



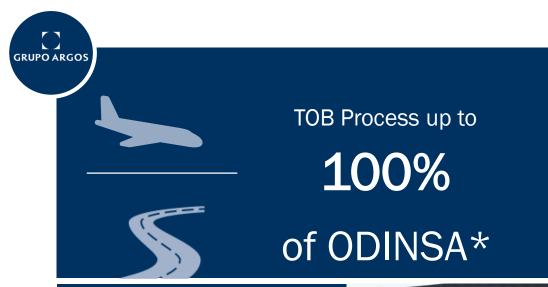
#### **IMPORTANT NOTE**

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.



# Progress in the Consolidation of Grupo Argos as an Infrastructure Holding Company in Latin America



Acquisition of
Control
Of Opain
30% + 35%
Grupo Argos
shareholding
ODINSA
shareholding

- ✓ Positioning as an important player in road and airport concessions in Colombia and the region.
- ✓ Efficient allocation of capital:
  - ✓ Use of the investment portfolio to redirect capital to the infrastructure sector.
  - ✓ Operations with a marginal impact on the level of debt.
  - ✓ Reinforcement of strategic focus.
- ✓ Authorization by the Financial Superintendence of Colombia for a takeover bid (TOB) of up to 100% of ODINSA received on November 23.
  - ✓ We expect to close the transaction before the end of 2016.



# **Grupo Argos as a Strategic Architect**



Acceleration of the land divestment strategy capturing the maximum value of each property.



Constitution of a private capital fund and formation of a partnership with Fondo de Pensiones Protección, giving it flexibility to fund its expansion plan and greater stability in its cash flow to deliver dividends.





Cementos Argos strengthens its position in the USA with the acquisition of the Martinsburg Plant and diversifies its basis of revenue.

**Operational efficiency** program, BEST, starts to show positive results.



Optimization of its asset portfolio with a clear focus on road and airport concessions to become one of the most important players of the sector in the region.



Celsia **normalizes its results** and the EBITDA margin starts to return to its historical average.



# Grupo Argos and its Affiliated Company, Argos, Are Now on the Dow Jones Sustainability World Index

- ✓ Fourth consecutive year
- ✓ Recognition of good practices in economic, environmental and social sustainability of companies listed on stock markets
- ✓ Reflection of our consistency in the execution of our Sustainability Policy
- ✓ Emphasis on responsible and transparent business management from the economic, environmental and social dimensions
- ✓ Long-term value generation
- ✓ Cementos Argos is recognized as the most sustainable cement company in the world according to the Dow Jones Sustainability Index







## **Consolidated Results**

	3Q 2016								
Billions of COP	2016	2015	Var. (%)						
Revenue	3,362	3,212	5						
Costs and Expenses	2,708	2,740	-1						
Operating Profit	622	454	37						
EBITDA	883	683	29						
EBITDA Margin (%)	26.25	21.25							

January - September							
2016	2015	Var. (%)					
10,814	8,702	24					
8,753	7,225	21					
1,868	1,361	37					
2,737	2,118	29					
25.31	24.34						



<sup>✓</sup> Active management of the investment portfolio resulting in the generation of an EBITDA of COP 2.73 trillion as of September 2016.

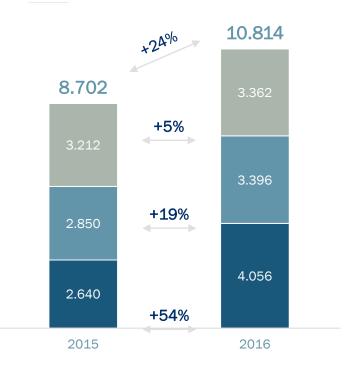
<sup>✓</sup> Positive variation in revenue from the consolidation of **ODINSA**, which had not been consolidated as of **September 2015**.

<sup>✓</sup> Positive contribution of Cementos Argos due to growth in the U.S. market.

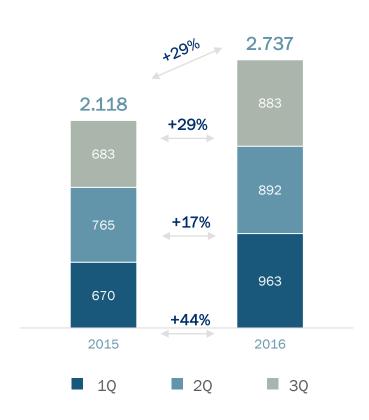
<sup>✓</sup> Positive contribution of Celsia due to normalization of weather conditions and better spot market prices.

# **Consolidated Results**

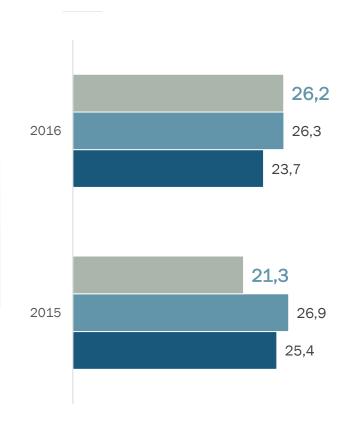




# **EBITDA**Billions of COP

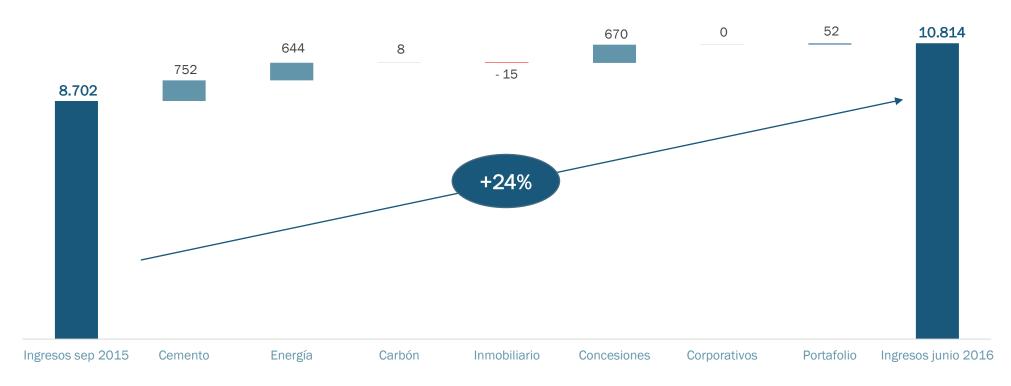


## **EBITDA Margin (%)**





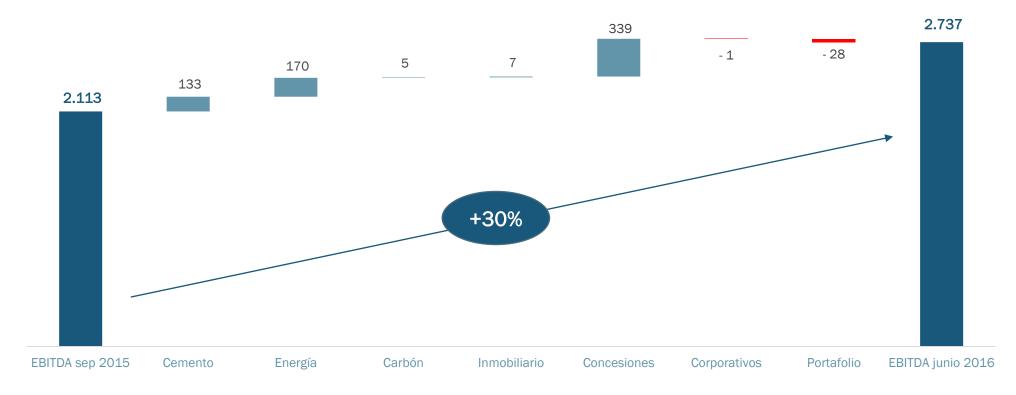
## **Consolidated Results - Revenue**



- ✓ Positive contribution of the cement business with 13% growth, leveraged by the revenue in the USA.
- ✓ Contribution of COP 670,000 million by ODINSA that was not consolidated in 2015. Consolidation of Autopistas del Nordeste and Boulevard Turístico del Atlántico started in May.
- ✓ **Normalization of Celsia's operations** with a 27% variation in the year-to-date revenue as of September.



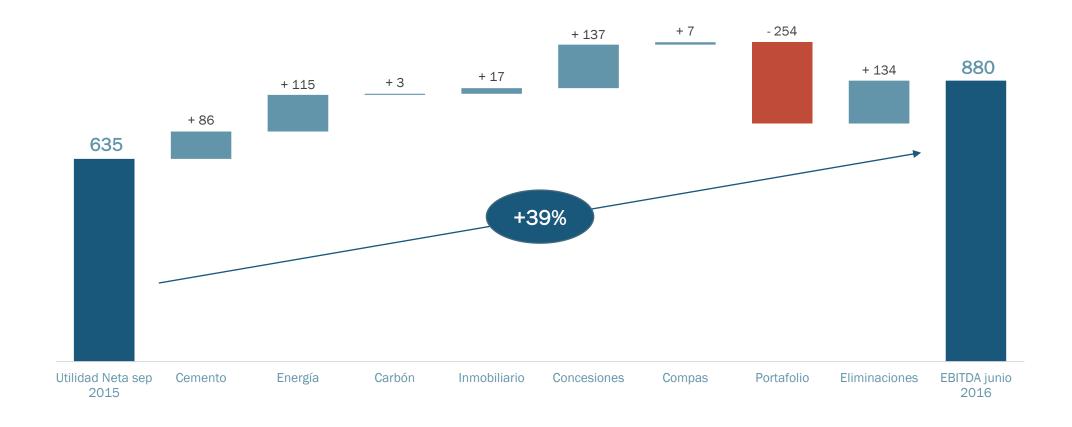
## **Consolidated Results – EBITDA**



- ✓ Positive contribution from the cement business. The United States Regional Division showed a 30.8% increase in the EBITDA quarter-on-quarter for a 13.9% margin.
- ✓ Consolidation of ODINSA for the third quarter of 2016, which increases the shareholding in ADN and BTA, consolidating them for the third quarter of 2016.
- ✓ The EBITDA generated by Celsia in the first nine months of 2016 increased 29% due to greater spot market sales revenue, because of the greater power generation of EPSA and Zona Franca, and the better spot market prices in Central America.



# **Consolidated Results - Net Profit**





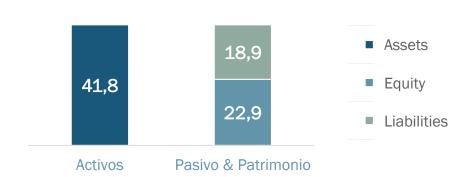
# **Consolidated Balance Sheet - Sept 2016**

### September 2016

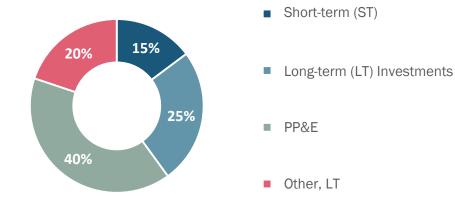


### December 2015

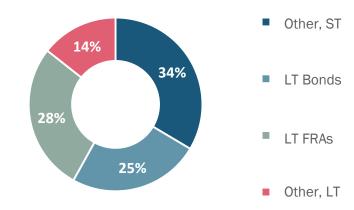
Trillions of COP



# Assets



### Liabilities





# **Separate Results**

		3Q 2016		Janu	mber	
Billions of COP	2016	2015	Var. (%)	2016	2015	Var. (%)
Revenue	193	695	-72	475	992	-52
Costs and Expenses	101	350	-71	171	452	-62
Operating Profit	89	332	-73	291	521	-44
EBITDA	90	333	-73	304	533	-43
EBITDA Margin (%)	46.8	47.8		63.9	53.8	

<sup>✓</sup> Difference in revenue due to divestments made in 2015 with the sale of Cementos Argos shares ~COP 602 billion.

- Revenue +22%
- EBITDA + 24%



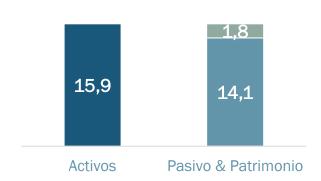
 $<sup>\</sup>checkmark$  Increase in the EBITDA margin from 53.8% to 63.9%.

<sup>✓</sup> If the effect of the sale of investments is eliminated, variations in terms of revenue and year-to-date EBITDA as of September would be:

# **Separate Balance Sheet - Sept 2016**

### September 2016

Trillions of COP





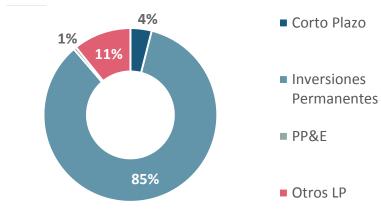
### December 2015

Trillions of COP

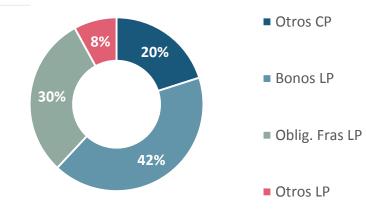




### Assets

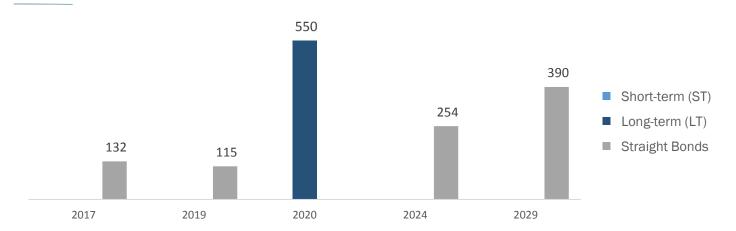


### Liabilities





# **Debt Profile**



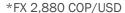
<sup>\*</sup> Figures in billions of Colombian pesos.

### **Cost of Individual Debt**



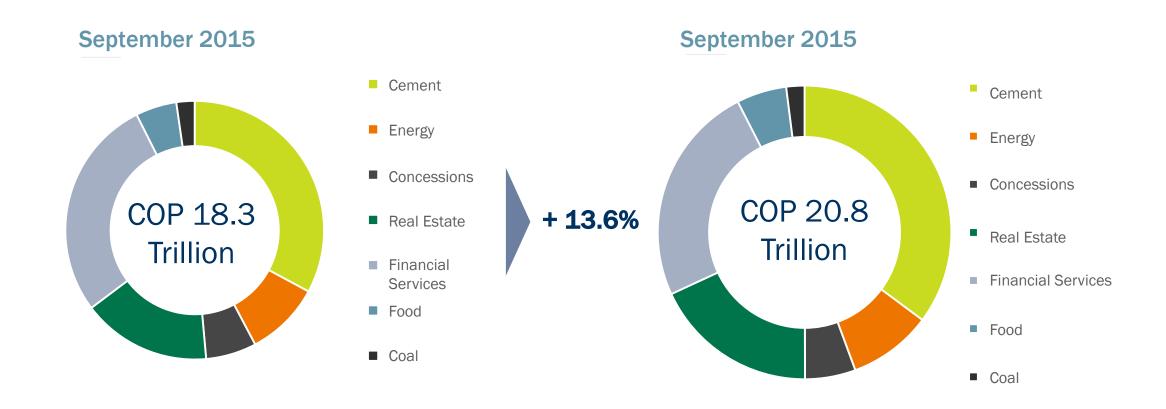


**GRUPO ARGOS** 



<sup>\*\*</sup> Adjusted EBITDA = EBITDA (-) Equity method (+) Dividends received (+) Divestments as of June 2016

# **Investment Portfolio**



<sup>\*</sup>The value of each investment is calculated based on the securities exchange price on September 30, 2015 and 2016, respectively, for the companies publicly traded on the securities exchange, and on the general terms of the demerger. 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 ARGOS Business





# Strengthening of the U.S. Regional Division after Acquisition of the Martinsburg Plant



Increases the installed capacity of Cementos Argos by

29%

4<sup>th</sup>

highest installed capacity in the United States

### **Acquisition of the Martinsburg Plant**

- ✓ A 10% increase in the Company's total installed capacity.
- ✓ Assets with a positive EBITDA in the market with great growth potential.
- ✓ FTC approval received. The transaction is expected to be completed in the first week of December.
- ✓ Greater share of the U.S. market permits more efficient risk diversification by country.
- ✓ It is estimated that 70% of revenue will be generated outside of Colombia in 2017.

### **BEST Program - Operational Efficiency**

- Estimated savings > ~COP 45 billion/year due to efficiency in Colombia's production network.
- ✓ Initiatives are being developed to reduce the clinker/cement ratio, which will permit the expansion of capacity by approximately 1 billion tons in the next 24 months.
- ✓ The Shared Services Center started operations with estimated savings of more than USD 3.5 million in 2017.

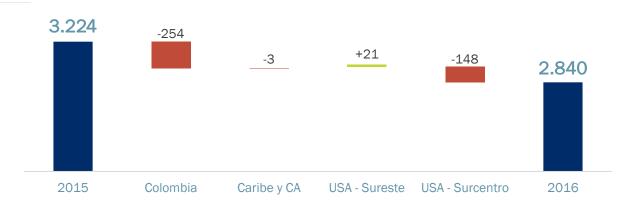


# **Third Quarter Volumes**

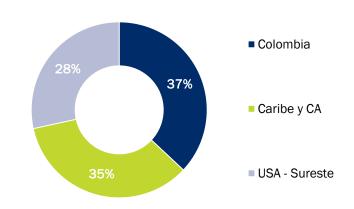
### Cement



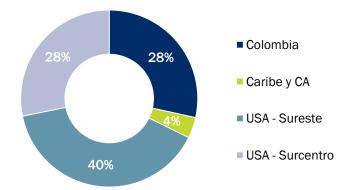
### Concrete



### **Cement Sales**

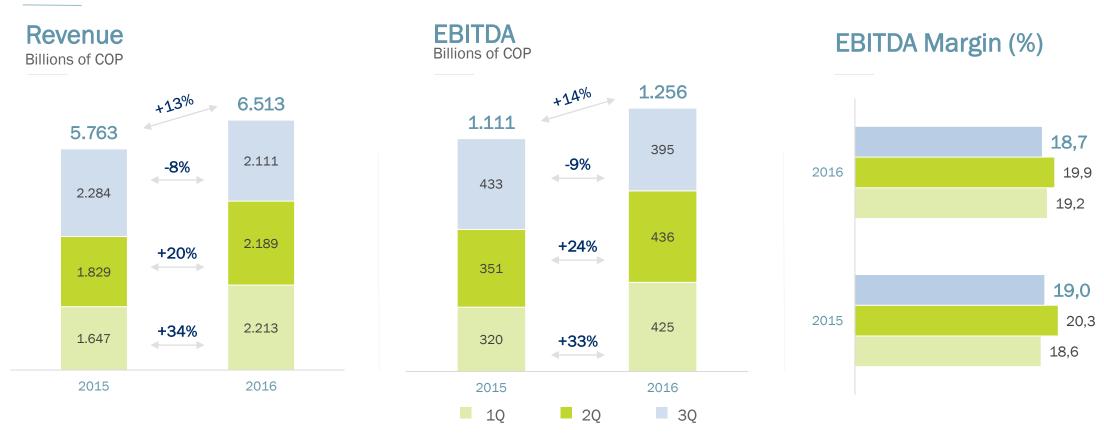


### **Concrete Sales**





# **Financial Results**



- ✓ Growth of 13% in the year-to-date revenue as of the third quarter of 2016, which demonstrates a successful strategy of revenue diversification, with the USA and the Caribbean region showing significant growth of 30% and 17%, respectively.
- ✓ The operational efficiency program starts to show results over the margins in Colombia despite the slowdown of the market.
- ✓ The United States Regional Division showed a 30.8% increase in the EBITDA quarter-on-quarter for a 13.9% margin.



# Energy CELSIA Business





# **Outstanding Results due to Consolidation of Trend**



#### Colombia:

- ✓ Water levels with trend close to the historical average for the third quarter of 2016 = 94%.
- ✓ Rainy season in the central and eastern areas of the country.
- ✓ Investments of COP 88 billion were made:
  - ✓ COP 20 billion in the generation business
  - ✓ COP 62 billion in the distribution business Plan 5 Caribe
- ✓ Start-up of the regasification plant is planned for December, which
  will give the Company flexibility.

### **Central America:**

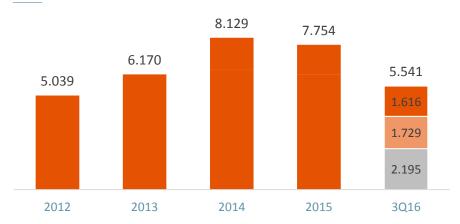
- ✓ Weather conditions with more rainfall.
- ✓ Fortuna and Bayano Reservoirs with an above average useful level.

1,616 GWh Consolidated Power Generation Cost of Sale 7 17%

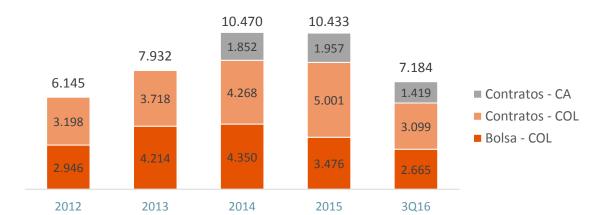


# **GX and DX Energy Volumes - Third Quarter**

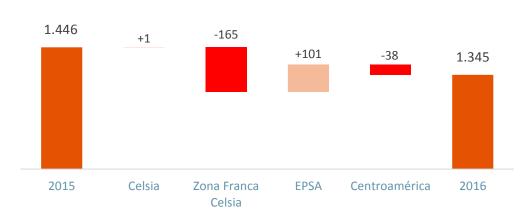
### **Generation in GWh**



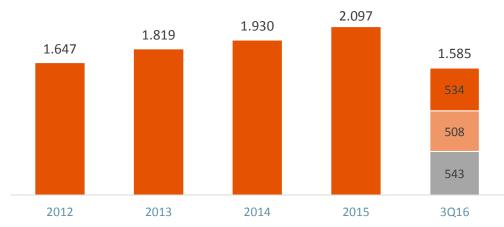
### **Energy Sales in GWh**



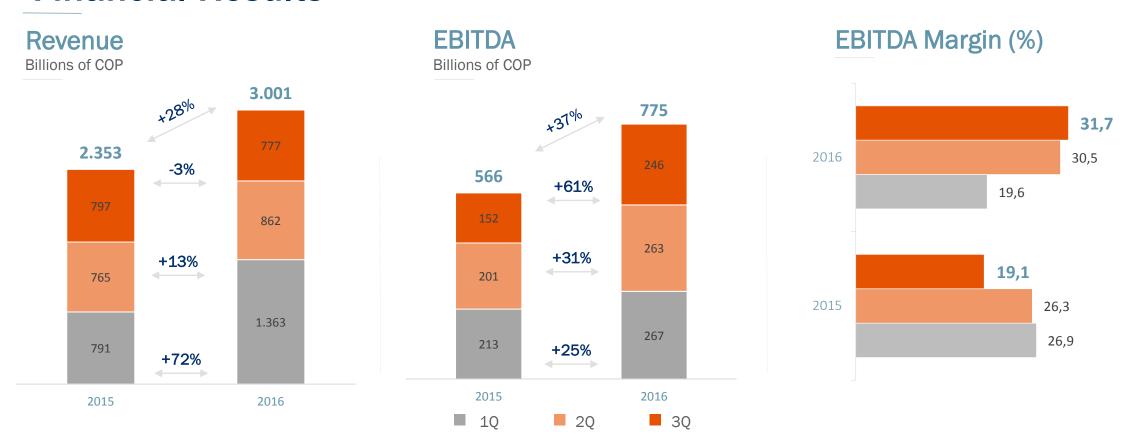
### Power Generated in GWh



### **Energy Traded (Reg. + Non-reg.)**



# **Financial Results**



- ✓ Greater power generation, up 13% with **normalization of prices** in year-on-year comparison (El Niño phenomenon).
- ✓ Lower costs due to lower energy sales and lower fuel prices.
- ✓ EBITDA margin of 32%, close to historical average margins.
- ✓ EBITDA trend favors leverage indicator (3.75 x net debt/EBITDA).









# Simplification of Structure, Positioning Itself as One of the Main Companies in Colombia's Infrastructure Sector

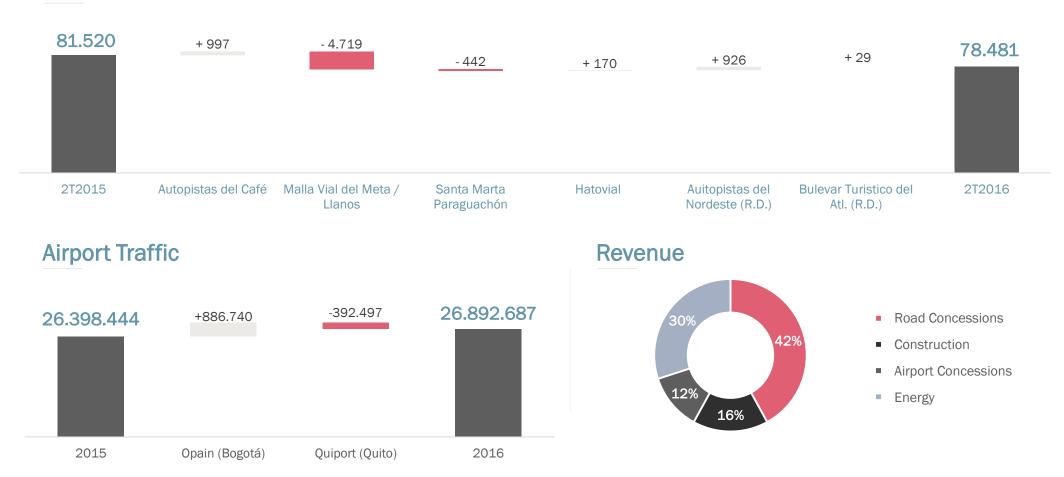


- Simplification of the strategy and focusing of the portfolio.
- ✓ From minority shareholder to a controlling shareholder in Pacifico 2. Exchange for:
  - ✓ Hatovial (22%)
  - ✓ Vías del Nus (22%)
  - ✓ Autopistas del Café (2%)
  - ✓ Corredor Verde (100%).
- ✓ The financial closure for Pacifico 2 was made official with the participation of national and international banking.
- Divestment of Sociedad Portuaria de Santa Marta.
- ✓ Divestment process in Santa Marta Paraguachón.
- ✓ Divestment process in GENA and GENPAC.
- ✓ ODINSA implements diverse divestment strategies to strengthen its capital structure.



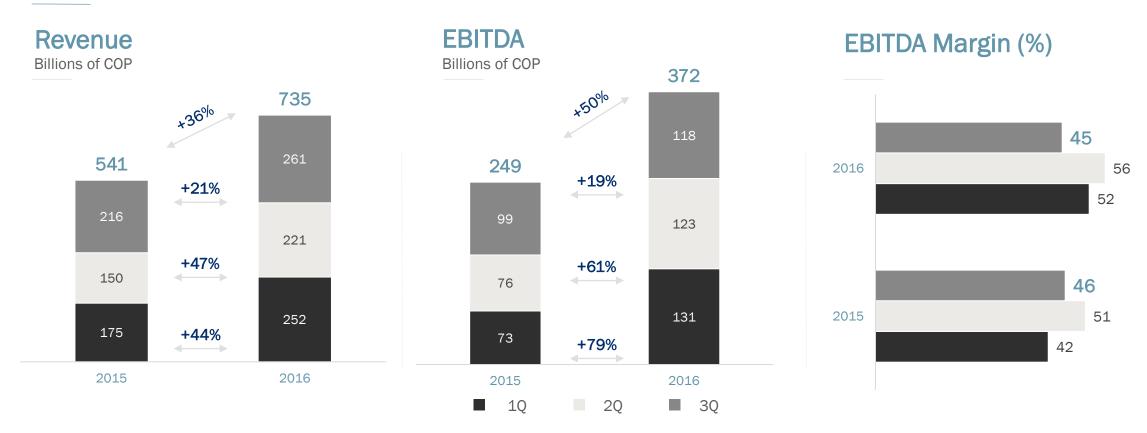
# **Operating Figures**

### **Average Daily Traffic (Road Concessions)**





# **Financial Results**



- ✓ Considerable increase in revenue due to good performance of concessions, construction and inclusion of Quiport (MPP) since December 2015.
- ✓ The EBITDA of the road concessions unit increased by 87% as a result of the good performance of Autopistas del Café, which increased its EBITDA by 2%, and the consolidation of the Dominican Republic concessions (ADN and BTA).



# Real Estate SITUM Business





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



- ✓ Resolution 0330 / November 1, 2016, was issued, which approves the subdivision license for the Cala Blanca project.
- ✓ Sale of lot for 182ha to Amarilo in Barranguilla.
- ✓ Deeds are being registered for lots in Barranquilla for a total of COP 47,500 million.



- Creation of the Pactia Private Capital Fund.
- Partnership with Protección to develop the real estate fund.
- ✓ Contribution of Santillana by Grupo Argos. Close of the gap between shareholdings in PA Pactia by Grupo Argos. This year, added to the contribution of Santillana, the contribution of Grupo Argos has been COP 135 billion.
- ✓ Deals of three new projects were closed:
  - Hotel Hilton Corferias in Bogotá 420 rooms.
  - Extension of EPSA in Yumbo 3,195 m<sup>2</sup>.
  - Expansion of the Fritolay distribution center 2,684 m<sup>2</sup>.



# **Operating Figures – Real Estate Portfolio**

### Year-to-Date Shareholding in PA Pactia (%)\*

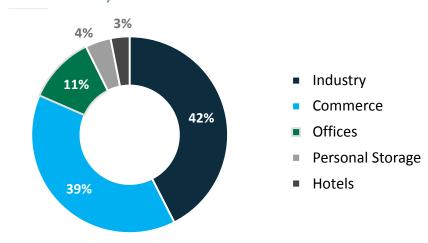


<sup>\* 697</sup> rooms in operation, not adjusted to shareholding.

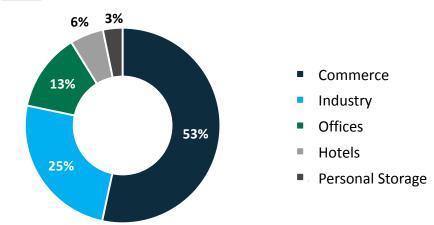
	3Q2016 3Q2016 Year-to-Date							
Effective Gross Revenue*	41,920	133,242						
Operating Costs	11,715	39,128						
Net Operating Revenue	30,205	94,114						
Consolidated EBITDA	25,311	82,040						
EBITDA Margin	60%	62%						

<sup>\*</sup>Non-recurring profit from the sale of non-strategic assets for COP 5,794 million.

### GLA 470,916 m<sup>2</sup>



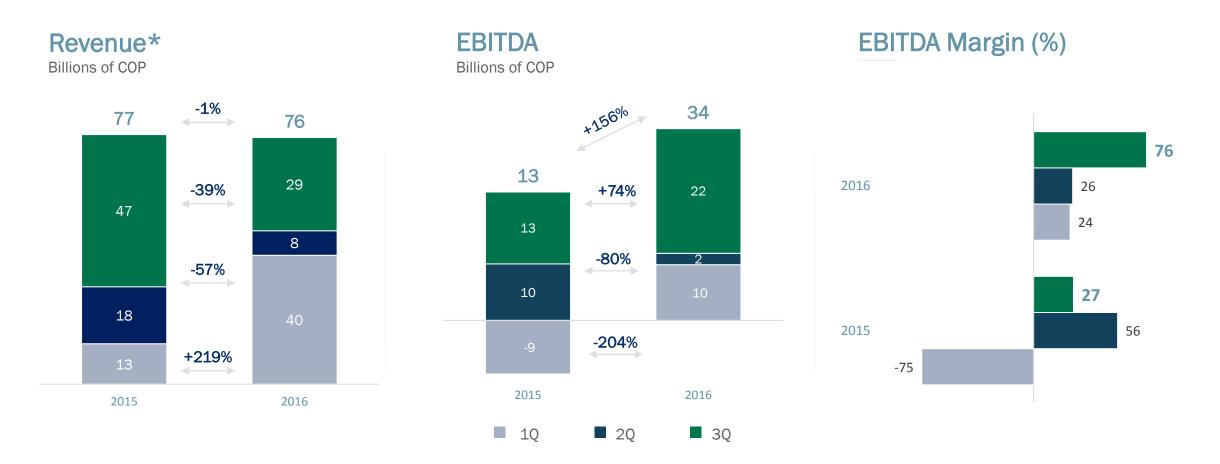
### NOR COP 30,205 Million 3Q16





<sup>\*\*</sup> Cap rate of stabilized productive assets: 9.0%.

# **Consolidated Financial Results of the Real Estate Business**



<sup>✓</sup> The year-to-date revenue as of September is COP 76,000 million, which includes leasing of real estate and the corresponding profit of the shareholding of Grupo Argos in Pactia.



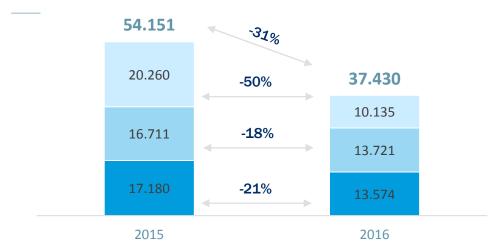






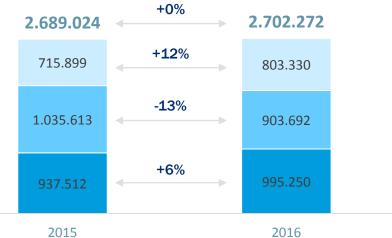
# **Operating Figures**

### **Mobilized Containers**



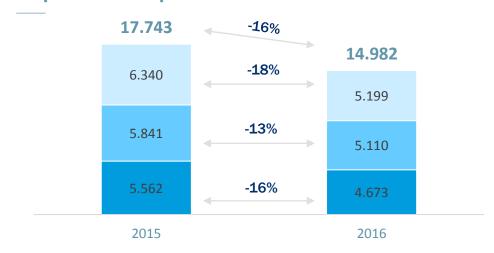
## **Tons of Bulk and General**

Cargo 2.689.024 715.899



1Q

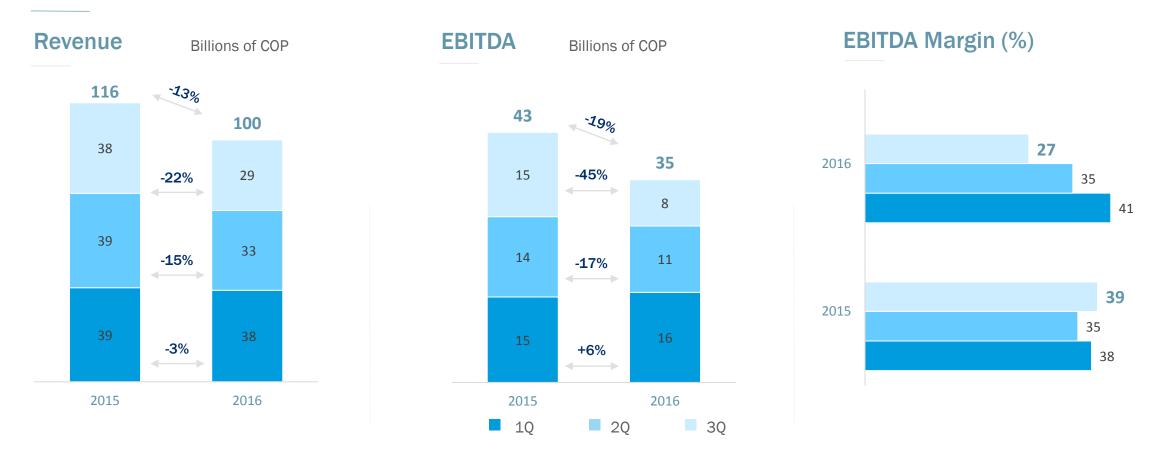
### **Import and Export Containers**



### **Mobilized Motor Vessels**



### Financial Results\*



<sup>✓</sup> Decrease in revenue explained by the fact that the Cartagena operations are now managed by CCTO by virtue of the agreement with APM Terminals. Compas has 49% of the terminal's operations and it has not yet been consolidated.









# **Grupo Argos – Contribution by Business**

	ARGOS	Var.	CELSIA	Var.	SITUM	Var.	COMPAS	Var. G	(3) RUPO ARGO	Var. S	SATOR	Var.	(4) ODINSA	Eliminaciones	.	Consolidado	Var.
Ingresos por actividades ordinarias	6.513.053	13%	3.001.499	28%	73.923	-4%	100.245	-13%	799.343	-37%	47.471	18%	703.219	-424.746	r (1)	10.814.008	24%
Utilidad bruta Margen bruto	1.534.045 23,6%	17%	667.023 22,2%	42%	71.236 96,4%	28%	36.525 36,4%	-18%	721.502 90,3%	-21%	13.816 29,1%	11%	430.714 61,2%		(1)	3.124.463 28,9%	- 1
operación Margen operativo	753.192 11,6%	19%	467.546 15,6%	47%	33.467 45,3%	166%	19.477 19,4%	-32%	653.391 81,7%	-23%	7.651 16,1%	8%	263.881 37,5%		(1)	1.868.218 17,3%	
EBITDA Margen EBITDA	1.249.907 19,2%	13%	750.519 25,0%	28%	33.529 45,4%	156%	34.997 34,9%	-19%	665.960 83,3%	-23%	9.595 20,2%	14%	338.444 48,1%		(1)	2.736.949 25,3%	- 1
Participación controladora Margen	345.732 5,3%	9%	347 0,0%	100%	28.125 38,0%	163%	7.676 7,7%	2690%	505.685 63,3%	-33%	3.571 7,5%	892%	79.104 11,2%		(2)	389.061 3,6%	3%



<sup>(1)</sup> Elimination using the equity method of the Holding Company, intercompany revenue, exclusion of Compas.

<sup>(2)</sup> Elimination using the equity method of the Holding Company, intercompany revenue, exclusion of Compas, Celsia and Cementos Argos retailers, recovery of shareholding in EPSA, other retailers.

<sup>(3)</sup> Includes the equity method generated in the consolidated results and excludes the real estate business.

<sup>(4)</sup> By September 2015, ODINSA's results had not been consolidated.

# **Grupo Argos – Contribution by Business**

