

## TRANSCRIPTION OF THE EVENT

### QUARTERLY REPORT: THIRD QUARTER 2015

Good morning. We welcome you to the conference on the third quarter 2015 results of Constructora Conconcreto.

Before beginning, we would like to give you some tips on how to use the platform.

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When Doctor Juan Luis Aristizábal Vélez ends his presentation, he will answer the questions according to their order of arrival. With this brief introduction, I give the floor to Doctor Juan Luis Aristizábal Vélez, CEO of Constructora Conconcreto. Doctor Aristizábal, you may begin your presentation.

Good morning to everyone. Today, we are presenting the third quarter 2015 results to Conconcreto investors. We will begin with relevant facts at the company level. We are quite advanced in the process of Conconcreto's capitalization through the partnership with Grupo VINCI. At this time we are completing all the approvals required to perfect the transaction and, then, once all the requirements and measures have been completed, we will make the presentation of the offer to VINCI COLOMBIE S.A.S., which is the company that will subscribe the shares and, then, make the payment for the shares, which equal twenty percent (20%) of the company. This capitalization is for COP 289,462 million; our goal as the administration of the company is to complete all the measures before the closing of 2015. Afterwards, there will be a new Shareholders' Assembly in Conconcreto to change the number of Board members, two of who will be from VINCI, as well as make the adjustments necessary that were proposed in the Shareholders' Assembly where the transaction was approved.

Another important fact is the advancement in the contribution of assets to the Alliance between Grupo ARGOS and Conconcreto, the name of which is PACTIA. At this time, both companies are in the process of transferring assets or the contribution of the assets to this new alliance. We have incorporated the company PACTIA S.A.S., which will be the operator of the assets in the PACTIA Trust. Conconcreto is delivering the real-estate assets that it has in operation at this time and is delivering the lots of land where licenses have been requested or where

construction has already begun. In turn, Grupo ARGOS will transfer the assets it had acquired in shopping centers, such as Mayorca, or its participation in some alliances with VIVA, Grupo Éxito, a real-estate asset in Barranquilla, which is a lot of land and an asset of offices in Medellín. Both companies are making these transfers, with all the required, necessary measures; in some cases, this is somewhat more difficult because of the processes or requirements that must be met, but we expect to end the year with a very aggressive goal in which both companies have contributed all the real-estate assets and that Grupo ARGOS will continue to make its contributions in cash to the extent that the cash flow requires this to be done. The total number of asset contributions is today at 88.2%, with 11.8% pending in the number of assets. This alliance has been consolidated from an operational point of view; since August 2015, when it began as an independent company, all officers of Grupo ARGOS and Concreto have already moved to the new PACTIA S.A.S. Company and are beginning its autonomous, independent operation with the support of Grupo ARGOS and Concreto in the operational area and, obviously, with the government body for decision making.

I also wish to highlight that, as of September 2015, the Company has a backlog of COP 2.16 billion; we have a growth over 2014 of nearly COP 260.000 million. Of this backlog, 46% corresponds to infrastructure; 38%, to construction projects, where approximately half of this percentage corresponds to the assets that we are building for the ARGOS-Concreto (PACTIA) alliance; and 16% are construction projects in Concreto's Housing Area. It is important to mention that if you look at the quarterly income figures in the report, as for this year, in the backlog we have COP 351.000 million to execute, which is a significant figure, compared with last year's quarters, which appear at the end of this report. It is also important and noteworthy that for 2016, we have already contracted COP 1.21 billion to execute during the year and we have some expectations of margins according to the percentages available to the Company, which means that – despite we anticipate a year of uncertainty in 2016 – Concreto has already contracted a volume higher than 100% of 2015. In the next page appear the relevant facts of each one of the areas; there we are simply highlighting the projects that are being executed in both infrastructure and building and housing. I believe that the most outstanding fact is that we have been awarded one of the *INVÍAS Vía Conectividad* in Barranquilla, a contract for COP 90.000 million, which joins the city (or *Circunvalar*) of Barranquilla to the Port. This is an important project for the city and is an important work of infrastructure where Concreto has ample experience. I also wish to highlight that in the area of Buenaventura, we have extended the contracts of the fresh-water maritime works, COP 110.000 million in earthwork and COP 12,700 million in the construction of the dock. In edification, we have advanced with projects underway, both in PACTIA as well as third-party projects and we are also very focused on continuing to promote middle-stratum projects; that is, the *VIS (low-income housing)* projects and projects in the range of COP 200 million – COP 300 million in capital cities. In the Engineering and Design Area, which is a new area of help and support to the Company, it is one of the pillars of innovation and, likewise, is an area where we expect to generate income in the near future, we are supporting the presentation of infrastructure and edification tenders; we are also supporting the structuring of projects under the PPP modality, and we are selling engineering services to other construction companies in

the country, especially in matters that have to do with the integration of designs with structural designs and with certification in LEED international standards. In the next page, there are also relevant facts on infrastructure. In Sector 1 of the *Ruta del Sol*, negotiations are advancing with the *Agencia Nacional de Infraestructura* (ANI) to reinstate Stretch One of Sector One of the *Ruta del Sol*; this is a complex negotiation because both parties obviously have many variables to consider. There is good will from the Government and there is also a desire of the consortium to reach an agreement to reinstate the construction of the tranche comprising Villeta – Guaduas, which is approximately 21 kilometers. This is the tranche where there are tremendous technical challenges and, obviously – from an economic and contractual point of view – the fact that the contract is displaced in time and that there have been changes to the layout requires many months of consultations to reach agreements between the parties. It would also be a desirable goal for *Consortio HELIOS*, which is responsible for the construction of this work, to complete the agreements it has at this time in course with the Government before the end of the year to propose the goal in the aggressive program, led by the Vice President of Colombia, to begin construction of this tranche hopefully in the first quarter of 2016. Also in the strategy of concessions, I mentioned in the previous meeting that Concreto was excluded from the awarding of the 4G bids in the first and second work. However, we are studying other alternatives. In infrastructure, the most important work is the termination of the construction and the operation in maintenance of the Buga–Buenaventura road; this is a PPP that was presented to ANI, and it is in the last stages of approval. This is a contract with an estimated CapEx of COP 1 billion, and it is one of the most important road corridors in the country.

Additionally, as I mentioned, we continue working on the light-weight trains – or Trams – in the Sabana de Bogotá. The first line, the West Line, is a stage that has a CapEx of COP 1.5 billion. It is a line that joins the center of Bogotá to Facatativá. We are now culminating all the negotiations and approvals from ANI to move on to the Ministry of the Treasury's definitive approval of this PPP. Unfortunately, the election period slowed down the rhythm of this project, but we have indications that the new local governments, both in Bogotá and the Sabana de Bogotá impacted by this project, as well as the Office of the Governor of Cundinamarca, are going to give their approval to the project to continue supporting it. This is a project that we expect to have approved in the next three to six months to give viability to the financial closing and begin construction. The second Tram project, which is the line that will go from Bogotá to Soacha is a bit behind. This project also has a CapEx of COP 1.5 billion and it will require some more studies and designs; we also have to wait for Enrique Peñalosa, the Mayor elect of Bogotá, who has said that he wants to do the corridor on the highway that goes from Bogotá–Girardot, which communicates Bogotá with Soacha on the two-level highway, which competes with the Tram, so we will have to wait until he assumes office (on January 1, 2016) and given the guidelines regarding this project.

We are also working aggressively in the *Puerto Caribe*, which is in the Colombian Caribbean area. It is a very important port for the development of some of the country's regions in the Caribbean. It is a project with a CapEx of nearly COP 2.5 billion, to be built in stages: the first stage was close to USD 400 million.

In power generation, the definitive environmental approvals, construction licenses, etc. have been obtained for a small hydroelectric plant in the south of the country, near the city of Popayán. Construction on this project will begin in 2016, generating 16MW and has an estimated CapEx of COP 146 million. Concreto will be the builder there and have an investment of 50% in this project.

In housing, as I mentioned, Concreto continues to be very active in the middle strata. Our focus remains in Bogotá, Medellín and Barranquilla. At this time, we have sold nearly 1,250 units; we expect to close the year with the registration of 452 units that, under the new financial information regulations, are required to be registered in order to report them in the financial statements. Additionally, we are studying six projects for a total of 5,500 units that will be built in stages, and we are looking at some mega projects in Bogotá. Housing is an important niche for Concreto, but it represents only about 10% of the Company's operation. We are also applying all the innovation strategies in construction that have to do with industrialization, standardization and compliance of all environmental regulations in this area.

In the PACTIA real-estate portfolio, at this time Concreto and Grupo ARGOS are contributing nearly 450,000 m<sup>2</sup> in operations and there exist or we have projects so that – at the end of 2019 – this portfolio will be nearly 720,000 m<sup>2</sup>. The strategy continues with the same type of real-estate assets, most of which are shopping centers. The portfolio also has importance in logistical developments, office buildings, hotels and car storage. At this time, as I have said, we are building a shopping center in Soacha, to the south of the Sabana de Bogotá; we will soon begin a shopping center in Bosa and Concreto contributed the land and all the designs and license process for another project in south Bogotá. With this, we would consolidate three new shopping centers in Bogotá.

Additionally, we continue working in the strategy of office buildings in the Avenida El Dorado, where we are completing the AVIANCA Operational Excellence Center. Adjacent to this building is an office building, with spaces to lease. We have *Buró 59* in Barranquilla; in general, with this the leadership that Concreto had in these projects concludes. Now, the new company PACTIA S.A.S. has given new guidelines to follow in future projects to be executed in the real-estate fund where Concreto will continue to be an ally from the point of view of construction.

On page give are the third-quarter financial results. As you can see, the results are remarkable when compared to the same period in 2014. As of September 2015, we have revenue for COP 849,760 million and a gross profit of COP 169,776 million. Basically, revenue growth is due to the implementation of a greater volume of construction and to the increased revenue associated with the real-estate portfolio during the period, a period in which the assets were in Concreto before passing to PACTIA. Likewise, we are making some adjustments, according to the regulations; to have comparative financial statements, we are also going to the equity method of associates; we are transferring the revenue from PACTIA as the assets are transferred to the PACTIA Fund and the revenue from concessions. We have also made an

adjustment in the sense that last year, the operating costs of equipment or the operating expenses of the equipment was listed as Company expenses; in 2015, we are transferring all these expenses to the cost of sales in order to reflect a truer situation of the Company. So, these are adjustments that the regulations require us to make; they are also adjustments in accordance with Concreto policies so that the financial statements are more comparable. Hopefully, in 2016 we will have some figures that accurately reflect the Company's business units and be compared to previous years. The Company's gross profit had a slower growth than that of the operating revenues; this is – in part – due to a reduction in the value of some of the subsidiaries and – as I have mentioned – due to the reclassification of the expenses in the Area of Equipment. The variation in the operating income, which is also important, is a growth of 82%, which is explained by the growth of other income arising from the sale or partial assignment of a percentage of a logistics project in Bogotá, in the Sabana, and due to the sale of equipment in some projects that were completed and in the entire fleet of equipment that will not be used in new works, so they are withdrawn and simply sold. There is also a reduction in operating costs due to the movement of all the equipment expenses to the cost of the sales and also because in other earnings, the difference in the value of the assets that are being contributed to the PACTIA Real Estate Portfolio are being registered with the method of reasonable value. Basically, the operating income has impacted these items I've mentioned, but also, 2015 has been an excellent year for Concreto. The projects have had very good results and, to date, with the exception of *Ruta del Sol* – which, as I have mentioned, is a project that at this time is on standby because of negotiations with the Government – no other project has evidenced what could have a negative impact on the Concreto results at the close of this year or 2016. In the case of *Ruta del Sol*, as I also mentioned, we had some losses last year and we expect that with this negotiation, the situation improves at the end of the year, if we reach a negotiation. In the equity method, a growth in income is reflected for road concessions and also all the income corresponding to the PACTIA Trust, the income will also begin to be reflected in this line. That is, here the income, minus all the costs inherent to the assets and the costs corresponding to the operation that PACTIA S.A.S. has will be reflected here in Concreto. For corporate purposes, also in 2014 and being the first year that we have implemented international standards to report financial information, some of the adjustments that were made in taxes were only reflected in the last quarter of 2014. This year, we have reflected them each quarter, and for this reason some of the figures are still not fully comparable. A very important figure to highlight is the deferred-tax adjustment, which is directly related to the deferred tax that is generated by the contribution of the assets to the PACTIA Trust. This tax is a tax that will not have to be paid in cash until the eventuality that these assets in the PACTIA Trust are sold and we have to pay the corresponding tax that is posted in the deferred tax. In the consolidated financial situation, I would say that the most important changes seen in the third quarter and that will also be reflected at the end of the year are the sale or movement of the assets that are transferred from Concreto to PACTIA and the decrease in liability. To date, at this time, we have a decrease in liability of about COP 306,882 million, corresponding to the assets that have been transferred to the PACTIA Trust. It is also important to mention that, for the end of the year in the assets, basically in the assets of the PACTIA Fund, the lines of the asset will change, but in liabilities, there will be a significant



decrease because we will stop reflecting or consolidating all the assets of the PACTIA Portfolio because there, we are not the controlling party; we are simply a joint business between Grupo ARGOS and Conconcreto.

On page 6 are the revenues and the EBITDA and a graphic with the consolidated indebtedness. We have used green to show those revenues that correspond to the Company's ordinary income and brown for those that are the equity method; this was done to allow you to compare this graphic with the financial statements. It is worth highlighting the important contribution of infrastructure to income as of September 2015. There is also COP 90,773 million from the real-estate fund; these revenues will disappear for 2016 and will be transferred to the equity method in the line that corresponds there to PACTIA. In the vertical integration, we also highlight that the Conconcreto subsidiaries related to the construction business have contributed nearly COP 70,000 so far this year; these are important businesses for the Company and, above all, that greatly support the innovation and sustainable construction strategy with all the products and services that are contributed to the Conconcreto projects. As for the EBITDA generation, the Company total as of September 2015 amounted to COP 179,358 million; the large contributor there is the Real-Estate Fund. In the first months of the year, this EBITDA will be decreased once all the contributions to the PACTIA Trust are consolidated and basically, we will only receive a figure that could be between 65% and 75% of the earnings Conconcreto receives today because we will have the EBITDA net once all the OpEx and all the expenses related to the operation of the PACTIA S.A.S. company are subtracted. In terms of indebtedness, we have a graph that discriminates the origin of the debt by color: green is all the working capital that is required for construction; yellow are the funds that have been invested, especially in the real-estate portfolio and in some other investment projects, such as the concessions of the PPP, in which we have begun to contribute the on-going businesses. Blue is the credits that are taken out for the housing businesses; white is for the consortia; and mustard, for the indebtedness of subsidiaries. We have made this discrimination because it is important and you have noticed in previous presentations that the Company's cash generation has to take care of the loans related to the construction working capital. Those in green and yellow will be paid with the revenues that we receive from the concessions of the PACTIA Fund; blue are normally loans that are taken out by project and although Conconcreto is obviously responsible for all its housing projects, within the costs of these projects there is always the service of debt, both in capital and interest, which – if the projects have a positive earning and we are reporting them as positive under international standards – these loans will be paid with the execution of the projects that are being encapsulated in a trust. This is similar with the consortia: when we report profits in a consortium in the Conconcreto consolidated financial statements, this means that the consortium will be responsible for the debts and the interest payment of the debt, which when we always report the projects under the modality of a consortium as positive, we assume that the consortium will pay the debt. In some cases we eventually have to take out some loans to support the operation of the consortia to purchase equipment or to overcome some deficits in cash flow, but – generally – this debt is not directly related to the day-to-day operation of the Company.

From June to September 2015, we have reduced the PACTIA debt by COP 362,633 million; we expect that the contributions still to be made to PACTIA will decrease the Concreto debt by COP 277,914 million, to reach a debt, after the contributions of PACTIA, of COP 695,363 million. When we consolidate and complete the capitalization of VINCI for COP 289,462 million, which we expect will be during December of this year, Concreto's net debt will be COP 405,902 million, which is a fairly reasonable debt for the size of operation of the Company. I wish to reiterate, as I mentioned in the Shareholders' Assembly where the capitalization of VINCI in Concreto was approved, the money that VINCI contributes is money that has a specific use, either in infrastructure projects or in investments related to infrastructure, either through strategic alliances or in the event of a business acquisition. This is quite important because this ensures that all the projects that are being structured under the PPP modality, Concreto will order the equity available to make the contributions.

Finally, on the last page, there is a quarterly comparison of the consolidated revenues, the operating income, the EBITDA and the net profit. The figures in yellow correspond to 2015, where you can see that it has been an exceptional year in terms of comparison with 2014. It is noteworthy that in consolidated revenues, we have had a quarterly average of nearly COP 270,000 million. If you remember, I mentioned that the backlog for the last quarter is nearly COP 351,000 million for execution through December 2015, so 2015 will have a very interesting closing compared to 2014. In terms of operating and if you look at the figures there, normally there are no substantial changes from one quarter to another; we expect that the fourth quarter will also be an important quarter for Concreto. We have no evidence that there is an impact on projects that could affect the operating profit margin, which we also expect the close of the year to have a very interesting projection. In terms of the EBITDA, noteworthy is that it is quite high. I had mentioned that since 2014, to the extent that the real-estate assets enter into operation, the Company's EBITDA would have an important growth curve that you can see in this chart; obviously this curve will change with the Grupo ARGOS-Concreto alliance, but it will continue being an interesting contribution made by the PACTIA Fund to Concreto's EBITDA and, in terms of net profitability, also noteworthy is the result of the three quarters of the year compared to 2014, and as I mentioned, we also see that the closing of the year will be interesting from the point of view of net profit. It is also important to highlight finally that today Concreto has a significant financial strength for the challenges we will assume in the coming months. Today the Company continues to focus on the infrastructure business where nearly 50% of its operation is related, either in third-party projects or with projects we are structuring through public-private alliances. Second is that the level of indebtedness, which was always a concern of the administration of the Board and of all our financial-service providers. I think that Concreto, with the PACTIA fund, the transfer of Concreto's debt to the PACTIA Fund, and with the capitalization of VINCI, we will have some pretty solid financial figures, which will give peace to the financial sector and eventually make financial closings of the PPPs, where we are working. From the point of view of businesses, today Concreto, as I mentioned, has a backlog of COP 1.2 billion for 2016. I would say that – from the point of view of the administration – we are concerned about 2016 and perhaps the first quarter of 2017, while seeing a clear picture of the price of oil and the impact of falling oil prices on the Colombian

economy and the adjustment of interest rates that have a high impact, especially in the housing business. So, today Concreto has a strong position; we are still optimistic about 2016 and the first half of 2017 in the Company and we are actively working on generating the backlog. A strategy of the Company today is to continue bidding with reasonable margins but with important proposals in the market. Today, the Company self-generates nearly 50% of the work and it is a Company policy to continue promoting housing projects, to continue strengthening the alliance with Grupo ARGOS through PACTIA and to continue presenting PPP proposals, or – in the case of the port or the small hydroelectric plant – to promote infrastructure projects that allow us to self-generate the work. From the point of innovation, we are making important contributions and changes in the Company. I believe that this Company stands out in the area of innovation in the construction industry; a large part of the Company results are due to an innovation policy that is based on dividing construction times, improving margins, and standardizing processes. We are closing an important innovation competition in Concreto called “Ideas that Are Worth It”; coincidentally, the awards ceremony is today. We estimate that all the innovation projects that have been executed this year can have a positive impact of between COP 4 mil millones to COP 6 mil millones in the results of the Company. This is a great contribution to the Company; it encourages and motivates and it is economically rewarded, and I believe that this is what will also allow us to continue standing out as a leader in the construction sector in the coming years. This concludes my presentation and we will now take questions from all of you.

Thank you very much, Doctor Juan Luis. We will now begin the period of questions and answers. Remember that you can write us via streaming in the question box in the left margin of your screens, or marking the nine (9) key by phone:

Let's begin with the questions:

We will begin with the following question from *Marcela Peña*: How is the financial closing of the Company's private PPPs progressing? And, second: With the capitalization from VINCI, does the Company have enough muscle for infrastructure equity? Will it be required to seek more resources?

Well, at this time, the Company is working on the PPPs, in the first stage of the PPPs, where Concreto – in this case – has the two modalities: PPPs with Government resources and PPPs without Government resources. They are in the process of the definitive approval of the project to go to the Ministry of the Treasury and then begin the pre-construction stage, which includes the designs and the financial closing. At this time the projects have financial advisors who have collaborated with us with all the figures of all the financial models and projections and, obviously, these financial advisors have participated in the surveys in the market to estimate rates and to obtain the money. To date in the PPPs in which we are working, we know that the financial closing under the modality of project management is a challenge, but we are calm from the point of view of the ability of Concreto to contribute equity in these projects. In the case of the PPPs in which Concreto and our colleagues are working, structuring the negotiation is



a transparent negotiation, where there is no need to resort to tenders, as is the case of the 4G, where one has to be more aggressive in prices to obtain the contracts. So in the PPPs, we have to study income very well, where it comes from, the income projection, but the figures are more reasonable compared to the bidding process where you have to compete with countless competitors. With the capitalization from VINCI, we have the resources necessary for the PPPs that are being structured. As we see the potential for more projects, we will have to find ways to leverage them. All these PPP projects are studied from between 10 to 12 months up to 3.5 years, as in the case of the *RegioTram*. This gives the Company the possibility to structure its investment flows in equity and seek alternatives if required.

*Andrés Gutiérrez from (Banco) Santander asks:* **(1)** What is Concreto's EBITDA separated to September 2015? **(2)** What is the amount of the contributions to be made by Concreto in the new hydroelectric plant and how will this amount be leveraged? **(3)** How much would Concreto's separated debt as of December 2015 be after transferring to PACTIA?

Concreto's separated EBITDA is COP 109,256 million. The contributions for the hydroelectric plant are nearly COP 50,000 million in equity of which Concreto is providing 24%, with which the contribution is COP 25,000 million in equity which will be provided in the course of about 18 months. And the third question, Concreto's separated debt projected to December 2015 is a challenge and a complex task. In big numbers, we expect to be close to COP 350,000 million in debt; with the contribution of VINCI, which is COP 289,000, Concreto's separated net debt would be COP 64,000 million.

*Alejandro Isaza de Servinco asks:* **(1)** What is the expected value that PACTIA will contribute in 2015 through the equity method? **(2)** Of these *INVÍAS* projects, which Concreto presented for nearly COP 1 billion, how much remains to be awarded and what is their approximate amount? **(3)** Are you going to participate in the 4G third-wave projects?

In 2016, we have projected, we are now making a budget, revenues for COP 12,500 million for the PACTIA operation through the equity method. As for the question about the *INVÍAS* projects, there was a big one for COP 600,000 million, which was awarded last week to a competitor. Of these projects, Concreto selected the most important and basically through the mechanisms of allocation in which – depending on the last two digits of the exchange rate (*Tasa Representativa del Mercado*, TRM) – the adjudication formula is chosen. Concreto had the possibility, through two of these ranges depending on who was eliminated in the last adjudication meeting, to be offered two of the formulas. We had at least a 25% change, but we did not win the big contract in which we had a lot of interest and which was for COP 600,000 million. This reflects what I mention at the end of the presentation: Concreto's strategy of self-generating the work because the adjudication mechanisms in the large tenders in Colombia have – in the end – a random component which, for a company the size of Concreto is quite complex since it requires a backlog of nearly COP 2.5 billion. To date, there remain nearly COP 200,000 million of the tenders in which we participated and we expect to have a change to win at least one more contract. As for the 4G third wave, we are studying the two projects. We are

concerned that has been stated in the media in all sectores related to these projects, which is the difficulty the Government has today to commit itself with future years in additional 4G projects. The financial topic concerns us and we are conducting the studies from the technical point of view of traffic and only if we see that the project is profitable and that there are possibilities of financial closing would we be presenting.

*David Arango from BTG Pactual asks:* What changes have been identified in the sector after the announcement of restructuring by Conalvías? Have the financing costs increased?

Basically, we have detected a greater request for information by the financial entities; we have seen that all financial entities that are Conconcreto suppliers are requesting very detailed information from the Company. I believe they are doing a good job and for us it is very satisfactory to be able to demonstrate that all our projects are having good results and that the manner in which we report all our information reflects the real situation of the Company. Basically, I would say that the processes of approval of quotas or the expansion of quotas are difficult. In the case of the cost of money, I would say that there is a greater impact due to the increase in market rates. Conconcreto had a novation of the debts in the recent past and for us in the last 12 months, the average increase in the cost of the money has not been higher than 50 to 60 basic points. We have obtained some interesting IDR (Issuer Default Rating) rates in recent months and we will be a bit shielded from the increase in interest rates.

*Andrés Gutiérrez from Banco Santander asks:* On a consolidated basis, we see a variation in assets and liabilities. We understand the alliance with ARGOS, but at the Conconcreto separate level, we do not see a greater variation. What is this due to?

It is because in the separate financial statements, the changes are net; that is, a net asset in a trust changes for a net investment in the PACTIA Fund, while in the consolidated (financial statements), the changes are at the level of asset and liability; that is, it is reflected in the lines of the balance sheet, so there is a greater variation in these lines.

*Jorge Acevedo from BTG Pactual asks:* Given a scenario of the same conditions of low prices in commodities and increases in local interest rates, what will be the Company's specific strategies?

The consolidated effect of the low oil prices, the devaluation, the increase in interest rates has an impact in construction companies because we contract long-term projects, usually with some historic indices of price variation. To date, Conconcreto is not concerned regarding the variations that the market is generating in construction costs, which may impact the Company's results.

In most projects, we estimate or project, at the end of the project, some unforeseen contingencies, where – in recent months – we have been raising the expectation of changes in the market situation of the Dollar or for other impacts that the projects may have. Today we

have some projects with good margins; they have been contracted and if you look, in the backlog there are some projects ranging up to five years. The Ituango project is four years; today we have no important impact that is reflected in the financial statements. In the case of housing, we have a double impact: the increase in interest rates for buyers and the cost of constructor credit, and we have the impact of the Dollar. We believe that in housing there will be some adjustments in the coming months. Concreto is very focused on middle-class housing; strata two, three and a little bit in four, and the measures necessary to increase prices have been taken to offset higher costs and I believe that we will not see an important impact in the Company's results.

*Germán Zúñiga from Bancolombia asks:* What is the guidance of Concreto once all the assets of PACTIA are transferred and becomes a pure player in construction; what will your EBITDA margins be? Do you believe that in the remainder of 2015 it will be necessary to transfer the 16 assets to PACTIA? And, finally, is there a prospect for projects to venture into with the resources obtained in the capitalization of VINCI?

Well, this is a very interesting question because you are asking me for a margin, which is basically an estimate. At this time we are making projections and budgets and we are changing the Concreto projection model where we are withdrawing PACTIA, which has been a large part of this effort, but I must say that we have had to concentrate more on the transfer of the administration of PACTIA that was in Concreto to PACTIA S.A.S., which is the new operating company, in the transfer of all the officers, in complying with all the legal requirements to make the contribution of the assets, in negotiating with all the financial entities to transfer the liabilities that were in Concreto to the new company PACTIA S.A.S. or to the PACTIA Trust, which will have the assets. So, we still do not have the projection work for next year in terms of the EBITDA margin, but we are actively working and we know that there will be an impact, which will it will decrease because we will be seen more as a construction company than an investor construction company. In the remainder of the year, I believe that we have an aggressive challenge to transfer the 16 remaining assets; the only thing that gives us a bit of uncertainty is the transfer of the assets that are under the securitization of the credit content; these assets require an assembly, which will be held on December 4, for investors to approve the transfer of the Concreto assets to PACTIA. This Assembly has already been summoned and we are doing the road show necessary with the holders of the titles, so they understand the transaction very well and so that in the Assembly, they approve the transaction if this is met or if it is approved in the Assembly and there is no requirement for additional information, we believe that the period is tight, but we will meet the goal of December 31. As for the third question, today we have nearly COP 300,000 million plus the ability to generate cash in the company to contribute equity to the PPP projects; we no longer have the pressure of the growth in the real-estate portfolio that we had in the past, which would absorb all the generation of cash in the Company in new projects. With a 60/40 structure, this is sufficient to leverage 100% of a project for COP 1 billion. In all the PPP that we are structuring, we have a percentage of 50%, or in some cases one third, so really, and also the contribution is made in five years or three years, so we believe that this figure is important and sufficient for the projects that we have at this time under study,

and – as I said – the period to structure the PPP is considerable and this will give us time to do the financial planning and be have to have the resources to provide the equity.

Finally, we received a question by phone, which is: How has the financial closing of the private initiatives evolved? This question was answered previously. So, I give the floor to Dr. Juan Luis to conclude the conference to present the Constructors Conconcreto results.

I appreciate the interest of all of you to attend this presentation and, above all, to ask questions that are really quite oriented toward the Company having a good long-term strategy in PPP Projects and in structuring projects, but – in turn – that are preserving the basic fundamentals of the Company in terms of EBITDA generation, indebtedness, etc. As I have said, this is a company that through the planning in the last two years of a strategy from the Board of Directors and recommendations from the administration, some important decisions were made, which are seeking a strategic ally for real-estate investment and the capitalization of the Company to be able to participate in large infrastructure projects. Coincidentally, these two projects were done in the same year and the Company is ending 2015 with financial strength which prepares it to face changes that could occur in the country's economy in 2016 and the beginning of 2017. But, also, we have a portfolio of interesting projects with good margins and the possibility of further growth in the real-estate portfolio and also supporting the growth of housing projects. I believe that today we are in a privileged position regarding the economic uncertainty of the country and the world and, above all, with some levels of indebtedness that do not put the Company's operation at risk from the point of view of being able to attend commitments. This has also put us in a state of being more cautious and more acidic in studying projects. Today, our interest in is preserving the margins and preserving the Company's financial results in terms of operating profit and after-tax net profit to be able to pay dividends to our shareholders. We already have interesting growth for next year; we are not being aggressive in terms of lowering prices in the legislations or in structuring projects that could put us in difficulty and we will continue to do this while or until we see a clearer picture of the economic situation of the country.

Thank you all very much for participating in the conference. Paula López, our Investor Relations Director is available to all of you if you have additional questions or require clarification of some information.