

GRUPO ARGOS

September 30, 2013 3Q Report

BVC: GRUPOARGOS, PFGRUPOARG

EXECUTIVE SUMMARY

- For the first 9 months of 2013, revenues for consolidated Grupo Argos up to COP\$ 5.6 trillion (US\$ 3 billions), an increase of 13% in pesos and 10% in dollars from the same period in 2012.
- Consolidated EBITDA totaled COP\$ 1,5 trillion (US\$ 799 million), an increase of 14% in pesos and 11% in dollars. EBITDA margin stood at 26%.
- Company consolidated net income totaled 192 billion pesos; which is not comparable with that of 410 billion pesos in the same period in 2012. Since in that period non-recurring extraordinary profits were generated in Grupo Argos for 47 billion and 277 billion pesos in Cementos Argos. Furthermore Argos also had an increase in the income tax for 2013 of 54 billion dollars. The increase in the income tax was generated by the effect of exchange difference in Cementos Argos' investments abroad. Excluding these effects, the net income increase by 15%
- On a consolidated basis at the end of September 2013, assets increased to 28.3 trillion pesos (US\$ 14,8 billion), increasing 6% in pesos and a decrease of 2% in dollars in comparison with December 2012. In this same period, liabilities totaled COP\$ 8,9 trillion a decrease of 3% and Shareholders' equity totaled COP\$ 13,2 trillion (US\$ 6.9 billion), an increase of 3% in pesos and a decrease of 5% in dollars.
- In the non-consolidated income statement Grupo Argos revenues up to COP\$380 thousand millions a decrease of 32% in pesos, the decrease in mainly due to the lower revenue for sales from sales of investment of 47 billion and lower revenues via equity method of Cementos Argos, as a result Due to the non-recurring extraordinary profits of 277 billion pesos and the increase in the income tax for 2013 of 54 billion dollars in Cementos Argos. Excluding these effects the revenues increased 20%. The net income up to COP\$192 billion and it is not

comparable with 2012. Excluding the mentioned effect, the net income increase by 15%

- In Grupo Argos non-consolidated balance sheet, the assets totalized 16,2 trillion pesos (US\$ 8.5 billions), increasing 1% in pesos and decreasing 7% in dollars compared with December 2012. In this same period, liabilities decreased 15% in pesos or 22% in dollars totaling COP\$ 1,8 trillion (US\$ 922 millions). Shareholders' equity increased to COP\$ 14,5 trillion an increase of 3% in pesos.

3Q2012 Results

In the third quarter of the year, Grupo Argos has presented positive results in the businesses in which it invests.

In its cement business, Cementos Argos shows volumes of growth in the markets where it operates, in the energy business, Celsia presents very positive results thanks to technology combinations. In turn, Compas continues its growth plan in the ports, both inside and outside of the country; and in real estate, Situm continues as an important player in the property and urbanism businesses.

Before starting to explain the results of each business, it is worth to highlight that during this third quarter, Grupo Argos received several accolades and made important achievements that continue to distinguish it as a company with high management standards and a world-class administration.

One of its achievements was joining the Dow Jones Sustainability Index-World, which recognizes good practices in economic, environmental and social sustainability of companies listed on stock markets.

Grupo Argos and Cementos Argos (cement subsidiary) are part of the six Colombian companies included out of the 333 from all over the world that appear in the 2013 World Index. They are also two of the 30 Latin American companies included in the 81 companies of the Emerging Markets Index.

Similarly, the company was included in the GC 100, a new world stock market index that combines corporate sustainability, the commitment to values related to human rights, the environment, labor regulations, the fight against corruption and financial performance.

Developed and published by the United Nations Global Compact in collaboration with the Sustainalytics research firm, the GC 100 selects a representative group of 100 companies because of their adherence to the ten principles of the Global Compact, as well as their commitment to executive leadership and their profitability.

Furthermore, Grupo Argos was selected to chair the Companies Circle at the organization's meeting held in September this year in Buenos Aires, Argentina. The Companies Circle is the Latin American Corporate Governance Roundtable. This concept was born in 2005, in Brazil, as an initiative of the Organization for Economic Cooperation and Development (OECD), the International Finance

Corporation (IFC) and the World Bank, and since then, it has had the financing and support of the Global Corporate Governance Forum (GCGF). Its main objective is to spread and promote good practices, as well as managing knowledge between the region's companies that are leaders in Corporate Governance.

The previous achievements continue to demonstrate Grupo Argos' commitment to keep growing in a sustainable way and with high standards of corporate governance.

Moreover, the holding company continues working to ensure a close and transparent relationship with investors. Along these lines, during the quarter, the IR recognition awarded by the Colombian Securities Exchange stands out. This award aims to recognize companies that meet the highest standards of corporate governance, especially regarding the sufficient and adequate supply of information to investors.

Also, Grupo Argos currently has an Apple application available to the public, where the public can access company news, information and details quickly and easily. This means of communication is directed at all stakeholders, mainly so that the investors and shareholders can have more access information, whether via an iPad or an iPhone. Soon it will be available for Android devices.

Business Results

The Cement business:

Cementos Argos had a solid third quarter that contributes positively to the 2013 results. It is important to highlight a the positive contributions of EBITDA in the three Regions, In the US Region a positive EBITDA of US\$ 9.7 million in the third quarter was reached, In the Colombian Regional a better dynamic in 3T13 Colombia was supported by residential construction and commercial construction and in the Caribbean Regional a good performance in volumes and financial results are highlighted.

In the Colombian Region the company continues its progress in the operational excellence program, which to date has generated savings of about 6% in cement direct production costs. Additionally the Colombia Regional Division registered growth in dispatched cement volumes, despite the effects generated by the strikes seen in Colombia during August and in the ready-mix business continues experiencing a solid

performance, reporting in 3Q13, a year-over-year sales volumes increase of 14% and of 12% YTD. This is the result of the strategy of strengthening the industrial business through greater focus on infrastructure and on industrialization of construction activities.

In the USA Regional Division the better dynamism in terms of volumes and prices seen during this year, coupled with improved operating efficiencies, have contributed to the generation of positive EBITDA during seven consecutive months as of September 2013, representing an increase in the regional's YTD EBITDA of 302%, reaching for the first time in the last four years, a positive total of USD 8.6 million in that period and of USD 9.7 million in the third quarter.

Meanwhile, the Caribbean Regional Division maintains a positive growth trend with a 6% increase in dispatched cement volumes and an increase of 23% in ready-mix concrete sales during the nine months of 2013, these mainly generated by its most important market Panama. It also important to note that during the third quarter, the company signed a contract to acquire the cement operations of Lafarge in Honduras.

During the first nine months of the year, the company sold 7.0 million m³ of ready-mix, which represented an increase of 9%, and 8.5 million tons of cement, thus growing 4% compared to the same period last year. These volumes generated consolidated accumulated revenues of COP\$ 3,7 trillion, an increase of 12%. Consolidated EBITDA totaled COP\$ 745 billion, an increase of 23%. EBITDA margin up to 20.4%, a figure well above the 18.4% reported in the first semester of 2012.

The net income totaled \$COP 301 billion, this number as it has been explained in previous reports is not comparable to last year, because during the same period last year the company generated a non-recurring extraordinary profits of COP\$ 277 billion due to the divestures of non- strategic assets. If this effect is excluded the net income increased 105%.

The energy business:

Regarding the expansion and investment plan, Celsia continues to advance in the Cucuana project, 55 MW, which completes 63% of its construction by September 2013, with the succesful conclusion of the tunnels excavations (San Marcos, Cucuana and La Ensilada); intake works continue with a 47% advance in Cucuana and 36% in San Marcos; technical equipment such as turbines and generators are already located in Colombia, nationalized and ready to ship to the final location. Advance in the

transmission line reaches 45% and social and environmental works have reached an advance of 72% in educational infrastructure and 17% in community infrastructure.

Meanwhile, the project Bajo Tuluá of 20 MW, recorded an investment of \$ 128.303 million as the end of the third quarter of 2013, representing a progress of 79%. It is expected to start commercial operation in the fourth quarter of 2014.

In the distribution segment, EPSA continues with its main projects: Alferez II, Tuluá substation, grid extensions to supply energy to new users in the System and expansion circuits Variante, Lago and Farfán.

Porvenir II continues in the process of preparing the answer for the ANLA. In this sense, the company is analyzing different activities in accordance with the requirements of the ANLA, which determine that sampling should be performed respecting the river's hydrological cycle. Similarly, Celsia has achieved 91% progress in the preparation of final technical designs of the hidro plant. This in order to be prepared to start the project, when the environmental license is obtained.

The mix in the generation portfolio allowed the organization to reach a total power generation of 4.550 GWh during the period, supplying 9,8% of the electricity produced in the Colombian electric system. Of this total production, 56% was hydric and 44% thermal generation, maintaining the balance of technologies that the company has experienced since mid-2012.

The consolidated operating revenues of Celsia, increased by 18% YoY were close to COP \$1,8 trillion, EBITDA reached COP\$651 billion an increase of 14% in comparison to the same period last year and EBITDA margin was 37%. Net income for the quarter was COP 205 billion an increase of 8% in comparison to the same period last year.

Ports Business:

In the third quarter of the year, Compas made significant progress in its international coverage strategy, taking on the operations and commercialization of the South Central Cement terminal in Houston as of September. For this purpose, two companies were created with their headquarters in the State of Texas, Compas Marine USA and Compas Marine Management, which will run the organization's international operations.

Furthermore, it is also very important to highlight the start of dredging and the construction of the road to the Aguadulce Port in Buenaventura. With these two constructions, the definitive development stage of this terminal begins. During this stage, Compas will run the operations of all the ships with cargo other than containers. It is also worth spotlighting the arrival of the Port Singapore Authority (PSA) as a shareholder in this project. This confirms the national and international importance that this port will have. This port, because of its technological features and natural depth, will allow efficient service to be provided to larger capacity vessels, which now come to the country as a result of the Panama Canal expansion and the free trade agreements. PSA is present in more than 29 ports in 17 countries and it is an excellent partner together with International Container Terminal Services Inc. (ICTSI) to build, develop and operate the Aguadulce port in Buenaventura.

Finally, it must be point out the continuation of the construction of the modern solid bulk cargo facilities in Tolú, which will start operations in the balanced food product sector in the first quarter of 2014, and the adaption of the terminal in Barranquilla to run hydrocarbon import and export operations, a sector in which it will start to operate soon.

In terms of the financial figures, the operating revenue of Compas in the first 9 months of 2013 exceeded COP 74 billion, with a 7% decrease compared to the same period in 2012. As we reported in the previous results report, this decrease is mainly caused by the reduction in the quantity of containers handled. As of September 2013, it had a consolidated decrease of 9%, where a 24% drop in the transit containers was observed due to the decrease in Venezuela's consumption because of its economic situation. Venezuela is the final destination of 90% of the transit containers is Venezuela. Also, there was a 21% decrease in the export and import containers, which make up a larger percentage of revenue.

Likewise, the continuous positive performance of bulk cargo and general cargo stands out. It increased by 16%, with a 72% increase in coal. Although it does not compensate the drop in containers because the cargo has lower revenue and margin per ton, it is a very important figure and continues to generate good perspectives for this kind of merchandise in the future.

In turn, the cumulative EBITDA, without taking into account the infrastructure leasing, which is a financial operation, comes to COP 19 billion and decreases by 29% compared to the same period the previous year. The figure is generated by the

decrease in income and major expenses associated with the expansion and investment plans the company currently has.

Real Estate Business:

Situm continues with its growth plan. The company's urbanism business is advancing at a good pace and without delay in the construction of the Palmas del Rio project, located in the Buenavista sector in the city of Barranquilla. The total residential area is 12 hectares and has a construction potential of 1,236 residential units divided into 12 plots of land.

Regarding the property business, Situm continues to identify investment opportunities in commercial shopping centers and corporate offices.

In terms of financial figures, in the first nine months of the year, Situm's revenue came to COP 47 billion, increasing almost 9-fold from that reported in the same period of the previous year. The EBITDA came to COP 18,565 million compared to the COP -2,543 million of the same period in 2012.

The above allows us to forecast the budget of EBITDA revenue for 2013. The above is based on the pace at which the deeds of the plots of land already committed for sale are advancing.

In conclusion, it is worth noting the positive dynamics that the business has been presenting and the good results that have been produced in the line of urban planning as well as in real estate.

Coal Business:

Sator continues its mining program in coal areas and regarding its main asset in Puerto Libertador (Córdoba), the scheduled drilling was completed and the drilling of previous years' projects was recovered. In the upcoming weeks, information will be received according to the JORC methodology in terms of the measurement of resources regarding a 1,600 hectare-area and measured, indicated and inferred resources for a 10,000-hectare area.

Regarding current operations, in spite of the sector's difficulties and the operational problems in the Bijao mine, the company has recorded a positive performance in the sales of coal from underground mining, achieving a better performance and an increase in terms of both volume and revenue. It is also worth underscoring the



recent signing of an important supply contract, where up to a maximum of 1 million tons from its Bijao mine will be delivered in a term of 4 years.

Portfolio Investment of Grupo Argos at September 30 2013:

Company	Stake Held	Value (COP\$ million)	Value (US\$ million)***	Price per Share (In COP)*
<u>CEMENT</u>				
Cementos Argos	60,7%	6.988.067	3.650	10.000
<u>ENERGY</u>				
Celsia	50,2%	2.242.131	1.171	6.210
EPSA**	11,9%	376.990	197	9.165
<u>OTHER</u>				
Grupo Suramericana	29,2%	5.222.400	2.728	38.120
Grupo Suramericana (P)	8,3%	340.901	178	38.560
Bancolombia	2,5%	341.683	178	26.900
Grupo Nutresa	9,8%	1.231.536	643	27.220
Total		16.743.706	8.745	

* Price at September 30, 2013

** EPSA price is the initial acquisition price

*** Exchange rate at September 30, 2013: COP\$1,915 / 1 US\$

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

	sep-13	sep-12	Var. (%)
Operating revenues	379.932	558.265	-31,9
<i>US\$ dollars</i>	205	312,81	-34,5
Dividends and participations	82.659	75.978	8,8
Revenues via equity method	197.382	377.662	-47,7
Revenue from sales of investments	57.603	104.536	-44,9
Real Estate Business Revenues	42.288	89	47414,6
Cost of selling off investments	62.235	49.482	25,8
Cost of selling off investments	49.133	49.482	-0,7
Real Estate Business Costs	13.102	0	na
Gross profit	317.697	508.783	-37,6
<i>Gross margin</i>	<i>83,6%</i>	<i>91,1%</i>	
Operating expense	61.854	33.309	85,7
Expense via equity method	18.735	11.365	64,8
Administrative expense	37.458	14.374	160,6
Provisions for investments	4.107	6.073	-32,4
Depreciation and amortization	1.554	1.497	3,8
Operating profit	255.843	475.474	-46,2
<i>Operating margin</i>	<i>67,3%</i>	<i>85,2%</i>	
EBITDA	257.397	476.971	-46,0
<i>US\$ dollars</i>	139	267,55	-47,9
<i>EBITDA margin</i>	<i>67,7%</i>	<i>85,4%</i>	
Non-operating revenues	9.211	5.463	68,6
Other income	9.211	5.463	68,6
Non-operating expense	61.098	64.898	-5,9
Financial	49.315	59.309	-16,9
Retirement pensions	889	703	26,5
Other expense	10.894	4.886	123,0
(loss) profit exchange rate	(6.069)	(4.571)	na
Pre-tax earnings	197.887	411.468	-51,9
Provision for income tax	5.839	1.208	383,4
Net income	192.048	410.260	-53,2
<i>US\$ dollars</i>	104	230	-54,7
<i>Net margin</i>	<i>50,5%</i>	<i>73,5%</i>	

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

	sep-13	dec-12	Var. (%)
Cash and equivalents	156.926	554.261	-71,7
Accounts receivable	247.668	90.057	175,0
Inventories	62.877	75.111	-16,3
Diferidos	262	900	-70,9
CURRENT ASSETS	467.733	720.329	-35,1
Permanent investments	8.071.493	7.745.161	4,2
Deudores	45.137	47.143	-4,3
Inventories	515	332	55,1
Intangibles and deferred items	28.470	27.129	4,9
Property, plant and equipment, net	76.888	60.983	26,1
Appraisals	7.553.589	7.540.582	0,2
Other assets	969	512	89,3
NON-CURRENT ASSETS	15.777.061	15.421.842	2,3
TOTAL ASSETS	16.244.794	16.142.171	0,6
US\$ dollars	8.484	9.129	-7,1
Financial obligations	320.366	601.271	-46,7
Commercial Papers	0	200.000	-100,0
Suppliers and accounts payable	48.884	84.590	-42,2
Dividends payable	93.598	44.266	111,4
Taxes and rates	920	5.587	-83,5
Labor liabilities	1.677	1.007	66,5
Other liabilities	53.372	23.338	128,7
CURRENT LIABILITIES	518.817	960.059	-46,0
Financial obligations	480.109	300.109	60,0
Convertible bonds	695.171	749.248	-7,2
Taxes and rates	0	953	-100,0
Labor liabilities	3.392	3.595	-5,6
Other liabilities	67.816	67.816	0,0
NON-CURRENT LIABILITIES	1.246.488	1.121.721	11,1
TOTAL LIABILITIES	1.765.305	2.081.780	-15,2
US\$ dollars	922	1.177	-21,7
SHAREHOLDERS' EQUITY	14.479.489	14.060.391	3,0
US\$ dollars	7.562	7.952	-4,9
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	16.244.794	16.142.171	0,6

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

	sep-13	sep-12	Var. (%)
Operating revenues	5.645.303	4.978.612	13,4
<i>US\$ dollars</i>	<i>3.044</i>	<i>2.775</i>	<i>9,7</i>
Variable costs	4.048.416	3.619.464	11,9
Cost of goods sold	3.708.811	3.287.940	12,8
Depreciation and amortization	339.605	331.524	2,4
Gross Profit	1.596.887	1.359.148	17,5
<i>Gross margin</i>	<i>28,3%</i>	<i>27,3%</i>	
Overheads	512.422	452.545	13,2
Administrative expense	334.296	299.605	11,6
Selling expense	122.998	98.576	24,8
Depreciation and amortization	55.128	54.364	1,4
Operating Profit	1.084.465	906.603	19,6
<i>Operating margin</i>	<i>19,2%</i>	<i>18,2%</i>	
EBITDA	1.479.198	1.292.491	14,4
<i>US\$ dollars</i>	<i>799</i>	<i>721</i>	<i>10,8</i>
<i>EBITDA margin</i>	<i>26,2%</i>	<i>26,0%</i>	
Non-operating revenues	127.814	410.875	-68,9
Dividends and stakes	34.125	42.680	-20,0
Profits from sales of investments	59	231.465	
Other income	93.630	136.730	-100,0
Non-operating expense	450.608	488.172	-7,7
Net financial expense	249.524	293.543	-15,0
Other expense	201.084	194.629	3,3
Exchange difference	-94	20.289	-100,5
Pre-tax earnings	761.577	849.595	-10,4
Provision for taxes	316.831	102.583	208,9
Minority interest	252.698	336.752	-25,0
Net income	192.048	410.260	-53,2
<i>US\$ dollars</i>	<i>104</i>	<i>230</i>	<i>-54,7</i>
<i>Net margin</i>	<i>3,4%</i>	<i>8,2%</i>	

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

	sep-13	dec-12	Var. (%)
Cash and equivalents	2.350.032	1.468.055	60,1
Trade receivables	875.206	736.089	18,9
Accounts receivable, net	669.858	418.962	59,9
Inventories	496.834	467.056	6,4
Prepaid expenses	52.997	56.230	-5,7
CURRENT ASSETS	4.444.927	3.146.392	41,3
Permanent investments	1.011.448	1.043.257	-3,0
Accounts receivable	47.218	85.878	-45,0
Inventories	86.410	86.432	0,0
Deferred items and intangibles	2.151.052	1.918.447	12,1
Property, plant and equipment, net	7.314.938	7.172.640	2,0
Appraisals	13.255.959	13.325.550	-0,5
Other assets	15.315	21.238	-27,9
NON-CURRENT ASSETS	23.882.340	23.653.442	1,0
TOTAL ASSETS	28.327.267	26.799.834	5,7
US\$ dollars	14.795	15.156	-2,4
Financial obligations	916.935	1.409.261	-34,9
Bonds outstanding	278.598	87.091	219,9
Commercial Paper	0	200.000	-100,0
Suppliers and accounts payable	686.007	747.704	-8,3
Dividends payable	184.523	80.226	130,0
Taxes and rates	68.105	183.836	-63,0
Labor liabilities	78.488	66.223	18,5
Sundry creditors	27.379	25.286	8,3
Other liabilities	1.074.285	824.405	30,3
CURRENT LIABILITIES	3.314.320	3.624.032	-8,5
Financial obligations	1.987.116	1.685.905	17,9
Taxes and rates	47.082	46.923	0,3
Labor liabilities	335.393	340.072	-1,4
Deferred items	103.716	95.751	8,3
Bonds outstanding	3.041.394	3.288.046	-7,5
Bond placement premium	-6.979	-8.210	-15,0
Sundry creditors	54.759	75.857	-27,8
NON-CURRENT LIABILITIES	5.562.481	5.524.344	0,7
TOTAL LIABILITIES	8.876.801	9.148.376	-3,0
US\$ dollars	4.636	5.174	-10,4
Minority interest	6.248.548	4.870.120	28,3
US\$ dollars	3.264	2.754	18,5
SHAREHOLDERS' EQUITY	13.201.918	12.781.338	3,3
US\$ dollars	6.895	7.228	-4,6
TOTAL LIABILITIES + SHAREHOLDERS' EQUITY	28.327.267	26.799.834	5,7

Conference Call Information

We will have a conference call to discuss these results this Thursday October 31st at 8:00a.m. Colombia time, at which we shall be discussing our 3Q2013 results.

Conference ID: 88.270.259

Tel – United States / Canada: (866) 837 - 3612

Tel - Colombia: 01800.518.01.65

Tel - International/Local: (706) 634 - 9385

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

CONTACT INFORMATION:

Nicolás Valencia

Investor Relations

Grupo Argos

Tel: (574) 319.87.12

E-mail: nvalenciap@grupoargos.com