

Grupo Argos' consolidated net profit grew by 31 percent, closing with a total of COP 864 billion for 2018

- *This result excludes the non-recurring effects of the divestment in the port business carried out in the third quarter of 2017*
- *Consolidated revenues in the third quarter were COP 3.6 trillion, ebitda reached COP 1.02 trillion and the EBITDA margin was 28 percent*
- *This quarter highlights the recognition of Grupo Argos as the most sustainable company in the world in the Construction Materials industry, according to the Dow Jones Sustainability Index*
- *Grupo Argos will start reporting during the next quarter with ESG focus (environmental, social and corporate governance)*

Medellin. Grupo Argos' consolidated net profit grew 37 percent during the third quarter of 2018, excluding the effects of the divestment of the port business carried out in the third quarter of 2017, to reach COP 410 billion. This result allows the company to achieve a total profit of COP 864 billion during the first nine months of the year, with a growth of 31 percent.

Grupo Argos' consolidated revenues during this period reached COP 3.6 trillion, which is in line with adjusted revenues of the same quarter of last year. This figure is supported by positive contributions from all the strategic businesses -cement, concessions and energy- that were COP 97 billion higher than the same quarter of last year. Similarly, EBITDA reached COP 1.02 trillion to achieve an EBITDA margin of 28 percent.

In this quarter, it should be noted that Grupo Argos was recognized as the most sustainable company in the world of the construction materials industry by the Dow Jones Sustainability Index. A fact that adds to that achieved by Argos, which joined the same world ranking, and Celsia, which for the first time is part of this index for the MILA-Pacific region. In addition, Argos was ratified as one of the companies with the best reputation in the country, ranking 5th in the Merco index.

"These results are supported by a common DNA within the entire Business Group. Therefore, we seek to generate the greatest share value for all stakeholders, in a framework of deep responsibility, ethics and concern for sustainability", says Jorge Mario Velasquez, Grupo Argos CEO.

Grupo Argos' separate results

The net profit for the period was COP 191 billion, which, excluding the effect of the divestment in the port business, represents an increase of 39 percent compared to 2017, and allows an EBITDA of COP 223 billion, an increase of 11 percent. This data allows us to add a total net profit for the first nine months of the year of COP 711 billion, a growth of 48 percent. Also, we must highlight the control on expenses, where we achieved a significant decrease of 21 percent so far this year, and which allows us to reach an EBITDA margin of 67 percent.

On the other hand, it should be noted that Grupo Argos will start reporting during the next quarter with an ESG focus (environmental, social and corporate governance) along with the financial results.

Highlights in the quarter

- Odinsa (through Opain) and Celsia, our subsidiaries of Concessions and Energy, began the installation of 10,000 solar panels that will generate 12 percent of the energy in El Dorado airport, which in turn will consolidate it as the airport with the largest photovoltaic installation in Latin America.
- Odinsa's Pacífico 2 road concession achieved 100 percent of execution of functional unit 1 and has an overall compliance of 55 percent with a 7 percent progress according to schedule.
- Argos closed a financing operation, with a US \$ 600 million syndicated loan that, in addition to the favorable impact in reducing the cost of debt without affecting the debt ratio, confirms the market's confidence in the company.
- Celsia has made progress in optimizing its corporate structure, whose next step is to concentrate Colombia's operating assets in Epsa, a company destined to be the group's growth vehicle in the energy sector.

Results of the businesses

Concessions. Odinsa closed the quarter with significant growth in terms of EBITDA, with COP 162 billion for a 122 percent growth; as is the net profit, which went from COP 2 billion to COP 69 billion. These figures are driven by the good performance of all concessions, especially airport concessions, which closed with a 2 percent increasing traffic. It is important to note that a substantial part of this increase comes from the good dynamics that Mariscal Sucre Airport in Quito is showing, with growth of over 5 percent throughout the year, which confirms the good effects of the economic recovery it is experiencing. Ecuador, in terms of road traffic, the daily average was 74 thousand vehicles, growing by 2.5 percent compared to the same quarter of last year.

Cement. Cement shipments grew 2 percent due to better performance in the Colombia region, where we grew above the sector. At the same time, there were higher volumes of concrete sales, which grew by 3 percent in Colombia, thanks to higher shipments to civil works, demonstrating the leadership that Argos has lead in the infrastructure projects in the country.

Energy. The announcement of increased shareholdings in Begonia Power stands out. We will have four wind projects that will add 330MW and contribute to the goal of an increasingly clean energy matrix. In this quarter, Celsia had a grew 8.5 percent in consolidated revenues, which reached COP 852 billion.

Real estate. In the third quarter, the urban development business registered COP 20 billion in revenues, including write-offs for COP 4 billion 157 million, in Grupo Argos' valuations and deferred revenues. In regard to the real estate rental business, the assets managed totaled COP 3.6 trillion, which generated COP 81 billion of gross operating income.