

## 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 related to infrastructure, continues developing its strategic view and consolidating in the different lines of business it operates.

During the first quarter of the year, we highlight a 16% increase in the consolidated revenues, when compared to the same period of 2014. The Ebitda and the Net Income were affected by non-recurring events like the wealth tax and the effects of the implementation of IFRS.

Notable during this period are the outstanding results presented by Cementos Argos in Colombia and the United States, driven by the increase in volumes and the recovery of the prices. In Central America and the Caribbean, the drop in the dispatches to Panamá was compensated by the solid performance in Honduras and the consolidation in French Guyana.

The energy business experienced adverse conditions during the quarter due to lower hydrology and higher fuel prices. Concerning internationalization, the company consolidated the recently acquired operations in Panamá and Costa Rica, which allowed it to reach a record level of generation. The company also announced that the Bajo Tulua plant is now operational.

In the Real Estate business, the company performed a confirmatory due diligence relating to the joint venture with Conconcreto and reported important advances in the construction works of Mayorca Shopping Mall, Aventura Shopping Mall and the TATA building.

The port business reported a decrease in volumes, attributable to the decrease of containers in transit to Venezuela. Nevertheless, the bulk cargo plants in Buenaventura and Tolú registered outstanding results.

### **Consolidated results first quarter 2015:**

- Consolidated revenues of COP\$ 2.6 trillion (1 billion dollars), increasing 16%.
- Consolidated Ebitda of COP\$650 billion pesos. Excluding non-recurrent effects, Ebitda decreases 10%.
- Consolidated net income of COP\$ 52 billion. Excluding non-recurrent effects, net income stands at COP\$157 billion, increasing 52% when compared Q1 2014.

- Assets for COP\$ 34.1 trillion, decreasing 1.7%.
- Equity decreased 8%, at COP\$ 18.9 trillion.

The Board of Directors decided to cancel the preferred shares offering announced in 2014, due to high levels of volatility in the market. The company has different options to finance its projects and in this sense, the company announced a new synthetic credit line for COP\$ 100 billion to be paid in March 2016.

In sustainability, at the beginning of the year Grupo Argos received the Bronze Class distinction in the RobecoSam's 2015 Sustainability Yearbook, which recognizes good practices in economic, environmental and social responsibility.

### **Most relevant information for the first quarter of 2015:**

#### **Cement**

Cementos Argos began 2015 strong, reporting solid results in its different regions. The Colombia Region reported a 19% increase in cement dispatches and a 7% decrease in concrete dispatches. Said decrease is primarily explained due to the company's focus on more profitable projects in preparation for beginning the 4G construction works. The USA region continued to grow. In the first quarter of 2015, cement and concrete dispatches grew by 39% and 18%, even when prices registered an increase close to 10%. In Central America and the Caribbean, Honduras registered dynamic growth and the operations in French Guyana consolidated during the quarter.

#### **Energy**

The consolidation of the operations in Central America allowed the company to generate a record 2,139GWh in this quarter. Of the total energy generated by the company, 45% was hydroelectric, 51% thermal energy and 4% wind energy. In regards to projects, the 152 billion peso Bajo Tuluá Hydroelectric Power Plant started commercial operations on January 28. The 55 MW Cucuana project reports 99% progress, and is expected to begin commercial operations in July of this year.

#### **Real Estate**

Situm continued to pursue its urban development plan in Barranquilla and in the month of March, it announced approval of the "El Volador" Lot Plan to adapt 183 hectares so it will be suitable for commercial and residential development. It will have the potential for 19,000 homes. As for the Grupo Argos alliance with Concreto, in the first quarter both companies made progress in the due diligence work and they began drawing up a schedule for the contribution of assets

#### **Ports**

The bulk cargo terminal in Tolú is now operational, and registered a volume of 115,000 metric tons during the quarter. As for the new Aguadulce terminal, works to adapt the

lots and the base camps were completed this quarter, and the company continues to work on the design for civil works and the installation of services.

**GRUPO ARGOS S.A.**  
**CONSOLIDATED STATEMENT OF INCOME**  
As of March  
In million of colombian pesos or US dollars

	March 2015	March 2014	Var %
<b>Operating Revenues</b>	<b>2.620.608</b>	<b>2.251.438</b>	<b>16,4%</b>
<b>US\$ dollars</b>	<b>1.057</b>	<b>1.115</b>	<b>-5,2%</b>
Cost of ordinary activities	1.932.373	1.395.579	38,5%
<b>Gross profit</b>	<b>688.234</b>	<b>855.859</b>	<b>-19,6%</b>
Administrative expenses	193.677	163.897	18,2%
Sales expenses	60.455	54.927	10,1%
Overhead	254.132	218.824	16,1%
Other income and other expenses	(4.686)	(2.598)	-80,4%
<b>Operating profit</b>	<b>429.416</b>	<b>634.438</b>	<b>-32,3%</b>
<b>US\$ dollars</b>	<b>170</b>	<b>314</b>	<b>-45,8%</b>
<b>EBITDA</b>	<b>650.718</b>	<b>780.226</b>	<b>-16,6%</b>
<b>US\$ dollars</b>	<b>260</b>	<b>387</b>	<b>-32,7%</b>
Financial, net	(161.839)	(271.498)	40,4%
Dividends	19.502	41.394	-52,9%
Exchange rate difference, net	4.449	(3.360)	232,4%
Share of profit of associates and joint ventures	-	(58)	100,0%
<b>Pre tax profit/loss</b>	<b>291.528</b>	<b>400.916</b>	<b>-27,3%</b>
Wealth tax	105.164	-	N/A
Income tax	94.599	106.950	-11,5%
<b>Net income</b>	<b>91.765</b>	<b>293.966</b>	<b>-68,8%</b>
<b>US\$ dollars</b>	<b>32</b>	<b>145</b>	<b>-77,9%</b>
Non-controlling interest	40.117	135.653	-70,4%
<b>Net income (to controlling interes)</b>	<b>51.649</b>	<b>158.313</b>	<b>-67,4%</b>
<b>US\$ dollars</b>	<b>17</b>	<b>78</b>	<b>-77,9%</b>



## GRUPO ARGOS S.A.

## BALANCE SHEET

In million of colombian pesos or US dollars

	March 2015	December 2014	% Var.
<b>CURRENT ASSETS</b>	4.373.481	3.979.330	9,9%
Cash and cash equivalents	1.072.937	1.002.013	7,1%
Derivatives	2.696	23.067	-88,3%
Investments	371.179	531.146	-30,1%
Trade receivables, net	1.277.099	1.125.880	13,4%
Other receivables, net	633.647	365.877	73,2%
Inventories, net	766.184	675.134	13,5%
Prepaid expenses and other non financial assets	249.741	256.214	-2,5%
<b>Non-current asset held for sale</b>	622	152	308,4%
<b>TOTAL CURRENT ASSETS</b>	4.374.103	3.979.482	9,9%
<b>TOTAL NON-CURRENT ASSETS</b>	29.761.990	30.761.905	-3,3%
Trade receivables, net	9	11	-12,0%
Other receivables, net	36.383	71.626	-49,2%
Intangibles, net	2.804.196	3.094.213	-9,4%
Property, Plant and Equipment, net	14.772.702	15.122.279	-2,3%
Investment properties	1.877.932	1.877.668	0,0%
Investments in associates	6.225.998	6.923.150	-10,1%
Investments in joint ventures	273.160	276.383	-1,2%
Other non-current investments	1.803.548	2.176.532	-17,1%
Impairment of associated, joint ventures and subsidiaries	(8.066)	(8.066)	0,0%
Derivatives	-	168	-100,0%
Deferred tax	525.806	472.625	11,3%
Mining assets	1.382.747	689.258	100,6%
Biological assets	58.855	58.544	0,5%
Prepaid expenses and other non financial assets	8.720	7.513	16,1%
<b>TOTAL ASSETS</b>	<b>34.136.093</b>	<b>34.741.387</b>	<b>-1,7%</b>
<b>US\$ dollars</b>	<b>13.268</b>	<b>14.522</b>	<b>-8,6%</b>
<b>TOTAL CURRENT LIABILITIES</b>	4.861.269	4.029.968	20,6%
Financial liabilities	1.999.345	1.578.599	26,7%
Employee benefits liabilities	122.878	102.555	19,8%
Estimated Employee benefits liabilities	22.768	29.802	-23,6%
Provisions	113.818	113.988	-0,1%
Trade payables	726.304	733.956	-1,0%
Other payables	959.856	620.651	54,7%
Deferred tax	398.432	300.914	32,4%
Bonds and other financial instruments	371.397	397.318	-6,5%
Deferred income	373	1.994	-81,3%
Other liabilities	146.099	150.190	-2,7%
<b>TOTAL NON-CURRENT LIABILITIES</b>	10.365.666	10.047.201	3,2%
Financial liabilities	3.006.056	3.040.139	-1,1%
Deferred taxes	1.496.677	1.379.791	8,5%
Employee benefits liabilities	7.001	6.761	3,5%
Estimated Employee benefits liabilities	390.595	392.107	-0,4%
Other payables	319.689	174.060	83,7%
Deferred taxes	41.762	446	9274,2%
Provisions	294.713	283.604	3,9%
Derivatives	121.582	126.704	-4,0%
Bonds and other financial instruments	4.647.095	4.619.005	0,6%
Other liabilities	40.497	24.584	64,7%
<b>TOTAL LIABILITIES</b>	<b>15.226.935</b>	<b>14.077.169</b>	<b>8,2%</b>
<b>US\$ dollara</b>	<b>5.911</b>	<b>5.884</b>	<b>0,5%</b>
<b>TOTAL EQUITY</b>	<b>18.909.158</b>	<b>20.664.219</b>	<b>-8,5%</b>
<b>US\$ dollars</b>	<b>7.357</b>	<b>8.638</b>	<b>-14,8%</b>
Common stock	51.481	51.481	0,0%
Additional paid-in capital	689.585	679.324	1,5%
Retained earnings	9.242.878	8.845.095	4,5%
Reserves	2.543.398	2.430.615	4,6%
Net income	51.649	780.140	-93,4%
Other components of equity	(21.627)	(20.567)	-5,2%
Components of other Statemen of Income	832.993	1.682.319	-50,5%
<b>SHAREHOLDERS EQUITY OF THE PARENT</b>	<b>13.390.357</b>	<b>14.448.407</b>	<b>-7,3%</b>
<b>US\$ dollars</b>	<b>5.197</b>	<b>6.039</b>	<b>-14,0%</b>
<b>Non-controlling interest</b>	5.518.801	6.215.812	-11,2%
<b>US\$ dollars</b>	<b>2.160</b>	<b>2.599</b>	<b>-16,9%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>34.136.093</b>	<b>34.741.387</b>	<b>-1,7%</b>