CEMENTOS ARGOS
RESULTS
2Q14
This document contains forward-looking statements and information related to Cementos Argos S.A. and its subsidiaries (together referred to as “Argos”) that are based on the knowledge of current facts, expectations and projections, circumstances and assumptions of future events. Various factors may cause Argos’ actual future results, performance or accomplishments to differ from those expressed or assumed herein.

If an unexpected situation presents itself or if any of the premises or of the company’s estimations turn out to be incorrect, future results may differ significantly from the ones that are mentioned herein. The forward-looking statements are made to date and Argos does not assume any obligation to update said statements in the future as a result of new information, future events or any other factors.
1. Highlights
   Most significant events in 2Q14

2. Consolidated results
   USA – Colombia - Caribbean and Central America – Export

3. Financial situation
   Consolidated balance, debt profile, cash flow and investment portfolio

4. Conclusions
   Final conclusions

5. Appendix
   Summary per regional division / other business, operating profit and EBITDA

Note: For the purposes of this presentation 1 billion = 1,000,000,000 and 1 trillion = 1,000,000,000,000
“Ton” refers to metric tons
Using the Caricamat system to load a truck in the Cartagena plant

HIGHLIGHTS
2Q14: Reaping the benefits of our growth strategy….

- Increase of 18% in revenues coming from significant organic growth, especially in the US and from new acquisitions
- Historic EBITDA level for the 1H14: COP 533 bn
- EBITDA margin dilution because of greater relative weight of the US operations, non-recurring charges from acquisitions and closing of Barranquilla’s grinding station
- Growth of 87% in net income in 1H14 as a clear result of the organizational excellence program operating on various fronts
CONSOLIDATED RESULTS

Distribution Center, Cartagena plant, Colombia
Positive trends in cement and concrete dispatching

**Cement sales**
- 9.3% increase 6.0 million tons

- **Cement** Ton 000
  - YTD 2013: 5,504
  - Colombia: +64 (+3%)
  - Caribbean & CA: +228 (+15%)
  - Export: -246 (-34%)
  - USA - Southeast: +468 (+59%)

- **YTD 2014**:
  - Colombia: 6,018
  - Caribbean & CA: 5,504
  - Export: 6,018
  - USA - Southeast: 4,467

**Concrete sales**
- 17.9% increase 5.3 million m³

- **Concrete** m³ 000
  - YTD 2013: 4,467
  - Colombia: +107 (+7%)
  - Caribbean & CA: +6 (+2%)
  - USA - Southeast: +592 (+54%)
  - USA - South Central: -109 (-7%)

- **YTD 2014**:
  - Colombia: 5,274
  - Caribbean & CA: 5,504
  - USA - Southeast: 5,274
  - USA - South Central: 4,467

(*) Includes grey cement, oil-well cement, white cement and cementitious products
RESULTS
PER REGIONAL DIVISION
Employees of the concrete plant in Charleston, South Carolina, USA
USA Regional Division: Exceeding our recovery expectations

- Increase of 16%, excluding cement volume in Florida
- +10% in concrete volume, excluding Florida
- 17% growth in backlog of ready-mixed concrete
- We started importing cement from Cartagena to supply our concrete operation in Texas
  - Texas market coming closer and closer to its capacity, with prices also recovering
USA Regional Division: EBITDA margin of 8.1%, indication of recovery in both volumes and prices

- The EBITDA of the second quarter surpasses the total EBITDA of last year, which is a sign of organic growth in the markets
- Increase in revenues coming from four variables:
  - Consolidation of full quarter results of Florida operations
  - Cement: price increase carried out on April 1 (all operations except Florida) of USD 8/short ton; a second price increase was announced (additionally to the one of January) for Florida, which will be carried out on July 1 (USD 7/short ton)
  - Concrete: increase in ASP (+7%) as a result of the focus on value-added products and services
  - Recovery in volumes
USA: Residential segment boosts cement volumes

**Argos states, leaders in cement consumption**
Cement consumption (%), YoY variation

<table>
<thead>
<tr>
<th></th>
<th>Total USA</th>
<th>Argos states</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.1%</td>
<td>10.9%</td>
</tr>
<tr>
<td></td>
<td>8.5%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

**Argos states with best performance:**
- **Florida**
  - 25.4% (YTD as of May)
  - 28.4% (May/2014/13)
- **Georgia**
  - 18.1% (YTD as of May)
  - 26.7% (May/2014/13)
- **Texas**
  - 4.6% (YTD as of May)
  - 10.8% (May/2014/13)
- **North C.**
  - 2.3% (YTD as of May)
  - 15.0% (May/2014/13)

**New home sales strengthen confidence in the sector**

- **New home sales** rose 18.6% in May, surpassing 500k units
- **In the Southern states**, sales increased by 14.2%, totaling 260k

The sector picks up on its growth dynamic and leaves the effects of the harsh winter of 1Q14 behind

- **Existing home sales MoM** : +4.9% in May: biggest increase since August 2013, at 4.89 m units
- **Pending home sales index**: +6.1%: biggest increase of the last 4 years
- **Home prices index YoY**: +10.8% in April : double-digit growth since February 2013

Source: Bloomberg – US Census Bureau – PCA
(*) Includes: Florida, Georgia, Texas, South Carolina, North Carolina, Arkansas, Alabama and Virginia
COLOMBIAN REGIONAL DIVISION

Employees of the Sogamoso plant
Colombian Regional Division: Growth in the industrial business segment, positive outlook and new dispatching center

- Larger increase in bulk sales of the cement segment in comparison with bagged cement.
- We started dispatching from our new distribution center in Cartagena, which allows us to compete better in the northern zone, adjusting to the new competitive situation.
- Less working days in the quarter due to adjustments in the calendar.
- Positive perspectives for construction, supported by 4G-projects and multiple housing programs.

(*) Includes grey cement, oil-well cement, white cement and cementitious products.
Colombian Regional Division: A quarter of reconfiguring for efficiency and future growth

- Reconfiguration of grinding capacity and new distribution center in the northern zone prepare us for 2H14
- Non-recurring expenses from the start-up of the distribution center at the Cartagena plant and the closing of the grinding facility in Barranquilla: COP 13 bn
- Greater increase in the concrete segment in comparison with the cement segment
Construction GDP grows by 17.2% while overall GDP increases 6.4% in 1Q14

Various projects will drive the continuous development of the construction sector

- Government housing programs are expanded to include 600,000 new homes: 50% for the free housing program and the remaining 50% for the savers program
- New initiative launched by the National Savings Fund (Fondo Nacional del Ahorro) to build 12,000 homes in the context of PPP projects
- Coverage of subsidies for the interest rate was expanded to include 10,000 extra credits

- 6 projects of 4G-concessions have already been awarded, for a total of COP 7.4 trillion (856 km)
- The National Infrastructure Agency (Agencia Nacional de Infraestructura) presented 2 PPP projects, for a total value of COP 1.3 trillion, to the Ministry of Finance for approval

- COP 2.3 trillion being earmarked for the construction of 10 new malls and the expansion of existing malls between 2014 and 2015
- The external control for the 6 planned airport projects has been assigned

Source: Dane, ANI, Minvivienda – Calculations of Argos
According to the progress schedules of these concession projects, the demand for cement and concrete is expected to pick up as of the second semester of 2015.
CARIBBEAN AND CENTRAL AMERICAN REGIONAL DIVISION

Employees of the Comayagua plant, Honduras
Caribbean and Central American Regional Division: attractive markets and consolidation of new cement operations

- Growth in cement volumes in the regional division mitigates the effect of the Panama canal and the general strike of construction workers in Panama:
  - Consolidation of operations in Honduras and French Guiana
  - Positive performance of the domestic market in Panama (excluding sales to the canal)
  - Positive changes in market trends in Haiti and the DR
  - Growth of concrete volumes in all geographies, except Panama
    - Effect of the labor strike
Caribbean and Central American Regional Division: New acquisitions lead to increase in margins

- Growth in both revenues and EBITDA, reflecting the positive effect of the inclusion of the result of the profitable operation in Honduras and of the grinding operation in French Guiana
- Increase of 358 bps in the EBITDA margin of the semester, as a result of:
  - The consolidation of the operations of the efficient assets in Honduras and French Guiana
  - The drop in dispatching to the canal
  - Operational excellence
The region continues to show a growing economic consolidation

**Caribbean**
- Recovery of the US market is strengthening the region
- **DR**: significant upturn in construction, growing 14.6% in 1Q14, compared to 5.5% for the overall economy
- **Suriname**: greater demand for concrete due to big private projects
- **Fr. Guiana**: mining projects will drive construction sector upward

**Honduras**
- Economy grew 3.2% in 1Q14
- Public-private partnerships as an engine for the country’s development

**Panama**
- Economy grew 5.8% in 1Q14, construction 16%
- Infrastructure investment plan of the new government surpass USD 15 trillion, 10% more than the one of the previous government
- Cement volumes will continue to grow despite completion of the canal project (5.1% 2014E)
Drop in export volumes has a positive effect on the consolidated margin

- Decrease in volumes dispatched to the Panama canal has an effect on clinker volumes
- Selectivity in strategic markets
Concrete mixer trucks in Charleston, South Carolina, USA
Strong balance sheet to maximize growth opportunities

Assets
- COP Trillion
- 13.4
- 5.9
- 0.3
- 11% Deferred and intangible
- 16% Permanent investments
- 56% PP&E
- 17% Other LT

Liabilities
- COP Trillion
- 7.2
- 2.0
- 4.0
- 6.0
- 8.0
- 10.0
- 12.0
- 14.0
- 16.0
- Bonds
- LT financial obligations
- Other LT
- ST financial obligations
- Other ST

*Figures as of June 30, 2014

For the purposes of this presentation 1 billion = 1,000,000,000 and 1 trillion = 1,000,000,000,000
Adequate indebtedness level and profile
Debt as of June 30, 2014

Total gross debt = USD 2,131 million

Consolidated cost of debt

Net Debt
EBITDA + Dividends = 3.48x

EBITDA
Financial expenses = 7.79x

Net Debt
Shareholder’s equity = 51.41%
Low level of indebtedness with adequate profile (cont.)
Debt as of June 30, 2014

<table>
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<tr>
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<th>Short-term</th>
<th>Long-term:</th>
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<tr>
<td></td>
<td>USD 493 million</td>
<td>USD 1,639 million</td>
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<tr>
<td>Jul-14</td>
<td>116</td>
<td>43</td>
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<tr>
<td>Aug-14</td>
<td>89</td>
<td>61</td>
</tr>
<tr>
<td>Sep-14</td>
<td>120</td>
<td>262</td>
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<tr>
<td>Oct-14</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Nov-14</td>
<td>7</td>
<td>28</td>
</tr>
<tr>
<td>Dec-14</td>
<td>28</td>
<td>618</td>
</tr>
<tr>
<td>Jan-15</td>
<td>1</td>
<td>5</td>
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<td>Feb-15</td>
<td>3</td>
<td>159</td>
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<td>Mar-15</td>
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<td>Apr-15</td>
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<td>May-15</td>
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<td>Jun-15</td>
<td>8</td>
<td>70</td>
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</table>

Bar charts showing short-term and long-term debt as of June 30, 2014.
Consolidated cash flow
COP billion – as of June 30, 2014

Cash Flow (COP Mill) | Total
---|---
**EBITDA** | 532,621
  (+) Working Capital Var. | (229,734)
  (-) Maintenance Capex | 87,689
  (-) Strategic Capex | 84,500
  (-) Taxes | 132,510
**Total Free Cash Flow** | (1,811)
**Financial Cash Flow** | ---
  (+) Financial Contribution | (75,705)
  (-) Net Dividends | (131,790)
  (+) Net Other Operating | (25,528)
  (+) Net Financial Op. | 1,630,158
  (+) Capitalization | (500)
  (+) Acquisitions | (1,592,612)
**Total Financial Cash Flow** | (195,977)
**Total Cash Flow for the Period** | (197,788)
  (+) Initial Cash Flow | 551,839
**Final Cash Flow** | 354,051
**Investment portfolio contributes to our financial flexibility in order to support growth**

<table>
<thead>
<tr>
<th>Company</th>
<th>% Stake</th>
<th>Price per Share (COP)</th>
<th>Value (COP$ million)*</th>
<th>Value (US$ million)*</th>
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</thead>
<tbody>
<tr>
<td>Grupo Suramericana</td>
<td>6.0%</td>
<td>39,900</td>
<td>1,124,512</td>
<td>596</td>
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<tr>
<td>Bancolombia</td>
<td>4.0%</td>
<td>26,540</td>
<td>542,402</td>
<td>288</td>
</tr>
<tr>
<td>Cartón Colombia</td>
<td>2.1%</td>
<td>5,200</td>
<td>12,006</td>
<td>6</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,678,920</strong></td>
<td><strong>890</strong></td>
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* Exchange Rate as of June 30, 2014: COP 1,886.01 / USD

### Ordinary Share of Argos

- **YTD variation as of June 2014**: +20.6%

### Preferred Share of Argos

- **YTD variation as of June 2014**: +16.7%
- **+30.4% since the issuance**
CONCLUSIONS

Planta Cartagena, Colombia
Concrete mixing trucks in Panama
In search of organizational excellence in order to maintain growth

- The US Regional Division ratifies the potential of our assets in the country
- Positive integration process; we will continue to work on maximizing the potential of synergies
- We will continue to work on competing better and better in all of our markets
- In Colombia, actions will be taken in order to strengthen our competitive advantages in the North of the country through the new dispatching center
- Materialization of the 4G-concessions and attractive dynamism of the inland Colombian market
- Strength in energy self-generation in order to face the El Niño phenomenon and in capacity of selling excesses
APPENDIX
SUMMARY PER REGIONAL DIVISION / OTHER BUSINESS,
OPERATING PROFIT AND EBITDA (IN COP AND USD)
Appendix
Summary per regional division / other business

<table>
<thead>
<tr>
<th>COP$ billion</th>
<th>Revenues</th>
<th></th>
<th></th>
<th></th>
<th>EBITDA</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td>Var (%)</td>
<td>2014</td>
<td>Mgn (%)</td>
<td>2013</td>
<td>Mgn (%)</td>
<td>Var (%)</td>
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<tr>
<td>Colombia</td>
<td>1,184</td>
<td>1,185</td>
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<td>420</td>
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<td>439</td>
<td>37.1</td>
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<td>USA</td>
<td>970</td>
<td>638</td>
<td>51.9</td>
<td>51</td>
<td>5.3</td>
<td>-1</td>
<td>-0.2</td>
<td>3,540.1</td>
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<tr>
<td>Caribbean &amp; CA</td>
<td>541</td>
<td>419</td>
<td>29.0</td>
<td>155</td>
<td>28.6</td>
<td>107</td>
<td>25.6</td>
<td>44.5</td>
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<td>Subtotal</td>
<td>2,694</td>
<td>2,242</td>
<td>20.2</td>
<td>626</td>
<td>23.2</td>
<td>545</td>
<td>24.3</td>
<td>14.8</td>
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<td>Corporate</td>
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<td>0</td>
<td>N/A</td>
<td>-67</td>
<td>N/A</td>
<td>-49</td>
<td>N/A</td>
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<td>Other Businesses</td>
<td>69</td>
<td>95</td>
<td>-27.0</td>
<td>-12</td>
<td>-17.3</td>
<td>-20</td>
<td>-20.7</td>
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<td>Florida closing expenses</td>
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<td>N/A</td>
<td>N/A</td>
<td>-14</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Consolidated Result</td>
<td>2,763</td>
<td>2,336</td>
<td>18.3</td>
<td>533</td>
<td>19.3</td>
<td>476</td>
<td>20.4</td>
<td>11.8</td>
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<table>
<thead>
<tr>
<th>US$ million</th>
<th></th>
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<th></th>
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<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td>Var (%)</td>
<td>2014</td>
<td>Mgn (%)</td>
<td>2013</td>
<td>Mgn (%)</td>
<td>Var (%)</td>
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<tr>
<td>Colombia</td>
<td>604</td>
<td>648</td>
<td>-6.9</td>
<td>215</td>
<td>35.6</td>
<td>241</td>
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<td>USA</td>
<td>496</td>
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<td>35.0</td>
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<td>Corp. &amp; other buss</td>
<td>35</td>
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<td>N/A</td>
<td>N/A</td>
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<td>Consolidated Result US$</td>
<td>1,411</td>
<td>1,278</td>
<td>10.5</td>
<td>272</td>
<td>19.3</td>
<td>261</td>
<td>20.4</td>
<td>4.5</td>
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Note: Revenues and EBITDA of the export business are included in the line “Other businesses”
## Appendix
### Operating profit and EBITDA (COP and USD)

<table>
<thead>
<tr>
<th></th>
<th>COP Billion</th>
<th></th>
<th></th>
<th>USD Million</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
<td>Var. (%)</td>
<td>2014</td>
<td>2013</td>
<td>Var. (%)</td>
</tr>
<tr>
<td>Revenues</td>
<td>1,468</td>
<td>1,241</td>
<td>18</td>
<td>2,763</td>
<td>2,336</td>
<td>18</td>
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<tr>
<td>Costs and expenses</td>
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<td>1,095</td>
<td>19</td>
<td>2,432</td>
<td>2,051</td>
<td>19</td>
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<tr>
<td>Operating profit</td>
<td>169</td>
<td>146</td>
<td>15</td>
<td>331</td>
<td>285</td>
<td>16</td>
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<tr>
<td>EBITDA</td>
<td>272</td>
<td>244</td>
<td>11</td>
<td>533</td>
<td>476</td>
<td>12</td>
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<tr>
<td>EBITDA margin (%)</td>
<td>18.5%</td>
<td>19.7%</td>
<td></td>
<td>19.3%</td>
<td>20.4%</td>
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### USD Million

<table>
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<th>2013</th>
<th>Var. (%)</th>
<th>2014</th>
<th>2013</th>
<th>Var. (%)</th>
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<tbody>
<tr>
<td>Revenues</td>
<td>767</td>
<td>667</td>
<td>15</td>
<td>1,411</td>
<td>1,278</td>
<td>10</td>
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<tr>
<td>Costs and expenses</td>
<td>678</td>
<td>588</td>
<td>15</td>
<td>1,242</td>
<td>1,122</td>
<td>11</td>
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<tr>
<td>Operating profit</td>
<td>88</td>
<td>78</td>
<td>12</td>
<td>169</td>
<td>156</td>
<td>9</td>
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<tr>
<td>EBITDA</td>
<td>142</td>
<td>131</td>
<td>8</td>
<td>272</td>
<td>261</td>
<td>4</td>
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<tr>
<td>EBITDA margin (%)</td>
<td>18.5%</td>
<td>19.7%</td>
<td></td>
<td>19.3%</td>
<td>20.4%</td>
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This recognition, called Reconocimiento Emisores – IR is given by the Colombian Stock Exchange, Bolsa de Valores de Colombia S.A. It is not a recognition that certifies the quality of registered stock, nor does it guarantee the solvency of the issuer.