

GCC REPORTS SECOND QUARTER 2014 RESULTS

Chihuahua, Chih., Mexico, July 22, 2014 – Grupo Cementos de Chihuahua, S.A.B. de C.V. (“GCC” or the “Company”) (BMV: GCC*), a leading producer of cement and concrete in markets in Mexico and the United States, today announced its consolidated results for the second quarter of 2014.

HIGHLIGHTS

- GCC registered strong double-digit growth in sales, operating income and EBITDA.
- Sales rose 32.1% in the United States and 3.7% in Mexico.
- Operating income and EBITDA increased 75.1% and 37.1%, respectively.
- Cement sales volumes rose 17% in the United States and 2% in Mexico.
- Concrete sales volumes grew 34% in the United States and 17% in Mexico.

KEY FIGURES (millions of pesos)

	2Q14	2Q13	2Q14 vs 2Q13	2014	2013	2014 vs 2013
Net Sales	2,562.8	2,091.9	22.5%	4,307.5	3,529.6	22.0%
Operating Income	315.5	180.2	75.1%	333.8	112.0	198.0%
EBITDA	524.0	382.2	37.1%	754.8	517.3	45.9%
Consolidated Net Income	172.8	(163.0)	206.0%	162.8	(261.6)	162.2%

EBITDA: operating income + depreciation and amortization

FINANCIAL RESULTS

Net Sales rose a strong 22.5% in the second quarter of 2014 over the same period of 2013, totaling \$2,562.8 million pesos. This was driven by the following factors: higher volumes of cement and concrete in the United States and Mexico, better weather in the United States, and growth in demand in the regions where GCC participates.

In the United States, sales rose 32.1% over the second quarter of 2013 and totaled \$1,831.2 million pesos. This was due to growth of 17% and 34% in cement and concrete volumes, respectively. The states of Colorado, North Dakota and South Dakota were the primary drivers of sales growth, arising from residential and public utilities infrastructure, as well as in the commercial, manufacturing and health segments. In addition, pricing was better, primarily in cement. The increase in sales in the United States in dollar terms was 27.2%, reflecting the 4.2% depreciation of the peso against the dollar during the period.

In Mexico, sales rose 3.7% over the second quarter of 2013, totaling \$731.5 million pesos, as a result of 17% and 2% growth in sales volumes of concrete and cement, respectively, driven by public sector activity in major ongoing projects in infrastructure, urban paving and highways, as well as better performance in the residential and mining sectors. Prices remained stable with respect to the same quarter of last year.

Consolidated net sales in the first half of 2014 rose 22.0% from the same period of last year and totaled \$4,307.5 million pesos. Driving these results were: increased construction activity in the United States arising from better weather conditions, combined with the increase in demand primarily from a strengthening in the residential and non-residential sector, and a better pricing environment. In Mexico, sales growth was driven by infrastructure, urban paving and highway projects, as well as continuity in industrial and commercial sector projects, and more activity in residential construction.

NET SALES (millions of pesos)

	2Q14	2Q13	2Q14 vs 2Q13	2014	2013	2014 vs 2013
Consolidated	2,562.8	2,091.9	22.5%	4,307.5	3,529.6	22.0%
United States	1,831.2	1,386.7	32.1%	2,886.0	2,211.1	30.5%
Mexico	731.5	705.2	3.7%	1,421.5	1,318.5	7.8%

NET SALES (millions of dollars)

	2Q14	2Q13	2Q14 vs 2Q13	2014	2013	2014 vs 2013
Consolidated	197.2	167.6	17.6%	329.0	281.1	17.0%
United States	140.9	110.8	27.2%	220.6	176.0	25.4%
Mexico	56.3	56.9	-1.1%	108.4	105.2	3.1%

VARIATION IN SALES VOLUME (%)

	2Q14 vs 2Q13	2014 vs 2013
Cement	13%	12%
<i>United States</i>	17%	16%
<i>Mexico</i>	2%	5%
Concrete	27%	25%
<i>United States</i>	34%	30%
<i>Mexico</i>	17%	21%
Block	-1%	11%
Aggregates	-8%	2%

The **Cost of Sales** in the second quarter of 2014 was \$2,024.0 million pesos and represented 79.0% of sales, a reduction of 2.2 percentage points from the same period of last year, reflecting GCC's operating leverage. This was due to the following factors: stable variable costs with respect to sales while fixed production costs and depreciation decreased by 2.2 percentage points.

In the first half of 2014, the cost of sales as a percentage of sales was 81.6%, 2.9 percentage points lower than in the same period of 2013, reflecting both lower variable costs, primarily for power and fuel at cement operations in Mexico, and lower fixed production costs and depreciation.

Operating Expenses in the second quarter of 2014 totaled \$223.3 million pesos, an increase of 4.9% compared to the same quarter of last year. This primarily reflects the impact of the depreciation of the peso against the dollar on expenses in the US Division. In the first half of 2014, operating expenses increased 5.6% due to higher salaries and benefits as well as the impact of the depreciation of the peso against the dollar.

Operating Income in the second quarter of 2014 increased 75.1% from the second quarter of last year and totaled \$315.5 million pesos. Cumulative operating income in the first six months of the year rose 198.0% over the same period of last year and totaled \$333.8 million pesos.

Operating Cash Flow (EBITDA) in the second quarter of the year grew 37.1% compared to the second quarter of 2013, totaling \$524.0 million pesos. The margin expanded by 2.2 percentage points to 20.4% of sales. Cumulative EBITDA in 2014 increased 45.9% over the same period of last year and totaled \$754.8 million pesos, with a 17.5% margin, 2.8 percentage points greater than the margin in the first half of 2013.

Net Financial Expenses in the second quarter of 2014 totaled \$140.3 million pesos, 57.5% higher than in the same period of 2013. This increase was due to the following factors: an adjustment to the effective rate used for calculating interest-bearing liabilities, employee benefits and environmental remediation obligations, as well as the effect of the depreciation of the peso against the dollar. In the first half of 2014, net financial expense was \$269.7 million pesos, an increase of 32.8% over the same period of last year due to higher interest rates on non-bank debt, the adjustment to the effective rate used for calculating interest-bearing liabilities, employee benefits and environmental remediation obligations, and the cumulative 4.4% depreciation of the peso against the dollar in the year.

In the second quarter of 2014, **Income Taxes** resulted in a \$2.4 million peso charge, 99.0% less than the \$251.1 million pesos registered in the second quarter of last year, which included an extraordinary tax payment. Income tax registered in the first six months of 2014 reflected a benefit of \$95.4 million pesos.

Consolidated Net Income registered in the second quarter of 2014 totaled \$172.8 million pesos, an increase of 206.0% compared to the \$163.0 million peso loss registered in the second quarter of 2013. In the first half of 2014, consolidated net income rose 162.2% to \$162.8 million pesos, which compares favorably to the \$261.6 million peso loss registered in the same period of last year.

Free Cash Flow generated in the second quarter of 2014 resulted in a resource requirement of \$125.9 million pesos, 69.0% lower than the \$405.7 million pesos required in the second quarter of last year. The differential resulted from the 37.1% increase in EBITDA, lower investment in working capital, a 92.1% decrease in tax payments, and a 90.2% increase in capex. In the first of half of 2014 the Company registered negative cash flow of \$292.7 million pesos, a 51.5% decline from the \$604.0 million pesos required in the previous year.

EBITDA AND FREE CASH FLOW (millions of pesos)

	2Q14	2Q13	Var	2014	2013	Var
Operating income	315.5	180.2	75.1%	333.8	112.0	198.0%
Depreciation and amortization	208.5	202.0	3.2%	421.0	405.2	3.9%
EBITDA	524.0	382.2	37.1%	754.8	517.3	45.9%
Interest income (expense)	(42.8)	(45.1)	-5.1%	(227.5)	(118.7)	91.6%
(Increase) Decrease in working capital	(321.1)	(342.5)	-6.2%	(440.1)	(506.4)	-13.1%
Taxes	(20.6)	(259.7)	-92.1%	(37.1)	(263.0)	-85.9%
Capital expenditures*	(261.7)	(137.6)	90.2%	(338.4)	(229.7)	47.3%
Other	(3.7)	(3.0)	22.8%	(4.4)	(3.4)	31.1%
Operating income	(125.9)	(405.7)	-69.0%	(292.7)	(604.0)	-51.5%

*Excludes investments in new production capacity and acquisitions

Total **Interest Bearing Debt** at June 30, 2014 was \$6,262.0 million pesos, 1.6% less than the figure registered at the end of June 2013. This decrease was due to a combination of the following factors: principal payments on bank debt, as well as the effect of the 1.2% appreciation of the peso against the dollar. At June 30, 2014, net debt totaled \$5,616.4 million pesos, a decrease of 7.4% compared to \$6,065.2 million pesos in net debt recorded at the end of the same period last year.

At the end of the second quarter of 2014, short-term debt was \$520.4 million pesos, accounting for 8.3% of GCC's debt. Of the Company's total debt, 92% is denominated in dollars and 8% in pesos.

GCC's financial leverage declined from 4.4 times in June 2013 to 3.7 times in June 2014, primarily as a result of higher EBITDA generation and principal payments on bank debt.

INTEREST-BEARING DEBT (millions of pesos)

	Jun-2014	Jun-2013	2014 vs 2013
TOTAL	6,262.0	6,365.6	-1.6%
<i>US dollar denominated</i>	92%	92%	
<i>Mexican peso denominated</i>	8%	8%	
Short-term	520.4	99.3	423.8%
<i>US dollar denominated</i>	83%	83%	
<i>Mexican peso denominated</i>	17%	17%	
Long-term	5,741.6	6,266.2	-8.4%
<i>US dollar denominated</i>	92%	92%	
<i>Mexican peso denominated</i>	8%	8%	

GCC's **Total Assets** at June 30, 2014 were \$21,951.3 million pesos, declining 1.3% from the close of the second quarter of 2013 primarily due to a combination of the following factors: increase in cash and accounts receivable, a decrease in deferred income taxes (arising from the application of new tax provisions in force as of 2014), and a decrease in the value of property, plant and equipment, and goodwill.

As per the provisions of Article 4.033.01 section VIII of the Mexican Stock Exchange Regulations, the Company discloses that as of January 2014, analyst coverage of GCC stock is conducted by the independent research group Investigaciones MSMexico, S. de R.L. de C.V. (Morningstar).

BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

All figures herein were prepared in accordance with International Financial Reporting Standards, and are expressed in Mexican pesos. Unless otherwise stated, all percentage changes refer to the 2014 figures compared to those of 2013.

About GCC

GCC is a leading supplier of cement, aggregates, concrete and construction-related services in Mexico and the United States. The Company has annual cement production capacity of 4.4 million tons.

Founded in 1941, the Company's shares trade on the Mexican Stock Exchange under the ticker symbol GCC*.

This document contains forward-looking statements relating to Grupo Cementos de Chihuahua S.A.B. de C.V. and subsidiaries (GCC) based upon management projections. These projections reflect GCC's opinion on future events that may be subject to a number of risks and uncertainties. Various factors may cause actual results to differ from those expressed herein, including, among others, changes in macroeconomic, political, governmental or business conditions in the markets where GCC operates; changes in interest rates, inflation rates and currency exchange rates; construction industry performance; pricing, business strategy and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. GCC assumes no obligation to update or correct the information contained in this press release.

Income Statement

(Thousands of pesos)

	2Q 2014	%	2Q 2013	%	2Q14 / 2Q13
Net sales	2,562,766	100.0%	2,091,911	100.0%	22.5%
Mexico sales	731,535	28.5%	705,188	33.7%	3.7%
U.S.A. sales	1,831,231	71.5%	1,386,723	66.3%	32.1%
Cost of sales	2,023,974	79.0%	1,698,989	81.2%	19.1%
Gross income	538,792	21.0%	392,922	18.8%	37.1%
Operating expenses	223,253	8.7%	212,743	10.2%	4.9%
Operating income (loss)	315,539	12.3%	180,179	8.6%	75.1%
Other expenses, net	3,707	0.1%	3,018	0.1%	22.8%
Operating income (loss) after other expenses, net	311,832	12.2%	177,161	8.5%	76.0%
Financial income	4,237	0.2%	3,145	0.2%	34.7%
Financial expenses	(141,217)	-5.5%	(96,114)	-4.6%	46.9%
Exchange gain (loss), net	(3,341)	-0.1%	3,886	0.2%	-186.0%
Net financing income (expenses)	(140,321)	-5.5%	(89,083)	-4.3%	57.5%
Earnings in associates	3,720	0.1%	-	0.0%	100.0%
Income (loss) before taxes	175,231	6.8%	88,078	4.2%	98.9%
Income taxes	2,424	0.1%	251,111	12.0%	-99.0%
Consolidated net (loss) income	172,806	6.7%	(163,033)	-7.8%	206.0%
Related to equity holders of the parent	172,827	6.7%	(163,166)	-7.8%	205.9%
Non-controlling interests	(20)	0.0%	133	0.0%	-115.1%
EBITDA	524,018	20.4%	382,154	18.3%	37.1%
Free cash flow	(125,945)	-4.9%	(405,738)	-19.4%	-69.0%

Cumulative Income Statement to June 30

(Thousands of pesos)

	2014	%	2013	%	2014 / 2013
Net sales	4,307,539	100.0%	3,529,551	100.0%	22.0%
Mexico sales	1,421,520	33.0%	1,318,487	37.4%	7.8%
U.S.A. sales	2,886,019	67.0%	2,211,064	62.6%	30.5%
Cost of sales	3,514,763	81.6%	2,982,956	84.5%	17.8%
Gross income	792,777	18.4%	546,595	15.5%	45.0%
Operating expenses	458,973	10.7%	434,576	12.3%	5.6%
Operating income (loss)	333,803	7.7%	112,019	3.2%	198.0%
Other expenses, net	4,407	0.1%	3,363	0.1%	31.1%
Operating income (loss) after other expenses, net	329,396	7.6%	108,656	3.1%	203.2%
Financial income	11,259	0.3%	6,407	0.2%	75.7%
Financial expenses	(280,324)	-6.5%	(210,651)	-6.0%	33.1%
Exchange gain (loss), net	(600)	0.0%	1,180	0.0%	-150.9%
Net financing income (expenses)	(269,665)	-6.3%	(203,064)	-5.8%	32.8%
Earnings in associates	7,655	0.2%	-	0.0%	100.0%
Income (loss) before taxes	67,386	1.6%	(94,408)	-2.7%	171.4%
Income taxes	(95,444)	-2.2%	167,234	4.7%	-157.1%
Consolidated net (loss) income	162,830	3.8%	(261,641)	-7.4%	162.2%
Related to equity holders of the parent	162,831	3.8%	(261,694)	-7.4%	162.2%
Non-controlling interests	(1)	0.0%	52	0.0%	-102.3%
EBITDA	754,841	17.5%	517,258	14.7%	45.9%

2014 Income Statement

(Thousands of pesos)

	1Q 2014	%	2Q 2014	%	2014
Net sales	1,744,773	100.0%	2,562,766	100.0%	4,307,539
Mexico sales	689,985	39.5%	731,535	28.5%	1,421,520
U.S.A. sales	1,054,788	60.5%	1,831,231	71.5%	2,886,019
Cost of sales	1,490,788	85.4%	2,023,974	79.0%	3,514,763
Gross income	253,985	14.6%	538,792	21.0%	792,777
Operating expenses	235,721	13.5%	223,253	8.7%	458,973
Operating income (loss)	18,264	1.0%	315,539	12.3%	333,803
Other expenses, net	700	0.0%	3,707	0.1%	4,407
Operating income (loss) after other expenses, net	17,564	1.0%	311,832	12.2%	329,396
Financial income	7,022	0.4%	4,237	0.2%	11,259
Financial expenses	(139,107)	-8.0%	(141,217)	-5.5%	(280,324)
Exchange gain (loss), net	2,741	0.2%	(3,341)	-0.1%	(600)
Net financing income (expenses)	(129,344)	-7.4%	(140,321)	-5.5%	(269,665)
Earnings in associates	3,935	0.2%	3,720	0.1%	7,655
Income (loss) before taxes	(107,845)	-6.2%	175,231	6.8%	67,386
Income taxes	(97,868)	-5.6%	2,424	0.1%	(95,444)
Consolidated net (loss) income	(9,977)	-0.6%	172,806	6.7%	162,830
Related to equity holders of the parent	(9,996)	-0.6%	172,827	6.7%	162,831
Non-controlling interests	19	0.0%	(20)	0.0%	(1)
EBITDA	230,823	13.2%	524,018	20.4%	754,841

2013 Income Statement

(Thousands of pesos)

	1Q 2013	%	2Q 2013	%	2013
Net sales	1,437,640	100.0%	2,091,911	100.0%	3,529,551
Mexico sales	613,299	42.7%	705,188	33.7%	1,318,487
U.S.A. sales	824,341	57.3%	1,386,723	66.3%	2,211,064
Cost of sales	1,283,967	89.3%	1,698,989	81.2%	2,982,956
Gross income	153,673	10.7%	392,922	18.8%	546,595
Operating expenses	221,833	15.4%	212,743	10.2%	434,576
Operating income (loss)	(68,160)	-4.7%	180,179	8.6%	112,019
Other expenses, net	345	0.0%	3,018	0.1%	3,363
Operating income (loss) after other expenses, net	(68,504)	-4.8%	177,161	8.5%	108,656
Financial income	3,262	0.2%	3,145	0.2%	6,407
Financial expenses	(114,537)	-8.0%	(96,114)	-4.6%	(210,651)
Exchange gain (loss), net	(2,706)	-0.2%	3,886	0.2%	1,180
Net financing income (expenses)	(113,981)	-7.9%	(89,083)	-4.3%	(203,064)
Earnings in associates	-	0.0%	-	0.0%	-
Income (loss) before taxes	(182,486)	-12.7%	88,078	4.2%	(94,408)
Income taxes	(83,878)	-5.8%	251,111	12.0%	167,234
Consolidated net (loss) income	(98,608)	-6.9%	(163,033)	-7.8%	(261,641)
Related to equity holders of the parent	(98,527)	-6.9%	(163,166)	-7.8%	(261,694)
Non-controlling interests	(81)	0.0%	133	0.0%	52
EBITDA	135,104	9.4%	382,154	18.3%	517,258

Statement of Financial Position

(Thousands of pesos)

	JUNE 2014	JUNE 2013	Variation
Total Assets	21,951,251	22,231,717	-1.3%
Current Assets	4,380,900	3,724,435	17.6%
Cash and cash equivalents	645,575	300,394	114.9%
Accounts receivable, net	1,411,833	1,307,099	8.0%
Other accounts receivable, net	588,164	363,112	62.0%
Inventories	1,622,512	1,655,124	-2.0%
Prepaid expenses	112,816	98,707	14.3%
Non-current assets	17,570,351	18,507,282	-5.1%
Investment in associates	120,201	105,936	13.5%
Property, machinery and equipment, net	11,937,344	12,101,234	-1.4%
Goodwill	4,191,501	4,449,188	-5.8%
Other non-current assets	254,905	364,616	-30.1%
Deferred taxes	1,066,400	1,486,308	-28.3%
Total liabilities	9,478,105	10,239,260	-7.4%
Current liabilities	1,778,947	1,366,606	30.2%
<i>Bank debt</i>	518,451	99,267	422.3%
<i>Senior secured notes</i>	-	-	0.0%
<i>Other cost bearing liabilities</i>	1,904	83	2198.1%
Trade accounts payable	858,954	632,177	35.9%
Other current liabilities	399,638	635,079	-37.1%
Long-term liabilities	7,699,158	8,872,654	-13.2%
<i>Bank debt</i>	2,478,252	2,969,653	-16.5%
<i>Senior secured notes</i>	3,263,373	3,296,582	-1.0%
<i>Other cost bearing liabilities</i>	-	-	0.0%
Employee benefits	367,572	448,061	-18.0%
Remediation obligation of the assets	50,948	31,810	60.2%
Deferred income taxes	1,539,013	2,126,548	-27.6%
Total equity	12,473,146	11,992,457	4.0%
Equity attributable to equity holders of the parent	12,469,792	11,989,019	4.0%
Capital stock	396,270	396,270	0.0%
Additional paid-in capital	1,832,940	1,832,940	0.0%
Reserves	279,998	279,998	0.0%
Retained earnings	9,642,447	9,715,505	-0.8%
Net consolidated (loss) income	162,831	(261,694)	162.2%
Other comprehensive income	155,306	25,999	497.3%
Non-controlling interest	3,354	3,438	-2.5%
Total liabilities and equity	21,951,251	22,231,717	-1.3%

Income Statement

(Thousands of dollars)

	2Q 2014	%	2Q 2013	%	2Q14 / 2Q13
Net sales	197,171	100.0%	167,626	100.0%	17.6%
Mexico sales	56,270	28.5%	56,876	33.9%	-1.1%
U.S.A. sales	140,901	71.5%	110,751	66.1%	27.2%
Cost of sales	155,698	79.0%	136,187	81.2%	14.3%
Gross income	41,473	21.0%	31,439	18.8%	31.9%
Operating expenses	17,162	8.7%	17,251	10.3%	-0.5%
Operating income (loss)	24,312	12.3%	14,187	8.5%	71.4%
Other expenses, net	283	0.1%	232	0.1%	22.1%
Operating income (loss) after other expenses, net	24,028	12.2%	13,955	8.3%	72.2%
Financial income	326	0.2%	244	0.1%	33.3%
Financial expenses	(10,858)	-5.5%	(8,016)	-4.8%	35.5%
Exchange gain (loss), net	(258)	-0.1%	303	0.2%	-184.9%
Net financing income (expenses)	(10,790)	-5.5%	(7,469)	-4.5%	44.5%
Earnings in associates	290	0.1%	-	0.0%	100.0%
Income (loss) before taxes	13,528	6.9%	6,487	3.9%	108.5%
Income taxes	197	0.1%	19,936	11.9%	-99.0%
Consolidated net (loss) income	13,331	6.8%	(13,449)	-8.0%	199.1%
EBITDA	40,346	20.5%	30,403	18.1%	32.7%

Cumulative Income Statement to June 30

(Thousands of dollars)

	2014	%	2013	%	2014 / 2013
Net sales	329,024	100.0%	281,110	100.0%	17.0%
Mexico sales	108,409	32.9%	105,152	37.4%	3.1%
U.S.A. sales	220,615	67.1%	175,959	62.6%	25.4%
Cost of sales	268,354	81.6%	237,689	84.6%	12.9%
Gross income	60,670	18.4%	43,421	15.4%	39.7%
Operating expenses	34,977	10.6%	34,651	12.3%	0.9%
Operating income (loss)	25,694	7.8%	8,769	3.1%	193.0%
Other expenses, net	338	0.1%	259	0.1%	30.6%
Operating income (loss) after other expenses, net	25,355	7.7%	8,510	3.0%	197.9%
Financial income	857	0.3%	502	0.2%	70.5%
Financial expenses	(21,366)	-6.5%	(16,770)	-6.0%	27.4%
Exchange gain (loss), net	(50)	0.0%	89	0.0%	-155.5%
Net financing income (expenses)	(20,559)	-6.2%	(16,179)	-5.8%	27.1%
Earnings in associates	583	0.2%	-	0.0%	100.0%
Income (loss) before taxes	5,379	1.6%	(7,668)	-2.7%	170.1%
Income taxes	(7,191)	-2.2%	13,307	4.7%	-154.0%
Consolidated net (loss) income	12,570	3.8%	(20,976)	-7.5%	159.9%
Related to equity holders of the parent	12,570	3.8%	(20,980)	-7.5%	159.9%
Non-controlling interests	(0)	0.0%	4	0.0%	-102.2%
EBITDA	57,787	17.6%	41,021	14.6%	40.9%