



**ANNUAL
REPORT
CEMENTOS
MOLINS
2015**



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LETTER FROM THE CHAIRMAN

Dear shareholders,

As every year, it is time to present to you our Group's annual report and we are happy to announce that 2015 has been a good year for Cementos Molins.

On 30 June 2015, after devoting 45 years of his life to various executive positions in Cementos Molins, Juan Molins Amat has been replaced as first executive by the Chief Executive Officer Julio Rodríguez Izquierdo. The company is deeply grateful to him for the rigour and professionalism he put into his work. We would like to welcome Julio Rodríguez Izquierdo, who from the beginning has shown his professional qualifications and his communication and leading skills and wish him every success in the promising future of our Group.

The companies located in Spain are still facing very slow markets and they continue to get poor results even if in 2015 we have seen signs of improvement as a consequence of better exports and expense reduction policies.

The group's international companies have increased their turnover and continue with good results as a whole, being excellent that located in Mexico.

The continuous investment policy and that of geographical diversification is becoming more relevant when submitting the 2015's results as Cementos Molins Group has become less dependent on negative oscillations that may take place in the environment of a sole market or country.

With regard to the ongoing growth projects, we can highlight the investment in the Yacuces plant (Bolivia), and the second furnace at the Apazapan plant (Veracruz, México) both foreseen to start working at the end of this year. Last, we must highlight the new project in Colombia, in conjunction with the Corona Group, for the building of a plant in the Rio Claro area, Municipality of Sonsón de Antioquia, planned to start operations at the end of 2018.

As every year, I would like to thank everybody in the group for their effort and dedications, including company officers, employees and workers, and any other in their various roles –clients, suppliers, banks and public administrations- who have made the development of our activities possible.

We would also like to thank shareholders who, year after year, have confidence in us and in our Group and who deserve our greatest acknowledgment.



Casimiro Molins Ribot
Chairman

CEMENTOS MOLINS GROUP

Cementos Molins, S.A. was founded on 9th of February 1928 and their objective was to start the manufacture of calcium aluminate cements and to give continuity to the quarry exploitations and the manufacture of limestone and natural cement in Pallejà, Vallirana and Sant Vicenç dels Horts. From the early 40s up to 1974 production capacity increased significantly with the building of the kilns for aluminous and Portland cements, which meant an important qualitative leap for the future of the company.

Towards the end of the 70s Cementos Molins clearly became an export company through Hispacement.

In the 80s Cementos Molins began its geographical expansion and diversification of its products, making it the mother Company of a wide group of both national and international companies.

OUR MISSION IS TO BE A RESPECTED AND ATTRACTIVE FAMILY BUSINESS IN THE GLOBAL CEMENT SECTOR

Since 1980 Cementos Molins have been present in Argentina, through Cementos Avellaneda, S.A. in Uruguay since 1986, through Cementos Artigas, S.A., in Mexico since 1988, through the Corporación Moctezuma, S.A. in the cement, concrete and mortar businesses. As from 2004 they have been present in Bangladesh and India through Surma Cement. Since 2009 Cementos Molins have also been in Tunis with Sotacib Feriana, manufacturer of white cement and Sotacib Kairouan, of grey cement. From 2013, we are also present in China with the pre-cast concrete business with Precon Linyi, our subsidiary company. And from 2014 in Bolivia

through Itacamba Cement Company, which operates a mill and has advanced the project of constructing a grey cement factory. Finally, since 2015, Cementos Molins is also present in Colombia through the companies Empresa Colombiana de Cementos y Empresa Insumos y Agregados de Colombia, where the project has started construction of a cement factory.

As far as the diversification of the products is concerned, since 1987 we have also participated in the concrete, aggregates, pre-cast concrete, special mortars and adhesive cement businesses in Spain. These lines of business are carried out by CementosMolins Industrial, S.A, Promotora Mediterránea-2, S.A., Prefabricaciones y Contratas, S.A. and Propamsa, S.A.

In summary, our activity at present is centred around the manufacture and commercialization of Portland, grey, white and aluminous cements, concrete, mortars, aggregates and pre-cast concrete in nine different countries.

The Group makes a major effort to develop a business model based on sustainability, which creates value and which meets the expectations of stakeholders.

Our mission is to be a respected and attractive family business in the global cement sector creating value for all our "stakeholders" and our solutions seeking above all the satisfaction of our clients.

Technological knowledge, the obsession with costs, the quality of our products, culture of work and effort, the growth of our Group, as well as respect for the environment, the integration of sustainability in all the processes and appropriate care for people are the central concepts on which our business is built.



Sant Vicenç dels Horts
Factory, Cementos
Molins Industrial, Spain.

BOARD OF DIRECTORS

Chairman

Casimiro Molins Ribot

First Deputy Chairman

Juan Molins Amat

Second Deputy Chairman

Cartera de Inversiones C.M., S.A., represented by Joaquín M^a Molins Gil

Chief Executive Officer

Julio Rodríguez Izquierdo

Directors

Joaquim Molins Amat

Joaquín M^a Molins López-Rodó

Noumea S.A., represented by Pablo Molins Amat

Otinix, S.L., represented by Ana M^a Molins López-Rodó

Miguel del Campo Rodríguez

Emilio Gutiérrez Fernández de Liencres

Foro Familiar Molins, S.L., represented by Roser Ràfols Vives

Francisco Javier Fernández Bescós

Eusebio Díaz-Morera Puig-Sureda

Andrea Kathrin Christenson

Secretary no Director

Jorge Molins Amat

Deputy Secretary no Director

Ana M^a Molins López-Rodó

COMMITTEES OF THE BOARD OF DIRECTORS

REMUNERATIONS AND NOMINATIONS COMMITTEE

Chairman

Miguel del Campo Rodríguez

Directors

Joaquim Molins Amat

Joaquín M^a Molins López-Rodó

Emilio Gutiérrez Fernández de Liencres

Cartera de Inversiones C.M., S.A., represented by Joaquín M^a Molins Gil

Foro Familiar Molins, S.L., represented by Roser Ràfols Vives

Andrea Kathrin Christenson

Secretary

Jorge Molins Amat

AUDIT COMMITTEE

Chairman

Eusebio Díaz -Morera Puig-Sureda

Directors

Noumea S.A., represented by Pablo Molins Amat

Otinix, S.L., represented by Ana M^a Molins López-Rodó

Miguel del Campo Rodríguez

Secretary

Jorge Molins Amat

Corporate General Manager

Carlos Martínez Ferrer

Operations General Manager

Salvador Fernández Capo

CEMENTOS MOLINS GROUP



Mexico:

Corporación Moctezuma

Argentina:

Cementos Avellaneda

Colombia:

Empresa Colombiana de Cementos
Insumos y Agregados de Colombia

Uruguay:

Cementos Artigas

Bolivia:

Itacamba Cemento

Tunisia:

Sotacib
Sotacib Kairouan

Spain:

Cementos Molins Industrial

Promotora Mediterránea - 2

Propamsa

Prefabricaciones y Contratas

Portcemen

Escofet









MAIN GROUP COMPANIES

final % ownership

National Group

	100%	CIMENTS MOLINS INDUSTRIAL
	98.94%	PROMOTORA MEDITERRÀNEA 2
	100%	PREFABRICACIONES Y CONTRATAS
	100%	PROPAMSA
PORTCEMEN, S.A.	33.33%	PORTCEMEN
	36.74%	ESCOFET

International Group

	51%	CEMENTOS AVELLANEDA
	49%	CEMENTOS ARTIGAS
	32.67%	ITACAMBA CEMENTO
	29.45%	LAFARGE SURMA CEMENT
<i>Lafarge Umiam Mining Pvt. Ltd.</i> <small>A company of LAFARGE and CEMENTOS MOLINS</small>	29.45%	LAFARGE UMIAM MINING PVT. LTD.
	33.33%	CORPORACIÓN MOCTEZUMA
	66.94%	SOTACIB
	69.97%	SOTACIB KAIROUAN
	80%	PRECON (LINYI) CONSTRUCTION CO. LTD.
COLOMBIA	50%	EMPRESA COLOMBIANA DE CEMENTOS
COLOMBIA	50%	INSUMOS Y AGREGADOS DE COLOMBIA

China:

Precon (Linyi)

Bangladesh:

Lafarge Surma Cement

India:

Lafarge Umiam Mining Pvt. Ltd.

CONSOLIDATED ECONOMIC REPORT

The **Cementos Molins Group's** core business is the manufacture and marketing of cement, concrete, mortars, aggregates and precast concrete products, and it has activities and production facilities in Spain, Argentina, Uruguay, Mexico, Bolivia, Colombia, Bangladesh, India, Tunisia and China.

The Cementos Molins Group's earnings for 2015 confirm the trend that started in 2014, with profit from business operations in Spain improving despite the difficulties persisting in certain markets with incipient very weak growth. The sound performance of the foreign businesses continued, the highlight being the results obtained in Mexico and Argentina; although the exception to this is in Tunisia, where the economic and market situation in the region once again held back the Tunisian subsidiary's earnings.

Consolidated revenue rose by 20.9% with respect to 2014 to EUR 637.8 million. The revenue of the international companies rose by 28.6%, due mainly to the Argentine subsidiary Cementos Avellaneda but to a lesser extent to the Tunisian subsidiary Sotacib; while the domestic companies increased their billings by 6.8%, due to the improvements in the concrete, aggregates and special mortar markets.

Profit from operations reached EUR 15 million, up 37.3% on 2014, due mainly to the improvement experienced by the domestic companies. The profit from operations of the international

group was EUR 20.7 million, 24.4% down on 2014. Despite the positive performance of the subsidiary in Argentina, earnings were adversely affected by an asset impairment of EUR 25.2 million at the Tunisian subsidiary and of EUR 3.7 million at the subsidiary in China, as a result of the situation and expectations in their markets.

Profit from companies accounted for using the equity method stood at EUR 70 million, up 26% on 2014, due to the excellent performance of the Mexican subsidiary. The Group uses this method to consolidate the results of the businesses in Mexico (Corporación Moctezuma), Uruguay (Cementos Artigas), Bangladesh (Surma Cement) and Bolivia (Itacamba Cementos).

Consolidated net profit was EUR 50.8 million, a 65% increase on the net profit obtained in 2014. Group domestic companies continued to report losses, although a 52.6% improvement was observed compared with 2014, whereas international companies contributed a net profit of EUR 64 million, up 9.3% on 2014.

Investments included most notably the projects under development in Mexico, Bolivia and Colombia.

At Corporación Moctezuma's Apazapan plant in Mexico, construction is under way of a second 3,000 tonne/day clinker production line, which will double the plant's current

Thousands of euros

	2012	2013	2014	2015
CONSOLIDATED NET PROFIT	43,706	10,109	30,811	50,833
Spanish companies	-24,642	-46,628	-27,675	-13,122
Foreign companies	68,348	56,738	58,486	63,955
DIVIDENDS FOR THE YEAR	11,240	9,256	10,579	12,562

capacity. The forecast investment is of around USD 190 million and it is expected to come into operation at the end of 2016. At 2015 year-end the civil engineering work was substantially complete and the manufacture and assembly of the metal structure and the set-up of the equipment was nearing completion. Prior to the start-up of the second production line, the location of the current clay crusher will foreseeably be changed.

As a result of this expansion, Corporación Moctezuma will have two production lines in operation at each of its three plants: Tepetzingo, Cerritos and Apazapan.

In 2014 Itacamba Cementos, Bolivia, commenced the preparatory work on the Yacuces project, which consisted of the construction of a full-scale plant with a gas-fuelled kiln with an output of 2,000 tonnes/day, which will have its own electricity power plant. At 2015 year-end the main civil engineering work had been finished and the mechanical assembly of the main supply was being carried out. The forecast investment is USD 185 million and it is expected to come into operation at the end of 2016.

On 30 September 2015, Cementos Molins entered into an agreement with the Colombian Corona Group to construct a cement production plant in the municipality of Sonsón in Antioquia, Colombia. The plant, with a production capacity of 1,350,000 tonnes per year, will foreseeably come into operation in mid-2018, with an investment of USD 370 million.

Consolidated equity was EUR 705 million, down EUR 10 million on 2014. The adverse impact on equity of the translation differences resulting from the devaluation of the currencies in the countries where the Group operates amounted to EUR 57,2 million. This was basically due to the devaluation of the Argentine peso, the impact of which was EUR 53.4 million.

CONSOLIDATED BALANCE SHEET

Thousands of euros

ASSETS	31/12/2014	31/12/2015
Intangible assets	28,812	27,268
Property, plant and equipment	585,288	536,627
Investment property	5,090	5,019
Non-current financial assets	7,916	3,564
Investments in companies accounted for by the equity method	283,718	321,996
Goodwill on consolidation	23,922	23,372
Deferred tax assets	38,445	41,996
NON-CURRENT ASSETS	973,191	960,202
Inventories	83,058	77,647
Trade and others receivables	112,537	116,804
Current financial assets	22,407	59,864
Cash and cash equivalents	111,222	76,906
CURRENT ASSETS	329,224	331,221
TOTAL ASSETS	1,302,415	1,291,423
EQUITY AND LIABILITIES		
Share capital	19,835	19,835
Reserves of the Parent	151,374	157,884
Reserves of consolidated companies	531,330	545,325
Net profit attributable to the Parent	30,811	50,833
Interim dividend	(9,917)	(11,901)
SHAREHOLDERS' EQUITY	723,433	761,976
Valuation adjustments	(121,154)	(153,535)
Equity attributable to the Parent	602,279	608,441
Equity of non-controlling interests	113,056	96,592
TOTAL EQUITY	715,335	705,033
Deferred income	10,740	12,469
Non-current bank borrowings	351,625	346,945
Deferred tax liabilities	23,853	17,508
Provisions	11,214	10,181
Other non-current liabilities	535	782
NON-CURRENT LIABILITIES	397,967	387,885
Current financial payables	54,201	62,430
Trade payables	89,276	93,848
Tax payables	21,159	17,588
Other current liabilities	24,477	24,639
CURRENT LIABILITIES	189,113	198,505
TOTAL EQUITY AND LIABILITY	1,302,415	1,291,423

CONSOLIDATED INCOME STATEMENT

	2014	2015
Revenue	527,667	637,774
Other income	9,845	8,709
INCOME	537,512	646,483
Procurements	(174,255)	(209,904)
Staff costs	(97,588)	(115,796)
Change in operating allowances	(3,872)	(3,121)
Other operating expenses	(194,316)	(228,090)
In-house work on non-current assets	441	651
OPERATING COSTS	(469,590)	(556,260)
Depreciation and amortisation charge	(46,163)	(45,110)
Impairment and gains or losses on disposals of assets	(10,836)	(30,365)
Other results	--	245
PROFIT FROM OPERATIONS	10,923	14,993
Financial loss	(14,811)	(3,688)
Share of profit (loss) of companies accounted for using the equity method	55,572	70,007
PROFIT BEFORE TAX	51,684	81,312
Income tax	(14,011)	(21,973)
NET CONSOLIDATED PROFIT	37,673	59,339
Net profit of non-controlling interests	6,862	8,506
NET PROFIT FOR THE YEAR ATTRIBUTABLE TO THE PARENT	30,811	50,833
Earnings per share in euros	0.47	0.77

CONSOLIDATED ECONOMIC REPORT

Since 1 January 2014 international accounting standards have not provided for the possibility of using the proportionate consolidation method for joint ventures. However, the Molins Group participates actively in the management of the investees that it consolidates proportionately, Corporación Moctezuma (Mexico), Surma Cement (Bangladesh), Cementos Artigas (Uruguay) and Itacamba Cemento (Bolivia).

For internal monitoring and management purposes the Group uses a proportionality criteria in the method of consolidating accounting for its investees, i.e., it applies the final percentage of ownership held in each and every investee.

The following aggregates are provided with the aim of providing information to facilitate monitoring of Group performance:

Thousands of euros

	2012	2013	2014	2015
REVENUE	649,914	613,988	635,310	746,581
Spanish companies	176,932	170,065	192,959	205,424
Foreign companies	472,983	443,923	442,351	541,156
EBITDA	117,985	107,014	127,434	164,853
Spanish companies	-21,897	-12,469	6,076	12,467
Foreign companies	139,882	119,483	121,358	152,386

Consolidation of the companies in proportion to final % of ownership.



Applying a proportionality criteria, Group revenue amounted to EUR 746.6 million, up 17.5% on 2014. In Spain, the increases in the concrete, aggregates and special mortar markets as a whole gave rise to an increase of 6.5% in revenue to EUR 205.4 million. At the international companies, the excellent performance in Mexico and Argentina enabled revenue to rise by 22.3%.

On aggregate the Group companies sold a combined volume of 13.8 million tonnes of Portland cement and clinker in 2015, 6.9% more than in 2014, due mainly to the increase in the volume sold in Mexico and Argentina.

A total of 3.3 million cubic meters of concrete were sold, 12.6% more than the figure recognised in 2014 due to the increase in volumes in Mexico and Spain.

Sales volume in the aggregates business increased by 18.5%, which was recognised mainly in Spain. Also, the Group's precast concrete sales of EUR 61.1 million were

down 2.7% on 2014, due mainly to the increase in the impact of railway and civil engineering products.

EBITDA (defined as profit from operations before the depreciation and amortisation charge, impairment losses and gains and losses on disposals of non-current assets) amounted to EUR 164.9 million, up 29.4% on 2014. The international business contributed EBITDA of EUR 152.4 million, a 25.6% improvement on 2014; most notable being the EBITDA obtained in Mexico and Argentina resulting from the growth in the markets and the Group's sales. The business in Spain doubled its EBITDA to EUR 12.5 million.

Consolidated net profit was EUR 50.8 million, a 65.0% increase on the net profit obtained in 2014.

At 31 December 2015, the Group's net borrowings using this method amounted to EUR 189.9 million, a reduction of EUR 4.5 million on December 2014.

CONTRIBUTION TO REVENUE, EBITDA AND NET PROFIT

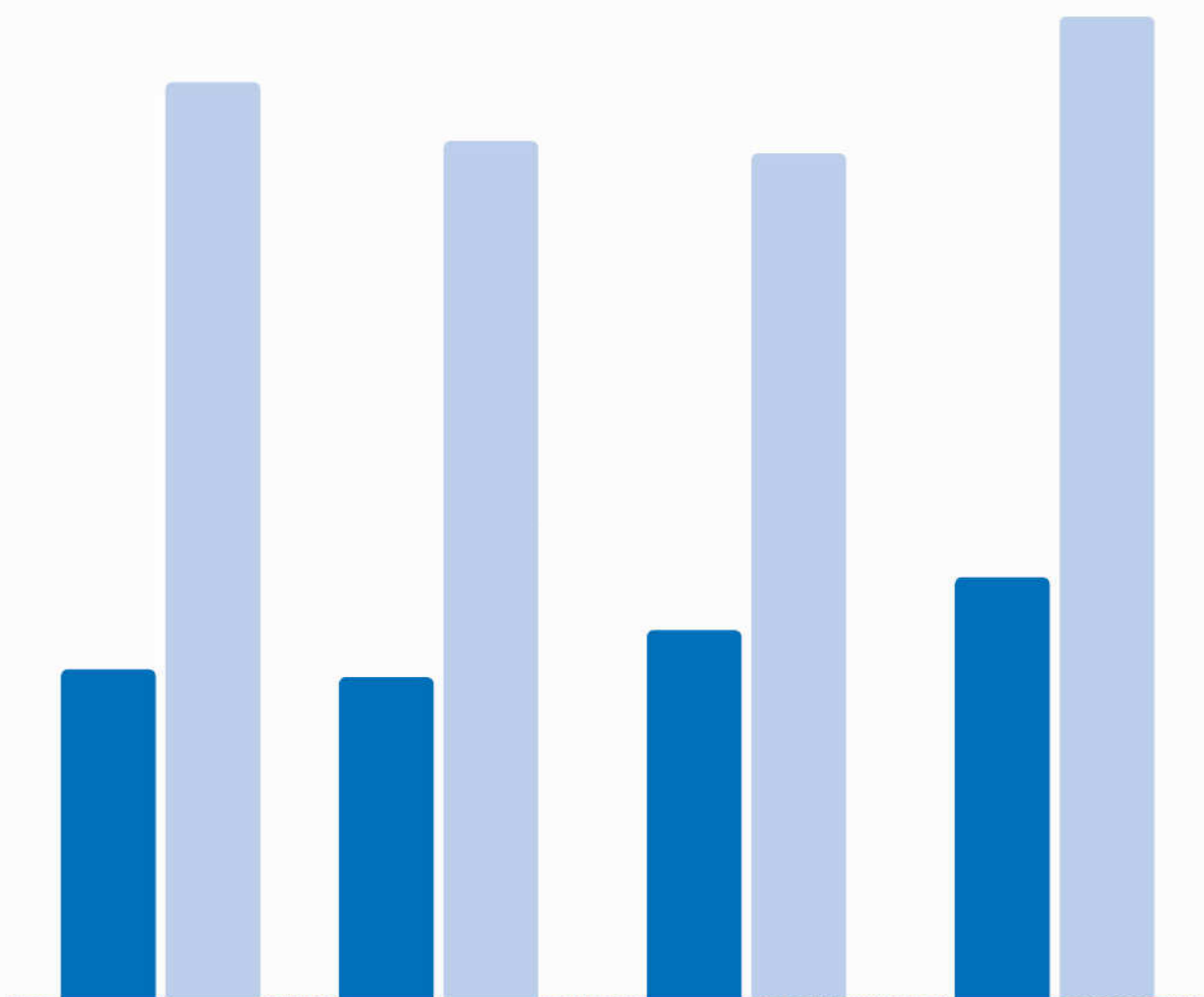
	REVENUE		EBITDA		NET PROFIT (LOSS)	
	DEC. 2015	DEC. 2014	DEC. 2015	DEC. 2014	DEC. 2015	DEC. 2014
SPANISH COMPANIES	205,424	192,959	12,467	6,076	(13,122)	(27,675)
Cementos Avellaneda (Argentina); 51%	175,214	127,612	33,294	21,453	22,418	12,219
Cementos Artigas (Uruguay); 49%	44,934	43,233	11,502	11,702	8,063	8,765
Corporación Moctezuma (México); 33.33%	211,517	176,325	85,815	61,836	53,916	38,303
Surma Cement (Bangladesh); 29.45%	37,506	33,267	11,911	12,521	7,454	7,932
Sotacib (Túnez); 66.94%	24,257	24,044	208	1,345	(21,753)	(9,221)
Sotacib Kairouan (Túnez); 69.97%	39,805	35,269	9,655	12,726	(2,541)	494
Other companies	7,924	2,600	1	(226)	(3,603)	(5)
INTERNATIONAL COMPANIES	541,156	442,351	152,386	121,358	63,955	58,486
TOTAL GROUP	746,581	635,310	164,853	127,434	50,833	30,811

SALES

(Thousands of euros)

- Spanish companies
- Foreign companies

2012	2013	2014	2015
649,914	613,988	635,310	746,581

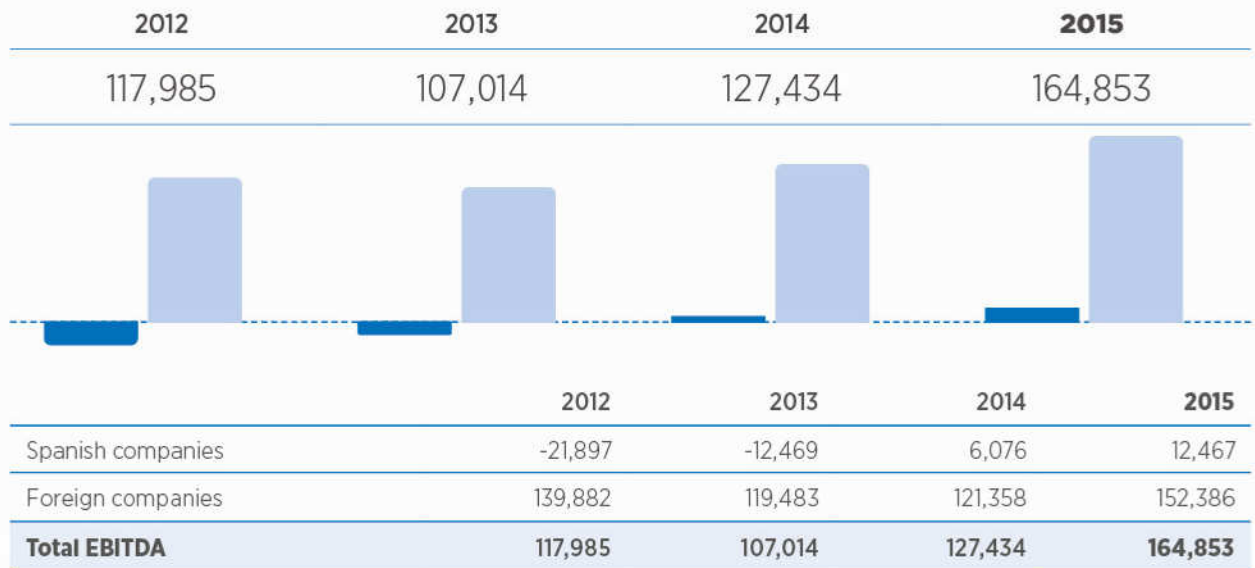


	2012	2013	2014	2015
Spanish companies	176,932	170,065	192,959	205,424
Foreign companies	472,983	443,923	442,351	541,156
Total Sales	649,914	613,988	635,310	746,581

Consolidation or the companies in proportion to final % of ownership.

EBITDA (Thousands of euros)

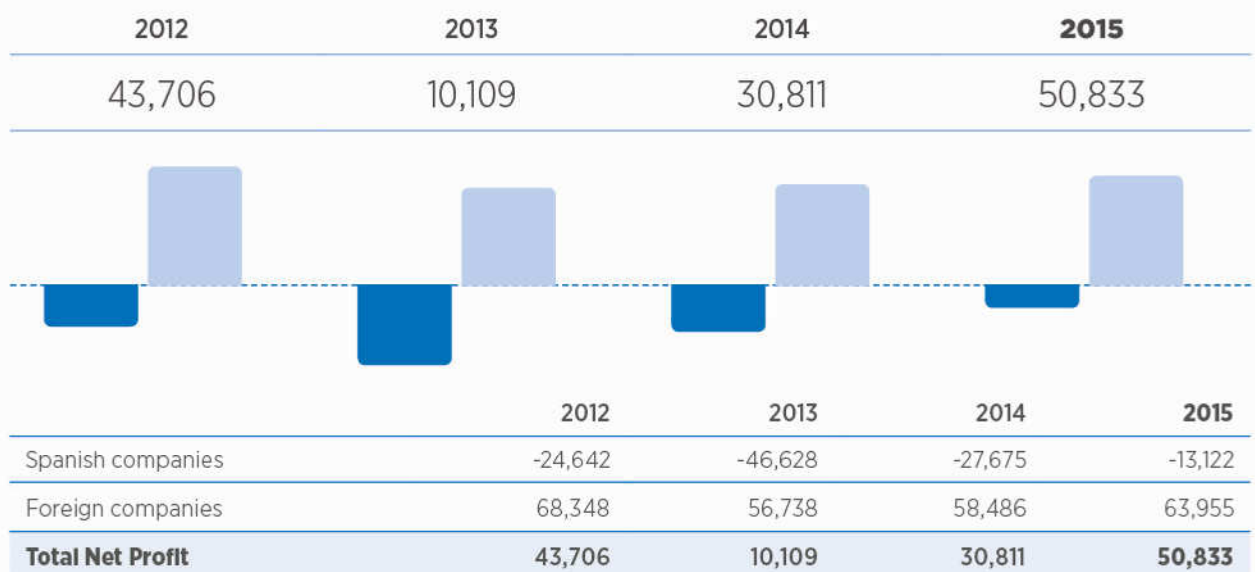
- Spanish companies
- Foreign companies



Consolidation of the companies in proportion to final % of ownership.

NET PROFIT (Thousands of euros)

- Spanish companies
- Foreign companies



Consolidation of the companies in proportion to final % of ownership.

TOTAL SALES BY COMPANY

(Thousands of euros)

CORPORACIÓN MOCTEZUMA 634,614

CEMENT
470,821
CONCRETE
141,029
OTHERS
22,764



CEMENTOS AVELLANEDA 344,501

CEMENT
240,098
CONCRETE
49,011
OTHERS
55,392



SURMA 127,354

CEMENT
127,354



CEMENTOS ARTIGAS 94,518

CEMENT
63,468
CONCRETE
25,578
OTHERS
3,905
AGGREGATE
1,567



SOTACIB - S. KAIROUAN 93,278

CEMENT
93,278



C. MOLINS INDUSTRIAL 75,058

CEMENT
74,490
AGGREGATE
568



PRECON 61,089

PRECAST
CONCRETE
61,089



PROMSA 49,871

CONCRETE
38,694
AGGREGATE
7,425
OTHERS
3,752



PROPAMSA 30,530

OTHERS
30,530



ITACAMBA CEMENTO 23,373

CEMENT
23,373



ESCOFET 11,812

OTHERS
11,812



PORTCEMEN 3,316

OTHERS
3,316





Construction of the second production line at Apazapan, Corporación Moctezuma, Mexico.



TOTAL SALES BY PRODUCT

CEMENT TOTAL 1,092,882



A	CORP. MOCTEZUMA	470,821
B	C. AVELLANEDA	240,098
C	SURMA	127,354
D	SOTACIB / SOTACIB KAIROUAN	93,278
E	C. MOLINS INDUSTRIAL	74,490
F	C. ARTIGAS	63,468
G	BOLIVIA	23,373

CONCRETE TOTAL 254,312



A	CORP. MOCTEZUMA	141,029
B	C. AVELLANEDA	49,011
C	PROMSA	38,694
D	C. ARTIGAS	25,578



AGGREGATE TOTAL 9,560



A	PROMSA	7,425
B	C. ARTIGAS	1,567
C	C. MOLINS INDUSTRIAL	568

PRECAST CONCRETE TOTAL 61,089



A	PRECON	61,089
---	---------------	--------

OTHERS TOTAL 131,471



A	C. AVELLANEDA	55,392
B	PROPAMSA	30,530
C	CORP. MOCTEZUMA	22,764
D	ESCOFET	11,812
E	C. ARTIGAS	3,905
F	PROMSA	3,752
G	PORTCEMEN	3,316



COMMITMENT TO SUSTAINABILITY

The Grupo Cementos Molins is keeping its commitment with sustainability, seen as one of the pillars of our corporate culture and a source of value creation.

The Group's companies have been promoting dialogue processes with interest groups

in order to know their expectations and to promote collaboration projects, all the above within the general framework of our strategy of generating "shared value" with the environment and the sustainable development of the communities where we operate.

INTEREST GROUPS AND DIALOGUE CHANNELS

The activity of Grupo Cementos Molins creates expectations amongst different interest groups directly or indirectly participating in the life of the company, which co-exist in the surroundings of its premises, or simply have some legitimate interest on the company's evolution. The company keeps a stable relationship with its interest groups through different dialogue channels, with the purpose of developing a proactive communication with these groups. We want to have greater knowledge of the needs, demands and expectations of the environment and so, be able to best determine for good our sustainability strategies. In addition, the group companies have also implemented specific instruments to channel the either external or internal requests for information.

Our companies promote the initiatives of the several sectorial associations through which the information and dissemination actions of the industry are performed, as well as environmental projects, promotion of good practices and holding open house days. Such open house days at the Group factories and premises have the objective of informing and integrating the population near the plants, showing the activities performed in them, with a special focus on environment and security management.

The co-operations with the local surroundings through special workplaces, occupational

education institutions, universities and research centres are also frequent, which favours a sense of belonging to the territory and the companies adding value to the communities where their premises are established.

At Cementos Molins Industrial, the Sustainability Commission, which was established in 2008, has become the main instrument for a permanent dialogue with the surroundings. The residents associations and the local and autonomous administrations are participating in this commission. During 2015 a greater involvement of the interest groups in the Sustainability Commission has been promoted, serving as an information and discussion forum on the factory environmental performance and best sector practices set up in our plant.

Promsa promotes a great number of environmental dissemination initiatives on the projects about restoring quarries and preserving biodiversity. These projects allow bringing the activities of the company closer to the local community and thus boosting dialogue and transparency. The high level of commitment of the company with its local surroundings was evidenced by the different awards obtained, several of which refer to projects to restore quarries.

For its part, Precon continues encouraging the participation of the workers in improving



Cerritos factory,
Corporación
Moctezuma, Mexico.

the risk prevention policies by means of a points assessment system and it stimulates the proactivity rewarding the most active collaborators. In the same way, the fluent communication between the workers representatives and the company is fully settled in the periodical meetings held at each workplace.

At Cementos Avellaneda, our company in Argentina, a relevant action that should be pointed out is the publishing, every two years, of the company's memorandum of sustainability, through which the actions of corporate social responsibility are reported in detail and much appreciated by all the interests groups.

In Uruguay, Cementos Artigas edits periodically its sustainability report by following the demanding criteria of the Global Reporting Initiative (GRI). In addition, since 2005, open house days are held, specially addressed to state schools and institutions and to the civil society.

Our company in Mexico, Corporation Moctezuma annually publishes a Sustainability report aimed at the interest groups that

addresses the different initiatives of corporate social responsibility. Also, the company intends to promote a greater participation of the workers and, namely, they are working to give informative talks in education institutions with the objective of attracting new talent and favour the vocational orientation of the students to which they are addressed. There is also available of the "Canal de denuncia Moctezuma" (Moctezuma complaints channel), a communication channel to report inadequate behaviour that can have an effect the Company's operations and image. The company also has an Ethics Committee aimed at knowing, following up and, when relevant, sanction inadequate behaviour.

In China, Precon (Linyi) Construction Co. Ltd holds open house days to facilitate the knowledge of the factory to the main social and economic partners in the area.

In Bolivia, Itacamba Cemento strongly promotes sustainable development of the environment and the society in general. This development is strongly linked to the improvement of the quality of life of the population, and that is



why the Corporate Social Responsibility (CSR) programme is performed, which is beneficial for the plant's influence area and the Germán Busch Province. The work areas are related to health, education, training and urban development. For that purpose, all the interest groups have been identified and a map of opportunities has been drawn to boost local projects in the community.

Also cleaning campaigns and those to increase environmental sensitivity and qualifications are carried out and also several training programmes.

In Bangladesh, Lafarge Surma Cement (LSC): the positions of CRS Manager and a Manager of Relations with the interest groups have been created in order to create, manage and supervise the participation of the main interested parties. Meetings with local communities are permanently held in order to identify needs, solve local problems and determine new areas supporting the community development.

With regard to the suppliers and contractors that are part of the supply chain, LSC under-

took to respect them and to promote their development. The Company works in partnership with EcoVadis, a leading global supplier expert in supply chain sustainability. Its function is to advise the Company suppliers, specially focusing on the features related to human rights, environment, working conditions, ethics and sustainable purchase.

At Lafarge Umiam Mining (LUMPL) India, the Joint Committees for the Community Development (JCCD) have been constituted in Nongtraí and Shella. The JCCD meets at least once quarterly. By decision of the JCCD, the community development activities are mostly carried out through the Durbars and the Kher (Village and sub-village, respectively) or the local committees.

In Tunisia, Sotacib carried out regular meetings with the authorities and local entities and neighbours to promote dialogue and share their needs. On the other hand, we have both in Sotacib and in Sotacib Kairouan various agreements with Tunisian universities for pupils to carry out their internships and undergraduate projects in our facilities.

Conveyor 17 Km
linking the quarry
Meghalaya (India)
with factory Chhatak
(Bangladesh).



RESEARCH, DEVELOPMENT AND INNOVATION

The common denominator of the companies of Grupo Molins has been to focus the R+D+I policy on becoming different and competitive to face the challenges posed by our markets.

The Spanish companies have focused on improving and enhancing the production processes, improving the performance of the concretes and innovating and extending the range of products in the area of glue cement and prefabricated products, as well as in providing assessment and assistance to the customer through specific projects and products prepared according to their needs.

Thus, at Cementos Molins Industrial:

- We designed and built a new pilot oven to produce cement of calcium aluminate that will allow carrying out the efficiency and viability studies before moving to the implementation step in the factory of a prototype on an industrial scale.
- In the raw mill control system we have introduced a software based on neural networks, to reduce the specific consumption of electric energy and improve the milling effectiveness.
- We are carrying out a test of catalytic fabric filters for the oven filter. These fabric filters, apart from filtering most dust particles, reduce the NOx emissions to the air. In the tests carried thus far, the reduction of emissions of other pollutant gases is excellent.
- We participate in a project with the materials research centres of the Instituto de la Construcción Eduardo Torroja and the University of Barcelona - engineering and construction companies in the field of renewable energies - with the objective of overcoming the current technological barriers and improving the effectiveness of their processes from concretes formulated with our Calcium Aluminate Cement (Electroland) and also with our calcium aluminate aggregate (CAT).

At Promsa:

- Development of new products such as the HALF+ concrete, a self-compacting concrete, light, with fibres, which in spite of its low

density, guarantees a 28-day over 25 MPa compression strength.

- Some other novelties introduced in the market are concretes with thermal and abrasion resistance, HAC concretes for architectural uses and concretes for high planimetry pavements with and without fibres.

At Propamsa:

- Pavements: The solutions of the line of pavements have been extended launching new products: Propam® Cem, light filling mortar for cases where the structure cannot be overloaded and Betopox Cement Tixo, a mortar combining the property of cement floors with the properties of epoxy resins.
- Mortars: The Propam® Repar Techno SR mortar has been launched, a sulphate resistant machine projectable mortar.
- Ceramic placement: Borada® Rústica has been developed allowing large joints grouting.
- Façades: a full range of lime mortar has been launched, with the brand REVAT®CAL, designed to the field of renovations and sanitation, as a solution to perpetuate along the time the buildings having an historical or artistic value.

At Precon:

- In 2015 a new design has been carried out of the sleepers for "Dynamic transitions for high-speed and commuter trains (DINATRANS)", and we expect the execution and monitoring of the test track in the first quarter of 2016. The project is financed by the Ministry of Economy and Competitiveness and managed by a consortium led by Ferrovial Agroman and the partners ADIF, PRECON, University of Cantabria and the Centro de Innovación de Infraestructuras inteligentes (Centre of Innovation of Intelligent Infrastructures).
- We are taking part in two ACHE working groups: the "GT1/6", devoted to ultra high resistance concrete and the "GT1/1" devoted to alveolar slabs, where we are working on recommendations for the forging project and construction using alveolar slabs."

- Other work groups: To channel and formalize the performances of R+D+I at PRECON, three Groups have been established and started: Materials, Products and Processes.
- New Products: In 2015, two new products have been developed and implemented: Twin-block sleepers for mixed track gauge and track set on concrete slab for the station of Cabanyal (Valencia) and mixed gauge Block for the station of Castellón.

Cementos Avellaneda, in Argentina, has developed several projects:

- Research tasks have been carried out focused on the study of performance (strength and durability) of composite cements (CPC40) made of calcareous filler and calcined clays.
- Technological tests were also carried out in CPC cement of San Luis adding waste from the ceramic industry.
- Through an agreement with the Faculty of Engineering of the National University of the Centre of the Province of Buenos Aires, studies on durability were started on concretes made with CPF40 and CPC40 cements (with calcined clays) with exposure to media having low temperature sulphates (thaumasite).
- The development of grout with new materials of white cement were completed.
- A progress was achieved in the development of premixed products, to set light bricks (HCCA), setting first mixtures and performing a trial in the field with very favourable results, for two of the designs.
- On the other hand, throughout the year, several developments were carried out tending to implement a CRS supply (solid residue fuel) in the oven number 4 of the Olavarria plant.

Projects of Cementos Artigas, in Uruguay:

- Development of glues.
- Start-up of developing the project of burning out of use tyres jointly with the environment authority and the Chamber of Importers. In addition, several tests of alternative fuels in the oven of Minas were performed to explore their technical-economic feasibility.

Corporación Moctezuma in Mexico:

- It has installed a new laboratory in the cement factory at Tepetzingo with the aim of assessing the performance of the cement produced in the three plants in the concrete and optimizing the design.

Self-compacting
concrete,
PROMSA, Spain.

QUALITY OF OUR PRODUCTS AND THEIR CERTIFICATION

The quality policy within the Group's companies is aimed at satisfying above all the needs of our clients and they are very strict on the certifications showing the quality of our products and processes, and the permanent improvement of our products and services in our catalogue.

Cementos Molins Industrial has renewed the certifications of the EC marking and the "N" AENOR mark on all the cements produced, as well as the certification of the quality management system according to the ISO 9001 standard. In addition, equipment has been installed and the proceedings of a new laboratory have been optimized which will allow a better control of the alternative fuels received at our factory.

Promsa: In 2015, the certifications of the EC marking of the aggregates and mortars produced by Promsa in all its productions centres have been renewed. As active members in the Technical Committees of the business associations of our sector, we have also continued to participate in the review of two important regulations which are now at their final drawing up step: The Ministry Order regulating the control of central manufacturing of concretes and the new Spanish Structural Code which shall replace in the future the current EHE-08 Instruction.

Propamsa obtained new Certifications from CSTB (Centre Scientifique et Technique du Bâtiment, in France), namely in the line of mortars. Therefore, it currently owns certifications for four adhesives for ceramic, two single-layer mortars, a self-levelling mortar and two primings, the factories in Sant Vincenç dels Horts (Barcelona), Quer (Guadalajara) and Guadassuar (Valencia) having been audited. In addition, the Document of Technical Expertise for the Propam® Aistern Ceram System has been obtained, allowing a finish of the ceramic lining on the thermal insulating system.

At Precon an annual audit of EC marking has been carried out in the plants already certified with a positive result. In addition, the new plant of Buñol (Valencia) obtained the certificates of EC marking to produce Linear elements, Elements for Bridges and Enclosing Walls. Lastly, it has renewed the certificate of the Quality Management System according to the UNE 9001 standard, which includes all its plants, and it has carried out the follow-up of the Integrated Quality

and Environment Management System (SIG) through the related annual internal and external audits.

In the international scope, the works by Cementos Avellaneda and Cementos Artigas should be taken into account within the field of technical assistance and quality; the design, construction and set up of an equipment for measuring the temperature adiabatic increase of H-40 concretes designed to the nuclear power station of Atucha II. Also for the assistance in road works, as well as for cooperating in the discussion and wording of the Handbook of Concrete Urban Pavements (ICPA) and the PETG of the DNV, under the Commission of Technology of Concrete Applied to Pavements (CTHAP) and the Commission of Follow-up of Road Projects (CSPV) of the ICPA. Speeches were held for laboratory technicians and plant staff of prepared concrete companies.

At Corporación Moctezuma, Mexico, the three factories of Grupo Cementos Molins maintain their ISO 9001:2008 certifications, NMX-C-414-ONNCE product certificates (National Standardization and Certification Body for Building and Construction) for the cements it produces, as well as the ISO 17025 accreditation (this later only for the factory of Tepezingo).

As for its concrete plants, all its plants are certified under the ISO 9001:2008 standard. Also, either the laboratory of test or the gauging laboratory have a Management system accredited under the ISO/IEC 17025:2005 standard.

At Sotacib: Both lines of white cement product have the suitable quality and meet the process requirements of strength and whiteness. During 2015, some measures were taken such as the programme of production objectives and internal audits. A product certification audit by AENOR and product certification audit in accordance with the Tunisia Standard NT-01 (2005) were carried out.

The Lafarge Surma Cement plant maintained and/or improved all its indicators: IQP, IST (consistency), KFUI, Laboratory Accuracy Rate, 28-day compression resistance, Product Quality Mastering Index (PQMI), Bag Breaking Rate. The transmission quality operator obtained the QCSO certificate (Operator of quality control change).



ENVIRONMENT

During 2015, all our companies have launched many initiatives within the framework of our environmental commitment.

Thus, at Cementos Molins Industrial, we highlight the following:

- The use of alternative fuel has reached a level higher than 30% of our global consumption, including since last June consumption of End-of-Life Tyres (ELT).
- A continuous HCl emissions measuring system has been installed in oven 6 and connected to the competent bodies of the Public Administration.
- New investments have been made to bring in line the facilities to the new regulation of light pollution and the first power audit in the plant has been carried out.
- The annual environmental test by the Government was carried out with excellent results, the verification audit of the emissions of Greenhouse Gases and the audit of the follow-up of the certification of the environment management system certification according to the standard ISO 14001:2004 have been carried out.
- The meetings of the Sustainability Commission have continued as a communication channel between local councils, the autonomous regional administration and Resident's Associations within the scope of the factory. In 2015, 3 meetings were held, commenting subjects such as the appreciation of the End-of-Life Tyres, the data of emissions in the state registry of emissions and pollution sources (PRTR).
- The EPDs (Environmental Product Declaration) have been developed for all our Portland cements jointly with the sector grouping.

During 2015, at Promsa:

- It maintained the ISO14001 certification of the main production plants and central offices, as well as the type II Ecolabelling based in the ISO 14021 standard of PromsaGreen products.
- It obtained the first prize in the national awards of sustainability granted by the Federation of Aggregates (FdA), in the category innovation and contribution to the circular eco-

nomy, for the project Ariblack (iron and steel aggregates). This project has likewise been nominated to the European UEPG Sustainable Development Awards.

- In cooperation with the Gremi d'Àrids de Catalunya i Medi Natural (Professional Association of Aggregates of Catalonia and Natural Environment) of the Generalitat of Catalonia, projects have been developed to promote the development in quarries of two endangered species, the Bonelli's eagle and the Black Wheater.
- While chairing the Committee of Environment of the Spanish National Association of prepared concrete manufacturers (ANEFHOP), it has promoted and led several sectorial projects related to the sustainability of concrete and its industry. Concerning the project of sustainability promoted by the association ANEFHOP, it obtained the Hormigon Expert certification in all its premises, the seal of sustainability which incorporates over 140 mandatory requirements in the area of quality, environment and labour risks prevention.
- As every year, training actions to the workers have been performed with the aim of sensitizing and informing on environmental legal novelties to promote the continuous improvement by achieving the environmental objectives posed.

In terms of Precon, we must point out:

- The audits of the first follow-up of the plants of Venta de Baños and Alcázar de San Juan have been carried out according to the ISO 14001 standard. The extent of the certificate has been modified, deregistering the plant in Vilanoviña.

In Argentina, on the part of Cementos Avellaneda:

- In Olavarria, tests continued to be carried out for using alternative fuel generated based on waste from local industries: peanut shells, glycerol and fuels derived from non-special industrial waste. At San Luis, values of over 35% thermal replacement by sustainable fuels have been stabilized, consistent with international values.
- With regard to projects linked to the Mechanism of Clean Development (MDL), during

2015 the MDL project number 3001 was pursued: "Reduction of energy consumption during the production of hydraulic lime for the construction industry through the addition of non-calcined mineral components and additives."- which is registered at the United Nations since 2010. This implies the reduction certified by this international organization of 59,821 tons of carbon dioxide during the period of March 2010-December 2011 not released to the air, during the process of producing Hidrat Lime. The project will continue until March 2020.

- On the other hand, during 2015, the extent of the certification of the Environmental Management System according to ISO 14001: 2004 standard was extended in the Cement and Concrete plants with the accrediting organization TÜV Rheinland Argentina S.A. The locations of Olavarría, Pompeya, Campana, San Justo, Laferrere and Pacheco were included and it was renewed at San Luis. From this year, the company possesses seven sites certified with this international standard to have care of the environment.

- Events were performed with institutions related with the climate change and the environment: participation at the Feria Verde (Green Fair) in the province of San Luis with a stand from the company, presentation of the twin-train and the programme of alternative fuels and materials with their environmental benefits. Also, the participation in events on sustainable construction and the signature of an agreement with the Government of the City for a Cleaner Production should be noted.

- Since 2009, the company is part of the campaign of "Corporate Social Responsibility of making the internal public aware", concerning saving energy, paper and water. Jointly with the IARSE (Argentine Institute of Corporate Social Responsibility), the company adhered itself to a national campaign in order to try to generate a simple, specific and easily applicable action.

- In addition, an active participation was performed in the Commission of Environment-Sustainability of the Portland Association of Cement Producers and the work was consolidated on indicators of sustainability of the cement sector. Likewise it participated in producing graphic material on Co-processing and the Industry of Cement.





View of Chhatak
factory, Surma
Cement,
Bangladesh.

- It is highlighted the participation of FICEM (Inter-American Federation of Cement), which encompasses the main cement companies of Latin America in the Getting the Numbers Right Project, an initiative to integrate an inventory for the area and provide a homogenized methodology for the industry on the estimate of emissions of carbon dioxide and consumption of energy. It also participated in activities of the Task Force of Climate Change and Co-processing among other 14 countries of Latin America: VI Co-processing Forum and Multiple-countries Missions in Chile, in March 2015.

Cementos Artigas, in Uruguay, has also being deeply working the environmental vector:

- Concerning the use of alternative fuels, in the year 2015 tests continued to be made to use alternative fuels generated from waste from the local industries and emphasizing those made with pre-dried paper sludge.
- The thermal replacement by liquid alternative fuels was doubled with respect to 2014 and it was around 13%. The total consumption of alternatives reached around 25.4%, with a 60% increase with respect to 2014.
- Concerning Projects linked to the Mechanism of Clean Development (MDL), it should be pointed out that during 2015 the process of second verification of the MDL project number 0844 "Partial substitution of fossil fuels with biomass in cement manufacture" about replacing fossil fuels with rice shell in the Plant of Minas by the company Tüv Rheinland continued. The process reached the stage "awaiting for issuance request" by the UN-FCCC, final stage of issuance of certificates and completion of the credit period of this project.
- During the year 2015, the Environmental Management Systems according to ISO 14001 were kept implemented, audited and certified: 2004 in the Cement and Concrete Plants, having complied with 100% of the internal and external audits of the integrated annual programme between quality and environment and 100% of the legal compliance audits concerning the environment.
- Also, at the plants of Sayago/Minas and ONcativo/Maldonado the follow-up audits and ISO 14001:2004 re-certification at the accrediting organization LSQA - Quality Austria were successfully carried out for the scope: Cement production and production of concrete with delivery at the site.

- Specifically the Sayago plant, is to be pointed out that in June 2015 obtains the approval of the National Directorate of Environment (DINAMA) of the Plan of Management of Solid Waste, a process which was started in January 2014.
- On the other hand, in June 2015, the Management of the company held a meeting with the new authorities of DINAMA, in which the current and future projects and improvements were submitted, mainly concerning the improvement of the environmental performance by emissions of particulates and the continuation of the sustainability of the operations by incorporating new alternative fuels (sawdust and end-of-life tyres).

On its part, in Mexico, Corporación Moctezuma also executed several actions:

- In our cement factories we worked to reduce waste generation as well as separating them in order to seek the best suitable destinations.
- In our cement plants we have nurseries where we cultivate plants native to each region that we use during the activities of quarry reforestation.
- The three plants, Tepetzingo, Cerritos and Apazapan possess the certification of Clean Industry granted by PROFEPA (Environment Protection Agency). Plant Apazapan obtained it in December 2015.
- In our concrete division we are carrying out audits in the plants installed in Mexico DF, two already executed at the end of 2015 and the other two during the first semester of 2016. On the other hand, an environmental committee has been created to boost internal environmental compliance and also to be closer to the communities surrounding our facilities to improve our relationship with the environment (Authorities, Dependences and Neighbours).

At Lafarge Surma Cement, in India and Bangladesh, we must point out:

- The environmental audit of the group was performed in April 2015, in cooperation with URS/AECOM India. The audit to supervise the ISO14001:2004 certificate on our environmental management system (EMS) was successfully performed.
- The waste co-processing turnover has reached 700 Tm and two new gardens have been developed to improve green spaces within the plant.

- LUMPL, our company, in charge of managing the mining activities for the factory, is acting in full compliance of the 26 conditions for chopping down trees as well as the 31 original and amended conditions on the same matter. The Annual Reports on the said fulfilment were handed to the authorities. The Ministry of Environment, Forest Matters and Changes of Climate, at the regional headquarter of Shillong, after visiting to supervise and check the environmental fulfilment, recognised that LUMPL was the mine with the highest level of fulfilment of Northwestern India; in fact, LUMPL has received many prizes and awards from several boards and offices; namely from the Directorate General of Mines and Security (DGMS) and of the Office of Mines of India (IBM). Among the mines located at the Northwest, LUMPL was awarded four times in a row between 2011 and 2015, the first prize granted during the week of Safety of the Metalliferous Mines of the Northwest organised by the DGMS with relation to the global performance. The prestigious prize Dronacharya obtained in the edition 2014-15 should also be taken into account.

- LUMPL planted in 2015 more than 30,000 trees, inside and out of the area of the mining claim. A nursery was also constructed which, currently, houses seeds from inside the mine and its surroundings which, later, shall be sowed to let them germinate.

At Sotacib, in Feriana (Tunisia), we can highlight the following:

- The installation of new continuous gauges to permanently monitor emissions and a change of the main oven burners has been carried out in order to introduce petcoke to replace natural gas as fuel. This has allowed us to optimize combustion and the process and thermic consumption has been reduced.

During 2015, at Sotacib Kairouan, Tunisia:

- Investment has started, and the relevant environmental authorisation has been processed, to use olive pomace as alternative fuel. Works are advanced and their start up is foreseen for mid 2016.
- Also, we have taken part in various technical workshops with the public administrations to develop laws to use renewable energies and alternative fuels in cement industry.

OCCUPATIONAL RISK PREVENTION

During the year 2015 work has been done on strengthening the awareness on road accidents and musculoskeletal disorders in the Spanish companies. With the help of a physiotherapist, we have designed personalised exercises depending on the work place to perform like warming up before starting the tasks or stretching along the workday. A decrease of in-itinere accidents and light accidents such as lumbalgias, sprains, etc.

Although 2 companies still maintain a result of 0 accident of its own staff and contractors, the results as for the total number of

accidents should continue to improve and it is for this reason that this objective has been included as a priority within the components of variable remuneration.

To reach our ambitious objectives, plans of action have been designed addressed to the typology of accidents focusing especially in leadership activities of the line of command, training, communication, safety observances and inspections. All of it shall contribute to the common target of cutting out accidents and incidents.

FREQUENCY INDEX (OWN STAFF AND CONTRACTORS)

	2012	2013	2014	2015
Spanish companies	10.9	8.0	14.6	14.3
Foreign companies	7.9	8.7	7.6	7.2
Total Group	8.4	8.6	8.9	8.1

The Frequency Index shows the number of accidents with loss of workdays per each million hours worked (it includes own staff and contractors).





Tepetzingo factory,
Corporación
Moctezuma,
Mexico.



SOCIAL PROJECTS

In Grupo Cementos Molins we firmly believe in the company contributing in proportion to its means to the development of the communities in our environment. That is why we take part in so many social projects:

Cementos Molins Industrial develops different collaborations with the city halls of the communities close to the factories and it also participates in multiple projects having the objective to put new energy in the local economy. It should also be pointed out the collaborations with local special groups of work through which are hired the services of persons having certain degree of disability, as well as the signature of conventions with centres of research and universities to boost cultural, recreational, social or scientific research initiatives.

Promsa develops research projects having as objective the environmental improvement and the optimization of certain products and processes. To develop these projects, Promsa collaborates with academic or research centres. On the other hand, the company also collaborates with local special centres of work to provide certain services. Lastly, the recently started

project of corporate volunteers which seeks to involve all the staff of the company in order to collect funds to finance projects having a social dimension should also be pointed out.

Precon goes on collaborating with special centres of employment to provide services, giving preference to associations focusing their effort on the social integration of persons having a disability favouring social and labour inclusion. For this reason, in the year 2015 it increased, with regard to 2014, the number of associations and special centres of employment with which Precon collaborates, as well, as the number of services and works assigned to the mentioned groups.

At Propamsa, in terms of social issues, the existence of agreements with vocational training schools should be pointed out, as is the case in the INS Joan Oró in Martorell, by means of which the company offers internship programmes to students.

Cementos Avellaneda is still having a great number of initiatives among which are to be pointed out the educational and support to the



paleontological research projects, in addition to those related to the cultivation of vegetable gardens in disadvantaged areas. The company also participates in organizing festivals and literary contests that address and disseminate social issues. Lastly, it should also be pointed out the initiative to elderly support. Also, activities linked to disseminating the environmental management system of the company were carried out, with training and opening the plants to the stakeholders: visits to plants by students of the nearby schools to commemorate the World Environment Day, Vegetable Garden Project at Represa del Carmen (San Luis) and Palaeontology at Olavarria. During 2015, the Company continues to lead the implementation and promotion of road transport with twin-train units, which reduces CO2 emissions to the air by ton carried. Concerning the promotion, presentations have been carried out before national and provincial authorities. Also, hard work was carried out to meet the legal requirements of the activities to include them in the environmental managing system, namely with reference to new projects, works and investments.

In Uruguay, Cementos Artigas supported the "Campaign for Floods" providing a significant contribution to the Red Cross. Also, initiatives of joint participation of workers and their relatives have been continued, in addition to contributions

of materials to schools. The Company supported different ways in building up the new chapel Madre de la Misericordia at Cerro Verdún, opening on 19 September 2015. The participation within the FICEM (Inter American Cement Federation) continued in the Project Getting the Numbers Right, an initiative to integrate an inventory of emissions and uses of resources for the sector of the region. At the same time, a new cycle of guided visits of school groups to the area was carried out receiving in total 21 groups of the 6th year. As every year, the visits took place with the group of guides accompanied by a Head of Sector of the factory, showing the children how Portland cement is produced and the practices in security and environment accompanying such production. A second contest of school drawing was held on the visit to the plant, rewarding with a bicycle the winning drawing, promoting among the kids a healthy and sustainable means of transport, while we shared with the full group a snack in their classroom. At the Minas Plant, a visit and playtime day was held for the families of the officers with a significant attendance of most of the staff with their children. Tours were performed through the plant and its processes and different recreational activities were carried out.

Corporación Moctezuma has a series of programmes for the communities surrounding the factories in features essentials such

Educational
workshops for
schoolchildren in
Argentina, Cementos
Avellaneda.



as: health (health fairs), sporting activities (programmes for supporting sport with the objective of preventing harmful practices to health); school activities (scholarships and gifts of school material), as well as improvements in the local infrastructures (refurbishing schools and social equipments). The launch of training programmes for work and encouraging self-employment of the women of the region should be highlighted.

Precon (Linyi), in China, makes available to the workers a canteen service, in addition to offer a flexible time schedule to allow travels in special circumstances and facilitate that the workers combine work with family life.

Among the main social projects developed in 2015 Itacamba Cemento was able to constitute the local committee of RSE. Now the challenge is to provide it with the necessary institutionalism so that the committee becomes the entity facilitating and representing the sustainable development of the community of Yacuces. Based on the initial diagnosis, a portfolio of Economic, Social, Environmental and Institutional projects which have been carried out during the 2015 management. Some of the most significant topics are the improvement of the infrastructure, equipment and gift of an ambulance for the healthcare centre of Yacuces as well as the training its staff; Productive Agricultural Programme "Pais"; Health Squads; training entrepreneur women; supporting productive entrepreneurship of women of the CIDOB consisting in equipment and training for providing services in foods; sport activities and integration between Itacamba and its contracting undertakings with the inhabitants of the community. Basic technical training in Senai de Corumba to achieve a qualified workforce of the community and the province; training students in environmental education and the art of recycling; the support to aggregates was continued to improve housing and care of vulnerable families; events of the Child day, the Environmental Day and Christmas addressed to children, students and families of the community. Also a commitment was reached from the contractors to support the RSE programme of Itacamba, so that some joint actions are performed.

The Corporate Social Responsibility (CSR) activities in Lafarge Suma Cement, in Bangladesh, show its permanent commitment with the development of the community and with the responsible undertaking practices in order to achieve a sustainable development for the economy, the environment and the society. The areas of activities of CSR are education, basic healthcare and development of competencies. The Centre of Community Development (CCD), the central platform for all our activities of CSR located at Chhatak, is still improving its services focused on the improvement of the members of the community, offering them equipment and services for education and healthcare. The CCD, jointly with the 6 Lafarge Suma sub-centres, keeps on working to train the members of the local community, who will gradually find their professional competencies increased and therefore, the opportunities to find an employment. Through these centres, the Company offers services of community development to more than 26,000 people.

The activities of Lafarge Umiam Mining (LUMPL), in India, are promoted by the ambitious vision of the Sponsoring Group, which are started based on the assessment of the community needs, followed by the RSC strategies developed to perform the initiatives. The activities of community development have been carried out by LUMPL specially emphasizing the healthcare services, the educational support, the improvement of the infrastructures, the programme to generate income, the development of competences, training, programmes of awareness and sponsoring sport, social and cultural events. The assessments on the CSR programmes based on the community needs are made by the Joint Committee of Community Development (JCCD), in meetings held by the members of the Durbar and the LUMPL, as well at Nongtraï as at Shella.

Both at Sotabib and at Sotacib Kairouan, we must highlight the various collaborations with the local entities through subsidies and/or cement donations. Also direct help to families of deceased workers due to accident or disease have been made. Finally we should mention the social benefits for workers through agreements, such as health coverage insurance, help given for religious services and access to financing.



Educational activities for children around the factory of Chhatak, Bangladesh.

HUMAN RESOURCES

The Group's headcount rose by 2.9% compared to 2014 to a total of 4,439 in December 2015. The number of employees at the domestic companies rose to 1,169, an increase of 11% on 2014.

Training continues to be a cornerstone in the management of the Group's employees and their professional development. The Group gave a total of 22,762 hours of training in Spain in 2015, at both a technical and skill

development level, in addition to occupational risk prevention training.

Mention must be made of the agreement reached by Cementos Molins Industrial and the works council on a new collective agreement that will be in force for three years until 31 December 2017.

At Promsa, performance assessment has become a key management tool for human

TOTAL NUMBER OF EMPLOYEES PER COMPANY AT 31 DECEMBER

	2012	2013	2014	2015
Cementos Molins S.A.	61	58	31	31
Cementos Molins Industrial	196	178	169	175
Group Promsa	314	236	220	237
Precon	448	567	469	553
Propamsa	120	113	114	123
Cemolins Servicios Compartidos	-	-	37	41
Rest	13	13	13	9
SPANISH COMPANIES	1,152	1,165	1,053	1,169
Cementos Avellaneda	713	702	720	730
Cementos Artigas	259	249	239	231
Corporacion Moctezuma	1,187	1,148	1,105	1,121
Surma	487	519	519	498
Group Sotacib	538	538	581	588
Itacamba Cementos	-	-	68	83
Precon Linyi	-	-	30	19
FOREIGN COMPANIES	3,184	3,156	3,262	3,270
TOTAL GROUP	4,336	4,321	4,315	4,439

The number of employees relates in full to the headcount of each company.

resources since, on one hand, it allows the company's employees to align themselves with its strategic plan, and on the other, it augments their professional growth.

The Spanish companies' human resources policies take seriously the integration of disabled people in the workplace, through direct hiring or cooperation with specialist work centres and foundations.

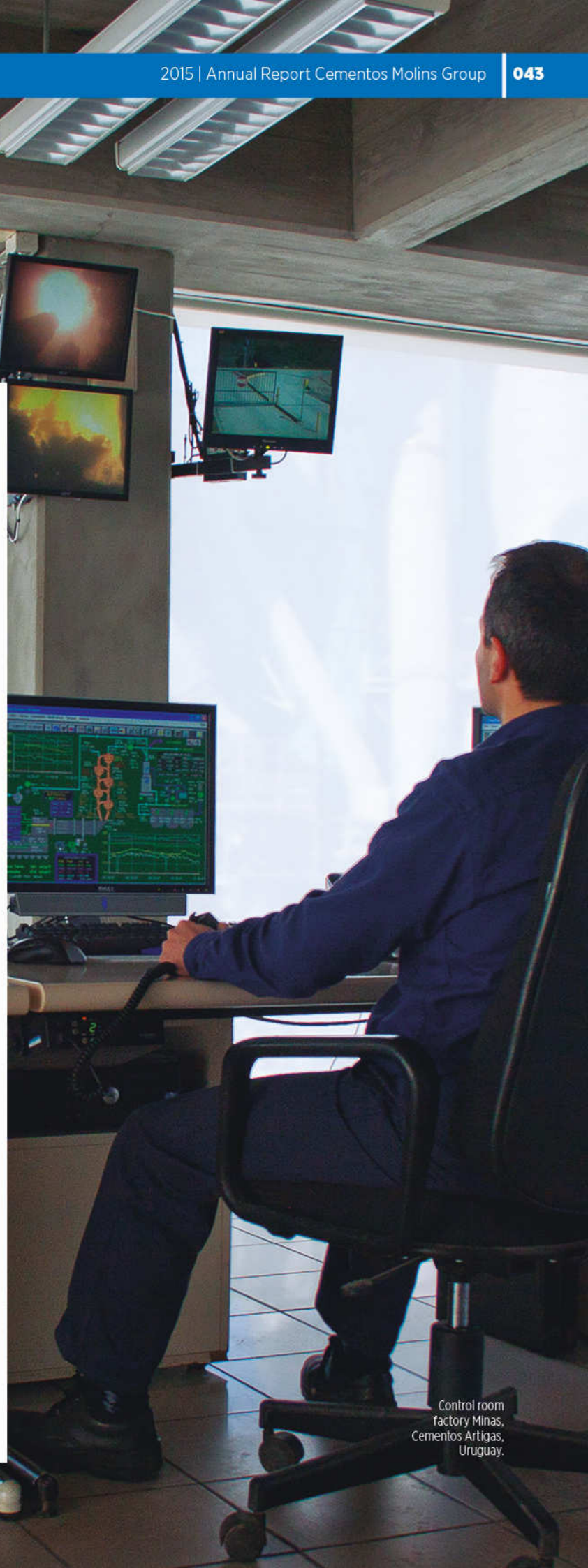
Corporación Moctezuma, in Mexico, obtained the Súper Empresas Expansión certification for being one of the most desired places to work, and the executive education prize awarded by the Monterrey Higher Education Technology Institute.

Cementos Avellaneda in Argentina and Cementos Artigas in Uruguay carried out the fourth organisational climate survey to ascertain the opinion of every member of the organisation, with a participation of between 95.6% and 98.8% of the workforce.

In 2015 Lafarge Surma Cement Bangladesh carried out active brand boosting management activities at recruitment level, participating in various university fairs to attract talent and launching the career portal to enhance the efficiency of its hiring processes. The company also set up a medical compensation policy, facilitating medical help and showing its concern for its employees' quality of health.

At Itacamba Cemento in Bolivia, there is a clear opportunity to create operating efficiency by hiring new personnel for the start-up of the new factory at the end of 2016.

In Tunisia, Sotacib Kairouan and Sotacib Feriana focused their development on the technical training of their employees, with the two companies carrying out 97 training activities between them.



Control room
factory Minas,
Cementos Artigas,
Uruguay.

DIRECTORS' REPORT BY GEOGRAPHIC SEGMENT

SPAIN

The 3.2% growth in GDP recorded in 2015 shows the expansive trend in economic activity, underpinned mainly by growth in private consumption, a more dynamic labour market, and the effects of the temporary help received in the year, such as the reduction in the tax rate and the fall in the oil price.

However, in 2016, certain elements that would help sustain more balanced long-term growth might become more important, such as an improvement in financing conditions, renewed growth in the real estate industry and the structural reforms continuing to bear fruit, especially in the labour market. Even so, both external and internal risks to this scenario are also on the rise. Externally, due to the possible slowdown in emerging countries, and internally due to the results of the general elections held in December, which led to considerable fragmentation of parliament, increasing the uncertainty surrounding the political arena and on the ability to continue to implement reforms.

Inflation at 2015 year-end was 0.0%, thus changing the negative trend of previous years. The slower fall in oil prices and the rebound in certain fresh foodstuffs led inflation to

be unchanged between 2014 and 2015. The general CPI rate in 2015 contrasts with the 1% fall at 2014 year-end and is also a historic figure: never had this indicator registered this rate at year-end since the series was started in 1961.

In the cement market, consumption rose by 5.3% in 2015. Despite this, cement consumption remained at extremely low levels, with a consumption volume of 11.4 million tonnes in 2015, according to Oficemen, well below the 56 million tonnes reported in 2007, which shows that the cement industry market suffered a drastic fall of 80% in the 2007-2014 period. Growth in consumption, therefore, was low, and does not seem to have stabilised, as shown by its better performance in the first half of 2015 compared to the second half.

In Catalonia, the main area of the Spanish Group's operations, cement consumption recovered in 2015 by 7.8%. Until 2015, cement consumption in Catalonia had declined continuously since 2007, when it totalled 8 million tonnes, with the clinker and cement export activities acting as a lifeline for the industry in this period.

GEOGRAPHICAL PRESENCE



CEMENTOS MOLINS INDUSTRIAL

2 cement factories

PROMSA

20 concrete plants
6 aggregate plants
6 environmental plants
2 mortar plants

PROPAMSA

5 tile cement and mortar plants

PRECON

9 precast concrete plants

SALES INFORMATION, EBITDA AND EMPLOYEES:

205
SALES
(M. €)

12
EBITDA
(M. €)

1,169
NO. OF
EMPLOYEES

CEMENTOS MOLINS INDUSTRIAL, S.A.U.

Cementos Molins Industrial, S.A.U.'s activity is based on the manufacture and sale of both Portland and calcium aluminate cement at its plants at Sant Vicenç dels Horts and Sant Feliu de Llobregat.

In 2015, the company reversed the negative results obtained in the last three years. The improvement in the domestic market enabled the company to increase cement volumes without abandoning foreign markets, where all the excess production not absorbed in the domestic market was supplied. The company continued the cost optimisation policy that enabled it to make the businesses more profitable and competitive (this latter factor facilitated the company's access to international markets); as far as the Spanish market is concerned, the company recorded an increase in sales that exceeded that of the market in Catalonia.

Taking the year as a whole, Portland cement production was 13.3% up on 2014 due to the higher sales volume, however, sales of clinker for export were down by 12.5% despite the

increase in the production of clinker over the previous year.

In 2015, Cementos Molins Industrial's sales amounted to EUR 75.1 million, representing a 5.4% increase year-on-year. Exports again exceeded sales in the domestic market, due mainly to the market situation in Catalonia and to the improvement in export prices and the effect of the depreciation of the euro on sales of clinker.

The variable product margins improved. This increase in margin arose from increases in the price of both cement (despite the strong competition in the domestic market) and clinker, which benefitted particularly from the significant depreciation of the euro. Variable costs were contained at levels similar to those of the preceding year, significantly adversely affected by an increase in electricity costs, offset to a considerable extent by the improvement in the cost of fuel (petroleum coke) which, tracking the performance of international oil prices, suffered significant falls, especially in the last quarter of the year; other

Sant Vicenç dels Horts factory.



contributions were made by daily production and the electricity and heat consumption of the various facilities, which improved significantly compared to 2014; it must also be stated that the average alternative fuel replacement percentage was above 30% in 2015.

In fixed costs, mention must be made of the significant reduction, compared to 2014, in maintenance costs, which fell to their second-lowest level ever. Consequently, the company's financial statements

present an increase in EBITDA of 55.7% on the prior year to EUR 16.1 million.

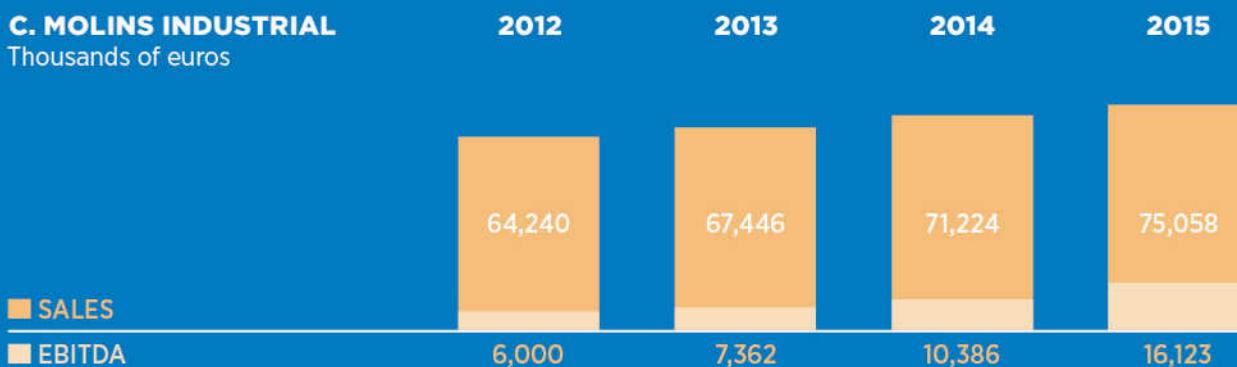
Investment in 2015 totalled EUR 1 million, and included most notably the installation for the adaptation to the new demand interruptability management system, the preparatory work for the dismantling of the old lines, which gave rise to an improvement in the functioning of the current factory, or its separation from shared facilities, and a pilot kiln for the production of calcium aluminate clinker.

Sant Vicenç dels Horts factory.



C. MOLINS INDUSTRIAL

Thousands of euros



PROMOTORA MEDITERRÁNEA-2, S.A. (PROMSA)

PROMSA manufactures and markets concrete, aggregates and mortar and has two construction services divisions, a pavement application division and a concrete structures division. It also has a business line engaging in environmental activities, which specialises in the recycling and recovery of waste and manufacture of alternative fuels. Most of the company's business activity takes place in the Catalan market, where it has 34 active production facilities.

In 2015 the Catalanian concrete market reversed the trend of recent years and, after several years of continuous contraction, expanded by 6%. This growth was not regular over the course of the year: there was moderate growth in the first six months of the year, which fell back in the second half.

The company's revenue saw strong growth, with a 24.4% increase year on year, due to the positive contribution of all the business lines. The sales figure stood at EUR 48.1 million, due to the boost from the growth in volumes. However, concrete prices continued their downward trend, especially in the last quarter of the year.

During the year, the company maintained its active presence in the most important construction work in the market, with a presence in the construction of the high-speed train station (AVE) in Barcelona, which will continue in 2016, and in the work on the BEST container terminal (TERCAT) in the port of

Barcelona and MANGO'S logistics centre in Lliça del Valles, which were completed in 2015.

As a result of the increase in activity, EBITDA improved by EUR 2.1 million year on year to a positive figure of EUR 0.6 million. In 2015 the company continued to implement its policies on cost reduction and improving the efficiency of its processes.

Investment in 2015 related mainly to the maintenance and improvement of environmental conditions and safety conditions at the company's facilities. As a relevant event, mention must be made of the construction of a shredding plant for tyres at the end of their useful lives, the purpose of which is the recovery of the energy and materials from these items. This investment was made jointly with other companies of renowned prestige in the industry.



Concrete Supply, PROMSA.

PROMSA

Thousands of euros

Consolidation of PROMSA Group companies in proportion to final percentage of ownership.



PREFABRICACIONES Y CONTRATAS, S.A.U. (PRECON)

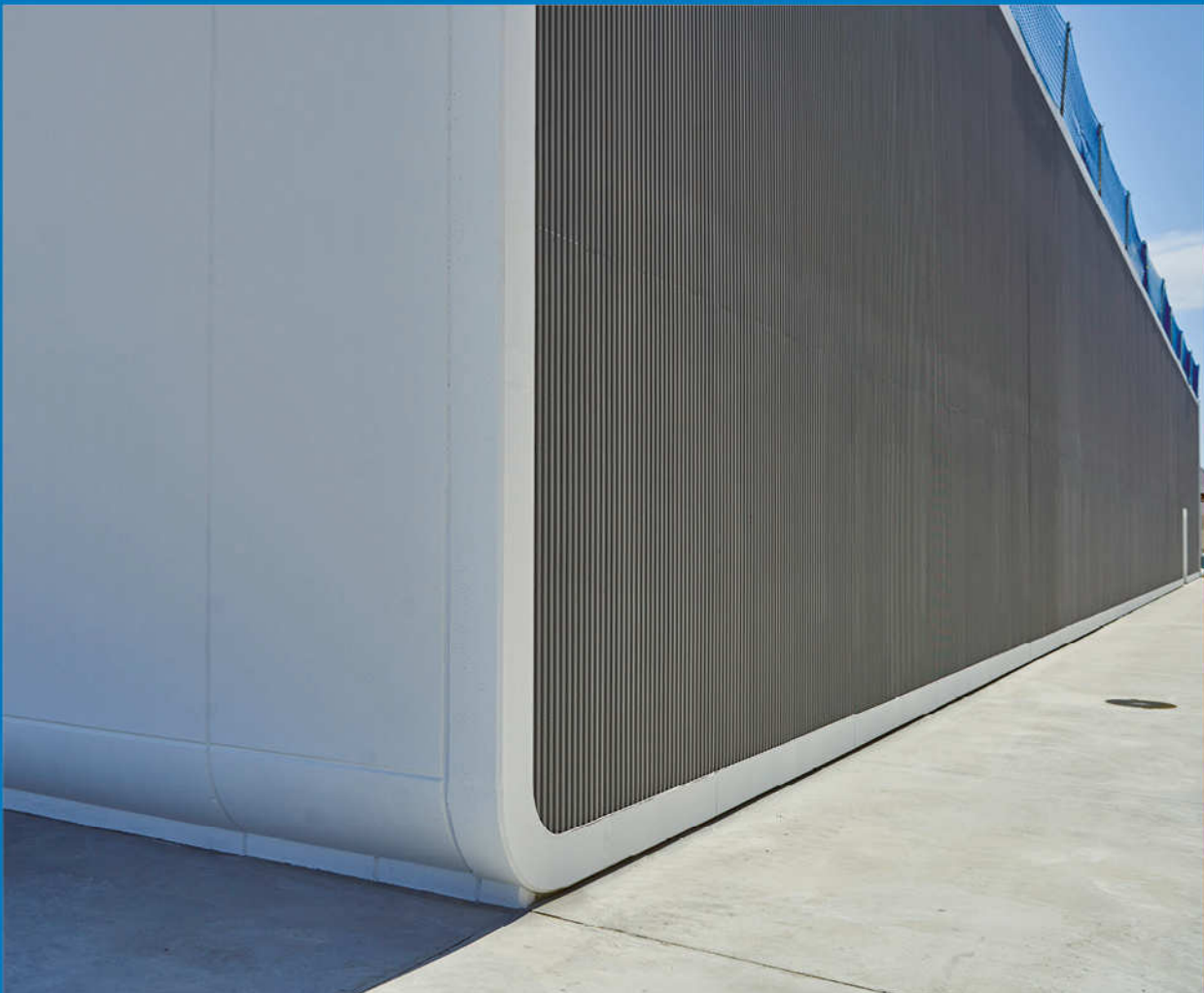
PRECON's activity focuses on the customised design, production and sale of a wide range of precast concrete products for general building construction, public works and railway lines. The company centres its production on its nine plants located throughout Spain.

In 2015 the company's revenue fell with respect to 2.7% with respect to 2014 to EUR 61.1 million, with uneven performance by business line.

Precon's building construction activity rose by 26%, continuing the growth trend of recent years. Despite the ongoing impact of the economic crisis on this business line, the

company managed to consolidate its sales as a result of its policy of strengthening ties with and/or attracting private customers initiated in 2012. Building construction includes most notably the construction of the new IKEA store in Alcorcón (Madrid), the new Campofrío factory in Burgos, the new logistics centre for Michelin in Valladolid, the new logistics warehouse for Electrodomésticos Jata in Tudela (Navarre), the cover for the entrance to the La Sagrera station in Barcelona, the new warehouse for Bricomart in Bormujos (Seville), the construction of sewage systems, collectors and pumping stations for the waste water treatment plant at Nerja (Málaga), the construction of the shopping and leisure

Prefabricated textured facade and curved edges, PRECON.



centre at Ginés (Seville), several prefabricated buildings for Iberdrola and the construction or extension of industrial buildings in Porriño (Pontevedra), Usurbil (Guipúzcoa), Cartaya (Huelva) and La Rinconada (Seville).

Civil engineering sales decreased by 2% with respect to 2014 due to the continuation of the low execution volume of public works in 2015, although within the general context of the continuation measures adopted by the Government to contain the budget deficit. The Company's emblematic projects include most notably the viaduct over the Arlanzón river on the Villalbilla de Burgos - Quintanadueñas section of the BU-30 Burgos bypass, the bridges on the Anllons river, Fornelos and Rego de Balsa viaducts of the Costa Da Morte motorway, the Puente del Obispo North-Puente del Obispo South section of the A-316 motorway (Jaén) and the SE-40 motorway SE-649 link to Almensilla (Seville).

PRECON's railway product business decreased by 31% with respect to 2014 due to the fall in the calls for tender and awards of projects by ADIF of high-speed train network projects, Mediterranean Corridor projects and other railway lines with mixed gauge sleepers, following the heavy volume of supplies of sleepers billed in 2014.

2015 was characterised by the reduction in sale prices as part of a backdrop of lower

price levels. This effect gave rise to a reduction in the company's operating margins, and was offset by improvements in processes and procurements, the improvements in the installations made at the factories and greater efficiencies in staff costs as the gradual implementation of measures to enhance labour flexibility and specific adjustments to the headcount continued.

Lastly, 2015 ended with positive EBITDA of EUR 2,473 thousand, an increase of 18.8% on 2014.

The important positive impact on EBITDA of the reduction in provisions for customer insolvency is noteworthy, due to the risk control measures implemented by the company.

Investment in property, plant and equipment and intangible assets amounted to EUR 3.6 million in 2015. They were earmarked mainly for increasing capacity, improving the production capacity of the factories and improving occupational risk prevention and product quality.

Noteworthy capital expenditure was the acquisition of a production unit in Buñol (Valencia) for the manufacture of precast products for construction and civil engineering projects and the construction of a production building at the Cabezón de Pisuerga (Valladolid) factory.

PRECON

Thousands of euros



PROPAMSA, S.A.U.

PROPAMSA is the Cementos Molins Group company specialising in the manufacture and sale of industrial mortar and specialist chemical products for construction.

PROPAMSA's business activities are centred on meeting the needs of the construction industry dedicated both to new construction and restoration, for which it manufactures and sells the following product lines: paving, ceramic installation, lime cladding, thermal and acoustic insulation of exteriors, concrete repair and sealing systems.

PROPAMSA has five plants in Spain, located in Barcelona, Guadalajara, Seville, Pontevedra and Valencia, which produce the material

distributed through the various distribution channels, especially that for construction material warehouses.

It also has two logistics channels of its own, in Palma de Mallorca and Vizcaya, which complete its distribution network in the Spanish market.

The markets in southern France and Portugal are served using company staff to provide technical and commercial support to the distributors in these areas.

In 2015 the Spanish market experienced a slight improvement. New construction saw the completion of 45,000 housing units and some improvement was observed in the

Finished
flooring Epoxi,
Betopox 92A,
PROPAMSA.



restoration line. From the third quarter there was a certain stagnation; however the overall figures for the year show an improvement in the market year on year, due to the positive performance of household consumption, and therefore, an increased number of small projects and refurbishments.

Export volume rose by 46% over the previous year and now represents 7% of Propamsa's total sales.

The commercial policy continued to focus on searching for value, maintaining its quality positioning and differentiation with new products. There was a continuation of traditional policy of supporting customers with technical and commercial management, defending the company's solutions and products on site through the distributors.

In the French and Portuguese markets, the roll-out of the commercial plan continued and the company's presence increased in the Provence-Alpes-Côte d'Azur region. The entry and consolidation of sales in the Portuguese market continued with considerable support from the distribution channel.

In terms of exports, new contacts were made in the North and Central African markets, which enable earnings to be improved without making significant investments. The countries reached on a regular basis include Lebanon, Morocco, Algeria, Panama, Congo, Guinea and French former colonies and territories in the Indian and Pacific Oceans.

Investment in 2015 centred on prevention, the environment and various enhancements required by the market relating to product, format and flexibility. The most noteworthy were the adaptation of silos at the factory at Quer (Guadalajara) for the production of special mortars, extension of the epoxy area at the factory at Sant Vicenç dels Horts (Barcelona), palletisation using europallets in Seville and Salvaterra (Pontevedra), adaptation of the silo for fine powder in Seville and the installation of tintometric equipment in Salvaterra (Pontevedra).

The trend in sales growth initiated in 2014 continued, leading to an increase of 15.9% to EUR 30.5 million in 2015 which, together with the improvement in the mix of products sold, enabled earnings for the year to improve significantly to enable EBITDA of EUR 1.5 million to be recognised.

PROPAMSA supply of products for railway tunnel in Catalonia.



ARGENTINA

On 10 December 2015 the new administration led by Mauricio Macri took office, the pressing economic matters being the situation regarding the real exchange rate, an increasing deficit of around 7.5% of GDP in 2015, monetary policy affected by fiscal imbalances, distorted relative prices and high inflation.

Initially a series of measures were adopted relating to the exchange rate position and the situation regarding international reserves.

The Argentine peso's exchange rate against the dollar ended 2015 at ARS 13.04/USD 1, a variation of 52.5% compared to the currency's exchange rate at 31 December 2014.

According to data published by the Argentine National Institute of Statistics and Censuses (INDEC), the preliminary estimate of GDP for the second quarter of 2015 shows growth of 2.3% compared to the year-ago period, with a positive change in GDP for 2015 estimated to be around 1%.

Due to the statistical emergency declared by the Argentine government, no indices

have been available since November 2015. The INDEC published certain considerations for the use of alternative consumer price indices until regular publication of the index resumes. The alternative indices include the one published by the Provincial Directorate of Statistics and Censuses of the Province of San Luis (IPC-SL), according to which there was a variation of 31.6% in 2015.

According to the Synthetic Indicator of Construction Activity (ISAC), the construction industry as a whole accumulated an increase of 7.5% over the first nine months of 2015 with respect to the same period in 2014.

2016 will foreseeably be a year of transition. The aim of the measures the government has taken and will take is to reorganise the economy. It is thought that economic activity might experience a slowdown in the first half of the year, and an incipient recovery is expected for the second half, with lower interest rates and a reduction in inflation. In this regard, the government set an official inflation target of 25% for 2016, although economic analysts consider that it might exceed 30%.

GEOGRAPHICAL PRESENCE



CEMENTOS AVELLANEDA, S.A.
Olavarría Factory
San Luis Factory
8 concrete plants

SALES INFORMATION, EBITDA AND EMPLOYEES:

345
SALES
(M. €)

65
EBITDA
(M. €)

730
NO. OF
EMPLOYEES

CEMENTOS AVELLANEDA, S.A.

Cementos Avellaneda, S.A. is an Argentine company that manufactures and sells Portland cement, mortar, lime, adhesive cement and concrete. It has two cement plants, one in Olavarría, located in the province of Buenos Aires, and the other 80 km from the city of San Luis, in the centre of the country in the province of the same name. It also has six fixed concrete plants and two on-site plants, all located in the province of Buenos Aires, in an area called Greater Buenos Aires surrounding the Federal Capital. Cementos Molins owns 51% of its shares and the other shareholder is the Brazilian cement company Votorantim.

The Argentine cement market achieved sales of 12.1 million tonnes in 2015, representing an increase of 7.6% on 2014, and registering a new all-time high.

Per capita consumption increased by 7.1% in 2015 compared to 2014, to an approximate value of 281 kg per inhabitant.

As regards commercial management, efforts to serve the company's customers in a high-demand market intensified, with cement being imported from Cementos Artigas S.A. (Uruguay) in the last few months of the year.

Olavarría
factory,
Cementos
Avellaneda.



In 2015 record sales of cement and tile cement were recorded in Olavarría, and of Hidralit bricklaying cement in San Luis.

Also, the 2015 estimated market for concrete based on the bulk shipping of cement to the concrete works in the area of the Autonomous City of Buenos Aires and Greater Buenos Aires, saw a year-on-year change of 0.9% to reach a volume of 2.8 million cubic metres.

2015 was one of the years in which the concrete division recorded one of its best financial results since inception of the activity. Mention must be made of the supply of concrete to important projects in the Autonomous City of Buenos Aires and

Greater Buenos Aires, such as the logistics centre, pavements and the commencement of the Metrobus project in La Matanza.

Profits showed significant growth with respect to 2014. Sales amounted to EUR 344.5 million, an increase of 37.2%, and EBITDA were EUR 65.3 million, 58.4% higher than the figure reported in 2014.

The investments made in 2015 focused mainly on growth, the most noteworthy being the advance made on the purchase of the La Cabañita and Dilascio quarries in Olavarría. Also worthy of mention at the Olavarría plant is the project to replace four of the kilns in the lime factory.

Olavarría
factory,
Cementos
Avellaneda.



Thousands of euros

C. AVELLANEDA	2012	2013	2014	2015
Assets	195,107	163,738	184,414	187,256
Shareholder's equity	130,076	112,371	125,041	124,940
Sales	259,052	284,620	251,132	344,501
EBITDA	60,029	51,284	41,215	65,288
Net profit	33,635	30,690	26,466	46,347

URUGUAY

In 2015 tensions between the various aims of economic policy tended to worsen, against a more negative external backdrop than in previous years.

Private estimates indicate that GDP grew by 1.5% in 2015. In the first six months of 2015 the industry recorded growth of more than 7%, mainly due to Montes del Plata and to a lesser extent by the good performance of refining and the food business. There was a slowdown between July and September, because the growth in the production of pulp and various foods was offset by the decline in refining and the industrial core.

According to data published by the Uruguayan central bank, in the third quarter of 2015 the aggregate value of the construction segment fell by 6.7% in year-on-year terms as a result of the fall in the private sector, which was partia-

lly compensated by an increase in the public sector. The latter was due to the increase in construction work relating to roads and the generation of electricity.

The consumer price index rose by 9.4% in 2015, while the wholesale price index (IPPN) increased by 6.6%.

At 31 December 2015, the US dollar exchange rate had appreciated by 23% to UYP 29.95/USD 1 compared to 31 December 2014.

In 2016 Uruguay will face the challenge of rebalancing the macro side of its economy and encouraging improvements in competitiveness in an extremely unfavourable environment in the region, as well as a scenario of a strengthening dollar, rising interest rates in the United States, slowing emerging economies and lower commodities prices.

GEOGRAPHICAL PRESENCE

SALES INFORMATION, EBITDA AND EMPLOYEES:

95

SALES
(M. €)

23

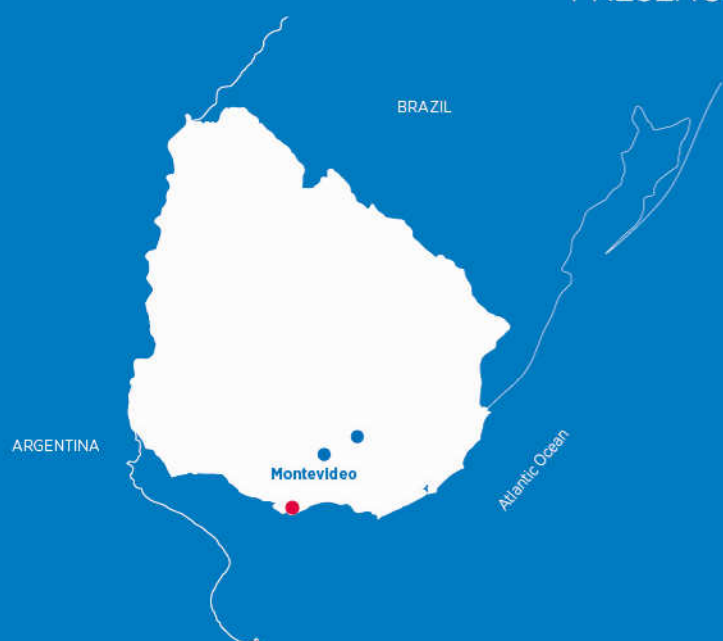
EBITDA
(M. €)

231

NO. OF
EMPLOYEES

CEMENTOS ARTIGAS, S. A.

Sayago Factory
Minas Factory
7 concrete plants
1 aggregate plant



CEMENTOS ARTIGAS, S.A.

Cementos Artigas, S.A. is a company based in Uruguay. It has a clinker manufacturing plant in Minas, a mill in Sayago, seven concrete production plants and a granite aggregate production plant, and centres its activity on the production and sale of Portland cement, mortar, concrete and aggregates. Cementos Molins owns 49% of its shares and the majority shareholder is the Brazilian cement company Votorantim.

The Uruguayan cement market amounted to 730 thousand tonnes in 2015, down 12.2% on the previous year. The incursion of a new competitor is worthy of mention: since September CIMSA has been offering cement in bag and big bag formats.

In a market of 530 thousand cubic metres, Artigas's concrete division kept sales volumes to levels similar to those of 2014.

Profits measured in euros showed a slight fall with respect to 2014. EBITDA was EUR 23.5

million, indicating a 1.7% decrease compared to 2014, largely due to the variation in the sales mix and the recognition of the uncollectibility of a trade receivable of the concrete division from a customer involved in insolvency proceedings.

The highlight among the investments made in 2015 was the commencement of the transformation of the electrofilter into a bag filter, which will enable emissions to be reduced and will be brought into operation the next time the kiln is shut down, which is expected to be in March 2016.

Also, the investment in the mortars plant initiated in 2014 was completed and the start-up of the biomass (sawdust) facility was finalised.

As regards maintenance, the crown, pinions and engines of the cement mill at the Sayago plant were replaced.

Minas factory,
Cementos
Artigas.



Thousands of euros

C. ARTIGAS	2012	2013	2014	2015
Assets	90,437	80,964	77,658	70,052
Shareholder's equity	73,630	62,534	58,573	52,692
Sales	97,423	104,299	88,230	94,518
EBITDA	26,237	31,595	23,881	23,473
Net profit	18,041	26,999	20,134	18,501

MEXICO

2015 was a year of considerable challenges for the Mexican economy, with moderate economic growth and unusually low inflation levels. The significant falls in the price and production of oil, and the low drag effect of external demand prevented the economy, which grew by 2.5%, from exceeding its average growth rate for the last 20 years.

2015 was characterised by sustained growth in domestic consumption and a slight rebound in corporate investment. Exports suffered fluctuations resulting from the weak external recovery and low oil prices.

For seven months, inflation was at all-time lows, and in the first half of December it hit 2%. Low inflation is explained by the effect that the Bank

of Mexico's credible independent monetary policy has had, as well as the implementation of the energy and telecommunications reforms that allowed a petrol price policy to be instituted and electricity and telephone tariffs to be reduced in 2015, resulting in all-time low inflation rates.

The expected economic slowdown in China and the persistent distortions in its financial markets led a new round of exchange rate volatility in Mexico. From the second half of 2015 the Mexican peso depreciated against the US dollar to MXP 17.34/USD 1 at year-end, down 15% on 2014 year-end.

The construction industry in 2015 continued the upward trend initiated in 2014 and reported estimated growth of 3.4%.

SALES INFORMATION, EBITDA AND EMPLOYEES:



CORPORACIÓN MOCTEZUMA S.A.B.

Tepeztingo Factory
Cerritos Factory
Apazapan Factory
36 concrete plants

GEOGRAPHICAL PRESENCE



CORPORACIÓN MOCTEZUMA S.A.B. DE C.V.

Located in Mexico, the company engages in the production and sale of cement, concrete and mortar. Cementos Molins owns 33% of its shares and control is shared with the Italian cement company Buzzi Unicem.

In 2015 Corporación Moctezuma was recognised by independent analysts as the company with the best return on investment in an analysis performed taking into account all the companies listed on the Mexican stock exchange, which is the result of the effort put into driving the company forward, maximising price, redirecting volumes to more profitable markets and strict cost control.

The Company's revenue increased by 20% on 2014, to EUR 634.6 million. EBITDA totalled EUR 257.7 million, up 37.1% on 2014.

2015 was a record year for the cement industry, and in particular for Corporación Moctezuma, which exceeded its production capacity and recorded record cement sales figures.

In 2015 the basic factor on which the company focused its efforts was the customer. Most noteworthy was the development of a commercial CRM, an IT tool that lets the company obtain information about what is happening in the market and to the customer. This information will make decision-making more flexible, which is good for customers and the company.

In costs, mention must be made of the 3% reduction in the price of fuel and the 26% fall in electricity prices, as a result of the global fall in oil prices.

The concrete business line saw the continuation of the strategy initiated two years ago that focuses on the market niches, geographical areas and customer types that really provide returns for the company. Since then a process of plant closures and withdrawal from certain markets has taken place. In general those markets were the furthest away which required cement to be transported over longer distances, and smaller markets with many local competitors where margins have narrowed considerably in recent years.

Plants were opened in Veracruz and Toluca and the installation commenced of two new plants (Naucalpan and Xochimilco) in Mexico City, which is the company's main market where it is most profitable. And the company's presence in concrete pumping increased, with very good results.

At the beginning of 2015 a new aggregates facility was started up in the Apazapan cement factory, from where the company supplies the Xalapa and Veracruz areas and the plant in Apazapan for the construction of the second production line. The company is committed to the significant construction projects to be developed at the new port of Veracruz.

Cerritos
factory,
Corporación
Moctezuma.





View of the entrance of the factory in Cerritos, Corporación Moctezuma.

At the beginning of 2015 work started on the extension of the La Plancha mine in the Atotonilco de Tula area 70 km from Mexico City, which supplies some of the plants in Mexico City, in order to increase production capacity and improve the quality of the aggregates.

Most notable among the investments made in 2015 relating to cement is the construction work of a second 3,000 tonne/day clinker production line, which will double the current capacity of the Apazapan plant. The forecast investment is of around USD 190 million and it is expected to come into operation at the end of 2016. At 2015 year-end the civil engineering work was substantially complete and the manufacture and assembly of the metal structure and the set-up of the equipment was nearing completion. Prior to the start-up

of the second production line, the location of the current clay crusher will foreseeably be changed. As a result of this expansion, Corporación Moctezuma will have two production lines in operation at each of its three plants: Tepetzingo, Cerritos and Apazapan.

The other investments made in 2015 were the purchase of a cement storage area in Jiutepec, the construction of a cement warehouse in Mérida, the performance of pending work on the petcoke storage area in Veracruz and the purchase of land in Tepetzingo and pozzolans in Cerritos.

Noteworthy in the concrete business line was the acquisition of land in Cuernavaca, the assembly of the Naucalpan plant and the purchase of ten concrete mixers.

Thousands of euros

C. MOCTEZUMA	2012	2013	2014	2015
Assets	618,168	570,477	597,534	635,423
Shareholder's equity	498,041	455,706	473,847	507,257
Sales	535,466	468,727	529,029	634,614
EBITDA	193,699	153,834	188,001	257,682
Net profit	120,934	85,918	114,985	162,030

BANGLADESH



View of the pier factory Chhatak, Surma Cement.

Despite the political unrest at the beginning of 2015 that adversely affected transport services, exports and private investment. Growth in Bangladesh held up due to domestic demand, driven by the increase in remittances from workers, private-sector salaries and public investment.

Inflation slowed in 2015, while exports grew significantly more slowly than imports and, accordingly, the trade deficit widened considerably.

The cement market grew by 5.9% in 2015 and a cyclical effect of demand for cement in

Bangladesh was observed. Market growth of approximately 10% is forecast for 2016. The company expects growth in the construction industry to be fuelled by large government infrastructure projects and the fillip from the private sector.

The general economic stability based on GDP growth, growth in construction, agricultural yields and the receipt of remittances, growth in exports and private consumption and low inflation should enable the market to expand in 2016.

GEOGRAPHICAL PRESENCE



LAFARGE SURMA CEMENT LIMITED

Chhatak Factory
Megalaya (India) Quarry

SALES INFORMATION, EBITDA AND EMPLOYEES:

127
SALES
(M. €)

41
EBITDA
(M. €)

498
NO. OF
EMPLOYEES

LAFARGE SURMA CEMENT LIMITED

Based in Bangladesh, Surma Cement engages in the manufacture and sale of cement. The factory is located in Bangladesh and the limestone quarry in India, connected by a conveyor belt. Cementos Molins and LafargeHolcim jointly own 60% of the share capital, while the rest is owned almost entirely by local shareholders. The company is listed on the Dhaka and Chittagong stock exchanges.

2015 was a difficult year for the company's business mainly because of the political instability in the first few months of the year and especially because the market grew by 6%, below the double-digit growth of previous years.

The price of clinker fell by more than USD 10 per tonne, due to the worldwide surplus of clinker and the fall in shipping, which adversely affected cement prices. The company's competitors, who increased their production capacity coinciding with the high market growth in recent years, have very aggressively sought to increase sales volumes with intense commercial and marketing campaigns focusing on discount schemes, especially in the distribution channel.

The company's commercial priorities for the year centred on maximising the sales volume of its brands by trying to dispatch the largest possible amount from the production and logistics centre. Also, an effort was made to consolidate the positioning of the company's brands in the market by intensifying communication campaigns. Thus, the company has had a notable presence in television advertise-

ments at the most important national sporting events and has conducted promotional activities aimed at retailers. It should also be highlighted that the company is in the digital marketing space.

In order to create demand for its brand in the retail channel, the company signed up 3,000 bricklayers and 1,000 engineers to be responsible for ordering its flagship "Supercrete" brand.

On the cost side, since September 2015 the prices of gas and electricity have risen by 15% and 100%, respectively.

Due to all the matters described above and also to the strong appreciation of the local Bangladeshi taka against the euro, economic results show growth in sales to EUR 127.4 million, while EBITDA fell by 4.7% year on year to EUR 40.7 million.

Conveyor limestone and view factory Chhatak, Surma Cement.



Thousands of euros

SURMA CEMENT	2012	2013	2014	2015
Assets	176,041	177,452	211,287	242,152
Shareholder's equity	76,272	99,690	136,311	163,886
Sales	100,694	109,136	112,962	127,354
EBITDA	32,730	44,144	42,695	40,694
Net profit	5,607	24,524	27,500	26,585

TUNISIA



Kairouan
factory.

In 2015 the Tunisian economy experienced a slowdown in key sectors - except agriculture, including the construction and services sectors, which were affected by the terrorist attacks - despite the success of the political transition, reflecting the persistence of the structural difficulties that make it necessary to implement significant reforms.

In October 2015 the Central Bank of Tunisia cut its main interest rate to 4.25% from 4.75% with the aim of boosting economic growth, as inflation

fell from 5.5% in 2014 to the 4.9% recorded at the end of 2015.

In the industrial sector, the general production index fell more sharply in the first ten months of 2015, -1.8%, compared to -1.4% in the year-ago period, due to the effect of the continuous reduction in energy production (-5.8%) and the decline in mining production (-21.5%), compared to a slight increase in production in the manufacturing industry (0.2%).

GEOGRAPHICAL PRESENCE



SOTACIB
Feriana Factory
SOTACIB KAIROUAN
Kairouan Factory

SALES INFORMATION, EBITDA AND EMPLOYEES:

93
SALES
(M. €)

14
EBITDA
(M. €)

588
NO. OF
EMPLOYEES

SOCIÉTÉ TUNISO ANDALOUSE DE CIMENT BLANC “SOTACIB”

The Cementos Molins Group has operated in Tunisia since 2007 through SOTACIB which has a factory located in the city of Feriana, close to the border with Algeria, which engages in the production and sale of white cement.

SOTACIB is a company of around 350 employees that sells its products in the region (Tunisia, Algeria and Libya) and also exports to Europe and the rest of Africa.

Sale prices in the domestic market were still controlled by the Ministry of Trade, and no price increases were granted in 2015, despite the continuing increase in the cost of inputs, salary increases and, above all, following the political decision to gradually eliminate subsidies on basic consumption of electricity and gas in 2014, which gave rise to increases in production costs.

Sales of white cement in the domestic market fell by 4.5% due to the slowdown in construction in Tunisia, as a result of the economic and political situation.

As regards exports, although those to West Africa increased by around 50%, exports as a whole fell by 3.7% compared to 2014 due to the fall in sales in Libya because of political and security problems; and in Algeria because of

customs duties on imports and the devaluation of the Algerian dinar.

The main investment made by the company in 2015 was the installation for the dosing of petroleum coke in the kilns to replace the current use of gas. In 2016 the use of gas will be gradually replaced by petroleum coke, with a replacement rate of 75% expected to be achieved at year-end. This should enable SOTACIB to reduce production costs. The investment cost was EUR 4 million.

Revenue increased slightly (0.8%) in 2015 compared to the preceding year, to EUR 36.2 million, while EBITDA fell a long way short of the 2014 figure, at EUR 0.3 million.

Feriana
factory.



Thousands of euros

SOTACIB	2012	2013	2014	2015
Assets	101,570	86,021	83,078	86,236
Shareholder's equity	32,954	23,826	34,280	36,720
Sales	33,238	39,001	35,958	36,237
EBITDA	3,181	3,252	2,159	258
Net profit	-163	-5,942	-4,875	-7,242

SOTACIB KAIROUAN

SOTACIB Kairouan has a grey cement factory in the municipality of Jebel Rouissat (Kairouan, Tunisia) that has been in operation since the beginning of 2012. The factory has 208 employees.

SOTACIB KAIROUAN's total sales of grey cement increased by 6% in 2015 compared to 2014. This increase is due to the growth in export sales despite the slight fall (4.5%) in the local market, which was due mainly to the stagnation of consumption and the competition in the domestic market.

Exports of grey cement increased by 88% over those recorded in 2014. There was a strong increase in the Algerian market, which was

much more modest in the Libyan market due to instability in the region that led to border closures because of payment problems and non-availability of foreign currency.

Revenue increased by 8.3% in 2015 compared to the previous year, totalling EUR 57 million, and EBITDA fell by 27.5% to 2012 levels of EUR 13.7 million.

Total investment in 2015 amounted to EUR 2.5 million, mainly for the petroleum coke installation, the improvement of the performance of the bagging machine and the commencement of the project for the installation of a new dosage facility for alternative fuels for feeding the kiln.

Night view of the factory Kairouan.



Thousands of euros

SOTACIB KAIROUAN	2012	2013	2014	2015
Assets	220,938	208,557	198,234	203,807
Shareholder's equity	84,728	76,542	77,087	83,925
Sales	36,506	51,199	52,673	57,041
EBITDA	13,542	17,798	18,940	13,739
Net profit	380	481	776	-3,636

CHINA



Linyi factory.

In the last 20 years, China has gone from being a subject of socio-political debate to being a direct subject of economic debate. Ten years ago was the best opportunity for companies to develop internationally, with the economy growing considerably, but in the last five years conditions have changed, and growth rates have fallen.

In 2015 Chinese GDP growth fell to 6.8%, and is expected to continue to fall in 2016, to 6.3%. Chinese inflation also slowed to 1.5%, and is

expected to rebound to 1.8% next year. The currency, the renminbi, appreciated by 5.7% in 2015, with certain temporary adjustments strongly highlighted by the press.

In the five-year plans proposed in 2015, priority was given to promoting the development of more efficient techniques. The Chinese authorities defined construction with precast concrete products as a more efficient technique than traditional construction systems.

GEOGRAPHICAL PRESENCE



PRECON (LINYI) CONSTRUCTION.
Linyi Plant

PRECON (LINYI) CONSTRUCTION CO. LTD.

In 2014, Precon (Linyi) Construction Co. Ltd., which was incorporated in 2011, had managed to have its first factory operating with a manufacturing plant capacity of around 50,000 square metres per year.

The company is owned by PRECON (Spain), which holds 80%, and the other 20% is held by ISH, Spanish shareholders established in China.

The facilities are located in Linyi, in Shandong Province. Linyi has a population of around 11 million and the province close to 100 million. It is located on the Beijing-Shanghai axis, almost

equidistant (600 km) between the two cities and around 100 km from the eastern seaboard.

At the beginning of 2015, the company was managing the technical approvals of certain constructive solutions, and was searching for a practical solution to enable it to carry out the first project engagement, which it received halfway through the previous year. Since this project finally could not be validated, the company decided to cancel the project.

Commercial actions are being carried out to enable orders to be placed which would signify the commencement of commercial activity.

Structure of prefabricated, Linyi factory.



BOLIVIA

The International Monetary Fund, the World Bank and the Economic Commission for Latin America and the Caribbean (ECLAC) expect GDP growth in the Bolivian economy to be between 4.1% and 4.4% for 2015.

This is a slight slowdown, resulting from the fall in the prices of the primary products that Bolivia exports. Bolivian foreign trade ended the year in the red again, as the value of imports exceeded that of exports. The extraction of hydrocarbons (natural gas and fuel) was the most important factor in the Bolivian trade deficit.

The exchange rates with Argentina and Brazil (Bolivia's main commercial partners) are making their domestic industries more competitive, since their prices are better in international markets. Bolivia, on the other hand, has stagnated. Brazil and Argentina, with state intervention, are devaluing their currencies against the US dollar, while Bolivia, with state intervention, is maintaining it.

Construction of a cement silo for the new factory of Yacuses.



GEOGRAPHICAL PRESENCE



SALES INFORMATION, EBITDA AND EMPLOYEES:



ITACAMBA CEMENTO, S.A.
Puerto Suárez Factory

ITACAMBA CEMENTO, S.A.

Itacamba Cemento, S.A. is a company based in Bolivia. Its registered office is located in Santa Cruz de la Sierra, and its company object is to supply Bolivia's largest cement consumption market.

It has a cement mill in Puerto Suarez, on the border with Brazil, 580 km from Santa Cruz. Cementos Molins owns 49% of the shares of Yacuces, S.L. (majority shareholder of Itacamba Cementos) and the majority shareholder is the Brazilian cement company Votorantim.

In 2014 the Company commenced the preparatory work on the Yacuces project, which consisted of the construction of a full-scale plant with a gas-fuelled kiln with an output of 2,000 tonnes/day, which will have its own electricity power plant. At 2015 year-end the main civil engineering work had been finished and the mechanical assembly of the main supply was being carried out. The forecast invest-

ment is USD 185 million and it is expected to come into operation at the end of 2016.

It must be stated that Itacamba currently imports cement from Votorantim's Itaú factory in Corumba (Brazil) in order to gain market volume with a view to starting up a new factory, as well as providing support to any production quota of the current mill.

Business activity in 2015 was affected by lower market growth and stagnation in public works projects, bad weather, lower sale prices and stoppages due to faults in the milling equipment. Despite this, production costs were as forecast, boosted by the cost of imported clinker as a result of the devaluation of the Brazilian real and the reduction in transport costs.

The Company's sales amounted to EUR 22.1 million with EBITDA of EUR 1.9 million.

Construction work for the factory Yacuces.



COLOMBIA

In recent years, Colombia has strengthened its image as a promising emerging country. Due to the size of its market, with 48 million inhabitants, and its natural resources, the country has experienced strong growth for several years. Growth in 2014 exceeded 4.5%, but the recent fall in oil prices led the government to cut its growth goal for 2015 to 4.2%.

The authorities have taken measures to preserve the public finances, which are in chronic deficit. President Santos's government has implemented an ambitious programme of reforms with the aim of strengthening taxes, improving the management of territorial income, increasing competitiveness and controlling the appreciation of the peso.

Agriculture accounts for approximately 6% of GDP and employs 17% of the active population. Due to the country's climate and topography, agriculture is extensive and highly diversified. Colombia also has many natural resources, such as coal, oil, natural gas, iron ore, nickel and gold.

Industry represents around 38% of GDP and employs 21% of the active population. Colombia's main industries are textiles, chemical products, metallurgy, cement, cardboard containers, plastic resins and drinks.

The main economic sector in Colombia is the services sector, which accounts for more than 55% of GDP and employs 62% of the active population.

Future location
cement factory in
Sonsón, Antioquia.



GEOGRAPHICAL PRESENCE



**EMPRESA COLOMBIANA DE CEMENTOS
INSUMOS Y AGREGADOS DE COLOMBIA**
Sonsón Factory

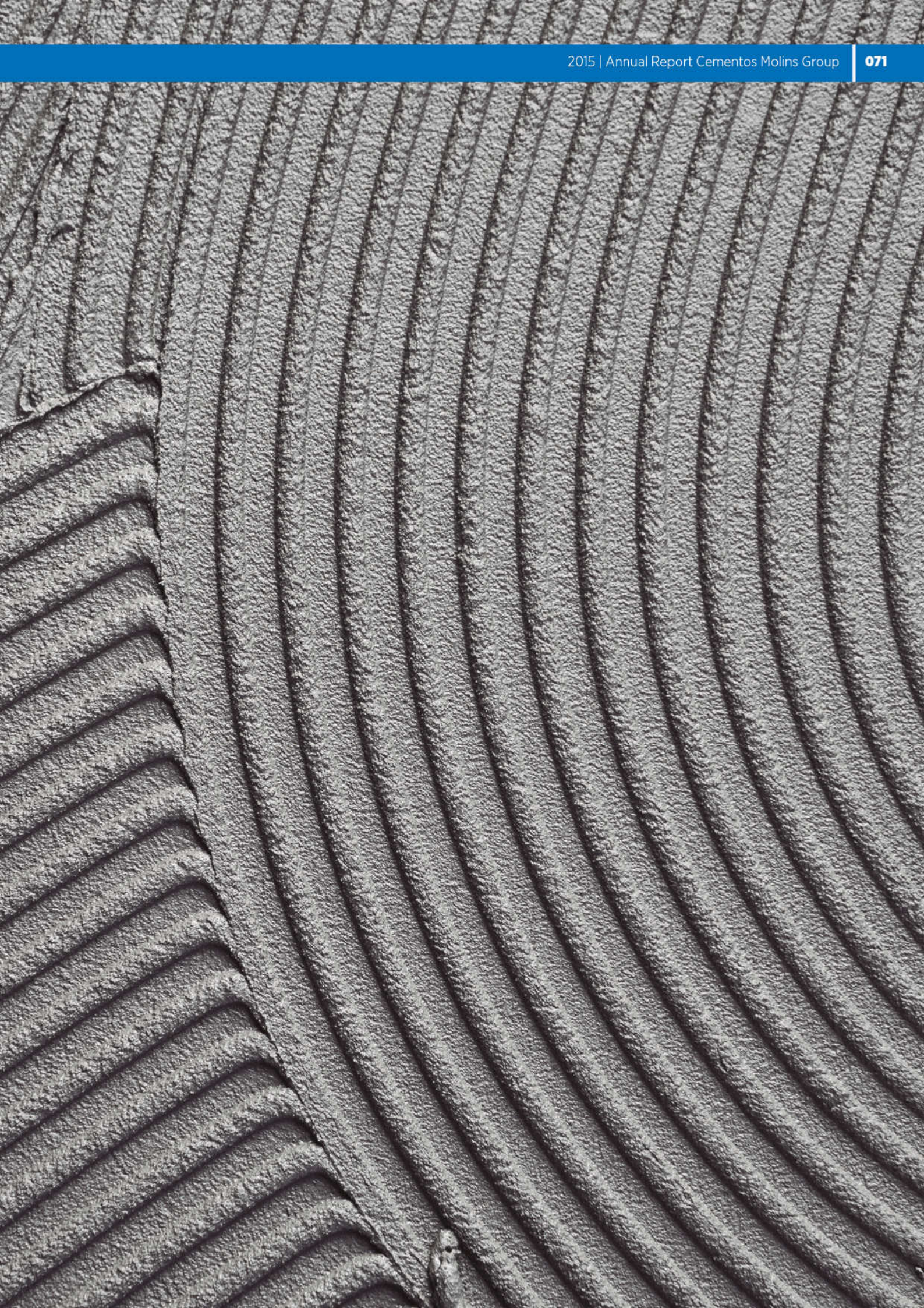
EMPRESA COLOMBIANA DE CEMENTOS, S.A.S./ INSUMOS Y AGREGADOS DE COLOMBIA, S.A.S.

On 30 September 2015, Cementos Molins entered into an agreement with the Colombian Corona Group to construct a cement production plant in the municipality of Sonsón in Antioquia, Colombia. The plant, with a production capacity of 1,350,000 tonnes per year, will foreseeably come into operation in mid-2018, with an investment of USD 370 million. The plant will be equipped with the latest technology, including a vertical crude cement mill, vertical coal mill clinkering, a vertical cement mill and the dispatch of both bulk and bagged cement.

To this end, Empresa Colombiana de Cementos S.A.S. (Ecocementos S.A.S.) was incorporated on 13 October 2015. Cemolins Internacional, S.L.U. subscribed 50% of the shares upon incorporation and in the capital increase, and holds a total ownership interest of EUR 3.2 million.

On the same date, Empresa Insumos y Agregados de Colombia S.A.S. (Iacol Agregados S.A.S.) was incorporated. Cemolins Internacional, S.L.U. subscribed 50% of the shares upon incorporation and in the capital increase, and holds a total ownership interest of EUR 1.1 million.

This company engages in mining activities, exploiting a portion of a marble deposit which forms part of a mining concession arrangement it holds. Its activities range from the mining preparation and planning phase to the restoration of affected land, including the preparation for commercialisation of minerals through grinding and pre-homogenisation, with its own installations designed for such purposes.







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