

EARNINGS RELEASE 2Q2015

September 10th 2015



Relevant Corporate Events



Alliance with Vinci Group

- During the August 21, 2015, Board Meeting, BTG Pactual presented its Fairness Opinion. During this meeting, the Board approved the transaction and summoned an Extraordinary Shareholders Assembly to be held on September 22, 2015.
- The BTG Pactual report conceptualized that the price offered by Vinci Group is fair.
- The Board believes that this alliance strengthens the company, creating important synergies to explore and exploit new business niches, and strengthens its capital base, which will allow it to meet capital needs that may be required to undertake future investments.

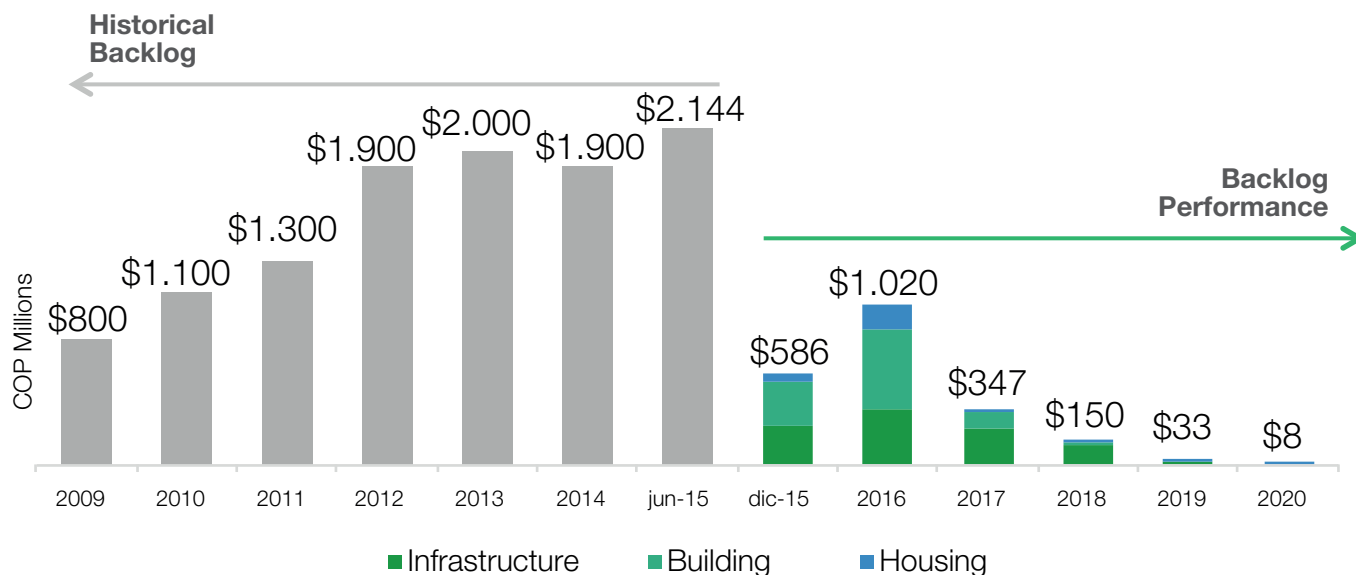


The Grupo Argos – Conconcreto Alliance

- The Grupo Argos – Concreto real – estate portfolio has adopted the name Pactia. This new Management Company began operations on August 1, 2015.
- The Corporate Governance and the administrative structure of this new company has been defined. In August, 125 direct Conconcreto employees moved to the new company.
- The schedule of asset contributions to the new Business Trust has been established. This transfer began on August 1st and it is expected that 100% of the assets will be contributed by the end of this year.
- The Pactia Investment Plan will total COP 913.000 million until 2018. Within Conconcreto's Backlog, COP 795.000 million are included in this Plan.

Backlog – As of June 2015

The Company's backlog as of June 2015 is COP 2.14 Billion, corresponding to 2.5 years. Forty – six percent (46%) of the backlog corresponds to infrastructure projects; 42%, to edification projects; and the remaining 12%, to the housing portfolio. With the 2016 backlog, which exceeds COP 1 Billion, the operation of the construction unit is ensured, with growth compared to 2015.



Construction Services

Relevant Facts:

Infrastructure:

- Execution was concentrated on projects such as the Ituango Hydroelectric Plant, the Binational Bridge, the Calle 77 Bridge, works related to the La Línea Tunnel, completion of the La Línea Pilot tunnel, and Aguadulce Maritime Works (dock and earth moving), among others.
- The construction of the Cucuana Hydroelectric Plant and the Loboguerrero – Cisneros road was completed.
- Among the works contracted, notable is the Aguadulce Consortium Earth Movement Subcontract, for a value of COP 30.000 million, a project that is expected to be completed in mid – 2016.

Edification:

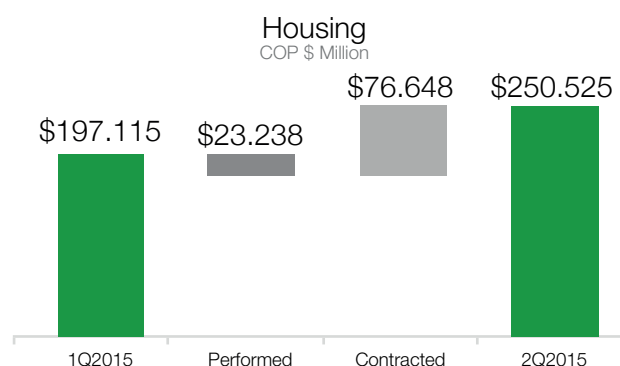
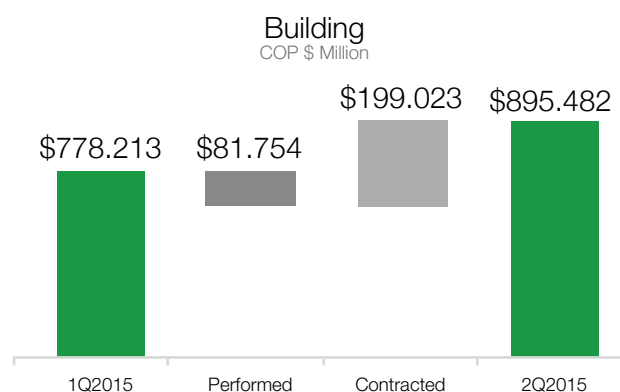
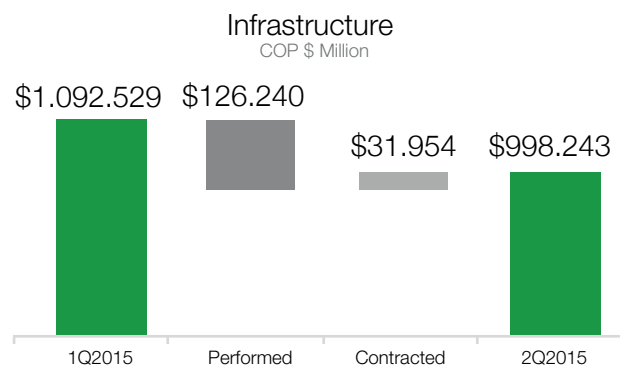
- Execution was concentrated primarily in works for third parties, such as the Torre Avianca Calle 26 Operations Center, the Multiplaza La Felicidad Shopping Center, Hotel Estelar in Cartagena, the Terranota Fresenius Plant, the Blue Logistics Distribution Center, Two Towers Building in Santa Marta, and the EDU headquarters, among others. For the real – estate portfolio, project execution was concentrated on Buró 51, the adaptation of the Alcaraván Shopping Center, the expansion of the Guatapurí Shopping Center, the Antares Shopping Center and Dream Plaza in Panama.
- The new Modern Art Museum of Medellín was completed, a work in the city that Concreto has been building since August 2013.
- Within the work contracted, we have the La Felicidad Shopping Center project worth COP 185.000 million; the CDR Alpina for COP 18.600 million, the expansion of the Minidepósitos Megacenter for COP 8.500 million and an increase in the value of the Cedi Corona Giradota for COP 4.800 million.

Housing:

- Execution was concentrated primarily in the cities of Bogota, Medellin and Barranquilla in the projects Madeiro, Torre Molino, El Pino, El Poblado, Finito, Tulipanes III stage, Living, Prestige and Allegro.
- Among the works contracted, we have the Caminos de Primavera project for COP 25.000 million, Valverde for COP 23.000 million, Mantía for COP 17.000 million and Portal del Sol for COP 14.000 million.

Engineering and Design:

- The Engineering and Design Workshop is coming together and optimizing designs for the Real – Estate Fund projects and Housing projects, contributing value to clients from Planning and Logistics with BIM technological platforms. Likewise, it is supporting infrastructure bids and PPPs.



Concessions

Relevant Facts:

Road Concessions

- For the Ruta del Sol projects, we continue negotiating the construction of Section I and the liquidation of Sections II and III with ANI.
- Simultaneously, the Consortium made the decision to file three arbitration tribunals and to prepare the last one for the beginning of September to resolve disputes in the event that negotiations are not met.

PPPs Strategy:

- Among its strategy, Constructora Concreto has greater participation in infrastructure projects, not only as a constructor, but also as an investor in concessions.

Roads

- Public Initiative: Continue studying the third – wave projects.
- PPP Vía al Puerto is a project in the feasibility stage, which includes the construction, maintenance, rehabilitation and operation of the Buga – Buenaventura corridor, the CapEx of which is estimated to be COP 1 Billion.
- PPP Vial is a project in the feasibility stage, which includes the construction and rehabilitation of a single interurban road that connects major satellite towns around Bogotá. Its estimated CapEx is COP 300 Mn.

Rail

- PPP Regiotram – Línea de Occidente is a project in the feasibility stage, which includes the rehabilitation, construction, operation and maintenance of a train – tram that connects Bogotá with Facatativá. Its estimated CapEx is COP 1.5 Billion.
- PPP Regiotram – Línea Sur is a project in the feasibility stage that includes the rehabilitation, construction, operation and maintenance of a train – tram that will connect Bogotá with Soacha. Its estimated CapEx is COP 1.5 Billion.

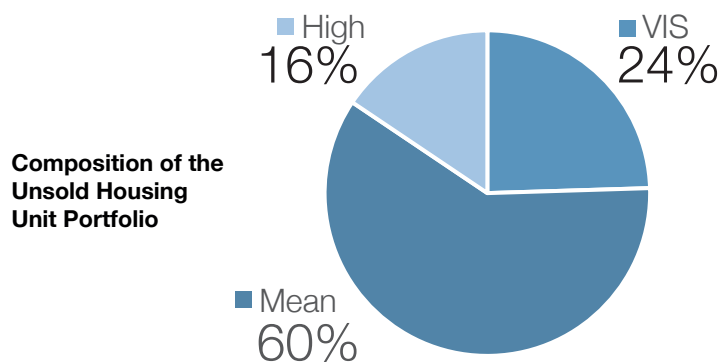
Port

- Puerto Caribe is a project under study that contemplates the development of a multipurpose port with an estimated CapEx of COP 2.5 Billion.

Housing

Relevant Facts:

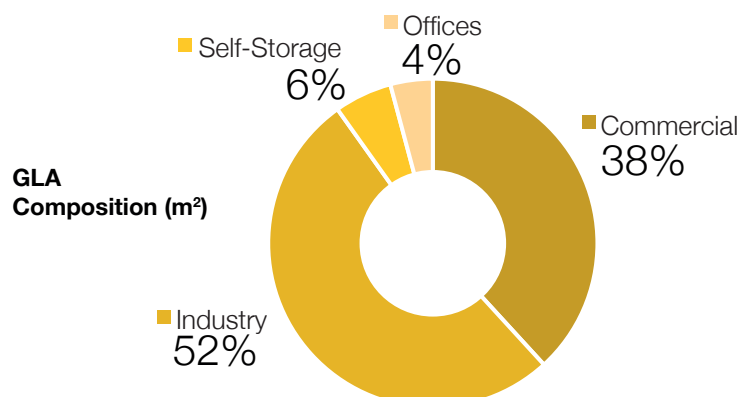
- As of June 2015 we have 11 projects under construction and six in presale, concentrated in the cities of Bogotá, Medellín and Barranquilla.
- We have 918 units for sale, of which we expect to register 373 this year, representing income for COP 107.000 million. We expect to sell the rest of the inventory in 12 months, from this date. We also have seven projects in feasibility studies, representing 2.493 units, which will be developed in stages.
- The current Government programs are focused on housing subsidies for SEC 2 and 3. Our focus on these strata makes us less vulnerable to the contraction of the housing sector nationwide.



Real – Estate Portfolio

Relevant Facts:

- At the close of the first half of 2015, the real – estate portfolio closed with a GLA of 359,178 m2 and 547 hotel rooms in operation.
- As of August, 23 assets had been contributed to the Pactia Real – Estate Fund, equal to 20 assets in operation, the GLA of which is 135,000 m2 and three projects underway. This activity will be further developed in the remainder of the year.



First Half 2015 IFRS Accumulated Financial Results :

Consolidated Income Statement:

The increase in consolidated revenues is a result of a 7% increase in construction volume; a 41% increase in revenues associated with the real – estate portfolio; a 164% growth of revenues from road concessions; and a 16% increase in the activity of subsidiaries.

As for the increased gross profit, noteworthy is that associated with a greater construction volume, with improvements in the margins of 103 bp. Also, there was a greater contribution of the real – estate portfolio and the road concessions. While it is true that the growth in gross profit is less than the growth of revenues, this is primarily explained by the reduction in volume of businesses of our affiliate Industrial Concreto in Venezuela and the lower contribution reported by Concreto- to International, as the Bonyic project was completed at the end of 2014. In the case of Equipment, there was a decrease in the gross profit due to an accounting reclassification of the operational expenditure cost.

The positive variation in the operating profit is explained by the growth in other income caused by the transfer of Logika II rights; the reclassification of expenses, passing the cost to the Equipment area, and other earnings that record a recognition of the fair value of some investment properties.

Although the Company does not have debt in Dollars, the exchange difference is associated with the hedging strategy that has been used to cover the flows of some construction projects contracted in Dollars.

Income tax includes COP 14.597 million in deferred taxes, primarily resulting from the valuation of assets at fair value, among others. In 2014, the calculation of deferred taxes was recorded in December.

Statement of the Consolidated Financial Situation:

The growth in assets is explained mainly by increased investments in the real – estate portfolio.

Meanwhile, total liabilities reached COP 2.2 Billion, of which the financial debt represents COP 1.3 Billion. The financial debt consolidated the liabilities associated to the real – estate portfolio, consortia, Trusts, housing and affiliates.

Of the total financial debt, the operation should cover only the debt associated to the construction business. The debt associated with the consortia, housing projects, investment and affiliates, totaling COP 962.000 million is served by each one of these businesses.

[For more information, click here to consult the notes to the Financial Statements](#)

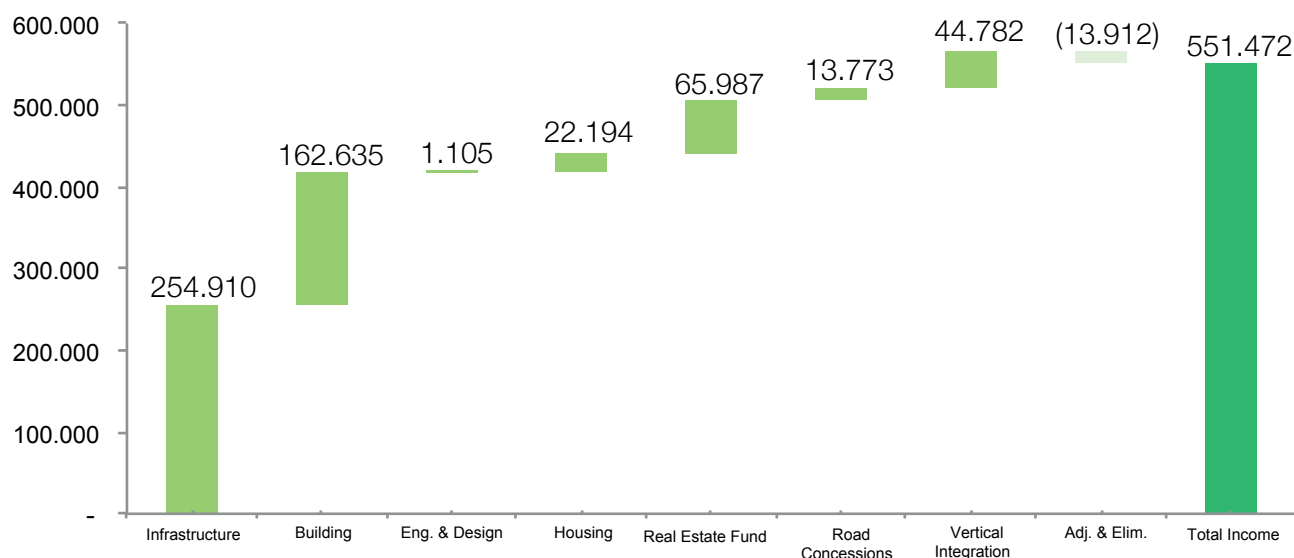
Consolidated Statement of Results COP Millions	jun-15	jun-14	Variation \$	%
Income from ordinary activities	551.472	386.711	164.761	43%
Cost of sales	(432.356)	(294.650)	137.706	47%
Gross Profit	119.116	92.061	27.056	29,4%
Other income	11.967	10.169	1.798	18%
Administration and sales expenses	(20.440)	(21.906)	(1.466)	-7%
Employee benefit expenses	(24.743)	(26.083)	(1.340)	-5%
Other expenses	(3.158)	(4.692)	(1.534)	-33%
Other earnings (losses)	15.052	-	15.052	
Operating Profit	97.794	49.549	48.246	97,4%
Exchange difference	(2.258)	(390)	1.868	479%
Financial income	2.380	1.897	483	25%
Financial expenses	(51.471)	(27.910)	23.561	84%
Associated participation method	3.677	-	3.677	
Before – Tax Profit	50.122	23.144	26.978	116,6%
Current tax expenses	(5.089)	(3.619)	1.471	41%
Adjustment for deferred taxes	(14.597)	-	14.597	
Minority interest	(1.725)	(640)	1.085	169%
Net Profit	28.710	18.886	9.825	%
EBITDA	113.376	84.248	29.128	34,6%

Financial Indicators	jun-15	jun-14
Gross margin	21,6%	23,8%
Operational margin	17,7%	12,8%
Net margin	5,2%	4,9%
EBITDA margin	20,6%	21,8%

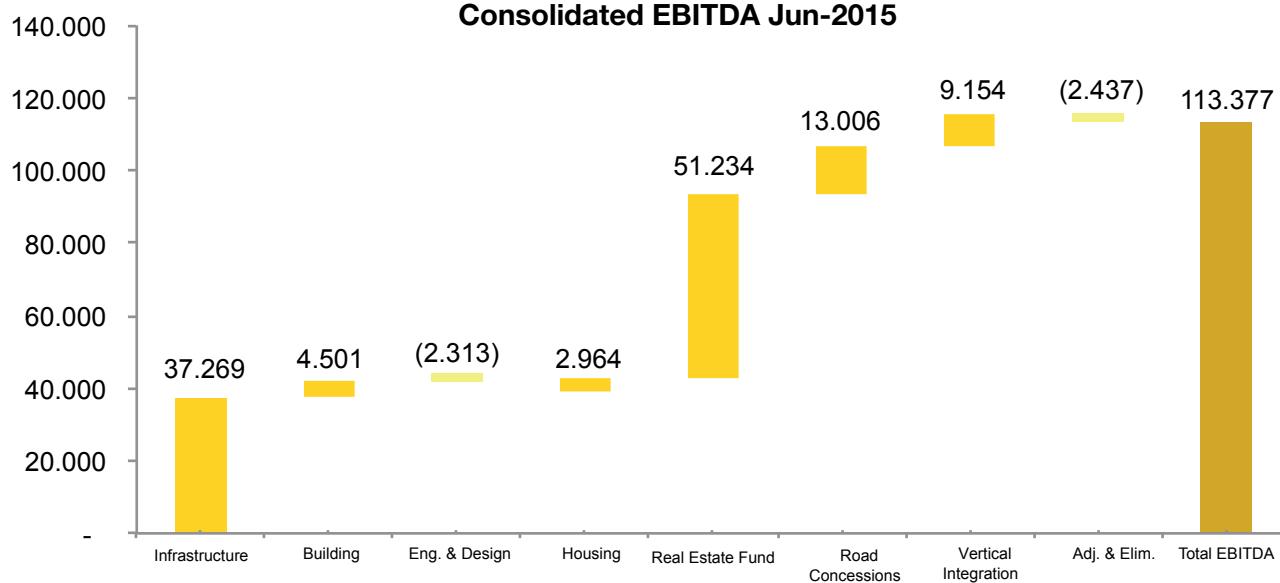
Statement of Consolidated Financial Situation COP Millions	jun-15	dec-14	Variation \$	%
Current Assets	1.167.146	1.137.159		29.987
Long – Term Assets	2.046.151	1.942.515		103.636
Total Assets	3.213.298	3.079.674	4,3%	133.623
Current Liability	773.522	871.037		(97.515)
Long – Term Liability	1.462.559	1.268.054		194.505
Total Liability	2.236.080	2.139.091	4,5%	96.989
Total Equity	977.216	940.583	3,9%	36.633
Total Liability and Equity	3.213.298	3.079.673	4,3%	133.625

Financial Obligations COP Millions	jun-15	dec-14	% Var.	\$ Var.
Credits - Concreto	604.447	547.931	-9,4%	56.516
Trusts	106.154	113.098	6,5%	(6.944)
Affiliates	20.353	20.584	1,1%	(231)
Finance leases	553.538	549.560	-0,7%	3.978
Other Obligations	47.289	48.045	1,6%	(756)
Appraisal Hedges	11.702	16.389	40,1%	(4.687)
Total Financial Obligations	1.343.483	1.295.607		47.876

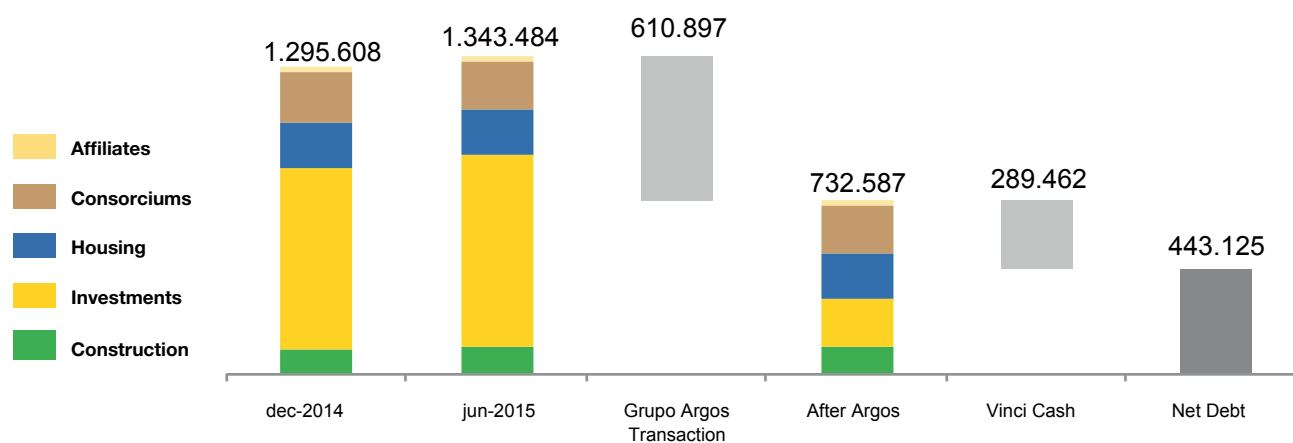
Consolidated Income Jun-2015



Consolidated EBITDA Jun-2015

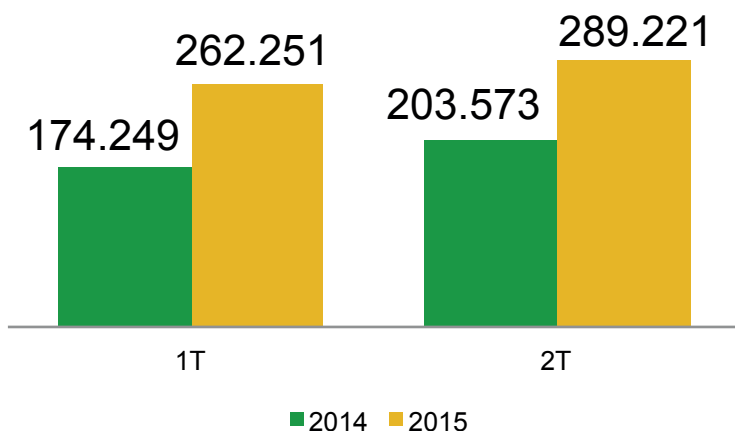


Conconcreto Consolidated Leverage Before and after Argos and Vinci

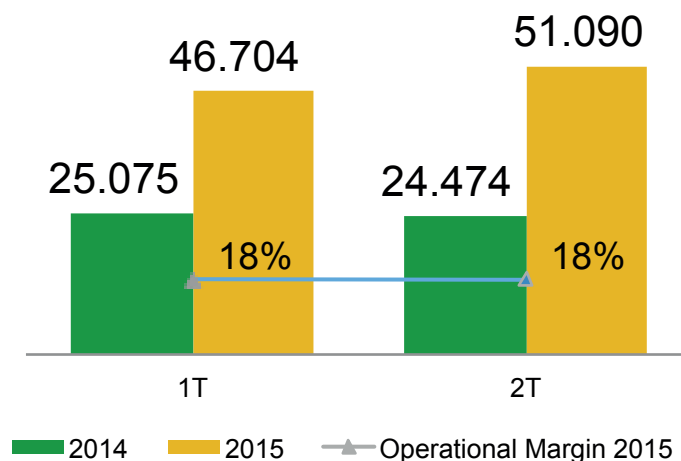


* Figures in COP millions

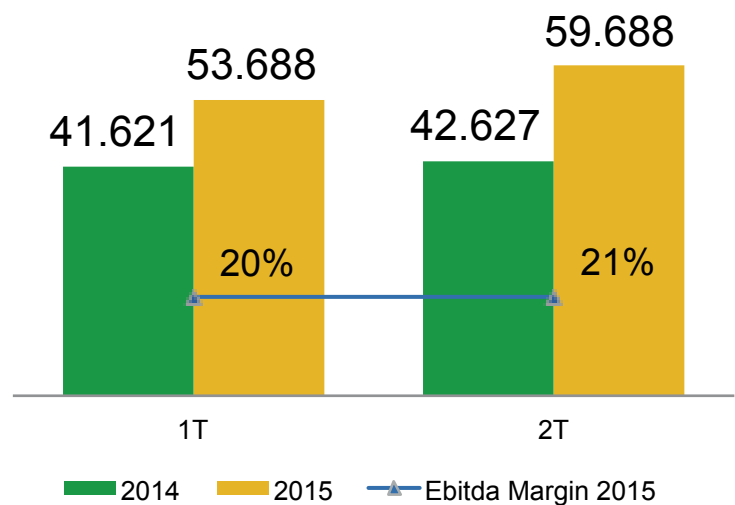
Consolidated Income



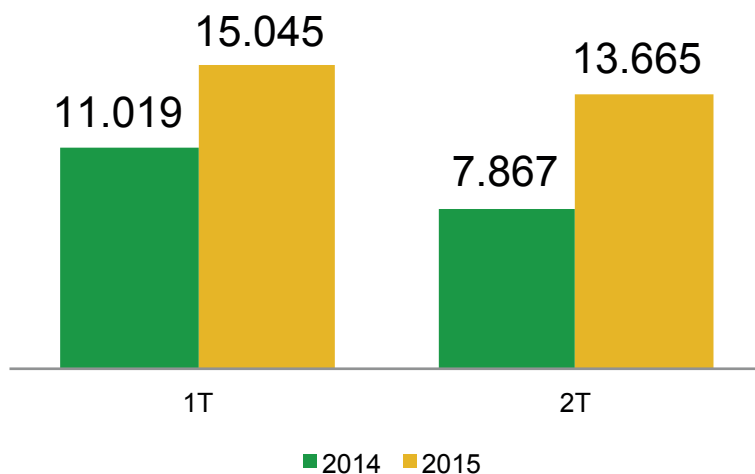
Consolidated Operating Profit



Consolidated EBITDA



Consolidated Net Profit



* Figures in COP millions