



INTERIM MANAGEMENT STATEMENT

Results March 2016



Important aspects

First quarter 2016

- The results for this first quarter have exceeded those registered in Q1 2015 by 1.7%, achieving a **Consolidated Net Result of 15.4 million**.
- **The depreciation of currencies**, especially the Argentine peso, has negatively affected performance for this quarter by approximately 6 million euros.
- In **Spain**, the market continues to display weakness, with a lower volume compared to that of Q1 2015. As a result, we are still registering negative results on this market.
- The businesses in **Argentina and Mexico** lead the Group's improved results. Improved margins have compensated for the depreciation of their currencies and have enabled them to obtain better results compared to Q1 2015.
- There is a clear contraction in market demand in **Uruguay** and, as a result, the results for this quarter are lower than those for Q1 2015, something that is not expected to improve in the short term.
- Despite problems on the markets on which our **Tunisian** business operates, the results are improving due to the better performance of our factories and thanks to improved profit margins.
- The market in **Bangladesh** continues to expand but with falls in prices as a result of excess capacity. The results are in line with those for Q1 2015.

Important aspects

First quarter 2016

- **With regards to Investments**, the projects that are underway in Mexico, Bolivia and Colombia are particularly noteworthy.
 - At the Apazapan factory (Corporación Moctezuma, Mexico) we are building a second line of production with a capacity for 3,000 t/day. This investment amounts to around 147 million dollars and will start operating in the final quarter of 2016.
 - At Itacamba Cementos (Bolivia), we are building a comprehensive factory with an oven with a capacity for 2,000 t/day. The planned investment is 185 million dollars and operation is expected to commence in the final quarter of 2016.
 - The earthworks for the construction of a new cement production plant in the municipality of Sonsón, Antioquia (Colombia) are still ongoing, in partnership with the Colombian Group, Corona.

Abbreviated Balance Sheet

(Thousands of €)

Consolidated Group

(Thousands of euros)

<i>ASSETS</i>	31/03/2016	<u>31/12/2015</u>
Intangible Assets	34,301	27,628
Fixed assets	506,923	536,627
Financial Fixed Assets	15,010	3,564
Companies accounted for via equity method	325,686	321,996
Consolidation Goodwill	23,145	23,372
Other non-current assets	46,493	47,015
NON-CURRENT ASSETS	951,558	960,202
Stocks	77,660	77,647
Trade debtors and others	114,473	116,804
Temporary financial investments	45,586	59,864
Cash and equivalents	73,922	76,906
CURRENT ASSETS	311,641	331,221
TOTAL ASSETS	1,263,199	1,291,423
<i>NET EQUITY AND LIABILITIES</i>		
	31/03/2016	<u>31/12/2015</u>
Net equity attributed to the Parent Company	597,444	608,441
Net equity from minority shareholders	88,799	96,592
TOTAL NET EQUITY	686,243	705,033
Non-current financial debt	351,183	346,945
Other non-current liabilities	46,248	40,940
NON-CURRENT LIABILITIES	397,431	387,885
Current financial debt	57,484	62,430
Other current liabilities	122,041	136,075
CURRENT LIABILITIES	179,525	198,505
TOTAL NET EQUITY AND LIABILITIES	1,263,199	1,291,423

Results as of March 31, 2016

(Thousands of €)

Consolidated Group

CONSOLIDATED GROUP

	<u>Q1 '16</u>	<u>Q1 '15</u>	<u>variation %</u>
Turnover	130,698	145,473	-10.2%
Operating result	10,058	5,208	93.1%
Financial results	-1,888	-438	-331.1%
Consolidated results Cos. equity method	16,694	18,138	-8.0%
Results before tax	24,863	22,908	8.5%
Net consolidated result	19,280	17,830	8.1%
Net equity attributed to the Parent Co.	15,363	15,113	1.7%

INDIVIDUAL

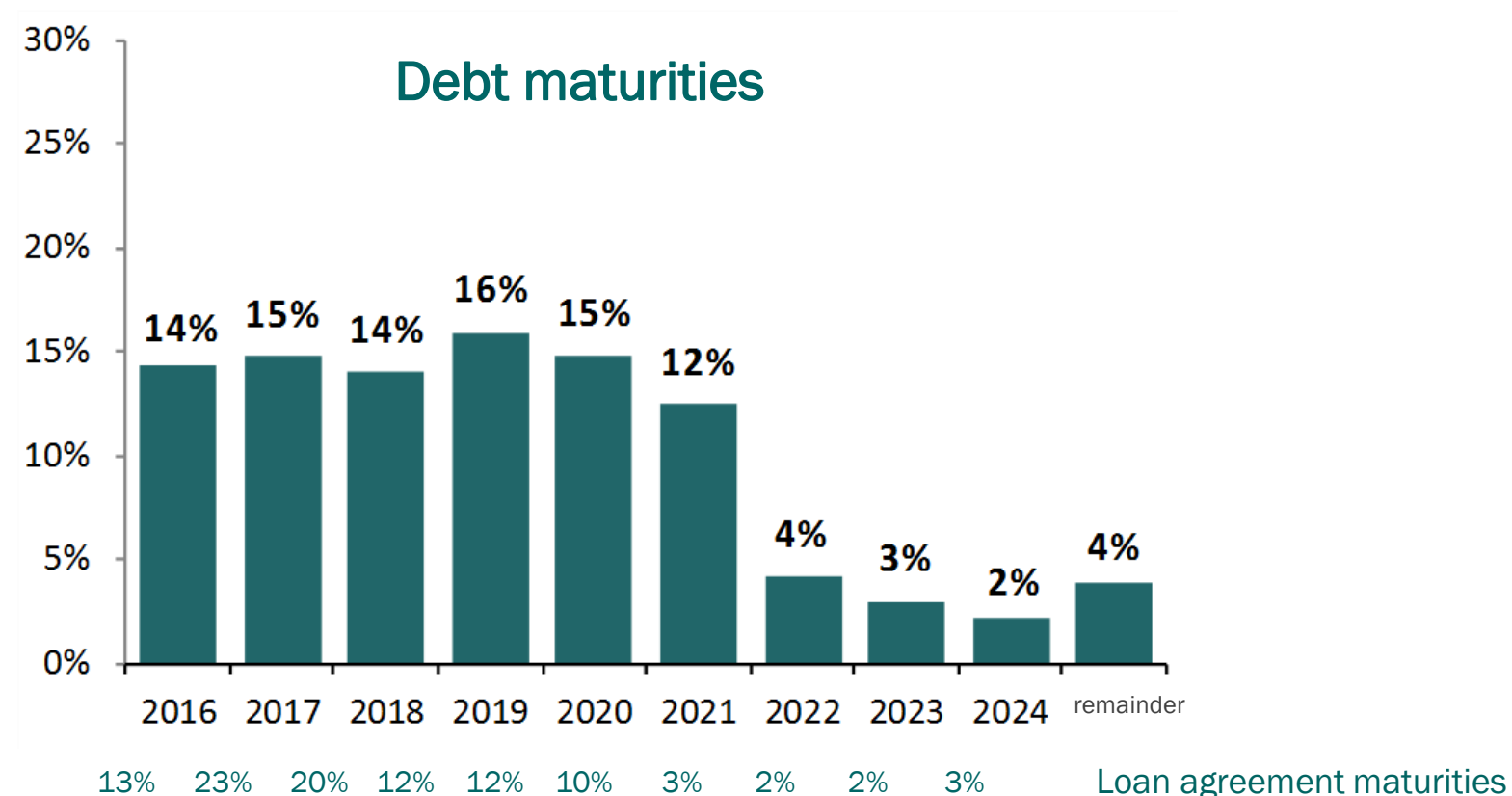
	<u>Q1 '16</u>	<u>Q1 '15</u>	<u>variation %</u>
Net result Parent Company	-2,018	-2,058	1.9%

Since 2014, international accounting regulations do not contemplate the possibility of using the proportional consolidation method for joint businesses. Nevertheless, Grupo Cementos Molins actively takes part in the management of the investee companies that it is part of through the equity method, whether this is in conjunction with another shareholder or by means of relevant participation in its decision-making bodies.

In order to ensure due monitoring, both internally and in terms of management, the Group uses a proportionality criterion in the consolidation method of its investees, that is, it applies the final shareholding percentage in each one of them.

With the aim of providing information to facilitate the monitoring of the evolution of the Group as a whole, the following parameters are detailed below under this criterion:

	thousands of €	<u>Q1 '16</u>	<u>Q1 '15</u>	<u>variation %</u>
Income		160,884	177,956	-9.6%
Adjusted EBITDA		38,832	39,630	-2.0%
Net result		15,363	15,113	1.7%
		31/03/2016	31/12/2015	
NET FINANCIAL POSITION		-191,212	-189,888	





Income/EBITDA (Adjusted)

(Thousands of €)

Contribution to the consolidated results / Proportionality criterion

Q1'16 vs. Q1'15

Income	Q1 '16	Q1 '15	Variation
BUSINESS SPAIN	49,344	45,711	7.9%
Cementos Avellaneda (Argentina)	31,146	39,809	-21.8%
Cementos Artigas (Uruguay)	7,058	12,114	-41.7%
Corporación Moctezuma (Mexico)	48,016	54,491	-11.9%
Surma Cement (Bangladesh)	8,743	9,041	-3.3%
Sotacib/Sotacib Kairouan (Tunisia)	14,350	14,859	-3.4%
Itacamba Cemento (Bolivia)	2,226	1,842	20.9%
Other Companies	-	88	-100.0%
INTERNATIONAL BUSINESS	111,540	132,246	-15.7%
TOTAL GROUP	160,884	177,956	-9.6%

EBITDA	Q1 '16	Q1 '15	Variation
BUSINESS SPAIN	2,372	2,106	12.7%
Cementos Avellaneda (Argentina)	6,963	6,792	2.5%
Cementos Artigas (Uruguay)	924	3,521	-73.8%
Corporación Moctezuma (Mexico)	22,713	22,163	2.5%
Surma Cement (Bangladesh)	2,801	2,941	-4.8%
Sotacib/Sotacib Kairouan (Tunisia)	3,213	2,067	55.5%
Itacamba Cemento (Bolivia)	229	204	11.9%
Other Companies	(383)	(164)	133.3%
INTERNATIONAL BUSINESS	36,460	37,525	-2.8%
TOTAL GROUP	38,832	39,630	-2.0%

Important company events 2016

- On January 7, 2016, the “Vote and Shares Syndication Agreement of Cementos Molins S.A.”, dated December 17, 2015, signed by the syndicated shareholders of Cementos Molins, S.A., was deposited in the Spanish National Securities Market Commission (CNMV), thus substituting the Agreement signed on January 15, 2011.
- On February 25, 2016, the Management Board prepared the Annual Accounts of Cementos Molins, S.A. and the Consolidated Annual Accounts of the Group, the Management Report, individual and consolidated, and the Annual Corporate Governance Report, corresponding to the year ended December 31, 2015, as well as the proposed distribution of profits. These accounts, audited by Deloitte, S.L., were sent to the CNMV and the Barcelona Stock Exchange on February 29, 2016.
- On February 29, 2016, the Company submitted the Annual Report of Remunerations of the Directors for the 2015 financial year.

Consolidated Group

