

## RELEVANT INFORMATION



Grupo Argos, the holding company of the listed companies Argos (cement) and Celsia (energy) and with investments in ports, real estate and other sectors of the economy, a very positive first quarter with growing results in all the strategic units.

Keeping as a pillar of differential added value for its shareholders and investors, the combination of mature and structured business as the cement, with new business with high growth potential, the holding company began in 2014 aiming at further development of the energy and real estate businesses.

To the major acquisition in French Guyana by its subsidiary Argos, it is added the acquisition of 15.652.473 Celsia shares during the first quarter by Grupo Argos, for a total of 376,704,138 shares and a share of 52.35%.

In the property line, Situm acquired an important set of stores in the Aventura Shopping Mall located in Medellín, for an investment of USD 17 million. The future shopping mall under construction will be located in the heart of the renovated part of Medellín, a few steps from Ruta N, Parque Explora, The Planetarium and The Botanic Garden. Recognized brands will be part of the shopping center, including Éxito.

### **Grupo Argos consolidated results first quarter 2014:**

- Revenues up to 2 trillion pesos, an increase of 15%.
- Consolidated EBITDA totalized 575 billion pesos, an increase of 11%.
- Net income up to 121 billion pesos, an increase of 6%
- Assets up to 30 trillion pesos, an increase of 9%
- Equity totalized 13 trillion, an increase of 4%

In terms of the social and environmental activities, Grupo Argos, together with its affiliates Argos (cement) and Celsia (energy), endorsed the CEO Water Mandate of the United Nations Global Compact. This is a public-private initiative that supports companies in the development, implementation and dissemination of water sustainability policies and practices.

Additionally, UN-Habitat and Grupo Argos signed a memorandum of understanding to join forces to encourage dialog with the private sector regarding the implementation of the New World Urban Agenda which seeks the construction of more inclusive, compact cities that are better connected for their inhabitants, in the face of emerging challenges of urbanization in the 21<sup>st</sup> century.

## **Most important information about Grupo Argos businesses:**

### **Cement Business**

In the first quarter of the year Argos presented a positive operating figures in the markets where it operates, It is also important to highlight the acquisition made in French Guiana, this closing the transaction in a unique moment of opportunity in the industry, taking advantage of the financial strength to a further develop of the business model and a value equal to a multiple of Ebitda company 6.2 times.

### **Energy Business**

Celsia presented positive results during the first quarter of 2014, where the mix of technologies in generation complemented by the distribution business allowed the organization to maintain the stability of its revenues. Celsia reached a total power generation of 1,739 GWh during the period, supplying 11.2% of the electricity produced in the Colombian electric system. 63.5% of this generation was hydro-power and 36.5% was thermal. Cucuana project of 55 MW, reached a total investment of COP 214 billion with a 79% construction progress. Bajo Tuluá, of 19.9 MW, reached a total investment of COP 136 billion with a progress of 70%. Both facilities are expected to initiate operations in the fourth quarter of the current year.

### **Real Estate Business**

Situm obtained an urban development license for the LAGO ALTO – SECTION 16 (Villa Carolina, 8<sup>th</sup> Section) with the potential to build 1,127 Housing Units, plus two blocks of Socio-economic level 4 commercial use. This project is part of the General Urban Project (GUP) LAGO ALTO (251 hectares) processed in 2012. Furthermore, in the first three months of the year, the deeds for lots A1, A2 and B1 of the Palmas Río project were registered, for a total of 22,511 m<sup>2</sup>. The three projects have already broken even in sales and their construction has started. The total value of this negotiation was 22,511 million.

### **Ports Business**

Over the first quarter of 2014, Compas continued advancing in its investment and consolidation plan for its operations in Colombia and Houston in the U.S. The first 14 kilometers of the access road to the Aguadulce port were completed in the first quarter of 2014; 7 km are still to be built. As of July, it will provide complete access for machinery and equipment to carry out the project. Moreover, Compas received confirmation from Bancolombia of their approval of USD 60 million loan, with a term of 10 years. This will ensure the availability of external funds for the Aguadulce project.

**GRUPO ARGOS S.A.**  
**NON-CONSOLIDATED P&L STATEMENT**  
YTD at March  
In millions of Colombian pesos or US dollars

	<b>mar-14</b>
<b>Operating revenues</b>	<b>225.857</b>
<i>US\$ dollars</i>	<b>111</b>
Dividends and participations	86.854
Revenues via equity method	79.058
Revenue from sales of investments	31368
Real Estate Business	28.577
<b>Gross profit</b>	<b>182.463</b>
<i>Gross margin</i>	<i>80,8%</i>
<b>Operating expense</b>	<b>33.319</b>
Expense via equity method	6.775
Administrative expense	22.699
Provisions for investments	3.488
Depreciation and amortization	357
<b>Operating profit</b>	<b>149.144</b>
<i>Operating margin</i>	<i>66,0%</i>
<b>EBITDA</b>	<b>149.501</b>
<i>US\$ dollars</i>	<b>74</b>
<i>EBITDA margin</i>	<i>66,2%</i>
<b>Non-operating revenues</b>	<b>565</b>
Other income	565
<b>Non-operating expense</b>	<b>25.353</b>
Financial	13.418
Retirement pensions	137
Other expense	11.798
(loss) profit exchange rate	(1.796)
<b>Pre-tax earnings</b>	<b>122.560</b>
Provision for income tax	1.476
<b>Net income</b>	<b>121.084</b>
<i>US\$ dollars</i>	<b>59</b>
<i>Net margin</i>	<i>53,6%</i>

**GRUPO ARGOS S.A.**  
**NON-CONSOLIDATED BALANCE SHEET**  
In millions of Colombian pesos or US dollars

	<b>mar-14</b>
Cash and equivalents	104.694
Accounts receivable	501.064
Inventories	37.743
Diferidos	809
<b>CURRENT ASSETS</b>	<b>644.310</b>
Permanent investments	8.258.374
Deudores	8.133
Intangibles and deferred items	104.497
Property, plant and equipment, net	90.469
appraisals	7.101.969
Other assets	1.500
<b>NON-CURRENT ASSETS</b>	<b>15.564.942</b>
<b>TOTAL ASSETS</b>	<b>16.209.252</b>
<b>US\$ dollars</b>	<b>8.248</b>
Financial obligations	498.391
Suppliers and accounts payable	108.694
Dividends payable	199.767
Taxes and rates	11.576
Labor liabilities	879
Other liabilities	52.364
<b>CURRENT LIABILITIES</b>	<b>871.671</b>
Financial obligations	445.109
Convertible bonds	584.387
Taxes and rates	0
Labor liabilities	2.253
Other liabilities	53.595
<b>NON-CURRENT LIABILITIES</b>	<b>1.085.344</b>
<b>TOTAL LIABILITIES</b>	<b>1.957.015</b>
<b>US\$ dollars</b>	<b>996</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>14.252.237</b>
<b>US\$ dollars</b>	<b>7.252</b>
<b>TOTAL LIABILITIES + SHAREHOLDERS' EQUITY</b>	<b>16.209.252</b>

**GRUPO ARGOS S.A.**  
**CONSOLIDATED P&L STATEMENT**  
YTD at March  
In millions of Colombian pesos or US dollars

	<b>mar-14</b>
<b>Operating revenues</b>	<b>2.042.391</b>
<i>US\$ dollars</i>	<b>1.016</b>
<b>Variable costs</b>	<b>1.378.393</b>
Cost of goods sold	1.270.965
Depreciation and amortization	107.428
<b>Gross Profit</b>	<b>663.998</b>
<i>Gross margin</i>	<i>32,5%</i>
<b>Overheads</b>	<b>224.039</b>
Administrative expense	146.106
Selling expense	50.027
Depreciation and amortization	27.906
<b>Operating Profit</b>	<b>439.959</b>
<i>Operating margin</i>	<i>21,5%</i>
<b>EBITDA</b>	<b>575.293</b>
<i>US\$ dollars</i>	<b>287</b>
<i>EBITDA margin</i>	<b>28,2%</b>
<b>Non-operating revenues</b>	<b>54.926</b>
Dividends and stakes	35.289
Other income	19.637
<b>Non-operating expense</b>	<b>165.230</b>
Net financial expense	80.365
Other expense	84.865
Exchange difference	-1.322
<b>Pre-tax earnings</b>	<b>328.333</b>
Provision for taxes	106.205
Minority interest	101.044
<b>Net income</b>	<b>121.084</b>
<i>US\$ dollars</i>	<b>59</b>
<i>Net margin</i>	<i>5,9%</i>

**GRUPO ARGOS S.A.**  
**CONSOLIDATED BALANCE SHEET**  
In millions of Colombian pesos or US dollars

	<b>mar-14</b>
Cash and equivalents	1.518.169
Trade receivables	1.073.502
Accounts receivable, net	643.047
Inventories	652.979
Prepaid expenses	59.004
<b>CURRENT ASSETS</b>	<b>3.946.701</b>
Permanent investments	1.007.801
Accounts receivable	802
Inventories	48.763
Deferred items and intangibles	3.269.584
Property, plant and equipment, net	8.441.297
Appraisals	13.226.486
Other assets	14.894
<b>NON-CURRENT ASSETS</b>	<b>26.009.627</b>
<b>TOTAL ASSETS</b>	<b>29.956.328</b>
<b>US\$ dollars</b>	<b>15.242</b>
Financial obligations	941.502
Bonds outstanding	11.133
Commercial Paper	0
Suppliers and accounts payable	767.238
Dividends payable	385.385
Taxes and rates	275.094
Labor liabilities	93.681
Sundry creditors	28.104
Other liabilities	846.019
<b>CURRENT LIABILITIES</b>	<b>3.348.156</b>
Financial obligations	2.589.307
Labor liabilities	323.218
Deferred items	94.323
Bonds outstanding	3.953.536
Bond placement premium	-6.568
Sundry creditors	56.208
<b>NON-CURRENT LIABILITIES</b>	<b>7.010.024</b>
<b>TOTAL LIABILITIES</b>	<b>10.358.180</b>
<b>US\$ dollars</b>	<b>5.270</b>
<b>Minority interest</b>	<b>6.622.296</b>
<b>US\$ dollars</b>	<b>3.370</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>12.975.852</b>
<b>US\$ dollars</b>	<b>6.602</b>
<b>TOTAL LIABILITIES + SHAREHOLDERS' EQUITY</b>	<b>29.956.328</b>