Presentation of H1 2017 Results

Bases for the presentation of information

The Cementos Molins Group 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 subsidiaries**, applying the final shareholding percentage in each one of them. This way, the Cementos Molins Group deems that the management of the businesses and the way that their results are assessed for the decision-making process are reflected in a suitable way.

Therefore, the following parameters are defined in the presentation as:

- “Income”: Turnover reported in the individual and consolidated financial statements of the different companies included in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.
- “EBITDA”: Operating result before amortizations, and results for the impairment and sale of assets of the different companies included in the consolidation perimeter, multiplied by the shareholding percentage in each one of them.
- “EBIT”: Net result before financial results and taxes (operating result), multiplied by the shareholding percentage in each one of them.
- “Capex”: Addition of tangible and intangible fixed assets of the companies included 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, multiplied by the shareholding percentage in each one of them. When cash surpluses exist, it is indicated with a negative sign.
- “Volumes”: Physical units that have been sold of Portland cement and concrete from companies included in the consolidation perimeter (without withdrawing internal sales), multiplied by the shareholding percentage in each one of them.
- “Variation % if constant ER”: It gathers the variation that the heading of the current period would have reported if exchange rates had not changed (same exchange rates as previous period).

In the “Interim Management Statement: Information on H1 2017 results” the Group’s Consolidated Financial Statements are included according to the International Financial Reporting Standards (EU-IFRS), as well as the reconciliation with the criteria implemented in this presentation.

Results as of June 30, 2017

Main parameters

Proportionality criterion

M EUR	Q2 2017	Q2 2016	variation %	variation % Constant ER	H1 2017	H1 2016	variation %	variation % Constant ER
Income	**198.4**	**171.3**	**15.8%**	**20.6%**	**392.5**	**332.2**	**18.1%**	**21.7%**
EBITDA	**49.8**	**43.7**	**14.0%**	**18.8%**	**99.1**	**82.5**	**20.1%**	**25.0%**
EBITDA margin	25.1%	25.5%			25.2%	24.8%		
EBIT	**36.7**	**31.0**	**18.4%**	**23.5%**	**73.4**	**57.9**	**26.7%**	**32.4%**
Net result	**21.8**	**20.1**	**8.9%**	**13.9%**	**42.3**	**35.4**	**19.5%**	**25.8%**
Capex	9.9	18.1	(45.4%)		23.0	33.6	(31.5%)	
Profit per share (€)					0.64	0.54		
					30/06/2017	31/12/2016		
Net financial debt					**169.6**	**187.7**	**(9.6%)**	

Volumes	Q2 2017	Q2 2016		H1 2017	H1 2016	
Cement (Mt)	1,382	1,324	4.4%	2,714	2,593	4.7%
Concrete (Mm3)	418	381	9.7%	802	723	10.9%

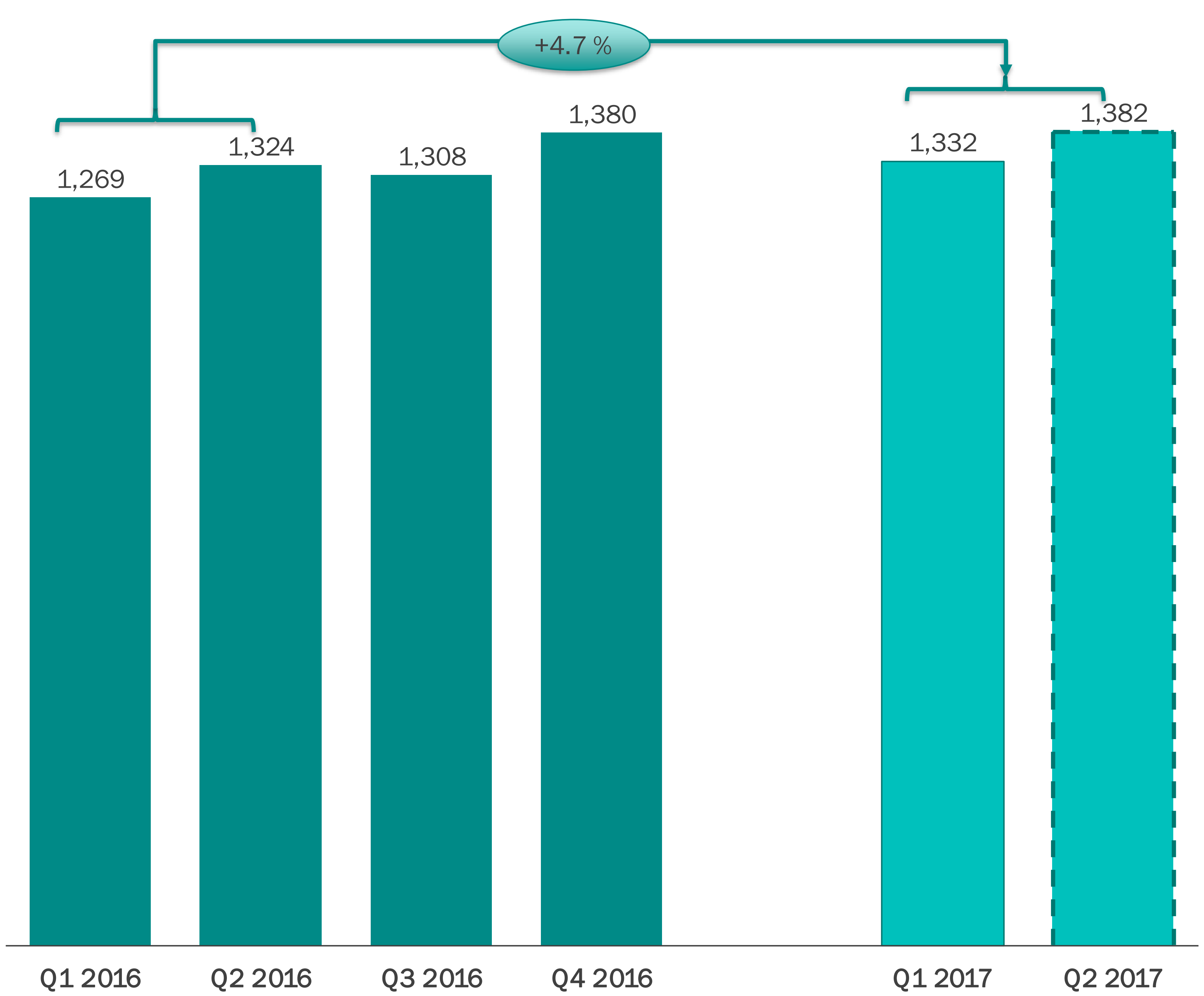
- During H1 2017, income has increased by 18% thanks to the growth in volume and a positive price performance.
- Net Result for H1 2017 was 20% higher than that in the same period of 2016, reaching the amount of 42 million euros. The depreciation of currencies has negatively affected Net Profit by 2.2 million euros.
- Net financial debt was reduced by 18 million euros.

SALES VOLUME

Proportionality criterion

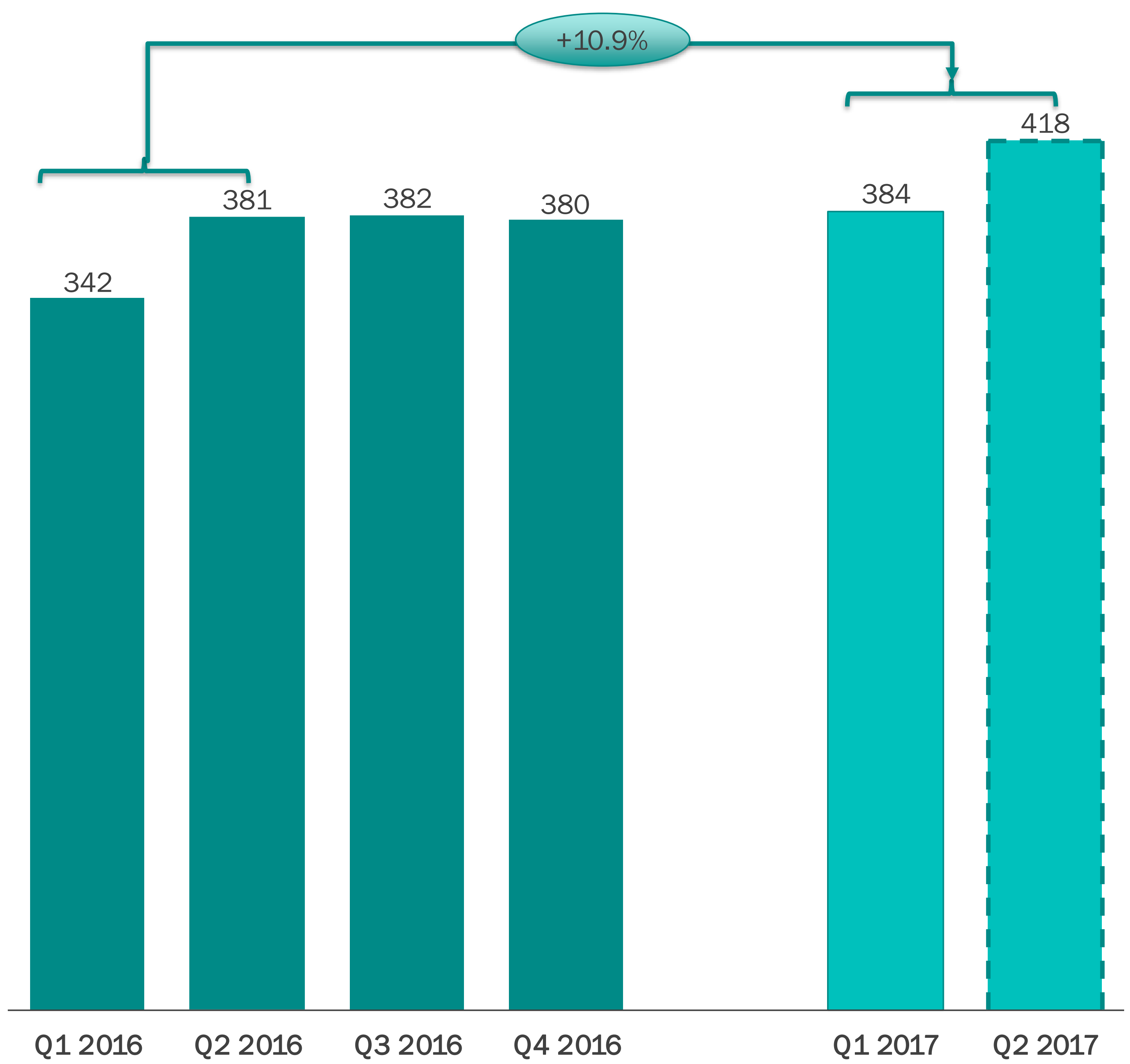
Cement

(Thousand of Tons)



Concrete

(Thousand of m3)



- Cement sales volume increased by 5%, with positive contributions from all countries except Tunisia (due to lower export sales) and, to a lesser extent, Bangladesh.
- Concrete sales have increased by 11%, with positive contributions from all the countries, except Uruguay.
- Easter in Q2 and the Ramadan (Bangladesh and Tunisia) in H1 have had an impact on operations (temporary effect), as compared to the same period of the previous financial year.

Results as of June 30, 2017

Income and EBITDA (million euros)

Proportionality criterion

INCOME

M€	Q2 2017	Q2 2016	variation %	variation % Constant ER	H1 2017	H1 2016	variation %	variation % Constant ER
Spain	57.8	49.4	16.9%	-	116.9	98.7	18.3%	-
Argentina	42.8	32.0	33.8%	48.8%	85.1	63.2	34.7%	43.3%
Uruguay	8.5	8.4	.3%	(7.8%)	17.4	15.5	12.3%	(.2%)
Mexico	63.0	54.2	16.3%	19.6%	122.7	102.2	20.1%	25.7%
Bolivia	4.7	2.1	119.2%	122.6%	7.8	4.4	80.4%	76.2%
Bangladesh	8.0	8.5	(6.0%)	(3.9%)	16.4	17.2	(4.6%)	(4.7%)
Tunisia	13.6	16.7	(18.1%)	(5.5%)	26.2	31.0	(15.6%)	(7.5%)
Others	-	-	-	-	-	-	-	-
Total	198.4	171.3	15.8%	20.6%	392.5	332.2	18.1%	21.7%

EBITDA

M€	Q2 2017	Q2 2016	variation %	variation % Constant ER	H1 2017	H1 2016	variation %	variation % Constant ER
Spain	5.7	5.2	10.0%	-	12.5	9.4	33.3%	-
Argentina	10.0	5.8	73.1%	91.6%	20.8	12.7	62.9%	72.8%
Uruguay	2.7	1.5	72.9%	58.2%	4.5	2.5	81.9%	63.0%
Mexico	29.7	26.5	11.9%	15.0%	58.3	49.2	18.4%	24.1%
Bolivia	0.6	0.4	83.8%	82.7%	1.1	0.6	80.1%	77.9%
Bangladesh	1.2	2.6	(52.5%)	(51.7%)	3.4	5.4	(37.9%)	(38.6%)
Tunisia	2.7	4.3	(36.2%)	(26.1%)	4.1	7.5	(44.7%)	(38.5%)
Others	(2.8)	(2.6)	(11.6%)	(12.1%)	(5.6)	(4.8)	(13.6%)	(13.4%)
Total	49.8	43.7	14.0%	18.8%	99.1	82.5	20.1%	25.0%

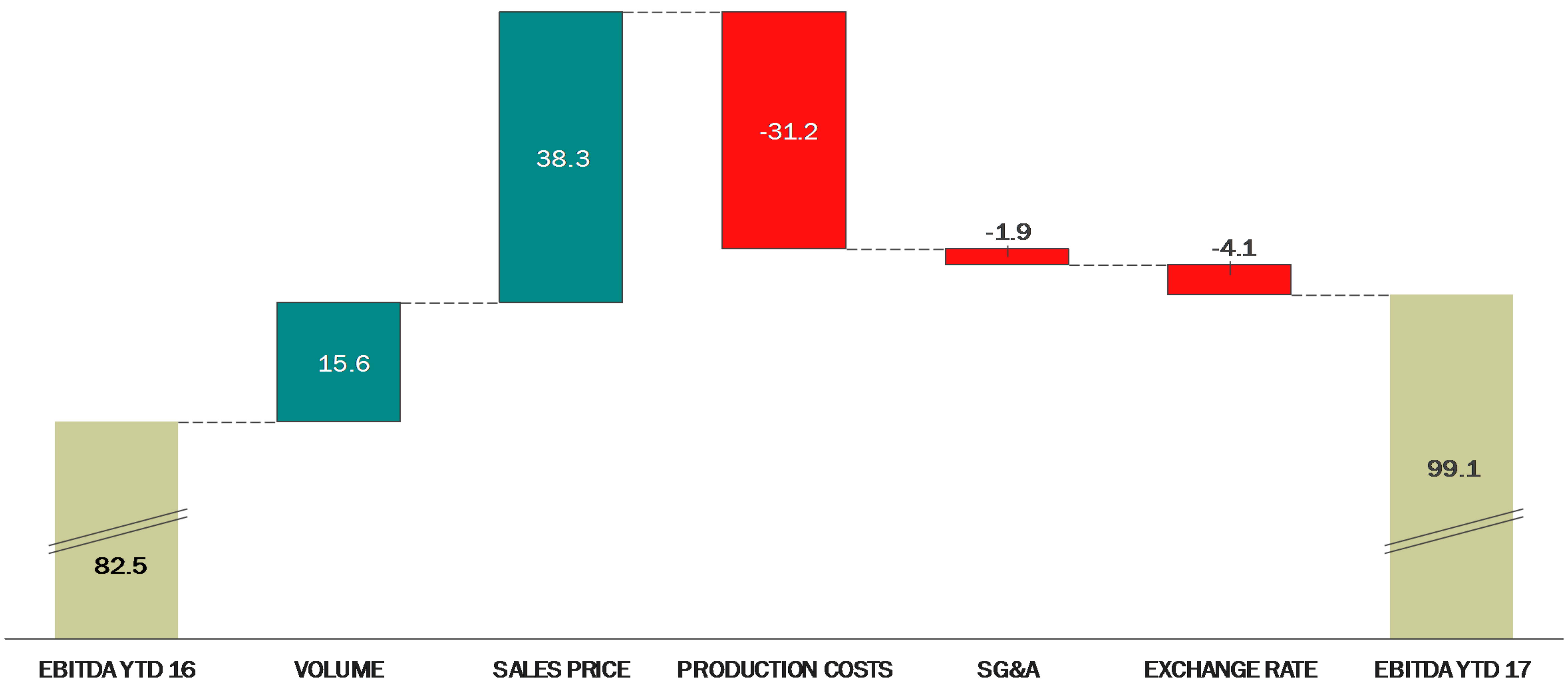
The EBITDA of H1 2017 grew by 20% compared to the same period of the previous year.

- Most countries have posted healthy growth rates –Mexico and Argentina lead the way, followed by Spain and Uruguay.
- Profits went down in Tunisia and Bangladesh.
- At the same exchange rates as those from the same period of 2016, EBITDA would grow by 25%.

Results as of June 30, 2017

EBITDA VARIATION ANALYSIS (million euros)

Proportionality criterion



- The improved EBITDA is due to rising sales volumes in most countries and to price improvements, mainly in Mexico and Argentina.
- Production costs have worsened due to increasing energy costs (electricity and pet coke) and inflationary component, especially in Argentina.
- The EBITDA margin stood at 25.2%, one-half percentage point above with respect to the same period of the previous year.

Net financial debt as of June 30, 2017

Proportionality criterion, M EUR

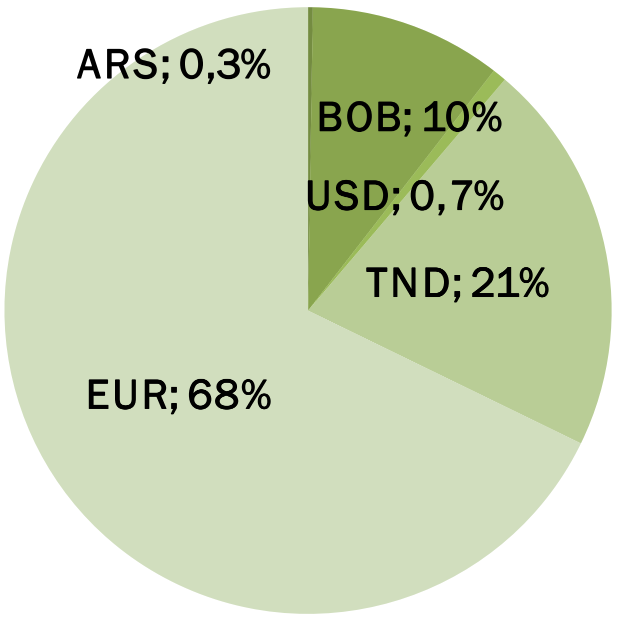
EVOLUTION OF NET DEBT

FINANCIAL POSITION

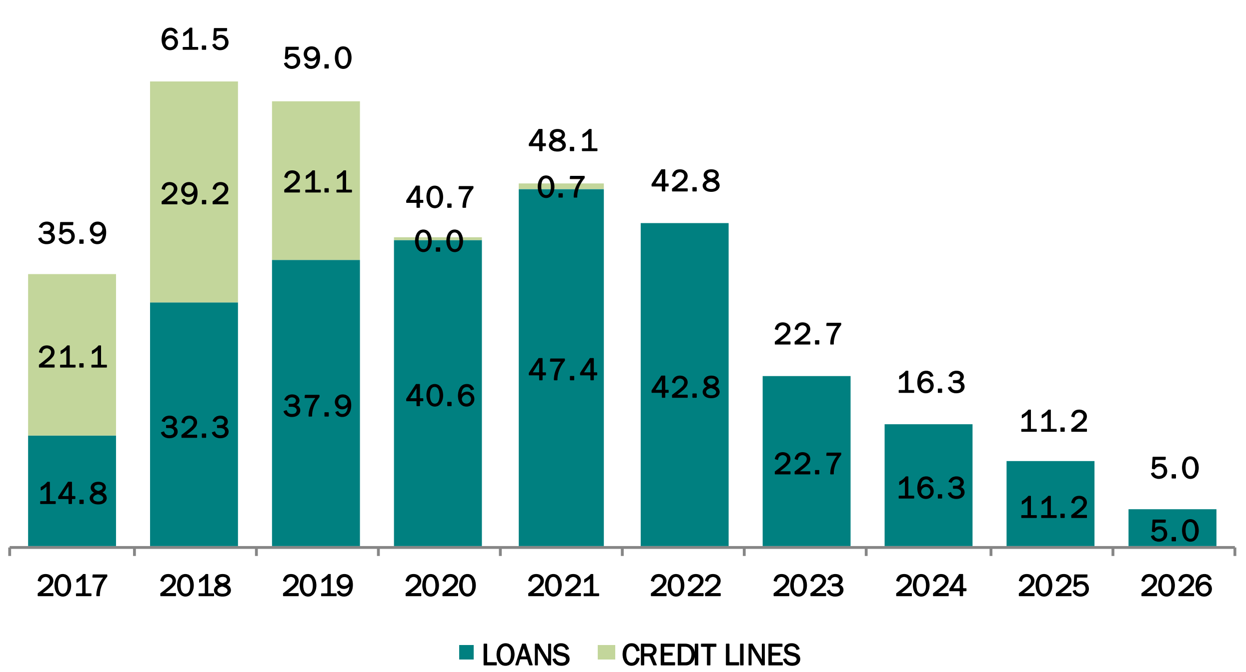
M EUR	30/06/2017	31/12/2016	variation %
Financial liabilities	343.4	399.4	(14.0%)
Current financial liabilities	54.1	57.5	(6.1%)
Non-current financial liabilities	289.3	341.9	(15.4%)
Long term deposits	(0.2)	(0.4)	(58.3%)
Temporary financial investments	(25.8)	(84.3)	(69.4%)
Cash and equivalent liquid assets	(147.7)	(127.1)	16.2%
NET FINANCIAL DEBT	169.7	187.7	(9.6%)

- Despite the progressive execution of the current investment plan, the net financial debt was reduced by 18 million euros.

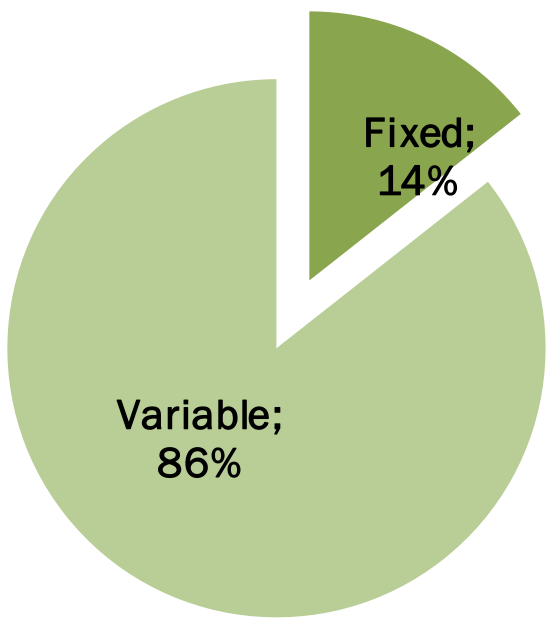
DEBT BY CURRENCY



MATURITY SCHEDULE



DEBT BY RATE



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