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The net profit of Grupo Argos was COP 221 billion, 53% more than in the first quarter of 2017

- *The increasing profitability of the Company stands out, with positive contributions from all the businesses, which are reflected in a 9% increase in consolidated EBITDA and an EBITDA margin of 28%*
- *The positive results were driven by a systematic practice that focused on efficiency in all businesses.*
- *The delisting of the Odinsa stock, the simplification of the capital structure of the Energy business and the sale of the Argos non-strategic assets are the most relevant events of the quarter*

Medellin. Grupo Argos, the parent company of sustainable investments in infrastructure, started 2018 off in a positive way with a consolidated net profit of COP 221 billion, which represents an increase of 53% compared to the same period of last year.

It highlights, especially, the positive contribution of all the strategic businesses that has allowed to achieve a consolidated EBITDA of COP 941 billion, 9% higher than the same period of 2017, and an EBITDA margin of 28%, 272 basis points higher than the one obtained in last year's first quarter.

The quarterly results include the stability of consolidated revenues for COP 3.3 trillion and growth in all other figures, achieving an operating profit of COP 607 billion, 23% more than in the same period of 2017, this comes as a result of operational efficiency projects deployed in all its businesses.

In the development of Grupo Argos' active holding role, three significant advances are to be highlighted. First, in the process of deepening the investment in the concessions business, the Odinsa delisting of the Colombian Stock Exchange was carried out, which will allow the subsidiary to have a more flexible and attractive capital structure for the global market.

Secondly, the simplification and strengthening of the capital structure of the Energy business was completed, with the issuance of Celsia shares and the sale of Epsa shares, which leaves an increasingly clear portfolio for the market. Finally, Argos' divestment plan continued with two important operations: the sale at the beginning of the year for US \$ 50 million of thirteen concrete block manufacturing plants in the United States and the divestment of 3 self generating plants in Colombia for USD 58 million.

"The portfolio's profitability strategy has given us very good results for our shareholders since, for the third consecutive quarter, all of our businesses have positive contributions that allowed us to obtain an EBITDA of COP 941 billion in the quarter. A systematic, structural and long-term practice on efficiency that begins to bear tangible fruits," says Jorge Mario Velasquez, Grupo Argos CEO.

Separate results of Grupo Argos

Revenues for the period were COP 851 billion, which led to an EBITDA of COP 514 billion, an increase of 311%, and an EBITDA margin of 60%. These results are mainly explained by the sale of the Epsa shares,

which generated a non-recurring income of COP 655 billion. If we exclude the effects of this operation, revenues show an increase of 10% and a 23% increase in EBITDA.

Results of business

Concessions. The arbitration sentence in favor of Odinsa stands out in this period, we are referring to the case of the Autopistas del Cafe concession, which in addition to maintaining its administration until 2027, it also confirms the good performance of the Company. Likewise, the private initiative for the new Cartagena airport was presented, with an estimated investment of more than USD 600 million. In terms of results, it is worth noting the increase in passengers at the El Dorado airport, from 7.6 million to 7.9; and the stable behavior of daily traffic with 75,100 vehicles, very similar to the 75,400 recorded in the same period of 2017. These operating results have allowed Odinsa to have revenues of COP 184 billion, 1% more than in the first quarter of last year.

Cement. Along with the aforementioned divestments, during the first quarter of the year, Argos announced the use of tires as an alternative fuel source at the Cartagena plant. The efficiencies achieved by the BEST program have allowed to achieve an EBITDA of COP 371 billion, 31% more than in the same quarter of last year, and the improvement of the EBITDA margin in all the regions, to achieve a 19% consolidated margin.

Energy. As a outstanding fact, the positive balance left by the start of the operation of the Yumbo solar farm is to be highlighted. In terms of results, the company achieved an EBITDA of 290 billion, 20% more than in the same period of last year, and an EBITDA margin of 34%. These results were achieved thanks to the increase in energy generation by 18% and 11% in energy sales.

Real estate. For the first quarter, the urban development business had deeds for 90,000 m2 and recognized revenues of COP 10 billion for the sale of lots, with a cash flow for the period of COP 12 billion. In addition, in the real estate rental business, we highlight the positive results of Pactia, which closes the quarter with assets under management for COP 3.4 trillion, and a gross leasable area of 719,000 m2 that grows 40% year-on-year.

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