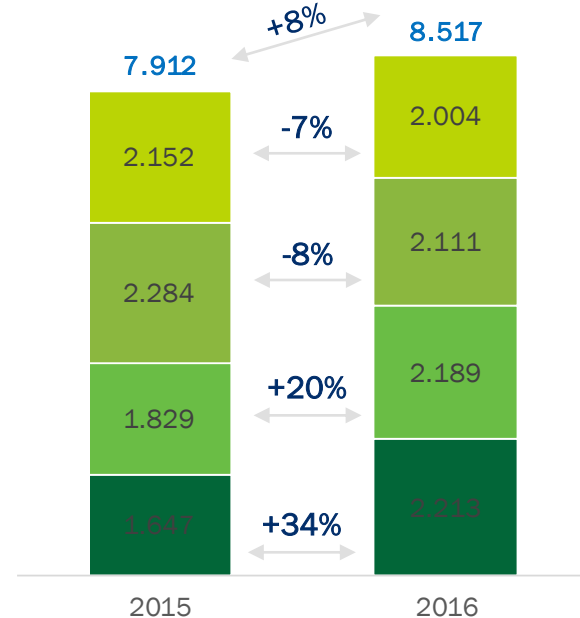
Ready- mix sales 4Q2016



Exposure to markets with different economic cycles allowed to generate resilient results in a challenging market in Colombia

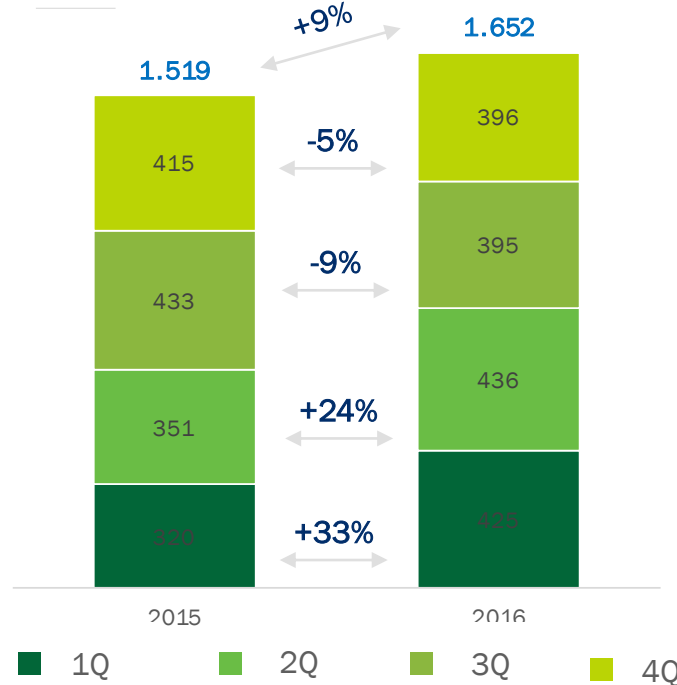
Revenues

COP\$ Billions

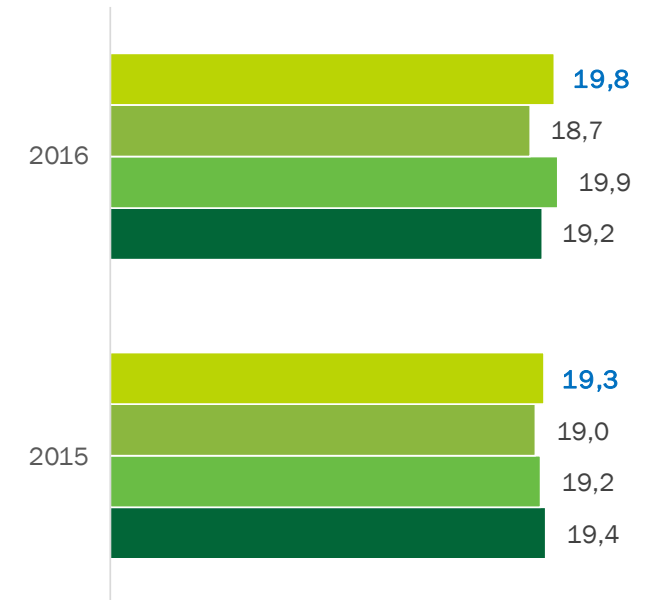


EBITDA

COP\$ Billions



EBITDA Margin (%)



- ✓ Geographic diversification allowed the generation of outstanding consolidated revenues and EBITDA for 2016 due to excellent results in the USA and Caribbean & CA divisions.
- ✓ The US Division showed an annual increase of 10.9% in revenues and 81.3% in EBITDA during 4Q2016. EBITDA of USD 181 million for 2016 came above the yearly guidance (USD 150-170 million)
- ✓ Colombian Division: 4Q16 revenues and EBITDA affected by lower sale volumes and lower prices.
- ✓ Caribbean & CA Division: Growth of 5.7% in revenues during 4Q16. Normalized EBITDA increased 32% for an EBITDA margin of 34.1%. During 4Q16, Honduras and Panama remain with attractive margins of 51% and 37%, respectively.

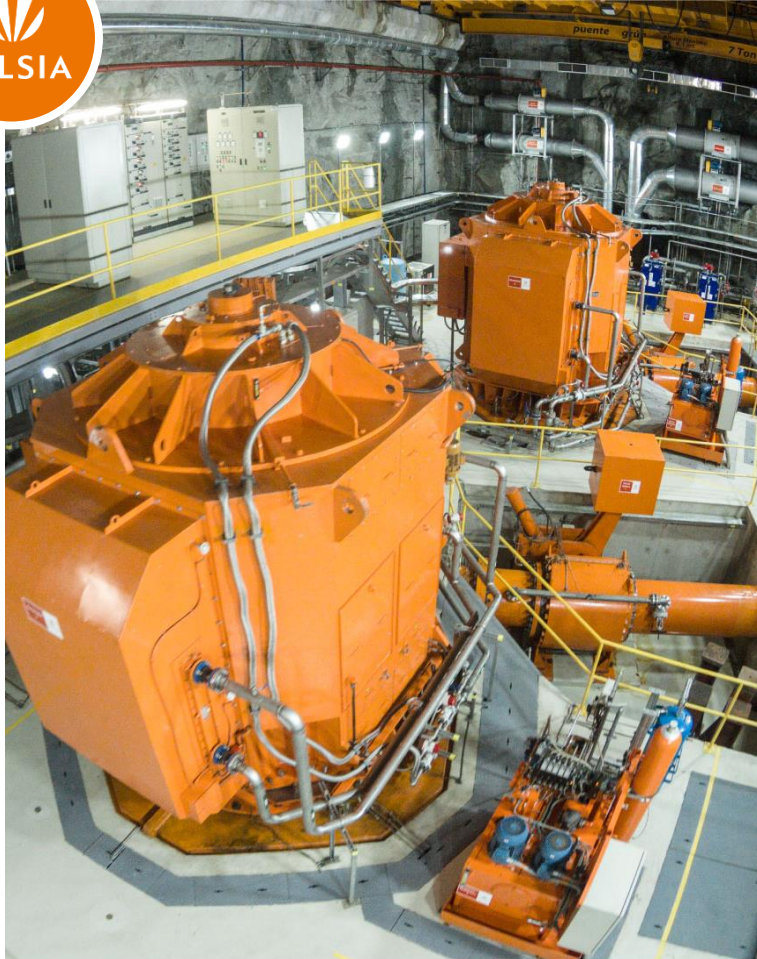


Energy
Business



GRUPO ARGOS

Year of recovery after El niño Phenomenon



REVENUES
COP\$ 3,794

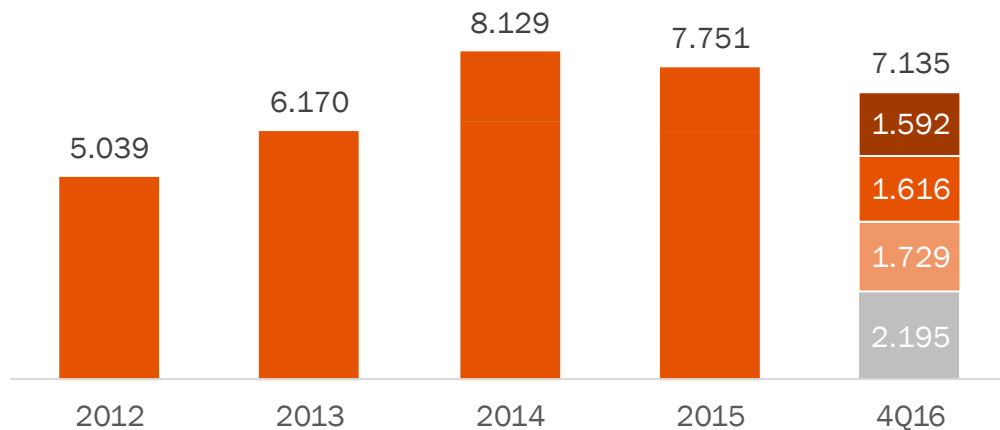
EBITDA
COP\$ 1,031
EBITDA Margin 27,2%

NET RESULT
COP\$ 171
COP Billions
2016

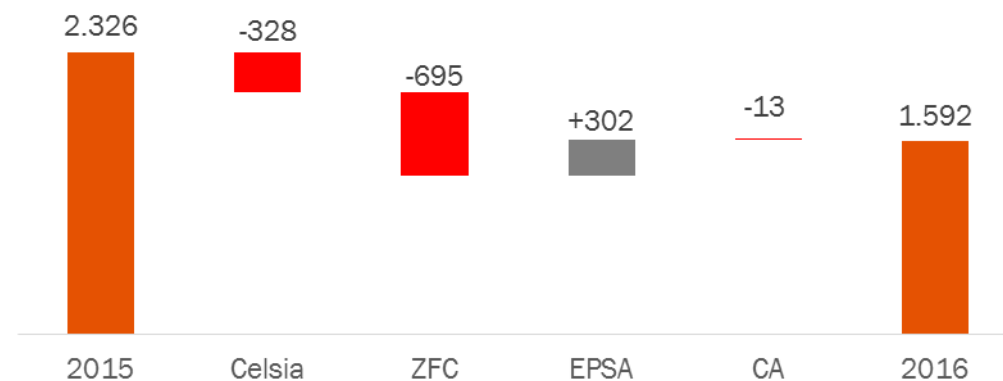
- **Operating improvements** oriented to gain efficiency
- **Plan 5 Caribe**
- Participated in guild discussions to define the **regulatory issues** that are used to define the thermal assets' strategy
- Participated in the **LNG Project** in order to guarantee the **fuel supply** for thermal plants

GX and DX Energy Volumes. Fourth Quarter

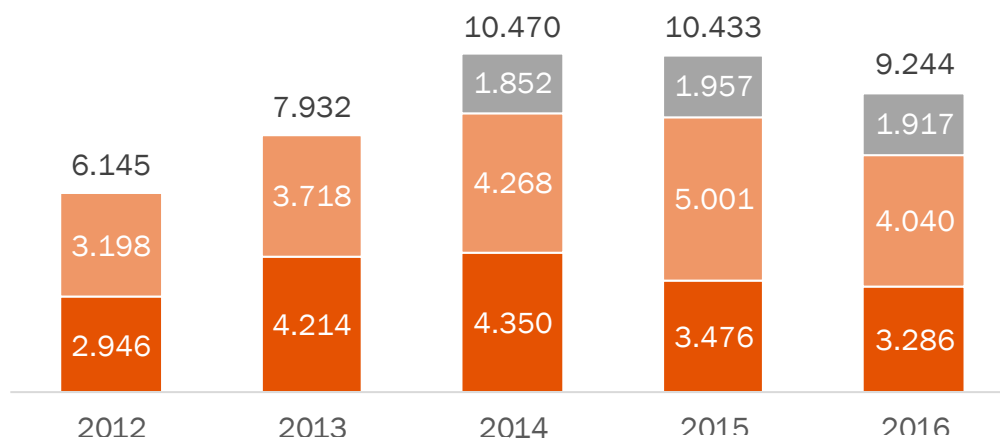
Generation in GWh



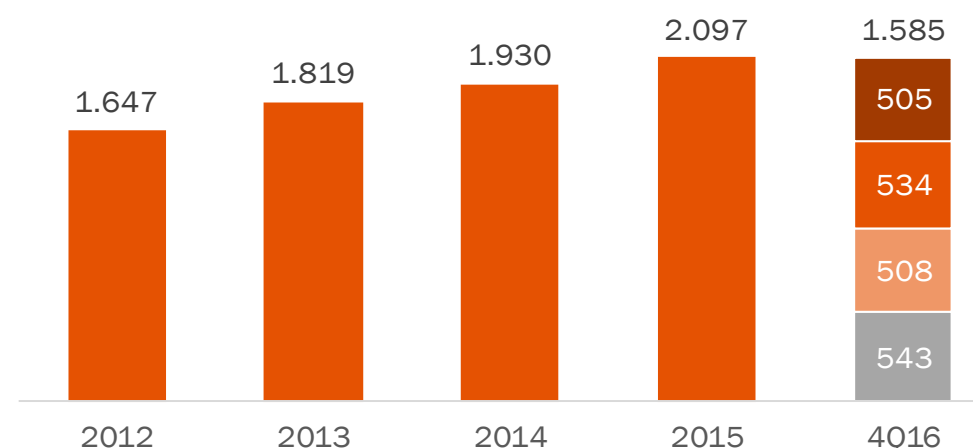
Power Generated in GWh



Energy Sales in GWh



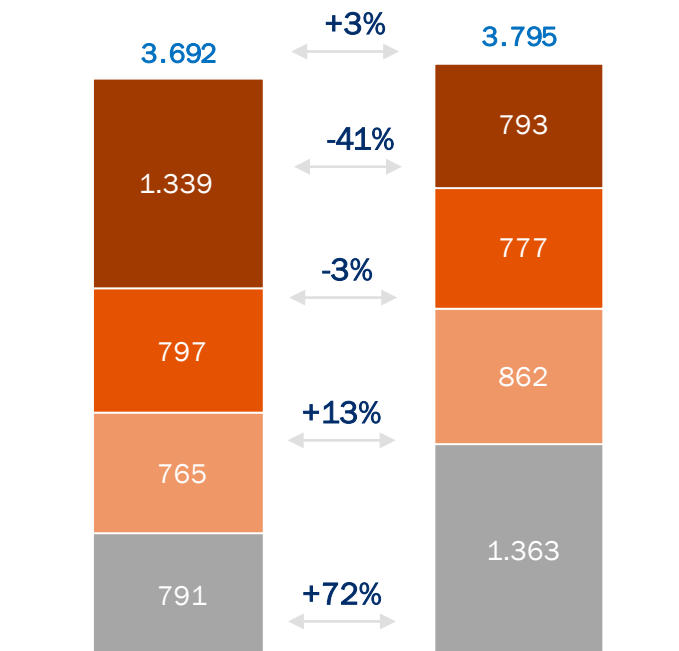
Energy Traded (Reg. + Non-reg.)



Financial Results

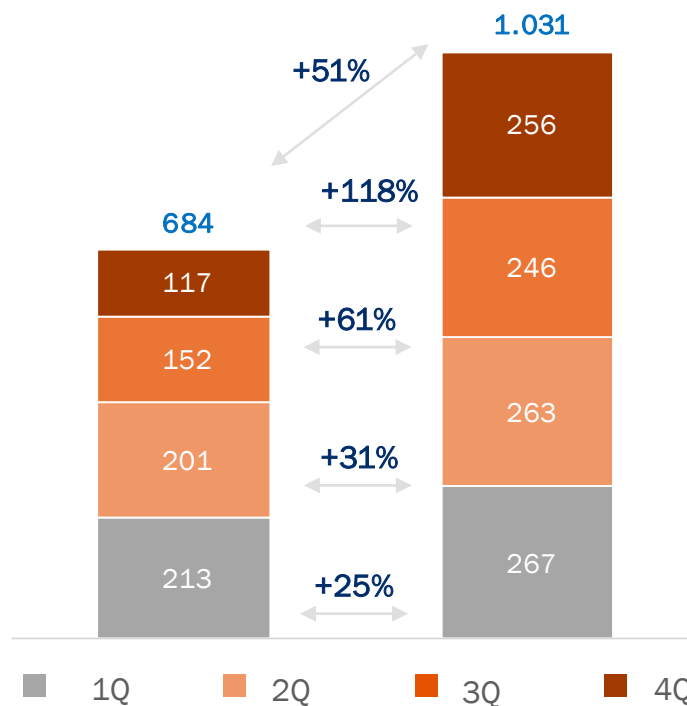
Revenue

COP\$ Billions

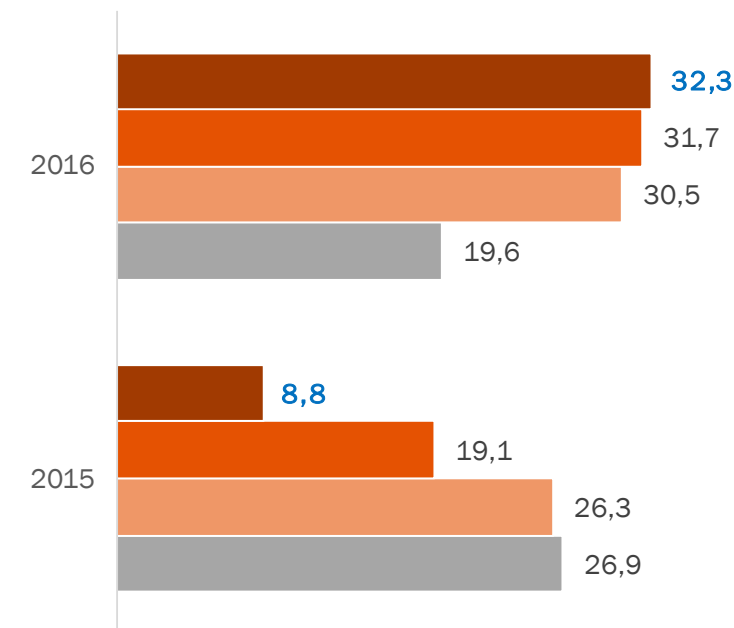


EBITDA

COP\$ Billions



EBITDA Margin (%)



- ✓ 4Q16 consolidated revenues shrank 41% YoY due to a decrease in the thermal backing requirement after a normalization of the weather conditions
- ✓ 2016 consolidated revenues slightly grew 3% YoY. We highlight the CA revenues, which represented 18% of the total
- ✓ 4Q16 EBITDA reached COP\$ 256 bn (+118% YoY), relevant as it represented a normalized operation
- ✓ In CA, 4Q16 EBITDA grew 49% YoY as a result of the favorable modification of the PPA contract of BLM. EPSA registered an EBITDA of COP \$ 154 bn favored by greater hydroelectric generation



Concessions Business



GRUPO ARGOS

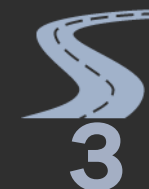
Portfolio Optimization, Positioning Itself as One of the Main Companies in Colombia's Infrastructure Sector



Autopistas del Café



Airport Concessions



Road Concessions



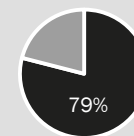
Projects under Construction

Assets
Under Construction

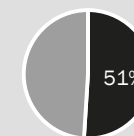
Assets
In Operation

- Simplification of the strategy, focusing on the portfolio
- Positioning in the infrastructure sector
- Optimal growth platform

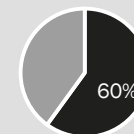
Pacífico II



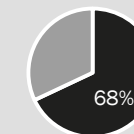
Malla Vial del Meta



AKF



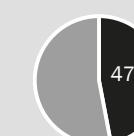
ADN + BTA



OPAIN



Quiport

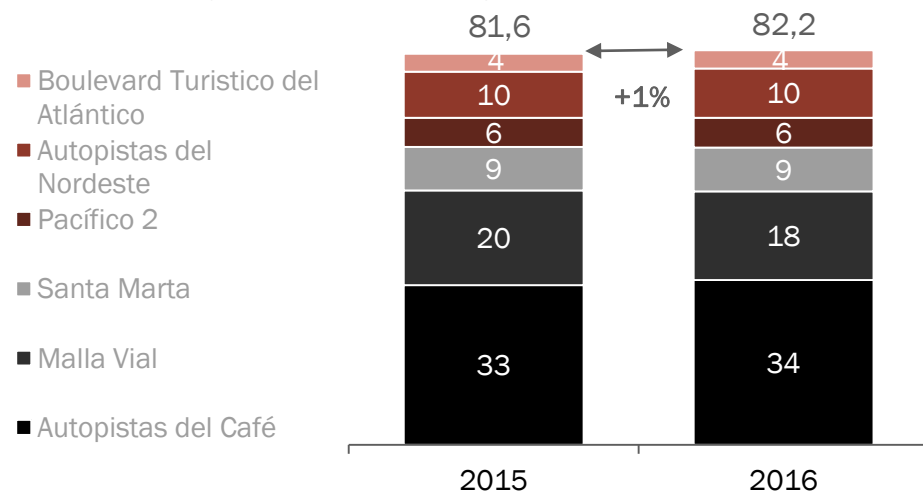


Airports

Stable behavior in passengers and vehicle traffic

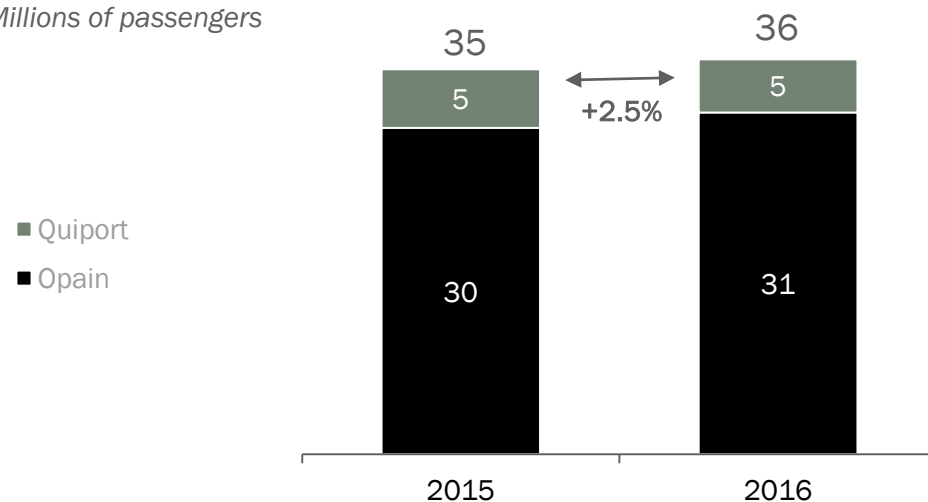
Average Daily Traffic (Road Concessions)

Number of cars (Thousands of Millions)

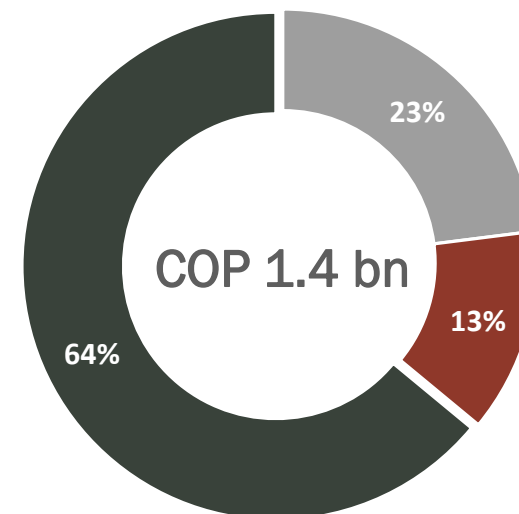


Airport Traffic

Millions of passengers



Revenue



■ Construction ■ Airport concessions ■ Road concessions

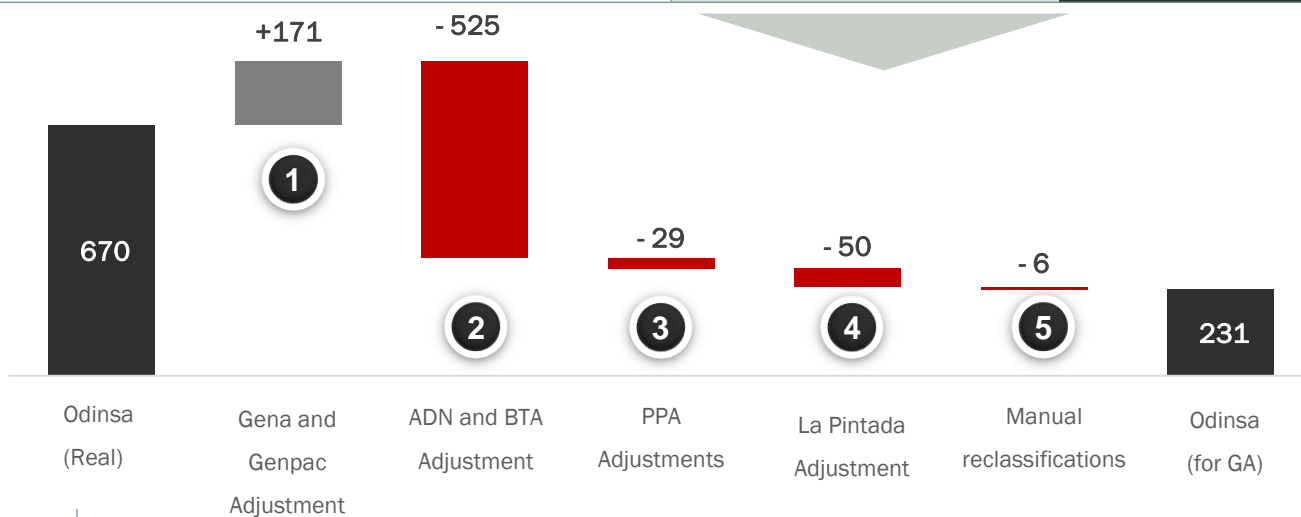
The average daily traffic increased 1% for 2016 and the passengers increased by 2.5%. Road concessions contributed with the 64% of the revenues.

PPA adjustments affect the comparability of the numbers

2015 vs 2016 results

Comparative financial results - Odinsa

	2015		2016		
	Real	For GA	Real	For GA	Real - recurrent
Revenue	902	891	1,486	1,079	1.038
Costs and Expenses	614	661	457	724	614
Operating Profit	288	230	1,029	354	424
EBITDA	308	310	1,066	485	461
EBITDA Margin	34%	35%	72%	45%	44%
Net Revenue for the Controller	133	97	670	231	134
Net Margin	15%	11%	45%	21%	13%



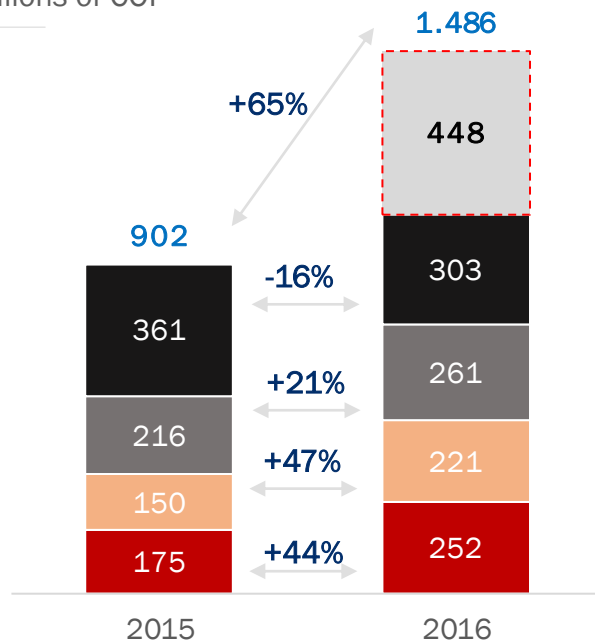
Odinsa's results are different from the ones that appear in Grupo Argos' financial statements due to:

- 1 Lower impairment loss for the adjustment to fair value of Gena and Genpac – Noncurrent asset held for sale
- 2 Lower gain from adjustment to fair value of the previous investment in ADN y BTA
- 3 PPA adjustment after the acquisition of Odinsa in September 2015
- 4 Lower profit in the valuation of shares delivered in exchange for an increase in the participation of La Pintada
- 5 Wealth tax booking (equity → PL)

Financial Results

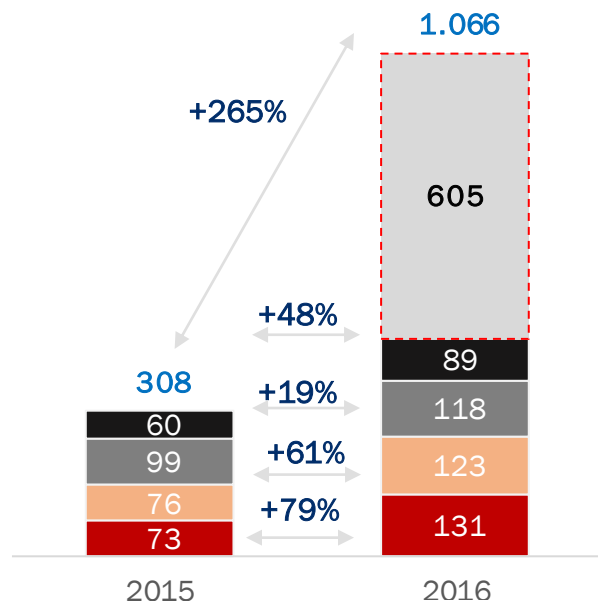
Revenue

Billions of COP

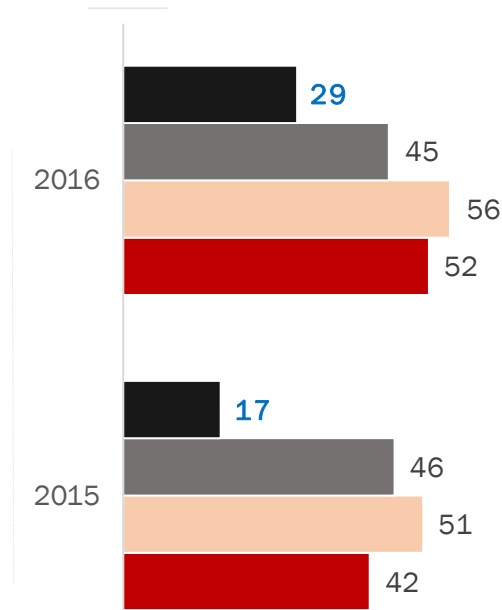


EBITDA

Billions of COP



EBITDA Margin (%)



■ 1Q ■ 2Q ■ 3Q ■ 4Q ■ 4Q non recurrent

- ✓ Considerable increase in revenue due to: (1) Inclusion of ADN y BTA, (2) Better performance of Quiport and (3) Higher incomes of AKF.
- ✓ The increase in the EBITDA is mainly due to the earning registered after the fair value adjustments of ADN and BTA. The normalized EBITDA would have been COP 400 billion, a 30% YoY increase.

Real Estate Business



Desarrollo urbanístico, Barranquilla



GRUPO ARGOS

Acceleration of the Development Strategy of the Land and Real Estate Business



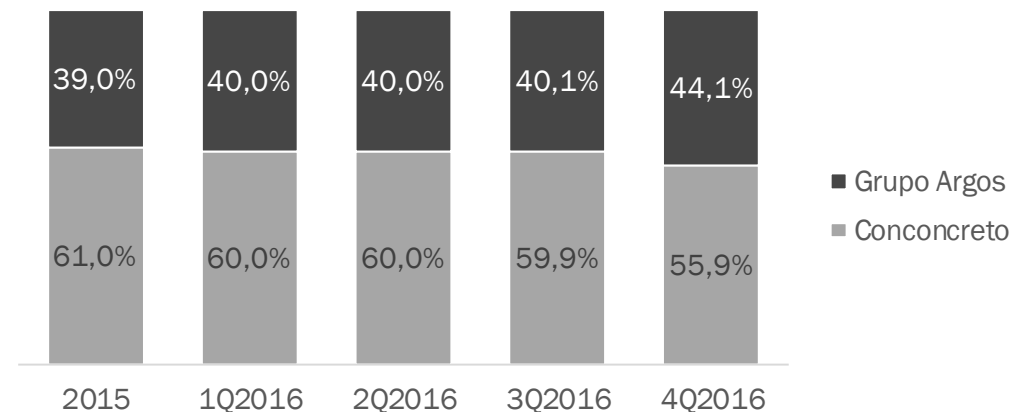
- Sale 182ha to Amarilo in Barranquilla.
- Resolution 0330 / November 1, 2016, was issued, which approves the subdivision license for the Cala Blanca project.
- **Deed of 64,791m2 in the 4Q2016.**
- The revenues corresponding to the urban development business will be recorded as deferred income in proportion to the urban development, not when revenue from the sale is generated.



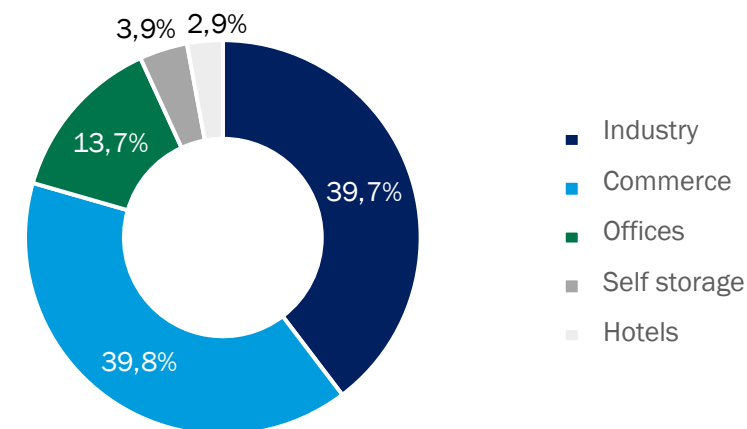
- **Creation of the Pactia Private Equity Fund.**
- Partnership with Pension Fund Protección to develop the real estate fund. GA contributed with COP 165 bn)
- **Contribution of the building Santillana by Grupo Argos.**
- Antanares shopping center was opened to the public (GLA of 31,500m2).
- Following the internationalization strategy, the purchase for a lot in Miami was approved
- Pactia distributed dividends for **COP\$30 billions**

Operating Figures – Real Estate Portfolio

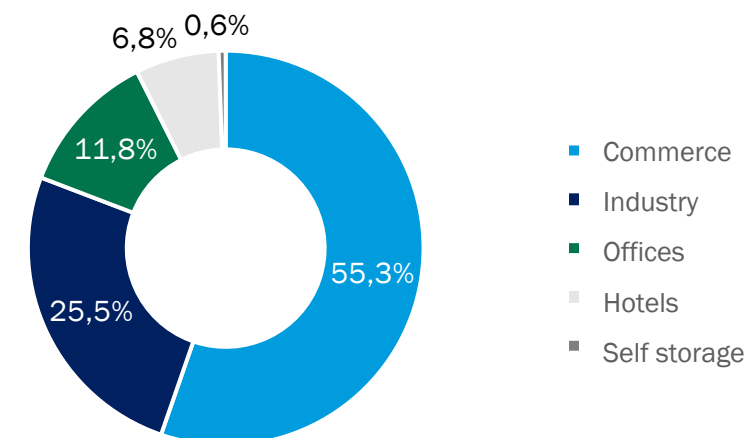
Shareholding in PA Pactia (%)



GLA 504.384 m²



NOI COP\$ 26.589 Milion 4T16



	4T2016	2016
Effective Gross Revenue*	45.906	179.147
Operating Costs	19.317	58.445
Net Operating Income	26.589	120.703
Consolidated EBITDA	18.093	100.133
EBITDA Margin	39,4%	55,9%



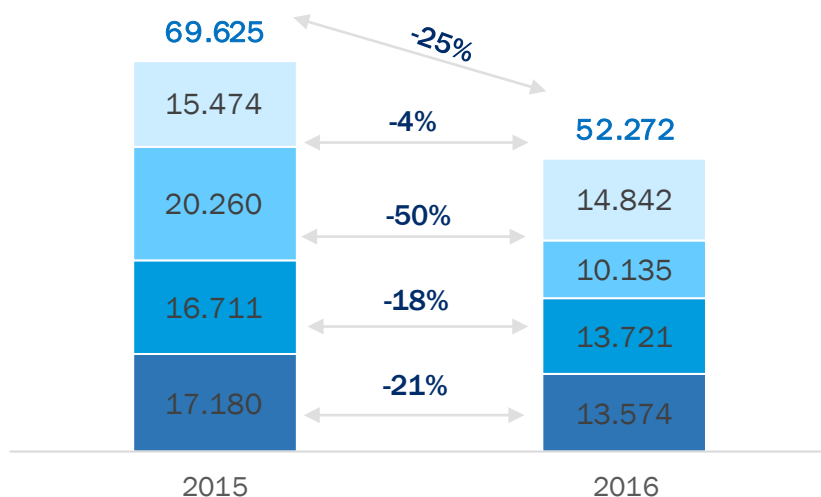
Port Business



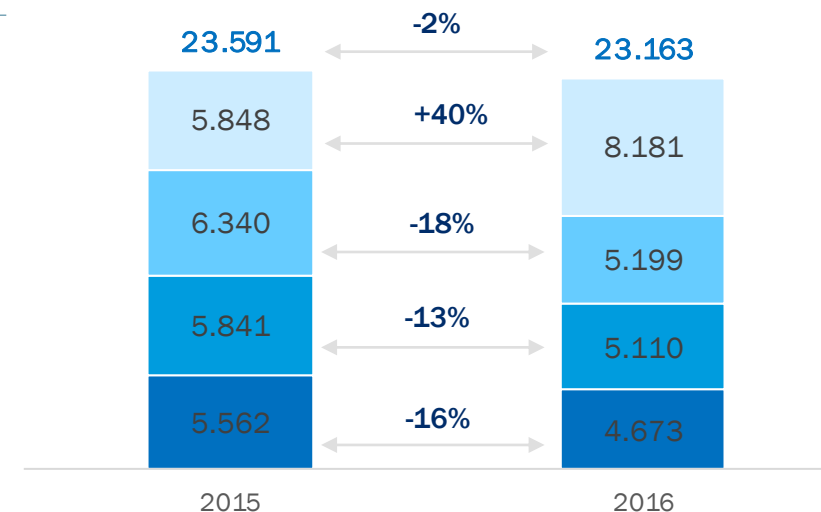
GRUPO ARGOS

Operating Figures–Challenging Year of Strategic Alliances and Investments

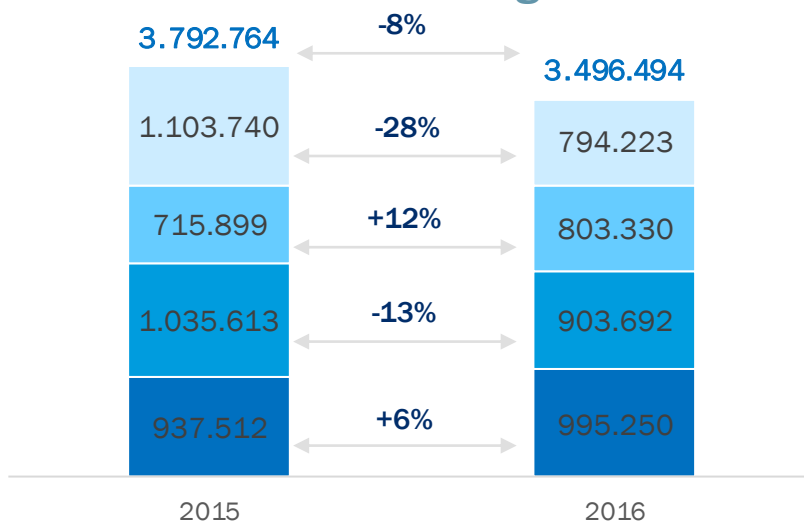
Mobilized Containers



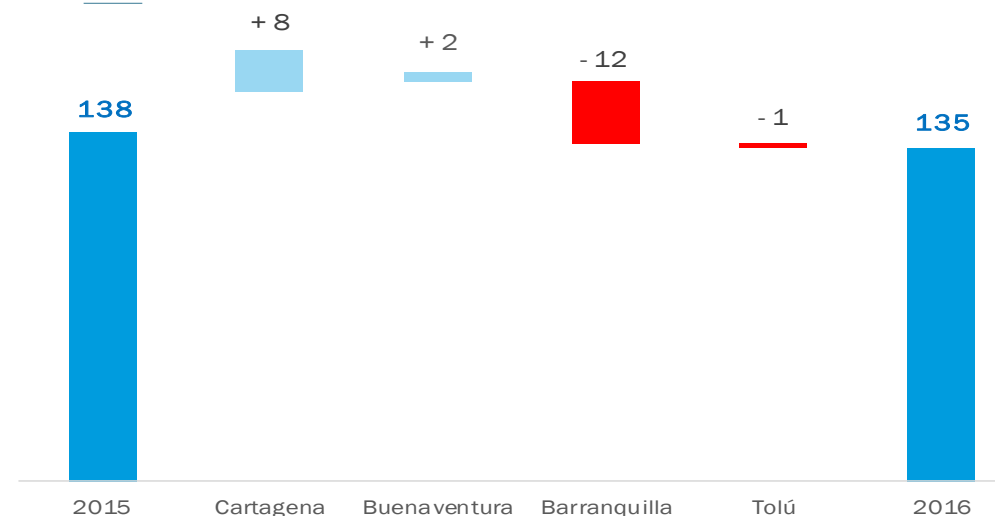
Import and Export Containers



Tons of Bulk and General Cargo



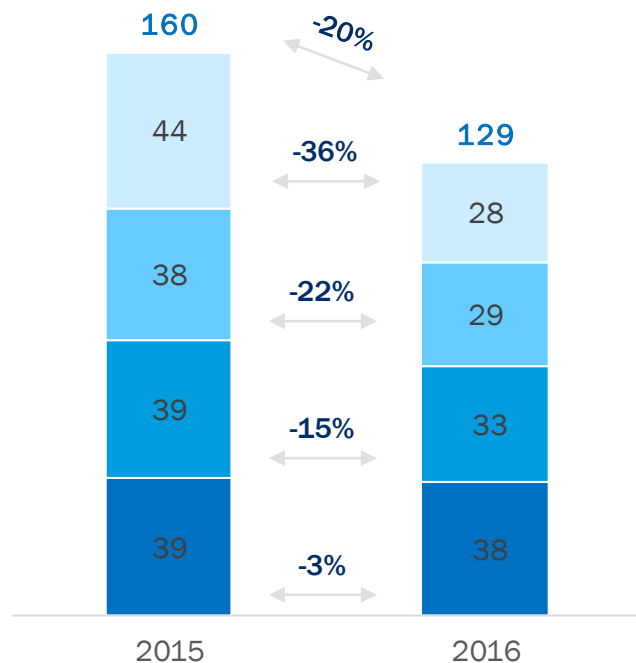
Mobilized Motor Vessels



Financial Results*

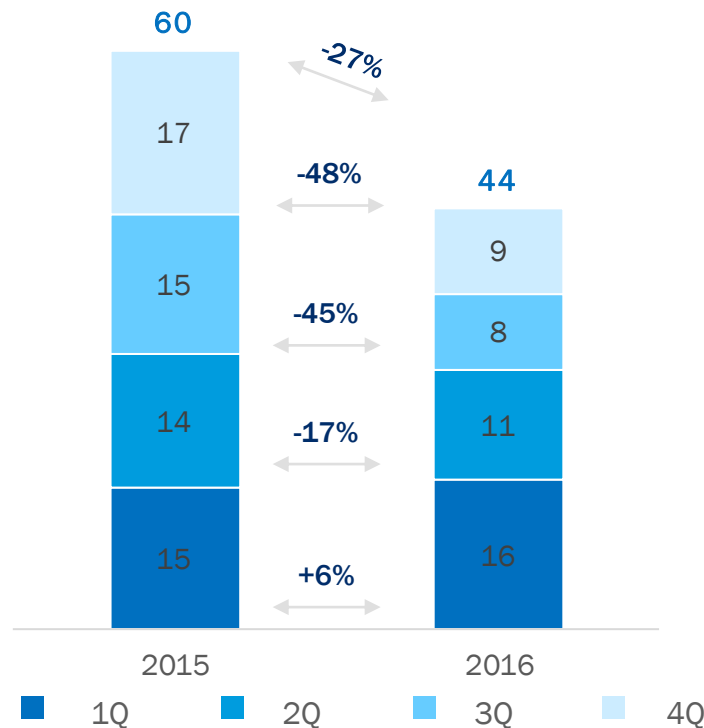
Revenue

Billions of COP

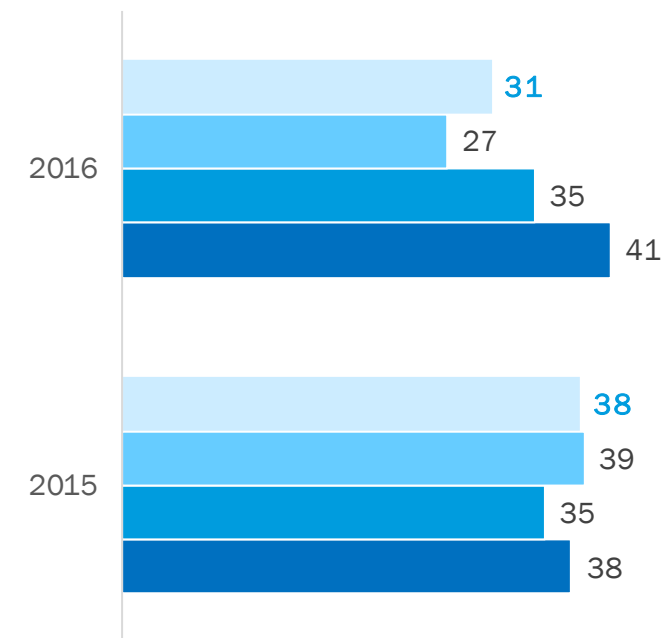


EBITDA

Billions of COP



EBITDA Margin (%)



- ✓ The yearly revenue was COP\$129 billions, while the EBITDA reached COP\$44 billions for an EBITDA margin of 34% for 2016.
- ✓ The Company results presented considerable variations explained by the fact that the Cartagena operations are now managed by CCTO, the operations in Cartagena represented 25% of the Company's revenues.
- ✓ Taking out the effects of the CCTO agreement, the Company's revenues would have increased 8% for 2016.










Annexes



GRUPO ARGOS

Grupo Argos – Contribution by Business

	 ARGOS	Var.	 CELSIA	Var.	 SITUM	Var.	 COMPAS	Var.	 GRUPO ARGOS	Var.	 SATOR	Var.	 ODINSA	Var.	Eliminaciones	Consolidado Var.
Revenue from Ordinary Activities	8.517.382	8%	3.794.910	3%	203.737	10%	128.687	-20%	1.383.509	6%	69.123	-9%	1.078.655	208%	-623.118 ¹	14.552.884 15%
Gross Profit	1.922.028	5%	884.629	57%	180.610	42%	45.827	-23%	947.955	6%	21.736	6%	661.458	1037%	-542.834 ¹	4.121.411 38%
Gross Margin	22,6%		23,3%		88,6%		35,6%		68,5%		31,4%		61,3%			28,3%
Profit from Operations	934.816	4%	638.190	79%	146.213	87%	24.428	-39%	846.492	6%	12.213	-4%	354.529	9894%	-520.843 ¹	2.436.038 50%
Operating margin	11,0%		16,8%		71,8%		19,0%		61,2%		17,7%		32,9%			16,7%
EBITDA	1.594.768	4%	1.014.958	43%	146.308	86%	43.819	-27%	859.864	6%	15.319	4%	485.624	4340%	-540.234 ¹	3.620.427 37%
EBITDA Margin	18,7%		26,7%		71,8%		34,1%		62,2%		22,2%		45,0%			24,9%
Controlling Company Margin	371.993	-17%	32.997	120%	135.052	70%	7.666	253%	671.869	5%	8.858	22%	230.906	5065%	-869.876 ²	589.466 80%
	4,4%		0,9%		66,3%		6,0%		48,6%		12,8%		21,4%			4,1%

(1) Elimination using the equity method of the Holding Company, intercompany revenue, exclusion of Compas

(2) Elimination using the equity method of the Holding Company, intercompany revenue, exclusion of Compas, Celsia retailers, recovery of shareholding in EPSA, other retailers.

(3) Includes the equity method generated in the consolidated results and excludes the real estate business

(4) The results of ODINSA only refer to the months October, November and December.



Thank you



GRUPO ARGOS