CEMENTOS ARGOS
RESULTS
2Q15
New presentation of 1kg grey and white cement 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.
1. Consolidated results
   Colombia - USA - Caribbean and Central America

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

3. Appendix
   Summary per regional division / Other business / Operating profit and EBITDA / Exports

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
AND PER REGIONAL DIVISION
2Q15: Strong quarter with profitability improvements

- Long term focus on profitability and strategic decisions drive return improvements:
  - Organizational excellence program supports margin improvement, especially in the CCA regional division
  - US recovery enhances EBITDA generation, despite adverse weather conditions
  - Colombia continues to recover market share gearing up to the scheduled infrastructure developments
  - Improvement in net margin reflects dilution of non operating items by stronger operational results

Revenues
COP billion

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>1,305</td>
<td>1,453</td>
<td>1,490</td>
<td>1,550</td>
</tr>
<tr>
<td>2015</td>
<td>2,758</td>
<td>3,479</td>
<td>3,479</td>
<td>5,797</td>
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</table>

EBITDA
COP billion

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>261</td>
<td>256</td>
<td>255</td>
<td>272</td>
</tr>
<tr>
<td>2015</td>
<td>272</td>
<td>307</td>
<td>371</td>
<td>678</td>
</tr>
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</table>

Net Income
COP billion

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
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<tr>
<td>2014</td>
<td>76</td>
<td>142</td>
<td>80</td>
<td>276</td>
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<tr>
<td>2015</td>
<td>79</td>
<td>221</td>
<td>142</td>
<td>276</td>
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</table>

EBITDA Margin
%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2014</th>
<th>2015</th>
<th>Var (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>20.0</td>
<td>18.6</td>
<td>-139</td>
</tr>
<tr>
<td>2Q</td>
<td>17.6</td>
<td>20.3</td>
<td>267</td>
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Net Margin
%

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2014</th>
<th>2015</th>
<th>Var (bps)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>5.9</td>
<td>4.8</td>
<td>-108</td>
</tr>
<tr>
<td>2Q</td>
<td>3.1</td>
<td>7.8</td>
<td>464</td>
</tr>
</tbody>
</table>

Note: 1Q14, 2Q14 and 2015 figures under IFRS; all other figures in ColGAAP
Consolidated volume

Cement*
Ton 000

| Year | 1Q | 2Q | 3Q | 4Q | Total
|------|----|----|----|----|------|
| 2014 | 3,207 | 3,334 | 6,018 | 2,740 | 12,559
| 2015 | 3,278 | 6,843 | 3,605 | 3,238 |

**1H14**
- Colombia: 29%
- USA: 21%
- CCA: 7%
- Exports: 43%

**1H15**
- Colombia: 30%
- USA: 22%
- CCA: 5%
- Exports: 43%

Concrete
m³ 000

| Year | 1Q | 2Q | 3Q | 4Q | Total
|------|----|----|----|----|------|
| 2014 | 2,376 | 2,538 | 2,892 | 2,923 | 11,051
| 2015 | 2,782 | 3,001 | 5,268 | 5,462 |

**1H14**
- Colombia: 30%
- USA - Southeast: 32%
- USA - South Central: 5%
- CCA: 33%

**1H15**
- Colombia: 27%
- USA - Southeast: 31%
- USA - South Central: 4%
- CCA: 38%

(*) Includes grey cement, oil-well cement, white cement and cementitious products.
Facade of the Argos Innovation Center, simulating a microscope (aerial view)

COLOMBIAN
REGIONAL DIVISION
Colombia: Market share recovery provides a positive outlook for 2H15

- Cement: Growing above market (10.3% 2Q15 vs. 5.6% 2Q15 industry)
- RMX: 5% growth in the quarter with a more profitable segment
- Positive outlook for 2H15

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
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<tr>
<td><strong>Concrete</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
</tr>
<tr>
<td><strong>Cement</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1Q</td>
<td>2Q</td>
<td>3Q</td>
</tr>
</tbody>
</table>

(*) Includes grey cement, oil-well cement, white cement and cementitious products
Colombia: Ready to seize future dynamics with higher profitability

- Revenue growth reflects the improved competitive dynamics and market share recovery
- EBITDA starts showing improvement during the quarter supported on:
  - Successful marketing strategies
  - Logistic cost reduction with lower clinker transfers between plants (effect of Dispatch Center in Cartagena and the introduction of positive effects of Rio Claro expansion)
  - Volume growth
  - FX appreciation
- EBITDA margin impacted by additional costs from the stabilization and halt of the Rio Claro kiln (45 days) and 26 days maintenance in Cartagena (representing ~130 bps)

Note: 2015 figures under IFRS; 2014 figures under ColGAAP
**Market outlook based on the advances in infrastructure and housing**

**First wave**
- **9**Projects awarded
  - COP 11 tn*
- **3**Already with financial closing

**Projects**
1. Honda - Girardot - Puerto Salgar
2. Cartagena - Barranquilla
3. Conexión Pacífico 3

**Funding by an international investment bank**
- USD 1,200 M

**Building starts** 4Q15

**Other projects**
- Credit lines were opened with:
  - FDN
  - Banco Agrario
  - IDB
- IPC +6% COP and Libor + 4% USD

**Second wave**
- **8**Projects awarded
  - COP 12 tn
- **6**Construction contracts signed

**PPP - Private initiative**
- **8**Projects approved
- **3**Pre-construction process
- **2**Contracts signed
- **3**Bidding process

**Additional Projects expected to be approved**
- Begging 3Q15

**New home sells in a good momentum**
- 7.3% 2015E

- New home sells reached 81.3k units as of June, increasing 1.2% Y/Y
- Building permits increased 24.3% in June, VIS 298% and No VIS 37%
- “Mi Casa Ya” program is leading the housing starts in 2H15
- “Pipe 2” program will add 61k home units (VIS) in 2016 and 69k in 2017

*Source: ANI, Camacol*
USA
REGIONAL DIVISION

New Harleyville mill, SC, USA
Regional USA: Healthy growth even with adverse weather

Cement
- +12% y-o-y in 2Q15 vs. +4% market growth in Argos’s states*
  - Deep south leads the growth, especially GA
  - Increasing market share in some states and products

RMX
- Inclement weather affected volumes
  - Rainfall during the quarter 50% above average in 121 years of record
  - Backlog increase drives positive outlook for 2H15
  - 5% increase in TX
  - Florida’s increased 107% (I-4 Highway and “The People Mover” at Tampa International Airport awarded to Argos)

(*) Source: USGS; Argos’s states include shipments in: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Texas
Regional USA: Margin improvement reflects US recovery

- Revenues reflecting positive performance across all regions despite weather conditions
  - Results from Florida now comparable to 2Q14
  - Cement imports to Houston and Mobile ports reached 214k tons as of 2Q15
- Record EBITDA since the crisis
- EBITDA margin demonstrates pace of recovery and impact on operational leverage

**Revenues USD$ Million**

- 2014: 1,092 (1Q: 288, 2Q: 468, 3Q: 311, 4Q: 288)

**EBITDA USD$ Million**

- 2014: 496 (1Q: 18%, 2Q: 9%, 3Q: 46%, 4Q: 31%)
- 2015: 68.2 (1Q: 89%, 2Q: 8%, 3Q: 3%, 4Q: -7%)

**EBITDA Margin %**

- 2014: 25.9 (1Q: 25.9, 2Q: 24.0, 3Q: 14.1, 4Q: 8.6)
- 2015: 48.8 (1Q: 48.8, 2Q: 34.7, 3Q: 14.1, 4Q: 10.8)

Note: 2015 figures under IFRS; 2014 figures under ColGAAP
Market drivers taking a healthy upward trend

Building permits anticipate the positive momentum of the market
7% M/M June, 1.33 million granted permits

Housing starts getting over the long term average
12.3% M/M June, totaling 1.2 million units

Adverse weather conditions in the 2Q are leading to a higher market growth in the 2H15

Bad weather days / Business days
Argos States - Quarterly
22% 5 years average
32% 2Q15 average

Highway bill is becoming a priority for the government
65% Roads under poor conditions
25% Roads needing significant repairs

- USD 350 billion long term transportation bill approved
- Three-month extension of the Highway Trust Fund (until October 29)

Source: Bloomberg - US Census Bureau
CARIBBEAN AND CENTRAL AMERICAN REGIONAL DIVISION

Piedras Azules Plant, Honduras
Caribbean and Central America: Honduras leads profitable growth

Cement
Ton 000

- 2014: 3,251
  - 1Q: 748
  - 2Q: 788
  - 3Q: 826
  - 4Q: 890
- 2015: 2,055
  - 1Q: 1,104
  - 2Q: 1,104
  - 3Q: 951
  - 4Q: 1,104

Market share gains in the Honduran market
Positive performance in trading
Consolidation of Puerto Rico

Concrete
m³ 000

- 2014: 516
  - 1Q: 110
  - 2Q: 141
  - 3Q: 139
  - 4Q: 126
- 2015: 217
  - 1Q: 105
  - 2Q: 105
  - 3Q: 112
  - 4Q: 126

Panama: Starting new projects expected to drive demand in 2H15:
- Dream Plaza, Marea II and Time Square (more than 33,000 m³)

Cement
- 24% growth driven mainly by:
- Market share gains in the Honduran market
- Positive performance in trading
- Consolidation of Puerto Rico

RMX
- Panama: Starting new projects expected to drive demand in 2H15:
- Dream Plaza, Marea II and Time Square (more than 33,000 m³)
Caribbean and Central America: Structural improvement in margin driven by organizational excellence program

- Operational excellence program coupled with strategic geographical configuration lead to a more profitable Regional Division:
  - Honduras and Panama EBITDA margin increased over 600 bps during 2Q15
  - 10% decrease in costs on a consolidated basis for the Regional Division
    - 3% production cost decrease in Honduras
    - Use of alternative fuels in Honduras reached 25.5%, increasing 17% vs. 2Q14
    - Operational efficiencies in Panama (3% decrease clinker/cement ratio, 5% decrease energy consumption)

**Revenues USD$ Million**

- 2014: 543 (141, 135, 127, 141)
- 2015: 273 (138, 134, 276, 141)

**EBITDA USD$ Million**

- 2014: 165 (42, 37, 44, 79)
- 2015: 91 (48, 43, 42, 91)

**EBITDA Margin %**

- 2014: 33.2% (31, 30, 28, 33)
- 2015: 28.7% (35, 32, 28, 31)

Note: 2015 figures under IFRS; 2014 figures under ColGAAP
CCA markets continue showing positives dynamics

Important benefits in competitiveness as all the countries in the division are net importers of energetics

Panama
Sustained economic growth
GDP variation Y/Y

Region should benefit from remittances coming from the USA recovery (Honduras 10% increase YTD June/15)

Ongoing construction works keep the market under a positive performance

- USD 900 million under execution in several road projects
- 3 hydropower plants under construction representing 15% of total works in the country for 2015
- Social housing under construction
- Multiple canal side works, such as bridges, ports and hotels

Honduras
Better economic performance in 2015
GDP variation Y/Y

Government initiatives are boosting the sector

- Increase in the budget execution of civil works led by the public sector
- A recovery is expected in the residential and commercial sectors by 2015/2016
- The government is promoting foreign direct investment to boost the infrastructure sector
FINANCIAL SITUATION

Newberry Plant, Florida
Strong balance sheet to maximize growth opportunities

**Assets**
- Current: 15%
- Deferred and intangible: 20%
- PP&E: 54%
- Permanent investments: 11%

**Liabilities**
- Bonds: 27%
- LT financial obligations: 13%
- Other LT: 30%
- ST financial obligations: 10%
- Other ST: 20%

* Figures as of June 30th, 2015

* 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 30th, 2015

Total gross debt = USD 1,957 million

Consolidated cost of debt

Net Debt
\[ \text{EBITDA} + \text{Dividends} \]
\( = 3.53x \)

EBITDA
\( \text{Financial expenses} \)
\( = 4.52x \)

Net Debt
\( \text{Shareholder' equity} \)
\( = 62.60\% \)

* Note: For ratio Net debt to EBITDA + Dividends, Net debt and EBITDA are calculated with the same FX rate (since 1Q15)
Adequate indebtedness level and profile (cont.)
Debt as of June 30th, 2015

Short-term:
USD$ 354 million

Long-term:
USD$ 1,603 million
Consolidated cash flow
COP Billion – as June 30th, 2015

Cash flow (COP Mill) | Total
---|---
EBITDA | 677,733
(+) Working Capital Var. | (83,851)
(-) Maintenance Capex | 146,961
(-) Strategic Capex | 135,891
(-) Taxes | 166,091
Total Free Cash Flow | 144,940

Financial Cash Flow

(+/-) Financial Contribution | (150,450)
(-) Net Dividends | (148,646)
(+/-) Net Other Operating | 5,500
(+/-) Net Financial Op. | (22,396)
(+/-) Capitalization | (1,654)
(+/-) Acquisitions | (28,293)
(+/-) Divestitures | -
(+/-) Exchange rate effect | (492)

Total Financial Cash Flow | (346,431)

Total Cash Flow for the Period | (201,491)

(+/-) Initial Cash Flow | 532,838
(+/-) Exchange rate effect | 6,103

Final Cash Flow | 337,449

- Exchange rate effect of COP 50 billion in NWK
Investment portfolio improves the company’s financial flexibility

<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>
</tr>
</thead>
<tbody>
<tr>
<td>Grupo Suramericana</td>
<td>6.0%</td>
<td>37,020</td>
<td>1,043,344</td>
<td>404</td>
</tr>
<tr>
<td>Bancolombia</td>
<td>4.0%</td>
<td>26,700</td>
<td>545,672</td>
<td>211</td>
</tr>
<tr>
<td>Cartón Colombia</td>
<td>2.1%</td>
<td>4,950</td>
<td>11,429</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,600,445</strong></td>
<td><strong>619</strong></td>
<td></td>
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</table>

* FX Rate as of June 30th, 2015: COP 2,585.11 / USD

Ordinary Share of Argos CEMARGOS

-9.3% % YTD – June/2015
-12.0% of the Colcap

Preferred Share of Argos PFCEMARGOS

-8.1% % YTD – June/2015
+15.2% since issuance (May 2013)
APPENDIX
SUMMARY PER REGIONAL DIVISION / OTHER BUSINESSES/
OPERATING PROFIT AND EBITDA (IN COP AND USD) / EXPORTS
## Appendix

### Summary per regional division / other businesses

<table>
<thead>
<tr>
<th></th>
<th>Revenues</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015 COP$ billion</td>
<td>2014 COP$ billion</td>
</tr>
<tr>
<td>Colombia</td>
<td>1,336</td>
<td>1,221</td>
</tr>
<tr>
<td>USA</td>
<td>1,452</td>
<td>973</td>
</tr>
<tr>
<td>Caribbean &amp; CA</td>
<td>677</td>
<td>540</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td><strong>3,466</strong></td>
<td><strong>2,733</strong></td>
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<tr>
<td>Corporate</td>
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<td>-4</td>
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<tr>
<td>Other Businesses</td>
<td>15</td>
<td>28</td>
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<tr>
<td>Florida closing expenses</td>
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<td>N/A</td>
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<tr>
<td><strong>Consolidated Result</strong></td>
<td><strong>3,479</strong></td>
<td><strong>2,758</strong></td>
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<table>
<thead>
<tr>
<th></th>
<th>US$ million</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2014</td>
</tr>
<tr>
<td>Colombia</td>
<td>538</td>
<td>622</td>
</tr>
<tr>
<td>USA</td>
<td>585</td>
<td>496</td>
</tr>
<tr>
<td>Caribbean &amp; CA</td>
<td>273</td>
<td>275</td>
</tr>
<tr>
<td>Corp. &amp; other buss</td>
<td>5</td>
<td>12</td>
</tr>
<tr>
<td>Florida closing expenses</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Consolidated Result US$</strong></td>
<td><strong>1,401</strong></td>
<td><strong>1,406</strong></td>
</tr>
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</table>

**Note:** All figures under IFRS
### Appendix

**Operating profit and EBITDA (COP and USD)**

<table>
<thead>
<tr>
<th>COP Billion</th>
<th>2Q</th>
<th>YTD</th>
<th>Var (%)</th>
<th>2Q</th>
<th>YTD</th>
<th>Var (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>2015</td>
<td>2014</td>
<td>Var (%)</td>
<td>2015</td>
<td>2014</td>
<td>Var (%)</td>
</tr>
<tr>
<td></td>
<td>1,826</td>
<td>1,453</td>
<td>26</td>
<td>3,479</td>
<td>2,758</td>
<td>26</td>
</tr>
<tr>
<td><strong>Costs and expenses</strong></td>
<td>1,584</td>
<td>1,305</td>
<td>21</td>
<td>3,072</td>
<td>2,457</td>
<td>25</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>242</td>
<td>148</td>
<td>64</td>
<td>407</td>
<td>301</td>
<td>36</td>
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<tr>
<td><strong>EBITDA</strong></td>
<td>371</td>
<td>256</td>
<td>45</td>
<td>678</td>
<td>517</td>
<td>31</td>
</tr>
<tr>
<td><strong>EBITDA margin (%)</strong></td>
<td>20.3%</td>
<td>17.6%</td>
<td></td>
<td>19.5%</td>
<td>18.7%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>USD million</th>
<th>2Q</th>
<th>YTD</th>
<th>Var (%)</th>
<th>2Q</th>
<th>YTD</th>
<th>Var (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>2015</td>
<td>2014</td>
<td>Var (%)</td>
<td>2015</td>
<td>2014</td>
<td>Var (%)</td>
</tr>
<tr>
<td></td>
<td>732</td>
<td>754</td>
<td>(3)</td>
<td>1,401</td>
<td>1,406</td>
<td>(0)</td>
</tr>
<tr>
<td><strong>Costs and expenses</strong></td>
<td>635</td>
<td>677</td>
<td>(6)</td>
<td>1,237</td>
<td>1,253</td>
<td>(1)</td>
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<tr>
<td><strong>Operating profit</strong></td>
<td>97</td>
<td>77</td>
<td>27</td>
<td>164</td>
<td>153</td>
<td>7</td>
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<tr>
<td><strong>EBITDA</strong></td>
<td>149</td>
<td>133</td>
<td>12</td>
<td>273</td>
<td>263</td>
<td>4</td>
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<tr>
<td><strong>EBITDA margin (%)</strong></td>
<td>20.3%</td>
<td>17.6%</td>
<td></td>
<td>19.5%</td>
<td>18.7%</td>
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Note: Figures under IFRS
Appendix
Exports

Cement and clinker

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>207</td>
<td>157</td>
</tr>
<tr>
<td>2Q</td>
<td>277</td>
<td>168</td>
</tr>
<tr>
<td>3Q</td>
<td>483</td>
<td></td>
</tr>
<tr>
<td>4Q</td>
<td>234</td>
<td>325</td>
</tr>
</tbody>
</table>

-19%  -43%  -33%  -8%  -100%  -6%
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.