

Alpek, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Financial Position

As of March 31, 2015 and December 31, 2014

(In thousands of Mexican pesos)

	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
Current asset:		
Cash and cash equivalents	Ps 5,010,472	Ps 5,743,816
Restricted cash and cash equivalents	3,279	3,185
Trade and other receivables, net	13,705,163	13,246,370
Inventories	10,712,003	11,485,908
Derivative financial instruments	8,749	-
Prepayments an others	462,707	461,870
Total current asset	29,902,373	30,941,149
Non-current asset:		
Property, plant and equipment, net	28,017,806	27,392,275
Goodwill and intangible assets, net	6,499,536	6,082,910
Deferred income tax	395,365	256,997
Other assets	747,355	697,879
Total non-current asset	35,660,062	34,430,061
Total asset	Ps 65,562,435	Ps 65,371,210
<u>Liability and Stockholders' equity</u>		
<u>Liability</u>		
Current liability:		
Debt	Ps 284,581	Ps 326,914
Suppliers and other accounts payable	8,496,130	10,564,770
Derivative financial instruments	602,469	757,011
Income tax payable	666,079	78,100
Provisions	749,229	761,652
Other liabilities	1,893,174	1,836,744
Total current liability	12,691,662	14,325,191
Non-current liability:		
Debt	16,120,992	15,665,652
Derivative financial instruments	535,925	287,925
Deferred income tax	4,076,187	4,255,606
Provisions	29,256	28,243
Employee benefits	998,086	963,983
Income tax payable	13,472	-
Deferred credits	442,790	-
Total non-current liability	22,216,708	21,201,409
Total liability	34,908,370	35,526,600
<u>Stockholders' equity:</u>		
Controlling interest:		
Capital stock	6,051,880	6,051,880
Share premium	9,071,074	9,071,074
Retained earnings	9,101,595	8,880,764
Other reserves	2,379,185	1,945,717
Total controlling interest	26,603,734	25,949,435
Non-controlling interest	4,050,331	3,895,175
Total stockholders' equity	30,654,065	29,844,610
Total liability and stockholders' equity	Ps 65,562,435	Ps 65,371,210

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Income
For the three months ended March 31, 2015 and 2014

(In thousands of Mexican pesos)

	<u>2015</u>	<u>Unaudited</u> <u>2014</u>
Revenue	Ps 19,721,019	Ps 20,858,529
Cost of sales	<u>(17,892,200)</u>	<u>(19,398,111)</u>
Gross profit	1,828,819	1,460,418
Selling expenses	(342,629)	(294,176)
Administrative expenses	(361,683)	(296,793)
Other expenses, net	<u>399,499</u>	<u>82,306</u>
Operating profit	<u>1,524,006</u>	<u>951,755</u>
Financial income	50,229	55,040
Financial cost (including foreign exchange loss)	<u>(475,032)</u>	<u>(287,941)</u>
Financial cost, net	<u>(424,803)</u>	<u>(232,901)</u>
Share in losses of associates	<u>(14,157)</u>	<u>(6,600)</u>
Profit before income tax	1,085,046	712,254
Income tax	<u>(361,515)</u>	<u>(230,920)</u>
Net consolidated profit for the period	<u>Ps 723,531</u>	<u>Ps 481,334</u>
Profit attributable to:		
Controlling interest	Ps 375,539	Ps 316,108
Non-controlling interest	<u>347,992</u>	<u>165,226</u>
	<u>Ps 723,531</u>	<u>Ps 481,334</u>
Basic and diluted earnings per share (in Mexican pesos)	<u>Ps 0.18</u>	<u>Ps 0.15</u>
Weighted average of outstanding shares (in thousands)	<u>2,118,164</u>	<u>2,118,164</u>

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Cash Flows
For the three months ended March 31, 2015 and 2014

(In thousands of Mexican pesos)

	<u>Unaudited</u>	
	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Profit before income tax	Ps 1,085,046	Ps 712,254
Depreciation and amortization	523,649	437,886
Impairment of property, plant and equipment	1,623	3,093
Gain on sale of property, plant and equipment	(380,791)	(34)
Share in losses of associates	14,157	6,600
Finance cost, net	382,157	221,541
Loss (gain) on changes in the fair value of derivative financial instruments	14,824	(19,792)
Employees' profit sharing and provisions	<u>(33,595)</u>	<u>(20,300)</u>
Subtotal	<u>1,607,070</u>	<u>1,341,248</u>
Decrease (increase) in trade receivables	616,290	(971,300)
Decrease in accounts receivable from related parties	430,374	48,507
Decrease in other accounts receivable	149,269	120,037
Decrease in inventories	832,494	682,196
(Decrease) increase in accounts payable	(2,237,502)	1,151,927
(Decrease) increase in accounts payable to related parties	(528,069)	62,733
Income tax received (paid)	60,871	(295,413)
Employees' profit sharing paid	(1,500)	(1,410)
Net liability for retirement obligation	<u>5,448</u>	<u>10,332</u>
Net cash flows generated from operating activities	<u>934,745</u>	<u>2,148,857</u>
Cash flows from investing activities		
Interest received	42,078	26,782
Acquisition of property, plant and equipment	(275,806)	(345,350)
Acquisition of intangible assets	(110,400)	(238,606)
Business acquisitions, net of cash acquired	(605,750)	-
Investment in joint ventures and associates	(55,892)	(192,022)
Derivative financial instruments	(94,443)	9,496
Related parties	-	69,663
Notes receivable	<u>11,669</u>	<u>118,966</u>
Net cash flows used in investing activities	<u>(1,088,544)</u>	<u>(551,071)</u>
Cash flows from financing activities		
Proceeds from debt	859,392	984,958
Payments of debt	(908,965)	(1,029,843)
Interest paid	(178,167)	(165,060)
Dividends paid to the non-controlling interest	(406,478)	-
Payment on loans to related parties	<u>-</u>	<u>(103,586)</u>
Net cash flows used in financing activities	<u>(634,218)</u>	<u>(313,531)</u>
(Decrease) increase in cash and cash equivalents	(788,017)	1,284,255
Foreign exchange on cash and cash equivalents	54,673	(24,999)
Cash and cash equivalents at beginning for the period	<u>5,743,816</u>	<u>4,737,088</u>
Cash and cash equivalents at end for the period	<u>Ps 5,010,472</u>	<u>Ps 5,996,344</u>

