



# **GRUPO CEMENTOS DE CHIHUAHUA, S.A.B. DE C.V.**

**(BMV: GCC \*)**

Fourth quarter 2014 earnings results

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## GCC REPORTS FOURTH QUARTER 2014 RESULTS

**Chihuahua, Chihuahua., Mexico, February 23, 2015** – 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 fourth quarter of 2014.

### HIGHLIGHTS

GCC generated strong growth in sales, operating income and EBITDA in the fourth quarter of 2014, completing a solid year of results.

- Total sales grew 18.0% in the fourth quarter and 19.1% in 2014
- Cement sales volumes rose 10% in the quarter and 9% in the year
- Concrete volumes grew 21% and 22% in each period respectively
- Operating income rose 73.3% in the fourth quarter and 87.4% in 2014
- EBITDA increased 34.8% in the quarter and 39.7% in the year
- Leverage ratio declined from 4.26 times in 2013 to 3.06 times at the close of 2014

### KEY FIGURES (millions of pesos)

	4Q14	4Q13	4Q14 vs 4Q13	2014	2013	2014 vs 2013
Net Sales	2,546.1	2,157.4	18.0%	10,009.7	8,406.0	19.1%
Operating Income	290.7	167.8	73.3%	1,189.3	634.6	87.4%
EBITDA	511.9	379.8	34.8%	2,039.6	1,459.8	39.7%
Consolidated Net Income	55.3	124.9	-55.8%	562.2	51.5	992.4%

*EBITDA: operating income + depreciation and amortization*

### FINANCIAL RESULTS

**Net Sales** increased 18.0% in the fourth quarter of this year compared to the same period of 2013, totaling \$2,546.1 million pesos. This reflects the increase in sales in both Mexico and the United States, for all of the Company's products.

In the United States, sales increased 17.6% compared to the fourth quarter of 2013 and totaled \$1,735.6 million pesos. Cement sales volumes grew 5% and concrete 20%, driven by demand in Texas, South Dakota, Iowa, New Mexico, Arkansas and Oklahoma, particularly in the public utility infrastructure sector and highway and road construction, as well as in the commercial and industrial segments. The pricing environment remained positive in cement and stable in concrete. Sales growth in dollar terms in the United States was 11.5%, reflecting a 6.3% depreciation of the peso against the dollar in the period.

In Mexico, sales rose 18.8% over the fourth quarter of 2013, totaling \$810.4 million pesos, as a result of 22% and 23% growth in cement and concrete sales volumes respectively, and 19% in block and

aggregates, driven by increased activity in the residential, commercial and industrial segments and ongoing public infrastructure, urban paving and highway projects. The pricing environment was stable with respect to the same quarter of last year.

Consolidated net sales for 2014 rose 19.1% over 2013, totaling \$10,009.7 million pesos. Growth of 23.0% in the United States reflected dynamism in the residential and non-residential segments of the construction industry, in addition to public utility infrastructure and public investment in regions with stronger economic growth such as Colorado, Texas and North Dakota, as well as the better pricing environment. In Mexico, the 10.7% increase in sales reflects increased activity in the commercial, industrial and residential sectors and major public infrastructure projects undertaken during the year, in an environment of stable pricing.

**NET SALES** (millions of pesos)

	4Q14	4Q13	4Q14 vs 4Q13	2014	2013	2014 vs 2013
<b>Consolidated</b>	<b>2,546.1</b>	<b>2,157.4</b>	<b>18.0%</b>	<b>10,009.7</b>	<b>8,406.0</b>	<b>19.1%</b>
United States	1,735.6	1,475.5	17.6%	7,012.0	5,699.1	23.0%
Mexico	810.4	681.9	18.8%	2,997.7	2,706.9	10.7%

**NET SALES** (millions of dollars)

	4Q14	4Q13	4Q14 vs 4Q13	2014	2013	2014 vs 2013
<b>Consolidated</b>	<b>184.9</b>	<b>165.6</b>	<b>11.7%</b>	<b>754.5</b>	<b>657.2</b>	<b>14.8%</b>
United States	126.3	113.2	11.5%	529.1	445.0	18.9%
Mexico	58.6	52.3	12.0%	225.4	212.2	6.2%

**VARIATION IN SALES VOLUME** (%)

	4Q14 vs 4Q13	2014 vs 2013
<b>Cement</b>	<b>10%</b>	<b>9%</b>
United States	5%	10%
Mexico	22%	7%
<b>Concrete</b>	<b>21%</b>	<b>22%</b>
United States	20%	25%
Mexico	23%	18%
<b>Block</b>	<b>19%</b>	<b>17%</b>
<b>Aggregates</b>	<b>19%</b>	<b>7%</b>

**Cost of Sales** in the fourth quarter of 2014 was \$1,934.8 million pesos and represented 76.0% of sales, a decrease of 5.6 percentage points from the same period of last year, as a result of higher sales, the 2.6 percentage point reduction in variable costs at the Company's cement operations, and a reduction of 2.8 percentage points in fixed production costs, mainly in salaries, benefits and maintenance in the US operations.



For the year, cost of sales represented 77.7% of sales, a 3.8 percentage point decrease compared to 2013, reflecting continued sales growth during the year, lower variable costs for the operations in the US Division, and the 2.5 percentage point reduction in fixed production costs relative to sales, for wages and benefits in the US operations.

**Operating Expenses** in the fourth quarter of 2014 totaled \$320.6 million pesos, 39.7% higher compared to those recorded in the same quarter of last year. This increase was mainly due to the following factors: the effect of the depreciation of the peso against the dollar on expenses in the US Division and the increase in salaries and benefits related to the Company's better results.

For 2014, operating expenses decreased 0.6 percentage points as a percentage of sales and increased 12.9% over 2013, due to higher wage and benefit expenses, as well as the effect of the depreciation of the peso against the dollar on the operating expenses of the US Division.

**Operating Income** for the fourth quarter of 2014 rose 73.3% compared to the same quarter of the previous year and totaled \$290.7 million pesos. Operating income in 2014 grew by 87.4% over the previous year and totaled \$1,189.3 million pesos. During the fourth quarter of 2014, operating margin increased by 3.6 percentage points over the same quarter of 2013, and for the year, by 4.4 percentage points.

**EBITDA** for the fourth quarter of the year grew 34.8% compared to the fourth quarter of 2013, totaling \$511.9 million pesos. The margin increased 2.5 percentage points and represented 20.1% of sales. Cumulative EBITDA in 2014 increased 39.7% over the previous year and totaled \$2,039.6 million pesos, representing a margin of 20.4% of sales, 3.0 percentage points higher than in 2013.

**Net Financial Expenses** in the fourth quarter of 2014 totaled \$132.9 million pesos, a decrease of 30.6% compared to the last quarter of the previous year. This was due to lower outstanding debt and reduced interest rates applicable to the lower leverage ratio, a positive adjustment to the effective interest rate on interest-bearing liabilities, environmental remediation obligations and the financial cost of employee benefits, in addition to an exchange gain recorded for the effect of the depreciation of the peso against the dollar. For 2014, net financial expenses were \$532.3 million pesos, an increase of 1.3% over the previous year, caused by a 4.2% cumulative depreciation of the peso against the dollar, and the adjustment to the effective rate on interest-bearing liabilities, the financial cost of employee benefits and environmental remediation obligations, partially mitigated by an increase of 23.9% in financial income and a favorable exchange gain recorded in the year.

In the fourth quarter of 2014, **Income Taxes** resulted in a tax charge of \$45.3 million pesos, an increase of 112.3% over the fourth quarter of 2013, mainly due to the tax charge for higher profits, and the effect of a benefit in the last quarter of 2013 arising from the cancellation of deferred taxes related to the effects of tax reform. Income tax recorded for the year 2014 was \$42.7 million pesos, higher than the 2013 figure as a result of the goodwill impairment registered and the effects of tax reform.

In the last quarter of the year, **Consolidated Net Income** totaled \$55.3 million, a decrease of 55.8% from the fourth quarter of 2013. This decrease was due to a combination of the following factors: a 141.2% increase in pre-tax income and the tax charge for the year for higher profits, compared with a tax credit recorded in the fourth quarter of 2013. In 2014 there was a 992.4% rise in consolidated net income to \$562.2 million pesos, compared to net income of \$51.5 million pesos in the previous year.

**Free Cash Flow** generated in the fourth quarter of 2014 totaled \$674.0 million, 28.6% higher than the \$524.3 million pesos in the last quarter of 2013. This includes the 34.8% increase in EBITDA, an increase of 23.0% in the release of working capital, a 10.2% reduction in interest expense, the 79.5% increase in capex and the increase in taxes paid. During 2014, \$799.6 million pesos of free cash flow was generated, an increase of 71.5% compared to the \$466.2 million pesos generated in 2013.

**EBITDA AND FREE CASH FLOW** (millions of pesos)

	4Q14	4Q13	Var	2014	2013	Var
<b>Operating income</b>	<b>290.7</b>	<b>167.8</b>	<b>73.3%</b>	<b>1,189.3</b>	<b>634.6</b>	<b>87.4%</b>
Depreciation and amortization	221.3	212.1	4.3%	850.2	825.3	3.0%
<b>EBITDA</b>	<b>511.9</b>	<b>379.8</b>	<b>34.8%</b>	<b>2,039.6</b>	<b>1,459.8</b>	<b>39.7%</b>
Interest income (expense)	(40.7)	(45.4)	-10.2%	(457.9)	(356.0)	28.6%
(Increase) Decrease in working capital	343.9	279.6	23.0%	(60.0)	74.2	-180.9%
Taxes	(8.8)	(2.3)	288.9%	(159.5)	(267.3)	-40.3%
Capital expenditures*	(127.7)	(71.1)	79.5%	(551.5)	(423.3)	30.3%
Other	(4.6)	(16.4)	-72.3%	(11.1)	(21.2)	-47.7%
<b>Free cash flow</b>	<b>674.0</b>	<b>524.3</b>	<b>28.6%</b>	<b>799.6</b>	<b>466.2</b>	<b>71.5%</b>

\*Excludes investments in new production capacity and acquisitions

Total **Interest-Bearing Debt** at December 31, 2014 was \$6,837.5 million, 7.8% higher than at the end of 2013. This increase in pesos reflects the 12.6% depreciation of the peso against the dollar and repayment of 8.0% of the bank debt. At the close of 2014, net debt totaled \$5,043.3 million, a decrease of 0.8% compared to net debt of \$5,083.7 million pesos at the end of 2013, mainly due to the following factors: capital repayment, the effect of the depreciation of the peso against the dollar, and the increase in cash and temporary investments.

At the end of 2014, short-term debt was \$753.3 million pesos, representing 11.0% of total outstanding debt. Of the Company's total debt, 93% is denominated in dollars and 7% in pesos.

GCC's financial leverage declined from 4.26 times in December 2013 to 3.06 times in December 2014, as a result of higher EBITDA generation and repayment of bank debt. The net leverage declined from 3.45 times to 2.28 times in the same period.

**INTEREST-BEARING DEBT** (millions of pesos)

	2014	2013	2014 vs 2013
<b>TOTAL</b>	<b>6,837.5</b>	<b>6,345.3</b>	<b>7.8%</b>
U.S. dollar denominated	93%	92%	
Mexican peso denominated	7%	8%	
<b>Short-term</b>	<b>753.3</b>	<b>279.0</b>	<b>170.0%</b>
U.S. dollar denominated	84%	84%	
Mexican peso denominated	16%	16%	
<b>Long-term</b>	<b>6,084.1</b>	<b>6,066.3</b>	<b>0.3%</b>
U.S. dollar denominated	94%	92%	
Mexican peso denominated	6%	8%	

GCC's **Total Assets** at December 31, 2014 totaled \$24,132.6 million pesos, rising 10.9% from the end of 2013, primarily due to the increase in cash, receivables, and property, plant and equipment.

**GCC has a positive outlook on 2015 performance:**

- We expect a double digit increase in consolidated sales
- Cement volumes in the US are expected to show a high single digit increase and a single digit reduction in Mexico
- A single digit increase in prices is expected in both countries
- We estimate a double digit increase in consolidated EBITDA
- Capital Expenditures for 2015 are \$90.0 million dollars which include a carryover of \$25.0 million from 2014

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).

## OTHER EVENTS

Mr. Héctor Enrique Escalante Ochoa assumed the role of Chief Executive Officer of GCC, effective January 1, 2015. Enrique Escalante previously served as President of the US Division (2000-2015), and prior to that as President of the Mexico Division. He replaces Mr. Manuel Antonio Milán Reyes as CEO, who remains a member of the Board of Directors of GCC.

Mr. Ron Henley became new President of the US Division on January 1, 2015, replacing Mr. Escalante in the position. He joined GCC in 2012 as Vice President of Logistics, US Division and has served as Vice President of Concrete since 2013. Prior to GCC, Henley held various management positions in the construction industry.

In December, Salvador Inda Cunningham, Director of Human Resources, announced his retirement effective February 2015, and Daniel Helguera Moreno was appointed to the position. Inda Salvador held his role at GCC for more than 10 years and actively participated in the growth of the Company.

Daniel Helguera joined GCC in January 2015. He has over 15 years of experience in Human Resources in a variety of industries, in key leadership positions. He is a Chartered Accountant and has a Masters in Human Resources and in Business from the Instituto de Empresa de Madrid and the Instituto Tecnológico y de Estudios Superiores de Monterrey, respectively.

## 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)

	4Q 2014	%	4Q 2013	%	4Q14 / 4Q13
<b>Net sales</b>	<b>2,546,069</b>	100.0%	<b>2,157,431</b>	100.0%	<b>18.0%</b>
Mexico sales	810,437	31.8%	681,947	31.6%	18.8%
USA sales	1,735,632	68.2%	1,475,484	68.4%	17.6%
Cost of sales	1,934,773	76.0%	1,760,121	81.6%	9.9%
<b>Gross income</b>	<b>611,296</b>	24.0%	<b>397,309</b>	18.4%	<b>53.9%</b>
Operating expenses	320,630	12.6%	229,542	10.6%	39.7%
<b>Operating income (loss)</b>	<b>290,666</b>	11.4%	<b>167,768</b>	7.8%	<b>73.3%</b>
Other expenses, net	59,721	2.3%	235,236	10.9%	-74.6%
<b>Operating income (loss) after other expenses, net</b>	<b>230,945</b>	9.1%	<b>(67,468)</b>	-3.1%	<b>442.3%</b>
Financial income	6,264	0.2%	6,299	0.3%	-0.6%
Financial expenses	(142,268)	-5.6%	(195,646)	-9.1%	-27.3%
Exchange gain (loss), net	3,100	0.1%	(2,200)	-0.1%	240.9%
<b>Net financing income (expenses)</b>	<b>(132,903)</b>	-5.2%	<b>(191,548)</b>	-8.9%	<b>-30.6%</b>
Earnings in associates	2,500	0.1%	14,800	0.7%	-83.1%
<b>Income (loss) before taxes</b>	<b>100,541</b>	3.9%	<b>(244,216)</b>	-11.3%	<b>141.2%</b>
Income taxes	45,291	1.8%	(369,108)	-17.1%	112.3%
<b>Consolidated net (loss) income</b>	<b>55,250</b>	2.2%	<b>124,892</b>	5.8%	<b>-55.8%</b>
<b>Controlling interest</b>	<b>55,110</b>	2.2%	<b>125,076</b>	5.8%	<b>-55.9%</b>
<b>Non-controlling interest</b>	<b>140</b>	0.0%	<b>(184)</b>	0.0%	<b>176.2%</b>
<b>EBITDA</b>	<b>511,926</b>	20.1%	<b>379,849</b>	17.6%	<b>34.8%</b>
Free cash flow	674,042	26.5%	524,252	24.3%	28.6%



## Cumulative Income Statement to December

(Thousands of pesos)

	2014	%	2013	%	2014 / 2013
<b>Net sales</b>	<b>10,009,669</b>	100.0%	<b>8,406,031</b>	100.0%	<b>19.1%</b>
Mexico sales	2,997,659	29.9%	2,706,921	32.2%	10.7%
USA sales	7,012,009	70.1%	5,699,110	67.8%	23.0%
Cost of sales	7,781,008	77.7%	6,850,640	81.5%	13.6%
<b>Gross income</b>	<b>2,228,661</b>	22.3%	<b>1,555,391</b>	18.5%	<b>43.3%</b>
Operating expenses	1,039,359	10.4%	920,817	11.0%	12.9%
<b>Operating income (loss)</b>	<b>1,189,301</b>	11.9%	<b>634,574</b>	7.5%	<b>87.4%</b>
Other expenses, net	66,323	0.7%	240,057	2.9%	-72.4%
<b>Operating income (loss) after other expenses, net</b>	<b>1,122,978</b>	11.2%	<b>394,517</b>	4.7%	<b>184.6%</b>
Financial income	23,086	0.2%	18,636	0.2%	23.9%
Financial expenses	(564,425)	-5.6%	(541,409)	-6.4%	4.3%
Exchange gain (loss), net	9,000	0.1%	(2,875)	0.0%	413.0%
<b>Net financing income (expenses)</b>	<b>(532,339)</b>	-5.3%	<b>(525,648)</b>	-6.3%	<b>1.3%</b>
Earnings in associates	14,300	0.1%	14,800	0.2%	-3.4%
<b>Income (loss) before taxes</b>	<b>604,939</b>	6.0%	<b>(116,331)</b>	-1.4%	<b>620.0%</b>
Income taxes	42,695	0.4%	(167,799)	-2.0%	125.4%
<b>Consolidated net (loss) income</b>	<b>562,244</b>	5.6%	<b>51,468</b>	0.6%	<b>992.4%</b>
<b>Controlling interest</b>	<b>561,986</b>	5.6%	<b>51,603</b>	0.6%	989.1%
<b>Non-controlling interest</b>	<b>258</b>	0.0%	<b>(135)</b>	0.0%	290.5%
<b>EBITDA</b>	<b>2,039,551</b>	20.4%	<b>1,459,840</b>	17.4%	<b>39.7%</b>
Free cash flow	799,600	8.0%	466,166	5.5%	71.5%

## 2014 Income Statement

(Thousands of pesos)

	1Q 2014	%	2Q 2014	%	3Q 2014	%	4Q 2014	%	2014
<b>Net sales</b>	<b>1,744,773</b>	100.0%	<b>2,562,766</b>	100.0%	<b>3,156,060</b>	100.0%	<b>2,546,069</b>	100.0%	<b>10,009,669</b>
Mexico sales	689,985	39.5%	731,535	28.5%	765,702	24.3%	810,437	31.8%	2,997,659
USA sales	1,054,788	60.5%	1,831,231	71.5%	2,390,358	75.7%	1,735,632	68.2%	7,012,009
Cost of sales	1,490,788	85.4%	2,023,974	79.0%	2,331,472	73.9%	1,934,773	76.0%	7,781,008
<b>Gross income</b>	<b>253,985</b>	14.6%	<b>538,792</b>	21.0%	<b>824,588</b>	26.1%	<b>611,296</b>	24.0%	<b>2,228,661</b>
Operating expenses	235,721	13.5%	223,253	8.7%	259,756	8.2%	320,630	12.6%	1,039,359
<b>Operating income (loss)</b>	<b>18,264</b>	1.0%	<b>315,539</b>	12.3%	<b>564,832</b>	17.9%	<b>290,666</b>	11.4%	<b>1,189,301</b>
Other expenses, net	700	0.0%	3,707	0.1%	2,194	0.1%	59,721	2.3%	66,323
<b>Operating income (loss) after other expenses, net</b>	<b>17,564</b>	1.0%	<b>311,832</b>	12.2%	<b>562,638</b>	17.8%	<b>230,945</b>	9.1%	<b>1,122,978</b>
Financial income	7,022	0.4%	4,237	0.2%	5,563	0.2%	6,264	0.2%	23,086
Financial expenses	(139,107)	-8.0%	(141,217)	-5.5%	(141,834)	-4.5%	(142,268)	-5.6%	(564,425)
Exchange gain (loss), net	2,741	0.2%	(3,341)	-0.1%	6,500	0.2%	3,100	0.1%	9,000
<b>Net financing income (expenses)</b>	<b>(129,344)</b>	-7.4%	<b>(140,321)</b>	-5.5%	<b>(129,771)</b>	-4.1%	<b>(132,903)</b>	-5.2%	<b>(532,339)</b>
Earnings in associates	3,935	0.2%	3,720	0.1%	4,145	0.1%	2,500	0.1%	14,300
<b>Income (loss) before Taxes</b>	<b>(107,845)</b>	-6.2%	<b>175,231</b>	6.8%	<b>437,012</b>	13.8%	<b>100,541</b>	3.9%	<b>604,939</b>
Income taxes	(97,868)	-5.6%	2,424	0.1%	92,847	2.9%	45,291	1.8%	42,695
<b>Consolidated net (loss) income</b>	<b>(9,977)</b>	-0.6%	<b>172,806</b>	6.7%	<b>344,165</b>	10.9%	<b>55,250</b>	2.2%	<b>562,244</b>
<b>Controlling interest</b>	<b>(9,996)</b>	-0.6%	<b>172,827</b>	6.7%	<b>344,046</b>	10.9%	<b>55,110</b>	2.2%	<b>561,986</b>
<b>Non-controlling interest</b>	<b>19</b>	0.0%	<b>(20)</b>	0.0%	<b>119</b>	0.0%	<b>140</b>	0.0%	<b>258</b>
<b>EBITDA</b>	<b>230,823</b>	13.2%	<b>524,018</b>	20.4%	<b>772,784</b>	24.5%	<b>511,926</b>	20.1%	<b>2,039,551</b>

## 2013 Income Statement

(Thousands of pesos)

	1Q 2013	%	2Q 2013	%	3Q 2013	%	4Q 2013	%	2013
<b>Net sales</b>	<b>1,437,640</b>	100.0%	<b>2,091,911</b>	100.0%	<b>2,719,049</b>	100.0%	<b>2,157,431</b>	100.0%	<b>8,406,031</b>
Mexico sales	613,299	42.7%	705,188	33.7%	706,487	26.0%	681,947	31.6%	2,706,921
USA sales	824,341	57.3%	1,386,723	66.3%	2,012,562	74.0%	1,475,484	68.4%	5,699,110
Cost of sales	1,283,967	89.3%	1,698,989	81.2%	2,107,563	77.5%	1,760,121	81.6%	6,850,640
<b>Gross income</b>	<b>153,673</b>	10.7%	<b>392,922</b>	18.8%	<b>611,487</b>	22.5%	<b>397,309</b>	18.4%	<b>1,555,391</b>
Operating expenses	221,833	15.4%	212,743	10.2%	256,699	9.4%	229,542	10.6%	920,817
<b>Operating income (loss)</b>	<b>(68,160)</b>	-4.7%	<b>180,179</b>	8.6%	<b>354,787</b>	13.0%	<b>167,768</b>	7.8%	<b>634,574</b>
Other expenses, net	345	0.0%	3,019	0.1%	1,457	0.1%	235,236	10.9%	240,057
<b>Operating income (loss) after other expenses, (net)</b>	<b>(68,505)</b>	-4.8%	<b>177,160</b>	8.5%	<b>353,330</b>	13.0%	<b>(67,468)</b>	-3.1%	<b>394,517</b>
Financial income	3,262	0.2%	3,145	0.2%	5,930	0.2%	6,299	0.3%	18,636
Financial expenses	(114,537)	-8.0%	(96,114)	-4.6%	(135,112)	-5.0%	(195,646)	-9.1%	(541,409)
Exchange gain (loss), net	(2,706)	-0.2%	3,886	0.2%	(1,855)	-0.1%	(2,200)	-0.1%	(2,875)
<b>Net financing income (expenses)</b>	<b>(113,981)</b>	-7.9%	<b>(89,083)</b>	-4.3%	<b>(131,037)</b>	-4.8%	<b>(191,548)</b>	-8.9%	<b>(525,648)</b>
Earnings in associates	-	0.0%	-	0.0%	-	0.0%	14,800	0.7%	14,800
<b>Income (loss) before taxes</b>	<b>(182,486)</b>	-12.7%	<b>88,077</b>	4.2%	<b>222,293</b>	8.2%	<b>(244,216)</b>	-11.3%	<b>(116,331)</b>
Income taxes	(83,878)	-5.8%	251,111	12.0%	34,075	1.3%	(369,108)	-17.1%	(167,799)
<b>Consolidated net (loss) income</b>	<b>(98,608)</b>	-6.9%	<b>(163,034)</b>	-7.8%	<b>188,218</b>	6.9%	<b>124,892</b>	5.8%	<b>51,468</b>
<b>Controlling interest</b>	<b>(98,527)</b>	-6.9%	<b>(163,167)</b>	-7.8%	<b>188,222</b>	6.9%	<b>125,076</b>	5.8%	<b>51,603</b>
<b>Non-controlling interest</b>	<b>(81)</b>	0.0%	<b>133</b>	0.0%	<b>(4)</b>	0.0%	<b>(184)</b>	0.0%	<b>(135)</b>
<b>EBITDA</b>	<b>135,104</b>	9.4%	<b>382,154</b>	18.3%	<b>562,733</b>	20.7%	<b>379,849</b>	17.6%	<b>1,459,840</b>



## Statement of Financial Position

(Thousands of pesos)

	DECEMBER 2014	DECEMBER 2013	Variation
<b>Total assets</b>	<b>24,132,627</b>	<b>21,766,908</b>	10.9%
<b>Current Assets</b>	<b>5,302,486</b>	<b>4,174,360</b>	27.0%
Cash and cash equivalents	1,794,156	1,261,600	42.2%
Accounts receivable, net	1,086,032	997,904	8.8%
Other accounts receivable, net	649,475	286,180	126.9%
Prepaid expenses	137,302	85,028	61.5%
Inventories	1,106,896	1,013,320	9.2%
Urban land	528,625	530,328	-0.3%
<b>Non-current assets</b>	<b>18,830,141</b>	<b>17,592,548</b>	7.0%
Property, machinery and equipment, net	12,739,958	11,945,084	6.7%
Investment in associates	125,815	115,219	9.2%
Goodwill	4,733,273	4,205,720	12.5%
Other non-current assets	164,695	260,545	-36.8%
Deferred taxes	1,066,400	1,065,980	0.0%
<b>Total liabilities</b>	<b>10,430,941</b>	<b>9,438,738</b>	10.5%
<b>Current liabilities</b>	<b>2,229,469</b>	<b>1,618,090</b>	37.8%
Bank debt	753,036	261,116	188.4%
Senior secured notes	-	-	0.0%
Other cost bearing liabilities	314	17,898	-98.2%
Current portion of long term debt	753,350	279,014	170.0%
Trade accounts payable	950,732	778,472	22.1%
Other current liabilities	525,387	560,604	-6.3%
<b>Long-term liabilities</b>	<b>8,201,472</b>	<b>7,820,648</b>	4.9%
Bank debt	2,388,777	2,799,966	-14.7%
Senior secured notes	3,695,339	3,266,087	13.1%
Other cost bearing liabilities	-	282	-100.0%
Long term debt	6,084,116	6,066,335	0.3%
Employee benefits	568,135	367,794	54.5%
Other long-term liabilities	57,188	56,355	1.5%
Deferred income taxes	1,492,033	1,330,164	12.2%
<b>Total equity</b>	<b>13,701,686</b>	<b>12,328,170</b>	11.1%
<b>Controlling interest</b>	<b>13,697,795</b>	<b>12,324,786</b>	11.1%
Capital stock	396,270	396,270	0.0%
Additional paid-in capital	1,832,890	1,832,940	0.0%
Reserves	279,998	279,998	0.0%
Retained earnings	9,642,400	9,715,543	-0.8%
Net consolidated (loss) income	561,986	51,603	989.1%
Other comprehensive income	984,251	48,431	1932.3%
<b>Non-controlling interest</b>	<b>3,891</b>	<b>3,384</b>	15.0%
<b>Total liabilities and equity</b>	<b>24,132,627</b>	<b>21,766,908</b>	10.9%

## Income Statement

(Thousands of dollars)

	4Q 2014	%	4Q 2013	%	4Q14 / 4Q13
<b>Net sales</b>	<b>184,902</b>	100.0%	<b>165,565</b>	100.0%	<b>11.7%</b>
Mexico sales	58,601	31.7%	52,334	31.6%	12.0%
USA sales	126,301	68.3%	113,232	68.4%	11.5%
Cost of sales	140,630	76.1%	135,085	81.6%	4.1%
<b>Gross income</b>	<b>44,272</b>	23.9%	<b>30,481</b>	18.4%	<b>45.2%</b>
Operating expenses	23,048	12.5%	17,607	10.6%	30.9%
<b>Operating income (loss)</b>	<b>21,224</b>	11.5%	<b>12,874</b>	7.8%	<b>64.9%</b>
Other expenses, net	4,143	2.2%	18,084	10.9%	-77.1%
<b>Operating income (loss) after other expenses, (net)</b>	<b>17,081</b>	9.2%	<b>(5,210)</b>	-3.1%	<b>427.8%</b>
Financial income	452	0.2%	483	0.3%	-6.6%
Financial expenses	(10,257)	-5.5%	(14,982)	-9.0%	-31.5%
Exchange gain (loss), net	230	0.1%	(169)	-0.1%	235.5%
<b>Net financing income (expenses)</b>	<b>(9,575)</b>	-5.2%	<b>(14,669)</b>	-8.9%	<b>-34.7%</b>
Earnings in associates	180	0.1%	1,138	0.7%	-84.2%
<b>Income (loss) before taxes</b>	<b>7,685</b>	4.2%	<b>(18,741)</b>	-11.3%	<b>141.0%</b>
Income taxes	3,366	1.8%	(28,909)	-17.5%	111.6%
<b>Consolidated net (loss) income</b>	<b>4,320</b>	2.3%	<b>10,168</b>	6.1%	<b>-57.5%</b>
<b>Controlling interest</b>	<b>4,309</b>	2.3%	<b>10,182</b>	5.5%	<b>-57.7%</b>
<b>Non-controlling interest</b>	<b>11</b>	0.0%	<b>(15)</b>	0.0%	<b>170.2%</b>
<b>EBITDA</b>	<b>37,169</b>	20.1%	<b>29,150</b>	17.6%	<b>27.5%</b>

## Cumulative Income Statement to December

(Thousands of dollars)

	2014	%	2013	%	2014 / 2013
<b>Net sales</b>	<b>754,531</b>	100.0%	<b>657,231</b>	100.0%	<b>14.8%</b>
Mexico sales	225,395	29.9%	212,189	32.3%	6.2%
USA sales	529,136	70.1%	445,042	67.7%	18.9%
Cost of sales	586,753	77.8%	535,946	81.5%	9.5%
<b>Gross income</b>	<b>167,778</b>	22.2%	<b>121,285</b>	18.5%	<b>38.3%</b>
Operating expenses	77,826	10.3%	72,175	11.0%	7.8%
<b>Operating income (loss)</b>	<b>89,952</b>	11.9%	<b>49,110</b>	7.5%	<b>83.2%</b>
Other expenses, net	4,647	0.6%	18,456	2.8%	-74.8%
<b>Operating income (loss) after other expenses, (net)</b>	<b>85,305</b>	11.3%	<b>30,654</b>	4.7%	<b>178.3%</b>
Financial income	1,728	0.2%	1,443	0.2%	19.8%
Financial expenses	(42,441)	-5.6%	(42,195)	-6.4%	0.6%
Exchange gain (loss), net	634	0.1%	(224)	0.0%	383.4%
<b>Net financing income (expenses)</b>	<b>(40,079)</b>	-5.3%	<b>(40,976)</b>	-6.2%	<b>-2.2%</b>
Earnings in associates	1,075	0.1%	1,138	0.2%	-5.5%
<b>Income (loss) before Taxes</b>	<b>46,301</b>	6.1%	<b>(9,184)</b>	-1.4%	<b>604.2%</b>
Income taxes	3,237	0.4%	(13,012)	-2.0%	124.9%
<b>Consolidated net (loss) income</b>	<b>43,063</b>	5.7%	<b>3,828</b>	0.6%	<b>1025.0%</b>
<b>Related to equity holders of the parent</b>	<b>43,044</b>	5.7%	<b>3,839</b>	0.6%	1021.3%
<b>Non-controlling interests</b>	<b>20</b>	0.0%	<b>(11)</b>	0.0%	284.1%
<b>EBITDA</b>	<b>153,844</b>	20.4%	<b>113,739</b>	17.3%	<b>35.3%</b>