



Calathea leaves. *Calathea roseopicta*.

Grupo Argos S.A.

Separate Statement of Financial Position

As of December 31.

(In millions of Colombian pesos).

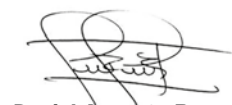
	Notes	2016	Restated		2015
			2015	As of January 1st	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	179,358	311,454	165,978	311,454
Derivative financial instruments	7	-	15,940	-	15,940
Other current financial assets		-	-	15,165	-
Business accounts and other accounts receivable	8	243,494	190,971	206,469	190,971
Current tax assets	9	23,272	40,873	4,520	40,873
Inventories, net	10	81,488	9,448	17,729	9,448
Expenses paid in advance and other non-financial assets	11	6,660	1,050	2,644	1,050
CURRENT ASSETS		534,272	569,736	412,505	569,736
Non-current assets held for sale	12	-	-	-	94,740
TOTAL CURRENT ASSETS		534,272	569,736	412,505	664,476
NON-CURRENT ASSETS					
Business accounts and other accounts receivable	8	4,166	3,382	6,134	3,382
Inventories, net	10	42,583	24,146	29,508	24,146
Intangibles, net	13	5,917	8,489	8,788	8,489
Properties, plant and equipment, net	14	25,551	82,850	19,238	82,850
Investment Properties	15	1,867,447	2,010,817	2,233,525	1,781,868
Investments in associates and joint ventures	16	5,264,298	5,264,507	4,913,923	5,264,507
Investments in subsidiaries	17	8,119,398	7,254,483	6,111,620	7,230,280
Other non-current financial assets	18	1,131,567	1,109,427	1,550,470	1,109,427
TOTAL NON-CURRENT ASSETS		16,460,927	15,758,101	14,873,206	15,504,949
TOTAL ASSETS		16,995,199	16,327,837	15,285,711	16,169,425

	Notes	2016	Restated		2015
			2015	As of January 1st	
LIABILITIES					
CURRENT LIABILITIES					
Financial Obligations	19	5,920	123,415	-	123,415
Liabilities for employee benefits	21	11,776	8,510	8,455	8,510
Provisions	22	1,921	1,265	1,863	1,265
Business liabilities and other accounts payable	24	92,004	178,431	137,410	178,431
Tax liabilities	25	5,562	10,547	470	10,547
Bonds and compound financial instruments	26	139,132	5,296	30,429	5,296
Other liabilities	27	46,770	20,883	27,501	20,883
TOTAL CURRENT LIABILITIES		303,085	348,347	206,128	348,347
NON-CURRENT LIABILITIES					
Financial Obligations	19	550,033	550,028	23	550,028
Deferred Tax	28	132,865	132,852	120,965	119,431
Liabilities for employee benefits	21	13,075	6,819	23,744	6,819
Bonds and compound financial instruments	26	766,243	1,006,588	1,006,231	1,006,588
TOTAL NON-CURRENT LIABILITIES		1,462,216	1,696,287	1,150,963	1,682,866
TOTAL LIABILITIES		1,765,301	2,044,634	1,357,091	2,031,213
EQUITY					
Capital Stock	29	53,933	51,510	51,510	51,510
Share placement issue premium	29	1,354,759	680,218	680,051	680,218
Retained Profit		8,699,863	8,665,839	8,912,360	8,603,670
Reserves	30	2,743,764	2,606,859	2,430,615	2,606,859
Profit for the year		351,820	395,462	-	371,801
Other components of equity	30	466,622	169,118	2,418	130,033
Other comprehensive income	30	1,559,137	1,714,197	1,851,666	1,694,121
TOTAL EQUITY		15,229,898	14,283,203	13,928,620	14,138,212
TOTAL LIABILITIES AND EQUITY		16,995,199	16,327,837	15,285,711	16,169,425

The accompanying notes are an integral part of the financial statements.


Jorge Mario Velásquez Jaramillo
 CEO
 Legal Representative
 (See attached certification)


Claudia Patricia Álvarez Agudelo
 Accounting and Tax Manager
 T.P. 69447 - T
 (See attached certification)


Daniel Augusto Bernal Jaramillo
 Statutory Auditor
 T.P. 94411 - T
 Appointed by Deloitte & Touche Ltd.
 (See attached report)

Grupo Argos S.A. Separate Statement of Income

Years ended December 31

(In millions of Colombian pesos).

	Notes	2016	Restated 2015	2015
INCOME FROM ORDINARY ACTIVITIES	32	1,097,423	1,144,357	1,096,781
Cost of ordinary activities	33	(458,681)	(471,838)	(470,163)
GROSS PROFIT		638,742	672,519	626,618
Administrative expenses	34	(127,184)	(114,032)	(114,335)
Cost of Sales	35	(2,043)	(3,888)	(3,888)
STRUCTURAL COSTS		(129,227)	(117,920)	(118,223)
Other net income (expenses)	36	(4,560)	(23,318)	(3,089)
Net financial income (expenses)	37	(131,696)	(107,219)	(107,219)
EARNINGS BEFORE TAXES		373,259	424,062	398,087
Income Tax and CREE	28	(21,439)	(28,600)	(26,286)
NET PROFIT		351,820	395,462	371,801
		-	-	-
EARNINGS PER SHARE (*)				
Basic, attributable to common stockholders	38	428	496	466
Diluted, attributable to common stockholders	38	428	496	466

(*) figures expressed in Colombian pesos

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Grupo Argos S.A. Statement of other comprehensive income

Years ended on December 31.

(In millions of Colombian pesos).

	2016	Restated 2015	2015
NET PROFIT	351,820	395,462	371,801
ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT AND LOSS	55,779	(588,203)	(562,546)
New measurements of defined benefit obligations	(5,005)	774	774
Deferred tax for defined benefits	787	263	263
Profits and losses of equity investments	139,884	(288,995)	(288,994)
Deferred Tax for equity investments	38	(38)	(38)
Net share in other comprehensive income	(79,925)	(300,207)	(274,551)
ITEMS THAT WILL BE SUBSEQUENTLY RECLASSIFIED TO PROFIT AND LOSS	(182,645)	572,825	527,092
Effect of cash flow hedges and deferred tax	(6,341)	6,341	(6,487)
Net share in other comprehensive income	(176,304)	566,484	533,579
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAXES	(126,866)	(15,378)	(35,454)
TOTAL COMPREHENSIVE INCOME	224,954	380,084	336,347

The accompanying notes are an integral part of the financial statements.



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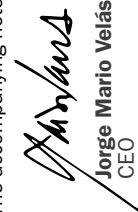
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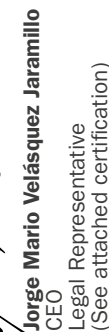
Grupo Argos S.A. Statement of changes in separate equity

Years ended on December 31. (In millions of Colombian pesos).

	Capital and premium in placement of stocks	Legal Reserve	Other reserves	Other comprehensive income	Other components of equity	Accrued income for the year	Profit for the year	Total Equity
BALANCE AS AT 1 JANUARY 2015 (RESTATED)	731,561	29,665	2,400,950	1,851,666	2,418	8,912,360	-	13,928,620
Period income	-	-	-	-	-	-	395,462	395,462
Other comprehensive income for the period, net of income tax	-	-	-	(15,378)	-	-	-	(15,378)
COMPREHENSIVE INCOME FOR PERIOD 2015 (RESTATED)	-	-	-	(15,378)	-	-	395,462	380,084
Issuance of capital and convertible instruments	167	-	-	-	-	-	-	167
Dividends decreed in cash	-	-	-	-	-	(212,565)	-	(212,565)
Appropriation of reserves	-	-	177,192	-	-	(177,192)	-	-
Other movements in reserves	-	-	(948)	-	-	-	-	(948)
Equity method by other variations in equity	-	-	-	-	127,615	-	-	127,615
Transfers to retained earnings	-	-	-	-	-	21,145	-	21,145
Effect on disposal of financial instruments measured at fair value through ORI	-	-	-	(122,091)	-	122,091	-	-
Equity method by other variations in equity by restatement	-	-	-	-	1,297	-	-	1,297
Adjustment of restatements by policy change	-	-	-	-	37,788	-	-	37,788
BALANCE AS AT 31 DECEMBER 2015 (RESTATED)	731,728	29,665	2,577,194	1,714,197	169,118	8,665,839	395,462	14,283,203
Period income	-	-	-	-	-	-	351,820	351,820
Other comprehensive income for the period, net of income tax	-	-	-	(126,866)	-	-	-	(126,866)
COMPREHENSIVE INCOME FOR THE PERIOD	-	-	-	(126,866)	-	-	351,820	224,954
Issuance of capital and convertible instruments	676,964	-	-	-	-	-	-	676,964
Dividends decreed in cash	-	-	-	-	-	(234,896)	-	(234,896)
Appropriation of reserves	-	-	136,905	-	-	(136,905)	-	-
Equity method by other variations in equity	-	-	-	-	297,504	-	-	297,504
Transfers to retained earnings	-	-	-	-	-	377,631	(395,462)	(17,831)
Effect on disposal of financial instruments measured at fair value through ORI	-	-	-	(186,864)	-	186,864	-	-
Transfers from retained earnings to ORI, by liquidation of subsidiary companies	-	-	-	158,670	-	(158,670)	-	-
BALANCE AS AT 31 DECEMBER 2016	1,408,692	29,665	2,714,099	1,559,137	466,622	8,699,863	351,820	15,229,898

The accompanying notes are an integral part of the financial statements.


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Grupo Argos S.A. Cash flow statement

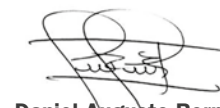
Years ended on December 31. (In millions of Colombian pesos).

	2016	Restated 2015	2015
OPERATING CASH FLOW			
NET PROFIT	351,820	395,462	371,801
Adjustments by:			
Income tax expense recognized as part of profit or loss for the period	21,439	28,600	26,286
Participation in the income of subsidiary companies	(352,840)	(170,943)	(168,114)
Investment properties valuation income	(66,307)	(44,747)	-
Financial expenses recognized as part of profit or loss for the period	153,714	111,480	111,480
Interest income recognized in period profit or loss	(16,392)	(20,818)	(20,818)
(Profit) loss on disposal of property, plant and equipment	(4,012)	16	16
Net profit for sale of investments	(23,725)	(300,393)	(300,393)
Profit from the sale of noncurrent assets available for sale and other assets	-	(10,019)	(10,019)
(Profit) loss on disposal of investment properties	(11,550)	13,502	(8,401)
Loss, net for the valuation of financial instruments measured at fair value through profit or loss	-	10,721	10,721
Inefficacy of the instrument over the coverage of cash flow	-	625	625
Valuation of derivative financial instruments	(1,311)	(16,565)	(16,565)
Net loss (recovery) for provisions recognized in the period profit or loss	2,235	(8,334)	(8,334)
Depreciation and amortization of noncurrent assets	3,412	2,593	2,895
Difference in change not performed, recognized in profit or loss on financial instruments and others	(5,637)	(725)	(725)
	50,846	(9,545)	(9,545)
CHANGES TO THE WORKING CAPITAL:			
Commercial accounts receivable and other accounts receivable	(182,486)	(78,848)	(78,848)
Inventories	9,211	13,642	13,642
Other assets	(5,622)	1,098	1,098
Commercial Accounts Payable and other accounts payable	(210,676)	(59,849)	(59,849)
Other liabilities	24,688	(35,570)	(35,570)
CASH GENERATED BY OPERATIONS	(314,039)	(169,072)	(169,072)
Dividends received	244,743	202,264	202,264
Wealth tax paid	(8,260)	(9,668)	(9,668)
CASH FLOW FOR OPERATING ACTIVITIES	(77,556)	23,524	23,524
CASH FLOW FOR INVESTMENT ACTIVITIES			
Acquisition of property, plant and equipment	(5,727)	(64,573)	(64,573)
The proceeds from sale of property, plant and equipment	-	560	560
Acquisition of investment properties	(230)	(32,400)	(32,400)
The proceeds from the sale of investment properties	121,770	18,803	18,803
Acquisition of intangible assets	(25)	(1,908)	(1,908)
Acquisition of shares in subsidiary companies	(138,926)	(1,021,161)	(1,021,161)
The proceeds from the sale of shares in subsidiary companies	-	609,475	609,475
Acquisition of shares in associated and joint ventures	(65,974)	(73,162)	(73,162)
The proceeds from the sale of shares in associated and joint ventures	188,149	95,206	95,206
Acquisition of financial assets	(187,141)	-	-
Proceeds from sales of financial assets	472,745	155,349	155,349
CASH FLOW FROM (USED IN) INVESTMENT ACTIVITIES	384,641	(313,811)	(313,811)
CASH FLOW FOR FINANCIAL ACTIVITIES			
(Decrease) increase of financial obligations	(209,156)	673,419	673,419
(Decrease) increase of other financing instruments	-	(25,364)	(25,364)
Dividends paid to owners	(229,929)	(212,565)	(212,565)
NET CASH FLOW (USED IN) FROM FINANCING ACTIVITIES	(439,085)	435,490	435,490
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(132,000)	145,203	145,203
Cash and cash equivalents at the beginning of the period	311,454	165,978	165,978
Effects of variation in the exchange rate on cash and cash equivalents	(96)	273	273
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (SEE NOTE 6)	179,358	311,454	311,454

The accompanying notes are an integral part of the financial statements.


Jorge Mario Velásquez Jaramillo
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 Legal Representative
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 (See attached report)

Certification of the Company's Legal Representative

Medellin, February 24, 2017

**To the shareholders of Grupo Argos S.A.
and the general public**

In my capacity as Legal Representative, I certify that the financial statements separated as of the closing of 31 December 2016 that have been made public, do not contain material defects, errors or inaccuracies that could prevent the real asset situation or the operations performed by Grupo Argos S.A. from being known during the corresponding period.



Jorge Mario Velásquez Jaramillo
CEO
Legal Representative

Certification of the Legal Representative and the Tax Accounting Manager of the Company

Medellin, February 24, 2017

To the shareholders of Grupo Argos S.A.

The undersigned Legal Representative and the Tax Accounting Manager of Grupo Argos S.A. (hereinafter called the Company) certify that the Company's separate financial statements as at December 31, 2016, 2015 restated and January 1, 2015 have been faithfully taken from the accounting books and that before being made available to them and to third parties, we have verified the following statements contained in them:

- t) All assets and liabilities included in the financial statements of the Company as at 31 December 2016, 2015 and restated at January 1, 2015 exist and all the transactions that are included in those statements have been performed during the years ended in those dates.
- b) All the economic facts made by the Company during the years ended on 31 December 2016 and 2015 have been recognized in the financial statements.
- c) The assets represent probable future economic benefits (rights) and the liabilities represent probable future economic sacrifices (obligations) obtained or by the Company at 31 December 2016 and 2015 and restated at January 1, 2015.
- d) All items have been recognized for their appropriate values in accordance with the Rules of Accounting and Financial Information accepted in Colombia.
- e) All the economic events affecting the Company have been properly classified, described and disclosed in the financial statements.



Jorge Mario Velásquez Jaramillo
CEO
Legal Representative



Claudia Patricia Álvarez Agudelo
Accounting and Tax Manager
T.P. 69447 - T

Report Statutory Auditor



To the shareholders of
GRUPO ARGOS S.A.:

Report about the separate financial statements

I have audited the attached GRUPO ARGOS S.A. separate financial statements, which comprise the status of the separate financial situation as at 31 December 2016, the income statement and other comprehensive income, of changes in stockholders' equity and cash flows separated by the year finished on that date and a summary of the significant accounting policies as well as other explanatory notes. The separate financial statements as at 31 December 2015, included for comparative purposes only, were audited by me and I expressed my opinion without reservations on 29 February 2016.

Management Responsibility on the financial statements

Management is responsible for the preparation and correct presentation of these financial statements in accordance with the Rules of Accounting and Financial Information accepted in Colombia, and by the internal control that management considers relevant for the correct preparation and presentation of the financial statements free of significant errors, either by fraud or error; selection and application of appropriate accounting policies; as well as, making accounting estimates that are reasonable in the circumstances.

Liability of the Statutory Auditor

My responsibility is to express an opinion on these financial statements based on my audit. I made the audit in accordance with the International Standards Audit accepted in Colombia. Those regulations require that the audit complies with ethical requirements and plans and performs the audit to obtain reasonable assurances about whether the financial statements are free of significant errors. An audit consists of developing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The selected procedures depend on the auditor's professional judgment, including his assessment of the risks of significant errors in the financial statements. In the risk assessment, the auditor considers the Company's internal control which is relevant for the reasonable preparation and presentation of the financial statements in order to design auditing procedures that are appropriate under the circumstances, but not with the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the accounting policies used and the significant accounting estimates made by Management, as well as assessing the overall presentation of the financial statements.

I believe the audit evidence obtained provides a reasonable basis to express my opinion.

Opinion

In my opinion, the separate attached financial statements taken from the accounting books reasonably present, in all the significant aspects, the financial situation of GRUPO ARGOS S.A. as at 31 December 2016, the result of its operations and its cash flows for the year ended on that date in accordance with the Rules of Accounting and Financial Information accepted in Colombia.

Other issues

The separate attached financial statements were prepared to comply with the legal provisions of statutory information the Company is subject to as a separate and independent corporate entity and, therefore, they do not include the necessary adjustments and eliminations for the presentation of the financial situation and the consolidated results of the Company and its subordinates. These separate financial statements should be read along with the GRUPO ARGOS S.A. consolidated financial statements and its subordinates.

Change in policy and restatements of financial statements

Without qualifying my opinion, such as mentioned in note 5 to the separate financial statements, during the year ended on 31 December 2016, GRUPO ARGOS S.A. changed its accounting policy for the subsequent measurement of its investment properties and completed the allocation process of the purchase price in the acquisition of control of Odinsa S.A. As of 31 December 2015, the Company measured its investment properties using the cost model and for the acquisition of Odinsa preliminary values permitted by the applicable Accounting Standards in Colombia were used. By 31 December 2015, the effect of change in the investment properties and the updating of the purchase of the subsidiary Odinsa in total assets was \$158,412 million, liabilities \$13,421 million and the income statement was \$23,661 million.

Report on other legal and regulatory requirements

According to the scope of my audit, I report that the Company has undertaken their accounting according to the legal standards and technical accounting; the operations recorded in the accounting books and the acts of administrators are adjusted to the statutes and the decisions of the Shareholders Assembly and the Board of Directors; the correspondence, receipts of accounts and the minutes books and record actions are properly kept; the management report of administrators is properly aligned with the basic financial statements, and the Company is not in default for contributions to the Comprehensive Social Security System. My assessment of internal control, performed for the purpose of establishing the scope of my audit evidence, did not reveal that the Company has not followed adequate internal control measures and the preservation and custody of its assets and those of third parties that are in its possession.

My recommendations on internal control and other affairs have been communicated to Management in a separate report.



Daniel Augusto Bernal Jaramillo
Statutory Auditor
T.P. 94411 - T
Appointed by Deloitte & Touche Ltd.

February 24, 2017