

Interim management statement September 2013



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

15 November 2013

Important aspects

- The **Consolidated Turnover** for the first nine months of the year has dropped by 9.7% with respect to the same period of 2012, reaching 621 million euros. There has been a 10.5% decrease in income in national companies, due to the market situation in Spain; while the combined decrease in the case of international companies stands at 9.6%, due to the lower contribution of our Mexican subsidiary and due to the consolidation this financial year, compared to the previous year, of Cementos Artigas (Uruguay) through the equity method, affecting all of the items of the income statement.
- **Consolidated EBITDA** has reached 120 million euros at the end of the third quarter, 24.2% lower than that corresponding to the same period of 2012. National companies have registered negative EBITDA of 10.3 million euros, improving 17.9% compared to the previous year, although such companies continue to come up against shrinking markets. For its part, the international group has registered positive EBITDA of 130.7 million euros, with a 23.8% decrease, as a result of downturns in Argentina and Mexico, due to the impact of the depreciation of the Argentine peso.
- The **equity method Companies** have registered a positive result of 9.9 million euros, due to the integration, for the first time this year, of the Uruguayan company Cementos Artigas through this consolidation method.
- The **Consolidated Net Result** has reached 10.8 million euros, 65.5% lower than that of the same period of 2012. The Group's national companies have lost 32.5 million euros, while the international companies have contributed a net profit of 43.3 million euros.
- The Group's **net debt** stood at 289 million euros as of 30 September, declining by 26 million euros with respect to December 2012.
- Today, Cementos Molins Industrial SAU has formalized with Cemex España Operaciones S.L.U. the notarization of the sale and purchase agreement of industrial assets and good will associated to the cement manufacturing plant in Sant Feliu de Llobregat (Barcelona), after having obtained the authorization of the National Competition Commission and having complied with the remaining conditions precedent agreed between the parties, as announced in a Relevant Event on June 13, 2013. The price agreed for this transaction is 40 million euros. The transfer has full effect as of today.

Abbreviated Consolidated Balance Sheet



(Thousands of euros)

<i>ASSETS</i>	30/09/2013	<u>31/12/2012</u>
Intangible Assets	37,333	45,484
Fixed assets	873,985	964,485
Financial Fixed Assets	3,549	3,027
Participation of equity method Companies	77,660	77,265
Goodwill	4,140	6,598
Other non-current assets	49,272	49,594
NON-CURRENT ASSETS	1,045,940	1,146,453
Stocks	117,514	124,321
Trade debtors and others	185,973	183,141
Temporary financial investments	71,709	104,088
Cash and equivalents	151,427	175,490
Other current assets	3,755	3,755
CURRENT ASSETS	530,378	590,795
TOTAL ASSETS	1,576,318	1,737,248

<i>NET EQUITY AND LIABILITIES</i>	30/06/2013	<u>31/12/2012</u>
Net equity attributed to the Parent Company	602,736	640,089
Net equity from minority shareholders	222,058	237,688
TOTAL NET EQUITY	824,794	877,777
Non-current financial debt	366,049	427,464
Non-current liabilities	91,035	110,285
NON-CURRENT LIABILITIES	457,084	537,749
Current financial debt	146,490	167,689
Current liabilities	147,950	154,033
CURRENT LIABILITIES	294,440	321,722
TOTAL NET EQUITY AND LIABILITIES	1,576,318	1,737,248

Results as of September 30, 2013



CONSOLIDATED

	thousands of euros	<u>30/09/2013</u>	<u>30/09/2012</u>	<u>variation %</u>
Turnover		621,041	688,085	-9.7%
EBITDA		120,462	158,963	-24.2%
Amortizations		53,329	57,642	7.5%
Other results/Impairment		-1,638	-34	-
Financial results		-14,017	-14,512	3.4%
Results equity method Cos.		9,929	-73	-
Results before tax		61,407	86,703	-29.2%
Results for the financial year		33,203	61,855	-46.3%
Results attributed to the Parent Co.		10,760	31,164	-65.5%
Profit per share (in euros)		0.16	0.47	

INDIVIDUAL

	thousands of euros	<u>30/09/2013</u>	<u>30/09/2012</u>	<u>variation %</u>
Net result Parent Company		14,253	10,545	35.2%

Significant figures as of September 30, 2013

Business Evolution



NATIONAL COMPANIES

thousands of euros	<u>30/09/2013</u>	<u>30/09/2012</u>	<u>variation %</u>
Turnover	123,272	137,677	-10.5%
EBITDA	-10,263	-12,496	17.9%
Net result	-32,507	-24,183	-34.4%

Consolidated data of Spanish companies.

- There is a continued decrease in the consumption of cement in Spain. There has been a 21.9% drop during the January-September 2013 period, leading to an annual drop (past 12 months) of 24.6%.
- In Catalonia, there has been a 21.1 % drop in accumulated consumption for the year, compared to the same period of the previous year, with an annual drop (past 12 months) of 22.4%.
- Faced with this situation, the Group continues to implement containment policies and policies for the decrease of costs and expenses, while continuing to adjust its productive structure to demand and to the current level of activity in all of its businesses. With this end in mind, the subsidiary Promotora Mediterránea 2, S.A. reached an agreement with employees' representatives, on July 10, 2013, to implement a redundancy plan that will affect 59 employees, 21% of the total staff.

Significant figures as of September 30, 2013

Business Evolution



INTERNATIONAL COMPANIES

thousands of euros

30/09/2013

30/09/2012

variation %

Consolidated data of the Group's foreign companies.

Turnover	497,769	550,408	-9.6%
EBITDA	130,725	171,458	-23.8%
Net result	43,267	55,347	-21.8%

Individual turnover of investees

thousands of euros

	Sept'13	Sept'12	var. %
C. Avellaneda (Argentina)	213,988	190,911	12.1%
C. Artigas (Uruguay)	79,050	74,308	6.4%
C. Moctezuma (Mexico)	351,746	401,206	-12.3%
Lafarge Surma (Bangladesh)	80,181	73,990	8.4%
Sotacib (Tunisia)	29,575	24,590	20.3%
Sotacib Kairouan (Tunisia)	37,706	24,377	54.7%

Individual EBITDA of investees

thousands of euros

	Sept'13	Sept'12	var. %
C. Avellaneda (Argentina)	37,755	44,719	-15.6%
C. Artigas (Uruguay)	24,197	20,667	17.1%
C. Moctezuma (Mexico)	122,031	152,073	-19.8%
Lafarge Surma (Bangladesh)	33,734	27,191	24.1%
Sotacib (Tunisia)	2,687	6,880	-60.9%
Sotacib Kairouan (Tunisia)	13,368	9,955	34.3%

- Argentina: Our sales have improved due to increased consumption (11%). However, results have deteriorated due to the depreciation of the currency and due to the fact that the increased costs exceed the increased sales prices.

- Uruguay: The positive performance of the volumes sold, on a market that has grown by 5%, and sales prices, have made it possible to improve EBITDA. The depreciation of the currency has not had significant repercussions.

- Mexico: Our sales and EBITDA have dropped due to the contraction of the market and as a result of the launch of a new manufacturer. Variations in the exchange rate of the Mexican peso have not had significant repercussions.

- Bangladesh: Slight increases in the volumes sold and in sales prices, along with improved costs, have made it possible to increase EBITDA.

- Tunisia:

- SOTACIB: Sales have improved but they have not been able to offset the increase in costs, with the subsequent effect in terms of EBITDA.

- SOTACIB KAIROUAN: Significant improvements in sales volumes have made it possible to offset the increases in costs that are taking place.

Taking the final shareholding percentage of each of the investees, with a proportional consolidation criterion, the comparison of the EBITDA would be:

thousands of euros

30/09/2013

30/09/2012

variation %

EBITDA with proportionality criterion (final shareholding %)	91,327	101,932	-10.4%
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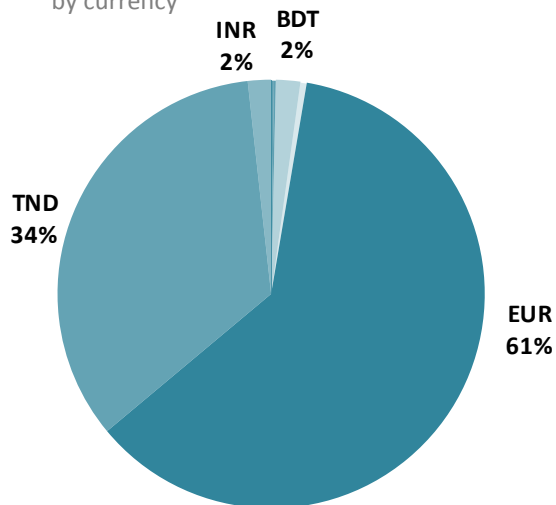
Significant figures as of September 2013

Level of debt. Consolidated figures



Gross debt

by currency



Currencies

Euro	EUR
Bangladeshi taka	BDT
Tunisian dinar	TND
US dollar	USD
Indian rupee	INR

Gross debt

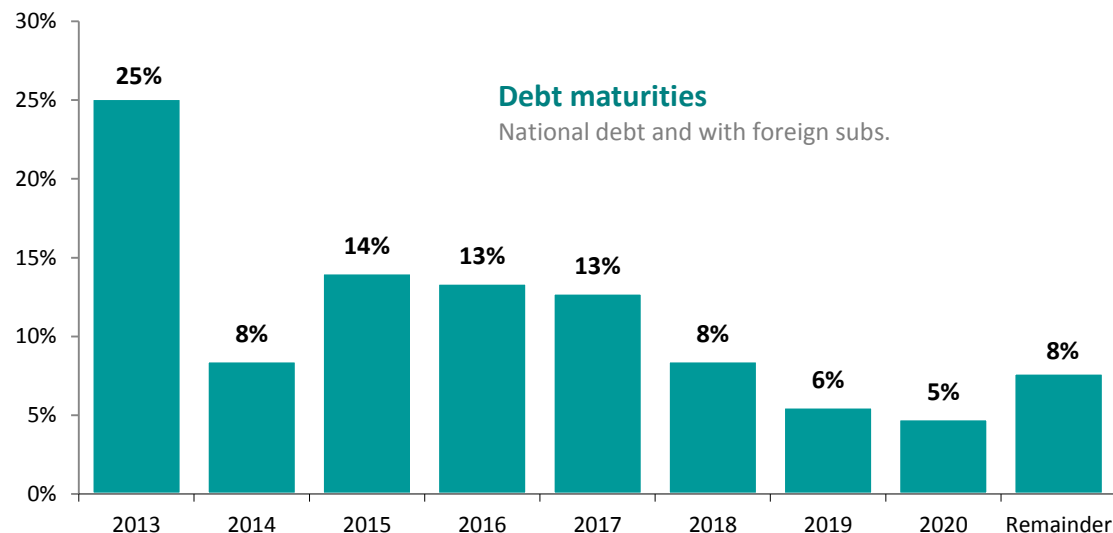
Cash and equivalents

NET FINANCIAL POSITION

	<u>30/06/2013</u>	<u>31/12/2012</u>
Gross debt	-512,538	-595,152
Cash and equivalents	223,136	279,577
NET FINANCIAL POSITION	-289,402	-315,575

Debt maturities

National debt and with foreign subs.

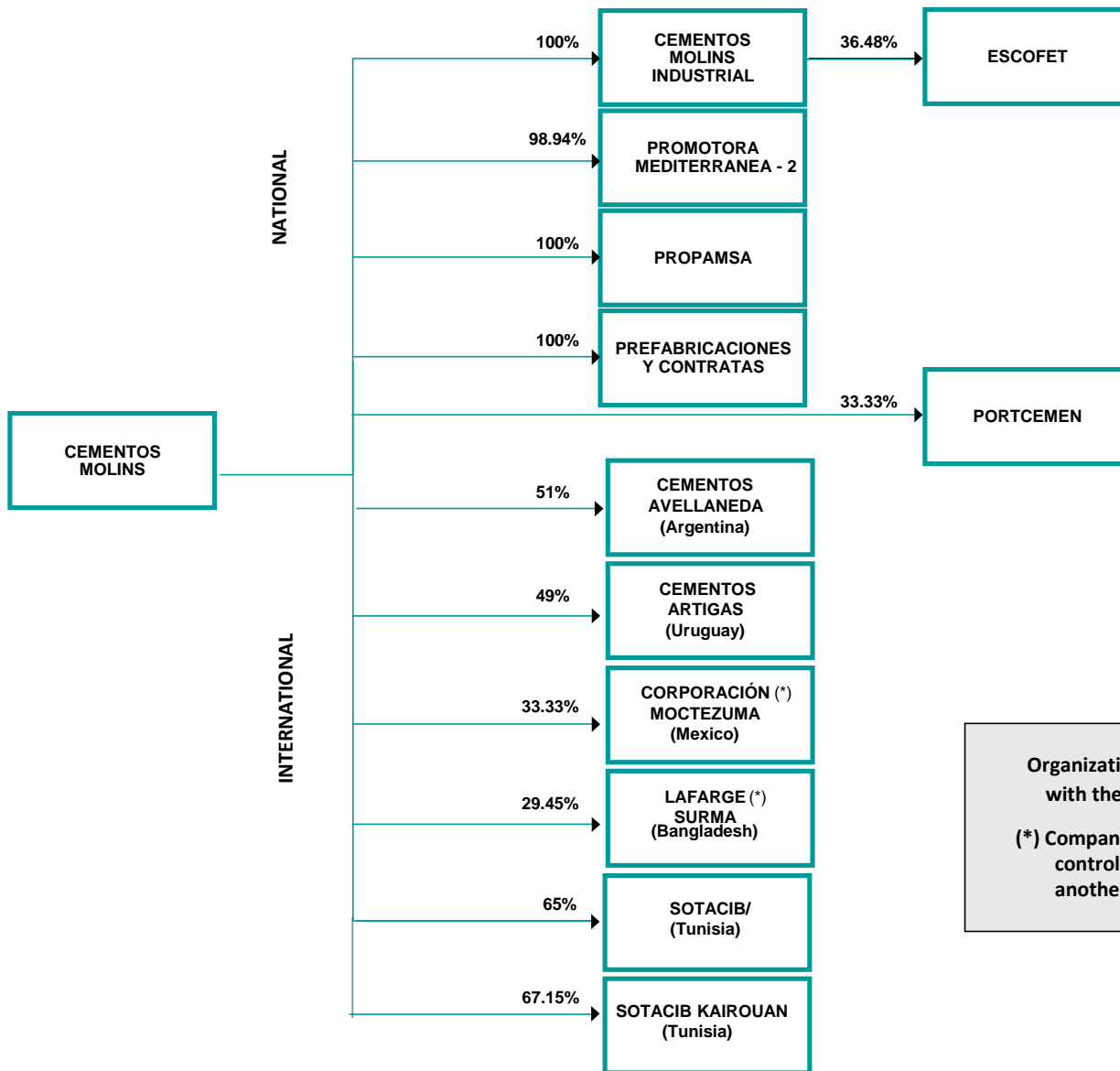


Important company events 2013



- On February 27, 2013, the Management Board prepared the Annual Accounts of Cementos Molins, S.A. and the Consolidated Annual Accounts of the Group, the Management Report, individual and consolidated, and the Annual Corporate Governance Report, corresponding to the year ended December 31, 2012, as well as the proposed distribution of profits. These accounts, audited by Deloitte, S.L., were sent to the Spanish National Securities Market Commission (CNMV) and the Barcelona Stock Exchange on February 28, 2012.
- On February 28, 2013, the CNMV was notified of the re-election of the members of the Audit Commission and of the Remuneration and Appointments Commission.
- On April 26, 2013, the company announced the General Meeting of Shareholders, called for 14 June, 2013. Along with the call for meeting, the proposal of agreements to be presented to the General Meeting of Shareholders was announced.
- The Company submitted information regarding the results for the first quarter of 2013 on May 2, 2013.
- On 13 June it was announced that the subsidiary Cementos Molins Industrial SAU has formalized a sale and purchase agreement of industrial installation and good will associated to the cement manufacturing plant in Sant Feliu de Llobregat (Barcelona), held by the company Cemex España Operaciones S.L.U. The execution of the agreement is subject to a condition precedent, among others, of obtaining authorization from the National Competition Commission. The price agreed by the parties for this transaction is 40 million euros.
- On June 14, 2013, the agreements adopted by the General Meeting of Shareholders and by the Board of Directors of the Company, held on the same date, were announced.
- According to the agreements reached by the General Meeting of Shareholders and by the Board of Directors, adopted in both meetings on June 14, 2013, a complementary dividend for the 2012 financial year was paid for all of the Company's shares on June 26, 2013, of 0.02 euros gross per share, totaling 1,322 thousand euros, along with a dividend on account of financial year 2013 of 0.07 euros gross per share, totaling 4,628 thousand euros.
- On July 30 the Company submitted the interim financial information corresponding to the first semester of 2013.

Consolidated Group



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

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