Cementos Molins, S.A. and Subsidiaries

Interim Condensed Consolidated Financial Statements and Interim Consolidated Directors' Report for the six-month period ended 30 June 2019 together with the Report on Limited Review

Translation of interim condensed consolidated financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Cementos Molins, S.A.
(at the request of the Board of Directors):

Report on the interim condensed consolidated financial statements

Introduction

We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Cementos Molins, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated statement of financial position at 30 June 2019 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of the review

Our limited review was performed in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying certain analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2019 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Emphasis of matter paragraph

We draw attention to Note 1.b to the accompanying interim condensed consolidated financial statements, which indicates that the aforementioned accompanying interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2018. This matter does not affect our conclusion.

Report on other legal and regulatory requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2019 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the interim financial statements for the six-month period ended 30 June 2019. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of Cementos Molins, S.A. and Subsidiaries.

Paragraph on other matters

This report was prepared at the request of the Board of Directors of Cementos Molins, S.A. in relation to the publication of the half-yearly financial report required by Article 119 of the Consolidated Spanish Securities Market Law approved by Legislative Royal Decree 4/2015, of 23 October, and implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

Albert Riba Barea

26 July 2019

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Translation from the original issued in Spanish.
In the event of discrepancy, the Spanish language version prevails.

CEMENTOS MOLINS, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS OF 30 JUNE 2019

(Thousands of euros)

ASSETS	Notes	30/06/2019	31/12/2018
Intangible fixed assets	5.b	40,279	26,279
Tangible fixed assets	6	581,257	534,871
Right-of-use assets	1.c	11,243	-
Investment property		2,109	2,127
Financial fixed assets		32,542	24,389
Companies accounted for via equity method	7	369,772	365,759
Consolidation goodwill	5.a	25,402	25,115
Deferred tax assets		23,876	23,508
NON-CURRENT ASSETS		**1,086,480**	**1,002,048**
Inventories	9	106,508	97,882
Trade debtors and other receivables		146,181	144,582
Temporary financial investments	8	1,573	2,301
Cash and equivalents		72,776	61,653
CURRENT ASSETS		**327,038**	**306,418**
TOTAL ASSETS		**1,413,518**	**1,308,466**

NET EQUITY AND LIABILITIES	Notes	30/06/2019	31/12/2018
Capital		19,835	19,835
Reserves of the Parent Company		195,668	182,411
Consolidated reserves		733,412	679,852
Net result attributed to the Parent Company		49,748	85,333
Interim dividend		(9,917)	(17,851)
Own funds		**988,746**	**949,580**
Adjustments due to value changes		**(214,385)**	**(230,827)**
NET EQUITY ATTRIBUTED TO THE PARENT COMPANY	11	**774,361**	**718,753**
NET EQUITY FROM MINORITY SHAREHOLDERS	11	**142,791**	**120,320**
TOTAL NET EQUITY		**917,152**	**839,073**
Income to distribute amongst several financial years		27,124	8,934
Non-current financial debt	10	194,489	209,568
Deferred tax liabilities		36,974	35,220
Provisions	12	9,212	14,220
Other non-current liabilities		324	261
NON-CURRENT LIABILITIES		**268,123**	**268,203**
Current financial debt	10	72,889	39,490
Commercial creditors		112,606	113,786
Public Administrations		24,186	31,348
Other current liabilities		18,562	16,566
CURRENT LIABILITIES		**228,243**	**201,190**
TOTAL NET EQUITY AND LIABILITIES		**1,413,518**	**1,308,466**

The accompanying explanatory notes are an integral part of the interim condensed consolidated balance sheet as of 30 June 2019.

Translation from the original issued in Spanish.
In the event of discrepancy, the Spanish language version prevails.

CEMENTOS MOLINS, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

(Thousands of euros)

	Notes	June 2019	June 2018
Net turnover	17	326,710	301,273
Other income		4,677	4,542
		331,387	**305,815**
Procurements		(104,035)	(101,346)
Staffing costs		(57,500)	(58,354)
Variations in operating provisions		(605)	125
Other operating expenses		(102,234)	(100,913)
Work on the company's fixed assets		145	166
		(264,229)	**(260,322)**
Amortizations		(22,529)	(15,187)
Result from impairment and sale of assets	6.a	127	44
Other results		-	113
Operating result	17	**44,756**	**30,463**
Financial results	20	(5,144)	7,504
Profit sharing in consolidated companies via equity method	17	32,750	39,585
Results before tax		**72,362**	**77,552**
Corporate Tax		(10,801)	(13,611)
Net consolidated result		**61,561**	**63,941**
Net result for minority shareholders		11,813	12,947
Net result for the period attributed to the parent company		**49,748**	**50,994**
Profit per share in euros		0.75	0.77

The accompanying explanatory notes are an integral part of the interim condensed consolidated statement of profit and loss for the six-months period ended 30 June 2019.

CEMENTOS MOLINS, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF GLOBAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

(Thousands of euros)

	June 2019			June 2018		
	Of the Parent Company	Of the Minority	Total	Of the Parent Company	Of the Minority	Total
A.- NET CONSOLIDATED RESULT FOR THE PERIOD	**49,748**	**11,813**	**61,561**	**50,994**	**12,947**	**63,941**
B.- OTHER GLOBAL RESULTS RECOGNISED DIRECTLY IN NET EQUITY	**16,498**	**10,468**	**26,966**	**(25,303)**	**(27,474)**	**(52,777)**
Items that will not be recognised in the results:	**56**	**-**	**56**	**-**	**-**	**-**
For actuarial gains and losses and other adjustments	75	-	75	-	-	-
Tax effect	(19)	-	(19)	-	-	-
Items that may be recognised in the results in the future:	**16,442**	**10,468**	**26,910**	**(25,303)**	**(27,474)**	**(52,777)**
For valuation of financial instruments:						
a) Financial assets available for sale	-	-	-	-	-	-
In hedge transactions:						
a) For cash flow hedges	(123)	-	(123)	9	-	9
b) Tax effect	24	-	24	(35)	-	(35)
In translation differences	16,541	10,468	27,009	(25,277)	(27,474)	(52,751)
C.- TRANSFERS TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT	**-**	**-**	**-**	**423**	**-**	**423**
In translation differences	-	-	-	423	-	423
CONSOLIDATED TOTAL GLOBAL RESULT FOR THE PERIOD	**66,246**	**22,281**	**88,527**	**26,114**	**(14,527)**	**11,587**

The accompanying explanatory notes are an integral part of the interim condensed consolidated statement global result for the six-months period ended 30 June 2019.

Translation from the original issued in Spanish.
In the event of discrepancy, the Spanish language version prevails.

CEMENTOS MOLINS, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN NET EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019
(Thousands of euros)

	Share capital	**Reserves of the parent company**	**Own shares** (Note 11.b)	**Consolidated reserves**	**Translation differences**	**Other adjustments due to value changes**	**Profit for the period**	**Supplementary dividend** (Note 3)	**Interim dividend** (Note 3)	**Minority interests** (Note 11.c)	**Total**
31/12/2018	**19,835**	**182,411**	**(30,633)**	**710,485**	**(230,781)**	**(46)**	**85,333**	**-**	**(17,851)**	**120,320**	**839,073**
Distribution of results	-	13,257	-	53,564	-	-	(85,333)	661	17,851	-	-
Supplementary dividend	-	-	-	-	-	-	-	(661)	-	-	(661)
Interim dividend year 2019	-	-	-	-	-	-	-	-	(9,917)	-	(9,917)
Own shares	-	-	(168)	-	-	-	-	-	-	-	(168)
Other	-	-	-	108	-	-	-	-	-	190	298
Global result	-	-	-	56	16,541	(99)	49,748	-	-	22,281	88,527
30/06/2019	**19,835**	**195,668**	**(30,801)**	**764,213**	**(214,240)**	**(145)**	**49,748**	**-**	**(9,917)**	**142,791**	**917,152**
31/12/2017	**19,835**	**166,843**	**(30,153)**	**653,213**	**(246,884)**	**(363)**	**89,078**	**-**	**(15,868)**	**90,467**	**726,168**
Distribution of results	-	15,567	-	56,982	-	-	(89,078)	661	15,868	-	-
Supplementary dividend	-	-	-	-	-	-	-	(661)	-	-	(661)
Interim dividend year 2018	-	-	-	-	-	-	-	-	(9,256)	-	(9,256)
Dividend to minority shareholders	-	-	-	-	-	-	-	-	-	(38)	(38)
Own shares	-	-	203	-	-	-	-	-	-	-	203
Perimeter variation	-	-	-	125	-	-	-	-	-	217	342
Other	-	-	-	(907)	-	-	-	-	-	(238)	(1,145)
Global result	-	-	-	-	(24,854)	(26)	50,994	-	-	(14,527)	11,587
30/06/2018	**19,835**	**182,410**	**(29,950)**	**709,413**	**(271,738)**	**(389)**	**50,994**	**-**	**(9,256)**	**75,881**	**727,200**

The accompanying explanatory notes are an integral part of the interim condensed consolidated statement of changes in equity for the six-month period ended 30 June 2019.

Translation from the original issued in Spanish.
In the event of discrepancy, the Spanish language version prevails.

CEMENTOS MOLINS, S.A. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019
(Thousands of euros)

	June 2019	June 2018
Cash flow from ordinary activities		
Profits from ordinary activities before taxes	72,362	77,552
Adjustments of the items that do not involve ordinary cash flows:		
Amortizations	22,529	15,187
Valuation allowances due to impairment	902	1,819
Variation in certain and quantifiable period provisions	(1,042)	(352)
Impairment and result for the transfer of fixed assets	(127)	(44)
Results by equity method	(32,750)	(39,585)
Impairment and result for the transfer of financial instruments	-	(1,398)
Variation in fair value of financial instruments	(705)	(569)
Financial income and expenses	5,849	(5,537)
Income to distribute amongst several financial years	(49)	(925)
Work on the company's fixed assets	(145)	(166)
Cash generated by operations (I)	**66,824**	**45,982**
Inventories	(9,483)	(22,401)
Debtors and other receivables	(8,356)	(3,650)
Other current assets	(2)	101
Creditors and other payables	10,614	21,786
Other current liabilities	(1,986)	(1,130)
Cash from variation in working capital (II)	**(9,213)**	**(5,294)**
Corporate Tax (III)	**(15,612)**	**(14,690)**
Net cash flows from ordinary activities (A) = (I)+(II)+(III)	**41,999**	**25,998**
Cash flow from investment activities		
Investment in net subsidiaries of the existing cash items	(2,111)	(14,560)
Net variation in financial investments	(6,160)	339
Acquisition of intangible assets	(819)	(1,394)
Transfer of intangible assets	-	52
Acquisition of properties, plant and equipment	(40,579)	(24,750)
Transfer of properties, plant and equipment	198	49
Dividends received from companies accounted for via equity method	34,625	44,155
Net cash flows used in investments activities (B)	**(14,846)**	**3,891**
Cash flow from financing activities		
Variation in financial debt	(7,844)	(38,979)
Variation in other long-term creditors	50	1
(Payments) / receivables for transactions with treasury shares	(168)	203
Financial income received	1,734	1,523
Financial expenses paid	(5,814)	(6,696)
Dividends paid by the Parent Company	-	(7,607)
Dividends paid to minority shareholders by Group Companies	-	(38)
Net cash flows used in financing activities (C)	**(12,042)**	**(51,593)**
Effect of exchange rate variations (D)	**(3,988)**	**(8,757)**
Net variation of cash and other equivalents (A + B + C + D)	**11,123**	**(30,461)**
Cash and equivalents at the start of period	**61,653**	**170,790**
+ Cash and other equivalents at the end of period	**72,776**	**140,329**

The accompanying explanatory notes are an integral part of the interim condensed consolidated statement of cash flows for the period ended 30 June 2019.

Cementos Molins, SA and Subsidiaries

Explanatory notes to the Interim Consolidated Summarised Financial Statements for the six-month period ended on 30 June 2019

1. Introduction, bases for the presentation of the Interim Consolidated Summarised Financial Statements and other information

a) *Introduction*

Cementos Molins, SA (hereinafter, the “Parent Company”), with address in Madrid, Calle Espronceda No. 38, was incorporated by means of a public deed authorised by the Notary Public of Barcelona, Mr. Cruz Usatorre Gracia, on 9 February 1928.

It is recorded in the Commercial Register of Madrid, page M-660923. Its tax ID No. is A.08.017535.

It was incorporated for an indefinite term. Therefore, it remains in force as long as none of the dissolution circumstances mentioned in article 363 of the Spanish Capital Companies Act concurs.

The main activities developed by Cementos Molins, SA and subsidiaries (hereinafter, the "Cementos Molins Group" or the "Group") are the manufacturing of cements and limes, concrete prefabricates and prefabricates made of other construction materials, the extraction of aggregates, the production of concretes and the marketing of them all, as well as the development of environmental activities.

The Group carries out its activities in Spain, as well as in Mexico, Argentina, Uruguay, Bolivia, Colombia, Tunisia, India and Bangladesh.

b) Bases for the presentation of the Interim Consolidated Summarised Financial Statements

According to Regulation (EC) No. 1606/2002 of the European Parliament and Council of 19 July 2002, all companies governed by the Law of a member state of the European Union, whose securities are traded in a regulated market of one of the States of the European Union, shall file their consolidated annual accounts for the financial years starting from 1 January 2005 in line with the International Financial Reporting Standards (hereinafter, "IFRS") that have been previously adopted by the European Union (hereinafter, “IFRS-EU).

The Consolidated Annual Accounts for year 2018 of the Cementos Molins Group were drafted by the Directors of the Parent Company in accordance with the IFRS-EU, applying the consolidation principles, accounting policies and valuation criteria described in Notes 2 and 3 of the report for said Consolidated Annual Accounts, in such a way that they show a fair view of the consolidated equity and financial situation of the Group as of 31 December 2018 and of the consolidated results of its transactions, the changes in consolidated net equity and consolidated cash flows for the financial year ended on such date. The 2018 consolidated annual accounts of the Group were approved by the General Meeting of Shareholders of the Parent Company held on 27 June 2019.

These Interim Consolidated Summarised Financial Statements are presented in accordance to IAS 34 on Interim Financial Reporting, and were drafted by the Directors of the Parent Company on 26 July 2019, in compliance with article 12 of the Royal Decree 1362/2007.

In accordance with the provisions of IAS 34, the Interim Financial Report is drafted solely with the intention of updating the latest Consolidated Annual Accounts drafted by the Cementos Molins Group, highlighting the new activities, events and circumstances that have taken place during the semester without duplicating the information previously published about the Consolidated Annual Accounts for the financial year 2018. For this reason, for the proper understanding of the information included in these Interim Consolidated Summarised Financial Statements, they must be read jointly with the Consolidated Annual Accounts of the Group for the financial year 2018.

c) Accounting policies and valuation rules

The accounting policies and valuation rules used to draft these Interim Consolidated Summarised Financial Statements as of 30 June 2019 are identical to the policies used to draft the Consolidated Annual Accounts for the financial year ended on 31 December 2018, with the following exceptions:

Changes in the accounting policies and the breakdowns of information effective in the financial year 2019

During the financial year 2019, new accounting standards have entered into effect. Therefore, they have been considered in the preparation of the Interim Consolidated Summarised Financial Statements attached. These standards, which have been applied to these Consolidated Interim Summarised Financial Statements without them having material effects on their presentation and breakdown, are the following:

New standards, amendments and interpretations		**Compulsory application for the financial years that start from:**
Approved for their use in the European Union		
New standards:		
IFRS 16 Leases (published in January 2016).	It replaces IAS 17 and related interpretations. The main news is that the new standard proposes a sole accounting model for leaseholders, which shall include in the balance all leases (with some limited exceptions) with a similar impact to that of current financial leases (with there being an amortization of assets for the right of use and a financial expense for the amortized cost of the liability).	1 January 2019
Amendments and/or interpretations:		
Amendment to IFRS 9 - Features of the advanced cancellation with negative offset (published in October 2017).	This amendment allows for the valuation at amortized cost of some financial assets cancelled in advance in exchange for an amount lower than the outstanding amount of the principal and interests thereon.	1 January 2019
IFRIC 23 - Uncertainty over income tax treatments (published in June 2017).	This interpretation clarifies how to apply the criteria of recording and valuation of IAS 12 when uncertainty exists with regards to the acceptability by the tax authority of a certain tax treatment applied by the entity.	1 January 2019
Amendment to IAS 28 - Long-term interest in associates and joint ventures (published in October 2017).	It clarifies that IFRS 9 must be applied to long-term interests in an associate or joint venture if the equity method is not applied.	1 January 2019
Amendment to IFRS 3 Joint Ventures - 2015-2017 Annual improvement cycle (published in December 2017).	Acquisition of control over a business previously registered as a joint operation.	1 January 2019
Amendment to IFRS 11 Joint Ventures - 2015-2017 Annual improvement cycle (published in December 2017).	Acquisition of joint control over a joint operation, which constitutes a business.	1 January 2019
Amendment to IAS 12 Income Tax - 2015-2017 Annual improvement cycle (published	Registration of the tax impact of the remuneration of financial instruments	1 January 2019

in December 2017).	classified as net equity.	
Amendment to IAS 23 Borrowing Costs - 2015-2017 Annual improvement cycle (published in December 2017).	Capitalisation of outstanding financing interest, specific to a ready-to-use asset.	1 January 2019
Amendment to IAS 19 - Plan Amendment, Curtailment or Settlement (published in February 2018).	It clarifies how to calculate the cost of the service for the current period and the net interest for the rest of the annual period when an amendment, reduction or liquidation of a defined benefit plan takes place.	1 January 2019

Since they entered into force on 1 January 2019, the Group has incorporated the applicable standards and interpretation mentioned above, with IFRS 16 being the most significant standard, which is described below:

IFRS 16 Leases

According to Note 3 of the notes to the consolidated annual accounts of the Cementos Molins Group for the financial year ended on 31 December 2018, the Group applies, since 1 January 2019, the IFRS 16 “Leases”, which replaces IAS 17, IFRIC 4, SIC-15 and SIC-27 and establishes the principles for the accounting record of the leases. This way a liability (equivalent to the current value of the lease payments to carry out during the term of the lease) and an asset (right of use) that are initially valued as an amount equal to the liabilities plus other concepts (such as initial direct activation costs) are recognised in the balance.

In addition, it changes the criteria for the recognition of the lease expenses. Which before was an operative expense is now an expense for the amortisation of the asset and financial expense for the liability recognised. For the presentation in the consolidated balance sheet, the Group has decided to present the assets for right of use separately from other assets. As for the lease liabilities, they will be included in the headings “Non-current financial debts” and “Current financial debts”.

The impact of the application of this standard as of 30 June 2019 in the Interim Consolidated Summarised Financial Statements is as follows:

	(in thousands of euros)
Consolidated Balance Sheet:	
Right-of-use assets	11,243
Long-term lease debt	(8,473)
Short-term lease debt	(2,474)
Consolidated Profit and Loss Account:	
Amortizations	1,343
Interest	137

Issued accounting policies not in force in the financial year 2019

At the time of preparation of these Interim Consolidated Summarised Financial Statements, the following standards and interpretations had been published by the International Accounting Standard Board (IASB) but have not yet entered into force, since they had not been adopted yet by the European Union (IFRS-EU).

Not yet approved for their use in the European Union (1)		
New standards:		
IFRS 17. Insurance contracts (published in May 2017).	Supersedes IFRS 4. It adheres to the principles of recording, valuation, filing and breakdown of insurance contracts for the purpose of the entity to provide relevant and reliable information permitting the users of information to determine the effect the contracts have on the financial statements.	1 January 2021 (2)
Amendments and/or interpretations:		
Amendment to IFRS 3 Definition of a Business (published in October 2018).	Clarifications to the definition of business.	1 January 2020
Amendments to IAS 1 and IAS 8 Definition of "material" (published in October 2018).	Amendments to IAS 1 and IAS 8 to align the definition of "material" with that contained in the conceptual framework.	1 January 2020

(1) The approval status of the standards by the European Union can be checked on the EFRAG webpage.

(2) The IASB has proposed to postpone it to 1 January 2022 (Draft amendment to IFRS 7, published on 26 June 2019).

As for the other Standards and Interpretations previously detailed, their application will be considered by the Group once approved, if applicable, by the European Union.

d) Responsibility for the information and estimates made

The information within these Consolidated Summarised Financial Statements for the first semester of 2019 is the responsibility of the Directors of the Parent Company, who have verified that the different controls established to ensure the quality of the financial and accounting information they draft have operated effectively.

The consolidated results and the determination of the consolidated equity are sensitive to the accounting principles and policies, valuation criteria and estimates followed by the Directors of the Parent Company to draft these semi-annual Consolidated Summarised Financial Statements. The main accounting principles and policies and valuation criteria are indicated in Note 3 of the report of the Consolidated Annual Accounts corresponding to year 2018, with the exception of the previous note 1.c) regarding changes to the accounting policies and information breakdowns effective in 2019.

In these Interim Consolidated Summarised Financial Statements, judgements and estimates made by the Administrators of the Parent Company have been used and the one of the consolidated entities in order to quantify some of the assets, liabilities, income, expenditure and commitments recorded therein. Basically, these estimates refer to:

- The useful life of property, plant and equipment, and intangible assets,
- The valuation of the consolidation goodwill,
- The impairments losses of certain assets,
- The hypotheses used in the actuarial calculation of the pension commitments,

- The provisions for commitments entered into with third parties and contingent liabilities,

- Determining the recoverable amount of the shareholdings of the Group accounted for via the equity method, and

- The recovery of tax credits for negative taxable bases and for deferred tax on assets.

Despite the fact that these judgements and estimates have been performed according to the best possible information available on the events assessed as of 30 June 2019 and 31 December 2018, it is possible that certain events may take place in the future which lead to their modification (upwards or downwards) in the next financial years. This would include a balancing entry in the corresponding Consolidated Profit and Loss Accounts, when applicable.

During the six-month period ended 30 June 2019, there have been no significant changes in the estimates made at the end of the financial year 2018.

e) Contingent assets and liabilities

In Note 30 of the report of the Consolidated Annual Accounts of the Cementos Molins Group for the financial year ended on 31 December 2018, information is provided about the contingent assets and liabilities as of that date.

Information regarding contingent assets and liabilities of the Group in the first six months of 2019, as well as the update of the situation in those already identified as of 31 December 2018, is detailed in Note 14.b).

f) Information comparison

The information included in these Interim Consolidated Summarised Financial Statements for the first semester of financial 2019 is presented for comparative purposes alongside the information for the six-month period ended on 30 June 2018 for the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement. This information compares to the relevant information regarding the closure of 2018 for the Consolidated Balance Sheet.

IAS 29 Financial reporting in hyperinflationary economies

According to Note 2 of the report of the Consolidated Annual Accounts of the Cementos Molins Group for the financial year ended on 31 December 2018, the Group applies the inflation adjustment to the subsidiaries Cementos Avellaneda, SA and Minus Inversora, SA, whose operating currency is the Argentine peso, for the financial information of the periods ended after 1 July 2018. In accordance with the aforementioned accounting standard, the inflation adjustment was calculated retroactively as of 1 January 2018 and the financial information submitted in previous periods has not been restated.

Likewise, the exchange rate used to convert the local inflation-adjusted financial statements becomes the closing exchange rate in each period, pursuant to IAS 21 “Effects of changes in foreign exchange rates” (paragraph 42).

The most significant impacts in the Interim Consolidated Summarised Profit and Loss Account of the Group in the first semester of 2019 are as follows:

	(in million of euros)
Net turnover	8.6
Operating result	(4.7)
Net result for the period attributed to the parent company	(1.9)

g) *Seasonality of the transactions of the Group*

Due to the activities of the companies of the Group, its transactions do not have a cyclical or seasonal nature. For this reason, there are no specific breakdowns for this matter within these explanatory notes to the Consolidated Summarised Financial Statements for the six-month period ended on 30 June 2019

h) *Subsequent events and relevant aspects of the first semester*

There have been no additional relevant events from 30 June 2019 to the date these Interim Consolidated Summarised Financial Statements were drafted.

i) *Relative importance*

When determining the information to be broken down in these Explanatory Notes, in accordance with IAS 34, the relative importance of the period of six months ended on 30 June 2019 has been considered in relation with these Consolidated Summarised Financial Statements.

j) *Value impairment of property, plant and equipment, intangible assets and goodwill*

The policies of impairment analysis applied by the Group to its tangible and intangible assets and its goodwill in particular are described in Note 3 of the Consolidated Annual Accounts for the year ended on 31 December 2018.

The Directors of the Parent Company check the impairment of the value of each one of the Cash Generating Units (hereinafter, CGUs) at the closure of each financial year, as well as when there are any sings of impairment of the unit, comparing the carrying amount of the cash generating unit, including goodwill, with the recoverable amount of said CGU.

In the preparation of the Interim Financial Statements, the Parent Company uses the impairment tests considered at the closure of the previous financial year provided there are no signs of impairment and that the requirements established by the International Financial Reporting Standards for the use of the most recent calculations (IAS 36) are met, which includes: that the assets and liabilities that comprise the CGU are significantly the same as those used in the last calculation; that the most recent recoverable value exceeds the carrying amount; and that, based on events and circumstances that took place after the closure of the previous financial year, there is no foreseeable additional impairment of the tangible and intangible assets and the goodwill at the closure of the interim period.

2. Changes to the composition of the Group

During the first semester of 2019, there have been no significant changes in the composition of the Group.

3. Dividends paid by the Parent Company

By virtue of the resolutions approved at the General Shareholders' Meeting of the Parent Company and by its Board of Directors at the meetings held on 27 June 2019, the following dividends were paid on 11 July 2019:

- A complementary dividend for the financial year 2018 for 0.01 gross euros per share, which entailed a total disbursement of 661 thousand euros.

- An interim dividend for the financial year 2019 for 0.15 gross euros per share, which entailed a total disbursement of 9,917 thousand euros.

The provisional liquidity statement, prepared in accordance with the legal requirements, and which reflect the results and the existence of sufficient profits and liquidity to allocate the interim dividends, is as follows:

	(in thousands of euros)	
	Net profit	Not drawn balances
31/05/2019	36,359	74,834

4. Financial risk management policy

Following with the risk management policy designed by the Group, the main significant elements during the first semester of 2019 are described below:

Regarding exchange rate risks:

In indebted countries, any potential loss in cash flow values generated by businesses in those currencies (caused by the depreciation of the exchange rate against the euro), the Group intends to mitigate them with the lesser value savings in euros of the debt in currencies.

In countries where surplus positions are held, any potential loss in cash flow values generated by businesses in currencies (caused by the depreciation of the exchange rate against the euro), the Group intends to mitigate them with savings for holding cash positions in euros or USD. Additionally, such savings are managed by investing in accounts that are not in foreign countries, in said currencies, to avoid the country risk component.

Contracted products:

Throughout the first semester of 2019, the subsidiary Cemolins Internacional, SLU (Spain) has derivative financial instruments that do not qualify for hedge accounting and which correspond to the type Non-Delivery Forward and Cross Currency Swap, aimed at mitigating the exchange rate risk in relation to the cash flows in certain financial transactions. In the first semester of 2019, financial income of 705 thousand euros has been registered in the Consolidated Profit and Loss Account.

In the first semester of 2018, financial income of 569 thousand euros corresponding to the product Non-Delivery forward FX Transaction (Mexican pesos) has been registered in the Consolidated Profit and Loss Account.

Regarding interest rate risks:

The hedging instruments subscribed by the Group, swaps of variable interest to fixed interest, are still in line with the covered elements (debt solely with bank institutions), both in nominal amounts and repayment periods and financial interest accruals.

In Note 21 of the consolidated report of the Consolidated Annual Accounts of the Cementos Molins Group for the financial year ended on 31 December 2018 information is provided about the hedging instruments contracted by the Group.

As of 30 June 2019, 20.3% of the gross debt is at a fixed rate. From this percentage, 12.6% was carried out via interest rate swaps and the remainder 87.4% via financing contracts directly set at fixed rate. As of 30 June 2018, 11.8% of the gross debt was at a fixed interest rate. Of this 11.8%, 32.2% was carried out via interest rate swaps and the remainder 67.8% via financing contracts directly set at fixed rate.

Regarding liquidity risk:

As of 30 June 2019, the expected current gross debt maturities add up to 72,889 thousand euros, which are lower than the availability of funds, measured as the addition of: a) Cash and cash equivalents, which as of 30 June 2019 add up to a balance of 72,776 thousand euros, and temporary financial investments which as of 30 June 2019 add up to a balance of 1,573 thousand euros; b) the expected annual cash generation for the financial year 2019; and c) the credit lines committed by banking entities, unused and with an initial maturity longer than a year amounting to 76,798 thousand euros. This grants the Group the flexibility to access both credit and capital markets during the next 12 months.

As of 31 December 2018, the current gross debt maturities expected added up to 39,490 thousand euros, which are lower than the availability of funds, measured as the addition of: a) Cash and cash equivalents, which at the closing of 2018 added up to a balance of 61,653 thousand euros, and temporary financial investments, which as of 31 December 2018 added up to a balance of 2,301 thousand euros; b) the credit lines committed by banking entities, unused and with an initial maturity longer than a year amounting to 71,640 thousand euros.

Regarding credit risk:

The Group continues with its policy of carrying out debt transactions with financial institutions with high credit ratings.

Regarding the credit risk of the cash and equivalents items, the Group continues placing cash and banks surpluses in long-term investments and deposits in current accounts in institutions with high credit ratings and maximum liquidity.

Regarding the credit risk of our clients, as of 30 June 2019 there is no significant credit risk concentration that is not covered or guaranteed. The amount of the insolvency provision of the Group as of 30 June 2019 adds up to 222 million euros (233 million euros at 30 June 2018).

5. Intangible fixed assets and goodwill

a) Consolidation goodwill

The breakdown of the balance of the "Goodwill" heading, according to the companies that originate it, is the following:

	(in thousands of euros)	
	30/06/2019	**31/12/2018**
Subsidiaries:		
Cementos Avellaneda, S.A.	2,950	2,663
Monsó-Boneta, S.L.	443	443
Granulated Rubber Project, S.L.	212	212
Cementos Molins Industrial, S.A.U.	21,797	21,797
Total	**25,402**	**25,115**

In accordance with Note 1.j of the accompanying consolidated explanatory notes and, given that there have not been any relevant changes to the business plans of the companies of the Group or to the assets and liabilities forming the CGUs during the first six months of 2019 that involve variations to the estimations made to date, the Directors have not deemed necessary to re-evaluate, as of 30 June 2019, the existing likely impairment regarding the previously mentioned goodwill. As a result and, as established in IAS 36, such check will be carried out at the closing of the year.

b) Intangible assets

Emission rights

The Council of Ministers of the Spanish Government, according to the Agreement of 15 November 2013, established the final allocations of greenhouse gas emissions related to Phase III of trading (period 2013-2020) to the subsidiary Cementos Molins Industrial, SAU amounting to 7.1 million tons of CO_2 received free of charge under Law 1/2005, of 9 March, that regulates the greenhouse gas emissions trading scheme. For 2019, the number of rights assigned was of 847,838, which have a value of 21,179 thousand euros.

During the first semester of 2019, the rights corresponding to the consumption in year 2018 have been delivered in compliance with the National Allocation Plan, and 381,437 rights have been consumed, with their value being 2,952 thousand euros. The rights consumed during the same period in year 2018 amounted to 486,882 rights, with their value being 2,975 thousand euros.

The Group estimates that, as in previous years, the rights obtained were sufficient to cover the expected emissions of greenhouse gases and, therefore, a provision to cover possible future deficits is not required.

6. Property, plant and equipment

During the first six months of 2019 and 2018, elements of Property, plant and equipment were acquired for 41,518 and 24,772 thousand euros, respectively. Also, during the first six months of 2019 and 2018, elements of property, plant and equipment were disposed of for a net carrying amount of 146 and 22 thousand euros, respectively. This generated net sales profits amounting to 127 thousand euros during the first six months of 2019 and to 44 thousand euros in the same period of 2018.

The main investments of the Group during this first semester of 2019 have consisted of the works on the new San Luis Plant (Argentina) and those related to the maintenance of the production facilities of the other facilities of the Group where operations are carried out.

During the first six months of 2019, interest amounting to 1,513 thousand euros has been capitalised, while no interest costs were capitalised during the first six months of 2018.

During the first six months of 2019 and 2018, the amortisation of items of property, plant and equipment amounted to 21,298 and 14,058 thousand euros, respectively.

The net carrying amount of property, plant and equipment, detailed by countries, as of 30 June 2019 and 31 December 2018, is as follows:

	(in thousands of euros)	
	30/06/2019	**31/12/2018**
Spain	199,871	203,176
Argentina	270,886	224,448
Tunisia	110,500	107,247
Total	**581,257**	**534,871**

7. Investments carried out through the equity method

The movements in this heading of "Non-current assets" of the Interim Consolidated Summarised Balance Sheet, in the first semester of 2019 and 2018, broken down by concepts, are as follows:

	(in thousands of euros)						
	01/01/2019	Results for the financial year	Dividends	Translation differences	Acquisitions	Other changes	**30/06/2019**
Promsa Group (Spain)	1,381	33	-	-	-	-	1,414
Portcemen (Spain)	1,287	(19)	-	-	-	1	1,269
Vescem (Spain)	29	1	-	-	-	-	30
Escofet Group (Spain and Mexico)	2,999	(296)	-	-	-	19	2,722
Moctezuma Group (Mexico)	149,175	27,784	(34,625)	5,320	-	(563)	147,091
Cementos Artigas Group (Uruguay)	58,331	3,130	-	(2,691)	-	(4)	58,766
LHB Group (Bangladesh and India)	47,782	2,135	-	51	-	34	50,002
Ecocementos and Iacol Agregados (Colombia)	74,649	(156)	-	1,482	2,068	1	78,044
Yacuces Group (Bolivia)	30,126	138	-	170	-	-	30,434
Totals	**365,759**	**32,750**	**(34,625)**	**4,332**	**2,068**	**(512)**	**369,772**

							(in thousands of euros)
	01/01/2018	Results for the financial year	Dividends	Translation differences	Acquisitions	Other changes	**30/06/2018**
Promsa Group (Spain)	1,567	25	-	-	(244)	-	1,348
Portcemen (Spain)	1,321	(1)	-	-	-	-	1,320
Vescem (Spain)	36	(8)	-	-	-	-	28
Escofet Group (Spain and Mexico)	2,937	52	-	-	-	29	3,018
Moctezuma Group (Mexico)	146,768	34,328	(44,155)	3,391	-	-	140,332
Cementos Artigas Group (Uruguay)	61,397	4,712	-	(2,131)	-	-	63,978
LHB Group (Bangladesh and India)	44,256	1,354	-	276	-	-	45,886
Ecocementos and Iacol Agregados (Colombia)	63,000	(508)	-	2,891	15,321	(48)	80,656
Yacuces Group (Bolivia)	30,368	(369)	-	650	-	(197)	30,452
Totals	**351,650**	**39,585**	**(44,155)**	**5,077**	**15,077**	**(216)**	**367,018**

The main parameters of these companies of the Group are the following (in thousands of euros):

	Moctezuma Group (Mexico)	**Cementos Artigas Group (Uruguay)**	**LHB Group (Bangladesh and India)**	**Yacuces Group (Bolivia)**	**Ecocementos and Iacol Agregados (Colombia)**	**Remainder companies**
30/06/2019						
Non-current assets	328,627	45,442	206,780	157,799	274,505	6,221
Current assets	254,192	39,127	83,929	32,012	3,639	15,433
Cash and equivalents	111,891	2,475	11,047	9,497	2,406	4,966
Non-current Liabilities	(43,452)	(2,211)	(40,816)	(100,551)	(115,828)	(1,607)
Non-current financial liabilities	(4,818)	-	(6,217)	(99,208)	(115,709)	(165)
Current Liabilities	(97,977)	(10,140)	(84,671)	(11,575)	(6,231)	(7,398)
Current financial liabilities	(2,166)	-	(27,726)	(357)	(1,048)	(74)
June 2019						
Turnover	302,325	35,298	101,815	39,547	-	8,389
Amortisations	(13,715)	(2,304)	(5,853)	(4,956)	(56)	(407)
Financial income	4,391	909	214	184	8,247	17
Financial expenses	(3,894)	(141)	(1,156)	(3,228)	(8,033)	(16)
Tax on profit	(35,332)	(933)	(5,160)	1,704	965	(20)
Period result	83,164	6,405	7,716	33	(118)	(814)

	Moctezuma Group (Mexico)	**Cementos Artigas Group (Uruguay)**	**LHB Group (Bangladesh and India)**	**Yacuces Group (Bolivia)**	**Ecocementos and Iacol Agregados (Colombia)**	**Remainder companies**
31/12/2018						
Non-current assets	320,010	55,018	205,992	162,450	236,804	6,453
Current assets	316,006	41,857	74,932	32,579	2,607	14,093
Cash and equivalents	125,953	7,124	3,666	11,317	1,136	5,063
Non-current Liabilities	(39,590)	(4,507)	(45,096)	(93,587)	(77,227)	(1,600)
Non-current financial liabilities	(645)	-	(10,248)	(90,602)	(76,655)	(145)
Current Liabilities	(148,798)	(17,830)	(73,617)	(24,220)	(12,721)	(5,551)
Current financial liabilities	(492)	-	(21,280)	(14,270)	(775)	(54)
June 2018						
Turnover	317,752	44,496	84,263	29,281	-	7,499
Amortisations	(11,991)	(2,474)	(4,915)	(4,119)	(19)	(372)
Financial income	8,928	1,413	46	401	400	16
Financial expenses	(6,142)	(173)	(2,326)	(3,137)	(896)	(38)
Tax on profit	(42,129)	(1,928)	(3,081)	(556)	(17)	102
Period result	102,826	9,800	4,870	(1,494)	(1,147)	171

The previous parameters correspond to the Separate and Consolidated Financial Statements of the previous groups and companies and do not include consolidation adjustments, with the exception of those referring to the operations with the Cementos Artigas Group (Uruguay) in 2010 and 2012.

8. Temporary financial investments

Temporary financial investments, which amount to 1,573 thousand euros as of 30 June 2019 (2,301 thousand euros as of 31 December 2018) consisted mainly of short-term financial derivatives in the trading portfolio due to the cross-currency swap arranged by the loan in Colombian pesos held by Cemolins Internacional SLU with the company Empresa Colombiana de Cementos, SAS, short-term loans and guarantees.

9. Inventories

The composition of inventories, net from valuation adjustments, as of 30 June 2019 and 31 December 2018, is as follows:

	(in thousands of euros)	
	30/06/2019	**31/12/2018**
Raw materials and auxiliary products	22,964	22,993
Fuels	15,242	9,618
Spare parts	35,169	30,868
Finished products and in-process products	31,500	31,465
Other	1,633	2,938
Total	**106,508**	**97,882**

10. Financial liabilities

Information regarding non-trade debts, distinguishing between current and non-current, is the following:

a) Non-current

The balance for long-term debts and the annual breakdown of their maturities, are presented in the following table:

							(in thousands of euros)
Debts with credit entities	**Balance 31/12/2018**	**Balance 30/06/2019**	**2020**	**2021**	**2022**	**2023**	**Remainder**
Spanish companies	134,425	118,229	17,427	55,232	36,151	6,904	2,515
Tunisian companies	71,774	73,073	2,672	14,152	14,221	14,295	27,733
Argentine companies	3,369	3,187	451	1,532	1,080	124	-
Total	**209,568**	**194,489**	**20,550**	**70,916**	**51,452**	**21,323**	**30,248**

b) Current

The breakdown of the balances of the various accounts, by groups of companies, as of 30 June 2019 and 31 December 2018, is as follows:

		(in thousands of euros)
Debts with credit entities	**Balance 31/12/2018**	**Balance 30/06/2019**
Spanish companies	30,357	52,163
Tunisian companies	8,281	10,928
Argentine companies	852	9,798
Total	**39,490**	**72,889**

11. Net equity

a) *Share capital*

The share capital of Cementos Molins, SA, as of 30 June 2019 and 31 December 2018, is represented by 66,115,670 bearer shares of a nominal value of 30 euro cents each, fully subscribed and paid-up.

b) *Own shares of the parent company*

At the beginning of the financial year 2019, Cementos Molins Industrial, SAU had 2,742,218 shares in the Parent Company. During the first semester of 2019, 10,200 shares have been acquired for a net amount of 168 thousand euros while no shares have been disposed of during that period.

At the beginning of the financial year 2018, Cementos Molins Industrial, SAU had 2,720,571 shares of the Parent Company. During the first semester of 2018, 18,335 shares have been disposed of for a net amount of 203 thousand euros. During that same period, no shares have been acquired.

c) *Net equity from minority shareholders*

The balance included in this chapter of the Consolidated Balance Sheet gathers the value of the equity holding of the minority shareholders in the net equity of the consolidated companies. Also, balances shown in the Consolidated Profit and Loss Account represent the equity holding of these minority shareholders in the results for the period.

The breakdown of this header of the balance, as of 30 June 2019 and 31 December 2018, is as follows:

	(in thousands of euros)	
	30/06/2019	**31/12/2018**
Promotora Mediterránea-2, S.A. Group (Spain)	1,552	1,525
Catprecon, S.L. (Spain)	141	112
Cementos Avellaneda, S.A. (Argentina)	126,417	104,781
Sotacib (Tunisia)	14,681	13,902
Total	**142,791**	**120,320**

12. Provisions

The transactions of this heading of "Non-current liabilities" in the Interim Consolidated Summarised Balance Sheet, in the first semester of 2019 and 2018, broken down by concepts, are as follows:

					(in thousands of euros)
	Balance at 01/01/19	**Provisions and additions**	**Reductions**	**Translation differences**	**Balance at 30/06/2019**
Greenhouse gases emission rights	6,788	2,952	(6,788)	-	2,952
Reversion fund quarry restoration and environmental activities	3,865	253	(26)	(110)	3,982
Staffing liabilities	2,421	37	(1,412)	(60)	986
Other	1,146	130	(12)	28	1,292
Total	**14,220**	**3,372**	**(8,238)**	**(142)**	**9,212**

(in thousands of euros)					
	Balance at 01/01/2018	**Provisions and additions**	**Reductions**	**Translation differences**	**Balance at 30/06/2018**
Greenhouse gases emission rights	8,216	2,975	(8,216)	-	2,975
Reversion fund quarry restoration and environmental activities	4,296	222	(125)	(485)	3,908
Staffing liabilities	1,853	152	(39)	(262)	1,704
Other	2,114	40	(636)	(149)	1,369
Total	**16,479**	**3,389**	**(9,016)**	**(896)**	**9,956**

13. Related-party transactions

a) Trade transactions

In accordance with the provisions of *Order ECC/461/2013*, of 20 March, and *Order EHA/3050/2004*, of 15 September, the Directors have not carried out any related-party transactions in the financial year 2018 or in the first semester of the financial year 2019, with Cementos Molins, SA or the companies constituting its consolidation group.

b) Direct or indirect situations of conflict with the business interest of Cementos Molins, SA

In 2018 or in the first semester of 2019, there are no direct or indirect situations of conflict involving the Directors or persons related to them regarding the business interest of Cementos Molins, SA.

c) Existence and identity of directors that, at the same time, are directors of companies that hold significant equity holdings in Cementos Molins, SA.

In accordance with what is set forth in Order *ECC/461/2013,* of 20 March, as of 26 July 2018:

a) The members of the Board of Directors of the following companies which hold a significant share in the capital of Cementos Molins Group, SA are:

Mr Joaquín Mª Molins López-Rodó is a director of OTINIX, SL.

Mr Juan Molins Amat is a director of NOUMEA, SA.

Mr Juan Molins Amat is the vice-president of Cartera de Inversiones CM, SA.

b) The remaining members of the Board of Directors are not directors of any company that has a significant holding of the share capital of Cementos Molins, SA.

d) Existence and identity of directors that are appointed as directors or management members in other companies that are part of Cementos Molins Group, SA

a) The members of the Board of Directors or management members of the following companies, that are part of Cementos Molins Group, SA are:

Mr Juan Molins Amat is:

- President of Cemolins Internacional, SLU.

Mr Julio Rodríguez Izquierdo is:

- President of Cementos Avellaneda, SA (Argentina), Minus Inversora, SA (Argentina), Société Tuniso Andalouse de Ciment Blanc SOTACIB, SA. (Tunisia), and of Sotacib-Kairouan, SA (Tunisia).

- Vice-President of Cementos Artigas, SA (Uruguay).

- Director in (i) Cemolins Internacional, SLU, (ii) Corporación Moctezuma, SAB of CV (Mexico), (iii) Insumos y Agregados de Colombia, SAS (Colombia), of Empresa Colombiana de Cementos, SAS (Colombia), and (v) LafargeHolcim Bangladesh Limited (Bangladesh).

b) The remaining members of the Board of Directors are not directors nor management members of any company that is part of Cementos Molins Group.

e) Remuneration of management members

The remuneration for key staff members of the Parent Company for the first six months of the financial years 2019 and 2018 (for all concepts, including long-term variable remuneration accrued during the year by some officers to be received at the end of a 3-year period) amounted to 1,602 and 1,612 thousand euros respectively.

f) Related-party transaction and balances

The transactions between the Parent Company and its subsidiaries, which are related parties, have been deleted in the consolidation process and are not broken down in these Interim Consolidated Summarised Financial Statements.

Below is the breakdown of the related-party balances and transactions that were not deleted from the consolidation process, as they have been integrated through the equity method:

Related-party transactions

Other Group companies and associates	(in thousands of euros)	
	June 2019	June 2018
Sales of materials	196	206
Other ordinary income	581	614
Rendering of services	38	34
Purchases of materials	(5)	(4,877)
Reception of services	(526)	(792)
Financial result	1,101	-

Related-party balances

Other Group companies and associates	(in thousands of euros)	
	30/06/2019	31/12/2018
Credits to companies	25,038	17,551
Commercial debtors	2,917	2,469
Commercial creditors	(733)	(1,037)

All of the Group’s related-party transactions are carried out at market rates.

As of 30 June 2019, "Loans to Companies" includes the loan arranged by Cemolins Internacional, SL, with the associate Empresa Colombiana de Cementos, SAS, amounting to 25 million euros.

14. Commitments and contingencies

a) Commitments

As for the companies accounted for using the equity method, in 2015, the Group started the construction of a cement plant in Colombia whose investment commitments as of 30 June 2019 amounted to 28.2 million USD (corresponding to all the commitments without taking into consideration the equity percentage the Group holds in the Colombian companies).

As for the companies accounted for using the full consolidation method, on 30 June 2019, the commitments for investments in property, plant and equipment amounted to 26.7 million euros (30.3 million euros on 30 June 2018). Among them, the project to increase the capacity of the San Luis plant (Argentina) stands out, amounting to 18.1 million euros.

b) Contingencies

CNMC Ruling

On 5 December 2016, the Spanish Securities Exchange Commission (“CNMC”) issued a Ruling in the sanction procedure S/DC/0525/14 (the “Ruling”) by virtue of which:

- The breach of article 1 of Law 15/2007 on the Protection of Competition by Promotora Mediterránea-2, SA, as a result of certain collusive practices, was ascertained, and a fine of 2,351 thousand euros was imposed.

- The action against Cementos Molins Industrial, SAU, was dismissed.

- For these purposes, although the Group recorded at the end of 2016 a provision in this respect under the heading “Provisions” in non-current liabilities in the accompanying Consolidated Balance Sheet, Promotora Mediterránea-2, SA, lodged an administrative appeal against the Resolution on the grounds of being null and void. The judicial procedure is still ready for judgement.

- The fine was paid on 17 October 2017.

Propamsa, SA: Guadassuar

By means of a ruling dated 22 April 2016, the Works Permit and the Environmental Permit granted by the Council of Guadassuar to Propamsa, SAU, for the mortar manufacturing centre located there was declared null and void in a legal review procedure. The Council of Guadassuar is currently carrying out the necessary actions to adapt the activity to urban planning regulations, and for such purpose, the plenary meeting held on 30 March 2017 agreed to start the Specific Modification No. 4 of the Land-use Plan (PGOU) of Guadassuar which affects the sector of the General Plan where the Propamsa, SAU's activity is included. Within the framework of this modification, the Committee of Environmental Evaluation belonging to the Environment and Evaluation Directorate General of the Valencian Government has issued a favourable strategic environmental and territorial report.

The local administrations involved (The Councils of Guadassuar, La Alcúdia, Massalavés), have issued their corresponding reports regarding the possible accesses and viability of the industrial estate in which the Propamsa, SAU, plant is located, which have been sent to the Ministry of Development (Madrid) for authorisation.

Currently, the processing of the Specific Modification of the PGOU of Guadassuar is being assessed and the different solutions regarding the roadworks of the accesses proposed in the reports issued by the administrations are being examined.

15. Tax situation

Given the presence of the Group in several tax jurisdictions, the companies that are part of the Group file their tax declarations according to the tax laws applicable in each country, having calculated the provision for the corporate tax as of 30 June 2019, applying the current tax regulations for the financial year 2019.

a) In Spain

Most companies registered in the Spanish territory pay Corporate Tax under the special tax consolidation scheme. This Tax Group integrates all companies where the Parent Company, CEMENTOS MOLINS, SA, holds a direct or indirect participation of more than 75%. All national companies pay tax at a general tax rate of 25%.

The Directors of the Parent Company consider that the deferred tax assets registered on 30 June 2019 will be recovered within the terms established by the current law according to the expected results projections, as well as the existing planning strategies.

b) In the remainder countries

The foreign subsidiaries consolidated by the global integration methods or accounted for via equity method calculate the Corporate Tax expense, as well as the quotas resulting from different applicable taxes, in compliance with their corresponding legislation and according to the current tax rates for each country.

The nominal tax rate of the Corporate Tax in the countries where the Group carries out its operations are as follows:

	June 2019	June 2018
Argentina[1]	30%	30%
Tunisia	25%	25%
Mexico	30%	30%
Uruguay	25%	25%
Bangladesh[2]	25/35%	25/35%
Bolivia	25%	25%
Colombia[3]	33/20%	33/20%

[1] Law 27.430, of 29 December 2017, regarding the reform of the Argentinian Tax Law established a gradual decrease in the tax rate of the Income tax in Argentina over three years, going from 35% in 2017 to 30% in 2018 and 2019 and 25% from 2020 onwards.

[2] For companies quoted in the stock exchange, such as the company LAFARGEHOLCIM BANGLADESH, LTD the tax rate in Bangladesh is 25%. For companies not quoted in the stock exchange, such as the company HOLCIM BANGLADESH, LTD the tax rate in Bangladesh will be 35%.

[3] In year 2017, the tax reform in Colombia came into force. Based on it, the income tax rate of the industrial users in Zona Franca (Free Zone), where the company EMPRESA COLOMBIANA DE CEMENTOS, SAS is located, was 20%. In 2019, a new tax reform entered into force, gradually decreasing the income tax general rate, which will be 30% in 2022. In 2019, the rate stands at 33%, which applies to the company INSUMOS Y AGREGADOS DE COLOMBIA, SAS.

Financial years eligible for tax audit

Generally, as of 30 June 2019, the financial years 2014 and subsequent of the Group Companies in Spain with regards to the Company Tax, and financial year 2015 and subsequent with regards to the remaining taxes applicable, are open for tax review. Therefore, the financial years open for review are those which were open for review at the close of financial year 2018.

On 1 July 2019, Cementos Molins, SA, the Parent company of the tax group, was notified of the beginning of the inspection activities for the purposes of the Company Tax for years 2015 and 2016 and for the VAT applicable from June 2015 to December 2016.

On the other hand, the company residing in Tunisia, Sotacib, SA, was notified, in January 2019, of the beginning of the inspection activities for years 2015-2017. At the date these Interim Consolidated Summarised Financial Statements were executed, the inspection is still in progress and they have not been notified of any proposed adjustments.

Except for the aforementioned entities, as of 30 June 2019, no company within the Group faces a comprehensive tax audit.

The Directors of the Company deem that the settlement of said taxes has been carried out suitably. Therefore, even if any discrepancies arise from the interpretation of the current regulations in regard to the tax processing of the transactions, the possible derived liabilities, if they materialize, will not affect in a significant way the attached Interim Consolidated Summarised Financial Statements.

16. Remuneration and other benefits of the Board of Directors

The remuneration accrued during the first six months of year 2019 for all the members of the Board of Directors of the Parent Company amounted to 1,200 thousand euros, of which 103 thousand euros correspond to attendance allowances, 343 thousand euros to bylaw allowances, 711 thousand euros to professional fees and salaries, and 43 thousand euros to contributions to externalized pension funds and life insurances.

During the first semester of 2018, the remunerations were 1,213 thousand euros, of which 130 thousand euros corresponded to attendance allowances, 337 thousand euros to bylaw allowances, 703 thousand euros to professional fees and salaries, and 43 thousand euros to contributions to externalised pension funds and life insurances.

During the first six months of the financial years 2019 and 2018, the members of the Board of Directors of the Parent Company did not receive any advances or credits.

17. Financial information by segments and joint businesses

In Note 6 of the report of the Consolidated Annual Accounts of the Group for the financial year ended on 31 December 2018, the criteria used by the Group to define its operating segments are detailed. There have been no changes to the segmentation criteria. They are based on the management criteria kept by the Group's Management.

The main items of the Group’s Interim Consolidated Summarised Profit and Loss Account in the first semester of 2019 and 2018, broken down by geographical segments, are the following:

June 2019	Spain	Argentina	Tunisia	Mexico	Uruguay	Bolivia	Colombia	Bangladesh	Total
									(in thousands of euros)
	Geographical segment								
Turnover	136,104	155,385	35,221	-	-	-	-	-	326,710
Operating result	**7,002**	**34,013**	**3,741**	**-**	**-**	**-**	**-**	**-**	**44,756**
Financial results									(5,144)
Stakes in associated companies	(272)	-	-	27,775	3,130	138	(156)	2,135	32,750
Profits before taxes									**72,362**
Tax on profit									(10,801)
Net result for minority shareholders									(11,813)
Results after taxes									**49,748**

June 2018	Spain	Argentina	Tunisia	China	Mexico	Uruguay	Bolivia	Colombia	Bangladesh	Total
										(in thousands of euros)
	Geographical segment									
Turnover	119,901	146,339	35,033	-	-	-	-	-	-	301,273
Operating result	**365**	**27,777**	**3,336**	**(1,015)**	**-**	**-**	**-**	**-**	**-**	**30,463**
Financial results										7,504
Stakes in associated companies	46	-	-	-	34,350	4,712	(369)	(508)	1,354	39,585
Profits before taxes										**77,552**
Tax on profit										(13,611)
Net result for minority shareholders										(12,947)
Results after taxes										**50,994**

Shared businesses

The foreign geographical segments corresponding to Tunisia and Argentina are consolidated by the global integration method.

The foreign geographical segments corresponding to Mexico, Uruguay, Bangladesh, Bolivia and Colombia are consolidated by the equity method.

18. Average number of employees

The average number of employees in Group Companies during the first six months of the financial years 2019 and 2018 is as follows:

	Women	Men	Total 30/06/2019
Cementos Molins, S.A.	17	25	42
Cementos Molins Industrial, S.A.U.	13	163	176
Cemolins Servicios Compartidos, S.L.	24	14	38
Promotora Mediterránea-2 Group	27	221	248
Prefabricaciones y Contratas, S.A.U. / Catprecon, S.L.	57	604	661
Propamsa, S.A.	25	104	129
Cemolins Internacional, S.L.U.	2	8	10
Cementos Avellaneda Group	50	737	787
Sotacib, S.A. / Sotacib Kairouan, S.A.	28	427	455
Total	**243**	**2,303**	**2,546**

	Women	Men	Total 30/06/2018
Cementos Molins, S.A.	15	20	35
Cementos Molins Industrial, S.A.U.	14	159	173
Cemolins Servicios Compartidos, S.L.	27	13	40
Promotora Mediterránea-2 Group	25	200	225
Prefabricaciones y Contratas, S.A.U. / Catprecon, S.L.	55	522	577
Propamsa, S.A.	25	109	134
Cemolins Internacional, S.L.U.	3	10	13
Cementos Avellaneda Group	50	709	759
Sotacib, S.A. / Sotacib Kairouan, S.A.	31	436	467
Total	**245**	**2,178**	**2,423**

19. Risk management

As of 30 June 2019, the Cementos Molins Group maintains the same risk management policies it had on 31 December 2018.

20. Financial results

The worsening in the financial result of the first semester of year 2019 when compared to the same period in 2018 is mainly due to the positive exchange rate differences generated in the first semester of 2018 by surplus positions maintained in USD in Argentina, which contributed 11 million euros to the result.

21. Drafting and signing of the Interim Consolidated Summarised Financial Statements for the six-month period ended on 30 June 2019

The Interim Consolidated Summarised Financial Statements for the first semester of the financial year 2019 were drafted and signed by the Board of Directors of the Parent Company on 26 July 2019.

Cementos Molins, SA and Subsidiaries

Interim Consolidated Management Report for the six-month period ended on 30 June 2019

The **turnover** of the first semester of 2019 has increased by 8% with respect to that in the same period of 2018, reaching 327 million euros (+45% without exchange rate effect). The main increases are taking place in Spain (14%) and Argentina (6%).

The **operating result** reached 45 million euros, 47% higher than that of the same period in the 2018 financial year due to the improvement in Spain and Argentina, whose operating result grow by 7 and 6 million euros respectively. The depreciation of the Argentine currency has a negative effect of 35 million euros (the Argentine peso experienced a strong depreciation from the Q2 2018 onwards).

The **financial result** worsened, essentially, due to the positive exchange rate differences produced in the first semester of 2018 by surplus positions maintained in USD in Argentina and not produced in the same period of this year.

The **result contributed by companied accounted for using the equity method** amounts to 33 million euros, 17% lower than that corresponding to the same period during the previous financial year, essentially due to the decrease in results in Mexico. Based on this consolidation method, Cementos Molins has mainly incorporated the results of its businesses in Mexico (Corporación Moctezuma), Uruguay (Cementos Artigas), Bangladesh (Lafarge Holcim Bangladesh), Bolivia (Itacamba Cementos) and Colombia (Ecocementos).

The **consolidated net result** has been 50 million euros and decreases by 2% compared to that obtained in the first semester of the previous year. However, at constant exchange rates and without the hyperinflation effect in Argentina, the net result would have increased by 20%. The companies in Spain have improved significantly and have reached a net profit of 4 million euros against a negative net result of 2 million euros in the first semester of 2018. On the other hand, the result from international companies shows a net benefit of 45 million euros, a 14% decrease compared to the first semester of 2018, due to the deterioration of the Mexican market and the depreciation of the exchange rate in Argentina.

Information on Management

Cementos Molins actively takes part in the management of the companies that it is part of through the equity method, whether this is in conjunction with another shareholder or by means of relevant participation in its decision-making bodies.

Following the guidelines and recommendations of the ESMA (European Securities and Markets Authority), whose objective is to promote the usefulness and transparency of the alternative performance measures that are included in the regulated information or in any other information submitted by the listed companies, the information that is included in this report is based on the application of the proportionality criterion in the consolidation method of its investees, applying the final shareholding percentage in each one of them. This way, the Group deems that the management of the businesses and the way their results are assessed for the decision-making process are reflected in a suitable way.

Therefore, the following parameters are defined in the following notes to the report as:

- “Income”: Net turnover reported in the Individual and Consolidated Financial Statements of the various companies included in the consolidation perimeter, multiplied by the participation percentage held in each one of them.

- “EBITDA”: Operating result before amortizations, and results for the impairment and sale of assets of the different companies accounted for in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.

- “EBIT”: Net result before financial results and taxes (operating result) of the different companies accounted for in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.

- “Operating Cash Flow”: Net cash flows from ordinary activities, minus the paid financial expenses and adding the collected financial income of the different companies accounted for in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.

- “Capex”: Tangible and intangible fixed assets of the different companies accounted for in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.

- “Net Financial Debt”: Financial debt, after subtracting the treasury, temporary financial investments and long-term deposits of the different companies accounted for in the consolidation perimeter, multiplied by the shareholding percentage in each one of them. Cash surpluses are indicated with a negative sign.

- “Volumes”: Physical units sold of cement and concrete from the different companies included in the consolidation perimeter (without withdrawing internal sales), multiplied by the shareholding percentage in each one of them.

- “Comparable Variation %”: It gathers the variation that the heading of the current period would have reported if the exchange rates (same exchange rates as previous period) or the consolidation perimeter had not changed and if the inflation adjustment in Argentina (IAS 29) or standard changes (IFRS 16) had not been applied.

With the criterion presented above, the results that the Group uses in its management, as of 30 June 2019, in millions euros, are as follows:

M EUR	S1 2019	S1 2018	change %	change % comparable (*)
Income	**403.5**	**380.9**	**5.9%**	**19.3%**
EBITDA	**98.5**	**92.2**	**6.8%**	**20.0%**
EBITDA margin	24.4%	24.2%		
EBIT	**73.1**	**71.7**	**2.0%**	**24.2%**
Net result	**49.7**	**51.0**	**(2.4%)**	**20.3%**
Operating Cash Flow	59.8	50.3	18.9%	
Capex	45.0	41.9	7.4%	
Earnings per share (€)	0.75	0.77		
	30/06/2019	31/12/2018		
Net financial debt	**180.4**	**178.8**	**0.9%**	
Volums (thousand)	S1 2019	S1 2018		
Cement (t)	2,969	3,048	(2.6%)	
Concrete (m3)	753	694	8.5%	

(*) comparable variation %: variation at constant exchange rates and without the hyperinflation effect in Argentina and IFRS 16.

Income in the first semester of 2019 has increased by 6%, since all the countries improved, with the exception of Mexico and Uruguay.

In comparative terms taking into account the previous year exchange rate, income would improve by 19%. The variations in the exchange rate have had a relevant effect, with a negative impact of 51 million euros, basically due to the depreciation of the Argentine peso against the euro (54 million euros).

The EBITDA in the first semester of 2019 has been 99 million euros, a 7% improvement compared to the same period of 2018, and in comparable terms it would increase by 20%, with growth in all the countries, in particular Spain and Argentina, and a decrease in results mainly in Mexico.

The impact of the evolution of the exchange rate, hyperinflation and IFRS 16 have been negative by 12 million euros, mostly due to the depreciation of the Argentine peso.

The EBITDA margin stands at 24.4%, a 0.2 points improvement compared to the same period in the previous year, mainly because of an increase in the margins in Argentina and Spain.

The contribution to income and EBITDA by countries is as follows, in millions of euros:

INCOME

M€	June 2019	June 2018	change %	change % comparable (*)
Spain	138.1	121.6	13.5%	
Argentina	79.2	74.6	6.2%	78.1%
Uruguay	17.3	19.5	(11.5%)	(3.9%)
Mexico	100.9	106.1	(4.9%)	(9.7%)
Bolivia	13.6	10.0	35.8%	27.8%
Bangladesh	30.0	24.8	20.8%	14.5%
Tunisia	24.4	24.2	0.7%	13.6%
Others	-	-	-	-
Total	403.5	380.9	5.9%	19.3%

EBITDA

M€	June 2019	June 2018	change %	change % comparable (*)
Spain	22.2	15.4	43.5%	36.3%
Argentina	22.3	15.8	41.5%	136.9%
Uruguay	4.3	6.3	(31.8%)	(26.0%)
Mexico	43.7	51.2	(14.8%)	(19.2%)
Bolivia	2.2	2.1	6.9%	0.2%
Bangladesh	5.8	4.6	25.8%	19.6%
Tunisia	5.0	5.0	0.1%	12.7%
Others	(7.0)	(8.2)		
Total	98.5	92.2	6.8%	20.0%

(*) comparable variation %: variation at constant exchange rates and without the hyperinflation effect in Argentina and IFRS 16.

During the first semester of 2019, investments have been made for a total of 45 million euros, such as the construction of the new plants in Colombia and San Luis (Argentina).

Net financial debt increased to 180.4 million euros as of 30 June 2019, which represents an increase of 0.9% with regards to 31 December 2018, which entails a Net financial debt / EBITDA multiple of 0.95x.

Liquidity was sustainably generated in the first semester of 2019 (+44.6 million euros), mainly aimed at financing growth investments in Colombia and Argentina amounting to 28.6 million euros. Likewise, the net financial debt is affected by the application of IFRS 16 Leases with a negative impact of 12.7 million euros and by an exchange rate variation of 4.9 million euros.

Information on environmental matters

The companies of Cementos Molins keep developing the environmental activities detailed in the management report as of 31 December 2018, with special emphasis on the programmes related to the valorization of alternative fuels to be used in cement factories.

Likewise, the corresponding Certificates of the Environmental Management Systems are continually renewed.

Research and development

The companies of Cementos Molins keep focusing on R+D+i with the aim of obtaining more sustainable products, with improved properties and at a lower cost, in order to meet the needs of the market and our clients.

Transactions with own shares

At the beginning of the financial year 2019, Cementos Molins Industrial, SAU had 2,742,218 shares in the Parent Company. During the first semester of 2019, 10,200 shares have been acquired for a net amount of 168 thousand euros while no shares have been disposed of during that period.

Related-party transactions.

In Note 13 of these Consolidated Summarised Financial Statements related-party transactions are referred to. It is not considered additional relevant information.

Foreseeable evolution of the Group

We expect to maintain the trend of results of the last months, although this will depend on the evolution that currencies may experience and the situation of the Mexican market. We expect to maintain the good results registered in Spain during the first semester. Internationally, the commissioning of the new factory in Colombia and the expansion of the San Luis factory (Argentina), both scheduled to be completed in the last quarter of the year, must make it possible to increase sale volumes.

Risk management

As of 30 June 2019, Cementos Molins maintains the same risk management policies it had on 31 December 2018.

Events after closing

There has been no additional relevant event after 30 June 2019 and until the date these Interim Consolidated Summarised Financial Statements were signed.

Statement of responsibility of the Board of Directors of Cementos Molins, SA regarding the contents of the Interim Consolidated Summarised Financial Statements and the Consolidated Management Report (Article 11.1.b. Royal Decree 1362/2007)

The Board of Directors, on 26 July 2019, declared that, to the best of their knowledge, the Interim Consolidated Summarised Financial Statements attached were prepared in compliance with the applicable accounting principles and that they offer a fair view of the equity, the financial situation and the results of Cementos Molins Group, and that the Management Report includes a fair analysis of the information required.

This information comprises 32 sheets of ordinary paper, numbered consecutively from 1 to 32, with those from 1 to 31 having been signed by the Secretary of the Board of Directors, and with this one having been signed by all the directors.

Mr Juan Molins Amat
President

Mr Joaquín M.ª Molins Gil
By: Cartera de Inversiones CM, SA
First Vice-President

Ms Ana M.ª Molins López-Rodó
By: Otinix, SL
Second Vice-President

Mr Julio Rodríguez Izquierdo
Managing Director

Ms Roser Ràfols Vives
By: Foro Familiar Molins, SL

Mr Miguel del Campo Rodríguez

Mr Joaquín M.ª Molins López-Rodó

Mr José Ignacio Molins Amat
By: Noumea, SA

Ms Andrea Kathrin Christenson

Mr Juan Molins Monteys

Mr Eusebio Díaz-Morera Puig-Sureda

Mr Francisco Javier Fernández Bescós

Ms Socorro Fernández Larrea

Mr Rafael Villaseca Marco