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The consolidated net profit of Grupo Argos grew 26%, thus achieving COP 454 billion at the end of the first semester

- *The consolidated EBITDA of Grupo Argos during the first semester of 2018 was COP 1 Trillion 832 billion, showing an increase of 5% compared to the same period of last year.*
- *The positive results have been based on greater operational efficiency of the businesses and the optimization of the capital structure, with operations close to COP 1 trillion.*
- *The progress of the Pacifico II works, the issuance of green bonds by the energy business and the good performance of the cement business in the United States, are among the most relevant events of the quarter.*

Medellin. Grupo Argos, the infrastructure investment matrix, has maintained positive results during 2018, achieving a consolidated net profit of COP 233 billion in the second quarter of the year, representing an increase of 8% compared to the same period in 2017.

During this quarter, revenues came in at COP 3.6 trillion, showing a 1% growth compared to the last quarter. This is thanks to the positive contribution of the three strategic businesses, as well as consistent work in terms of efficiency, which has resulted in a growing consolidated EBITDA of COP 891 billion and an EBITDA margin of 25%. At the end of this first semester revenues totaled 6 trillion 928 billion pesos.

"These results confirm the positive trend of our business with an increasing EBITDA for the fourth consecutive quarter, and it is also the result of a systematic effort on operational efficiency and good dynamics in most of the geographies and businesses where we operate. We are pleased to be part of this economic result of contributions to sustainable development, with initiatives such as the first issuance of green bonds from the real sector, which were issued to finance solar generation projects, and over 3 million trees that have been planted by the Grupo Argos companies during the last two years." says Jorge Mario Velasquez, Grupo Argos CEO.

This period also highlights that the holding's net profit reached COP 119 billion, which represents an increase of 13% compared to last year. These results have been achieved thanks to a positive management optimization of the capital structure of the Business Group, and operations that were managed during the past quarter of close to COP 1 trillion. This includes the reduction of Celsia's debt level, the prepayment of the commercial papers of Grupo Argos and the issuance of commercial papers of Cementos Argos, among others.

In terms of business performance, several milestones are to be highlighted. In Odinsa, a road and airport concessions subsidiary, the advances on the 4G Pacific II road projects stand out, which by the end of July was close to 50% of its execution, therefore indicating it is ahead of the initial schedule. Similarly, we must highlight a 3% increase in the number of passengers in the airport concessions especially supported by the increased international traffic at the El Dorado airport.

For its part, our Energy business made the first issuance of green bonds in the real sector, placing COP 70 billion, out of a global quota set at COP 420 billion, to finance the solar generation strategy, where projects such as Celsia are Solar Yumbo, Celsia Solar Bolivar and two more solar farms, one in Chicamocha and

another in Valledupar. These initiatives will add 186 MW of clean energy to the country and will prevent the emission of more than 3,440 thousand tons of CO2 during the next 30 years.

Regarding the Cement business, it is worth noting the good results in the United States region, which has the highest generation of ebitda in its history, with a remarkable recovery in the Texas and Florida markets, with double-digit growth in volumes of concrete and cement, which manages to offset the slight 2% fall in the Colombian market.

Business results

Concessions. During the second quarter of 2018, the average daily traffic in the Company's road concessions remained at 72 thousand vehicles, levels very similar to those reported in the same period in 2017. The number of passengers served at the airports operated by Odinsa reached 9.2 million people, for a total growth of 3% over the same period in 2017. Regarding international passengers, who pay a higher airport rate, growth represented 4%. These numbers led to revenues of COP 217 billion, EBITDA of COP 127 billion and a net income of COP 31 billion.

Cement. Second quarter revenues were close to COP 2.2 trillion, which translates into a growth of 1.4% year-over-year. The company also achieved COP 404 billion of operating EBITDA, 5.9% more, and reported an adjusted EBITDA margin of 18.5%. On the other hand, the net profit for the first semester of the year was COP 53 billion. The launch of Argos One, a platform that integrates all of its digital services, designed to provide the best solutions for customers, as well as a successful hand over process with the United States Region's new Vice President. Bill Wagner, an American citizen, with more than 25 years of experience in the sector was appointed as the region's new vice-president.

Energy. We had COP 821 billion in revenues, an increase of 10% compared to the previous year, while, in the accumulated 2018, revenues are close to COP 1.7 trillion with a growth of 12%. In the second quarter, the EBITDA was COP 269 billion and reached an EBITDA margin of 33%. In this period the construction progress of the Celsia Solar Bolivar farm stands out. Work on over 6 thousand structures has started and 32 thousand photovoltaic modules will be installed. In addition, in the new businesses, the Cartagena Convention Center's solar roof was delivered.

Real estate. In the real estate development business, the cash flow of the quarter amounts to COP 16 billion, of which COP 14 billion correspond to the sale of lots. In terms of the real estate rental business, this has had annual effective yields of 6.9% and continues increasing the gross leasable area which, by the end of the second quarter, amounted to 721 thousand square meters, with an increase of 40% year to year.

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