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SALIENT FIGURES

(million of constant pesos as of December 2014)

DECEMBER 31

Results

	2013	2014
Net sales	3,616.0	4,486.2
Costs and expenses	3,424.1	4,162.2
Operating income	191.8	323.9
Operating margin	5%	7%
Net revenues / loss	-114.3	52.5
Net margin	-3%	1%

EBITDA	471.1	662.8
(operating income + depreciation and amortization)		
EBITDA margin	13%	15%

Balance

Current assets	1,506.5	1,775.6
Total assets	7,139.3	8,000.4
Debt with cost	1,820.1	2,157.0
Net debt	1,529.4	1,816.4
Total liabilities	3,807.4	4,343.2
Stockholders' equity	3,331.9	3,657.2



MESSAGE FROM THE CHAIRMAN

2014 was a satisfyingly fruitful year for our company. The positive results we posted were closely linked to our solid operating performance and an adequate planning of the development and perfection of Autlán's industrial technology.

However, it was not all smooth sailing during the year. After overcoming the daunting economic adversities and uncertainties that seriously affected the iron and steel industry at the end of 2013, we made a detailed evaluation of our activities and asked ourselves how we could drive Autlán's presence in a particularly volatile market that is dependent on innumerable factors that are beyond the company's control. As a result, we implemented a series of initiatives across all our administrative and operational areas with the clear objective of improving results, placing particular emphasis on enhancing competitiveness throughout the year.

The company rose to the occasion, managing to increase both productivity and revenues, and significantly surpassing 2013 figures as well as the expectations established at the beginning of 2014.



The company managed to increase both productivity and revenues, and significantly surpassing 2013 figures as well as the expectations established at the beginning of 2014.

This favorable outcome was a result of the enhanced efficiency of our operations, an increase in sales volumes and, above all, savings generated by producing our own electricity, which was made possible by the recent incorporation of Compañía de Energía Mexicana (CEM), a sister company and subsidiary of Grupo Ferrominero (GFM), into Autlán. The CEM Atexcaco Hydroelectric Plant had an excellent year in 2014, generating 283 GW/h, an enormous increase over the previous year and the highest since the beginning of its operations.

These improvement and competitiveness initiatives illustrate the culture of hard work and perseverance that has always characterized our actions. Autlán's strength is a clear consequence of the capabilities and teamwork of all its workers, associates and employees. For this reason, I would like to make special mention of Autlán's people; their dedication, commitment and professionalism were the driving force behind the accomplishment of our extremely ambitious goals. The positive results presented in this annual report were not achieved by chance or by luck, but were a direct reflection of the hard work that goes on every day within the company.

Compared to previous years, 2014's economic setting was more favorable for our industry; however, the performance of steel manufacturers, the principal manganese consumers, was mixed, varying from one country to another. One of the most notable aspects of 2014 was the downturn in China's steel production, which contrasted with the improvement in production volumes in other regions of the world, such as the United States, Europe and Mexico.

“The CEM Atexcaco Hydroelectric Plant had an excellent year in 2014, generating 283 GW/h, the highest increase since the beginning of its operations.”

In international markets, the production of manganese ferroalloys was stable and prices remained largely unchanged throughout the year. The events of 2014 can be explained more clearly if we divide the year into two periods. During the first quarter, ferroalloy prices increased, reaching –in the case of silicomanganese– their highest levels since November 2012. Then, from the second to the fourth quarters, prices stabilized, creating a more positive environment. These factors strengthened Autlán's sales in Mexico and even enabled the company to export to the United States and a wide variety of Latin American countries.

In addition to discussing the economic dynamics that characterized the manganese and ferroalloy markets in 2014, I would like to emphasize our ongoing commitment to sustainable development and social responsibility. This is reflected in the company's Socially Responsible Company accreditation, ISO 9001 quality re-certification and the ISO 14001 environmental certification of all our mining units and ferroalloy plants. Furthermore, we are pleased to announce that, in June 2014, the Mexican Federal Environmental Protection Agency (PROFEPA) awarded Clean Industry Certification to the Teziutlán Ferroalloy Plant for its high degree of compliance with environmental regulations and standards.

As part of our sustainability efforts and our proactive work in favor of natural resource conservation, we have implemented a range of initiatives, in accordance with diverse government agencies' regulations, to reduce the environmental impact of our operations. Autlán's unwavering commitment to environmental responsibility and caring for our natural resources is now indisputable.

All of this progress is closely related to the company's decision to maximize each and every innovation process that contributes to expansion and increasing returns through an ongoing focus on knowledge and technological development. Our scientific research and the appropriate application of the results it produces across our broad range of products have positioned us as one of the leading steel industry suppliers.

For six consecutive decades, Autlán, with a clear vocation for service, has focused on supporting steel manufacturers in Mexico and across the world, supplying them with the manganese ore and ferroalloys that are fundamental to the steel production process.

This accomplishment has been made possible by combining effective business strategies, while driving new courses of action for progress and development. As a result, Autlán is evolving rapidly in the study and manufacture of innovative products that meet the needs of our broad customer portfolio, thus enabling us to become increasingly competitive.

In the area of technology, we are focusing on projects that are highly profitable and reinforce our strategic plan of ensuring Autlán's position as one of the world's lowest-cost producers.

We have explored ways to diversify our energy projects, including introducing wind power, with the purpose of meeting the majority of Autlán's energy requirements. During the year, we also reaffirmed the company's scientific vocation, as we continued to work on a series of scientific projects that seek to further optimize the quality of our manganese and other products, thus providing our consumers with new options while innovating the manganese market.

Another vital part of our strategic plan involves maintaining and modernizing our equipment and machinery. We have invested in a number of our ferroalloy furnaces to increase their efficiency and grow their capacity. These actions were of utmost importance since they enabled us to continue to operate in optimal conditions without a single contingency during the year.



In June 2014, the Mexican Federal Environmental Protection Agency (PROFEPA) awarded Clean Industry Certification to the Teziutlán Ferroalloy Plant.”

I truly believe that, if we are to build a successful company, we need to pause and reflect on the events and history that have defined and shaped us. Nevertheless, I know that looking back is not enough; we must also evolve. Change is fundamental to the success of each and every project we carry out.

A history of 61 years has given the company the maturity it needs to build a better future. As part of our philosophy, in 2014 Autlán began a period of renewal in which, after a great deal of thought, the decision was made to transform the company's image. As a result, "Minera Autlán" has become "Autlán" with a new image that seeks to merge our mining, ferroalloy production and energy operations into a single concept as of 2015.

The combination of a new history together with solid, innovative operations is the best way to describe Autlán's current circumstances. Our evolution is far more than just a new face; it represents a change of attitude, an ongoing commitment to continuous improvement and the implementation of a lifestyle grounded on business maturity.

Now is the time to value our past actions, while defining our new course. In 2015, Autlán is positioned to offer an even greater certainty and security to all its stakeholders. Finally, I should like to reiterate my thanks to our directors, stockholders, customers, suppliers and employees for their unwavering trust in, and collaboration with, our company.

José Antonio Rivero
Chairman of the Board
April, 2015



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Minera Autlán has become “Autlán” with a new image that seeks to merge our mining, steel production and energy operations into a single concept as of 2015.”



ANNUAL
REPORT | 2014

MESSAGE FROM THE CHIEF

EXECUTIVE OFFICER





Each and every one of Autlán's operating units was strengthened significantly during 2014. These achievements took place within the context of the major challenges and difficulties in our industry that we had to face and ultimately overcame with the hard work and dedication of our workers and employees.

The 2014 results were extremely important for Autlán, encouraging us to continue to explore new opportunities and projects in our business plans and strategies for the future. As is to be expected, the performance of manganese during 2014 was mainly linked to the dynamics of the global steel sector, and, on this occasion, crude steel production achieved a historic total of 1,662 million tons – an annualized increase of 3%.

The growth was strongly driven by China, now the world's leading steel producer, despite this Asian country's economic slowdown in 2014. Some of the reasons for the decline in China's growth rate include economic difficulties at the start of the year and steel oversupply, which has become a major issue for that country, as well as for the rest of the world.

During the same period, steel production rose in regions such as the European Union and the United States, reversing previous years' declines. In parallel, we witnessed a brighter outlook for the Mexican steel sector, with production figures surpassing those of yearend 2013, thus positioning our country as the third largest producer in the American Continent and the second largest in North America.

According to figures published by the Mexican National Chamber of the Iron and Steel Industry (CANACERO), Mexican steel mills achieved the extraordinary record production volume of 19 million tons in 2014, a 4% increase over 2013.

During the year, the spot price of manganese ferroalloys, which form a fundamental part of our operations, increased and then stabilized. Even though international prices recovered in the first months of 2014, rising significantly over 2013 levels, there were no major changes during the second half of the year. This behavior in prices had a positive effect on Autlán's sales in both Mexico and international markets.

During the four quarters of 2014, the company's achievements in both sales volumes and revenues were remarkable. Although the improved economic environment and better prices in the manganese industry contributed to these positive results, I should like to stress that they could not have been attained without

“During the four quarters of 2014, the company's achievements in both sales volumes and revenues were remarkable.”

the commitment of our workforce across all the Divisions that comprise our company.

The following paragraphs describe our most important operating results, which are, of course, consistent with the vision of excellence, quality and innovation that characterizes Autlán.

I should like to begin this section by recalling the acquisition and integration of Compañía de Energía Mexicana (CEM) into Autlán during the last quarter of 2013. CEM was incorporated into our Energy Division, thus substantially optimizing Autlán's competitiveness in the ferroalloy industry and driving the development of sustainable electricity generation projects.

The results of the CEM Atexcaco Hydroelectric Plant, in the State of Puebla, could not have been better, with the generation of 283 GW/h of electricity in 2014, the highest level since it became operational. In addition, we continued to evaluate new renewable energy generation projects in order to competitively integrate the two inputs that are primordial for ferroalloy production: electricity and manganese ore.

In the Mining Division, the continuous efforts of all our mining units: Molango, Naopa and Nonoalco in the State of Hidalgo, constant employee training and technological improvements were all key to the achievement of record figures in car-



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CEM was incorporated into our Energy Division, thus substantially optimizing Autlán's competitiveness in the ferroalloy industry and driving the development of sustainable electricity generation projects”

A low-angle photograph of a tall, grey industrial chimney or stack. The chimney is supported by a complex metal scaffolding structure. The top of the chimney has a circular metal grate. The background is a clear blue sky. The image is partially obscured by a large, diagonal, semi-transparent graphic overlay in shades of green and grey.

“Moreover, our ongoing investments in expanding the reserves of our three mines and in the acquisition of new equipment are helping us to achieve the objective of maintaining our leadership in the international mining industry.”

bonate, manganese dioxide and manganous oxide production. It also gives me great satisfaction to report that, for the second consecutive year, Autlán broke its manganese nodules production record, posting the highest volume recorded over the past 33 years and a 7% increase over 2013.

Moreover, our ongoing investments in expanding the reserves of our three mines and in the acquisition of new equipment are helping us to achieve the objective of maintaining our leadership in the international mining industry.

Throughout this year, Autlán continued to meet domestic ore requirements with a high degree of efficiency and also to export manganese nodules to diverse regions of the world.

The achievements of the Ferroalloy Division were particularly significant, with new production records set by all three of our plants and 2012's record total production being surpassed.

Similarly, the Tamós, Gómez Palacio and Teziutlán Plants all significantly improved their operating efficiencies, safety practices and environmental protection.

The progress we made during 2014 in environmental responsibility was rewarded when the Mexican Federal Environmental Protection Agency (PROFEPA) recognized the Teziutlán Plant as a Clean Industry, thus reaffirming Autlán's commitment to society and nature through its ongoing and concrete progress in energy savings, water stewardship, and air and soil protection.

Among our most outstanding actions in relation to sustainability and social responsibility are our efforts to support the development and empowerment of the communities surrounding our operations. As a result of these initiatives, combined with the determination of many other players, the Mexican Center for Philanthropy (CEMEFI) honored us with its Socially Responsible Company award.

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The achievements of the Ferroalloy Division were particularly significant, with new production records set by all three of our plants and 2012's record total production being surpassed.”

Our commercial and financial areas also posted good results in 2014. Revenues from sales surpassed those of the previous year by 13%, with the company not only meeting domestic demand, but also exporting to foreign markets and breaking into new countries on several continents. Furthermore, thanks to the diverse controls implemented, the discipline observed in every area and our new structure, the company managed to reverse 2013's net loss, obtaining a net profit of 52.5 million pesos in 2014, significantly surpassing the proposed goal.

2014 was also a significant year in the area of Human Capital, with a major focus on defining replacement charts, creating a management by objectives (MBO) system, instituting variable compensation models, launching High-performance Teams in our operating units, and developing talent and critical competencies, among many other initiatives.

Mining Diversification efforts focused on the evaluation of diverse projects, with outstanding progress in precious metals, although non-metal ores and other related products were also analyzed.

In addition, a wide range of new policies, procedures and controls are enabling the company to enhance the automation and streamlining of its administration and operations.

At Autlán, we understand the importance of social commitment, but we are also aware of the good business practices that play a major role in business ethics. We are a Mexican company that firmly believes in fair competition and operating on an equal footing in an increasingly globalized market.

With regard to the company's condemnation of unfair trade practices, I am pleased to inform you that in 2014 the Mexican government's International Trade Practices Unit (UPCI) reaffirmed the anti-dumping duties it had

imposed on silicomanganese and high-carbon ferromanganese imports from the Ukraine and China respectively. With this major advancement, we have extended the coverage of the duties for a further five years and underscored Autlán's vision of trading with ethical principles of respect and justice.

In 2014, not only did we move forward with the operational and institutional consolidation of Autlán, but we also continuously assessed projects to drive the company's growth and, in this way, transform it into a benchmark for success, not only in Mexico but worldwide.

Today our central task is to assure our competitiveness, moving forward from good projects to strategic perfection; from words to timely actions; and from concern for our environment to an ongoing commitment to safeguarding social and environmental development.

We have a great deal of work ahead of us and are focusing all our capabilities on these efforts. 2014 enabled us to show just what we are capable of doing, especially with regard to the continuous improvement of our products and processes in order to lay the foundations for a better future. I am fully convinced that in 2015 and the years to come the company will move forward in a very promising direction.

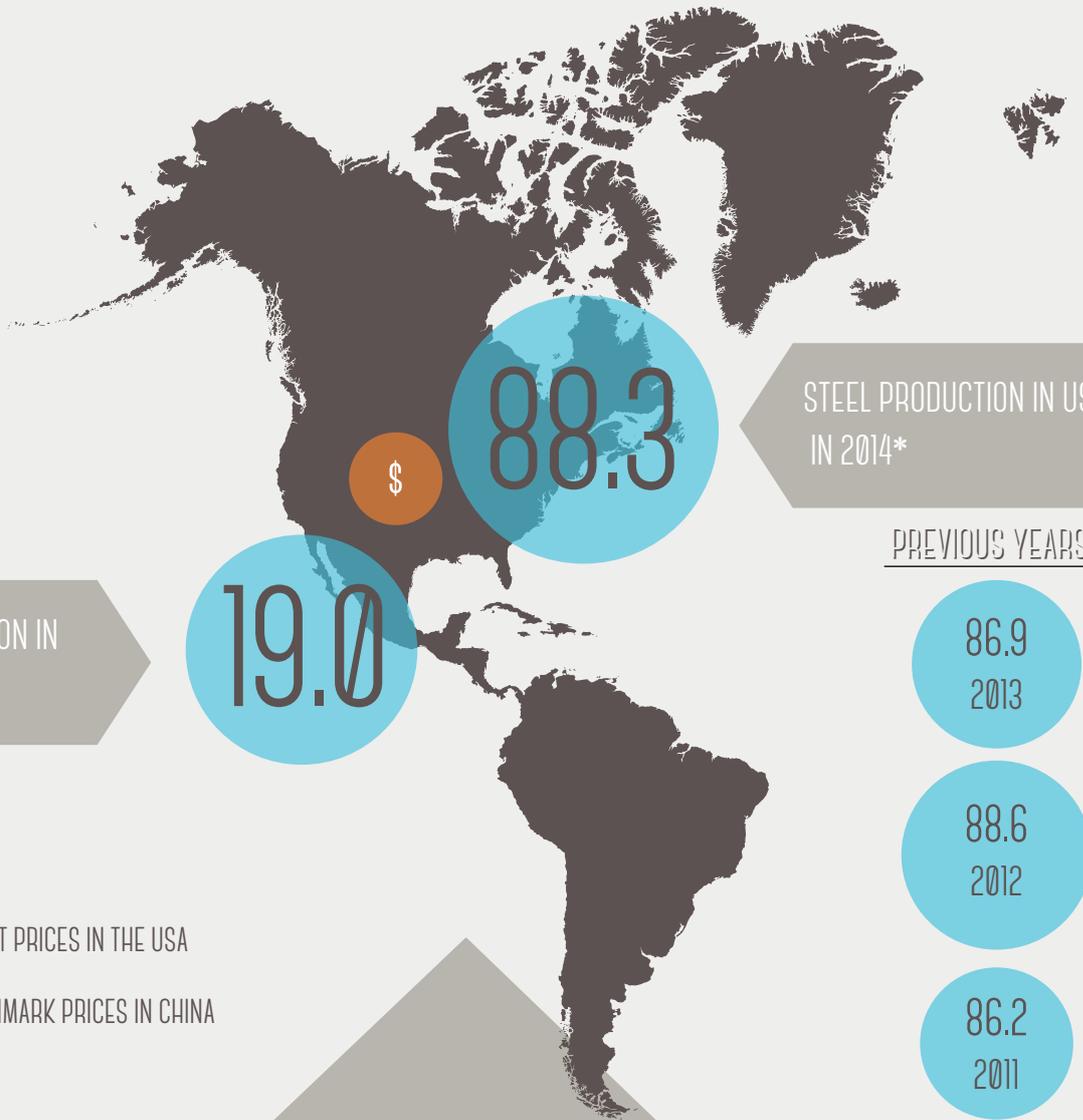
I should like to invite all our people to redouble their commitment to improving our daily actions and thus transform Autlán into an even better company. Finally, I would like to thank all our workers, employees, board members, shareholders, customers and everyone who is linked in some way to the company for the trust they have placed in Autlán throughout its productive history.

Oscar Maldonado
CEO
April, 2015

PREVIOUS YEARS



STEEL PRODUCTION IN MEXICO IN 2014*



STEEL PRODUCTION IN USA IN 2014*

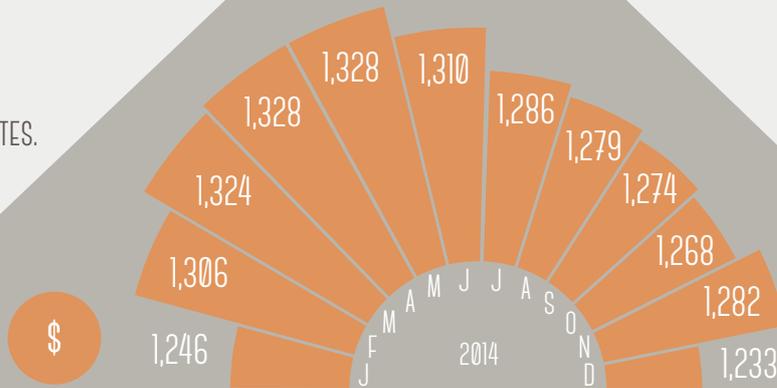
PREVIOUS YEARS



- SILICOMANGANESE SPOT PRICES IN THE USA
- MANGANESE ORE BENCHMARK PRICES IN CHINA
- STEEL PRODUCTION

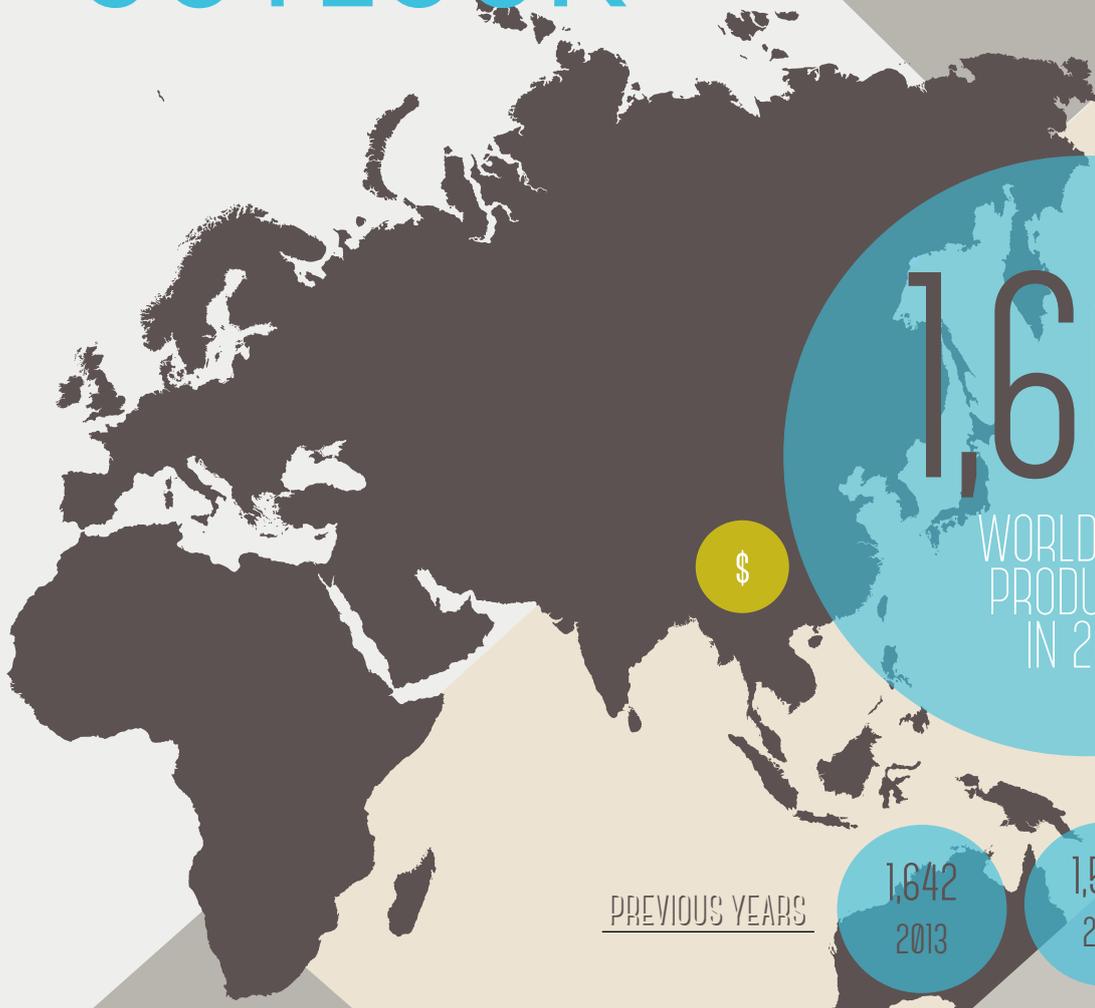
*MILLIONS OF METRIC TONS

SOURCES: WSA; CANACERO; THE TEX REPORT; RYAN'S NOTES.



SILICOMANGANESE SPOT PRICES IN THE UNITED STATES OF AMERICA

ECONOMIC OUTLOOK



1,662
WORLD STEEL
PRODUCTION
IN 2014*

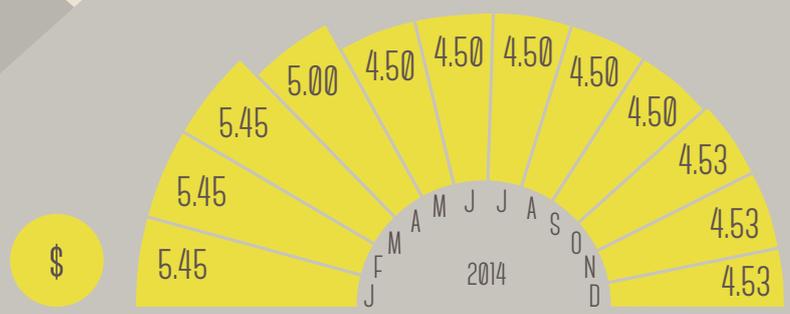
\$

PREVIOUS YEARS

1,642
2013

1,559
2012

1,537
2011



\$

MANGANESE ORE BENCHMARK PRICES IN CHINA
US\$/MTU, CIF CHINA MN ORE 46%

In a general context, the global panorama in 2014 was somewhat complex, since concern over the performance of the global economy and uncertainty about the monetary policies being implemented in advanced economies produced high levels of volatility in international financial markets and the depreciation of currencies in emerging economies. Even though there was a clear improvement in developed economies, such as the United States where economic activity continued to recover, significant risks still persisted, especially in Japan and the European Union, where economic activity was weaker than expected. Nevertheless, the global economy continued to grow at a moderate rate, with a slow recovery that still showed signs of weakness.

The general panorama of the global iron and steel industry appeared to be more positive in 2014, since during the first six months of the year there were signs of recovery in the sector that resulted from a clear improvement and greater stability, above all in steel prices in North America, contrasting with the difficult conditions in 2013.

However, the outlook for the steel sector became more complex and challenging during the second half of the year. This was brought about mainly by the levels of steel oversupply in the market, which led to a decrease in industry prices. However, this effect was dampened by a drop in scrap and iron ore prices, which reduced costs and improved results.

Similarly, the steel industry's performance was mixed across the world's diverse economies. Most notable was the clear slowdown in China's production growth rate, which increased at a meager 1%. In contrast, other markets, such as the United States and Mexico, were far sounder, with price levels above those of other global regions and significant growth in production

volumes, with a 4.1% increase in the specific case of Mexico, where the year closed with a total production of 19 million tons of steel.

Like steel, the manganese ferroalloy market was favored by the promising conditions experienced during the first half of 2014. This was particularly marked in the second quarter of the year when international ferroalloy prices rebounded significantly and then continued to grow. As a result, prices rose to their 2012 levels, significantly above the prices observed in 2013, which was an extremely negative year for the industry.

Supported by the sound performance of U.S. steel mills and a greater demand in the Eurozone, ferroalloy spot prices remained stable during practically the entire second half of 2014, while average manganese ferroalloy spot prices were overall significantly higher than in 2013, which was reflected in better results for the ferroalloy industry.

Finally, in 2014 prices in the manganese ore market dropped markedly during the first five months of the year, in parallel with the decrease in price of several other raw materials required in the steel sector. During the rest of the year, manganese prices remained flat because of weak demand and high inventory levels in China, the world's largest consumer, thus making it impossible to realize a significant increase in this ore's contract price.

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The steel industry's performance was mixed across the world's diverse economies. Most notable was the clear slowdown in China's production growth rate.”



MOLANGO UNIT

For the second consecutive year, the manganese nodules production record was broken, with nodule output reaching 499 thousand tons, significantly more than the previous year's record of 463,741 tons. This result reflects an extraordinary work commitment, as well as a timely supply of manganese ore.

For the underground mine, in accordance with the development plan described in the Mine Life Plan, the company invested in the acquisition of a small scoop tram which will enable us to exploit narrow strata more efficiently.

In the area of Geology and Planning, we completed the implementation of the Datamine software. This tool will undoubtedly enhance the technical and economic assessment of the diverse possible scenarios for our different projects and will ultimately optimize our decision-making processes.

Additionally, operation of the wet-process shotcrete equipment at the unit was standardized during the year, which translated into significant savings in underground mine reinforcement operations, as well as safer conditions for our personnel.

MINING

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In addition, we formalized our worker preparation program in order to complement the specialized training of Planning and Mining's technical staff. This project was divided into three phases. Phase two was concluded in December and the final phase will have been completed at the end of January 2015.

As part of the company's comprehensive continuous improvement strategy, the Leaders for Change and Instructors who will be responsible for the unit's High-performance Teams during 2015 completed training programs.

Finally, in the area of processes and as part of our major maintenance plan, we changed 70% of the unit's dust collector filter bags, thus guaranteeing compliance with environmental legislation.

NONOALCO UNIT

Despite the adversities in the global manganese market, this unit covered production plans by 110% as measured by fulfilling product manufacturing commitments and shipment delivery.

In order to optimize its efforts, the unit successfully completed ISO 9001:2008, ISO 14001:2004 and FAMI-QS audits, thus confirming the world-class competitiveness of its production processes and environmental protection initiatives.

NAOPA UNIT

In order to support the Mining Division, in 2014 the Naopa Unit met and even surpassed the carbonate production goal by the end of the year.

Heavy equipment operators at Tajo Naopa also successfully completed their training programs. Moreover, thanks to our personnel's exceptional hard work and dedication, we were able to meet the objective of constructing all required dams and reservoirs before the start of the rainy season.



Autlán's ferroalloy production reached historic levels in 2014, even breaking the record set in 2012.

TAMÓS PLANT

Throughout 2014, the Tamós Plant worked intensively to exceed the production plans set at the beginning of the year, thereby consolidating its vision of hard work, quality and continuous improvement.

The plant produced sinter with a high manganese content and an improved Mn/Fe ratio, while simultaneously conducting tests for the production of both acid sinter and basic sinter.

In the area of maintenance, the third stage of the fire-fighting network was implemented for furnaces 11, 12 and 13, and furnace operating times improved by an extraordinary 102%.

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FERROALLOYS

The Tamós Plant's occupational and environmental achievements are also particularly noteworthy. The 5S system was implemented and 63 high-performance teams were trained across all its departments and, as part of our commitment to environmental responsibility, we implemented an aspersion system to mitigate dust and installed water-efficient toilets, sinks and showers at the plant.

GÓMEZ PALACIO PLANT

During the year, we made extraordinary progress with production, maintenance and environmental protection at the Gómez Palacio Plant in Durango.

Production continued to perform excellently, surpassing the previous year's figures, which is a reflection of the enormous capacity of our work teams.

In the area of infrastructure, we began construction of the perimeter wall on the south side of the plant. Additionally, the union personnel's bathrooms were remodeled and water-efficient faucets and showers were installed across the facility.

The plant also implemented noteworthy environmental protection measures, including the installation of sprinklers in the weighing area to mitigate fugitive dust.

TEZIUTLÁN PLANT

During 2014, the production of ferroalloys at the Teziutlán Plant surpassed that of 2013. Furthermore, in June, the Mexican Environmental Protection Agency (PROFEPA) recognized the facility as a Clean Industry, because of its high standards of environmental protection.

As part of its commitment to the environment, during the year the plant created a nursery with pine, cedar and other tree species, which will be donated to schools and individuals for reforestation purposes.

In the area of industrial safety, in collaboration with the Mexican Red Cross, workers at the plant graduated from their diploma course as Emergency Medical Technicians. These workers are now training the rest of the personnel in first aid.



ENERGY

During the fourth quarter of 2013, Autlán took control of Compañía de Energía Mexicana S.A. de C.V. (CEM) and incorporated this company into its assets and results. Today, Autlán commands a 79% shareholding and an option for the remaining 21%. The acquisition, in keeping with our strategic development plan, led to the creation of Autlán's Energy Division.

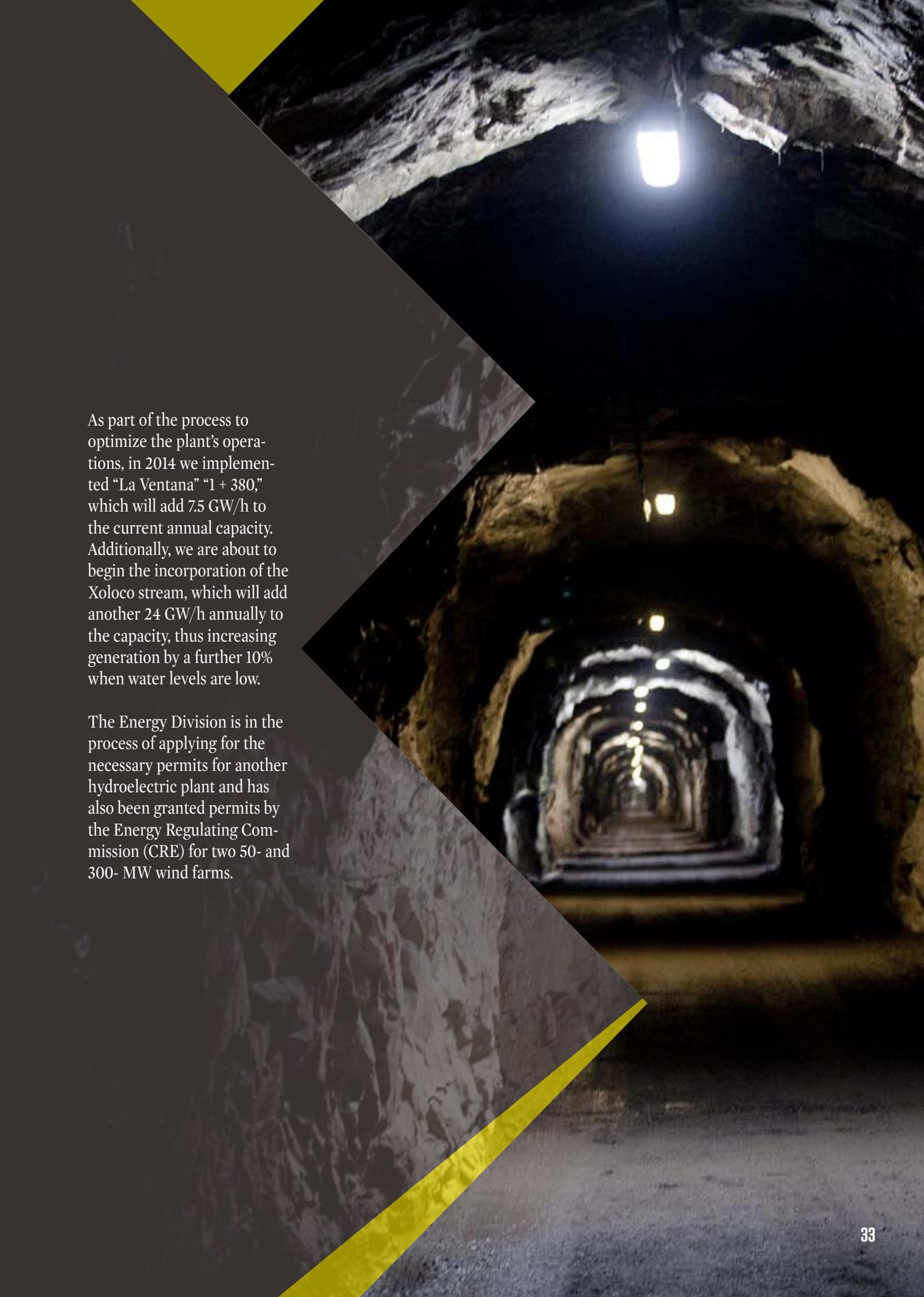
Through initiatives such as this we are seeking to substantially improve our competitiveness in the ferroalloy industry and become one of the few producers in the world to integrate two critical inputs: manganese ore and electricity.



“Autlán is seeking to substantially improve competitiveness in the ferroalloy industry and become one of the few producers in the world to integrate two critical inputs: manganese ore and electricity.”

The acquisition of CEM reiterates Autlán's commitment to the environment and sustainability. It is worth noting that the energy created by CEM avoids the emission of 97 million tons of CO₂ into the atmosphere annually.

Thanks to the Energy Division's efforts, the Atexcaco Hydroelectric Plant in the State of Puebla is now fully operational. During 2014, it generated 283 GW/h of electricity, the highest level since it came on line. At present, the plant covers 30% of Autlán's total energy consumption.



As part of the process to optimize the plant's operations, in 2014 we implemented "La Ventana" "1 + 380," which will add 7.5 GW/h to the current annual capacity. Additionally, we are about to begin the incorporation of the Xoloco stream, which will add another 24 GW/h annually to the capacity, thus increasing generation by a further 10% when water levels are low.

The Energy Division is in the process of applying for the necessary permits for another hydroelectric plant and has also been granted permits by the Energy Regulating Commission (CRE) for two 50- and 300- MW wind farms.

MINING

DIVERSIFICATION

During 2014, the company made a careful analysis of precious metal expansion opportunities. By the end of the year, we were reviewing the possibility of acquiring a gold-bearing asset through a process that is already very advanced.

We have also focused on developing local manganese suppliers for our ferroalloy plants to complement our own resources. These efforts have led to the possibility of creating new manganese product lines that could be sold to our current customers.

In our endeavor to leverage the changes promised by the Mexican Energy Reform, we are planning a project to exploit our barite ore concessions in the Mexican State of Chihuahua and take advantage of the USA's need for this mineral. The initiative will also prepare us for the demand that will emerge in our own country and open the doors to the oil and gas industry.

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COMMERCIAL

SALES

This year, the company achieved unprecedented levels of sales volumes in three of its four main divisions: Ferroalloys, Mining and Trading.

In the Ferroalloy Division, the sales volume rose 4% compared to the previous year. The division consolidated its trade relations with Colombia, Argentina, Chile and the United States, while foraying into new markets such as Ecuador and Uruguay. In addition, there was an outstanding increase in the number of technical visits to our domestic and international customers, reinforcing Autlán's prestige as a company that offers state-of-the-art support, service, quality and new projects.

As a result of its market diversification and expansion, the Mining Division's sales exceeded those of 2013 by 10%, and it posted record volumes.

Manganese derivatives sales volume rose 5% year-over-year, despite the depressed European market. A stronger domestic brick market, driven by the favorable evolution of construction in North America, together with the company's entry into balanced-food markets in the Middle East and South America, contributed to the increase in sales volume. During the year, the Mining Division obtained European Quality System (FAMI-QS) recertification.

Our efforts in the Trading Division continued to produce extraordinary results, with an 81% increase in sales volume compared to 2013.

LOGISTICS AND ACQUISITIONS

2014 presented particular challenges for Logistics, since annual land-freight tonnage increased 17% year-over-year, reaching almost two million tons. In addition, a new end-customer shipping service was consolidated, offering added value through Sales.

Sea-freight tonnage for bulk and container cargo rose by 72% and 10% respectively, which included new destinations in Europe and Asia, and our movements through the Mexican ports of Tampico and Altamira reached the highest levels in the company's history.

Additionally, raw material import activities increased 28% compared to 2013 for which we were able to leverage synergies with leading input suppliers through consignments.

The success of a company is largely determined by its people. Autlán's proposed strategic initiatives demand committed workers and employees who are capable of making a significant contribution to the company's key actions.

Within the resulting framework of constant concern for the development and growth of our personnel, we have made great progress with our "High-performance Teams" program, through which workers form teams, manage their indicators and operate in what we call their "Basic Administrative Unit."

This dynamic gives Autlán's workers a greater say in the management of their processes, which has generated a major cultural change that is mainly reflected in their attitude towards their jobs.

Operators from both the Ferroalloy Division and the Mining Division are already working under this system, within a labor climate of respect, cordiality and harmony. It is important to point out that this change in workplace culture was also made possible by the support and collaboration of the union.

HUMAN CAPITAL

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Our "High-performance Teams" program have made great progress, and throughout 2014 the company worked on improvement projects in order to reduce costs and enhance productivity, among others."



Simultaneously, throughout 2014 the company's different areas worked on improvement projects in order to reduce costs, enhance productivity, increase occupational safety and, consequently, generate greater job satisfaction on a day-to-day basis.

The Human Capital area has systematically sought to develop a more agile and effective organization, with greater clarity in its goals and roles. We have emphasized and worked intensively on identifying key competencies and knowledge, as well as on talent attraction and retention. In short, we have developed our people's capabilities.

This has been a significant challenge, given the diversity of geographic locations and professional backgrounds across our operations. However, we have endeavored to leverage this diversity, combination of experiences and drive so that each and every one of our workers and employees can play an active role in fulfilling the company's goals.

Our approach to sustainability is based on the corporate values that guide our actions and consolidate our commitment to responsible behavior in all our dealings with employees and workers, the environment, our communities and all other stakeholders.

During 2014, environmental and community issues were included in SIGA, our Quality Management System, reflecting Management's commitment to these issues and their level of priority within the company.

ENVIRONMENT

At the beginning of 2014, we set formal goals to improve our environmental performance in relation to water, waste, energy and reforestation. These goals were monitored through the Autlán Ecological Data and Control System (SICEA), a platform designed specifically for the purpose, as well as through environmental audits.

During the year, the Mexican Environmental Protection Agency (PROFEPA) certified our Teziutlán Operating Unit as a Clean Industry, thus reassuring the community that our company is fully committed to the environment and positioning us as one of the 13 companies in the state of Puebla to boast this award. In addition, the Gómez Palacio Plant began the process of applying for Clean Industry Certification.

WATER

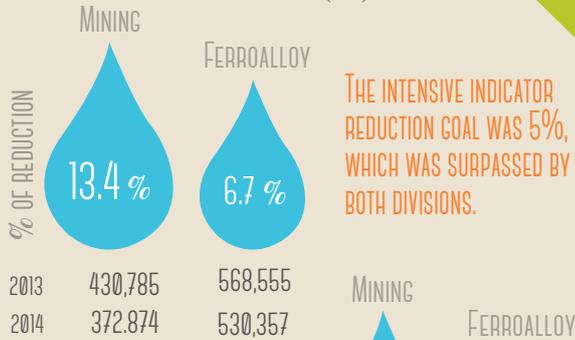
In 2014, the Mining Division took 314 samples at 13 different points in diverse bodies of water to measure the impact of our operations and implement any measures necessary to assure the appropriate quality. These actions exceeded the requirements of the official Mexican standards.

A water saving program was implemented in the bathrooms of the Ferroalloy Division, with new fixtures and engineering measures designed to fulfill our goal of lowering water consumption.

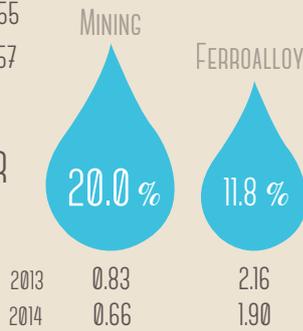
We were able to meet and surpass our water-use reduction goal of 5% per ton produced, lowering not only the intensive indicator (per ton produced), but also the global water-use indicator.

In 2014, we reused 125,613 cubic meters of water from our plants, which represents a 15% increase over 2013. This figure is expected to grow even further in 2015 when water from the PTAR in the Guadalupe Otongo Subdivision will be used in the operations of the Molango Industrial Zone.

GLOBAL WATER-USE INDICATOR (M³)



INTENSIVE INDICATOR (M³ / TON PRODUCED)



HAZARDOUS WASTE

In 2014, we generated 0.17 tons of hazardous waste / ton produced, down from 0.19 tons of hazardous waste / ton produced in 2013.

REFORESTATION

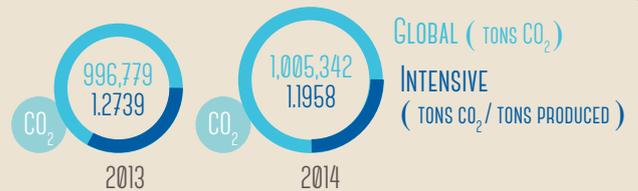
Our 2014 capital expenditure program included a special budget for enhancing our reforestation campaigns in the Mining Division. A record 34,611 trees and 5,000 grass plants were sown during the year, 200% more than in 2013, making it possible to reforest 18 hectares of land belonging to our three mining units. All of the new trees and plants are being monitored to assure their survival.

ENERGY AND CLIMATE CHANGE/ELECTRICITY

The indicator for electricity consumption per ton produced also improved, declining from 1.23 MWh / ton produced in 2013 to 1.18 MWh / ton produced in 2014 and increasing efficiency by 4%.

The Atexcaco Hydroelectric Plant supplied 25% of the energy we consumed during the year, thus guaranteeing our use of clean energy and diminishing the negative effects of climate change. The reduction in tons of CO₂ emissions resulting from the use of this plant is equivalent to the CO₂ emitted by 22,818 cars in an entire year.

CO₂ EMISSIONS (TONS OF CO₂)



Even though global emissions rose slightly due to the increase in production, the indicator per ton produced, which measures efficiency, improved by 6%.

ENVIRONMENTAL PERFORMANCE MEASUREMENT

BECAUSE OF THE IMPROVEMENTS THAT EACH OF OUR PLANTS HAVE MADE TO REDUCE THEIR ENVIRONMENTAL IMPACT, SICEA REPORTED BETTER PERFORMANCE IN BOTH DIVISIONS.

% OF ENVIRONMENTAL PERFORMANCE IMPROVEMENT





- Entrepreneurship.
- Education, nutrition and health.
- Children's and young adults' brigades.
- Infrastructure.
- Communication.

ENTREPRENEURSHIP/PRO-EMPLOYMENT FOUNDATION (PROEMPLEO)

ProEmpleo is a foundation that offers training and consulting services for entrepreneurs, helping them to implement and grow their business projects through the Entrepreneur Development Program.

In 2014, we invited regional entrepreneurs to participate in our training activities and 12 people from diverse local communities satisfactorily completed the Entrepreneurial Workshop, offered free of charge by Autlán.

This workshop was held over four weekends with the aim of helping participants to develop the skills and contacts needed to start up their own businesses. The project is supported by the Hidalgo Business Competitiveness Institute, which offered awareness talks to approximately 70 people.

EDUCATION, NUTRITION AND HEALTH/CONAFE EARLY CHILDHOOD COMPREHENSIVE CARE PROGRAM

The company has entered into a partnership agreement with the Mexican National Council for Education Development (CONAFE) so that 20 services from the early education and early childhood comprehensive care programs can be developed in 16 communities located in the areas in which we operate. The aim of CONAFE's early childhood education program is to improve parenting practices through a series of actions for enhancing childcare for the under-fives and promoting early stimulation in homes across the country's rural areas. In addition, the comprehensive care program provides nutritional supplements for children and food for their families to help prevent malnutrition.

COMMUNITIES

One of our main priorities is to work closely with our local communities to help create prosperity within the context of an inhabitable, sustainable planet.

During the year, we fulfilled and made progress with the commitments in the diverse collaboration agreements we have made with our communities.

We have implemented a number of different mechanisms for communicating with our local communities, as well as procedures that enable them to share their questions and concerns so we can address any controversies or complaints. We constantly strive to build a relationship of trust and transparency.

The basic pillars on which we have decided to focus our community development programs to achieve sustainable communities are:

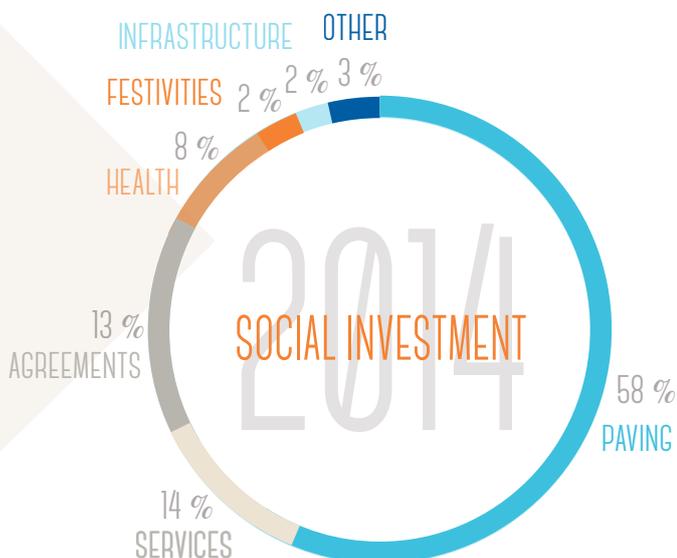


Children who receive early education develop competencies that lead to a better performance in preschool education and future studies.

A report by the National Institute for Public Health shows that the implementation of CONAFE's Early Education program in rural zones provides measurable and significant benefits related to children's nutritional status and development.

The childhood care program we provide for our communities contributes to the comprehensive development of young children through guidance for the parents and caregivers who are responsible for their upbringing and education, and nutritional support.

The children who attend the PEI-CONAFE sessions show significant progress in communication and motor skills. In addition, after participating in the program, caregivers significantly improve their parenting and child protection practices.



CHILDREN'S AND YOUNG ADULTS' BRIGADES/IMPULSA FOUNDATION

The company has formed an alliance with the Impulsa Foundation, a member of Junior Achievement Worldwide. During 2014, we inspired 20 children and young adults from our brigades to participate in the "Entrepreneurs and Businesspeople" program, which puts them in touch with the world of business and employment, and enables them to simulate the creation of a company and develop their spirit of entrepreneurship.

They started up two soap-producing microenterprises and participated in forums with another 140 youth companies from Puebla and Tlaxcala.

Autlán began an important internal rebranding project in 2014. This initiative involved not only a change in the company's commercial name, but also an in-depth restructuring of its corporate image focused on the integration of the company's three businesses (Ferroalloys, Energy and Mining) and in accordance with development, innovation and growth plans. We will complete the project during 2015.

In November, we took part in the ALACERO 55 Congress in Mexico City, using it to underscore our commitment to quality. At the event, organized by ALACERO (the Latin American Steel Association) and CANACERO (the Mexican Chamber of the Iron and Steel Industry), we were able to consolidate the company's image nationwide and also move closer to the entire Latin American steel industry.

2014 was a year of intense market analysis, as we monitored and analyzed the foreign trade operations carried out in Mexico and across the world, and carried out careful economic and price studies.

During the year, we reactivated our commercial bulletin on steel and manganese ferroalloy markets, a publication that was very well received by clients in the steel industry. It helped to shed light clearly and objectively on how our industry is moving and on the great relationship between steel and ferroalloys.

2014 was a year of great challenges with regard to foreign trade in Mexico. However, it saw the successful conclusion of two processes involving an examination of current dumping activities in relation to imports of high-carbon ferromanganese from China and silicomanganese from Ukraine. The Mexican Ministry of the Economy resolved these two processes in favor of the domestic ferroalloy industry and confirmed dumping duties on both products for a second time. The ruling makes it possible to extend the life of the duties for five more years, protecting the domestic industry from unfair imports from the two countries in question.

We also continued our involvement with both Mexican and international chambers and associations. Our activities in this area included a continued and active participation on diverse committees and work commissions, in order to safeguard and promote Autlán's interests.

In the area of communication, we continued to publish "Contigo", a magazine for external publics which has served to strengthen the ties between the company and the communities with which we interact. We also continued with the informative magazine "Al Día" which is a tool to support the integration of internal communications.

Finally, we continued to place articles and advertisements in specialized industry journals, as well as in national newspapers, in order to maintain our institutional visibility with clients and the government.



INSTITUTIONAL
RELATIONS

STRATEGIC PLANNING

For the Planning Department 2014 was a year of transformation, which focused on permitting all areas of the company to play a greater role in, and thereby expedite and improve, the decision-making process.

Throughout the year, the department's management worked on modifying its short and long-term models in order to assess the company's performance and thus project our level of fulfillment more rapidly and accurately. We also implemented the Autlán Administrative System "SIGA", in order to streamline our diverse strategic initiatives and follow up promptly and effectively on results. Consequently, 2014 was the first year in which all



the company's departments had explicit, quantifiable objectives, making it possible to measure and evaluate the performance of our executives and departments.

In parallel, the IT department played a pivotal role in Autlán's activities by introducing a number of projects that have simplified data collection at all levels of the company.

The Finance and Sales Areas also implemented reporting and indicator dashboard systems, which are currently providing clearer shipping and inventory information, with daily updates and new data added every month.

During the year, we went to great lengths to increase the telecommunications infrastructure at our plants and mines in order to improve connectivity for Internet

users and the company's internal systems.

The Planning and Budget System, implemented in 2014 by the Planning and Finance Departments, will be instrumental in generating forecasts and providing flexibility during times of financial volatility, as it did at the end of 2014. During this period, the tool clarified projections for the subsequent years under different exchange rate, price and cost scenarios.



FINANCIAL
RESULTS

2014 was a year of high volatility in the international financial markets, presenting Autlán with additional challenges. Nevertheless, the company made important progress with the consolidation of operations and institutional activities that it had begun in prior years. This made all three business divisions more robust and guaranteed the Company's long-term viability.

Autlán implemented important financial initiatives during the year, refinancing debt and adopting the U.S. dollar as its functional currency. According to International Financial Reporting Standards (IFRS), a functional currency should be determined on the basis of the currency of the economic environment in which the issuer and its subsidiaries mainly operate. In the case of Autlán, this is the U.S. dollar. The consolidated financial statements for 2014 reflect this change; however, it is important to note that our reporting currency will continue to be the Mexican peso.

CONSOLIDATED RESULTS

Net sales as of December 31, 2014 totaled Ps\$4,486.2 million pesos, 24% more than the previous year. The enhanced sales volume, higher average prices for ferroalloys and the depreciation of the Mexican peso are the main reasons for this increase.

The 2014 cost of sales was 80% of sales, four percentage points below the 84% posted in 2013, with the nominal growth in cost of sales largely reflecting the increased sales volume. The enhanced efficiency was a result of the efforts of our operating personnel, both at the mines and plants, and the

increase in electricity generation by our subsidiary Compañía de Energía Mexicana (CEM). In fact, we made savings in energy costs of approximately Ps\$81 million pesos because of the excellent performance of the Atexcaco Hydroelectric Plant.

Total 2014 costs and expenses were Ps\$4,162.2 million pesos, 22% above 2013, largely reflecting the 23% growth in sales volume, as well as our exports during the year.

As a result of our initiatives for reducing costs and expenses, operating income for 2014 rose to Ps\$323.9 million pesos, representing an operating margin of 7%, two percentage points above the 2013 operating margin of 5%. Operating cash flow (EBITDA) for the year was Ps\$662.8 million pesos, 41% above 2013 and representing a margin of 15% of sales.

The comprehensive financing cost for the year was Ps\$8.7 million pesos. The 13% depreciation of the Mexican peso vis-à-vis the U.S. dollar had a positive effect on this result because of the change in functional currency adopted in 2014; however, interest expense in 2014 grew because of the refinancing of notes issued in 2011 and the change in foreign exchange rate.

Under the heading of taxes, because of the 2014 Tax Reform in Mexico, we recognized a Special Mining Tax (Mining Rights), so the amount of taxes recorded for the year totaled Ps\$261.4 million pesos. It is impor-

tant to note that the amount of taxes filed does not necessarily imply cash flow to pay them.

Finally, net income for 2014 was Ps\$52.5 million pesos.

BALANCE SHEET

In addition to good operating results for the year, the balance sheet as of December 31, 2014 presents significant changes, especially in assets and stockholders' equity, because of Autlán's adoption of the U.S. dollar as its functional currency.

At yearend 2014, the balance sheet showed a significant 17% year-over-year increase in cash and cash equivalents, with a balance as of December 31, 2014 of Ps\$340.6 million pesos. This growth reflects the enhanced generation of cash during the year and the depreciation of the Mexican peso.

Accounts receivable also grew significantly, by 21%. Although sales increased in volume and price year-over-year, collection issues and problems with clients' businesses affected this result. The change in foreign exchange rate also had an important impact on accounts receivable, since our sales are denominated in dollars.

Inventories rose 23% in 2014 compared to 2013, reflecting the increase in volume produced which implied additional volumes of imported raw material purchases at the end of the year.

Fixed assets in 2014 were 9% above those of the previous year, largely because of the capital expenditures made during the year to keep our plants and mining units operating and the effect of the translation of the value of the assets after the adoption of the U.S. dollar as functional currency.

Total assets as of December 31, 2014 were Ps \$861.1 million pesos, or 12%, above those of yearend 2013 and amounted to Ps\$8,000.4 million pesos.

Liabilities increased by 14% year-over-year, largely because of the depreciation of the Mexican pesos vis-à-vis the U.S. dollar as of yearend 2014. In addition, the successful refinancing, concluded in the month of May, of the Non-subordinate Notes that the company had issued in 2011 with a loan that was granted with a longer repayment term and better service profile allowed us to complement the capital expenditure plan.

The company's stockholders' equity increased because of the results of 2014 and totaled Ps\$3,657.2 million pesos as of December 31, 2014.

INVESTMENTS

Continuing with the medium-term strategic plan, in 2014 we made significant capital expenditures to assure the optimum functioning of assets and enhance operating efficiency by reducing costs and increasing capacity. As a result, in 2014 the

company posted record production and sales figures across its three business divisions, as well as increased operating margins.

In parallel, we made progress with the engineering of our innovation and technology project, which will improve Autlán's ore processing activities. We also implemented important initiatives at the ferroalloy plants to make their operations more efficient and profitable.

In the Mining Division, we focused on evaluating diverse projects, making significant progress with precious metal initiatives and also analyzing opportunities with non-metallic minerals and other related products.

As a result of all these actions, Autlán is now closer to being one of the world's lowest-cost ferroalloy producers.

AUTLÁN'S SHARES

Autlán quotes on the Mexican Stock Exchange (BMV) under the ticker symbol: AUTLAN B. 25% of the company stock is distributed among BMV investors; the controlling company holds the remainder. The value of the Autlán share as of December 31, 2014 was Ps\$15.67 Mexican pesos per share. AUTLAN B performed very well during 2014, with the price increasing 55% during the year.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

José Antonio Rivero

CHAIRMAN

Dionisio Garza

Francisco Garza

Everardo Elizondo

Antonio Elosúa

Pedro Reynoso

Fernando Canales

Ernesto Ortíz

ALTERNATE DIRECTORS

José Antonio Rivero Jr.

Pedro Rivero

Esteban Rivero

María E. Rivero

Patricio Morales

Pedro Reynoso Jr.

Francisco Canales

Ernesto Ortíz Jr.

AUDIT COMMITTEE

Pedro Reynoso — CHAIRMAN
Ernesto Ortíz — MEMBER
Francisco Canales — MEMBER
José Antonio Rivero — PERMANENT GUEST
Oscar Maldonado — PERMANENT GUEST
Gustavo A. Cárdenas — PERMANENT GUEST
Samuel Meléndez — PERMANENT GUEST
Juan Pablo del Río — SECRETARY

CORPORATE PRACTICES COMMITTEE

Ernesto Ortíz — CHAIRMAN
Pedro Reynoso — MEMBER
Francisco Canales — MEMBER
José Antonio Rivero — PERMANENT GUEST
Oscar Maldonado — PERMANENT GUEST
Gustavo A. Cárdenas — PERMANENT GUEST
Samuel Meléndez — PERMANENT GUEST
Juan Pablo del Río — SECRETARY

This annual report may contain references to the future performance of Autlán, which should only be considered as estimates made in good faith by the Company. The references reflect management's expectations and are based on the assumptions and information available at a given moment in time, so are subject of future events, risks and unknown factors that may affect the Company's results. Design: Israel Reséndiz

