

Cementos Argos

January, 2009



Argos has grown by both creating new companies and acquiring existing ones. In the 60s, it began to export its excess capacity to both the US and the Caribbean. In the 90s it began to gradually increase its international scale in Latin America.

30s	40s	50s	60s	70s	80s	90s	2000 - 2003
<ul style="list-style-type: none"> • 1934: Compañía de Cemento Argos was founded • 1938: Cementos del Valle was founded 	<ul style="list-style-type: none"> • 1942: Cementos del Caribe was founded 	<ul style="list-style-type: none"> • 1950: Cementos El Cairo was acquired • 1950: Cementos Nare was acquired 	<ul style="list-style-type: none"> • First exports to US and the Caribbean 	<ul style="list-style-type: none"> • 1975: Colklinker was founded • 1972: Tolcemento was acquired 	<ul style="list-style-type: none"> • 1982: Cementos Rio Claro was founded 	<ul style="list-style-type: none"> • 1996: CPR was acquired • 1997: Cemento Andino (Venezuela) was acquired 	<p>Strategic Alliances were formed with Holcim in Panama and the Caribbean:</p> <ul style="list-style-type: none"> ▪ 2000: Dominican Republic ▪ 2001: Panama ▪ 2001: Haiti

The Company's export business first began as a way of channeling its excess capacity to the US and the Caribbean as Colombia enjoys an ideal geographical location for this purpose.

First exports to US and the Caribbean



At the end of 2003, Argos decided to focus more on its cement, ready mix and aggregate business not just in Colombia but in some other strategic regions in the American continent.



In 2005, its 8 cement companies, 3 ready mix companies and 3 transport companies were merged into 3 different business divisions to maximize synergies and extend its economies of scale.



In 2007, Argos unified its 7 collective agreements and 2 employment agreements to form one single collective agreement which was signed for a term of 3 years. Argos' relations with employees have been set as an example by the International Labour Organization.



In 2007, Argos went on to consolidate its former brands under one single brand

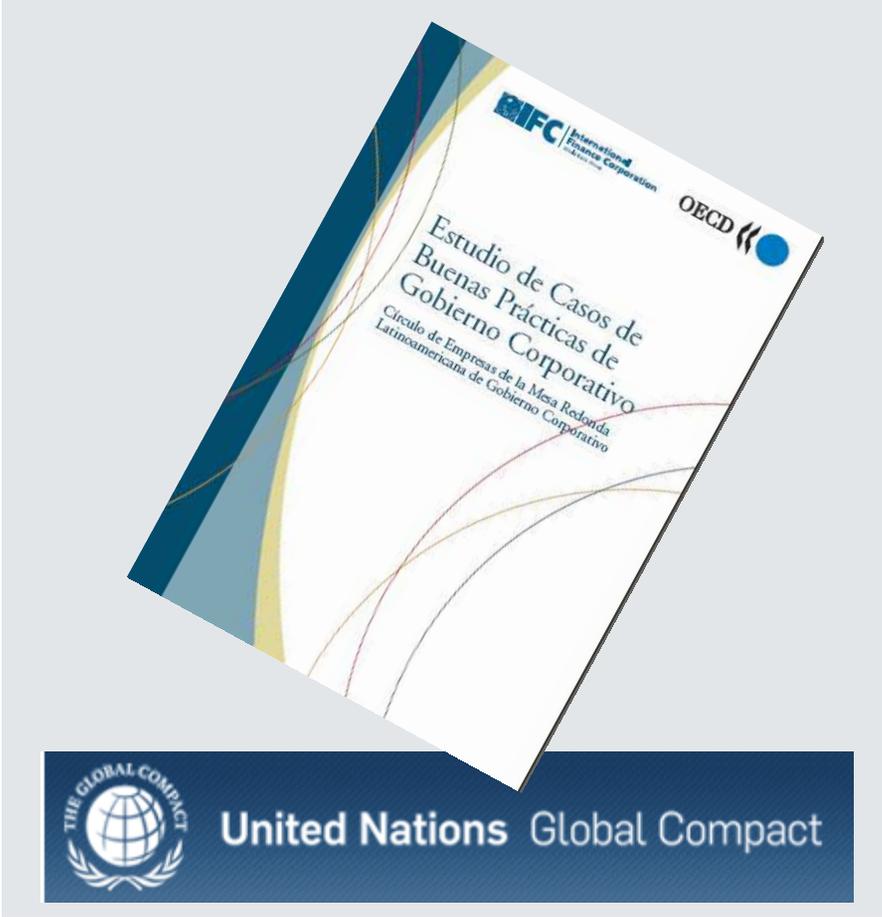
Before the merger: One brand per company



In 2007: A new corporate image and one single brand



Over the last couple of years, Argos has drawn up its Code of Corporate Governance based on OCDE and IFC guidelines. It also espoused the principles of the UN Global Compact and created its own charitable foundation “Fundación Argos” which donates around US\$ 4 million annually and has alliances with the USAID among other institutions.



It was in 2005 when the Company truly began to expand its international scale with various acquisitions in the US and started a very aggressive capex program in order to expand its capacity and reduce its costs.

2004-2005	2006-2007	2008-2009
<ul style="list-style-type: none"> ▪ SSC was acquired for US\$245 M as well as other US concrete companies for US\$26 M ▪ Carbones La Jagua was divested for US\$110 M 	<ul style="list-style-type: none"> ▪ RMCC was acquired for US\$435 M ▪ Other US concrete companies for US\$ 70 M ▪ Port facilities in the US for US\$37 M ▪ Aggregate producing mines in the US for US\$12 M ▪ Stakes in Tablemac and Bancolumbia Preferred were divested for US\$84 M. In Other 7 small non public equity investments' divestments we raised US\$44 M 	<ul style="list-style-type: none"> ▪ The Cartagena Plant is being expanded for a total of US\$400 M ▪ The Company's own energy-generating plants for US\$45 M ▪ Merilectrica was divested for US\$90 M ▪ Coal Assets were divested for US\$373 M. Expected closing Apr 09. ▪ Real State plus non strategic forestry was divested for US\$73 M. Proceeds expected in 2 yrs.

Argos is expanding by 1.8 million TPA, 20% of its current cement capacity, in the northern part of the country, in order to export it to the caribbean and the ready mix plants in the US, which consume 2 million TPA. Early clinker will be produced in the 3Q09.

Civil Works in Cartagena Plant

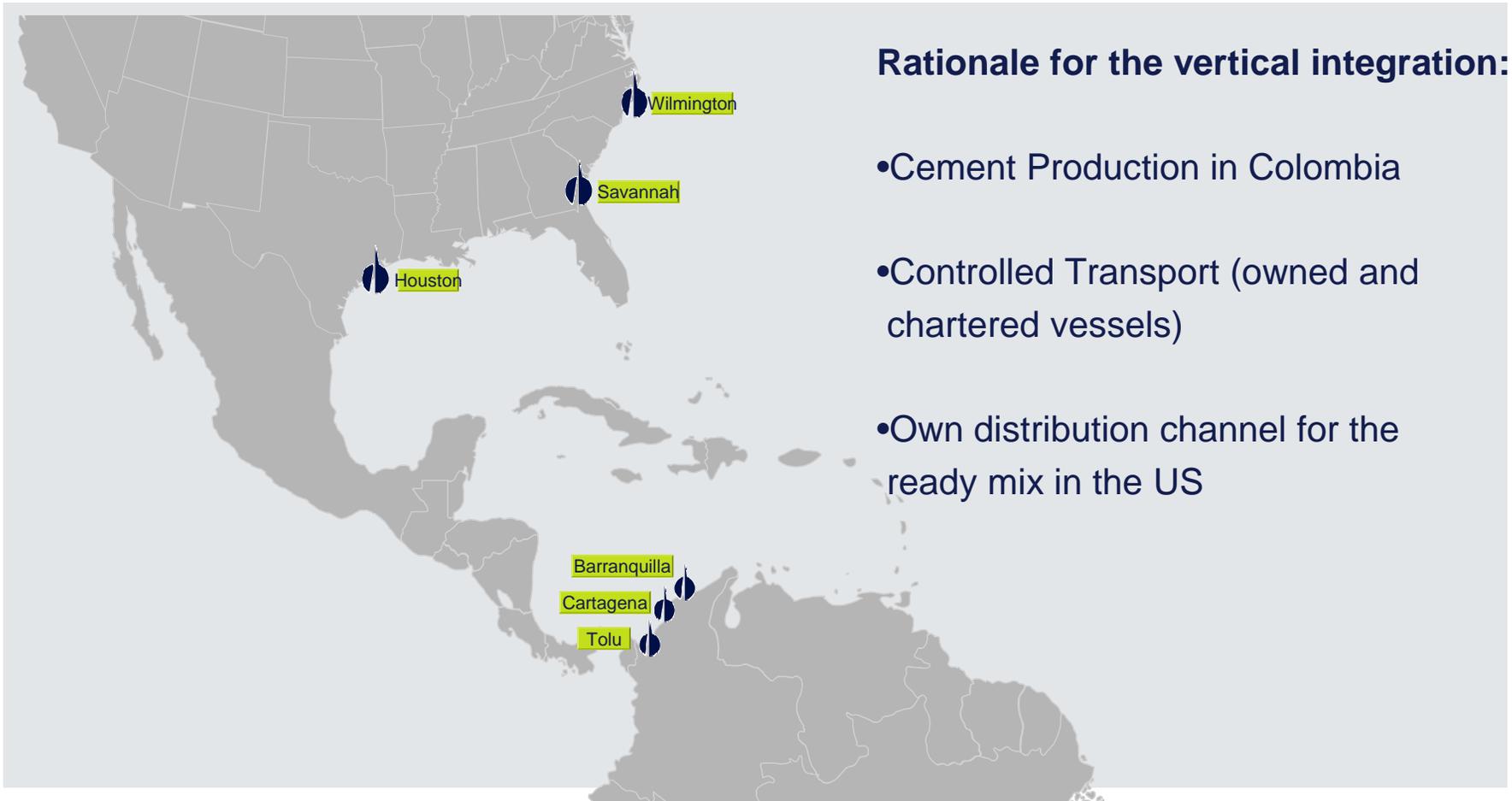


Argos broke with certain paradigms for a colombian company: It preferred to invest in the US rather than in other Latin American markets and in companies that were not up for sale



The choice of the US as its target country was prompted by the Company's knowledge of this market after 5 decades of export experience. The purpose was to secure the vertical integration of the value chain.

Target Country



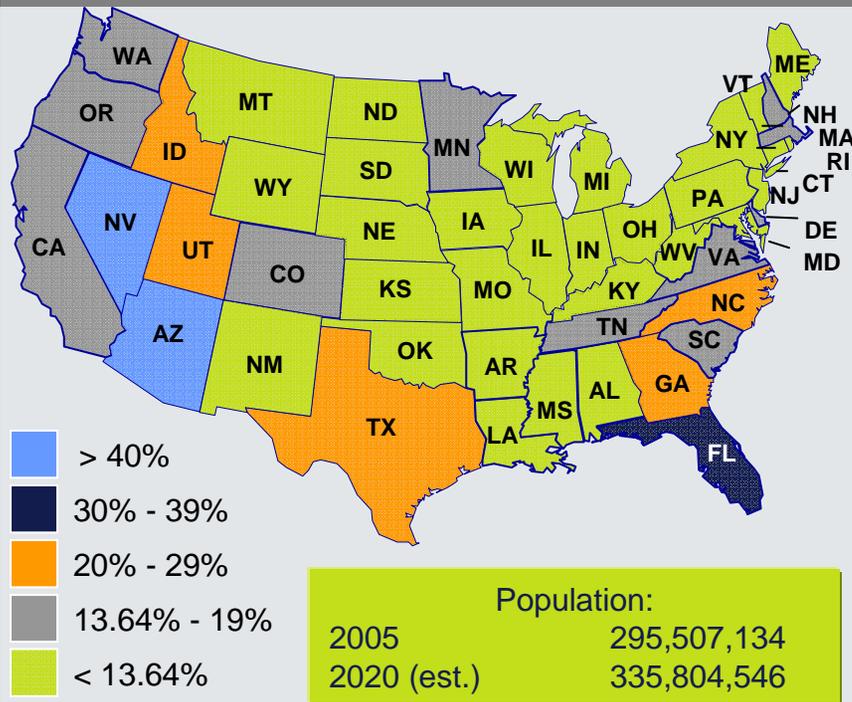
Rationale for the vertical integration:

- Cement Production in Colombia
- Controlled Transport (owned and chartered vessels)
- Own distribution channel for the ready mix in the US

Once the target country was established, the Company began to study the different regional markets. The south-eastern part of the country showed the greatest increase in new housing construction over the last 30 years, as well as the greatest regional GDP gains and the highest forecasted population growth rates.

Target Market

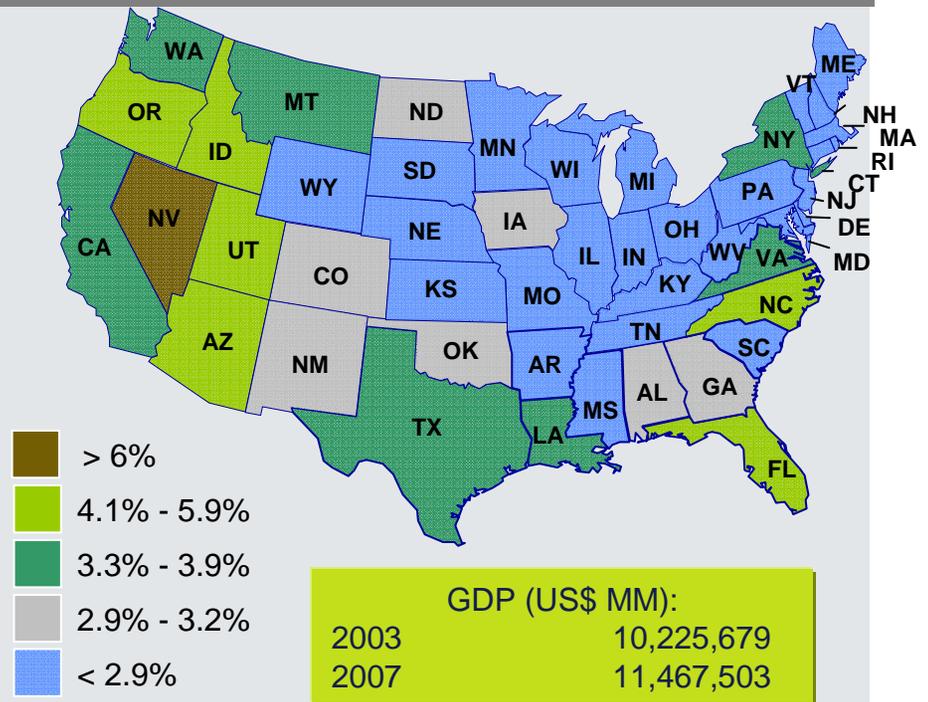
Demographic Growth 2020 Est



➤ Estimated demographic growth for the US in 2020 comes to 13.64%

Source: Portland Cement Association.

GDP Growth 2003 - 2007



➤ Average GDP growth between 2003 and 2007 came to 2.9%

Source: Bureau of Labor Statistics.

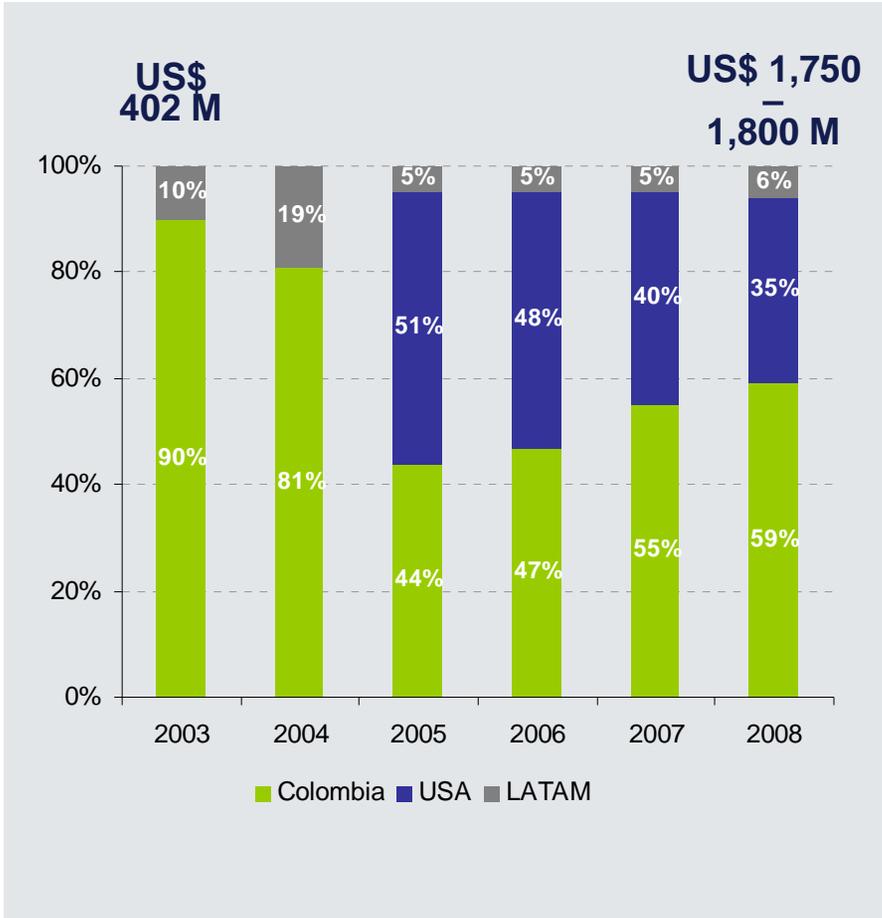
Over the last three years, Argos has made the largest investments that a Colombian company has ever made in the US. We are now the sixth player in the ready mix market in this country.

Investments in the US

Ready Mix Capacity	(11 companies) 9.4 Million Y3	US\$ 802 M
Plants	144	
Mixers	1,404	
Port facilities		
Aggregates		US\$ 12 M
		US\$ 851 M

Revenues increased by more than 300% between 2003 and 2008. The company also achieved a healthy regional diversification and today almost half of the revenues are sourced from abroad.

Revenues 2003 – 2008E **EBITDA 2003 – 2008E**

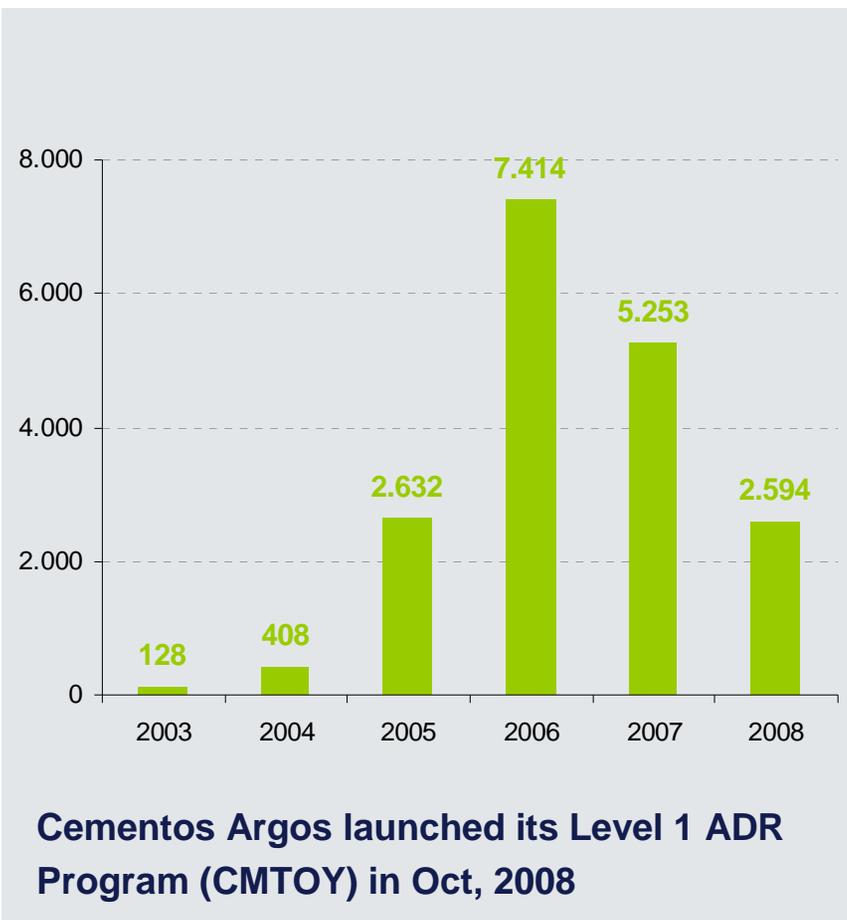


Between 2003 and 2008, the Company's share price has increased more than 200%, but at its highest point reached in Jan 06 it was 6 times higher than the one recorded just 2 years before. Trading volumes increased 60 fold between 2003 and 2006 and despite its fall during the last 2 years it is still 20 times higher than in 2003.

Price Performance

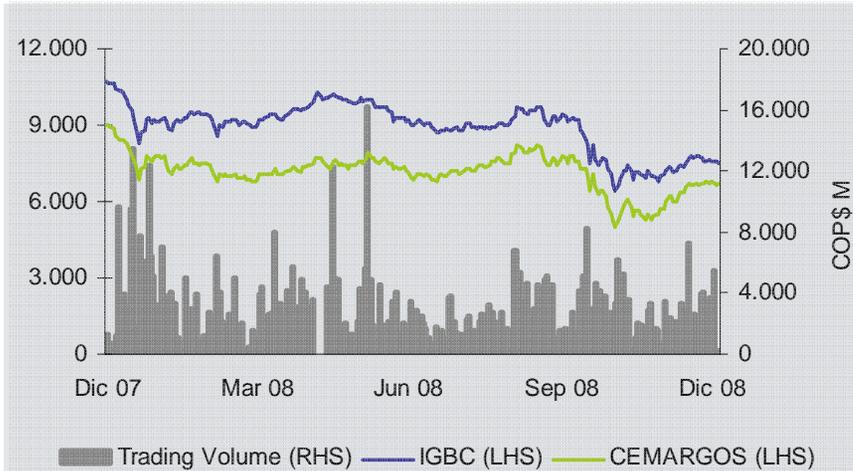


Trading Volumes

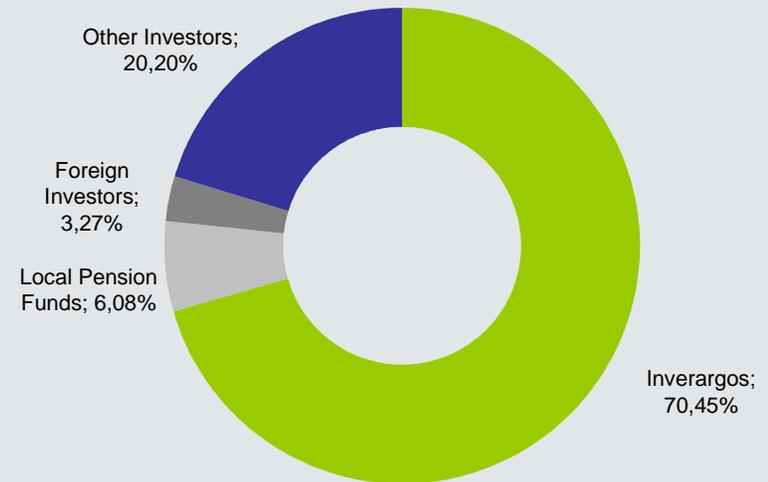


Cementos Argos' Market Summary

Price vs. Trading Volume



Shareholder Structure



Multiples

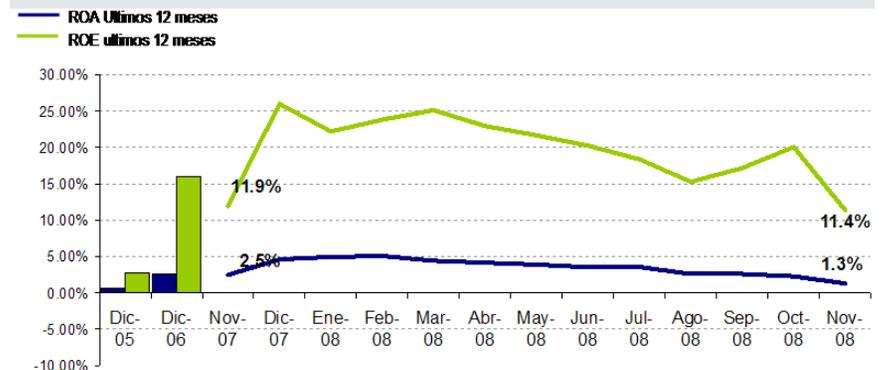
Market Cap	USD \$3,5 Bn***
P / BV	1.24 ***
EV* / EBITDA 2008**	9.7 – 10.7
Dividend yield	1.52%***
Outstanding Shares	1,151,672,310
Floating	30%

*Market Cap + Net Debt + Minority Equity – Portfolio Investments (as of Dec 30, 2008)

** Company Estimates

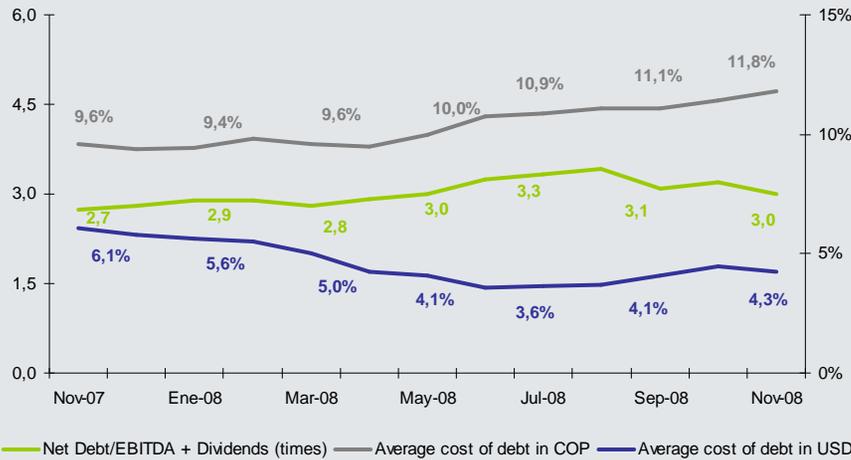
*** As of Dec 30, 2008

ROA & ROE

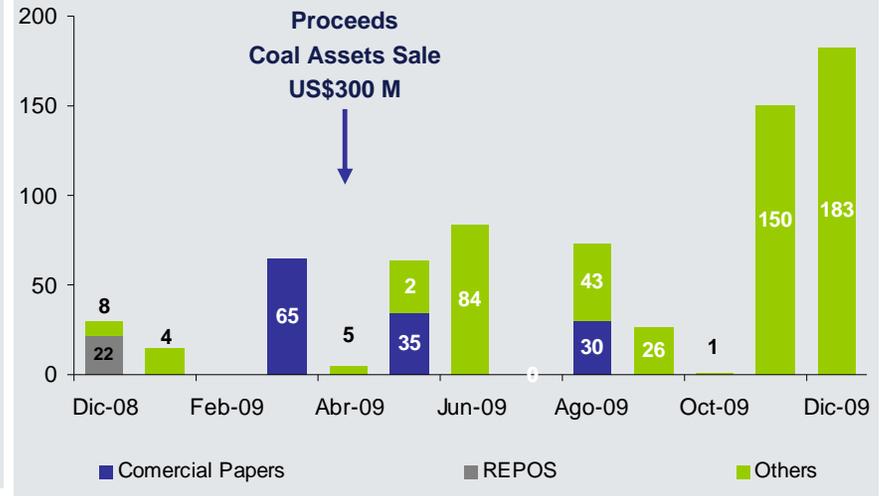


Cementos Argos' Debt Summary

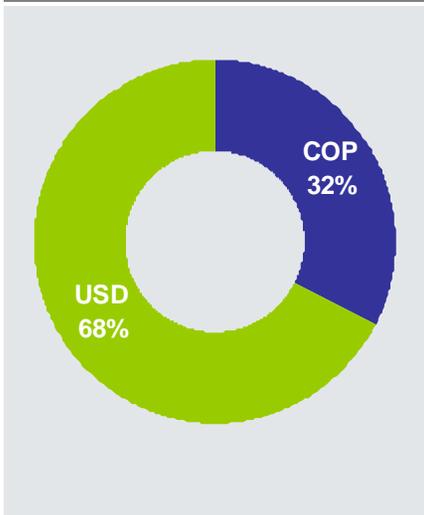
Cost of Debt



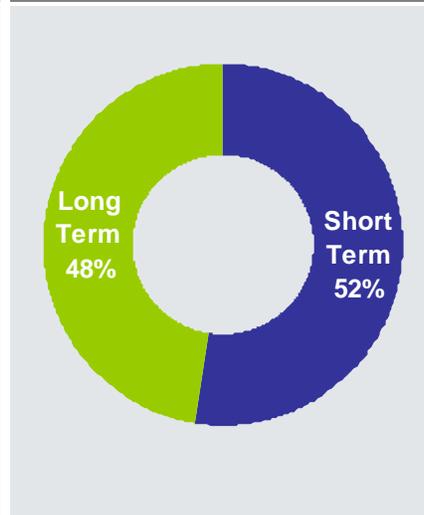
Short Term Debt Profile



USD vs. COP



Short vs. Long Term

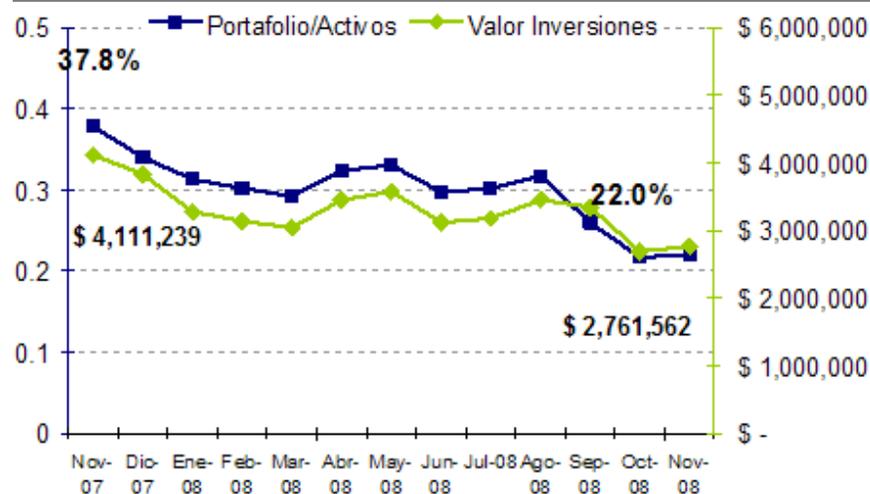


Long Term Debt Profile

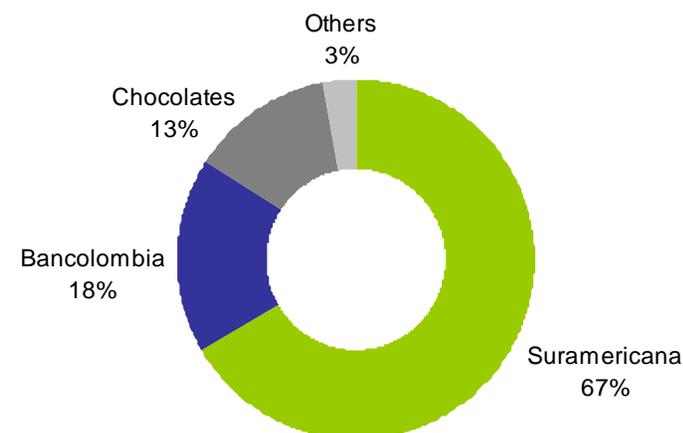


Cementos Argos Investment's Portfolio

Portfolio's Market Value vs. Assets



Portfolio's Composition



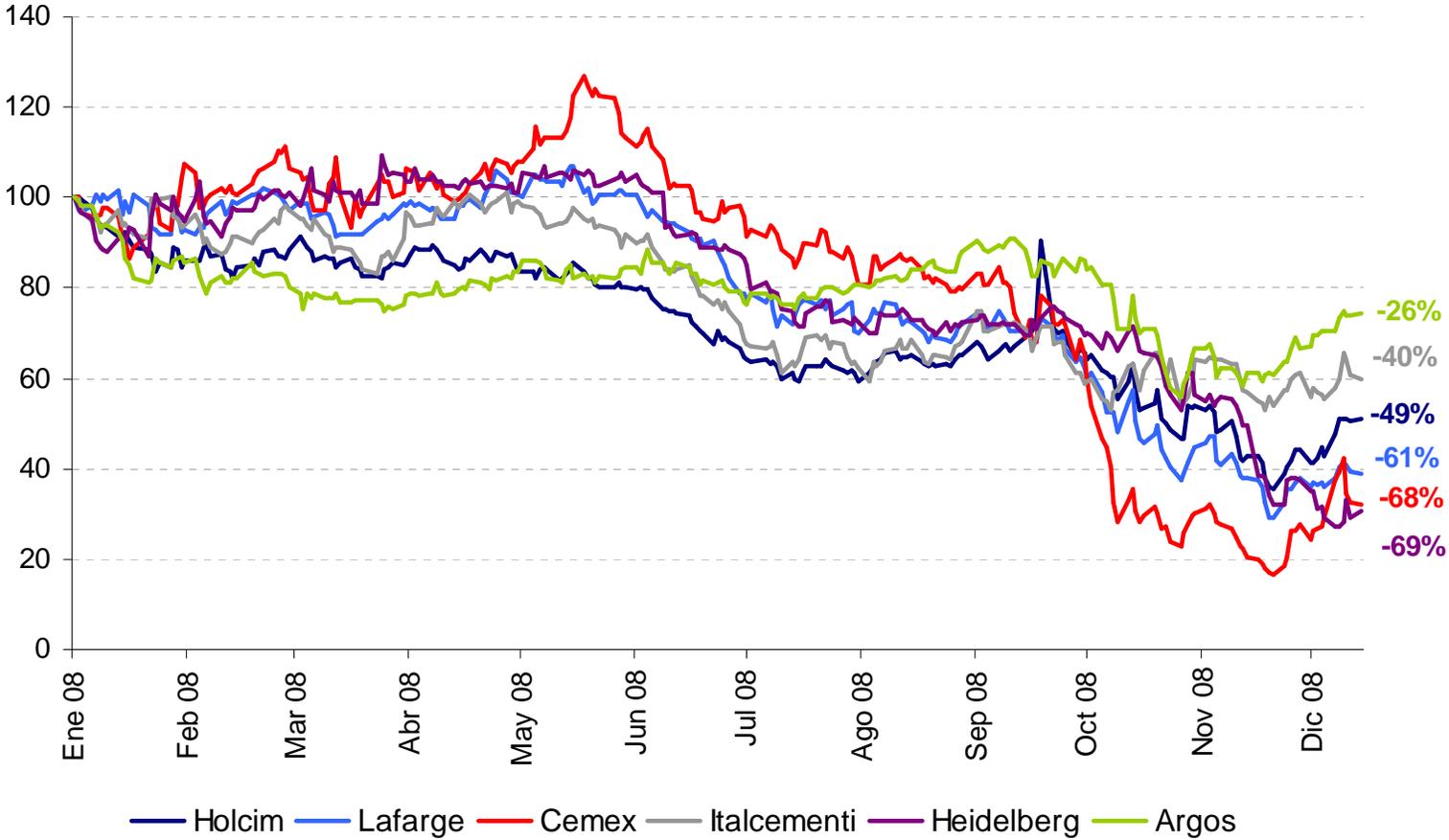
Portfolio's Market Value 2007 - 2008

Company	Dec 06 COP\$ M	Mkt Price Dec 2006	% Port	Dec 2007 COP\$ M	Mkt Price Dec 2007	% Port	Dec 2008 COP\$ M	Mkt Price Dec 2008	% Port	% Var
Suramericana	2.687.546	20.480	65,8%	2.619.308	19.960	68,4%	2.028.782	15.460	67%	-22,5%
Bancolombia	709.042	17.380	17,4%	689.459	16.900	18,0%	538.513	13.200	18%	-21,9%
Chocolates	413.516	16.580	10,1%	411.521	16.500	10,7%	389.074	15.600	13%	-5,5%
Colinver	63.762	23.860	1,6%	66.274	24.800	1,7%	57.722	21.600	2%	-12,9%
Bancol Pref	137.396	17.780	3,4%	-	17.420	-	-	12.860	0%	-26,2%
Carton	30.585	8.290	0,7%	30.645	9.600	0,8%	28.410	8.900	1%	-7,3%
Tablemac	37.499	7	0,9%	10.297	10,3	0,3%	3.749	4	0%	-63,6%
Fabricato	3.167	47	0,1%	2.362	35,2	0,1%	1.214	18	0%	-48,6%
Others	\$ 71.250	-	1,7%	43.304	-	1,2%	33.373	-	1%	-
TOTAL	\$ 4.082.512	-	100,0%	3.829.865	-	100,0%	3.047.465	-	100%	-

Cementos Argos' price was down by 26% in 2008, which does not look that bad when compared with the industry's performance over the last year.

Market Prices 2008

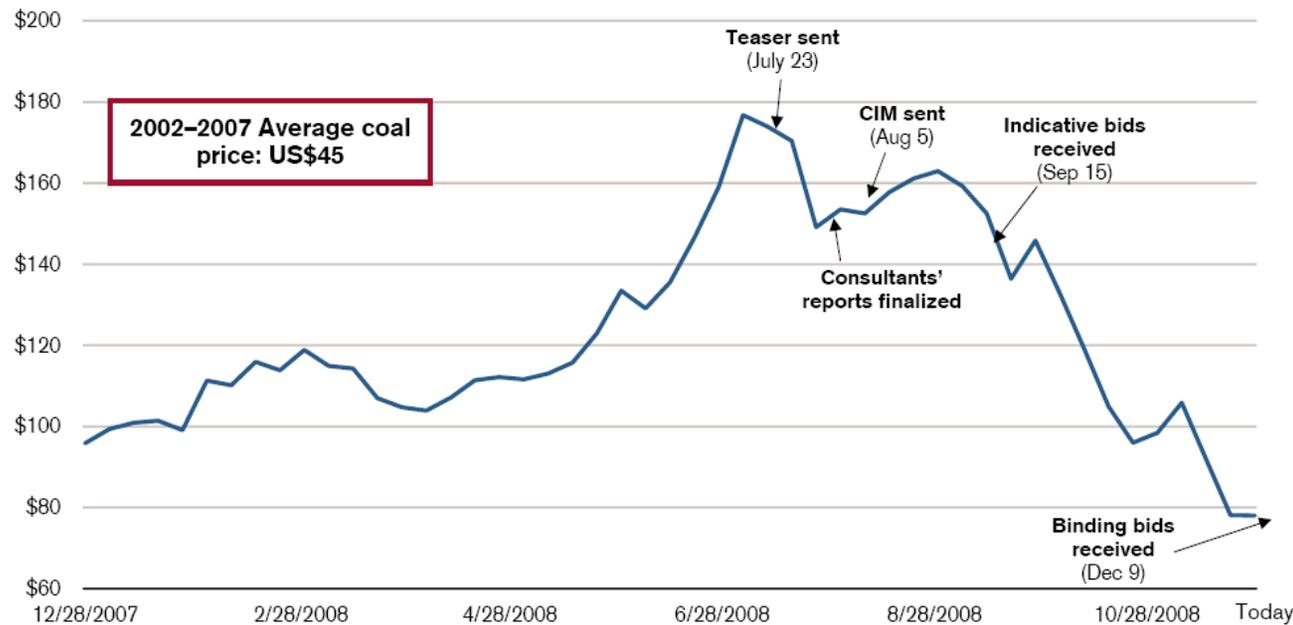
Holcim, Lafarge, Cemex, Italcementi, Heidelberg & Argos



Source: Bloomberg

At the end of 2008 Cementos Argos announced the sale of coal assets to VALE for US\$373 million. The proceeds from the coal assets sale will be used to strengthen Argos' financial position.

Coal Prices



EV	300
EV Las Cuevas	73
EV*	373
EV Rail & Port	80
EV**	293
Resources	456,7
Reserves	176,9
Production	1,8
EV*/Resources	0,82
EV*/Reserves	2,11
EV/Production	166,7
EV**/Resources	0,64
EV**/Reserves	1,66
EV/Production	122,2

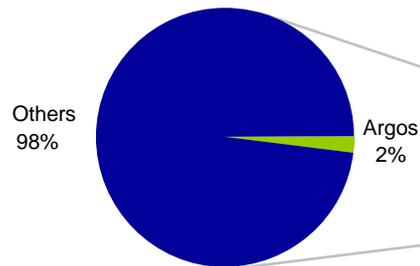
According to Merrill Lynch (Dec 24) “the implied multiples paid for Cementos Argos coal assets seem in line with Australian producers... EV/Resource at US\$0.6/MT was in line with the range of US\$0.32 – 0.85/MT and EV/production at US\$167/MT was in the upper level of US\$50-170/MT. According to JPMorgan (Dec 23) “the average of recent thermal coal transactions is US\$96/MT”

Source: Argos, Credit Suisse, Merrill Lynch, JPMorgan

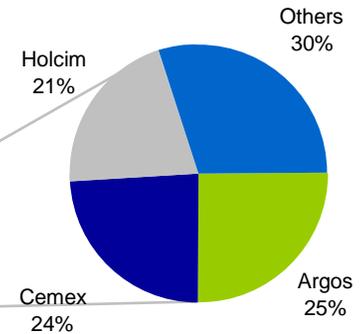
Today Argos is one of the main players on the cement and concrete markets in the Americas.

Argos in the Americas

Market Share - United States



Market share - The Caribbean

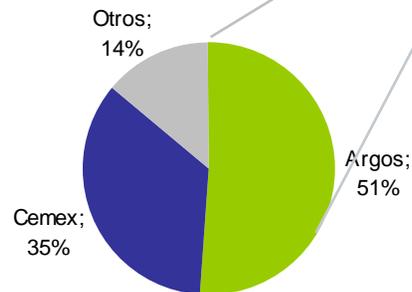


Market Share per State

Participación de Mercado por Estado

Little Rock (Arkansas)	40%
Houston (Texas)	18%
Dallas (Texas)	20%
North & South Carolina	14%
Virginia	1,2%
Georgia	1%

Market share - Colombia



Ranking – Latin America

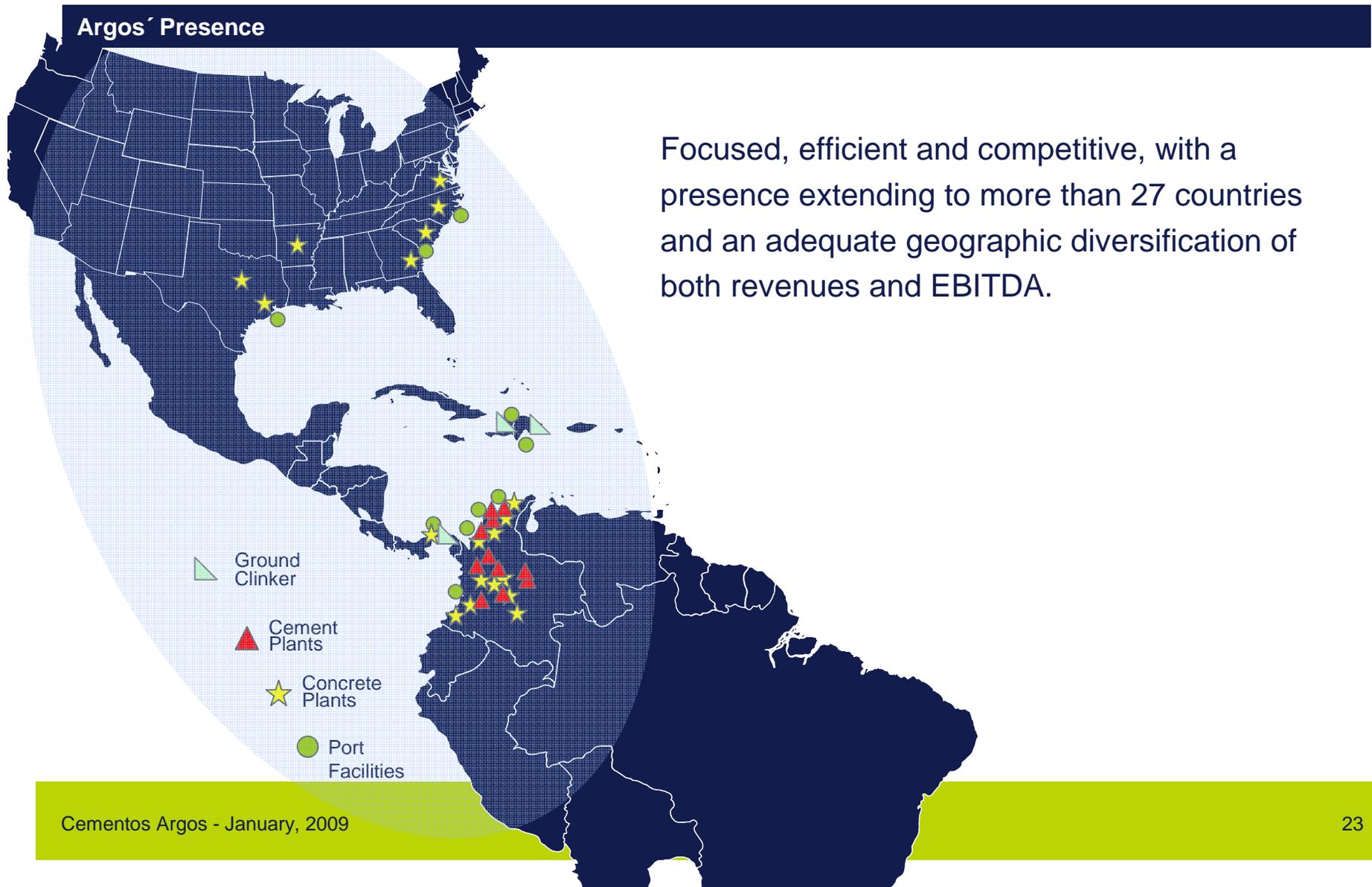
Cemex	• 43
Holcim	• 35
Votorantim	• 25
Lafarge	• 11
Argos	• 11
Nassau	• 7
Cimpor	• 6
Cem. Lima	• 5

Source: Credit Suisse.

Note: TPA stands for tons per annum.

Source: The Global Cement Report, Argos.

Today Argos is a completely different company



We feel proud of what we have achieved in the last 5 years, but we still have interesting challenges for the future

2009 Growth Guidance per Segment

	Volume	Prices	Drivers
Colombia			
Cement	-5% - 0%	10% - 15%	infrastructure - civil works
Ready Mix	0% - +5%	5% - 15%	infrastructure - civil works
USA*			
Ready Mix	-8% - -13%	-5% - +5%	N.A.
LATAM			
Cement	0 - 5%	-5% - +5%	infrastructure - civil works

Revenues 09E: US\$1.7 – 1.8 Bn

EBITDA 09E: US\$ 250 – 300 M

*Our goal is to maintain EBITDA and EBITDA margins in USA

What is Next?

- Consolidate Argos' Corporate Culture
- Seize acquisition opportunities:
 - Consolidate LATAM and the Caribbean region
 - Cement and Aggregates in USA / LATAM
- Focus on the strategic business and resources
 - Reduce the investment portfolio
 - Divest the non core assets and real state holdings
- Technological reconversion in Colombia for both economic and environmental reasons
- Launch the level 3 ADR and increase its access and liquidity

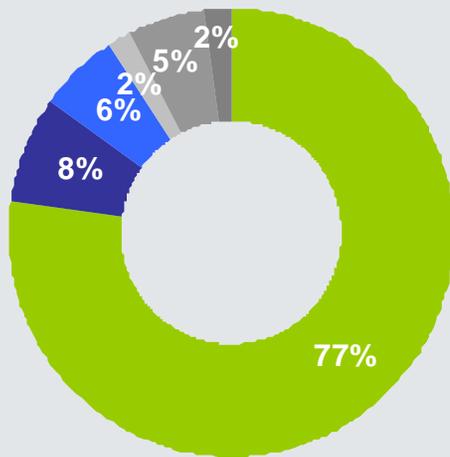
Inversiones Argos



Inversiones Argos' investment pillars are the cement, concrete and aggregates business, as well as the electricity generating sector, through its significant stakes in Cementos Argos and Colinvertaciones

Inversiones Argos' Equity Investments

As of Dec 30, 2008: USD 3.15 Billion



- Cemargos
- Suraminv
- Bcolombia
- Chocolates
- Colinverters
- Otras

CEMENT, CONCRETE AND AGGREGATES

Argos Stake: 70,45%



Strategic Businesses
Cement, Concrete and Aggregates

Strategic Resources
Energy and Logistics

Major holdings are:
Suramericana,
Bancolombia,
Grupo Nacional de Chocolates, Colinvertaciones and others

ENERGY

Argos Stake: 21.42%



Strategic Business
Energy

Major holdings are:
Suramericana,
Hotels,
BVC, and others

Stocks listed in Colombian stock exchange with high liquidity

Inversiones Argos' equity investments are complemented by its important stakes in Suramericana, holding company of the GEA; Bancolombia, first bank in Colombia with more than 30% of market share; and GNCH, lead food processor company

Inversiones Argos' Equity Investments

HOLDING	FINANCIAL SERVICES	PROCESSED FOOD
<p>Argos Stake: 7.57%</p>  <p>SURAMERICANA DE INVERSIONES S.A.</p> <p><u>Strategic Businesses</u> Insurance and Social Security, Financial Services, Cement, Concrete, and Aggregates, Processed Food, Services, Others</p> <p>Major holdings are: Inversura, Bancolombia, Proteccion, Inversiones Argos, Grupo Nacional de Chocolates, Sodexho, Sodexho Pass, Enlace Operativo, and others.</p>	<p>Argos Stake: 6.2%</p>  <p><u>Full Service Bank</u></p> <p>Brokerage house Cross-Border Leasing Company Fleet Renting Investment Bank Asset Management International Agency Consumer Finance Factoring Services Off-shore bank Leasing Company</p> <p>Presence in Colombia, Panama, Puerto Rico, Salvador and United States</p>	<p>Argos Stake: 1.9%</p>  <p><i>Grupo Nacional de Chocolates S.A.</i></p> <p><u>Strategic Businesses</u> Chocolate Coffee Ice-cream Cold Cuts Cookies Pasta</p> <p>Plants in Colombia (22), Costa Rica (3), Venezuela (1), Panama (1), Peru (1)</p> <p>Global presence in 76 countries</p>

Stocks listed in Colombian stock exchange with high liquidity

www.argos.com.co