CONFERENCE CALL SCRIPT
CEMENTOS ARGOS THIRD QUARTER RESULTS 2009

Good morning, this is Maria Clara Aristizabal assistant to the CEO of Cementos Argos. I am here with of Mr. Jose 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 third 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 week, and will refer as well to recent developments in our company. I would like to mention also that a slide presentation that accompanied the release has been also 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 Cementos Argos’ 3Q09 Results.

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

The results for the third 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 4% lower than those for the same period last year, operating profits increased by 37% in the first nine months of 2009, due to a successful cost and expense reduction program that allowed us to obtain savings of 7% in the first 9 months of the year.

But even more striking are the figures for the third quarter alone. Operating Profit increased by 48% in the third quarter of 2009 compared to that obtained in the third quarter of 2008, due to a decrease of 10% in costs and expenses during the quarter.

If you now move on to the next slide you will see how EBITDA rose by 15% to 516 thousand million pesos in the first nine months of the year, but it increased by 20% on a quarterly basis. On the other hand, the Company’s consolidated EBITDA margin increased by 324 basis points from approximately 16% for the first nine months of 2008 to 19% for this same period this year. The EBITDA margin for the third quarter stood at 21% from 16% in last year’s corresponding quarter.

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

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

During the first nine months of this year, operating revenues on the part of our companies based in Colombia declined by 3% while EBITDA rose by 5%, as you can see in slide number 7. EBITDA margin rose 226 basis points to 28% in the first nine months of the year. On a quarterly basis EBITDA margin increased by 324 basis points to 28% as showed in slide number 8. Such improvements in the efficiency were achieved specially thanks to the turning off of expensive kilns, better logistics and decreased selling and administrative expenses.

Let's now move to slide number 9 where you will see that in the case of Argos, grey cement sales on a year to date basis at September 2009, came to 2.9 million tons, showing a drop of 14%. It is worthwhile noting that volume for the third quarter dropped by 9% compared to this same period last year, which means that the pace of decline eased off between July and September.

YTD ready mix sales came to 968 thousand cubic meters showing a drop of 23% compared to the same period last year. However, volume dropped by 14% between July and September, compared to this same period last year, indicating that the overall pace of decline in ready mix volume eased up as well.

On the other hand, the construction sector GDP for the first half of 2009 showed signs of a recovery, increasing by 17%, this being mainly driven by new infrastructure projects and civil works which grew by 41% in the first half of the year.

So far we have been awarded 2.5 million cubic meters of ready mix in infrastructure projects. This volume shall be dispatched over the next 24 to 36 months. There are still 4.4 million cubic meters to be awarded soon. In order to give you an idea of the relative size of these volumes, in a regular year, that is without infrastructure projects, our ready mix volume should be around 1.6 million cubic meters.

On the other hand, 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 subsidies for acquiring new priority low-cost housing and creating subsidized interest rates for credit facilities to purchase new housing.

United States:

Despite the accumulated drop in the US operations, there are now signs of stabilization. As you can see in slide number 11, revenues from our US operations totaled 360 million dollars, after dropping by 31% compared to the same period last year. EBITDA came to 24 million dollars, compared 35 million dollars posted for the first 3 quarters of last year, showing a YTD drop of 32%. However for this past third quarter EBITDA fell by only 2% compared to this same period last year, indicating that our EBITDA in the US is now beginning to steady. EBITDA margin in the
US came to 6.7%, compared to 6.8% for the same period last year, as can be seen in slide number 12.

Our US team is making out all efforts to maintain EBITDA in spite of the drop in sales volumes. Part of these efforts included cost savings as well as developing synergies between the different regions. We have increased our savings target from 46 to 60 million dollars and we have already achieved 44 million dollars.

Additionally 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. So far we have won 46% out of the 300 thousand cubic yards awarded in the southeast region and 19% out of the 2.3 million cubic yards awarded in the gulf zone, for a total of more than 570 thousand cubic yards. Different from the situation in Colombia, this volume is not that significant and we are still waiting for more projects to come.

Ready mix volumes reached 2.8 million cubic meters in the first nine months of 2009, that is to say 31% less than that for the same period last year. However, seeing that volume declined by 29% versus the same period last year, the pace of decline with our ready mix volumes clearly eased off between July and September.

Ready Mixed Concrete Co.’s Hickory, Denver, Statesville and Myrtle Beach plants obtained their Green Star certification from the National Ready Mixed Concrete Association in the US. Green Star is a plant certification program that deploys an Environmental Management System based on a continuous improvement model. As such, it provides support to the ready mix industry with this Environmental Management System with a view to demonstrably reducing its impact on the environment. The NRMCA also awarded its Quality Excellence Prize to the Argos plants in the southeast of the US.

The Green Star certification offers many benefits, including a greater level of profitability since customers prefer to do business with companies that are amply recognized for their environmental initiatives. It also entails savings in preventing pollution and reducing waste and improves efficiency, since these environmental management methods optimize operations and processes. All in all, this certification makes for good relations with the communities living in the areas of influence of these plants since environmental risks are kept in check by a management system that documents results and enhances continuous improvement.

On the macroeconomic side, real gross domestic product in the United States returned to growth following the worst contraction in seven decades. According to the “advance” estimate released yesterday by the Bureau of Economic Analysis, real GDP in the US increased at an annual rate of 3.5% in the third quarter of 2009. The growth in GDP topped the median estimate of 3.2% in the Bloomberg survey of economists. The increase in real GDP in the third quarter primarily reflected positive contributions from personal consumption expenditures, exports, private inventory investment, federal government spending, and residential fixed investment.
The Caribbean:

The Caribbean performed exceptionally well during the first nine months of 2009 with operating revenue and EBITDA increasing by 60% and 85%, respectively as you can see in slide number 14. Upon excluding the effect of having consolidated our operations in the Dominican Republic and Caricement, the increase in operating revenue and EBITDA would have been of 21% and 55% respectively.

During this past third quarter, Cementos Argos purchased the stake held by Holcim in Panama, the Dominican Republic and Haiti along with four cement terminals in St Thomas, St Marteen, Antigua and Dominica (Caricement) for a total of 157 million dollars. This has effectively extended Cementos Argos’s sales network in the Caribbean.

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 has a special appeal for us, since our presence here now spans almost half a century and we have built up an in-depth knowledge of these markets, to whom we began to export back in the 1960s. The Caribbean has also remained relatively immune to the effects of the global economic crisis and prospects for the coming years are very good for the economies of all those countries where we are present, and particularly for their construction sectors.

The combined EBITDA for the US and the Caribbean for the first nine months of this year (72 million dollars) is 18% higher than that obtained for the same period last year (61 million dollars). Also the EBITDA corresponding to these two regions over the last twelve months (88 million dollars) was 15% higher than that recorded in 2008 (77 million dollars).

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.

Now, let me get into some detail about our net income result for the third quarter which was affected by non recurring items and non cash accounting adjustments. First we had a cash expense related to the coal asset sale of 7 million dollars. Second, a non cash expense related to the consolidation of the new operations acquired in the Caribbean of 8 million dollars and finally 12 million dollars explained by investment adjustments related to exchange rate variations, for a total of 27 million dollars.

Debt Profile:

Please refer to slide number 17 for a detail on our debt profile. On a consolidated basis, coverage continues at adequate levels as can be seen in the following ratios: Net Indebtedness to EBITDA plus Dividends of 3.65; EBITDA to Financial Expense of 2.70 and Net Indebtedness to Equity of 33.6%.

At September 30, the Company’s net indebtedness came to 1,385 billion dollars, 67% of which corresponded to long-term debt and 39% to dollar-denominated debt.
The average cost of the Company’s dollar-denominated debt dropped from 2.7% in June to 2.3% in September, mainly due to the declining 90- and 180-day LIBOR rates. On the other hand, the average cost of debt in pesos came to 8.6% at the end of September compared to 10.6% at the end of the previous quarter. This was due to the declining CPI Index which went from 3.81% in June to 3.21% in September. Our debt in pesos is largely dependent on this indicator given the issue of bonds in Colombia.

Portfolio of Non-Cement Investments:

As you can see in slide number 20, as of September 30th, Cementos Argos’ portfolio of non-cement businesses came to more than 4.8 billion pesos compared to 3 billion pesos in 2008, showing a 58% increase in pesos.

Finally I would like to stress our strong operational result and our strong balance sheet in such a challenging environment and particularly for our industry. Besides, the perspectives for Colombia and the Caribbean are very positive and the US is already showing signs of stabilization.

Before I conclude, I would also like to mention that since July, we have a new organizational design in which we have redefined our previous 8 vice-presidencies and created a new one. Our goal is to continue being perceived by our clients as its preferred choice, speed our decision making process and create more accountability throughout the corporation. We have now three regional VPs (Colombia, US and the Caribbean). Therefore the support VPs such as the Corporate Affairs, Human Talent and Corporate Finance will focus more on the corporate strategy and less on the day to day business. Finally we redefined 3 other VPs, namely the Strategic Resources VP, the Business Development VP and the Forestry Investments VP, all of which should look for the sustainability of our business in the long term.

At this time, I would like to thank you for your attention, and we will be happy to take your questions and comments, but first let me turn the conference over to Maria Clara for a final remark.

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Last Wednesday, Inversiones Argos, our major shareholder, announced plans to sell off shares of Cementos Argos corresponding to a stake of between 5% and 9.73% of the Company’s total shares outstanding. In the corresponding release to the Colombian Superintendency of Finance, Inversiones Argos mentioned that this process shall be managed by 3 international financial institutions (Citi, JP Morgan and Santander) and one domestic bank (Bancolombia). If you would like to have further information, please contact the aforementioned institutions and/or check the release in the Colombian Superintendency of Finance.

Nevertheless, in that release, Inversiones Argos mentioned that the funds obtained from this divestiture shall be used mainly to pay off the debt taken in the past to increase its stake in Colinversiones up to 44%, as well as for future growth opportunities in what INVERARGOS has defined as strategic sectors, namely energy and cement.