

# Results as of September 30, 2014



**Cementos Molins S.A.  
and Subsidiaries**

5 November 2014

# Important aspects

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- With the entry into force of the new international accounting standards on January 1, 2014, namely IFRS 11 (Joint Arrangements), which establishes, among others, the elimination of the proportional consolidation method for joint businesses, the shareholdings of the Group in the companies Corporación Moctezuma (Mexico) and Surma Cement (Bangladesh) are now consolidated by the equity method from that date forward. In order to compare the information, the 2013 financial statements that correspond to this information have been re-expressed, adapting them to the new regulations.
- The **Consolidated Turnover** has dropped by 3.4% with respect to the third quarter of 2013, reaching 388 million euros. The national companies have increased their income by 15.7% due to increased clinker exports and increased activity in the prefabricate sector; while the Turnover of the international companies has suffered a combined decrease of 11.5%, mainly due to the negative impact of exchange rates in Argentina.
- The **Operating Result** has reached 18.7 million euros, 16.6 million euros higher than that of the same period of 2013, due to the upturn experienced by the national companies. The international Group has registered an operating Result of 28.6 million euros, which is similar to the previous year, despite the negative impact of the evolution of the exchange rate of the Argentine peso.
- **Equity method Companies have registered a positive result** of 40.6 million euros, 8.2% higher than that of the previous year. Based on this consolidation method, the Group has incorporated the results of its businesses in Mexico (C. Moctezuma), Uruguay (C. Artigas) and Bangladesh (Surma Cement).
- A **Consolidated Net Result** of 30.5 million euros has been registered, more than triple the results obtained the previous year. The Group's national companies have once again registered negative net results, although they have improved by 47.8% compared to the previous year, while the international companies have contributed a profit of 47.4 million euros, with an improvement of 9.7% compared to 2013.
- The Group's **Consolidated Net Debt** stood at 294 million euros as of 30 September, declining by 26 million euros with respect to December 2013.
- On July 31 Cementos Molins reached an agreement with the Brazilian company Votorantim for the constitution of Yacuces S.L., a joint venture with which both companies anticipate launching new projects in Latin America. This partnership was initially realized in Bolivia, where Yacuces S.L. purchased 66.7% of the local company Itacamba Cemento S.A. on September 3. The purchase price for these shares was 18.6 million dollars. Itacamba Cemento is currently operating a cement mill in the province of Germán Busch and it has an investment project of 220 million dollars, in the next two years, for the construction of a cement plant with a capacity for around 900,000 tons of cement per year.

# Abbreviated Consolidated Balance Sheet

	(Thousands of euros)	
<i>ASSETS</i>	<b>30/09/2014</b>	<b><u>31/12/2013 (*)</u></b>
Intangible Assets	34,374	35,857
Fixed assets	583,684	622,438
Financial Fixed Assets	3,084	14,738
Participation of equity method Companies	286,569	251,685
Goodwill	27,729	25,583
Other non-current assets	42,014	45,759
<b>NON-CURRENT ASSETS</b>	<b>977,453</b>	<b>996,060</b>
Stocks	77,763	82,467
Trade debtors and others	114,006	118,250
Temporary financial investments	42,667	50,802
Cash and equivalents	99,662	110,695
Other current assets	2,915	2,915
<b>CURRENT ASSETS</b>	<b>337,012</b>	<b>365,129</b>
<b>TOTAL ASSETS</b>	<b>1,314,465</b>	<b>1,361,189</b>
<i>NET EQUITY AND LIABILITIES</i>	<b>30/09/2014</b>	<b><u>31/12/2013 (*)</u></b>
Net equity attributed to the Parent Company	607,482	585,026
Net equity from minority shareholders	111,403	114,664
<b>TOTAL NET EQUITY</b>	<b>718,885</b>	<b>699,690</b>
Non-current financial debt	349,569	370,912
Non-current liabilities	50,534	58,575
<b>NON-CURRENT LIABILITIES</b>	<b>400,104</b>	<b>429,487</b>
Current financial debt	87,296	122,934
Current liabilities	108,180	109,078
<b>CURRENT LIABILITIES</b>	<b>195,476</b>	<b>232,012</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>	<b>1,314,465</b>	<b>1,361,189</b>

(\*) Figures re-expressed after applying the new international accounting regulations in force.

# Results as of September 30, 2014



## CONSOLIDATED GROUP

	thousands of euros	<u>30/09/2014</u>	<u>30/09/2013 (*)</u>	<u>variation %</u>
<b>Turnover</b>		<b>388,339</b>	401,889	-3.4%
<b>Operating result</b>		<b>18,725</b>	2,153	--
<b>Financial results</b>		<b>-11,879</b>	-11,603	-2.4%
<b>Results equity method Cos.</b>		<b>40,628</b>	37,545	8.2%
<b>Results before tax</b>		<b>47,475</b>	28,095	69.0%
<b>Results for the financial year</b>		<b>37,831</b>	17,684	113.9%
<b>Results attributed to the Parent Co.</b>		<b>30,482</b>	10,760	183.3%

(\*) Figures re-expressed after applying the new international accounting regulations in force.

## INDIVIDUAL

	thousands of euros	<u>30/09/2014</u>	<u>30/09/2013</u>	<u>variation %</u>
<b>Net result Parent Company</b>		<b>19,417</b>	14,253	36.2%

# Significant figures as of September 30, 2014

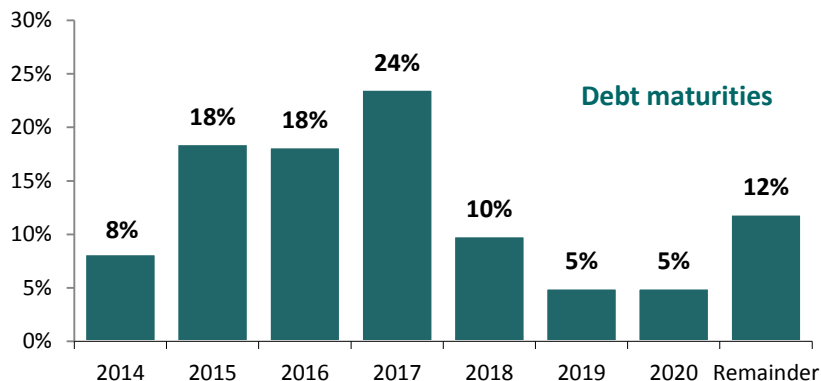
## Management Information. Proportionality criterion

The Financial Statements of the Cementos Molins Group have been affected by the entry into force of the new international accounting standards on January 1, 2014, namely IFRS 11 (Joint Arrangements), which establish the elimination of the proportional consolidation method for joint businesses, as a result of which the shareholdings in the companies Corporación Moctezuma (Mexico) and Surma Cement (Bangladesh), in which the management and control are shared with another shareholder, are now consolidated by the equity method.

Nevertheless, 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 euros	<b>30/09/2014</b>	<b>30/09/2013</b>	<b>variation %</b>
<b>Income</b>		<b>464,743</b>	457,866	1.5%
<b>EBITDA</b>		<b>94,470</b>	81,623	15.7%
<b>Net result</b>		<b>30,482</b>	10,760	183.3%
		<b>30/09/2014</b>	<b>31/12/2013</b>	
<b>NET FINANCIAL POSITION</b>		<b>-215,088</b>	-255,245	



# Significant figures as of September 30, 2014

## Management Information. Proportionality criterion

### *National Companies*



thousands of euros	<u>30/09/2014</u>	<u>30/09/2013</u>	<u>variation %</u>
<b>Income</b>	<b>143,997</b>	124,639	15.5%
<b>EBITDA</b>	<b>4,623</b>	-10,098	--
<b>Net result</b>	<b>-16,961</b>	-32,499	47.8%

Consolidation of national companies based on their final shareholding percentage.

- The consumption of cement in Spain is no longer falling after seven years of continuing decline with growth in the third quarter of 2.9% compared to the same period of the previous year. Despite this, it has still registered a drop of 1.1% in the first nine months of the year. The decrease stands at 4.1% in the past 12 months. Source: Oficemen.
- In Catalonia, according to the same sources, the decline in the consumption of cement is far from stable. There has been a 14.5% accumulated drop up to September, compared to the same period of the previous year, with an annual drop (past 12 months) of 16.0%.
- Despite the adverse market situation, the Group's national companies as a whole have obtained positive EBITDA, reversing the negative values registered in previous periods. This is thanks to the results that are starting to be obtained from cost contention policies and adjustments to the productive structure based on the level of activity.

# Significant figures as of September 30, 2014

## Management Information. Proportionality criterion

### International Companies



	thousands of euros	<u>30/09/2014</u>	<u>30/09/2013</u>	<u>variation %</u>
<b>Income</b>		<b>320,745</b>	333,228	-3.7%
<b>EBITDA</b>		<b>89,847</b>	91,721	-2.0%
<b>Net result</b>		<b>47,443</b>	43,259	9.7%

Consolidation of international companies based on their final shareholding percentage.

#### Individual turnover of investees

thousands of euros

	Sept'14	Sept'13	var. %
C. Avellaneda (Argentina)	179,028	213,988	-16.3%
C. Artigas (Uruguay)	64,580	79,050	-18.3%
C. Moctezuma (Mexico)	381,642	351,746	8.5%
Lafarge Surma (Bangladesh)	79,684	80,181	-0.6%
Sotacib (Tunisia)	27,994	29,575	-5.3%
Sotacib Kairouan (Tunisia)	41,987	37,706	11.4%

#### Individual EBITDA of investees

thousands of euros

	Sept'14	Sept'13	var. %
C. Avellaneda (Argentina)	30,389	37,317	-18.6%
C. Artigas (Uruguay)	17,292	24,197	-28.5%
C. Moctezuma (Mexico)	137,598	121,785	13.0%
Lafarge Surma (Bangladesh)	30,626	33,734	-9.2%
Sotacib (Tunisia)	1,704	2,659	-35.9%
Sotacib Kairouan (Tunisia)	16,504	13,368	23.5%

- ARGENTINA: The consumption of cement has decreased by 4% during this period. Our decreased sales and results are mainly due to the depreciation of the currency, of 36%.

- URUGUAY: The results have declined as a result of reduced sales, on a market that has dropped by 6%. Furthermore, the currency has depreciated by 14%.

- MEXICO: Results have improved due to the increased sales volume. The currency has depreciated by 5%.

- BANGLADESH: EBITDA has experienced a downturn due to reduced sales prices, on a market that has grown by 15%.

- TUNISIA:

- SOTACIB: The results have deteriorated due to the inclusion of non-recurring results. Without this effect, EBITDA would continue to be low, but it would have improved by 15% compared to the previous year.

- SOTACIB KAIROUAN: The consumption of cement has increased by 2%. EBITDA has improved mainly as a result of increased sales prices on the national market.

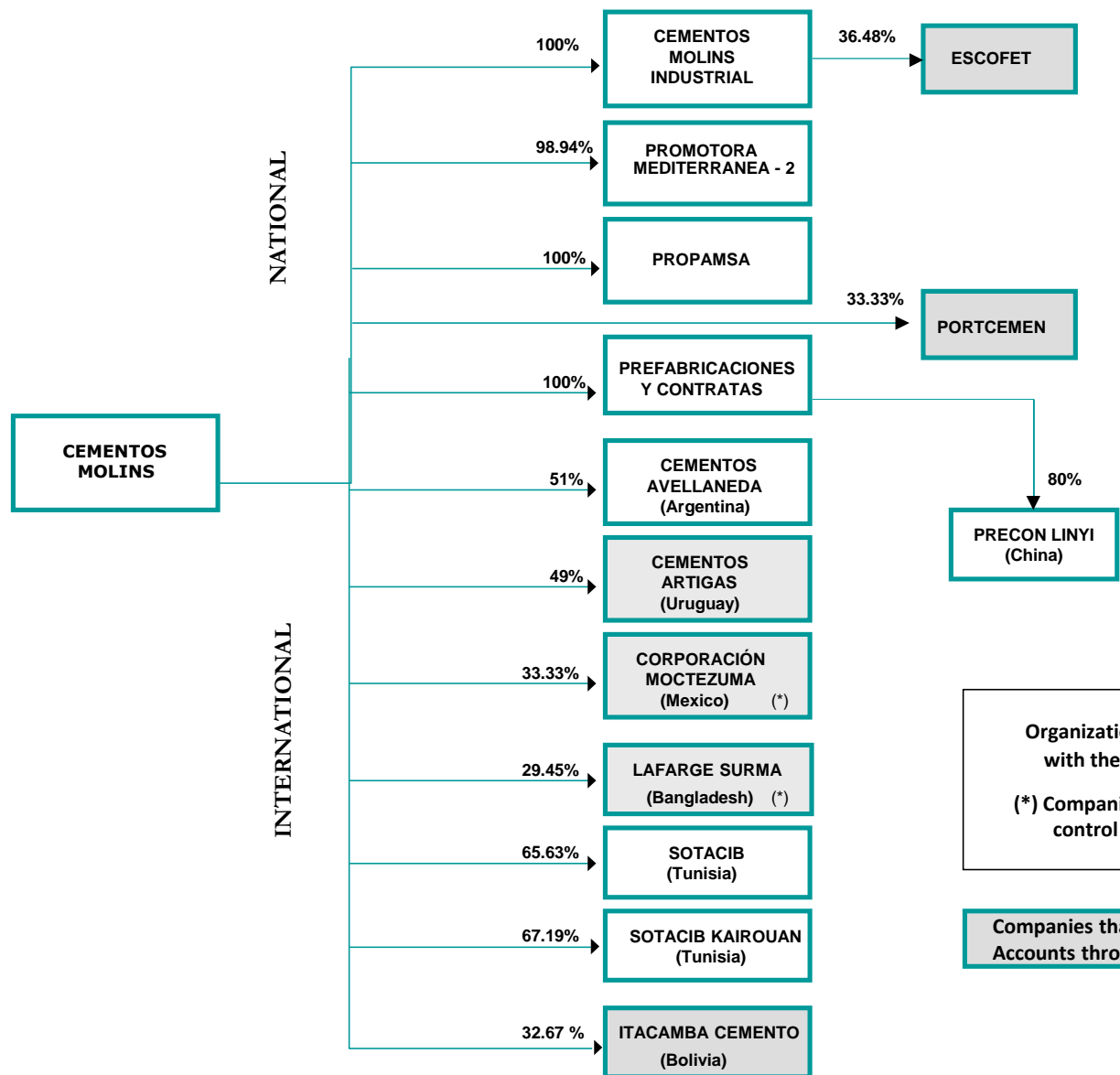
## Important company events 2014

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- On February 27, 2014, 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, 2013, as well as the proposed distribution of profits. These accounts, audited by Deloitte, S.L., were sent to the Spanish National Securities Market Commission (CNMV) and the Barcelona Stock Exchange on February 28, 2014.
- On February 28, 2014, the Company submitted the Annual Report of Remunerations of the Directors for the 2013 financial year.
- On April 25, 2013, the company announced the General Meeting of Shareholders, called for 30 June, 2014. Along with the call for meeting, the proposal of agreements to be presented to the General Meeting of Shareholders was announced.
- The Company submitted information regarding the results for the first quarter on April 29, 2014.
- On May 30, 2014, the agreements adopted by the General Meeting of Shareholders and by the Board of Directors of the Company, held on the same date, were announced.
- The changes made to the composition of the Board of Directors and to the Audit and Remuneration and Appointments Commissions were announced on the same date, after the appointments made at the General Meeting of Shareholders and by the Board of Directors.
- According to the agreements reached by the General Meeting of Shareholders and by the Board of Directors, adopted in both meetings on May 30, 2014, a complementary dividend for the 2013 financial year was paid for all of the Company's shares on June 11, 2014, of 0.01 euros gross per share, totaling 661 thousand euros, along with a dividend on account of financial year 2014 of 0.07 euros gross per share, totaling 4,628 thousand euros.
- On June 20, 2014, the Company submitted a relevant event to the CNMV regarding the Group's forecasted results.
- On July 29 the Company submitted the interim financial information corresponding to the first semester of 2014.
- On 31 July, the Company announced that its subsidiary Cemolins Internacional, S.L.U. had constituted the Spanish company Yacuces, S.L. with Votorantim Cimentos EAA Inversiones, S.L.U., for the joint development of certain business projects in Latin America, which will be initially realized in Bolivia with the acquisition of 66.7% of the company Itacamba Cemento.



# Consolidated Group



Organizational chart of the main operating companies with their final shareholding %.

(\* ) Companies in which the management and control are shared with another shareholder.

Companies that are integrated into the Consolidated Accounts through the equity method