

RELEVANT INFORMATION



GRUPO ARGOS SELLS ITS STAKE IN THE PORT BUSINESS

- In development of its strategy to create value and focus its investments, Grupo Argos has signed an agreement for the sale of its stake in Compañía de Puertos Asociados S.A., Compas to an investment fund managed by Goldman Sachs' Merchant Banking Division.
- The value of the transaction is 407 billion pesos, representing a return to Grupo Argos of 2.5 times its investments in this business over the last five years. The sale price represents 25 times 2016 Ebitda.
- This operation reflects the ability of Grupo Argos to manage its investment portfolio and efficiently allocate its resources within a framework of value creation.

Grupo Argos, a holding company of sustainable infrastructure investments, has signed, with prior authorization of its Board of Directors, a share purchase agreement with *West Street Infrastructure Partners III*, an investment fund managed by Goldman Sachs' Merchant Banking Division, to sell 50% of Compañía de Puertos Asociados S.A., Compas. The closing of the transaction is subject to the usual conditions for operations of this nature.

The transaction amounts to 407 billion pesos, representing a return of 2.5 times over the investment made by Grupo Argos since it assumed these port assets. In addition, the transaction is equivalent to 25 times the EBITDA generated by Compas in 2016.

The investment of Grupo Argos dates from 2012, when the company, under the split-merger, received port assets owned by Cementos Argos. Subsequently, Grupo Argos provided these assets for the creation of Compas, in exchange for a 50% participation in the company.

In its active role as manager and administrator of an infrastructure portfolio, Grupo Argos, via its investment in Compas, transformed a group of terminals (mainly bulk dedicated mostly to cement and coal import and export) into an integrated logistics and multipurpose platform with top tier national and international allies including APM Terminals (Maersk Group) and the Singapore Port Authority.

“Grupo Argos, as active holding in the management of its portfolio, has established road and airport concessions as part of its core business. With this objective in mind, during the last year it has made a series of investments and divestitures to focus on the Latin American concessions portfolio. This transaction consolidates Grupo Argos as a holding of infrastructure investments focused on cement, energy and road and airport concessions, maintaining financial flexibility for efficient capital management”, emphasized Jorge Mario Velasquez, CEO of Grupo Argos.

With transactions such as this, Grupo Argos seeks to actively manage its investment portfolio, reassigning capital to those initiatives that permit sustainable and profitable growth and generate value for its shareholders.

About Compas

In 2016, Compas recorded income of approximately 165 billion pesos, an EBITDA of 44 billion pesos and total capacity of over 13 million metric tons. Since 2012, Grupo Argos has invested over 165 billion pesos in Compas; this includes the contribution of three port facilities spun off from Cementos Argos. This sale represents an internal rate of return to the holding of 26%, multiplying by 2.5 x its investment amounts in Compas.

“To our partners in Compas, who will maintain their 50% stake, and to the management of the company, we express our recognition and gratitude for the joint development to consolidate Compas as an integrated multipurpose platform with top tier allies,” stated Jorge Mario Velásquez.