CEMENTOS ARGOS
RESULTS
4Q14

New concrete plant “Arroyohondo”, Valle del Cauca, Colombia
New presentation of grey and white cement of 1kg in Colombia

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.
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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
CONSOLIDATED RESULTS
4Q14: Focused in profitability and long-term growth

- Historical record in revenues, EBITDA and volumes consequently with the long-term strategy, including organic growth and balance between markets
- Growth in net income of 59% reiterates our focus in profitability generation
- Margin EBITDA reduction due to higher relative participation of the USA operation (Florida consolidation), price pressure in Colombia and non-recurrent expenses (~100 bps in EBITDA margin)
- Improvement potential for 2015 in EBITDA margin based on:
  - Lower price pressure in Colombia (improved competitiveness against imports)
  - USA substantial growth
  - Structural achievements in the organizational excellence program
Positive effect of acquisitions in growing markets

**Cement sales**
8.3% increase to 12.5 million tons

- Colombia: 23%
- Caribbean & CA: 44%
- Export: 7%
- USA - Southeast: 26%

**Concrete sales**
18.0% increase to 11.1 million m³

- Colombia: 30%
- Caribbean y CA: 31%
- USA - Southeast: 5%
- USA - South Central: 34%

**Cement**

<table>
<thead>
<tr>
<th>Region</th>
<th>Ton 000</th>
<th>YTD 2013</th>
<th>Colombia</th>
<th>Caribbean &amp; CA</th>
<th>Export</th>
<th>USA - Southeast</th>
<th>YTD 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD 2013</td>
<td>11,524</td>
<td></td>
<td>+ 151</td>
<td>+ 193</td>
<td>- 404</td>
<td>+ 1,017</td>
<td>12,481</td>
</tr>
</tbody>
</table>

**Concrete**

<table>
<thead>
<tr>
<th>Region</th>
<th>m³ 000</th>
<th>YTD 2013</th>
<th>Colombia</th>
<th>Caribbean &amp; CA</th>
<th>USA - Southeast</th>
<th>USA - South Central</th>
<th>YTD 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD 2013</td>
<td>9,369</td>
<td>+ 31</td>
<td>- 23</td>
<td>+ 1,405</td>
<td>+ 269</td>
<td>+ 11,051</td>
<td>11,051</td>
</tr>
</tbody>
</table>

(* ) Includes grey cement, oil-well cement, white cement and cementitious products
RESULTS
PER REGIONAL DIVISION

Pipiral Viaduct in the “Vía al Llano”, Colombia
Concrete placement in project “Reserva del Río”, Medellín, Colombia

COLOMBIAN
REGIONAL DIVISION
Colombia: Positive outlook for 2015 with gradual improvements in pricing pressure and a healthy market

- Growth in the bulk market and improved competitiveness cause substantial reduction in imports (leveraged on favorable exchange rates)
- Concrete business profitability, in a scenario of transition due to gradual decrease in demand in social housing and current infrastructure projects (culmination of some Corridors of Competitiveness and Prosperity)
- Privileged geographical coverage and successful competitive strategy to address in the best way important developments in infrastructure and housing, sectors with high growth potential

(*) Includes grey cement, oil-well cement, white cement and cementitious products
Colombia: Structural achievements and operating expansion to ratify our leadership and competitiveness

- Structural achievements in operative efficiencies (production and distribution): unitary cost reduction of 1.7%
- Unitary price improvements facing 2015
  - Review of trading conditions for cement and concrete in some areas of the country in 2015
- Non recurrent expenses and provisions, affecting the 4Q14 margin in 125 bps
- Encouraging progress in efficiency improvements:
  - Expansion in high demand zones will decrease clinker transfers between plants
  - Project of tires utilization as an alternative fuel in the Rio Claro plant to be replicated in other plants
  - Increase in the utilization of fly ash to replace cement in our concrete business

**Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>570</td>
<td>665</td>
<td>614</td>
<td>702</td>
<td>2,551</td>
</tr>
<tr>
<td>2014</td>
<td>593</td>
<td>598</td>
<td>621</td>
<td>625</td>
<td>2,403</td>
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</tbody>
</table>

**EBITDA**

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>223</td>
<td>239</td>
<td>216</td>
<td>225</td>
<td>903</td>
</tr>
<tr>
<td>2014</td>
<td>238</td>
<td>186</td>
<td>593</td>
<td>625</td>
<td>778</td>
</tr>
</tbody>
</table>

**EBITDA margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>32%</td>
<td>35%</td>
<td>-6%</td>
<td>-24%</td>
<td>35%</td>
</tr>
<tr>
<td>2014</td>
<td>32%</td>
<td>31%</td>
<td>-14%</td>
<td>-3%</td>
<td>32%</td>
</tr>
</tbody>
</table>
Construction, main driver of economic growth

Countercyclical sector of the economy, mitigating oil price effects

1 4G projects: A reality ready to be materialized
   1st wave 9 Projects already granted
   2nd wave 10 Projects to be granted in the 2Q15

2 PPP – Private initiatives
   Boosting the sector
   +280 PPP presented
   25% With government resources needed
   75% No government resources needed

3PPP projects approved without Government resources
   USD 1.7 Bn
   25 projects for USD 8.5 Bn in progress.
   9 to be granted during 2015

- Future public budgetary allowances approved
- No government outlays required to start work
- Local banks and pension funds have actively demonstrated their commitment to participate in funding
- Progress in regulatory framework eliminate bottlenecks
- Financial closing of the first wave in culmination phase
- Total government commitment to advance the awarding process and works initiation

3 Projects moving forward in 2015
- 11 initiatives within the corridors of Competitiveness and Prosperity (USD 1.8 Bn) - Multiple regional projects
- 15 transversal projects in structuring by Min Transport and Invías exceeding USD 3 Bn
- Improvement works in Barranquilla airport and several projects in the airports of Armenia, Popayan, Neiva and Leticia
- Expansion project of the second docking port in Cerrejón and terminal expansion and modernization of the port cargo in Buenaventura

Source: DNP – Min Transporte - ANI
Housing programs driving the industry

“My home now”
100,000 Homes
Middle income families will benefit in intermediate cities

Free housing
100,000 New homes
to be built in municipalities with less than 30k inhabitants

Rates subsidies
130,000
Additional subsidies reducing the interest rate for middle income families

TACS
Rates savings
“Tasa al Ahorro Construyendo Sociedad”
Accessibility to new homes without downpayment

Recently announced by the government in order to continue with the “FRECH III” program, recognizing 5% of the interest rate, allowing savings between 30% and 40% in the monthly payment.

+400,000
social housing to be built over the next four years

Source: DNP – Min Vivienda - ANI
USA Regional Division: Growth driven by our presence in states with attractive construction markets

Cement
- Increases of 57%, and of 11% excluding Florida vs 8.8% of the total USA market
- Positive market dynamics driven by residential construction

Concrete
- Growth of 31%, and of 9% excluding Florida
- Backlog remains stable, even though seasonality
- Important savings in distribution and logistics due to a reduction in freights
USA Regional Division: Operating leverage and price recovery driving profitability

- Operating leverage and price improvements have yielded significant annual EBITDA growth of ~ 370%
- Average selling price increased 7% in cement and 9% in concrete
- Price increases for 2015 executed successfully
- Lower fuel prices will be an advantage for this regional division
USA: obtaining benefits from low oil prices and the Southeast reindustrialization

Strong economic fundamentals

GDP growth leader

3.6% vs 2.4% 2015E
USA Advanced economies

3 million of new jobs
will be added between 2015 - 2017
Leading to a stronger household formation

Consumer confidence

- Has improved significantly, reaching its record high since 2007
- Households increasing willingness to consumption

Unemployment rate under 6%

- Suggesting pressure on wages
- Higher income to households

The economy is benefiting from the Oil effect

20 & 30 bps add to economic growth
Higher income available through lower energy prices, that will boost consumption and investment

Positive effect in our imports of energetics
Excluding Texas

Cement consumption that goes to the oil sector in Texas dispatched by Argos

6%
Very low effect compared to the total cement dispatched by Argos USA

Texas cement consumption moderates

2014: 13.5%
vs
2015E: 4.9%

Cement consumption momentum continues with a positive outlook in the long term

Higher cement consumption in Argos States

13.1% Argos states* vs. 8.8% USA

Surpassing PCA expectations (8.2%) in 2014

Housing with a higher growth participation

The cement consumption growth in 2015: more focused on housing construction

Population growth will lead to more development - more cement consumption

69% Argos’ states capture 69% of US net migration

21% Texas represents 21% of US net migration

26% Texas expected population growth for 2030

27M Texas population + 7M Expected Growth

CARIBBEAN AND CENTRAL AMERICAN REGIONAL DIVISION

First line of the Panama metro
Caribbean and Central American Regional Division: Attractive markets and consolidation of the new cement operations

Cement:
- Consolidation of operations in Honduras and French Guiana
- Moderated volumes explained by:
  - Consumption reduction of the Panama Canal
  - Profitability focus regarding our exports and the trading operations

Concrete
- Consolidation advance of the new concrete business in the Dominican Republic, Haiti and Suriname
- Completion during the year of some projects attended in Panama, temporarily affecting the volumes
Caribbean and Central American Regional Division: The new acquisitions lead to margin increase

- Margin increase in more than 750 bps for the year and 1460 bps for 4Q14:
  - Structural improvements in the Honduras’ operation that produced historical EBITDA margin, improving 160 basis points vs the margin of 2013
  - Significant achievements in operational efficiencies across all operations
  - Margin expansion in Panama ~ 600 bps: advances in operational efficiency and completion of the canal
Encouraging growth outlook for 2015

Sustained economic growth in the region
GDP – annual variation 2013 -2015e

The region benefits from being a net importer of energy and from the positive economic performance of USA, through tourism, remittances and investment.

Average growth expected for 2015 in the main countries where we operate in the region, surpassing the 3.5% expected for Latam and 2.8% for the Caribbean.

Average growth expected for 2015 in the main countries where we operate in the region, surpassing the 3.5% expected for Latam and 2.8% for the Caribbean.

Value of remittances received in 2013 (USD Million)

<table>
<thead>
<tr>
<th>Country</th>
<th>2013</th>
<th>2014e</th>
<th>2015e</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Panama</td>
<td>8.4</td>
<td>6.6</td>
<td>6.4</td>
<td>6.2</td>
</tr>
<tr>
<td>Honduras</td>
<td>2.6</td>
<td>3.0</td>
<td>3.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Dominican Rep</td>
<td>4.6</td>
<td>5.3</td>
<td>4.2</td>
<td>4.8</td>
</tr>
<tr>
<td>Suriname</td>
<td>4.1</td>
<td>3.3</td>
<td>3.8</td>
<td>3.6</td>
</tr>
<tr>
<td>Haiti</td>
<td>4.3</td>
<td>3.8</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Average</td>
<td>4.9</td>
<td>4.5</td>
<td>4.4</td>
<td>4.6</td>
</tr>
</tbody>
</table>

- Total remittances Central America + Caribbean 2013: ~USD 44 Bn
- It is estimated that remittances received in 2014 achieved an annual growth rate between 5% and 7% (FOMIN estimation).
- Income growth in remittances will be reflected in consumption and creation of new households.

Source: IMF – Central Banks - FOMIN
Concrete placement with assistance of a helicopter, Sampit River, USA

FINANCIAL SITUATION
Strong balance sheet to maximize growth opportunities

Figures as of December 31st, 2014
Adequate indebtedness level and profile
Debt as of December 31st, 2014

Total gross debt = USD 1,973 millones

Consolidated cost of debt

Net Debt
EBITDA + Dividends = 3.79x

EBITDA
Financial expenses = 5.92x

Net Debt
Shareholder’s equity = 50.65%
Adequate indebtedness level and profile (cont.)
Debt as of December 31st, 2014

Short-term
USD$ 333 million

<table>
<thead>
<tr>
<th>Date</th>
<th>Bank Loans</th>
<th>Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 15</td>
<td>39</td>
<td>5</td>
</tr>
<tr>
<td>Feb 15</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>March 15</td>
<td>127</td>
<td>3</td>
</tr>
<tr>
<td>April 15</td>
<td>47</td>
<td>3</td>
</tr>
<tr>
<td>May 15</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>June 15</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>July 15</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Aug 15</td>
<td>42</td>
<td>33</td>
</tr>
<tr>
<td>Sept 15</td>
<td>33</td>
<td>3</td>
</tr>
<tr>
<td>Oct 15</td>
<td>33</td>
<td>2</td>
</tr>
<tr>
<td>Nov 15</td>
<td>16</td>
<td>3</td>
</tr>
<tr>
<td>Dec 15</td>
<td>8</td>
<td>3</td>
</tr>
</tbody>
</table>

Long-term:
USD$ 1,641 million

<table>
<thead>
<tr>
<th>Year</th>
<th>Bank Loans</th>
<th>Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>89</td>
<td>22</td>
</tr>
<tr>
<td>2017</td>
<td>3</td>
<td>251</td>
</tr>
<tr>
<td>2018</td>
<td>41</td>
<td>22</td>
</tr>
<tr>
<td>2019</td>
<td>29</td>
<td>622</td>
</tr>
<tr>
<td>2020</td>
<td>4</td>
<td>125</td>
</tr>
<tr>
<td>2021</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>2022</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td>2023</td>
<td>130</td>
<td>130</td>
</tr>
</tbody>
</table>
Consolidated cash flow
COP Billion – as of December 31st, 2014

- Strategic capex for USD 152 million to support growth
- Maintenance capex for USD 128 million (less than 6 USD/TM of installed cement capacity).
- Exchange rate effect for COP 118 trillion in NWK
Investment portfolio improves the company’s financial flexibility

**Company** | % Stake | Price per Share (COP) | Value (COP$ million)* | Value (US$ million)*
--- | --- | --- | --- | ---
Grupo Suramericana | 6.0% | 40,000 | 1,127,330 | 471
Bancolombia | 4.0% | 27,640 | 564,883 | 236
Cartón Colombia | 2.1% | 5,190 | 11,983 | 5
Total | | | 1,704,197 | 712

* Exchange Rate as of December 31st, 2014: COP 2,392.46 / USD

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**Ordinary Share of Argos CEMARGOS**

**Preferred Share of Argos PFCEMARGOS**

**% annual variation**

+4.1% vs. -5.8% of the Colcap

-1.0%

+25.3% since the issuance
CONCLUSIONS

Hydroelectric Francisco Morazán, Honduras
Pursuing organizational excellence to promote growth

Colombia: High potential in efficiencies: rearrangement of our operating network, strategic location, logistics integration and technological reconversion

- 2010 - 2014 → Cartagena: State of the art pivot plant
  - Strategic location
  - Large capacity, efficient and flexible: Fully integrated with the new dispatch center (local market) and the port (exports)
  - Flexibility on energetics
  - Free trade zone to mitigate tax related impact
- 2015: 900k tons in Rioclaro, Cairo and Nare expansion to attend the demand in the central area of the country, increasing efficiency and optimizing logistics costs related to transport of product between plants
- 2018: Expansion in Sogamoso, reaffirm our decision to reconvert our productive network in Colombia with high standards in efficiency and sustainability

USA: Preparing for an important demand growth in the next years coming from the USA market recovery, and its improvements in cement pricing

- 2015: Harleyville, SC expansion, larger capacity to attend future demand and operating efficiencies to produce blended cement

Caribbean and Central America: Focus on optimizing the interconnectivity potential that the Caribbean sea offers

- 2014: Acquisition in French Guiana: perfect fit to our assets and logistics network, immediate synergy potential supplying to raw materials from the Cartagena plant

Financial situation: Maintaining our financial strength to mitigate international volatility through an adequate debt profile, sound debt ratios, natural hedge and access to diverse financing sources
### Appendix

**Summary per regional division / other businesses**

<table>
<thead>
<tr>
<th>COP$ billion</th>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2013</td>
</tr>
<tr>
<td>Colombia</td>
<td>2,403</td>
<td>2,551</td>
</tr>
<tr>
<td>USA</td>
<td>2,179</td>
<td>1,402</td>
</tr>
<tr>
<td>Caribbean &amp; CA</td>
<td>1,084</td>
<td>837</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>5,666</strong></td>
<td><strong>4,789</strong></td>
</tr>
<tr>
<td>Corporate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Businesses</td>
<td>137</td>
<td>179</td>
</tr>
<tr>
<td>Florida closing expenses</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Consolidated Result</strong></td>
<td><strong>5,803</strong></td>
<td><strong>4,968</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>US$ million</th>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia</td>
<td>1,205</td>
<td>391</td>
</tr>
<tr>
<td>USA</td>
<td>1,092</td>
<td>68</td>
</tr>
<tr>
<td>Caribbean &amp; CA</td>
<td>543</td>
<td>165</td>
</tr>
<tr>
<td>Corp. &amp; other buss</td>
<td>68</td>
<td>-81</td>
</tr>
<tr>
<td>Florida closing expenses</td>
<td>N/A</td>
<td>-9</td>
</tr>
<tr>
<td><strong>Consolidated Result US$</strong></td>
<td><strong>2,908</strong></td>
<td><strong>534</strong></td>
</tr>
</tbody>
</table>

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>USD Million</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4Q</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>1,550</td>
<td>716</td>
</tr>
<tr>
<td>Costs and expenses</td>
<td>1,380</td>
<td>637</td>
</tr>
<tr>
<td>Operating profit</td>
<td>171</td>
<td>79</td>
</tr>
<tr>
<td>EBITDA</td>
<td>255</td>
<td>119</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>16.4%</td>
<td>16.4%</td>
</tr>
<tr>
<td><strong>YTD</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td>5,803</td>
<td>2,908</td>
</tr>
<tr>
<td>Costs and expenses</td>
<td>5,130</td>
<td>2,569</td>
</tr>
<tr>
<td>Operating profit</td>
<td>673</td>
<td>339</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,060</td>
<td>534</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>18.3%</td>
<td>18.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Var (%)</th>
<th>Var (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>19</td>
<td>5</td>
</tr>
<tr>
<td>Costs and expenses</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Operating profit</td>
<td>38</td>
<td>21</td>
</tr>
<tr>
<td>EBITDA</td>
<td>10</td>
<td>(2)</td>
</tr>
<tr>
<td>EBITDA margin (%)</td>
<td>16</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>Var (%)</th>
<th>2014</th>
<th>2013</th>
<th>Var (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>5,803</td>
<td>4,968</td>
<td>17</td>
<td>2,908</td>
<td>2,656</td>
<td>9</td>
</tr>
<tr>
<td>Costs and expenses</td>
<td>5,130</td>
<td>4,387</td>
<td>17</td>
<td>2,569</td>
<td>2,345</td>
<td>10</td>
</tr>
<tr>
<td>Operating profit</td>
<td>673</td>
<td>581</td>
<td>16</td>
<td>339</td>
<td>311</td>
<td>9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,060</td>
<td>978</td>
<td>8</td>
<td>534</td>
<td>524</td>
<td>2</td>
</tr>
</tbody>
</table>

### Margen EBITDA %

- COP: 16.4% (2014) vs 17.8% (2013)
- USD: 16.4% (2014) vs 17.8% (2013)
Appendix
Lower exports volume has a positive effect in the consolidated margin

- Focus on profitability on our exports
- Lower exports improves EBITDA from “other businesses”
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.