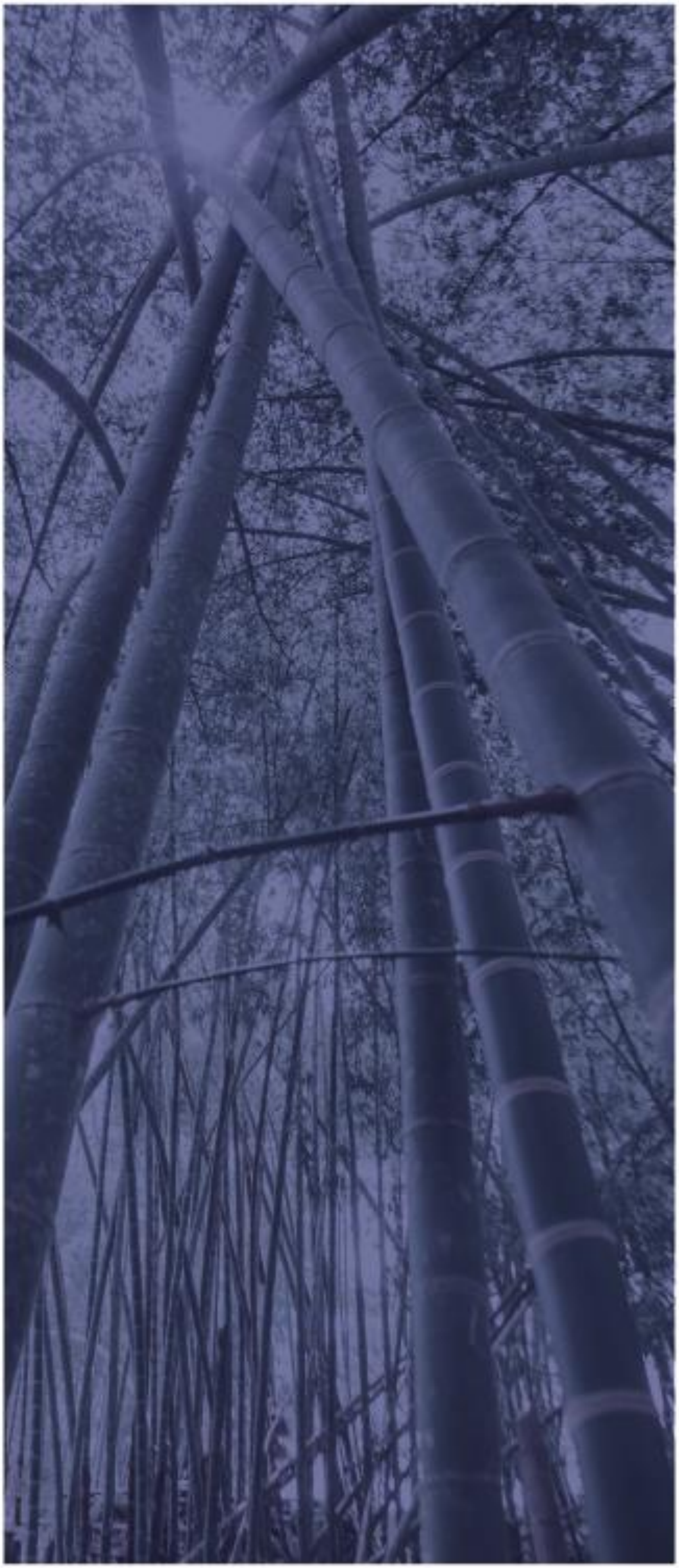

# Financial Results

## 2nd Quarter 2017

GRUPO ARGOS

# GRUPO ARGOS

## Report as of June 30, 2017

**BVC TICKER: GRUPOARGOS, PFGRUPOARG**

### EXECUTIVE SUMMARY

- Operating results for Grupo Argos reflect the benefits of a diversified portfolio with consolidated revenues growing 5% for the quarter and stability in the EBITDA margin at 25%.

- Consolidated revenues during the second quarter of 2017 reached COP 3.6 trillion, growing 5% compared to the second quarter of 2016. We highlight the positive contribution of the concession business in COP 276 billion, which includes the consolidation of OPAIN starting February 2017.

- Consolidated EBITDA between April and June amounted to COP 873 billion, with a notable positive contribution from concessions business with COP 71 billion and from the energy business of COP 45 billion, for an EBITDA margin of 25%, in line with the EBITDA generated during the first quarter, and which gives signs of stability resulting from the portfolio strategy. The EBITDA margin result is supported by higher profitability associated with the energy business (38% vs. 31% YoY) and the concession business (66% vs. 61% YoY), which helped counteract the effect of the lowest margins in the cement business in Colombia.

- Net income reached COP 215 billion, a decrease explained by an increase in financial expenses after the higher debt incurred following the consolidation of ADN, BTA and OPAIN, and the Cementos Argos bridge loan for the acquisition of Martinsburg. Net income for the parent company was COP 106 billion for the quarter.

- At the end of the period, assets stood at COP 48 trillion, growing 7% compared to the figure for December 2016, as a result of the consolidation of the portfolio. Liabilities amounted to COP 24 trillion, and equity stood at COP 24 trillion

- The indebtedness of Grupo Argos, considered individually, closed 2Q17 at COP 1.8 trillion. We note that the net debt/EBITDA indicator has declined, and stands at 2.7x, given the higher EBITDA generation, while the cash flow on interest indicator moved from 3.5x to 4.1x at the end of the quarter, above the recommended level of 1x.

# Financial Results
## 2nd Quarter of 2017

GRUPO ARGOS

## Contents

## Grupo Argos Individual Financial Results 2Q17

At the individual level, 2Q17 revenues reached COP 211 billion, growing 75% YoY. This variation is explained by the accounting in 2017 of COP 67 billion associated with the securities lending (SL) of Grupo Sura shares, in order to monetize dividends on shares received. In addition, higher revenues were recorded from the urban development business.

Setting aside this effect, pro forma revenues[1] for Grupo Argos individually would have shown a positive variation of 20%, supported by the increase in real estate revenues from sales of developed lots.

Equity method income for the quarter decreased by 10% due to the drop in Cementos' contribution (-73% to COP 23 bil) due to challenging market conditions in Colombia. However, there was a notable increase in the contribution from the energy businesses (+239% to COP 28 bil) and concessions (+160% to COP 49 bil) following a normalization of water conditions in Colombia, the consolidation of ADN and BTA, and the increase in GA's equity in Odinsa to 98.6%.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Revenue from ordinary activities** | **211,148** | **120,347** | **75.4%** | **387,072** | **282,005** | **37.3%** |
| Revenue from financial activity | 66,802 | 77 | NA | 154,497 | 88,890 | 73.8% |
| Real estate revenue (sale of urbanized lots) | 43,623 | 8,075 | 440% | 43,251 | 46,588 | (0.7%) |
| Profit (loss) net via equity method | 100,723 | 112,195 | (10.2%) | 186,324 | 146,527 | 27.2% |
| ***Proforma revenue[1]*** | ***144,346*** | ***120,347*** | ***19.9%*** | ***320,271*** | ***282,005*** | ***13.6%*** |

Cost of ordinary activities showed significant growth by incorporating SL non-recurring costs of COP 67 billion and higher costs associated with the development of lots. Administrative expenses amounted to COP 22 billion in 2Q17 (+19%), of which COP 5.4 billion is associated with the real estate business.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Cost of ordinary activities** | **94,127** | **67** | **NA** | **94,619** | **2,754** | **NA** |
| Cost of sales of financial activity | 66,801 | 67 | NA | 66,801 | 67 | NA |
| Cost of sales of real estate business | 27,326 | - | NA | 27,818 | 2,687 | NA |
| **Operating expenses** | **22,303** | **18,821** | **18.5%** | **69,866** | **66,672** | **4.8%** |
| Management | 21,224 | 17,259 | 23.0% | 67,696 | 64,098 | 5.6% |
| Management depreciation and amortization | 672 | 866 | (22.4%) | 1,345 | 1,740 | (22.7%) |
| Sales | 407 | 696 | (41.5%) | 825 | 834 | (1.1%) |

[1] Excluding income from the Grupo Sura securities lending operation for COP 67 billion

Other income/expenses reached COP -129 million compared to COP -1,158 million in 2Q16, due to the inclusion of COP 6 billion from the profit on sales of undeveloped lots of the real estate business.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Other revenue and expenditures** | **(129)** | **(1,158)** | **(111%)** | **(7,936)** | **(11,302)** | **29.8%** |
| Other revenue | 7,236 | 3,909 | (85.1%) | 7,404 | 4,404 | 68.1% |
| Other expenditures | 7,290 | 2,751 | 165% | 11,930 | 5,736 | 108% |
| Wealth tax | 75 | - | NA | 3,410 | 9,968 | (65.8%) |

Thus, individual EBITDA reached 95 billion (-8% YoY), for a pro forma EBITDA margin[1] of 66.0%, higher than the 67.7% recorded a year earlier. The adjusted annualized EBITDA[2] reached COP 219 billion. It is notable that the accumulated EBITDA for the half grews 3% and evidences a decrease in administrative expenses for the holding, excluding real estate, of 8%, a sign of the commitment to efficiency that we have set ourselves as an organization.

Non-operating expenses totaled COP 30 billion, 19% less than was recorded a year ago, as in 2017 the gain on the valuation of financial assets at fair value per SL operation was included. In addition, there was also a reduction in interest expenses in line with the lower inflationary pressures in Colombia and as a result of management at the treasury level.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Non-operating revenue and expenditures** | **(29,905)** | **(36,752)** | **(18.6%)** | **(61,904)** | **(53,298)** | **16.1%** |
| Financial, net | (29,574) | (36,720) | (19.5%) | (61,312) | (59,458) | 3.1% |
| Exchange rate difference, net | (331) | 32 | 934% | (592) | 6,160 | (110%) |

Net income at the end of 2Q17 stood at COP 61 billion, with a growth of 20% compared to the same period of the previous year. Income tax showed a reduction of 78% to COP 3 billion due to the accounting of a deferred tax asset for COP 4.6 billion. The pro forma net margin1 for the quarter remained stable compared to the previous year, at 42.5%.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Proforma revenue | 144,346 | 120,270 | 20.0% | 3,565,133 | 3,384,379 | 5.3% |
| Ebitda | 95,336 | 103,483 | (7.9%) | 872,809 | 880,217 | -0.8% |
| *Proforma Ebitda Margin* | *66.0%* | *86.0%* | *NA* | *24.5%* | *26.0%* | *(150pbs)* |
| Net income | 61,418 | 51,132 | 20.1% | 215,446 | 368,713 | -41.6% |
| *Proforma Net Margin* | *42.5%* | *42.5%* | | *46.3%* | *48.2%* | |

[2] Adjusted EBITDA = EBITDA (-) Equity method (+) Dividends received (+) Profit on disinvestments

As of June 2017, debt amounted to COP 1.8 trillion, growing 14% compared to the same quarter of the previous year due to the bridge loan that was taken for OPAIN's. However, we note that the net debt/recorded EBITDA indicator decreased, and stands at 2.7x, given the higher EBITDA, while the cash flow on interest indicator moved from 3.5x to 4.1x at the end of the quarter, above the recommended level of 1x.

## Grupo Argos Consolidated Financial Results 2Q17

At the close of 2Q17, consolidated operating revenues reached COP 3.6 trillion, 5% more than the same period last year, mainly explained by the consolidation of OPAIN, which contributed COP 281 billion in the quarter. Also notable is the profit of COP 12 billion derived from the sale of 35.8% of Santa Mara Paraguachón.

Equity method income fell 40% due to the lower contributions of Grupo Sura in the quarter (-56% to COP 48 bil).

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Revenue** | **3,565,133** | **3,384,379** | **5.3%** | **6,922,327** | **7,427,004** | **(6.8%)** |
| Revenue from sales of goods and services | 3,202,231 | 3,268,366 | (2.0%) | 6,262,128 | 7,028,247 | (10.9%) |
| Revenue from financial activity | 111,814 | 23,395 | 378% | 183,052 | 84,438 | 117% |
| Revenue from real estate business | 234,338 | 10,460 | NA | 361,396 | 125,939 | 187% |
| Net interest in profit (loss) of associated companies and businesses | 76,568 | 126,817 | (39.6%) | 206,538 | 281,098 | (26.5%) |
| -Refunds and sales discounts | (59,818) | (44,659) | (33.9%) | (90,787) | (92,718) | (2.1%) |

Costs amounted to COP 2.5 trillion with a 4% YoY increase due to the incorporation of the COP 67 bil from the Grupo Sura SL and higher depreciation and amortization.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Cost of ordinary activities** | **2,476,084** | **2,378,643** | **4.1%** | **4,892,722** | **5,331,168** | **(8.2%)** |
| Cost of sales of goods and services | 2,051,400 | 2,175,634 | (5.7%) | 4,151,765 | 4,870,807 | (14.8%) |
| Depreciation and amortization | 227,498 | 195,961 | 16.1% | 473,139 | 409,615 | 15.5% |
| Cost of financial activity | 66,801 | 69 | NA | 66,801 | 11,782 | NA |
| Cost of sales of real estate business | 130,385 | 6,979 | NA | 201,017 | 38,964 | 416% |

On the other hand, the costs of Grupo Argos' consolidated structure for 2Q17 were COP 529 billion, 64% more than the previous year due to the consolidation of OPAIN, which contributed COP 188 billion, including an increase in depreciation costs associated with PPA.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Structure expenses** | **529,111** | **323,102** | **63.8%** | **1,045,561** | **698,793** | **49.6%** |
| Management | 381,636 | 227,749 | 67.6% | 760,677 | 501,645 | 51.6% |
| Depreciation and amortization of management and sale | 91,191 | 35,242 | 159% | 173,869 | 82,273 | 111% |
| Sales | 56,283 | 60,111 | -6.4% | 111,015 | 114,875 | (3.4%) |

Other net income and expenses went from a net expense of COP 35 billion in 2Q16 to a net expense of COP 6 billion in 2Q17, given the low non-recurring expenses recorded in 2017.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Other Revenue and expenditures** | **(5,898)** | **(34,930)** | **(83.11%)** | **56,506** | **(162,407)** | **135%** |
| Other revenue | 17,790 | 27,776 | (35.9%) | 179,679 | 51,484 | 249% |
| Other expenditures | (23,608) | (61,397) | (61.6%) | (83,402) | (111,416) | 25.1% |
| Wealth tax | (80) | (1,309) | (93.8% ) | (39,771) | (102,475) | 61.2% |

Consolidated EBITDA at the close of 2Q17 reached COP 873 billion, stable compared to the same period of last year thanks to the fact that the concession and energy businesses offset the lower contribution of the cement business due to the competitive environment in Colombia. The EBITDA margin stood at 25% during 2Q17, with no major changes compared to the same period in 2016.

Finally, net income stood at COP 215 billion for the quarter, with a net margin of 6%.

| Millions COP | 2Q17 | 2Q16 Restated | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Revenue from ordinary activities | 3,565,133 | 3,384,379 | 5.3% | 6,922,327 | 7,427,004 | (6.8%) |
| EBITDA | 872,809 | 880,217 | -0.8% | 1,727,329 | 1,828,999 | (5.6%) |
| EBITDA Margin | 24.5% | 26.0% | (150pbs) | 25.0% | 24.6% | 33pbs |
| Net Income | 215,446 | 368,713 | -41.6% | 360,253 | 584,249 | (38.3%) |
| Net income attributable to controlling | 105,814 | 146,221 | -27.6% | 226,494 | 252,150 | (10.2%) |

## Net contribution by segment to the consolidated revenues of Grupo Argos 2Q2017

The net contribution of the different businesses to the consolidated financial results of Grupo Argos for the second quarter is shown below. We emphasize that the contributions do not necessarily coincide with the figures reported by each of the companies due to the homologation adjustments required by accounting standards.

| COP billions | Cement | Energy | Real Estate | Portfolio | Coal | Concessions | Total |
|---|---|---|---|---|---|---|---|
| Revenue | 2,154 | 743 | 60 | 107 | 22 | 479 | 3,565 |
| Gross Income | 419 | 242 | 34 | 41 | 3 | 350 | 1,089 |
| Operating Income | 194 | 194 | 29 | 13 | 2 | 122 | 554 |
| EBITDA | 367 | 280 | 29 | 19 | 2 | 177 | 873 |
| Net Income | 73 | 64 | 29 | -22 | 2 | 68 | 215 |
| Controlling interest | 22 | 29 | 29 | -25 | 2 | 49 | 106 |

## Summary of Businesses' Performance

### Cement business

The company's ability to adapt to counteract a challenging market in Colombia with tangible results, associated with the BEST program, is highlighted. To date, the program's progress is very positive, with savings as of June of USD 7 in costs per ton, and of -37% in administration and sales expenses in the Colombia region.

By the end of 2017 the company expects to have a savings of USD 12 per ton in response to the new sector dynamics, and thus achieve a higher profitability of operations. Seeking to achieve these results before the end of 2017, the company will continue to advance in the implementation of more *blending* options in order to decrease the Clinker ratio to cement, while waiting to start using alternative fuels at the Cartagena plant.

We note that with the BEST results, the company maintains its EBITDA budget for the end of the year, and has adopted additional commitments, anticipating a savings of USD 12 per ton, which will be reached by the end of 2017.

In terms of volumes, we highlight that cement shipments at the consolidated level increased by 18% over the quarter. This increase is driven by the operation in the United States, which increased by 46%, 5.5% excluding the Martinsburg effect, and a market recovery in Colombia, where volume growth was recorded at 7%.

Volumes of concrete, on the other hand, show a decrease of 8%, being mainly affected by the Texas operation as a result of low oil prices.

As for the results, these continue to show a competitive dynamic in Colombia, although they begin to show signs of moderate recovery. Revenues reached COP 2.2 trillion, down 2%, affected by lower prices, although higher volumes are highlighted.

As with revenues, consolidated EBITDA was impacted by the competitive dynamic in Colombia, and non-recurring expenses of COP 12.4 billion for indemnifications, standing at COP 367 billion and recording a decrease of 16%. However, the Ebitda margin of 20% for the Colombian operation is highlighted for the month of June, the highest of this year. We also note that the EBITDA margin for the United States region stands at 16.7%, this being a historical margin for the second quarter, while the Central American region continues to record healthy margins of 32%.

Bearing in mind the challenges we face in the cement business, we see favorable prospects for the recovery of the Colombian market, the consolidation of Cementos Argos' presence in the Central American market, and opportunities for growth of the US economy, where the company is strengthened after the acquisition of Martinsburg.

| COP billions | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Revenue | 2,154 | 2,189 | -1.6% | 4,231 | 4,402 | -3.9% |
| EBITDA | 367 | 436 | -15.8% | 641 | 861 | -25.6% |
| EBITDA Margin | 17.0% | 19.9% | (290 pb) | 15.2% | 19.6% | (440 pb) |
| Net Income | 48 | 180 | -73.3% | 2 | 281 | -99.2% |

### Energy business

Celsia has worked hard to manage risks and adapt to the challenges of the industry, and today, with the results of the second quarter of the year, we can confirm that its operation has strengthened, with a normalized EBITDA margin of 38%.

Celsia continues its commitment to provide greater dynamism in the energy sector in Colombia, boosting non-conventional renewable energies and expanding its distribution operations nationwide. The Celsia Solar Farm in Yumbo, which is progressing according to schedule, the installation of solar roofs with the benefit of law 1715, and progress with Plan5Caribe, place Celsia as a dynamic player in the sector.

In terms of results, consolidated production reached 1,618 GWh for the quarter, 7% lower than in the same quarter of the previous year, a decrease explained by a lower generation of thermal plants. This decrease in thermal generation in turn allowed greater participation of hydraulic generation, with lower costs and greater efficiency, consolidating its results in terms of margins.

Consolidated revenues reached COP 743 billion, a lower figure than in the same period of 2016 as a result of a price reduction on the stock exchange. However, we note that this lower income generation is offset by a higher cost reduction, resulting in an EBITDA for the quarter of COP 279 billion, 6% higher than the same quarter of 2016.

We highlight the good result in the EBITDA margin, which for this quarter was 38%, in line with the company's standard historical margins.

Between April and June 2017, there was an increase in the net positive result, which is COP 64 billion for the quarter, while the net income for the parent company stands at COP 43 billion.

| Millions COP | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Ordinary revenue | 743,335 | 861,841 | -13.8% | 1,485,261 | 2,224,930 | -33.2% |
| EBITDA | 278,979 | 262,597 | 6.2% | 520,409 | 529,497 | -1.7% |
| EBITDA Margin | 37.5% | 30.5% | 706pb | 35.0% | 23.8% | 1124pb |
| Net income | 64,318 | 3,197 | 1912% | 86,186 | 23,781 | 262.4% |
| Net income to controlling company | 42,791 | -3,625 | 1280% | 43,399 | -33,306 | 230.3% |

Parallel to the favorable financial results, in terms of leverage, the net debt/EBITDA indicator continues to advance, decreasing to 3.5 times at the close of the quarter, in comparison with 4.3 times as registered in the same quarter of the previous year. Disciplined resource administration generated by the operation in the different businesses and geographies has allowed an accelerated recovery in this indicator.

## Concessions business

***(See annex for more information)***

Odinsa, as part of its policy of strategic alignment toward the highway and airport concession segments, finalized its portfolio purge. In this regard, the company announced the divestiture of Generadora del Pacífico, GENPAC in April, Generadora del Atlántico, GENA in June, and its participation in the Santa Marta Paraguachón concession in the same month. The completion of these processes leaves Odinsa with a purged and focused portfolio, while giving it greater financial flexibility for the projects it is currently undertaking, meeting its financial and investment commitments in its portfolio projects for the semester.

The progress of the Pacífico II project is highlighted, which connects the center of the country with the Pacific, as one of the most emblematic projects of the first wave of 4G, with a work progress that exceeds 20% to date.

At the operational level, Odinsa recorded stable growth in vehicular and passenger traffic for the first half of the year, growing by 1.5% and 3.3%, respectively. Highway concessions have registered more than 73 thousand vehicles daily, on average, while airport concessions register more than 17 million, cumulative, as of June of 2017. Quito airport traffic has begun to show a recovery in the second quarter, this being the first quarter in the last 15 months to show a positive variation.

In terms of revenue Odinsa, at the consolidated level, recorded COP 203 billion, a year-on-year increase of 54% explained mainly by the consolidation of ADN + BTA and increased contributions from the Green Corridor construction consortium for project execution.

We highlight how the simplification of the portfolio, which has been carried together with Grupo Argos, has enabled the company to generate a solid cash flow from the assets it operates, which contributed to an EBITDA of COP 134 billion for the second quarter of 2017, for 65% growth compared to the second quarter of 2016, with an EBITDA margin of 66%.

| Millions COP | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Revenue | 202,873 | 132,316 | 53.3% | 376,471 | 320,891 | 17.3% |
| EBITDA | 134,220 | 81,080 | 65.5% | 269,414 | 184,163 | 46.3% |
| EBITDA margin | 66.2% | 61.3% | 490 pb | 71.6% | 57.4% | 1420 pb |
| Net Income | 64,449 | 34,987 | 84.2% | 118,452 | 100,222 | 18.2% |
| Net margin | 31.8% | 26.4% | 530 pb | 31.5% | 31.2% | 20 pb |

## Real estate business

***(See annex for more information)***

For the second quarter, the urban development business recorded deeds equivalent to COP 42 billion, corresponding to 28,603 m2. Revenues recorded for the quarter amounted to COP 45 billion, with a positive cash flow of COP 55 billion.

**Income details from developed and undeveloped lots**

| Millions COP | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Revenue | 45,289 | 2,203 | NA | 46,772 | 35,014 | 33.6% |
| Revenue from sale of lots | 42,103 | 0 | NA | 42,103 | 30,694 | 37.2% |
| Lot sales in m2 | 28,603 | 0 | NA | 28,603 | 55,338 | -48.3% |
| Cash Flow | 54,815 | 8,294 | 560.9% | 90,376 | 43,688 | 106.9% |

In the real estate rental business, gross operating revenues were COP 54 billion, growing 15% year-on-year, while net operating income was COP 37 billion, growing 12%, for a consolidated EBITDA of COP 23 billion and a margin of 43%.

**Revenues and costs details - Pactia**

| Million COP | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Gross Actualrevenue | 53,718 | 46,902 | 14.5% | 103,462 | 91,322 | 13.3% |
| Operating Costs | 16,449 | 13,519 | 21.7% | 32,469 | 27,413 | 18.4% |
| Net Operating Income | 37,269 | 33,382 | 11.6% | 70,994 | 63,908 | 11.1% |
| Consolidated EBITDA | 23,289 | 29,252 | -20.4% | 50,883 | 56,729 | -10.3% |

## Ports business

Consolidated revenues in the second quarter of 2017 were COP 39 billion, an increase of 19% year-on-year. The port of Aguadulce start-up is highlighted, which contributed COP 9 billion in the second quarter of the year. For its part, the EBITDA was 12 billion in 2Q2017.

| Millions COP | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Revenue | 39,260 | 33,055 | 18.8% | 77,194 | 70,966 | 8.8% |
| EBITDA | 8,769 | 11,459 | -23.5% | 24,801 | 27,000 | -8.1% |
| EBITDA Margin | 22.3% | 34.7% | -35.6% | 32.1% | 38.0% | -15.6% |

## Investments portfolio

| | Interest | Value (COP millions) | Value (USD millions)*** | Price per share (COP)* |
|---|---|---|---|---|
| **CEMENT** | | | | |
| Cementos Argos | **55.3%** | 7,545,912 | 2,484 | 11,840 |
| **ENERGY** | | | | |
| Celsia | **52.9%** | 1,801,743 | 593 | 4,600 |
| EPSA** | **11.9%** | 370,210 | 122 | 9,000 |
| **CONCESSIONS** | | | | |
| Odinsa | **98.6%** | 1,836,211 | 604 | 9,500 |
| **OTHER** | | | | |
| Grupo Suramericana | **27.7%** | 5,136,977 | 1,691 | 39,600 |
| Grupo Nutresa | **9.8%** | 1,194,436 | 393 | 26,400 |
| **TOTAL** | | **17,885,489** | **5,887** | |

** Price at the close of June 30, 2017*
*** Price per share for EPSA and Odinsa at the purchase value*
**** Based on the FX for June 30, 2017: COP$3,038 / 1 US$*
***** Grupo Argos' interest in Cementos Argos equates to 46.83% of the outstanding shares and 55.3% of ordinary shares.*

## Dividend's operating revenue and Cash Flow – Separate

### Dividend's operating revenue

| Million COP | 1H17 | 1H16 | Var Y/Y |
|---|---|---|---|
| Grupo de Inversiones Suramericana S.A.- Ordinaria | 63,304 | 61,467 | 3.0% |
| Grupo Nutresa S.A. | 24,160 | 19,047 | 26.8% |
| Grupo de Inversiones Suramericana S.A. - Preferencial | - | 1,246 | -100.0% |
| Bancolombia S.A. | - | 6,840 | -100.0% |
| Otros | 232 | 213 | 8.9% |
| **Total** | **87,696** | **88,813** | **-1.3%** |

### Dividend's cash flow

| | 1H17 | 1H16 | Var Y/Y |
|---|---|---|---|
| Cementos Argos S.A. | 148,815 | 123,959 | 20.1% |
| Odinsa S.A. | 93,633 | - | |
| Grupo de Inversiones Suramericana S.A.- Ordinaria | 78,092 | 60,321 | 29.5% |
| Celsia S.A. E.S.P. | 38,189 | 11,338 | 236.8% |
| Empresa de Energia del Pacifico EPSA S.A. | 23,817 | 20,567 | 15.8% |
| Grupo Nutresa S.A. | 23,753 | 22,109 | 7.4% |
| Bancolombia S.A. | - | 5,018 | -100.0% |
| Grupo de Inversiones Suramericana S.A. - Preferencial | - | 740 | -100.0% |
| Otros | 231 | 215 | 7.4% |
| **Total** | **406,530** | **244,267** | **66.4%** |

## Separate statement of financial position

**STATEMENT OF FINANCIAL POSITION - SEPARATE**

| Million COP | June-17 | December-16 | Var (%) |
|---|---|---|---|
| Cash and cash equivalents | 71,637 | 179,358 | -60.1% |
| Derivative Financial Instruments | 0 | 0 | |
| Current Investments | 0 | 0 | |
| Trade account receivables, net | 384,576 | 266,766 | 44.2% |
| Inventories | 128,656 | 81,488 | 57.9% |
| Biological assets | 0 | 0 | |
| Prepayments | 5,696 | 6,660 | -14.5% |
| Non-current assets held for sale | 0 | 0 | |
| **Total current assets** | **590,565** | **534,272** | **10.5%** |
| Non-current investment | 14,978,206 | 14,515,263 | 3.2% |
| Other non-current account receivables | 22,999 | 4,166 | 452.1% |
| Inventories | 46,887 | 42,583 | 10.1% |
| Intangibles, net | 5,014 | 5,917 | -15.3% |
| Property, plant and equipment, net | 26,267 | 25,551 | 2.8% |
| Investment properties | 1,799,146 | 1,867,447 | -3.7% |
| Deferred taxes | 0 | 0 | |
| Biological Assets | 0 | 0 | |
| Derivative Financial Instruments | 0 | 0 | |
| Prepayments | 0 | 0 | |
| **Total non-current assets** | **16,878,519** | **16,460,927** | **2.5%** |
| **Total assets** | **17,469,084** | **16,995,199** | **2.8%** |

# Financial Results
## 2nd Quarter of 2017

GRUPO ARGOS

| Million COP | June-17 | December-16 | Var (%) |
|---|---|---|---|
| Current financial liabilities | 13,044 | 5,920 | 120.3% |
| Bonds and other financial liabilities | 139,748 | 139,132 | 0.4% |
| Current trade and other current payables | 225,831 | 92,004 | 145.5% |
| Provisions | 1,921 | 1,921 | 0.0% |
| Current tax payables | 9,381 | 5,562 | 68.7% |
| Labor liabilities | 8,701 | 11,776 | -26.1% |
| Current employee benefits liability | 0 | 0 | |
| Other current liabilities | 49,969 | 46,770 | 6.8% |
| Derivative Financial Instruments | 0 | 0 | |
| Liabilities associated with non-current assets held for sale | 0 | 0 | |
| **Total current liabilities** | **448,595** | **303,085** | **48.0%** |
| Non-current financial liabilities | 865,036 | 550,033 | 57.3% |
| Bonds and other financial liabilities | 766,243 | 766,243 | 0.0% |
| Deferred taxes | 127,688 | 132,865 | -3.9% |
| Provisiones | 0 | 0 | |
| Other accounts payable | 0 | 0 | |
| Employee benefits liability | 13,075 | 13,075 | 0.0% |
| Estimated liabilities for employee benefits | 0 | 0 | |
| Derivative Financial Instruments | 0 | 0 | |
| Non - current tax payables | 0 | 0 | |
| Other liabilities | 0 | 0 | |
| **Total non-current liabilities** | **1,772,042** | **1,462,216** | **21.2%** |
| **Total liabilities** | **2,220,637** | **1,765,301** | **25.8%** |
| | | | |
| **Total Equity** | **15,248,447** | **15,229,898** | **0.1%** |
| Issued capital | 53,933 | 53,933 | 0.0% |
| Share premium | 1,354,759 | 1,354,759 | 0.0% |
| Other Comprehensive Income | 1,561,959 | 1,559,137 | 0.2% |
| Reserves | 2,829,844 | 2,743,764 | 3.1% |
| Other equity components | 599,700 | 466,622 | 28.5% |
| Retained earnings (loss) | 8,699,863 | 8,699,863 | 0.0% |
| Net income (loss) | 148,389 | 351,820 | -57.8% |

SEPARATE STATEMENT OF LOSSES AND PROFITS

| Million COP | 2Q17 | 2Q16 restated | Var (%) | 1H17 | 1H16 | Var (%) |
|---|---|---|---|---|---|---|
| **Operating Revenues** | **211,148** | **120,347** | **75.45%** | **387,072** | **282,005** | **37.26%** |
| Financial income or expenses, net | 66,801 | 77 | NA | 154,497 | 88,890 | 73.81% |
| Real estate income | 43,623 | 8,075 | 440.22% | 46,251 | 46,588 | (0.72%) |
| Equity method, net | 100,724 | 112,195 | (10.22%) | 186,324 | 146,527 | 27.16% |
| **Variable cost** | **94,127** | **67** | **NA** | **94,619** | **2,754** | **NA** |
| Cost of sales - Financial activities | 66,801 | 67 | NA | 66,801 | 67 | NA |
| Cost of sales - Real estate business | 27,326 | 0 | NA | 27,818 | 2,687 | 935.28% |
| **Gross income** | **117,021** | **120,280** | **(2.71%)** | **292,453** | **279,251** | **4.73%** |
| *Gross margin* | 55% | 100% | NA | 76% | 99% | NA |
| **Overhead** | **22,303** | **18,821** | **18.50%** | **69,866** | **66,672** | **4.79%** |
| Administrative expenses | 21,224 | 17,259 | 22.97% | 67,696 | 64,098 | 5.61% |
| D&A | 672 | 866 | (22.40%) | 1,345 | 1,740 | (22.70%) |
| Selling expenses | 407 | 696 | (41.52%) | 825 | 834 | (1.07%) |
| D&A - selling | | | | | | |
| **Other income and other expenses** | **(129)** | **1,158** | **(111.14%)** | **(7,936)** | **(11,302)** | **(29.78%)** |
| Other income | 7,236 | 3,909 | 85.11% | 7,404 | 4,404 | 68.12% |
| Other expenses | (7,291) | (2,751) | 165.03% | (11,930) | (5,738) | 107.93% |
| Wealth tax | (74) | 0 | NA | (3,410) | (9,968) | (65.80%) |
| **Operating income** | **94,589** | **102,617** | **(7.82%)** | **214,651** | **201,277** | **6.64%** |
| *Operating margin* | 45% | 85% | NA | 55% | 71% | NA |
| **EBITDA** | **95,335** | **103,483** | **(7.87%)** | **219,406** | **212,985** | **3.01%** |
| *EBITDA margin* | 45% | 86% | NA | 57% | 75% | NA |
| **Non-operating revenues and expenses** | **(29,905)** | **(36,752)** | **(18.63%)** | **(61,904)** | **(53,298)** | **16.15%** |
| Financial revenues and expenses, net | (29,574) | (36,720) | (19.46%) | (61,312) | (59,458) | 3.12% |
| Ingresos por dividendos | | | | | | |
| Exchange difference, net | (331) | (32) | 934.38% | (592) | 6,160 | (109.61%) |
| **Pre-tax profit (loss)** | **64,684** | **65,865** | **(1.79%)** | **152,747** | **147,979** | **3.22%** |
| Income tax | 3,266 | 14,733 | (77.83%) | 4,358 | 12,187 | (64.24%) |
| **Net income** | **61,418** | **51,132** | **20.12%** | **148,389** | **135,792** | **9.28%** |
| Net margin | 29% | 43% | NA | 38% | 48% | NA |

SEPARATE STATEMENTE OF CASH FLOW

| | Jun 2017 | Jun 2016 |
|---|---|---|
| **Operating cash flow** | | |
| **NET INCOME** | **148,389** | **135,792** |
| Adjustments for: | | |
| Dividend income from non-controlling companies | (87,696) | (98,829) |
| Tax expense recognized during the period | 4,358 | 12,187 |
| Wealth tax recognized during the period | 3,409 | 9,968 |
| Equity method – subsidiaries | (186,325) | (146,527) |
| Financial expenses recognized during the period | 69,480 | 75,180 |
| Interest revenues recognized during the period | (4,966) | (8,701) |
| Employee benefits recognized during the period | - | (9) |
| Gain/loss from sale of PP&E | 6 | 178 |
| Gain/loss from investment sale | - | (3,798) |
| Gain/loss from measurement at fair value of investment properties | (8,607) | - |
| Gain/loss from measurement at fair value of financial instruments | (3,574) | (7,329) |
| Instrument inefficiency on cash flow hedge | - | 1 |
| Impairment from Non- current assets recognized during the period | 314 | 47 |
| D&A of non - current assets | 1,346 | 1,740 |
| FX gain/loss on financial instruments recognized in results | 280 | (5,639) |
| Other adjustments | 3 | - |
| | **(63,583)** | **(35,739)** |
| **CHANGE IN WORKING CAPITAL:** | | |
| Trade account receivables and other accounts receivables | 59,118 | 30,569 |
| Inventories | 18,870 | (3,102) |
| Other assets | 1,008 | (9,458) |
| Trade account payables and other accounts payables | 8,935 | (47,053) |
| Other liabilities | 5,749 | 2,261 |
| **Cash from operations** | **30,097** | **(62,522)** |
| Wealth tax payed | (1,705) | (4,130) |
| Income tax payed | (7,796) | - |
| Dividends received | 192,552 | 114,782 |
| **CASH FROM OPERATIONS** | **213,148** | **48,130** |
| **CASH FLOW FROM INVESTMENT ACTIVITIES** | | |
| Acquisition of PP&E | (763) | (1,393) |
| Sale of investment properties | 6,564 | - |
| Intangible asset acquisition | (401) | - |
| Acquisition of subsidiaries' control | (483,819) | - |
| Subordinates debt payment | 35,534 | - |
| Share acquisition in associates and joint ventures | (12,320) | (39,553) |
| Sale of share in associates and Join Ventures | 2,116 | - |
| Financial interests received | 7,725 | 7,996 |
| Acquisition of financial assets | (64) | - |
| **CASH FLOW FROM INVESTMENT ACTIVITIES** | **(445,428)** | **(32,950)** |
| **CASH FLOW FROM FINANCING** | | |
| Increase/decrease in other financing instruments | 315,000 | (99,282) |
| Dividends paid | (124,956) | (113,320) |
| Interests paid | (65,486) | (77,460) |
| **CASH FLOW FROM FINANCING** | **124,558** | **(290,062)** |
| **CASH FROM THE PERIOD** | **(107,722)** | **(274,882)** |
| **Cash from the previous period** | **179,358** | **311,454** |
| FX effects on cash | 1 | (114) |
| **CASH AT THE END OF THE PERIOD** | **71,637** | **36,458** |

## Consolidated Statement of Financial Position

**STATEMENT OF FINANCIAL POSITION - CONSOLIDATED**

| Million COP | June-17 | December-16 | Var (%) |
|---|---|---|---|
| Cash and cash equivalents | 2,422,442 | 1,921,472 | 26.1% |
| Derivative financial instruments | 98 | 1,420 | -93.1% |
| Investments | 47,722 | 2,303 | 1972.2% |
| Trade account receivables, net | 2,915,690 | 2,707,432 | 7.7% |
| Inventories | 1,227,443 | 1,069,615 | 14.8% |
| Biological assets | 0 | - | |
| Prepayments | 191,360 | 198,478 | -3.6% |
| Non-current assets held for sale | 8,346 | 350,872 | -97.6% |
| **Total current assets** | 6,813,101 | 6,251,592 | 9.0% |
| Non-current investment | 9,415,214 | 9,925,907 | -5.1% |
| Other non-current account receivables | 2,632,075 | 2,560,227 | 2.8% |
| Inventories | 46,887 | 42,583 | 10.1% |
| Intangibles, net | 7,409,157 | 4,638,553 | 59.7% |
| Property, plant and equipment, net | 18,415,650 | 18,258,476 | 0.9% |
| Investment properties | 2,167,970 | 2,273,994 | -4.7% |
| Deferred taxes | 760,516 | 758,382 | 0.3% |
| Biological assets | 20,870 | 20,870 | 0.0% |
| Derivative financial instruments | 548 | 650 | -15.7% |
| Other non-current assets | 32,531 | 18,340 | 77.4% |
| **Total non-current assets** | 40,901,418 | 38,497,982 | 6.2% |
| **Total assets** | 47,714,519 | 44,749,574 | 6.6% |

| Million COP | June-17 | December-16 | Var (%) |
|---|---|---|---|
| Current financial liabilities | 3,908,209 | 3,407,874 | 14.7% |
| Bonds and other financial liabilities | 755,847 | 760,339 | -0.6% |
| Current trade and other current payables | 2,406,692 | 1,567,365 | 53.6% |
| Current provisions | 346,850 | 328,471 | 5.6% |
| Current tax payables | 223,377 | 169,270 | 32.0% |
| Labor liabilities | 168,478 | 202,657 | -16.9% |
| Estimated liabilities for employee benefits | 0 | - | |
| Other current liabilities | 599,439 | 480,889 | 24.7% |
| Derivative financial instruments | 109,876 | 102,555 | 7.1% |
| Liabilities associated with assets held for sale | 824 | 191,699 | -99.6% |
| **Total current liabilities** | **8,519,592** | **7,211,119** | **18.1%** |
| Non-current financial liabilities | 6,818,252 | 6,363,559 | 7.1% |
| Bonds and other financial liabilities | 5,533,341 | 4,644,438 | 19.1% |
| Deferred taxes | 1,601,257 | 1,580,512 | 1.3% |
| Provisions | 315,731 | 298,565 | 5.7% |
| Other non-current payables | 328,638 | 319,950 | 2.7% |
| Labor liabilities | 453,585 | 440,950 | 2.9% |
| Derivative financial instruments | 6,665 | 8,901 | -25.1% |
| Other non-current liabilities | 441,063 | 246,984 | 78.6% |
| **Total non-current liabilities** | 15,498,532 | 13,903,859 | 11.5% |
| **Total Liabilities** | **24,018,124** | **21,114,978** | **13.7%** |
| Issued capital | 53,933 | 53,933 | 0.0% |
| Share premium | 1,354,759 | 1,354,759 | 0.0% |
| Other Comprehensive Income | 2,152,249 | 1,987,756 | 8.3% |
| Reserves | 2,829,844 | 2,743,764 | 3.1% |
| Other components of shareholders' equity | -52,568 | -21,305 | 146.7% |
| Retained earnings (loss) | 9,052,810 | 8,898,455 | 1.7% |
| Net income (loss) | 226,494 | 589,466 | -61.6% |
| **Total equity** | **23,696,395** | **23,634,596** | **0.3%** |
| **Controlling interest** | **15,617,521** | **15,606,828** | **0.1%** |
| **Non- controlling interest** | **8,078,874** | **8,027,768** | **0.6%** |

## INCOME STATEMENT - CONSOLIDATED

| Million COP | 2Q17 | 2Q16 restated | Var (%) | 1H17 | 1H16 | Var (%) |
|---|---|---|---|---|---|---|
| **Revenues from operating activities** | **3,565,133** | **3,384,379** | 5.3% | **6,922,327** | **7,427,004** | (6.8%) |
| Goods sold | 3,202,231 | 3,268,366 | (2.0%) | 6,262,128 | 7,028,247 | (10.9%) |
| Financial income/expenses | 111,814 | 23,395 | 377.9% | 183,052 | 84,438 | 116.8% |
| Real estate income | 234,338 | 10,460 | 2140.3% | 361,396 | 125,939 | 187.0% |
| Equity method, net | 76,568 | 126,817 | (39.6%) | 206,538 | 281,098 | (26.5%) |
| Sales returns and discounts | (59,818) | (44,659) | 33.9% | (90,787) | (92,718) | (2.1%) |
| **Variable cost** | **2,476,084** | **2,378,643** | 4.1% | 4,892,722 | 5,331,168 | (8.2%) |
| Cost of goods sold | 2,051,400 | 2,175,634 | (5.7%) | 4,151,765 | 4,870,807 | (14.8%) |
| Depreciation and amortization | 227,498 | 195,961 | 16.1% | 473,139 | 409,615 | 15.5% |
| Cost of sales – Financial act. | 66,801 | 69 | 96713.0% | 66,801 | 11,782 | 467.0% |
| Cost of sales - Real estate | 130,385 | 6,979 | 1768.2% | 201,017 | 38,964 | 415.9% |
| **Gross income** | **1,089,049** | **1,005,736** | 8.3% | 2,029,605 | 2,095,836 | (3.2%) |
| *Gross margin* | *31%* | *30%* | | *29.3%* | *28.2%* | |
| **Operating expenses** | **529,111** | **323,101** | 63.8% | 1,045,561 | 698,793 | 49.6% |
| Administrative expenses | 381,636 | 227,748 | 67.6% | 760,677 | 501,645 | 51.6% |
| D&A- administrative | 82,978 | 25,860 | 220.9% | 157,683 | 62,288 | 153.2% |
| Selling expenses | 56,284 | 60,111 | (6.4%) | 111,015 | 114,875 | (3.4%) |
| D&A- administrative | 8,213 | 9,382 | (12.5%) | 16,186 | 19,985 | (19.0%) |
| **Other income/expenses** | **(5,898)** | **(34,930)** | (83.1%) | 56,506 | (162,407) | (134.8%) |
| Other income | 17,790 | 27,776 | (36.0%) | 179,679 | 51,484 | 249.0% |
| Other expenses | (23,608) | (61,397) | (61.5%) | (83,402) | (111,416) | (25.1%) |
| Wealth Tax | (80) | (1,309) | (93.9%) | (39,771) | (102,475) | (61.2%) |
| **Operating profit** | **554,040** | **647,705** | (14.5%) | 1,040,550 | 1,234,636 | (15.7%) |
| *Operating margin* | *15.5%* | *19.1%* | | 15.0% | 16.6% | |
| **EBITDA** | **872,809** | **880,217** | (0.8%) | 1,727,329 | 1,828,999 | (5.6%) |
| *EBITDA margin* | *24.5%* | *26.0%* | | *25.0%* | *24.6%* | |
| **Non-operating revenues and expenses** | **(253,126)** | **(268,583)** | (5.8%) | (525,044) | (471,873) | 11.3% |
| Financial revenues and expenses, net | (277,709) | (264,232) | 5.1% | (540,276) | (478,066) | 13.0% |
| Exchange difference, net | 24,583 | (4,351) | (665.0%) | 15,232 | 6,193 | 146.0% |
| Gain/loss on investment retirement | - | - | | - | - | |
| **Pre-tax profit (loss)** | **300,914** | **379,122** | (20.6%) | 515,506 | 762,763 | (32.4%) |
| Income tax | 85,468 | 10,409 | 721.1% | 155,253 | 178,514 | (13.0%) |
| **Profit (loss) from continuing operations** | **215,446** | **368,713** | (41.6%) | 360,253 | 584,249 | (38.3%) |
| Net loss from discontinued operations | - | - | | - | - | |
| **Net income** | **215,446** | **368,713** | (41.6%) | 360,253 | 584,249 | (38.3%) |
| *Net margin* | *6.0%* | *10.9%* | | *5.2%* | *7.9%* | |
| **Controlling interest** | **105,814** | **146,221** | (27.6%) | 226,494 | 252,150 | (10.2%) |
| *Net margin - controlling* | *3.0%* | *4.3%* | | *3.3%* | *3.4%* | |

*We will hold a conference to discuss second quarter 2017 results on Tuesday, August 15th at 8:00 a.m. Colombia time.*

## *Conference ID: 54.496.199*

| | |
|---|---|
| *Estados Unidos/Canadá:* | *(866) 837 - 3612* |
| *Colombia:* | *01800-913-0176* |
| *Int'l/Local:* | *(706) 634 - 9385* |

*A detailed presentation of these results shall be made available on Grupo Argos' Investor Website (www.grupoargos.com) under home or in the Financial Information / Reports section.*

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## Odinsa

The company has finalized its portfolio simplification, seeking to concentrate its efforts in holding controlled assets in roads and airports. In this regard, the company announced the divestiture of Generadora del Pacífico, GENPAC in April, Generadora del Atlántico, GENA in June, and its participation in the Santa Marta Paraguachón concession in the same month. The completion of these processes leaves Odinsa with a simplified and focused portfolio, while giving it greater financial flexibility for the projects it is currently undertaking, meeting its financial and investment commitments in its portfolio projects for the semester.

In addition, the decision was taken to maintain equity in the Green Corridor concession in Aruba, which was initially to be exchanged for an additional stake in the Pacifico II project. The decision to keep this concession was made in light of the progress of the project, which is already in a final phase, and given its attractive levels of profitability and ownership that fit the strategy of the concessions business.

The progress of the Pacífico II project, which connects the center of the country with the Pacific, is highlighted as one of the most emblematic projects of the first wave of 4G, with a work progress that exceeds 20% to date.

## 2Q17 Consolidated Results

During 2Q17, the financial statements of Odinsa presented differences compared to 2Q16, mainly due to the consolidation, starting from May 2016, of the concessions in the Dominican Republic Autopistas del Nordeste [Northeast Highways] (ADN) and Boulevard Turístico del Atlántico [Atlantic Touristic Boulevard] (BTA).

In addition, in order to make 2Q16 results comparable with 2Q17 results after the 4Q16 reclassification of Gena and Genpac energy assets as available-for-sale assets, a pro forma adjustment was made to the financial statements reported in 2016 for the purpose of consolidating said assets.

In terms of revenue Odinsa, at the consolidated level, recorded COP 203 billion in the second quarter, a year-on-year increase of 54% explained mainly by the consolidation of ADN + BTA and increased contributions from the Green Corridor construction consortium for project execution.

By segment, revenues from the highway concessions business reached COP 155 billion (+44% YoY), with Autopistas del Café [Coffee Highways] (COP 44 billion) and ADN and BTA (COP 60 billion) being the most representative. In the construction segment, revenues totaled COP 55 billion (56% YoY) and were positively impacted by contributions from the Green Corridor construction consortium.

Finally, in the airport business, revenues reached COP 27 billion (-7% YoY). It is important to note that both concessions are included in the consolidated financial statements under the equity method, which for 2Q17 added COP 7 billion to Opain and COP 20 billion to Quiport.

Ebitda shows solid performance, increasing 65% YoY to reach COP 134 billion. This is mainly attributed to the contribution of the concessions in the Dominican Republic, which allow to an EDBITA increase of 82% YoY for the highway concessions segment. The EBITDA margin closed the quarter at 66%, up from 61% in 2Q16.

Net Income reached COP 65 billion, growing 84% YoY, given the aforementioned effects. This lower increase, when compared to EBITDA, is the result of having to amortize the financial assets of the Dominican Republic concessions, the value of which increased significantly in 2016 when that value was updated.

The company's consolidated financial debt closed the quarter at COP 2.3 trillion and showed a decrease of 5% YoY, resulting from the amortization of long-term loans to Odinsa, related to the Opain and Odinsa Holding equity contributions, which were related to the acquisition of Quiport.

### 2Q17 contributions per business

| Million COP | Road concessions | Construction | Airport concessions | Other int. op. (*) | Other direct ODINSA (**) | TOTAL |
|---|---|---|---|---|---|---|
| Operating revenues | **154,745** | **54,501** | **26,946** | **8,131** | **6,975** | **202,873** |
| Equity method revenue | 86,698 | 18,651 | 26,946 | 8,131 | 5,911 | 139,182 |
| **Total revenue** | **76,799** | **14,418** | **26,941** | **5,004** | **19,846** | **134,219** |
| Gross Earnings | 75,172 | 14,160 | 26,941 | -12,651 | 18,794 | 126,585 |
| **EBITDA** | **32,080** | **11,114** | **14,199** | **-22,826** | **13,562** | **64,449** |
| Operational income | 56% | 34% | 100% | 100% | 85% | 69% |
| **Profit or loss at parent company** | 50% | 26% | 100% | 62% | 285% | 66% |
| Gross Margin | 21% | 20% | 53% | -281% | 194% | 32% |

*Direct business of Odinsa Holding (financing to subsidiaries abroad, financial charges and taxes).
**Direct business of Odinsa (Operation of Highways, Real Estate, corporate expenses, financial burdens and national taxes).
***The column for eliminations between businesses is not shown.

## Highway Concessions in Operation

### Autopistas del Café - AKF

*Colombia*
*Period: 30 years (1997 – 2027)*
*Minimum guaranteed income*
*Odinsa equity: 60%*

This concession reports a total traffic of 3,083,214 vehicles for the second quarter of 2017, showing an increase in traffic of 7.41% year-on-year, which was positively impacted by Easter week, which for 2017 occurred in April, and last year in March. However, the variation in traffic for the half year, controlling for the effect of Easter week, showed increases of 1.97%, for cumulative traffic of 6,228,549 vehicles.

Toll collection also shows good growth for the quarter, at 13%, mainly as a result of the increase in total vehicle traffic and the increase in the toll rate, which is adjusted annually for inflation.

There is a significant EBITDA increase of 60% for the quarter, which amounts to COP 23 billion, explained by a higher expenditure recorded in 2016 for the works of the adaptation fund.

Net income, which for the quarter is COP 13 billion, has increased in line with the growth in EBITDA mentioned above, and due an increase in the provision of taxes. It should be noted that the effective rate in 2016 was lower than the nominal tax rate of the country, due to the existence of tax credits, while the 2017 provision is being paid at the nominal rate of 32%.

| Millions COP | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Total Traffic (thousands) | 3,083.21 | 2,870.42 | 7.4% | 6,228.55 | 6,108.48 | 1.966% |
| Average Daily Traffic ADT | 34,258 | 31,894 | 7.4% | 34,603 | 33,749 | 2.530% |
| Collection | 45,081 | 39,739 | 13.4% | 90,645 | 83,388 | 8.703% |
| EBITDA | 22,927 | 14,406 | 59.1% | 45,448 | 36,107 | 25.870% |
| Net Income | 13,379 | 4,784 | 179.7% | 29,399 | 26,468 | 11.074% |

### Autopistas del Nordeste

*Dominican Republic*
*Period: 30 years (2008 – 2038)*
*Minimum guaranteed income*
*Odinsa equity: 67.5%*

The concession shows a 7% YoY increase in traffic for the quarter, positively impacted by Easter week, which for 2017 was in April and last year was in March.

Both toll collection and EBITDA for this concession increased by 14% and 15%, respectively, due to higher operating revenues laid out in the contract. These facts also have an impact on net income, which amounts to USD 2.68 million.

| Millions USD | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Total Traffic (thousands) | 973 | 910 | 6.9% | 1,946 | 1,930 | 0.8% |
| Average Daily Traffic ADT | 10,815 | 10,114 | 6.9% | 10,810 | 10,665 | 1.4% |
| Collection | 3.14 | 3.13 | 0.3% | 6.29 | 6.4 | -1.7% |
| EBITDA | 8.58 | 7.49 | 14.6% | 16.14 | 15.69 | 2.9% |
| Net Income | 2.68 | 1.05 | 155.2% | 3.9 | 2.85 | 36.8% |

### Boulevard Turístico del Atlántico

*Dominican Republic*
*Period: 30 years (2008 – 2038)*
*Minimum guaranteed income*
*Odinsa equity: 67.5%*

The concession shows a 23% YoY increase in traffic for the quarter, positively impacted by Easter week, which for 2017 was in April and last year was in March. This road, being more touristic, presents these peaks in traffic due to the increase of visitors that the country receives during these special dates.

The collection for the quarter amounts to USD 0.6 million with a positive variation due to the increase in traffic.

On the other hand, the EBITDA shows a decrease of 45%, explained by lower levels of revenue stablished in the contract. However, the cumulative EBITDA for the first half of the year shows an increase of 22%, explained by adjustments in the valuation of the financial asset, which improves the result by about USD 3 million, while in the same period of 2016 a negative adjustment was made for the same reason at about USD -4.0 million.

| USD million | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Total Traffic (thousands) | 355 | 284 | 25.0% | 702 | 678 | 3.5% |
| Average Daily Traffic ADT | 3,944 | 3,161 | 24.8% | 3,902 | 3,745 | 4.2% |
| Collection | 0.69 | 0.6 | 15.0% | 1.43 | 1.41 | 1.4% |
| EBITDA | 6.53 | 11.89 | -45.1% | 16.63 | 13.59 | 22.4% |
| Net Income | 2.74 | -0.49 | 659.2% | 8.34 | -3.39 | -346.0% |

## Highway Concessions under Construction

### La Pintada Concession

Colombia
Under construction
Construction termination date 2021
Period: 20 years (2043)
Present value of toll revenue (PVTR)
Odinsa equity: 78.9%

The progress of the Pacífico II project is highlighted, which connects the center of the country with the Pacific, as one of the most emblematic projects of the first wave of 4G, being the only concession project to progress ahead of the initial schedule, with a work progress that exceeds 20.04% to date.

It is worth remembering that property permits for entry to and intervention in the corridor are at 86.40%, and environmental licensing at 100%. There is also the certificate for the absence of ethnic communities.

During 2Q17, average daily traffic increased by 26%, attributable to completion of the rehabilitation works for functional unit 5. The highest levels of reported traffic support a higher level of toll collection, amounting to COP 7 billion for the second quarter, with an increase of more than 30%.

Regarding the EBITDA generated during the quarter, equivalent to COP 14 billion, this is the result of the higher work levels reported upon completion of the first functional unit. The net income for the second quarter is COP 3 billion.

| **Millions COP** | **2Q17** | **2Q16** | **YoY** | **1H17** | **1H16** | **YoY** |
|---|---|---|---|---|---|---|
| Total Traffic (thousands) | 636 | 509 | 25.6% | 1,265 | 1,110 | 14.0% |
| Average Daily Traffic ADT | 7,068 | 5,659 | 25.6% | 7,030 | 6,133 | 14.6% |
| Collection | 6,350 | 4,968 | 30.9% | 13,043 | 10,639 | 22.6% |
| EBITDA | 13,973 | 6,471 | 115.9% | 17,739 | 6,381 | 178.0% |
| Net Income | 3,366 | 1,431 | 135.3% | 1,295 | 1,822 | -28.9% |

### Malla Vial del Meta

Colombia
Private PPP initiative
Demand risk
Odinsa equity: 51%

Due to the income imbalance that the project is experiencing, the Concession convened an arbitration tribunal to resolve the dispute between the parties due to the difficulty of sustaining the project's viability under such adverse and unforeseeable circumstances in the decrease of traffic.

It is highlighted that on July 28 an "Memorandum of Understanding" was signed between the ANI (Agencia Nacional de Infraestructura [National Infrastructure Agency]) and the Concesión Vial de los Llanos S.A.S. [Llanos Road Concession], by means of which the new dates for the equity swaps were agreed upon, given the conciliation process operating in parallel to the Arbitration Tribunal to which the project has been subjected. While the negotiation is being completed, the "Memorandum of Understanding" allowed for the displacement of the equity contributions planned for May 2017 until the conclusion of the negotiation, or until December 22, 2017.

The current proposal covers the initial construction of functional units 1 to 8, and once the debt on these functional units has been paid, the remaining 3 functional units will be constructed. This confirms Odinsa's decision to carry out this project with the highest degree of responsibility to its stakeholders in the region, its financial creditors and its shareholders.

Average daily traffic reached 16,989 vehicles for the quarter, which represents a decrease of 5% compared to the previous year. This decrease is due to the continued impact of the fall in traffic due to oil activity.

The EBITDA for the quarter was negative, at COP 996 million given the lower revenues recorded by the functional unit number 1, which are lower that the operating expenses recorded.. Net income reached COP 594 million, aided by the increase in interest income given the concession's cash on hand.

| Millions COP | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| Total Traffic (thousands) | 1,568 | 1,598 | -1.9% | 3,185 | 3,415 | -6.7% |
| Average Daily Traffic ADT | 17,425 | 17,758 | -1.9% | 17,693 | 18,867 | -6.2% |
| Collection | 18,416 | 17,985 | 2.4% | 40,503 | 38,641 | 4.8% |
| EBITDA | -996 | 133 | -848.9% | -342 | 402 | -185.1% |
| Net Income | 594 | 103 | 476.7% | 1,600 | 461 | 247.2% |

### Green Corridor

Aruba
DBFM Contract (Design, Build, Finance & Maintain)
Guaranteed traffic
Odinsa equity: 100%
Ceiling amount for the offer: USD 73 mm
Scope: 7 km of secondary roadway, rehabilitation and/or reconstruction of 24 km of existing roads, construction of 5 km of new roads and construction of 13 km of cycle routes.
Capex: USD 58.0 Millon
Project duration: 30 months
Maintenance: 18 years
Method of Payment: Once the works are completed, the state will make quarterly payments over the course of 18 years. The payments will be the equivalent of 130 million florins in January 2011 (USD $73 Million)

Green Corridor, a 100% Odinsa project, has been a part of the negotiations with Mota-Engil regarding the method of payment for its participation in Pacifico II. Given that the Green corridor project is in a final stage of construction, the agreement was not completed and Odinsa has maintained its ownership of the project. As a result, Odinsa will pay COP 4.2 billion to Mota Engil for its stake in Pacífico 2, acquired by Odinsa in 2016, and will continue with the remaining equity contributions for the project, amounting to USD 5 million.

This project, which will be completed in September 2017, has levels of profitability and ownership that fit the strategy of the company's concessions business.

## Airport Concessions

### Opain

Colombia
Period: 20 years (2007 – 2027)
Royalties (% of total revenue): 46.2%
Odinsa equity + AC [administrative costs]: 65%

During the first half of the year, six new contact points for the central platform were inaugurated, in line with the expansion project. On the other hand, the concession is progressing with an initiative to self-generate electricity at the airport through a photovoltaic system, which is expected to supply about 22% of the energy demanded by the passenger terminal. The solar panels, which cover an area of approximately 24,715 meters, would have the benefit of a reduction in CO2 emissions of about 1,959 tons per year.

El Dorado, which is recognized as the best airport in South America, continues to work on improving the passengers' experience within the airport, for which it has created a customer experience management office, thus fostering an increased consumption of the goods and services offered at the terminal.

In 2Q17, passenger traffic increased by 5.6% due to the Easter season and the increase in the Madrid, Buenos Aires, Cancún, Medellín, Leticia and Cartagena routes; it is highlighted that the routes of greatest growth were the international ones, which grew by 14% YoY, with the entry of new airlines: Wingo, Air Europa, and Turkish.

Revenues grew 11% for the quarter, in line with the increase in passengers and the net increase in tariffs, which is due to the combination of the increase in the national rate and a negative impact from the revaluation of the international tariff. Likewise, EBITDA closed the quarter at COP 112 billion, growing 8%, and net income closed at COP 19 billion.

| | 2T2017 | 2T2016 | Var A/A | 1S2017 | 1S2016 | Var A/A |
|---|---|---|---|---|---|---|
| **Passengers** | **7,880,396** | **7,473,378** | 5.4% | **15,597,041** | **15,017,772** | 3.9% |
| Domestic | 5,160,553 | 5,146,472 | 0.3% | 10,291,558 | 10,299,966 | -0.1% |
| International | 2,719,843 | 2,326,906 | 16.9% | 5,305,483 | 4,717,806 | 12.5% |
| **Paying Passengers** | **3,211,031** | **3,011,085** | 6.6% | **6,229,947** | **5,954,739** | 4.6% |
| Domestic | 2,236,823 | 2,175,560 | 2.8% | 4,361,762 | 4,257,171 | 2.5% |
| International | 974,208 | 835,525 | 16.6% | 1,868,185 | 1,697,568 | 10.1% |
| **Revenue** | **224,580** | **202,558** | 10.9% | **432,316** | **417,097** | 3.6% |
| Regulated | 157,157 | 137,295 | 14.5% | 302,180 | 284,279 | 6.3% |
| Unregulated | 67,423 | 65,263 | 3.3% | 130,135 | 132,818 | -2.0% |
| **Expenses:** | **137,529** | **131,756** | 4.4% | **285,873** | **267,292** | 7.0% |
| **EBITDA (COP million)** | 77,728 | 72,068 | 7.9% | 146,443 | 149,805 | -2.2% |
| **Net Income (COP million)** | 18,894 | 14,062 | 34.4% | 26,508 | 35,196 | -24.7% |

### Quiport

Ecuador
Period: 35 years (2006 – 2041)
Royalty (% regulated revenues): 11%
Odinsa equity: 46.5%

In the second quarter of 2017, there was a change in the trend of the Quito airport as a result of the slowdown in Ecuador due to the impact of oil prices. Domestic traffic increased by 3.41% in the second quarter due to improvements in Avianca routes, due to the reduction of Tame and Lan capacity, and a better performance of routes such as those to the Galapagos and Manta.

For this period, international traffic increased by 11% as TAME resumed its routes to New York and Lima, starting in March 2017. Avianca and Copa also improved performance with their routes to Bogota and Panama and Mexico, respectively. International traffic for the half-year showed light growth at 0.5%.

Revenues totaled USD 42 million, growing 2% YoY, while EBITDA stood at USD 26 million.

| | 2Q17 | 2Q16 | YoY | 1H17 | 1H16 | YoY |
|---|---|---|---|---|---|---|
| **Passengers** | **1,185,934** | **1,128,032** | 5.1% | **2,386,740** | **2,386,239** | 0.0% |
| International: | 528,740 | 475,658 | 11.2% | 1,038,744 | 1,033,973 | 0.5% |
| Domestic | 657,194 | 652,374 | 0.7% | 1,315,258 | 1,319,890 | -0.4% |
| Transit | 16,192 | 17,296 | -6.4% | 32,738 | 32,376 | 1.1% |
| **Operations** | **13,689** | **14,428** | -5.1% | **28,050** | **39,324** | -28.7% |
| **Revenue (thousands USD)** | **41,484** | **40,616** | 2.1% | **83,086** | **84,325** | -1.5% |
| Regulated | 30,451 | 28,685 | 6.2% | 60,274 | 60,467 | -0.3% |
| Unregulated | 9,628 | 9,286 | 3.7% | 18,951 | 18,643 | 1.7% |
| Other income | 1,406 | 2,645 | -46.9% | 3,862 | 5,214 | -25.9% |
| **Expenses (thousands USD)** | **12,184** | **11,998** | 1.6% | **24,608** | **24,180** | 1.8% |
| Direct | 10,047 | 9,849 | 2.0% | 20,398 | 19,652 | 3.8% |
| Indirect | 2,137 | 2,149 | -0.6% | 4,210 | 4,528 | -7.0% |
| **EBITDA (USD million)** | 25.95 | 25.49 | 1.8% | 51.85 | 53.49 | -3.1% |
| **Net Income (USD million)** | 14.15 | 11.36 | 24.6% | 26.98 | 12.26 | 120% |

# Financial Results
## 2nd Quarter of 2017

ARGOS

## Cementos Argos

BVC: CEMARGOS, PFCEMARGOS
ADR LEVEL 1: CMTOY / ADR 144A: CMTRY - Reg-S: CMTSY

Cementos Argos S.A. (Argos) is a geographically diverse rapidly growing cement and ready mix concrete (RMC) company with leading market positions in the US, Colombia, Caribbean & Central America (CCA) and total annual capacity of approximately 24M tons of cement and 18M $m^3$ of concrete.

### Key Highlights

- Successful COP 1 Tn bond placement in the Colombian market, allowing us to increase our debt average life by two years, with a 1,3x bid to cover and attractive CPI linked interest rates.
- Inside the fence generation assets divestment process advancing on schedule to be completed before year end.
- Negotiation of a waiver with our banks to increase the maximum leverage ratio allowed for our loan agreements to 4,5 times Net Debt to EBITDA plus dividends.
- Publication of our Value-Added Statement: monetizing our externalities to increase transparency and strengthen our commitment to generate a positive impact on society and the environment.

### Consolidated Results

Consolidated cement volumes reached 4,1 million tons, a 17,9% growth driven by positive dynamics in all our regions. Our concrete volumes decreased by 8%.

Our consolidated revenues were COP 2,1 trillion, 1,6% YoY less and the EBITDA closed at COP 367 billion, with a 17% margin. The US was our main contributor to both, revenues (54%) and EBITDA (47%).

The US and the Caribbean and Central America partially offset the still challenging dynamics in Colombia resulting in a positive net income for the quarter (COP48 billion).



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# Financial Results

## 2nd Quarter of 2017

ARGOS

Improved results derived from our focus in efficiency through our BEST program:

- Consolidated 2Q17 SG&A decreased by 3,8% YoY boosted by Colombia (-24%)
- EBITDA in June was COP 155 billion, with an 8% growth YoY, and a margin above 21% (the highest recorded year to date).
- Non-recurring expenses of COP 12.400 M related to severances and anticipated pensions in Colombia.
- Execution of the Fit to Grow Program to redesign our administrative structure and adjust headcount.

| | | 2T2017 | 2T2016 reex | Var (%) | 1H2017 | 1H2016 | Var (%) |
|---|---|---|---|---|---|---|---|
| Cement | mm TM | 4,169 | 3,536 | 17.9% | 8,010 | 6,982 | 14.7% |
| RCM | mm m3 | 2,719 | 2,956 | -8.0% | 5,357 | 5,762 | -7.0% |
| Revenues | COP bn | 2,154 | 2,189 | -1.6% | 4,231 | 4,402 | -3.9% |
| Ebitda | COP bn | 367 | 436 | -15.9% | 641 | 861 | -25.6% |
| Ebitda margin | % | 17.0% | 19.9% | (290pb) | 15.1% | 19.6% | (442pb) |
| Net Income - Controlling | COP bn | 48 | 180 | -73.3% | 2 | 281 | -99.2% |
| Net margin | % | 2.2% | 8.2% | (600pb) | 0.0% | 6.4% | (630pb) |

To see detailed results, click on the following link:
https://www.argos.co/ir/en/financial-information/reports



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## Celsia

BVC: CELSIA

*Celsia is the energy company of the Argos Group, with a presence in Colombia, Panama and Costa Rica and a generation capacity of 2,388 MW through 27 hydroelectric, thermal, photovoltaic and wind power plants, generating around 7,750 GWh per year.*

### Most notable events

- The oragnization's consolidated generation reached 1,618 GWh for the quarter, 7% lower than in the same quarter of the previous year and 9% higher than the first quarter of 2017. 87% came from hydroelectric production, 11% from thermals and 2% from the wind farm in Costa Rica. The mix of technologies for the same period in 2016 was 74%, 23% and 3% respectively. For the year to date, energy production stands at 3,105 GWh, 21% less than the previous year.

- Consolidated revenues for the quarter reached $743.335 billion, a decrease of 14% compared to the previous year. For the year to date, revenues reached $1.5 trillion, growing 33% compared to the same period of the previous year. Central America's revenues totaled nearly USD 1.23 billion for the year, and accounted for 24% of consolidated revenues.

- The second quarter EBITDA for the year reached $278.979 billion. The strong performance of the Central American operation, in conjunction with a more efficient operation in Colombia, allowed an important contribution to the results from the production farm, which added to the stability of the distribution and marketing business.

- The organization posted a net profit of $64.318 billion (+101% YoY). Discounting the minority shares, the net income attributable to the owners of the parent company showed a return of $42.791 billion (+1,280% YoY). For the year to date, net income totaled $86.186 billion (262% YoY) and the result attributable to the parent company was $43.399 billion (+1,280% YoY).

## Relevant figures

**Resultados financieros consolidados**

| | Units | 2Q17 | 2Q16 | 1H17 | 1H16 |
|---|---|---|---|---|---|
| Ordinary revenue | COP mill. | 743,335 | 861,841 | 1,485,261 | 2,224,930 |
| Gross earnings | COP mill. | 242,777 | 224,087 | 461,336 | 451,504 |
| Earnings before financial results | COP mill. | 194,325 | 1,555 | 334,795 | 280,195 |
| EBITDA | COP mill. | 278,979 | 262,597 | 520,409 | 529,497 |
| *EBITDA Margin* | % | *38.0%* | *30.0%* | *35.0%* | *24.0%* |
| Net earnings | COP mill. | 64,318 | 3,197 | 86,186 | 23,781 |
| Net earnings attrib. to holding co. | COP mill. | 42,791 | -3,625 | 43,399 | -33,306 |
| **Generation** | | | | | |
| Total energy produced | GWh | 1,618 | 1,731 | 3,105 | 3,928 |
| Total energy sold | GWh | 2,012 | 2,170 | 3,941 | 5,145 |
| **Energy produced in Colombia** | GWh | **1,325** | **1,324** | **2,571** | **3,116** |
| Hydraulic Colombia | GWh | 1,106 | 829 | 2,159 | 1,338 |
| Thermal Colombia | GWh | 219 | 495 | 412 | 1778 |
| **Energy sold Colombia** | GWh | **1,536** | **1,656** | **297** | **4,081** |
| Contract sales Colombia | GWh | 729 | 922 | 1482 | 219 |
| Stock exchange transactions Colombia | GWh | 807 | 734 | 1487 | 1891 |
| **Energy produced Central America** | GWh | **293** | **407** | **534** | **812** |
| Hydraulic Central America | GWh | 124 | 97 | 202 | 164 |
| Thermal Central America | GWh | 142 | 271 | 244 | 530 |
| Wind Central America | GWh | 28 | 39 | 88 | 118 |
| **Energy sold Central America** | GWh | **475** | **514** | **975** | **1064** |
| Contract sales Central America | GWh | 455 | 460 | 923 | 961 |
| Spot sales Central America | GWh | 20 | 54 | 51 | 103 |
| **Distribution** | | | | | |
| Energy losses | % | 8.60% | 8.40% | 8.60% | 8.40% |
| Collection | % | 98% | 99% | 98% | 99% |
| SAIDI - EPSA/CETSA | Hours | 4.3 | 4.1 | 7.6 | 6.7 |
| SAIFI - EPSA/CETSA | Times | 4.9 | 4.4 | 9 | 7.4 |
| **Retail marketing** | | | | | |
| Regulated market sales | GWh | 287 | 286 | 574 | 605 |
| Unregulated market sales | GWh | 232 | 222 | 459 | 447 |
| Users | Number | 593,926 | 574,932 | 593,926 | 574,932 |

To see the detailed results, click the following link: **http://www.celsia.com/en/Financial-information/Reports**

## Real Estate Business

### Results from the 2nd Quarter of 2017

For the second quarter, the urban development business recorded deeds equivalent to COP 42 billion, corresponding to 28,603 m2, which is in line with the strategy proposed for this business. Revenues recorded for the quarter amounted to COP 45 billion in revenues, as amortizations for COP 3 billion of deferred revenue were recorded.

The deferred income corresponds to accounting under IFRS, which, for the urban development business, only recognizes income in the proportion to which the development progresses. We emphasize that this business has negative net working capital, and the sale of the lots occurs in advance of the development.

It is worth noting that for the quarter there was a positive cash flow of COP 55 bil, much higher than that registered in the same quarter of the previous year.

**Income details from developed and undeveloped lots**
**Urban Development Business - Grupo Argos**

| Million COP | 2Q17 | 2Q16 | Var Y/Y | 1H17 | 1H16 | Var Y/Y |
|---|---|---|---|---|---|---|
| Revenue | 45,289 | 2,203 | 1,955.8% | 46,772 | 35,014 | 33.6% |
| Revenue from sale of lots | 42,103 | 0 | | 42,103 | 30,694 | 37.2% |
| Lot sales in m2 | 28,603 | 0 | | 28,603 | 55,338 | -48.3% |
| Cash Flow | 54,815 | 8,294 | 560.9% | 90,376 | 43,688 | 106.9% |

In the real estate rental business, we highlight the positive results of the Pactia real estate fund, which since its creation on January 20, 2017, has shown growth in the per-unit value, with annual effective yields of 7.7%, recording a per-unit value of 10,332.7 as of June 30, 2017.

In line with its GLA growth strategy, the company continues to make progress in increasing the gross leasable area, which by the end of the second quarter of 2017 amounted to more than 518 thousand square meters, presenting a 20% increase over the same period of last year. The majority of the assets are concentrated in commerce and industry, with more than 415 thousand m2 of GLA. We note that the assets under management totaled COP 2.8 trillion at the end of the period.

With regard to the results, gross operating revenues were COP 54 billion, growing 15% year-on-year, while net operating income was COP 37 billion, growing 12%, for a consolidated EBITDA of COP 23 billion and a margin of 43%.

**Revenues and costs details - Pactia**

| Million COP | 2Q17 | 2Q16 | Var Y/Y | 1H17 | 1H16 | Var Y/Y |
|---|---|---|---|---|---|---|
| Gross Actual Revenue | 53,718 | 46,902 | 14.5% | 103,462 | 91,322 | 13.3% |
| Operating Costs | 16,449 | 13,519 | 21.7% | 32,469 | 27,413 | 18.4% |
| Net Operating Income | 37,269 | 33,382 | 11.6% | 70,994 | 63,908 | 11.1% |
| Consolidated EBITDA | 23,289 | 29,252 | -20.4% | 50,883 | 56,729 | -10.3% |