

Report for Q2 2011

BVC: INVARGOS

For the first half of 2011, Inversiones Argos' consolidated revenues reached COP 2.8 billion and an EBITDA of COP 886 thousand million, for an EBITDA margin of 32%

As majority shareholder of both Cementos Argos and Compañía Colombiana de Inversiones (Colinversiones), Inversiones Argos obtained a good level of results from both strategic investments in the cement and energy sectors, respectively; this thanks to the dynamic rate of growth with the Colombian economy.

Furthermore, and in keeping with the Argos Group's strategic focus of consolidating its portfolio investments in the name of the parent company, in 2011 Inversiones Argos purchased from its subsidiary Cementos Argos a little more than 16 million shares, corresponding to a 3.5% stake in Grupo de Inversiones Suramericana. Thus Inversiones Argos' total stake in Grupo de Inversiones Suramericana now comes to 14.4%. In order to finance the purchase of said shares, Inversiones Argos took out several bank loans and divested 0.9% of its stake in the Bancolombia Group at the end of the first half of this year, which now comes to 0.7%.

Cement Business:

After getting off to a good start this year Cementos Argos continued to perform well during this past quarter. In the case of Colombia, this has been mainly due to a dynamic construction sector, where the demand for both the civil engineering and the housing subsectors continues steady. In addition, the Caribbean countries did well thanks to a positive rate of growth. Also the new production line at the Cartagena Plant, which is classified under our Caribbean Division, has continued to produce excellent results in terms of both efficiency and productivity.

For the second straight quarter this year, Cementos Argos posted record sales of both cement and concrete in both Colombia and the Caribbean.

Conversely results for the US Division mirrored the adverse weather patterns occurring during the first half of this year. In spite of this however, we are seeing an improvement with cement and concrete prices which we expect to continue into the summer months and the beginning of autumn.

Energy Business:

The Colombian electricity sector during the first half of 2011 was largely affected by the heavy rainfall accompanying the La Niña phenomenon occurring in the Pacific Ocean. This allowed for higher hydroelectricity volumes which drove down energy prices on the spot market to the same levels as recorded for the first half of last year, when the El Niño climate phenomenon occurred.

Colinversiones, through its portfolio of directly-held generating plants as well as those of its subsidiaries, supplied the Colombian power grid with an important amount of electricity both during the dry season in 2010 as well as the rainy season in 2011, and accounted for 10% of all the electricity produced during the first half of this year.

It is important to note that in May, as part of a strategic reshuffle aimed at concentrating its investments in the Colombian energy sector, Colinversiones sold off the stakes formerly held in industrial safety companies for a total of COP 101 thousand million. So at the end of the first half of this year, 90% of Colinversiones entire assets were concentrated in the Colombian energy sector.

Q2 2011 highlights:

Inversiones Argos' consolidated revenues totaled COP 2.8 billion

Consolidated EBITDA came to COP 886 thousand million

EBITDA margin on 32%

Consolidated net income registered COP 168 thousand million

Investments portfolio closed 1H2011 on COP 13.3 billion

Since Inversiones Argos is the majority shareholder of both Cementos Argos and Compañía Colombiana de Inversiones (Colinversiones), with stakes of 61.4% and 50.05%, respectively, a more detailed information regarding both these companies is available in their websites.

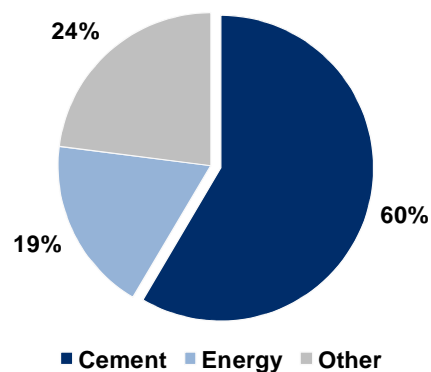
Inversiones Argos investments portfolio at 1H2011:

Company	Stake Held	Value (COP\$ million)	Value (US\$ million)**	Price per Share (In COP)*
<u>CEMENT</u>				
Cementos Argos	61.4%	7,976,520	4,481	11,280
<u>ENERGY</u>				
Colinversiones	50.0%	1,825,933	1,026	5,070
EPSA**	11.9%	376,990	212	9,165
<u>OTHER</u>				
Grupo Suramericana	14.4%	2,561,095	1,439	37,800
Bancolombia	0.7%	96,939	54	29,200
Grupo Nutresa	4.7%	475,093	267	23,400
Total		13,312,570	7,478	

* Closing price at June 30, 2011

** The EPSA share price is its purchase Price

*** Exchange rate at June 30, 2011: COP\$1,780 / 1 US\$



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

	Jun-11
Operating revenues	332,836
<i>US\$ Dollars</i>	183
Dividends and participations	26,010
Revenues via equity method	86,126
Revenue from sales of investments	220,700
Investment appraisals	0
Cost of selling off investments	26,213
Cost of selling off investments	26,213
Gross profit	306,623
<i>Gross Margin</i>	<i>92.1%</i>
Operating expense	121,076
Expense via equity method	114,527
Administrative expense	5,120
Provisions for investments	425
Depreciation and amortization	1,004
Operating Profit	185,547
<i>Operating Margin</i>	<i>55.7%</i>
EBITDA	186,551
<i>US\$ Dollars</i>	101
<i>EBITDA Margin</i>	<i>56.0%</i>
Non-operating revenues	1,463
Financial	1,317
Other income	146
Non-operating expense	18,432
Financial	17,010
Retirement pensions	438
Other expense	984
Pre-tax earnings	168,578
Provision for income tax	645
Net Income	167,933
<i>US\$ Dollars</i>	91
<i>Net Margin</i>	<i>50.5%</i>

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

	Jun-11
Cash and banks	23,023
Accounts receivable	129,470
Deferred Items	79
CURRENT ASSETS	152,572
Permanent investments	10,684,431
Deferred items and intangibles	30,443
Property, plant and equipment, net	2,186
Appraisals	1,550,775
Other assets	512
NON-CURRENT ASSETS	12,268,347
TOTAL ASSETS	12,420,919
<i>US\$ Dollars</i>	<i>6,977</i>
Financial obligations	557,594
Suppliers and accounts payable	19,656
Dividends payable	99,469
Taxes and rates	4,210
Labor liabilities	756
Other liabilities	5,937
CURRENT LIABILITIES	687,622
Financial obligations	355,781
Labor liabilities	3,217
Total pasivo no corriente	358,998
NON-CURRENT LIABILITIES	1,046,620
<i>US\$ Dollars</i>	<i>588</i>
SHAREHOLDERS' EQUITY	11,374,299
<i>US\$ Dollars</i>	<i>6,389</i>
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	12,420,919

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

	Jun. 11
Operating revenues	2,755,188
<i>US\$ Dollars</i>	1,501
Variable costs	1,854,609
Cost of goods sold	1,673,685
Depreciation and amortization	180,924
Gross profit	900,579
<i>Gross Margin</i>	32.7%
Overheads	244,847
Administrative expense	148,777
Selling expense	47,172
Depreciation and amortization	48,898
Operating Profit	655,732
<i>Operating Margin</i>	23.8%
EBITDA	885,554
<i>US\$ Dollars</i>	483
<i>EBITDA Margin</i>	32.1%
Non-operating revenues	250,367
Dividends and participations	78,049
Profits from sales of investments	116,650
Other income	55,668
Non-operating expense	577,096
Net financial expense	140,273
Losses (profits) on sales of fixed assets	7,546
Other expense	429,277
Exchange difference	11,299
Pre-tax earnings	340,302
Provision for income tax and deferred tax	117,488
Minority interest	54,881
Net Income	167,933
<i>US\$ Dollars</i>	91
<i>Net Margin</i>	6.1%

Relevant information

Inversiones Argos S.A.



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

	Jun. 11
Cash, banks and negotiable investments	1,851,138
Trade receivables	657,254
Accounts receivable, net	491,085
Inventories	310,920
Prepaid expense	44,001
CURRENT ASSETS	3,354,398
Permanent investments	762,739
Accounts receivable	79,210
Inventories	92,475
Deferred items and intangibles	1,974,556
Property, plant and equipment, net	5,852,536
Appraisals	13,224,853
Other assets	23,611
NON-CURRENT ASSETS	22,009,980
TOTAL ASSETS	25,364,378
<i>US\$ Dollars</i>	<i>14,248</i>
Financial obligations	1,457,225
Bonds outstanding	153,874
Commercial paper	199,030
Suppliers and accounts payable	661,707
Dividends payable	225,853
Taxes and rates	242,103
Labor liabilities	95,761
Sundry creditors	49,972
Other liabilities	675,678
CURRENT LIABILITIES	3,761,203
Financial obligations	2,191,315
Labor liabilities	336,223
Deferred items	127,167
Bonds outstanding	1,674,652
Bond placement premium	-10,673
Sundry creditors	127,281
NON-CURRENT LIABILITIES	4,445,965
TOTAL LIABILITIES	8,207,168
<i>US\$ Dollars</i>	<i>4,610</i>
MINORITY INTEREST	6,867,355
<i>US\$ Dollars</i>	<i>3,858</i>
SHAREHOLDERS' EQUITY	10,289,855
<i>US\$ Dollars</i>	<i>5,780</i>
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	25,364,378