CONFERENCE CALL SCRIPT
CEMENTOS ARGOS FOURTH QUARTER RESULTS 2009

Good morning, this is Maria Clara Aristizabal assistant to the CEO of Cementos Argos. I am here with 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 fourth quarter of 2009.

Mr. Vélez and Mr. Sierra will go over the most relevant strategic, operational and financial issues of 2009 and also will give some guidance of what we are expecting to achieve during 2010. 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 Cementos Argos’ 4Q09 Results.

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

Good morning ladies and gentlemen,

Thank you for joining us today. Before discussing our financial results, let me first tell you about what we achieved during 2009:

Last year we celebrated the 75th Anniversary of our Company, which was founded as part of the dreams and aspirations of a group of businessmen and which has grown over the years to become a multinational corporation with a relevant presence in Colombia, the United States and the Caribbean. Although this past year was a difficult one for the economy and the financial performance of all companies in our industry, we managed to obtain a very good year in terms of consolidation of our strategic regions and obtaining a better financial performance.

Let me review some key developments of 2009:

Technology renovation and expansion of our capacity: we advanced in our final steps to have in operation our new line at our Plant in Cartagena, in which we invested a total of 400 million dollars, that will allow us to produce 1.8 million tons of cement, almost 20% of our existing capacity, with a leading edge technology, specially in regard to the environmental compliance because it will meet the highest international standards. The plant will have its own energy generation facility, sufficient limestone reserves to
guarantee ongoing operations for the next 50 years, in a quarry located only 5 kilometers away from the plant that will be connected using a transportation band, that will minimize the environmental impact of today’s trucks. The plant has its own port with a draught depth of 13 meters thereby allowing us to use big vessels and thus reduce our logistic costs. It also functions in a Free Trade Zone, that will allow us to have a more competitive income tax tariff of 15% against the current 33%, among other benefits.

It is worth mentioning the consistent business focus that the Company has continued to uphold over the past few years and which was particularly evident in 2009. Cementos Argos has gradually been divesting its non-strategic assets using the proceeds to spur the growth of its core cement business. Bearing in mind that the coal export business was not included in Argos’ strategy to focus on its core cement production business, in March 2009, the Company sold its mining concessions, el Hatillo and Cerro Largo, both located in the Department of Cesar to the Brazilian multinational, VALE for a total of 373 million dollars. It also sold to this same Company an 8,4% stake in the railway concession-Fenoco, which connects these mining concessions with the port where the coal is exported, this as part of the overall sale.

The proceeds of this divestiture, which so far total 300 million dollars, were used to bring down the Company’s level of debt, as well as to purchase the stakes held by Holcim in the cement operations in Panama, the Dominican Republic and Haiti. Also as part of this same agreement, Holcim sold us four cement terminals in St. Thomas, St. Marteen, Antigua and Dominica; thereby extending the Company’s sales network in this part of the Caribbean.

The decision to purchase these assets was made after analyzing different investment alternatives and concluding that the Caribbean was a strategic region that offers good consolidation opportunities for Argos and fits well in its expansion process. The Caribbean holds a special interest for the Company since its presence and knowledge of the market go back almost half a century since it began to export to this region in the 50’s.

In February 2010, Cementos Argos signed a joint venture for 3,2 million dollars, with Vensur, a company of the Kersten Group, the most relevant economic group in Surinam. With this investment we will have access to a cement grinding facility, port, silos and packing unit; that will maintain an important sales channel for clinker and cement which could well reach between 90 and 150 thousand tons per year. The Surinamese cement market is about 200 thousand tons of cement per year for a population of more than 500 thousand, so it offers good growth potential.

In terms of Argos´ expansion plan, the Cartagena plant and the consolidation in the Caribbean shall provide greater flexibility to attend more efficiently the different niche markets, especially now that Venezuela has reduced its cement exports.
The global economic crisis that started almost 2 years ago, represented a great challenge for corporates in terms of financing. We were able to successfully fulfill our needs with the Colombian capital market, that was open for blue chip companies like ours. We managed to rollover a total of 300 thousand million pesos (USD150 Million) in Commercial Paper, issued 640 thousand million pesos (USD 320 Million) in Bonds, which allowed us to cover the repayment of debts expiring in 2009. With this we were able to extend the duration and maturity profile of our debt. Thanks to the low interest rates and inflation we had a nice reduction in our level of financial cost.

We expect this positive environment to continue during 2010. In fact, yesterday we successfully issued commercial paper for a total of 150 thousand million pesos, at an attractive placement rate of 4.6% for one year.

In order to prepare ourselves for the midterm challenges, we have reviewed our organizational structure and made some adjustments. We now have three regional teams, the US, the Caribbean and Colombia, devoted to obtain and maximize the operational and financial results of each region. Furthermore we formed three teams for the management of Strategic Resources, Business Development and Forestry Investments, that will have the challenge to ensure that the company remains competitive, innovative and sustainable. All these will have the support of three Corporate teams, namely, Corporate Affairs, Corporate Finance and HR and Organizational Management; whose primary task is to provide all the legal, environmental, financial, and human talent resources needed to be successful at the operational level.

It is also worthwhile mentioning that Inversiones Argos, the Parent Company of Cementos Argos, successfully sold 84 million shares in Cementos Argos, corresponding to a 7% stake, at a single price of 10.040 pesos per share, for a total of 842 thousand million pesos (approximately 430 million dollars). Upon selling these shares, the stake held by Inversiones Argos in Cementos Argos is 63%. The funds obtained from this divestiture were used mainly to pay off the debt that Inversiones Argos used to acquire an important stake in Compañía Colombiana de Inversiones – Colinversiones, as well as to take part in a Public Tender Offer of Shares in Empresa de Energía del Pacífico – EPSA. This transaction effectively doubled the liquidity of Cementos Argos on the Colombian Stock Exchange, and consequently increased its weight in the Colombian IGBC stock index which went from 4% in the third quarter of 2009, to 8% in the first quarter of 2010.

Lets now move to the results for the fourth quarter of 2009.

As you can see in slide number 5, despite a slight decrease in consolidated revenues, which were 9% lower than those recorded last year, operating profits increased by 18% in 2009, due to a successful cost and expense reduction program that allowed us to obtain savings of 11%.
Operating profits for 2009 were affected by an “impairment” charge imposed on our concrete operations in the United States for a total of 82 thousand million pesos. According to Generally Accepted Accounting Principles in the US, each year an impairment appraisal must be carried out to detect any deterioration in the value of the assets held. This consists of assessing the value of the operations and comparing the results obtained with the values recorded in books. Should this produce a negative difference this is recorded in the profit and loss accounts as an expense, which does not imply any outflow of cash, but if a positive difference is obtained no adjustments are required.

If you now move on to the next slide you will see how EBITDA rose by 10% to 652 thousand million pesos in 2009, 2% above our year-end goal of 638 thousand million pesos. On the other hand, the Company’s consolidated EBITDA margin increased by 330 basis points from approximately 16% in 2008 to 19% in 2009. The EBITDA margin for the fourth quarter stood at 18% from 15% in last year’s corresponding quarter.

Regarding the non operational result, we had some non recurring events, such as the sale of coal assets to Vale in the first quarter of the year and the sale of the Colinvversiones’ shares to Inversiones Argos in the last quarter. As a result, net profits increased by 197% to 210 thousand million pesos or 71 million dollars.

In slide number 7 you can see that our consolidated assets increased by 22% to 14,7 billion pesos (or US$7,2 billion), liabilities decreased by 11% to 4,9 billion pesos (or US$ 2,4 billion) and equity increased 55% to 9,7 billion pesos (or US$ 4, 8 billion).

The positive variation in assets and equity was mainly due to the new appraisals of the real estate assets and the portfolio of investments. Currently Cementos Argos has 5.500 hectares of land that can be developed for uses different from industrials.

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

**Colombia:**

During 2009, operating revenues of our operations in Colombia declined by 1% while EBITDA rose by 4%, as you can see in slide number 9. EBITDA margin rose from 26% in 2008 to 28% in 2009. On a quarterly basis EBITDA margin decreased by 120 basis points to 27% as shown in slide number 10, this was specially because an effect of higher maintainance expenditures in our plants.
Let's now move to slide number 11 where you will see that in the case of Argos, grey cement sales on a year to date basis at December 2009, came to 3.9 million tons, showing a drop of 12%. It is worthwhile noting that volume for the fourth quarter dropped by 7% compared to this same period last year, which means that the pace of decline eased off between September and December.

Ready mix sales came to 1.4 million cubic meters showing a drop of 15% compared to 2008. However, volume increased by 13% between September and December, 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 GDP for the construction sector for the fourth quarter of 2009 showed signs of a recovery, this being mainly driven by new infrastructure projects. The GDP for the construction sector increased by 14% compared to this same quarter for the previous year. This was mainly due to a 41% increase in the added value of civil engineering projects. However, in spite of fiscal spending constraints, public infrastructure projects such as highways, aqueducts and basic sanitation continue at the top of the Government’s agenda. All these sectors shall not only drive overall economic recovery but fortunately represent an intensive demand for our products.

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.

In 2010 we see as positives the new production line at Cartagena Plant which will drive our EBITDA margins up, although its commissioning process of this investment is still a challenge for us. Infrastructure spending is clearly a positive, but we also acknowledge that there could be some delays due to the presidential campaigns. Low inflation and interest rates will also be a driver for growth.
United States:

As you can see in slide number 14, revenues from our US operations totaled 442 million dollars, after dropping by 34% compared to 2008. EBITDA came to 21 million dollars, compared 40 million dollars posted in 2008, showing a drop of 47%. EBITDA margin in the US came to 5%, compared to 6% in 2008.

Ready mix volumes reached 3.5 million cubic meters in 2009, that is to say 33% less than that for the same period last year.

Our operations in the US were negatively impacted by the bad weather, an issue that has been raised as a common theme for the industry.

During the fourth quarter we had for the first time a negative EBITDA figure. We are not happy with this result, and our US team is completely committed to change this result, some of the measures that are under process include: a full review of all of our suppliers’ conditions, specially cement, aggregates and additives, a review of our maintainance programs and new strict guidance in terms of expenses and cost control. We have motivated and experienced people in the field and we will support their measures, but it is important to emphasize to you, as investors in this company, that our approach to the US market is for the long term, and we will not make decisions that will cut our operational capabilities. Instead, we will be taking measures that will allow us to be ready and well placed for the recovery.

On the macroeconomic side, real gross domestic product in the United States returned to growth in the third quarter of last year following the worst contraction in seven decades and according to the “advance” estimate released in January by the Bureau of Economic Analysis, real GDP in the US increased at an annual rate of 5.7% in the fourth quarter of 2009.

The Portland Cement Association - PCA sees slow recovery in 2010 as fundamentals remain weak. Labour market, state deficit, and employment are not expected to improve substantially and as a result PCA sees only a 2% economic growth in 2010. Overall, the cement demand in 2010 is currently expected to increase by 5%. Despite a slow start to the year, PCA however see some potential upside to this forecast as economic growth improves in the second half of 2010.

Between 2011 and 2013 the PCA forecasts a solid double digit growth in cement demand driven by the residential recovery, the new highway bill and the impact of the current stimulus. A larger highway bill of potentially 500 billion dollars and a second stimulus would be incremental to the current forecast.
This year we are positive about the stimulus plan from the government although the economic situation is still uncertain. We, as the PCA, foresee a slight pickup in demand during the second half of the year. Finally the weather is not helping much.

The Caribbean:

The Caribbean performed exceptionally well during 2009 with operating revenue and EBITDA increasing by 56% and 91%, respectively as you can see in slide number 17. 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 67% respectively.

The combined EBITDA for the US and the Caribbean for 2009 (90 million dollars) was 17% higher than that obtained for the same period last year (76 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.

Cementos Argos has expressed its deepest sympathy to the Haitian Government with regard to the tragic events that took place as a result of the recent earthquake which has left thousands dead. The Company has been deeply moved by the irreparable loss of human lives and the extent of the destruction wreaked by this natural disaster.

Fortunately none of our Company employees were amongst the victims. Furthermore, our CINA Plant, did not suffer any structural damage. This plant is located 25 kilometers away from the capital, Port au Prince, and has an installed grinding capacity for 600 thousand tons of cement. Cementos Argos has been a shareholder of CINA, since 1999, holding a 65% stake in this Company, with the Haitian Government holding the remaining 35%.

Cementos Argos has taken immediate action to meet the basic needs of all the employees of our subsidiary Cimenterie Nationale S.E.M (CINA) along with their families and shall be providing support to the initiatives taken by the Colombian Government as well as other international organizations in taking care of the victims of this tragedy.

2010 should be an interesting year in the Caribbean as the Panama Canal expansion starts at the end of the year. Haiti’s reconstruction efforts should mean more demand of our products as well. Fortunately we are prepared for both as we have just increased our grinding capacities in both countries.
Debt Profile:

Please refer to slide number 21 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 3.62; EBITDA to Financial Expense of 2.74 and Net Indebtedness to Equity of 26.8%.

At December 31, the Company’s net indebtedness came to 1,278 billion dollars, 68% of which corresponded to long-term debt and 32% to dollar-denominated debt.

The average cost of the Company’s dollar-denominated debt dropped from 2.3% in September to 1.9% in December, mainly due to the declining 90- and 180-day LIBOR rates and because we payed down some costly credits. On the other hand, the average cost of debt in pesos came to 7.6% at the end of December compared to 8.6% at the end of the previous quarter. This was due to the declining CPI Index which went from 3.2% in September to 2% in December. Our debt in pesos is largely indexed to this indicator given the issue of bonds in Colombia.

Portfolio of Non-Cement Investments:

As you can see in slide number 24, as of December 31st, Cementos Argos´ portfolio of non-cement businesses came to more than 4.8 billion pesos compared to 3.1 billion pesos in 2008, showing a 55% 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. Meanwhile we are more cautious about the US and particularly for the first half of the year.

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

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