

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

Consolidated Statements of Financial Position

As of September 30, 2015 and December 31, 2014

(In thousands of Mexican pesos)

	September 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Current asset:		
Cash and cash equivalents	Ps 7,674,746	Ps 5,743,816
Restricted cash and cash equivalents	2,314	3,185
Trade and other receivables, net	14,828,750	13,246,370
Inventories	11,432,104	11,485,908
Derivative financial instruments	6,087	-
Prepayments an others	541,584	461,870
Total current asset	34,485,585	30,941,149
Non-current asset:		
Property, plant and equipment, net	30,877,970	27,392,275
Goodwill and intangible assets, net	7,651,538	6,082,910
Deferred income tax	356,807	256,997
Other assets	708,600	697,879
Total non-current asset	39,594,915	34,430,061
Total asset	Ps 74,080,500	Ps 65,371,210
<u>Liability and Stockholders' equity</u>		
<u>Liability</u>		
Current liability:		
Debt	Ps 737,608	Ps 326,914
Suppliers and other accounts payable	10,456,579	10,564,770
Derivative financial instruments	579,495	757,011
Income tax payable	1,150,969	78,100
Provisions	529,462	761,652
Other liabilities	2,131,049	1,836,744
Total current liability	15,585,162	14,325,191
Non-current liability:		
Debt	17,733,645	15,665,652
Derivative financial instruments	972,861	287,925
Deferred income tax	4,435,153	4,255,606
Provisions	9,344	28,243
Employee benefits	1,118,718	963,983
Income tax payable	23,663	-
Deferred credits	426,957	-
Total non-current liability	24,720,341	21,201,409
Total liability	40,305,503	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	9,525,287	8,880,764
Other reserves	4,692,205	1,945,717
Total controlling interest	29,340,446	25,949,435
Non-controlling interest	4,434,551	3,895,175
Total stockholders' equity	33,774,997	29,844,610
Total liability and stockholders' equity	Ps 74,080,500	Ps 65,371,210

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

(In thousands of Mexican pesos)

	<u>Unaudited</u>			
	Nine months ended September 30, <u>2015</u>	Nine months ended September 30, <u>2014</u>	Three months ended September 30, <u>2015</u>	Three months ended September 30, <u>2014</u>
Revenue	Ps 63,179,832	Ps 63,271,314	Ps 22,059,986	Ps 21,410,411
Cost of sales	<u>(55,335,861)</u>	<u>(58,146,459)</u>	<u>(19,293,424)</u>	<u>(19,519,187)</u>
Gross profit	7,843,971	5,124,855	2,766,562	1,891,224
Selling expenses	(1,016,995)	(899,648)	(357,335)	(300,453)
Administrative expenses	(1,289,505)	(925,256)	(449,279)	(325,597)
Other income (expenses), net	<u>371,144</u>	<u>103,128</u>	<u>(4,893)</u>	<u>478</u>
Operating profit	<u>5,908,615</u>	<u>3,403,079</u>	<u>1,955,055</u>	<u>1,265,652</u>
Financial income (including foreign exchange gain)	164,618	100,717	60,705	4,977
Financial cost (including foreign exchange loss)	<u>(1,400,699)</u>	<u>(991,212)</u>	<u>(634,159)</u>	<u>(470,436)</u>
Financial cost, net	<u>(1,236,081)</u>	<u>(890,495)</u>	<u>(573,454)</u>	<u>(465,459)</u>
Share in losses of associates	<u>(19,240)</u>	<u>(16,125)</u>	<u>(1,804)</u>	<u>(5,790)</u>
Profit before income tax	4,653,294	2,496,459	1,379,797	794,403
Income tax	<u>(1,703,450)</u>	<u>(814,854)</u>	<u>(597,446)</u>	<u>(259,227)</u>
Net consolidated profit for the period	<u>Ps 2,949,844</u>	<u>Ps 1,681,605</u>	<u>Ps 782,351</u>	<u>Ps 535,176</u>
Profit attributable to:				
Controlling interest	Ps 2,271,202	Ps 1,227,866	Ps 622,935	Ps 394,035
Non-controlling interest	<u>678,642</u>	<u>453,739</u>	<u>159,416</u>	<u>141,141</u>
	<u>Ps 2,949,844</u>	<u>Ps 1,681,605</u>	<u>Ps 782,351</u>	<u>Ps 535,176</u>
Basic and diluted earnings per share (in Mexican pesos)	<u>Ps 1.07</u>	<u>Ps 0.58</u>	<u>Ps 0.29</u>	<u>Ps 0.19</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 nine months ended September 30, 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 4,653,294	Ps 2,496,459
Depreciation and amortization	1,666,327	1,341,115
Impairment of property, plant and equipment	5,200	3,109
Gain on sale of property, plant and equipment	(381,167)	(303)
Share in losses of associates	19,240	16,125
Finance cost, net	1,075,601	799,846
Loss on changes in the fair value of derivative financial instruments	68,593	1,853
Employees' profit sharing and provisions	<u>(360,210)</u>	<u>(90,257)</u>
Subtotal	<u>6,746,878</u>	<u>4,567,947</u>
Decrease (increase) in trade receivables	1,033,936	(900,285)
Decrease in accounts receivable from related parties	1,227,074	368,503
Increase in other accounts receivable	(40,098)	(168,999)
Decrease (increase) in inventories	754,893	(44,221)
(Decrease) increase in accounts payable	(920,171)	1,087,830
(Decrease) increase in accounts payable to related parties	(1,244,021)	38,022
Income tax paid	(646,891)	(1,067,598)
Employees' profit sharing paid	(3,921)	(7,556)
Net liability for retirement obligation	<u>6,390</u>	<u>2,717</u>
Net cash flows generated from operating activities	<u>6,914,069</u>	<u>3,876,360</u>
Cash flows from investing activities		
Interest received	137,921	72,881
Acquisition of property, plant and equipment	(1,073,486)	(917,502)
Acquisition of intangible assets	(620,114)	(1,118,324)
Business acquisitions, net of cash acquired	(605,230)	(170,200)
Investment in joint ventures and associates	(24,256)	(311,750)
Derivative financial instruments	(161,322)	48,572
Related parties	(32,547)	103,142
Notes receivable	9,719	115,350
Others	<u>1,304</u>	<u>-</u>
Net cash flows used in investing activities	<u>(2,368,011)</u>	<u>(2,177,831)</u>
Cash flows from financing activities		
Proceeds from debt	1,345,267	3,491,673
Payments of debt	(1,505,137)	(3,284,668)
Interest paid	(679,049)	(602,861)
Dividends paid	(1,472,825)	-
Dividends paid to the non-controlling interest	(813,380)	(96,129)
Changes in the non-controlling interest	-	12,131
Payment on loans to related parties	<u>-</u>	<u>(103,586)</u>
Net cash flows used in financing activities	<u>(3,125,124)</u>	<u>(583,440)</u>
Increase in cash and cash equivalents	1,420,934	1,115,089
Foreign exchange on cash and cash equivalents	509,996	34,482
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 7,674,746</u>	<u>Ps 5,886,659</u>

