

GRUPO ARGOS

September 30th, 2015 Report

BVC: GRUPOARGOS, PFGRUPOARG

EXECUTIVE SUMMARY

- At the close of 3Q 2015, Grupo Argos reports year-to-date revenue of COP 8.7 trillion (USD 3,290 million), up 23% in Colombian pesos over the same period in 2014 and down 9% in US dollars.
- The consolidated EBITDA of Grupo Argos totaled COP 2.1 trillion (USD 795 million), an increase of 6.6% in Colombian Pesos and a decrease of 21% in US dollars. The EBITDA margin was 24%.
- Net profit (controlling stake) rose to COP 376 billion (USD 140 million), affected by the wealth tax of nearly COP 106 billion, the increase in financial costs related to the financing of the Vulcan plant acquisitions (Cementos Argos) and the energy generation assets in Panama and Costa Rica (Celsia) and the controlling stake in Odinsa (Grupo Argos).
- At the close of September, consolidated assets were close to COP 40.1 trillion (USD 12,847 million), growing 15.4% in Colombian Pesos and decreasing 11.5% in US dollars compared to the close in 2014. Liabilities increased 26.5% at COP 17.8 trillion (USD 5,703 million), while equity totaled COP 22.3 trillion (USD 7,144 million).
- In the individual Financial Statements, Grupo Argos' revenues amounted to COP 992 billion (USD 116 million), up 76% in Colombian Pesos and down 49% in US dollars.
- The individual EBIDTA amounted to COP 533 billion (USD 188), a 106% increase compared to the end of September 2014.

- Net income was COP 450 billion (USD 156), reporting 71% increase compared to the same period in 2014.

3Q2015 RESULTS REPORT

In the third quarter of the year, Grupo Argos consolidated its position in the concessions business when it acquired an additional 4.95% of the shares in Odinsa, thus achieving a controlling position of 54.8%. This made the cement, energy and concessions businesses the three pillars on which Grupo Argos will base its growth strategy in the infrastructure sector.

In turn, and in order to support growth and increase financial flexibility, Grupo Argos disposed of a block of shares in Cementos Argos equivalent to 5.3% of the company's common shares in August. This transaction was carried out for approximately COP 600 billion.

In July, Fitch Ratings confirmed Grupo Argos' short and long-term national ratings at AA+ and F1+ with a stable outlook. These ratings reflect the credit quality of the investment portfolio and the performance and diversification of the flows of dividends received.

At Cementos Argos, it is important to mention the significant growth in cement and concrete shipments in Colombia and the United States. The energy business continued to experience adverse conditions due to the El Niño phenomenon, fuel prices and variable market effects. The real estate business had an outstanding quarter, thanks to record sales in the line of urban development. In regards to the line of properties for sale, Grupo Argos and Concreto have continued to move forward in the process of transferring assets to the Pactia stand-alone trust. In the port business, we would like to highlight the partnership between Compas and APM Terminals to manage and operate the Port of Cartagena, while making investments for its improvement and expansion.

RESULTS BY BUSINESS

The Cement Business:

At the end of September, Cementos Argos reported revenue for COP 5.7 trillion, which is a 35% increase compared to the same period in 2014. The EBITDA rose to COP 1.1 trillion, growing 41%, and the EBITDA margin was 19%, up 110 basis points from the third quarter of last year. These positive results are derived from the increase in the volumes shipped in the three regional units, the improvement in margins in the US and the effect of the exchange rate.

Colombia reported significant increases in cement shipments of 14%, and 18% in the volumes of concrete. These growths are particularly relevant because they are almost double the national average. The areas of the country with the best consumption dynamics were the northern and northwestern regions. In financial terms, total revenue was COP 2.2 trillion, up 22% from the third quarter of 2014. The EBITDA grew 3%, closing at COP 621 billion.

The US region continued to show solid results, with an accumulated growth in cement and concrete shipments of 21% and 7%, respectively. During the third quarter, the poor climate conditions continued affecting some of the states where Cementos Argos operates, particularly North and South Carolina. In addition, participation increased on the import market through the Houston and Mobile terminals. At the end of September, the revenue of that Region stood at USD 933 million, growing 16%. The EBITDA grew 65% standing at USD 86, while the EBITDA margin was 11%.

The growth in cement volumes in the Caribbean and Central American Region stood out, driven by the operation in Honduras and trading operations. Construction projects in Panama are expected to be reactivated in 2016, which would boost the demand. The volumes of cement shipments grew 19% in 2015, while the shipments of concrete dropped 20%, mainly due to slower dynamics in Panama. The revenue of that Region amounted to USD 409 million, growing 2%. In turn, the EBITDA grew 8%, rising to USD 133 million.

In total figures, at the end of September 2015, Argos sold 10.7 million tons of cement and 8.7 million cubic meters of concrete, which means a growth of 14% and 5% respectively, compared to the volumes achieved by the end of September 2014. Therefore, the organization reported revenue of COP 5.7 trillion, up 35% from 2014,

and an EBITDA of COP 1.1 trillion, representing a 61% increase. The EBITDA margin was 19% for the third quarter, while net profit grew by nearly 63%, closing at COP 372 billion.

The Energy Business:

Celsia continued to face complex conditions during the third quarter of 2015. The El Niño phenomenon, deficiencies in electricity transmission infrastructure in the Caribbean region of Colombia, the cost of fuel and variable market conditions affected business results.

The total energy generated up to September amounted to 5,379 GWh, which represents a 14% increase compared to the previous year. This increase was supported by the results of operations in Panama and Costa Rica. However, the low rainfall in the areas where the hydrological assets are located and their maintenance affected generation levels in Colombia.

Moreover, during the quarter, the startup of commercial operations of the Cucuana hydroelectric power plant was announced. This project represents an investment of approximately COP 335 billion and has a capacity of 55 MW.

The year-to-date operating revenue at September amounted to COP 2.4 trillion, which is a 22% increase. The consolidated EBITDA at the end of September dropped 25% to COP 566 billion for an EBITDA margin of 19%. As a result of the factors mentioned earlier, net income was COP 90 billion.

The Real Estate Business:

In the rental property business, the process of transferring the assets of Grupo Argos and Concreto to the new stand-alone trust, known as Pactia, has continued to move forward as expected and has reported a progress of 88%. During the quarter, Grupo Argos transferred a total of six real estate assets to the new vehicle.

The urban development business reported a very positive quarter, thanks to the record revenue from the sale of lots. Deeds were registered for a total of two lots from the Palmas del Rio project with an area of 15,250 m², along with two lots from the Miramar project with an area of 47,100 m². These deals amounted to revenue for COP 44,300 million.

In terms of financial figures, year-to-date revenue at September were approximately COP 77 billion, growing 50% compared to the previous year. The EBITDA was COP 13 billion, growing 171% compared to 2014.

It is important to note that these figures are from the consolidated real estate business and include all Grupo Argos real estate operations. Therefore these numbers are recorded in various companies for accounting purposes.

The Port Business:

Compas continued to have positive results, among which it is important to mention the signing of a partnership with APM Terminals, a Maersk subsidiary, to manage and operate the terminal of Cartagena. APM Terminals will hold a majority stake of 51%, but Compas will continue to be the concession holder. Both companies agreed to make investments of USD 200 million in order to triple the port's capacity.

In regards to the operation, container loading has continued to drop due to the decreased number of containers in transit to Venezuela. In turn, cargo in bulk has continued to show positive results, particularly in the terminals of Tolú and Buenaventura. The construction of the new terminal of Aguadulce has continued to move forward as planned and it is expected to be completed in the fourth quarter of 2016.

On the financial front, Compas' revenue at the close of the third quarter 2015 was COP 116 billion, growing 28% compared to the same period in 2014. In turn, year-to-date EBITDA amounted to COP 43 billion, up 61%. There was a significant increase in the EBITDA margin, rising from 29% in the third quarter of 2014 to 39% by the end of September 2015.

Company	Stake Held	Value (COP\$ million)	Value (US\$ million)***	Price per Share (In COP)*
<u>CEMENT</u>				
Cementos Argos	55,3%	6.016.335	1.928	9.440
<u>ENERGY</u>				
Celsia	52,5%	1.349.260	432	3.570
EPSA**	11,9%	376.997	121	9.165
<u>CONCESSIONS</u>				
Odinsa	54,8%	1.017.005	326	9.475
<u>OTHER</u>				
Grupo Suramericana	28,7%	4.836.468	1.550	35.880
Grupo Suramericana (P)	2,1%	78.560	25	35.400
Bancolombia	1,5%	182.690	59	23.720
Grupo Nutresa	9,8%	940.166	301	20.780
Total		14.797.482	4.741	

* Closing price at September 30, 2015

** Price per EPSA share is the purchase value

*** Based on the Official Exchange Rate at September 30, 2015: COP 3,121 / USD 1

GRUPO ARGOS S.A.
NON-CONSOLIDATED INCOME STATEMENT
 Values expressed in million COP or million USD

	Sep. 15 NIIF	Sep. 14 NIIF	Var. (%)
Operating Revenues	992.148	562.382	76,4
US\$ dollars	347	291	19,2
Financial income or expenses, net	797.531	310.617	156,8
Real estate income	76.727	50.936	50,6
Equity method, net	117.890	200.829	-41,3
Variable cost	377.604	227.741	65,8
Cost of sales - Financial activities	355.925	214.393	66
Cost of sales - Real estate business	21.679	13.348	62
Gross Profit	614.544	334.641	84
<i>Gross margin</i>	<i>62%</i>	<i>60%</i>	
Overhead	74.166	60.343	23
Administrative expenses	70.766	58.030	22
Depreciation and amortization - administrative	2.157	151	1.328
Selling expenses	1.243	2.162	(43)
Other income and other expenses	(9.222)	(15.788)	42
Operating profit	531.156	258.510	105
<i>Operating margin</i>	<i>54%</i>	<i>46%</i>	
EBITDA	533.313	258.661	106
US\$ dollars	188	132	42,5
<i>EBITDA margin</i>	<i>54%</i>	<i>46%</i>	
Non-operating revenues and expenses	(77.964)	(8.766)	(789)
Financial revenues and expenses, net	(77.828)	(2.717)	(2.764)
Exchange difference, net	(136)	(6.049)	98
Pre-tax profit (loss)	453.192	249.744	81
Wealth tax	9.668	-	N.A.
Income tax	(6.555)	(14.036)	53
Net income	450.079	263.780	71
US\$ dollars	156	139	12
<i>Margin</i>	<i>45%</i>	<i>47%</i>	

GRUPO ARGOS S.A.
NON-CONSOLIDATED BALANCE SHEET
 Values expressed in million COP or million USD

	Sep. 15	Dec. 14	Var. (%)
Cash and cash equivalents	399.215	165.978	140,5
Derivative Financial Instruments	17.393	-	N.A.
Investments	15.000	15.165	-1,1
Trade account receivables, net	319.542	210.680	51,7
Inventories	46.116	42.575	8,3
Biological assets	-	-	N.A.
Prepayments	2.833	59.031	-95,2
Non-current assest held for sale	21	21	0,0
Total current assets	800.120	493.450	62,1
Non-current investment	13.355.749	12.404.351	7,7
Other non-current account receivables	5.261	6.134	-14,2
Inventories	-	-	N.A.
Intangibles, net	7.403	8.788	-15,8
Property, plant and equipment, net	95.596	58.706	62,8
Investment properties	2.202.024	2.249.257	-2,1
Deferred tax	-	-	N.A.
Biological assets	-	-	N.A.
Derivative financial instruments	-	-	N.A.
Other assets	-	-	N.A.
Total non-current assets	15.666.033	14.727.236	6,4
Total assets	16.466.153	15.220.686	8,2
US\$ dollars	5.274	6.362	-17,1
Current financial liabilities	123.695	-	N.A.
Bonds and other financial liabilities	13.302	42.460	-68,7
Current trade and other current payables	232.572	144.108	61,4
Provisions	1.249	2.489	-49,8
Current tax payables	9.066	470	1.828,9
Labor liabilities	1.426	944	51,1
Estimated liabilities for employee benefits	10	4.118	-99,8
Other current liabilities	27.833	27.501	1,2
Derivative financial instruments	-	-	N.A.
Liabilities associated with assets held for sale	-	-	N.A.
Total current liabilities	409.153	222.090	84,2
Non-current financial liabilities	551.187	23	2.396.365,2
Bonds and other financial liabilities	997.932	988.324	1,0
Deferred taxes	140.849	154.826	-9,0
Provisions	-	-	N.A.
Other non-current payables	6.891	6.890	0,0
Labor liabilities	-	-	N.A.
Estimated liabilities for employee benefits	26.552	20.564	29,1
Derivative financial instruments	-	-	N.A.
Tax payables	-	-	N.A.
Other non-current liabilities	-	-	N.A.
Total non-current liabilities	1.723.411	1.170.627	47,2
Total Liabilities	2.132.564	1.392.717	53,1
US\$ dollars	683	582	17,3
Total Equity	14.333.589	13.827.969	3,7
US\$ dólares	4.591	5.780	-20,6
Total equity and liabilities	16.466.153	15.220.686	8,2



GRUPO ARGOS S.A.
CONSOLIDATED INCOME STATEMENT
 Values expressed in million COP or million USD

	Sep. 15 NIIF	Sep. 14 NIIF	Var. (%)
Operating Revenues	8.680.780	7.031.983	23,4
US\$ dollars	3.290	3.626	-9,3
Cost of goods sold	8.216.109	6.523.556	25,9
Financial income or expenses, net	140.265	313.640	-55,3
Real estate income	73.816	46.058	60,3
Equity method, net	330.039	459.318	N.A.
Sales returns and discounts	(79.449)	(310.589)	74,4
Variable cost	6.402.070	4.760.971	34,5
Cost of goods sold	5.786.452	4.146.418	39,6
Depreciation and amortization	553.844	392.294	41,2
Cost of sales - Financial activities	42.075	214.393	-80,4
Cost of sales - Real estate business	19.699	7.866	150,4
Gross Profit	2.278.710	2.271.012	0,3
<i>Gross margin</i>	26%	32%	
Overhead	822.997	677.953	21,4
Administrative expenses	567.824	477.093	19,0
Depreciation and amortization - administrative	82.211	39.594	107,6
Selling expenses	157.788	143.090	10,3
Depreciation and amortization - sales	15.174	18.176	-16,5
Other income and other expenses	(15.546)	(81.652)	81,0
Operating profit	1.440.167	1.511.407	-4,7
<i>Operating margin</i>	17%	21%	
EBITDA	2.091.396	1.961.471	6,6
US\$ dollars	795	1.010	-21,3
<i>EBITDA margin</i>	24%	28%	
Non-operating revenues and expenses	(480.516)	(216.010)	-122,5
Financial revenues and expenses, net	(478.641)	(266.029)	-79,9
Dividends and stakes	22.474	37.499	-40,1
Exchange difference, net	(23.467)	9.330	-351,5
Share of other comprehensive income of associate and joint ventures	(882)	3.190	N.A.
Pre-tax profit (loss)	959.651	1.295.397	-25,9
Wealth tax	106.267	-	N.A.
Income tax	223.608	250.438	-10,7
Profit (loss) from continuing operations	629.776	1.044.959	-39,7
Net loss from discontinued operations	5.237	(5.663)	N.A.
Net income	635.013	1.039.296	-38,9
<i>Net margin</i>	7%	15%	
Total comprehensive income attributable to:			
Non-controlling interest	258.737	360.679	-28,3
Controlling interest	376.276	678.617	-44,6
US\$ dollars	140	353	-60,2
<i>Margin</i>	4%	10%	

GRUPO ARGOS S.A.
CONSOLIDATED BALANCE SHEET
 Values expressed in million COP or million USD

	Sep. 15	Dec. 14	Var. (%)
Cash and cash equivalents	1.464.840	1.002.013	46,2
Derivative financial instruments	17.393	23.067	0,8
Investments	117.563	531.146	0,2
Trade account receivables, net	2.560.289	1.491.962	71,6
Inventories	908.413	675.134	34,6
Biological assets	-	-	N.A.
Prepayments	281.991	256.008	10,1
Non-current asset held for sale	2.541	152	1.571,7
Total current assets	5.353.030	3.979.482	34,5
Non-current investment	9.276.252	9.368.000	-1,0
Other non-current account receivables	183.826	71.637	156,6
Inventories	-	-	N.A.
Intangibles, net	4.668.749	3.094.213	50,9
Property, plant and equipment, net	17.428.525	15.811.537	10,2
Investment properties	2.727.437	1.877.668	45,3
Deferred taxes	412.071	472.625	-12,8
Biological assets	18.921	58.544	-67,7
Derivative financial instruments	16.436	168	9.683,3
Other non-current assets	21.769	7.513	189,8
Total non-current assets	34.753.986	30.761.905	13,0
Total assets	40.107.016	34.741.387	15,4
<i>US\$ dollars</i>	<i>12.847</i>	<i>14.521</i>	<i>-11,5</i>
Current financial liabilities	2.828.910	1.578.599	79,2
Bonds and other financial liabilities	397.546	397.318	0,1
Current trade and other current payables	1.825.733	1.354.607	34,8
Current provisions	171.749	113.988	50,7
Current tax payables	520.494	300.914	73,0
Labor liabilities	164.914	102.555	60,8
Estimated liabilities for employee benefits	30.356	29.802	1,9
Other current liabilities	182.460	152.185	19,9
Derivative financial instruments	-	-	N.A.
Liabilities associated with assets held for sale	-	-	N.A.
Total current liabilities	6.122.162	4.029.968	51,9
Non-current financial liabilities	4.448.887	3.040.139	46,3
Bonds and other financial liabilities	4.623.075	4.619.005	0,1
Deferred taxes	1.422.773	1.380.236	3,1
Provisions	318.008	283.604	12,1
Other non-current payables	105.536	174.061	-39,4
Labor liabilities	9.951	6.761	47,2
Estimated liabilities for employee benefits	388.436	392.107	-0,9
Derivative financial instruments	175.742	126.704	38,7
Tax payables	-	-	N.A.
Other non-current liabilities	188.354	24.584	666,2
Total non-current liabilities	11.680.762	10.047.201	16,3
Total Liabilities	17.802.924	14.077.169	26,5
<i>US\$ dollars</i>	<i>5.703</i>	<i>5.884</i>	<i>-3,1</i>
Total Equity	22.304.092	20.664.218	7,9
<i>US\$ dólares</i>	<i>7.144</i>	<i>8.637</i>	<i>-17,3</i>
Total equity and liabilities	40.107.016	34.741.387	15,4



We will hold a conference to discuss third quarter 2015 results on Monday, November 30 at 10:00 a.m. Colombia time.

Conference ID 75,509,249

US/Canada telephone number: +1 (866) 837-3612

Colombia telephone number: 01800-518-0165

International/local telephone number: +1 (706) 634-9385

A detailed presentation of these results shall be made available on Grupo Argos' Investor Website (www.grupoargos.com) under home or in the Financial Information / Reports section.

CONTACT INFORMATION:

Sebastián Velásquez

Investor Relations

Grupo Argos

Tel: +57 (4) 319-8712

E-mail: svelasquez@grupoargos.com