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PRESS RELEASE

BRC confirms the Grupo Argos S.A. issuer ratings and its bond issuance ratings.

Bogota, D.C., May 8, 2017. The Technical Committee of BRC Investor Services S.A. SCV in its periodic review confirmed the `AA+' issuer rating for Grupo Argos S.A. It also confirmed the 'BRC1+' rating for short-term debt and the 'AA +' rating for long-term debt for the Grupo Argos' Ordinary Bonds and/or Commercial Paper Issuance and Placement Program for $1 trillion Colombian pesos (COP). The committee made these rating actions on May 8, 2017 as certified in Minute No. 1144.

In 2016 Grupo Argos (hereinafter GA) surpassed our expectations for consolidated leverage reduction, with net debt/EBITDA decreasing to 3.66 x from 4.19x in 2015. While this indicator is still higher than companies with the highest ratings (which is less than 3x), we believe that the 2016 result is outstanding taking into account the high level of investments made by the issuer and its affiliates and the adverse conditions faced by some of its operations.

The leverage improvement is derived from the following factors:

- GA flexibility to finance its expansion plans with non- debt funds. This allowed the organization to make acquisitions of nearly COP 4.5 trillion between September of 2015 and January of 2017, and approximately only 20% of these transactions were financed with bank credit.
- The favorable dynamics of the cement operations in the United States and Central America and the Caribbean compensated the drop in sales recorded in Colombia.
- The return to normal activity of the power generation in Colombia after the El Niño phenomenon from October 2015 to March 2016.
- The increase in EBITDA provided by the concessions business, resulting from the inclusion of the full year results of this subsidiary's, the Quito International Airport (Quiport) concession and the increased participation in strategic concessions.

Based on the strategy defined for GA operations and assets, we estimate consolidated net debt/ EBITDA ratio to decrease gradually over the next three years to reach 3.1 x in 2019. This reduction will be due to a greater generation of funds and less debt growth due to the following factors:

- The inclusion in 2017 of a complete year's results from the assets acquired by the issuer and its affiliates in 2016.

- The continuous implementation of operational efficiency plans, emphasizing the application of the BEST program in the cement business and the incorporation of SUMMA, the shared services center of the GA strategic affiliates.
- The total repayment of the bridge loan contracted by Cementos Argos (CA) for the purchase of the Martinsburg plant in the United States.
- The continuing competitive dynamics in the Colombian cement market in 2017 similar to that of 2016, with a gradual recovery in demand starting in 2018 with the activation of the 4G infrastructure projects.
- The continuing positive performance of the cement operations in Central America and the United States.
- The operational strengthening achieved by the electric energy generation affiliate Celsia to manage with future drought conditions. This is the result of an adjustment in contracting policies, measures to alleviate cost structure and the entry into operation of the Cartagena regasification plant, which has a ten-year production and storage agreement.
- The good traffic behavior expected in the Odinsa road concessions and the affiliate's plan to increase shareholding in projects that is already a partner.
- Our expectation is that Odinsa will not require additional debt to current expectations for the development of its construction projects.

In upcoming reviews we will monitor the effectiveness of GA's strategic architecture for financing of future investments; this function regarding its main businesses was assumed by GA at the end of 2015. It is a given that in the permanent search for new expansion and growth opportunities, GA and its affiliates can increase again its financial obligations, thus increasing our projected net debt/EBITDA in the next few years, which has occurred in prior reviews. This is one of the aspects that limit the rating.

With this new function, GA seeks to be more active in the definition of its businesses' goals in four fronts (financial, strategic, managerial and institutional) to increase profits for its shareholders through synergies and efficient capital rotation. For this purpose, the issuer consolidated a financial team responsible for coordinating, together with affiliates, merger and acquisition strategies and more efficient treasury management. This includes the use of alternative sources of funding such as the divestment of non-strategic assets, access to the capital markets and the incorporation of new partners, among others.

This strategy has been implemented, for example, in the acquisitions of Odinsa, Opain and the Martinsburg cement plant (which were financed mainly with the sale of non-strategic assets), the increase in the stake of La Pintada Concession (which was covered with an exchange of shareholdings in other projects) and the incorporation of Protección and APM Terminals as partners in Pactia and Compas, respectively. We expect that in the medium term GA will continue to use similar tools to meet its growth and expansion plan without its funding increasing pressure on consolidated leverage.

GA maintains relevant market positions in the cement and energy sectors in the countries it has operations. This results from the consistent implementation of a clear long-term strategy, which includes permanent investments to increase its organic and inorganic growth and the continuous generation of efficiencies, synergies and operational savings. In 2016, GA applied a similar strategy for its new concessions business, which involved focusing the Odinsa investment portfolio on road and airport concessions and acquiring control of key projects.

For the upcoming years, GA faces specific challenges in each of its strategic businesses. In the case of cements this refers to the consumption slowdown in Colombia, uncertainty about the prompt and complete development of the construction of 4G concessions and lower levels of use of installed capacity of its assets in the United States compared with other regionals and players in the industry. In the energy business, the challenge depends on the effectiveness of the new scarcity pricing formula to reflect the actual cost of generating with thermal assets when required by the market and the evolution of its incursion into new market niches. For Odinsa, the challenge is the effect open arbitration decisions regarding the Autopistas del Café and Concesión Vial de los Llanos, the performance of the airport assets and the development of the Concesión La Pintada can have on its operation and debt indicators. We will monitor the effectiveness of the strategy to meet each of these challenges as these are key determinants in the strengthening of GA's business profile.

Currently, GA, as the acquiring company, is proceeding with the merger by absorption of Situm S.A.S., Inversiones Roundcorp S.A.S. in liquidation and Inversiones Fortcorp S.A.S in liquidation. We believe that this operation will not have an effect on the rating granted to GA as it is in line with its strategy of the generation of operational and administrative efficiencies and does not decrease or increase equity since GA already owns 100% of the shares in the companies to be absorbed.

The 'AA+' rating indicates that the ability of the issue to meet its financial obligations is very strong. However, issuances with this rating could be more vulnerable to adverse events compared with those in the highest category.

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