

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

## Consolidated Statements of Financial Position

As of June 30, 2015 and December 31, 2014

(In thousands of Mexican pesos)

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
<b>Current asset:</b>		
Cash and cash equivalents	Ps 5,160,440	Ps 5,743,816
Restricted cash and cash equivalents	3,257	3,185
Trade and other receivables, net	15,108,012	13,246,370
Inventories	10,716,072	11,485,908
Derivative financial instruments	3,535	-
Prepayments an others	448,075	461,870
<b>Total current asset</b>	<b>31,439,391</b>	<b>30,941,149</b>
<b>Non-current asset:</b>		
Property, plant and equipment, net	28,611,594	27,392,275
Goodwill and intangible assets, net	6,950,486	6,082,910
Deferred income tax	395,927	256,997
Other assets	684,260	697,879
<b>Total non-current asset</b>	<b>36,642,267</b>	<b>34,430,061</b>
<b>Total asset</b>	<b>Ps 68,081,658</b>	<b>Ps 65,371,210</b>
<b><u>Liability and Stockholders' equity</u></b>		
<b><u>Liability</u></b>		
<b>Current liability:</b>		
Debt	Ps 823,274	Ps 326,914
Suppliers and other accounts payable	9,634,856	10,564,770
Derivative financial instruments	281,693	757,011
Income tax payable	891,216	78,100
Provisions	602,855	761,652
Other liabilities	2,012,606	1,836,744
<b>Total current liability</b>	<b>14,246,500</b>	<b>14,325,191</b>
<b>Non-current liability:</b>		
Debt	16,238,672	15,665,652
Derivative financial instruments	547,162	287,925
Deferred income tax	4,316,475	4,255,606
Provisions	8,859	28,243
Employee benefits	1,025,790	963,983
Income tax payable	10,789	-
Deferred credits	431,755	-
<b>Total non-current liability</b>	<b>22,579,502</b>	<b>21,201,409</b>
<b>Total liability</b>	<b>36,826,002</b>	<b>35,526,600</b>
<b><u>Stockholders' equity:</u></b>		
Controlling interest:		
Capital stock	6,051,880	6,051,880
Share premium	9,071,074	9,071,074
Retained earnings	8,902,352	8,880,764
Other reserves	3,111,841	1,945,717
<b>Total controlling interest</b>	<b>27,137,147</b>	<b>25,949,435</b>
Non-controlling interest	4,118,509	3,895,175
<b>Total stockholders' equity</b>	<b>31,255,656</b>	<b>29,844,610</b>
<b>Total liability and stockholders' equity</b>	<b>Ps 68,081,658</b>	<b>Ps 65,371,210</b>

***Alpek, S. A. B. de C. V. and subsidiaries***  
**Consolidated Statements of Comprehensive Income**  
**For the six and three months ended June 30, 2015 and 2014**

(In thousands of Mexican pesos)

	<u>Unaudited</u>			
	Six months ended June 30, <u>2015</u>	Six months ended June 30, <u>2014</u>	Three months ended June 30, <u>2015</u>	Three months ended June 30 <u>2014</u>
Revenue	Ps 41,119,846	Ps 41,860,903	Ps 21,398,827	Ps 21,002,374
Cost of sales	<u>(36,042,437)</u>	<u>(38,627,272)</u>	<u>(18,150,237)</u>	<u>(19,229,161)</u>
Gross profit	5,077,409	3,233,631	3,248,590	1,773,213
Selling expenses	(659,660)	(599,195)	(317,031)	(305,019)
Administrative expenses	(840,226)	(599,659)	(478,543)	(302,866)
Other income (expenses), net	<u>376,037</u>	<u>102,650</u>	<u>(23,462)</u>	<u>20,344</u>
Operating profit	<u>3,953,560</u>	<u>2,137,427</u>	<u>2,429,554</u>	<u>1,185,672</u>
Financial income (including foreign exchange gain)	103,913	95,740	53,684	40,700
Financial cost (including foreign exchange loss)	<u>(766,540)</u>	<u>(520,776)</u>	<u>(291,508)</u>	<u>(232,835)</u>
Financial cost, net	<u>(662,627)</u>	<u>(425,036)</u>	<u>(237,824)</u>	<u>(192,135)</u>
Share in losses of associates	<u>(17,436)</u>	<u>(10,335)</u>	<u>(3,279)</u>	<u>(3,735)</u>
Profit before income tax	3,273,497	1,702,056	2,188,451	989,802
Income tax	<u>(1,106,004)</u>	<u>(555,627)</u>	<u>(744,489)</u>	<u>(324,707)</u>
Net consolidated profit for the period	<u>Ps 2,167,493</u>	<u>Ps 1,146,429</u>	<u>Ps 1,443,962</u>	<u>Ps 665,095</u>
Profit attributable to:				
Controlling interest	Ps 1,648,267	Ps 833,831	Ps 1,272,728	Ps 517,723
Non-controlling interest	<u>519,226</u>	<u>312,598</u>	<u>171,234</u>	<u>147,372</u>
	<u>Ps 2,167,493</u>	<u>Ps 1,146,429</u>	<u>Ps 1,443,962</u>	<u>Ps 665,095</u>
Basic and diluted earnings per share (in Mexican pesos)	<u>Ps 0.78</u>	<u>Ps 0.39</u>	<u>Ps 0.60</u>	<u>Ps 0.24</u>
Weighted average of outstanding shares (in thousands)	<u>2,118,164</u>	<u>2,118,164</u>	<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 six months ended June 30, 2015 and 2014

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(In thousands of Mexican pesos)

	<u>Unaudited</u>	
	<u>2015</u>	<u>2014</u>
<b>Cash flows from operating activities</b>		
Profit before income tax	Ps 3,273,497	Ps 1,702,056
Depreciation and amortization	1,083,425	886,339
Impairment of property, plant and equipment	4,992	3,105
Gain on sale of property, plant and equipment	(380,994)	(111)
Share in losses of associates	17,436	10,335
Finance cost, net	577,682	389,022
Loss (gain) on changes in the fair value of derivative financial instruments	25,693	(34,570)
Employees' profit sharing and provisions	(228,804)	(49,093)
<b>Subtotal</b>	<u>4,372,927</u>	<u>2,907,083</u>
Increase in trade receivables	(452,019)	(1,286,501)
Decrease in accounts receivable from related parties	517,257	120,881
Decrease (increase) in other accounts receivable	247,605	(223,193)
Decrease in inventories	910,562	160,694
(Decrease) increase in accounts payable	(1,063,012)	1,587,019
(Decrease) increase in accounts payable to related parties	(737,149)	48,989
Income tax paid	(309,593)	(707,845)
Employees' profit sharing paid	(3,919)	(7,550)
Net liability for retirement obligation	8,301	13,357
Net cash flows generated from operating activities	<u>3,490,960</u>	<u>2,612,934</u>
<b>Cash flows from investing activities</b>		
Interest received	86,982	51,275
Acquisition of property, plant and equipment	(614,126)	(628,181)
Acquisition of intangible assets	(401,290)	(642,021)
Business acquisitions, net of cash acquired	(632,485)	(169,621)
Investment in joint ventures and associates	(90,255)	(217,920)
Derivative financial instruments	(110,253)	37,742
Related parties	(28,047)	73,326
Notes receivable	11,465	116,731
Others	111	-
Net cash flows used in investing activities	<u>(1,777,898)</u>	<u>(1,378,669)</u>
<b>Cash flows from financing activities</b>		
Proceeds from debt	1,300,188	2,287,715
Payments of debt	(1,160,942)	(2,305,822)
Interest paid	(485,662)	(440,625)
Dividends paid	(1,472,825)	-
Dividends paid to the non-controlling interest	(620,652)	-
Changes in the non-controlling interest	-	12,131
Payment on loans to related parties	-	(103,586)
Net cash flows used in financing activities	<u>(2,439,893)</u>	<u>(550,187)</u>
(Decrease) increase in cash and cash equivalents	(726,831)	684,078
Foreign exchange on cash and cash equivalents	143,455	9,166
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 5,160,440</u>	<u>Ps 5,430,332</u>

