CONFERENCE CALL SCRIPT  
CEMENTOS ARGOS SECOND QUARTER RESULTS 2009

Good afternoon, this is Maria Clara Aristizabal assistant to the CEO of Cementos Argos. I am in the company of Mr. Jose Alberto Velez, CEO and Mr. Ricardo Sierra, CFO.

We wish to thank each and every one of you for your interest and attendance to this conference call, which we have prepared to share with you the results of Cementos Argos for the second quarter of 2009.

Mr. Vélez will go over the most important numbers of our income statement and our balance sheet, which are contained in the report delivered to you last Wednesday, and will refer as well to recent developments in our company. I would like to mention also that a slide presentation has been made available on the company’s web site which we strongly recommend you to follow during this call. To download this presentation please go to our website www.argos.com.co; then go to the section Investors, then go to Communications and finally in the Presentation’s section you will find a power point file called Presentation for Conference Call.

At this time I would like to introduce our CEO, Mr Jose Alberto Velez.

The results for the second quarter of 2009 clearly prove that our corporate diversification strategy is and shall continue to be the best way ahead towards securing stable results and greater business sustainability over the long-term.

As you can see in slide number 4, despite a slight decrease in consolidated revenues, which were 3% lower than those for the same period last year, operating profits increased by 31% in the first half of 2009, due to a successful cost and expense reduction program that allowed us to obtained savings of 6% in the first 6 months of the year.

But even more striking are the figures for the second quarter alone. Operating Profit increased by 133% in the second quarter or 2009 compared to that obtained in the second quarter of 2008, due to a decrease of 15% in costs and expenses during the quarter.

If you now move on to the next slide you will see how EBITDA rose by 13% to 333 thousand million pesos in the first half of the year, but it increased by 44% on a quarterly basis. On the other hand, the Company’s consolidated EBITDA margin increased by 265 basis points from approximately 16% for the first half of 2008 to 18% for this same period this year. The EBITDA margin for the second quarter stood at 21% from 13% in last year’s corresponding quarter.
Based on the results obtained so far, we are on target to obtaining our year-end goal of 638 thousand million pesos in consolidated EBITDA.

We are also happy to comment on the announcement made yesterday regarding the agreement with Holcim to terminate the business partnership that was set up to attend the Caribbean in 2001 by purchasing the stakes held by Holcim in Panama, the Dominican Republic and Haiti. Also, as part of this agreement, Holcim shall sell to Cementos Argos four cement terminals located in St Thomas, St Marteen, Antigua and Dominica; thereby complementing our sales and distribution network in the Caribbean.

Cementos Argos agreed to purchase the aforementioned stakes in these assets for a total of 157 million dollars, which shall be paid using the proceeds from various divestitures that the Company has recently made.

The decision to purchase these assets was made after analyzing different investment alternatives and concluding that the Caribbean continued to be a strategic region for Argos and an important part of its expansion process. This region holds a special attraction for the Company since its presence and knowledge of the market go back almost half a century since it began to export to this part of the world in the 60’s.

The Caribbean has remained relatively unscathed by the worldwide economic crisis. Indeed, Panama has continued to secure, over the last few years, one of the highest growth rates on a worldwide level, 11% in 2007 and 8% in 2008, and while the rest of the world’s economies are slowing down this year; the Panamanian Ministry of Economics and Finance is estimating a growth of 3%.

Prospects for the coming years are very positive for this country and particularly for the construction sector, since the substantial levels of investment in infrastructure is offsetting the slowdown in the housing construction sector. With just the widening of the Panama Canal, an investment of almost US $ 1 billion is scheduled for 2009, that is to say, 10% of the country’s GDP, which is well above the levels contemplated by the fiscal stimulus packages implemented by governments of other countries.

It is important to note that in September of this year, Cemento Panama shall be completing its new facilities which shall increase its grinding capacity from 770 thousand tons to 1.6 million tons per year. This with a view to supplying the increased demand as a result of the widening of the Panama Canal as well as other infrastructure projects being carried out in Panama. These new facilities have leading-edge technology, are highly energy-efficient and have the best designs and equipment for preserving the environment as well as guaranteeing occupational safety.
On the other hand, Haiti, recently extended its production capacity from 490 to 600 thousand tons per year and the Dominican Republic has a total installed capacity of 500 thousand tons per year.

As part of this agreement, Cementos Argos shall be acquiring terminals in St Thomas, St Marteen, Antigua and Dominica, with a bagging capacity of 918 thousand tons of cement. A total of 216 thousand tons of cement are expected to be sold in 2009.

Cementos Argos enjoys a unique position with plants and ports located on the Colombian Atlantic Coast, in the Gulf of Mexico as well as in the south-east of the United States, all of which has allowed us to harness logistic synergies between our different operations around the Caribbean Sea.

It is worthwhile pointing out the importance of starting up our new cement facility in Cartagena at the end of this year. In terms of the Argos expansion plan, the strategic location of this plant shall provide the flexibility required to attend all those different markets in the Caribbean and the United States, especially now that Venezuela has limited its cement exports.

The project, which began in mid-2006 and shall be completed by the end of this year, entailed an investment of US $400 million, and shall report important efficiencies, since its leading-edge technology shall allow us to expand our production capacity by almost 20% for a total of 1.8 million tons, at just half of our current production costs.

With decisions such as this, the Company is reaffirming its commitment to providing greater shareholder value.

Let’s now review the results in the regions where we operate.

**Colombia:**

During the first half of this year, operating revenues on the part of our companies based in Colombia declined by 3% while EBITDA rose by 4%, as you can see in slide number 7. EBITDA margin rose 177 basis points to 27% in the first half of the year. On a quarterly basis EBITDA margin increased by 530 basis points to almost 29% as is showed in slide number 8.

In the case of Argos, grey cement sales on a year to date basis at June 2009, came to 1.9 million tons, showing a drop of 16%. This included 1.5 million tons of bagged cement and 437 thousand tons of loose cement. YTD sales of concrete came to 597 thousand square meters, showing a drop of 27% compared to the year to date figure for 2008.
It is important to note that the Company shipped the highest volume ever in the history of the cement industry during the first half of 2008, and this is clearly evident upon comparing this year’s results with last year’s.

The Colombian Government has been actively implementing various mechanisms in order to drive the construction industry and increase the housing demand with low-cost housing macro projects. It has also streamlined the approval process for building permits and created guarantees for lines of credit aimed at improving urban or rural housing, while increasing subsidiaries issued by the Family Compensation Funds for acquiring new priority low-cost housing and creating subsidized interest rates for credit facilities to repurchase new housing.

The measures recently taken by the Government to stimulate the construction industry and consequently the country’s overall economic growth have already produced a positive increase in the amount of mortgage loans being approved. In June 2009, approved mortgage loans grew by 50% compared to the same month last year. This on a year to date level comes to 24% compared to just 3% for this same period last year. On the other hand the amount of disbursed loans is also showing signs of recovery. However the total effects of these measures, according to the different trade unions and federations, shall only be seen with the year-end economic indicators.

On the other hand, the GDP for the construction sector for the first quarter of 2009 shows signs of a recovery, this being mainly driven by new infrastructure projects. The GDP for the construction sector increased by 4.1% for the first quarter of 2009, this due to 21.1% growth in added value civil engineering projects as well as a drop of 14.1% in building construction. During the last quarter of 2008, construction had declined by 8% and civil engineering projects by 7%.

**United States:**

The situation in this part of the world continues to be difficult, but Company Management is making all-out efforts to maintain EBITDA in spite of the drop in sales volumes. Part of these efforts included cost savings as well as harnessing synergies, all of which represented 46 million dollars, thanks to having integrated the Company’s concrete operations under one single platform.

As a result of this strategy we are playing an active role in our area of influence by taking part in the new infrastructure being built as part of the US Government’s economic stimulus package.

The Gulf region obtained first place in the annual high-strength concrete contest (HSC) staged by TACA (Texas Aggregates and Concrete Association). On the other hand, the
south-east region received a special recognition from CRMCA (Carolinas Ready Mix Concrete Association). The Company is making progress developing new “green” products and environmentally sustainable production plants. Our US operations are reporting a customer satisfaction index of 83%.

As you can see in slide number 10 Revenues from our US operations came to 243 million dollars, after dropping by 32% with regard to the same period last year. EBITDA came to 16 million dollars, compared to 27 million posted for the first semester of last year. EBITDA margin in the US came to 6.5%, after dropping from 7.5% for the same period last year.

The individual margin and EBITDA figures are indicating a more positive tendency from here to the end of the year, and higher than those posted for the second half of last year.

The Caribbean:

The Caribbean performed exceptionally well during the first half of 2009 with operating revenue and EBITDA increasing by 29% and 75%, respectively as you can see in slide number 13. Panama, which accounted for the highest EBITDA figure in the region, is currently going through an infrastructure boom which has substantially offset the slowdown in residential construction.

Please refer to slide 15 of the presentation. Revenues in Panama totaled 88 million dollars, showing an increase of 36% with regard to 2008. EBITDA came to US 23 million dollars, which was 81% higher than that of the same period last year. This produced an EBITDA margin of 26%.

In slide number 18 you can see that EBITDA in the US and the Caribbean for the first half of this year (US $ 43 million) is slightly higher than that obtained for the same period last year (US $ 42 million). Also the EBITDA obtained by these two regions over the last twelve months (US $77 million) is the same as that obtained for 2008 (US $77 million). Clearly, our corporate diversification strategy is and shall continue to be the best way ahead towards securing stable results and greater business sustainability over the long-term.

Debt Profile:

On a consolidated basis, coverage continues at adequate levels as can be seen in the following ratios: Net Indebtedness/EBITDA + Dividends: 3.28; EBITDA/Financial Expense: 2.19 and Net Indebtedness/Equity: 34%.
With the new issue of Argos Bonds 2009, we have effectively reduced our exposure to the dollar, having increased the duration factor and enhanced the Company’s debt profile. As you can see in slides number 21 and 22 of the presentation, at June 30, the Company’s net indebtedness came to a US $1.13 billion, 68% of which corresponded to long-term debt and 45% to dollar-denominated debt.

The improvement of the debt profile throughout the year as can be seen in the top down left graph, was the result of the funds obtained from the latest bond issuance in April of this year that were used to substitute and optimize the Company’s current financial liabilities. It is worthwhile mentioning that with this placement we secured the refinancing of all those loans that become due and payable in 2009. One of our main objectives with this issue of bonds was to extend the terms and enhance the maturity profile of our indebtedness as it did in fact happen.

The average cost of the Company’s dollar-denominated debt dropped from 3.3% in March to 2.7% in June, mainly due to the declining 90 and 180 day LIBOR rates. On the other hand, the average cost of debt in pesos came to 10.6% at the end of June compared to 11.1% at the end of the previous quarter. This was due to the declining CPI Index which went from 6.1% in March to 3.8% in June. Our debt in pesos is dependent on this indicator given the issues of Argos’ Ordinary Bonds.

**Portfolio of Non-Cement Investments:**

At the end of the second half of this year, Cementos Argos’ portfolio of non-cement businesses came to almost 4 billion pesos compared to 3 billion pesos in 2008, showing a 27% increase in pesos.

It is also worthwhile pointing out the excellent performance of Cementos Argos’ share, as well as that of its main portfolio investments on the Colombian stock exchange. As you can see in slide number 25, the price of the Cementos Argos share rose by 30% during the second quarter of 2009, for a total increase of 18% during the first half of the year. The price of Suramericana also increased by 30% in the first 6 months of the year and that of the Colinversiones share increased by 49% during this same period.

On April 23, the Board of Directors of Inversiones Argos gave its approval to freeing up the maximum amount of funds required for purchasing Compañía Colombiana de Inversiones – Colinversiones, namely the total amount of ordinary shares as a result of having received acceptances for a higher number of shares than those offered last March 2nd with the publication of a Public Offering of Ordinary Shares governing 3.6% of its capital stock. This percentage stake corresponded to a surplus over and above the 25% stake held by the Argos Group after Colinversiones took over Inversiones e Industria y
Antioqueña de Inversiones. Total acceptances for 15.3% of the total amount of shares outstanding were received. By purchasing this amount of shares, the Argos Group increased its stake to 44%.

This decision obeys a clearly-defined strategy, drawn up in the middle of last year, in which Inversiones Argos announced its intention of acquiring an important stake in Colinversiones, bearing in mind its new strategic focus on the electricity generating sector and its intention to increase its investments in this sector.

The electricity generating sector has always been of great interest to Inversiones Argos and as such shall now provide a new mainstay to our business that shall allow us to diversify our investment portfolio and build up a point of strategic differentiation with regard to our subsidiary Cementos Argos.

**Outlook 2009:**

Based on the results obtained so far, we are on target to obtaining our year-end goal of 638 thousand million pesos in consolidated EBITDA.

We, at Argos acknowledge that 2009 will be a challenging year without much visibility, nevertheless we feel that focusing on rigorous cost management, helping our clients through the cycle and maximizing cash flow generation we will achieve the following results.

First of all we are estimating revenues in line with those obtained in 2008. EBITDA is estimated at 638 thousand million pesos, that is 8% above last year’s figure. 412 thousand million pesos would come from the operations in Colombia, 45 million dollars from the US, 47 million dollars from LATAM and 16 thousand million pesos from the other businesses.

Our final message is that we consider Cementos Argos to be in a different position from the rest of the industry because of its strong balance sheet with very important non core assets, such as the real state assets and the well known equity portfolio. This position enables us to take advantage and leverage from this crisis, “as the building material industry is hurt first when the economy is cooling down, but stands first in line to profit from proposed government stimulation programs”.

At this time, I would like to thank you for your attention, and we will be happy to take your questions and comments.