

# **Growing 24%, Revenue of Grupo Argos Totaled \$10.8 Trillion for Third Quarter of 2016**

For the third quarter of 2016, Group Argos, a holding of sustainable infrastructure investments, obtained consolidated revenue of 10.8 trillion pesos, an increase of 24%, with consolidated Ebitda of 2.74 trillion pesos, an increase of 29.2%, an Ebitda margin of 25.3% and consolidated net income of 880 billion pesos, an increase of 39%. Consolidated assets reach \$ 42 trillion and consolidated equity is \$ 23 trillion.

These positive indicators are the result of active portfolio management and good performance in the businesses of cement (Argos), energy (Celsia), concessions (Odinsa), ports (Compas), its urban development operations and its participation in the real estate sector through the fund created with Concreto (Pactia).

In its consolidation as an infrastructure holding company, Grupo Argos recently obtained authorization from the Finance Superintendence of Colombia to launch a public tender offer for the acquisition of 45.25% of the shares of Odinsa S.A. not held by Grupo Argos. Additionally, the execution of an agreement was announced to acquire 30% of the shares of Opain, operator and manager of the El Dorado International Airport. These stake plus the 35% Odinsa participation in said company place Grupo Argos as the controlling corporate group of the main airport in Colombia and increases its exposure to this high potential sector, with air traffic in Latin America projected to increase from 298 to 660 million passengers over the next two decades.

It is worth to mention that during this period there was progress in Odinsa's process to simplify its structure to focus on investments in projects with a majority position, as well as the announcement by Cementos Argos of the acquisition of the Martinsburg Plant in the state of West Virginia, which will increase its annual capacity by 2.2 million tons of cement and 1.6 million tons of clinker, increasing the installed capacity in the United States to 29% and the total installed capacity of the Company by 10%.

Regarding other relevant facts, Grupo Argos and its subsidiary, Cementos Argos were ratified for the fourth consecutive year in the Dow Jones Global Sustainability Index, the main reference for investors around the world who recognize good practices in economic, environmental and social sustainability of companies listed on the stock exchanges. Out of 3,420 companies invited, only 316 entered the Global Index. Additionally, Grupo Argos received the renewal of the Recognition of Issuers IR from the Colombian securities exchange ("Bolsa de Valores de Colombia" - BVC), for its adoption of best practices in the disclosure of information and investor relations. This recognition was also delivered to its subsidiaries Argos and Celsia.

## Business Results for the Third Quarter of 2016:

- **Argos (Cement) \***

The cement business recorded revenue of 6.5 trillion pesos, growing 13%, and Ebitda of 1.3 trillion pesos, growing 14%, for an Ebitda margin of 19.3%. 3.6 million tons of cement and 2.8 million cubic meters of concrete were sold. The United States, Caribbean and Central America regions offset the challenging conditions of the Colombian market and the delays in the construction of infrastructure projects, demonstrating the success of the strategy of geographic diversification.

- **Celsia (Energy) \***

Revenues reached 3 trillion pesos, an increase of 28%. Ebitda rose to 775 billion pesos, with an increase of 37%, with an Ebitda margin of 25.8%. Net income was \$95 billion pesos. Increased rainfall helped normalize operations in Colombia. Higher hydric contributions also favored generation in Central America where the Fortuna and Bayano Reservoirs recorded a useful level above the average.

- **Odinsa (Concessions) \***

Revenue rose to 735 billion pesos, with an increase of 36%. Ebitda rose to 372 billion pesos, increasing 50%, for an Ebitda margin of 50.6%. Through an exchange with other concessions, Odinsa increased its stake from 25% to 79% in the Pacífico 2 concession and announced its financial closing with the participation of local and international banks. It also continued its divestment in Sociedad Portuaria de Santa Marta and is working on divestment in the Santa Marta-Paraguachón concession and the Gena and Genpac generators. Regarding the airport concessions, Opain showed an increase of 3.3% in the number of passengers, reaching 8.1 million.

- **Urban and Real Estate Development**

During the period, the business had revenue of 28.9 billion pesos. Income was 76 billion pesos. Ebitda rose to 34 billion pesos. Both Situm and Pactia made important announcements in the framework of the Grupo Argos strategy to make its investment profitable, including the sale of land at a more rapid pace and the constitution by Pactia of a private equity fund that will allow entry of AFP Protección as a third partner to capitalize and boost the real estate income vehicle.

- **Compas (Ports)**

Revenues were 100 billion pesos, a decrease of 13%, as cargo in the Argos Free Trade Zone is now operated by CCTO as the result of an agreement with APM Terminals regarding the port of Cartagena (Compas owns 49% of CCTO; results are not consolidated). Ebitda for the quarter was 35 billion pesos, with a margin of 35%. In the quarter, Compas mobilized 951 thousand tons, including containers and loose cargo, a decrease of 1.5%. The ports of Barranquilla and Tolu showed an increase in cargo of 54.2% and 43.4% respectively, while the port of Cartagena showed a decrease of 38.7%, due to lower economic activity in the country.

*\*Cementos Argos, Celsia and Odinsa, subsidiaries of Grupo Argos listed on the Stock Exchange, released their results for the third quarter of 2016 last week.*

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