

**Interim management statement
September 2015**



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

5 November 2015

- The **Consolidated Turnover** has increased by 21.8% with respect to the same period of the 2014 financial year, reaching 473 million euros. The Turnover of the international companies, comprising the subsidiaries in Argentina and Tunisia only, has obtained a combined increase of 33.3%, mainly thanks to the Argentine subsidiary. On a national level, sales have maintained similar levels to those of the previous financial year.
- The **Operating Result** has reached 19 million euros, 2% higher than that of the third quarter of 2014. The improved operating results of the companies located in Spain and of the margins in Argentina, have been mitigated by the poor results of the Tunisian companies, which have incorporated an impairment of assets due to market expectations in Tunisia.
- The **Equity method Companies** (see companies on page 10) have registered a result of 53.8 million euros, 32.4% higher than that of the same period of the previous year, with significant improvements in the Mexican company Corporación Moctezuma.
- The **Financial Result** has improved by 8.1 million euros as a result of the positive exchange differences obtained during the period and the improved financial situation.
- A **Consolidated Net Result** of 41.9 million euros has been registered, 37.6% higher than that of the same period of the previous year. The Group's national companies have still registered negative net results, while the international companies have contributed profits of 51 million euros, with an improvement of 7.5% compared to the same period of 2014.
- On September 30, 2015, Cementos Molins signed an agreement with the Colombian Group Corona for the construction of a new cement production plant in the municipality of Sonsón in Antioquia, Colombia. The plant, with a production capacity of 1,350,000 tons per year, is expected to start operating in mid 2018 and about 370 million dollars will be invested in the project.

Abbreviated Consolidated Balance Sheet

(Thousands of euros)

<i>ASSETS</i>	30/09/2015	<u>31/12/2014</u>
Intangible Assets	28,609	28,812
Fixed assets	560,771	585,288
Financial Fixed Assets	3,849	7,916
Companies accounted for via equity method	323,756	283,718
Consolidation Goodwill	23,889	23,922
Other non-current assets	43,568	43,535
NON-CURRENT ASSETS	984,442	973,191
Stocks	84,878	83,058
Trade debtors and others	118,050	112,537
Temporary financial investments	59,588	22,407
Cash and equivalents	98,655	111,222
CURRENT ASSETS	361,171	329,224
TOTAL ASSETS	1,345,613	1,302,415

<i>NET EQUITY AND LIABILITIES</i>	30/09/2015	<u>31/12/2014</u>
Net equity attributed to the Parent Company	627,149	602,279
Net equity from minority shareholders	119,082	113,056
TOTAL NET EQUITY	746,230	715,335
Non-current financial debt	362,517	351,625
Other non-current liabilities	47,028	46,342
NON-CURRENT LIABILITIES	409,545	397,967
Current financial debt	53,078	54,201
Other current liabilities	136,760	134,912
CURRENT LIABILITIES	189,838	189,113
TOTAL NET EQUITY AND LIABILITIES	1,345,613	1,302,415

Results as of September 30, 2015



CONSOLIDATED GROUP

	thousands of euros	<u>30/09/2015</u>	<u>30/09/2014</u>	<u>variation %</u>
Turnover		473,081	388,339	21.8%
Operating result		19,077	18,725	1.9%
Financial results		-3,764	-11,879	68.3%
Consolidated results Cos. equity method		53,773	40,628	32.4%
Results before tax		69,086	47,475	45.5%
Results for the financial year		48,770	37,831	28.9%
Results attributed to the Parent Co.		41,941	30,482	37.6%

INDIVIDUAL

	thousands of euros	<u>30/09/2015</u>	<u>30/09/2014</u>	<u>variation %</u>
Net result Parent Company		5,915	19,417	-69.5%

Significant figures as of September 30, 2015



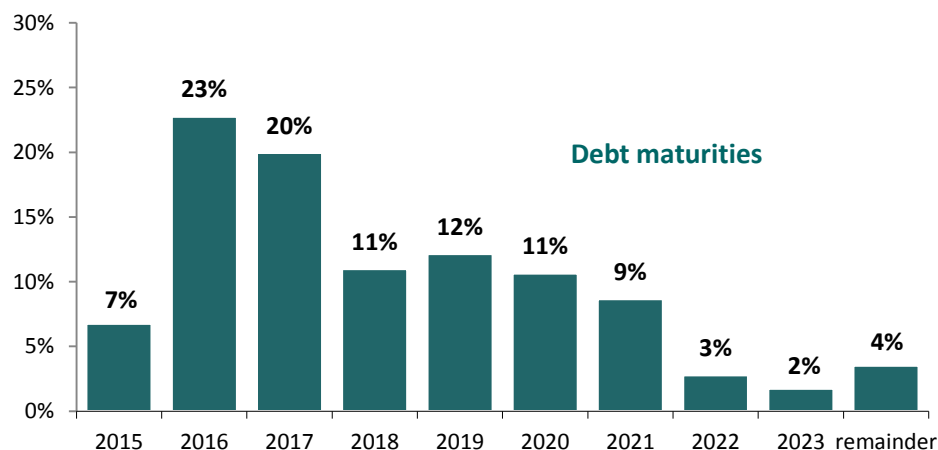
Management Information. Proportionality criterion

Since January 1, 2014, international accounting regulations do not contemplate the possibility of using the proportional consolidation method for joint businesses. Nevertheless, the Molins Group actively takes part in the management of the investee companies that it is part of through the equity method, namely Corporación Moctezuma (Mexico), Surma Cement (Bangladesh), Cementos Artigas (Uruguay) and Itacamba Cemento (Bolivia).

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	30/09/2015	30/09/2014	variation %
Income		552,950	464,743	19.0%
EBITDA		125,766	95,256	32.0%
Net result		41,941	30,482	37.6%
		30/09/2015	31/12/2014	
NET FINANCIAL POSITION		-175,663	-194,401	



Significant figures as of September 30, 2015

Management Information. Proportionality criterion

Spain



thousands of euros	<u>30/09/2015</u>	<u>30/09/2014</u>	<u>variation %</u>
Income	144,667	143,997	0.5%
EBITDA	9,875	4,623	--
Net result	-9,059	-16,961	46.6%

Consolidation of national companies based on their final shareholding percentage.

- The consumption of cement in Spain has grown by 4.8% up to the third quarter of 2015 compared to the third quarter of the previous year. The increase stands at 5.0% in the past 12 months. Source: Oficemen.
- In Catalonia, the consumption of cement has grown by 8.8% during the third quarter of the year. On an annual basis (past 12 months) the consumption of cement has grown by 8.5%. Source: Oficemen.
- The Group's national companies as a whole have obtained a substantial improvement in EBITDA that stands at 9.9 million euros. Nevertheless, they continue to register negative results.

Significant figures as of September 30, 2015

Management Information. Proportionality criterion

International Companies



	thousands of euros	30/09/2015	30/09/2014	variation %
Income		408,283	320,745	27.3%
EBITDA		115,891	89,847	29.0%
Net result		50,999	47,443	7.5%

Consolidation of international companies based on their final shareholding percentage.

Individual turnover of investees

thousands of euros

	Sept'15	Sept'14	var. %
C. Avellaneda (Argentina)	262,796	179,028	46.8%
C. Artigas (Uruguay)	71,452	64,580	10.6%
C. Moctezuma (Mexico)	481,037	381,642	26.0%
Itacamba Cemento (Bolivia)	16,192	--	--
Lafarge Surma (Bangladesh)	89,199	79,684	11.9%
Sotacib (Tunisia)	27,293	27,994	-2.5%
Sotacib Kairouan (Tunisia)	42,204	41,987	0.5%

Individual EBITDA of investees

thousands of euros

	Sept'15	Sept'14	var. %
C. Avellaneda (Argentina)	51,061	30,389	68.0%
C. Artigas (Uruguay)	19,150	17,292	10.7%
C. Moctezuma (Mexico)	195,306	137,598	41.9%
Itacamba Cemento (Bolivia)	1,623	--	--
Lafarge Surma (Bangladesh)	28,362	30,626	-7.4%
Sotacib (Tunisia)	-356	1,704	-120.9%
Sotacib Kairouan (Tunisia)	10,407	16,504	-36.9%

- **ARGENTINA:** The consumption of cement in the country has increased by 9%. The results have improved due to an increase in our sales and due to the effect of exchange rates.

- **URUGUAY:** The results have increased as a result of improved sales, on a market that has declined by 11%.

- **MEXICO:** The better results are due to the improvement of the market and of our sales, along with the effect of exchange rates.

- **BOLIVIA:** The company Itacamba Cemento, which was acquired in September 2014, has now commenced operations. At present, it has a mill and work has commenced on the construction of a cement factory with capacity for 2,000 t of clinker/day.

- **BANGLADESH:** The poor results have been caused by the decrease in the sales volume of portland cement and of sales prices. The appreciation of the local currency against the euro (18%) has contributed to an improved conversion in euros.

- **TUNISIA:**

- **SOTACIB:** Results have been affected by the downturn on the local white cement market and of exports to Libya and Algeria, along with increased costs.

- **SOTACIB KAIROUAN:** The decrease of gray cement on the national market, along with reduced sales prices and increased costs have led to poorer results.

Important company events for the third quarter of 2015



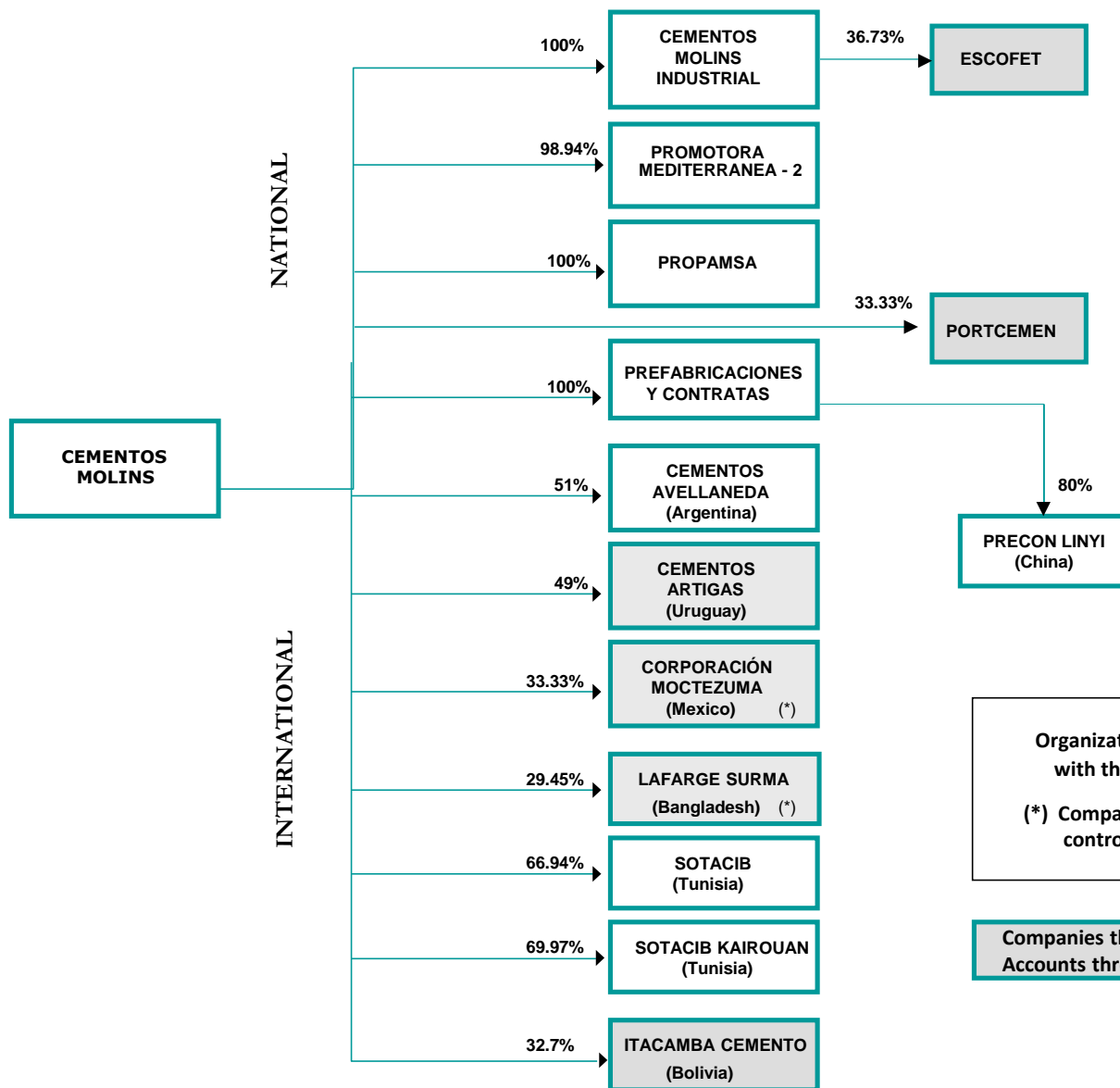
- On February 26, 2015, the Management Board prepared the Annual Accounts of Cementos Molins, S.A. and the Consolidated Annual Accounts of the Group, the Management Report, individual and consolidated, and the Annual Corporate Governance Report, corresponding to the year ended December 31, 2014, as well 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 27, 2015.
- On February 27, 2015, the Company submitted the Annual Report of Remunerations of the Directors for the 2014 financial year.
- The appointments and composition of the Audit Commission and of the Remuneration and Appointments Commission were announced on the same date, in accordance with the decision of the Company's Board of Directors on February 26, 2015.
- On April 17, 2015, the incorporation of Mr. Julio Rodríguez Izquierdo as the Company's new Managing Director as of 1 July 2015 was announced.
- The Company submitted information regarding the results for the first quarter of 2015 on May 4, 2015.
- On April 25, the General Meeting of Shareholders was announced, called for 30 June, 2015, along with the proposal agreements to be submitted for the consideration of the Board.
- On June 30, 2015, the agreements adopted by the General Meeting of Shareholders and by the Board of Directors, the modifications, the composition of the Board of Directors and the appointment of the Managing Director were announced.
- The distribution, on July 9, 2015, of a complementary dividend of 0.01 euros per share was announced on the same date, along with a dividend on account of 0.09 euros per share.

Important company events for the third quarter of 2015



- The new composition of the Remuneration and Appointments Commission was announced on July 30, 2015.
- On July 31, 2015, the Company submitted the interim financial information corresponding to the first semester of the year.
- On September 4, 2015, changes to the composition of the Board of Directors and of the Audit Commission were announced.
- On September 30, 2015, the agreement with the Colombian group Corona was announced for the joint development of a cement production business in Colombia. This agreement is focused on the project for the construction of a new cement production plant in the municipality of Sonsón in Antioquia, Colombia. The plant, with a production capacity of 1,350,000 tons per year, is expected to start operating in mid 2018 and about 370 million dollars will be invested in the project.

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.