

Alpek reports 4% volume growth despite soft export markets

Selected Financial Information

(U.S. \$ Millions)

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Total Volume (ktons)	947	915	4	4,086	3,874	5
Polyester and Polyester Products	744	731	2	3,263	3,084	6
Plastics and Chemicals	203	184	11	823	790	4
Consolidated Revenues	1,674	1,724	(3)	7,277	7,356	(1)
Polyester and Polyester Products	1,301	1,359	(4)	5,691	5,682	0
Plastics and Chemicals	373	365	2	1,586	1,674	(5)
Consolidated EBITDA	141	166	(15)	728	771	(6)
Polyester and Polyester Products	108	113	(5)	531	544	(3)
Plastics and Chemicals	33	53	(38)	197	227	(13)
Majority Net Income	30	76	(60)	277	332	(17)
CAPEX and Acquisitions	40	27	46	119	780	(85)
Net Debt	616	1,188	(48)	616	1,188	(48)
Net Debt/LTM EBITDA*	0.8	1.5		0.8	1.5	
Interest Coverage*	6.2	8.7		6.2	8.7	

* Times: last 12 months for 4Q.

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Operating & Financial Highlights (4Q12)

ALPEK	<ul style="list-style-type: none"> 4% volume growth despite continued weakness in export markets Issuance of U.S. \$650 million of 4.5% Senior Notes due 2022 with investment grade rating Extended average debt maturity from 3 years to 7 years
Polyester	<ul style="list-style-type: none"> Stable growth and margins in the North American market Asian PTA/PET margins continued downward trend until Nov-12 Sustained pressure on export markets from low Asian PTA/PET margins
Plastics & Chemicals	<ul style="list-style-type: none"> 11% volume growth driven by polypropylene demand and feedstock supply New capacity in China and soft global demand continued affecting Caprolactam 2-year record low Caprolactam industry margins in November/December, 2012

This release contains forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. Accordingly, results could vary from those set forth in this release. The report presents unaudited financial information based on International Financial Reporting Standards (IFRS) in effect in Mexico beginning January 2012. For comparison purposes, 2011 financial figures in this report have been adjusted according to IFRS. Figures are stated in nominal Mexican pesos (\$) and in current U.S. Dollars (U.S. \$), as indicated. Where applicable, peso amounts were translated into U.S. Dollars using the average exchange rate of the months during which operations were recorded. Financial ratios are calculated in U.S. Dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

Message from the CEO

Our core North American market sustained stable growth and margins, even as conditions in other markets became more challenging after the third quarter. Total sales volume increased 4% driven by growth in both Polyester and Plastics & Chemicals.

Export markets in Asia, Europe and South America continued experiencing pressure from new production capacity in China and soft global demand. Although margins started to improve in December 2012 and January 2013, recovery in these regions has been slower than anticipated. As a result, our exports' margins and volume have been negatively impacted, particularly during the fourth quarter of the year. Exports outside of North America account for approximately 25% of Alpek's total volume. However, our larger consumer-oriented exposure in North America and low-cost operation provides us with a competitive advantage which helps to mitigate volatility.

Even though total sales volume grew 4% and prices have gradually increased since the third quarter, Net Sales decreased 3% year over year as prices have not fully recovered from the July 2012 bottom. Consolidated EBITDA decreased 15% to U.S. \$141 million, or U.S. \$25 million lower than 4Q11. Caprolactam had the largest impact on our profitability, posting a U.S. \$24 million year over year decline in EBITDA. According to industry experts, Caprolactam margins during November and December 2012 were estimated to be at the lowest level since 2009 due mainly to new capacity coming on stream in China.

On November 20, 2012 Alpek achieved another important financial milestone by issuing its first bond in the international debt markets. The issuance totaled U.S. \$650 million aggregate principal amount of 4.5% Senior Notes due 2022 with investment grade rating. Proceeds were used primarily to prepay shorter term outstanding debt, increasing the Company's average debt maturity from 3 to 7 years. Our strong balance sheet combined with our proven access to equity and debt capital markets, gives us the financial flexibility to invest in attractive growth projects.

Disciplined capital deployment continued as we remain fully committed to enhancing our cost competitiveness through strategic investments. During the fourth quarter, we invested more than U.S. \$25 million in the construction of our first cogeneration plant in Cosoleacaque, Veracruz and the debottleneck of our Columbia facility. We are also advancing as planned in other projects that include the upgrade of our installed PTA-PET capacity in North America and the backward integration to MEG (Monoethyleneglycol).

The industry trends observed in the second half of 2012 are indicative of a potentially unfavorable environment this year. We expect pressure on Asian margins to ease slowly throughout 2013 from the 4Q12 bottom. However, a slow Asian margin recovery would limit improvement in our export markets. Under these circumstances, we estimate our 2013 EBITDA at U.S. \$650 million. This would be roughly in line with results during the second half of 2012 as similar conditions could extend into 2013. For further details, please refer to the 2013 Guidance included in this document's appendix.

Industry Highlights

Global petrochemical prices continued to recover gradually from their bottom in July 2012, after the steep decline in oil and feedstock prices observed earlier in the year.

Pressure over export margins increased during the fourth quarter as Asian PTA and PET margins extended their downward trend in October and November. Similarly, Caprolactam margins in November were estimated to be the lowest level since 2009. In contrast, North American markets reflected greater stability in margins and demand driven by this region's structural advantages.

Results by Business Segment

Polyester and Polyester Products

(PTA, PET, Polyester fibers – 78% of Alpek's Net Sales)

Polyester volume increased 2% year over year during 4Q12 despite continued weakness in export markets and the temporary effects of hurricane Sandy in the Northeast of the United States. Moreover, we had a planned outage in December at our Columbia site as part of the debottleneck project that is scheduled to conclude by the end of this month.

Average Polyester prices in the fourth quarter were down 5.9% year over year. 2012 Polyester prices were impacted by this year's lower oil and feedstock prices, as well as the North American PTA price formula adjustment implemented in the beginning of the year. However, it is important to note that average polyester prices were 7.2% higher compared to 3Q12.

Plastics and Chemicals (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 22% of Alpek's Net Sales)

Plastics & Chemicals segment volume increased 11% during 4Q12, boosted by robust demand in the polypropylene business. Fourth quarter polypropylene sales volume surged 26% year over year. Incremental propylene supply from both PEMEX refineries and imports through Alpek's specialized Altamira port facilities allowed Alpek to increase output.

Average Plastics & Chemicals prices in the fourth quarter were down 7.7% year over year. Caprolactam prices dropped 20% year over year during 4Q12, with industry references close to U.S. \$2,250 per ton in November and December 2012.

Consolidated Financial Results

Net Sales: Net Sales for the fourth quarter 2012 were U.S. \$1,674 million, which represents a 3% decrease when compared to 4Q11. Polyester revenue decreased 4% during 4Q12. In contrast, Plastics & Chemicals increased 2% driven mainly by a 26% volume growth in polypropylene. Both business segments were impacted by lower prices resulting from this year's decline in oil and petrochemical feedstock prices. Average Polyester and Plastics & Chemicals prices increased compared to the third quarter, but were still 6% lower on a consolidated basis versus 4Q11. Accumulated net sales as of December 31, 2012 decreased 1% to U.S. \$7,277 million. Annual Polyester sales were flat, while Plastics & Chemicals fell 5% year over year.

EBITDA: Fourth quarter EBITDA decreased 15% year over year to U.S. \$141 million. Caprolactam margin contraction was the main driver behind the 38% quarterly EBITDA decrease in the Plastics & Chemicals business segment. 4Q12 Polyester EBITDA decreased 5% compared with the same period last year. The impact on exports from low Asian PTA and PET margins has been partially offset due to the competitiveness of our North American operations. Accumulated EBITDA as of December 31, 2012 amounted to U.S. \$728 million, which is 6% lower than 2011.

Majority Net Income: Majority Net Income was U.S. \$30 million during the fourth quarter, decreasing 60% year over year. A 12% decrease in Operating Income, as well as one-time financing expenses and non-cash foreign exchange losses impacted results. The Comprehensive Financing Expense was affected by a U.S. \$3 million foreign exchange loss, compared to a U.S. \$19 million gain in 4Q11. During the fourth quarter, we also incurred U.S. \$15 million of one-time financing fees related to debt prepayments. Accumulated Majority Net Income for the year ended December 31, 2012 amounted to U.S. \$277 million, down 17% from last year's U.S. \$332 million for the comparable period.

Capital Expenditures: During 4Q12, capital expenditures (CAPEX) were U.S. \$40 million. The construction of a cogeneration plant in the PTA-PET complex in Cosoleacaque, Veracruz accounted for almost 50% of 4Q12 CAPEX. Expenditures were also utilized for some asset replacements and other smaller projects, including the PET debottleneck project at the Columbia site. Year-to-date, CAPEX totaled U.S. \$119 million, with U.S. \$53 million invested in the construction of the Cosoleacaque cogeneration plant.

Net Debt: Consolidated Net Debt as of December 31, 2012 amounted to U.S. \$616 million, a decrease of 48% or U.S. \$572 million, when compared to 2011. It is important to note that Gross Debt declined by 22% during 2012. Financial ratios as of December 31, 2012 were: Net Debt to LTM EBITDA of 0.8 times and Interest Coverage of 6.2 times.

Stockholder's Equity: Stockholder's equity totaled U.S. \$2,279 million, up 69% from U.S. \$1,345 million a year ago. This includes the capitalization achieved through the IPO.

Other Important Developments (4Q12)

Senior Notes: Alpek issued U.S. \$650 million aggregate principal amount of 4.5% Senior Notes due 2022. The notes received investment grade rating from Fitch (BBB-), Moody's (Baa3) and Standard & Poor's (BBB-), all with stable outlook. Proceeds were used primarily to prepay shorter term outstanding debt.

MSCI Index: Alpek was included in the MSCI Mexico Index as of November 30, 2012.

Appendix A - Tables

TABLE 1 | VOLUME (KTONS)

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Total Volume	947	915	4	4,086	3,874	5
Polyester and Polyester Products	744	731	2	3,263	3,084	6
Plastics and Chemicals	203	184	11	823	790	4

TABLE 2 | PRICE CHANGES (%)

	(%) 4Q12 vs.		YTD'12 vs.
	3Q'12	4Q11	YTD'11
Polyester and Polyester Products			
Avg. Ps. Prices	5	(10)	2
Avg. U.S. \$ Prices	7	(6)	(5)
Plastics and Chemicals			
Avg. Ps. Prices	(0)	(12)	(3)
Avg. U.S. \$ Prices	2	(8)	(9)
Total			
Avg. Ps. Prices	4	(11)	1
Avg. U.S. \$ Prices	6	(6)	(6)

TABLE 3 | REVENUES

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Total Revenues						
Ps. Millions	21,789	23,538	(7)	96,163	90,667	6
U.S. \$ Millions	1,674	1,724	(3)	7,277	7,356	(1)
Domestic Revenues						
Ps. Millions	7,911	8,275	(4)	34,559	34,866	(1)
U.S. \$ Millions	608	607	0	2,617	2,858	(8)
Foreign Revenues						
Ps. Millions	13,878	15,263	(9)	61,604	55,801	10
U.S. \$ Millions	1,066	1,117	(5)	4,660	4,498	4
Foreign / Total (%)	64	65		64	62	

TABLE 4 | OPERATING INCOME AND EBITDA

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Operating Income						
P.s. Millions	1,301	1,536	(15)	7,476	7,589	(1)
U.S. \$ Millions	100	113	(12)	566	616	(8)
EBITDA						
P.s. Millions	1,835	2,275	(19)	9,611	9,545	1
U.S. \$ Millions	141	166	(15)	728	771	(6)

TABLE 5 | COMPREHENSIVE FINANCING (EXPENSE) / INCOME (CF(E)/I) (U.S. \$ Millions)

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Financial Expenses	(37)	(31)	(19)	(144)	(106)	(36)
Financial Income	7	5	40	27	18	48
Net Financial Expenses	(30)	(26)	(15)	(117)	(88)	(33)
Fx Gains (Losses)	(3)	19	(118)	16	(7)	337
Interest Rate Swaps	0	0	0	0	(2)	82
Gas & Comm. Derivatives	0	5	(100)	0	1	(109)
CF(E)/ I	(33)	(2)	(1289)	(101)	(96)	(5)

TABLE 6 | MAJORITY NET INCOME (U.S \$ Millions)

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Consolidated Net Income	40	83	(52)	332	362	(9)
Minority Interest	10	7	46	55	30	81
Majority Net Income	30	76	(60)	277	332	(17)
Earnings per Share (U.S. Dollars)	0.01	0.04	(67)	0.14	0.19	(27)
Avg. Outstanding Shares (Millions)*	2,118	1,738		1,996	1,738	

*For comparability are considered the same number of equivalent shares in the periods presented.

TABLE 7 | CASH FLOW (U.S. \$ Millions)

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
EBITDA	141	166	(15)	728	771	(6)
Net Working Capital & Others	(65)	(36)	(78)	(190)	(212)	11
Capital Expenditures & Acq.	(40)	(27)	(46)	(119)	(780)	85
Net Financial Expenses	(25)	(21)	(21)	(104)	(76)	(37)
Income tax	(16)	(37)	57	(128)	(184)	30
Dividends	0	(9)	100	(176)	(139)	(26)
Increase in stockholder's equity	0	0	0	749	0	100
Payment affiliated companies	26	5	467	(195)	5	(4328)
Other Sources / Uses	(19)	(19)	(3)	7	(53)	113
Decrease (Increase) in Net Debt	2	22	(90)	572	(668)	186

TABLE 8 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (U.S. \$ Millions)

	4Q12	4Q11	YTF'12	YTF'11
Assets	4,742	4,446	4,742	4,446
Liabilities	2,463	3,101	2,463	3,101
Stockholders' Equity	2,279	1,345	2,279	1,345
Net Debt	616	1,188	616	1,188
Net Debt/EBITDA*	0.8	1.5	0.8	1.5
Interest Coverage*	6.2	8.7	6.2	8.7

* Times: last 12 months for 4Q.

Polyester and Polyester Products

TABLE 9 | REVENUES

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Total Revenues						
Ps. Millions	16,939	18,566	(9)	75,200	69,998	7
U.S. \$ Millions	1,301	1,359	(4)	5,691	5,682	0
Domestic Revenues						
Ps. Millions	4,467	4,894	(9)	19,834	20,767	(4)
U.S. \$ Millions	343	359	(4)	1,503	1,716	(12)
Foreign Revenues						
Ps. Millions	12,472	13,672	(9)	55,366	49,231	12
U.S. \$ Millions	958	1,000	(4)	4,188	3,966	6
Foreign / Total (%)	74	74		74	70	

TABLE 10 | OPERATING INCOME AND EBITDA

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Operating Income						
Ps. Millions	980	912	7	5,315	5,195	2
U.S. \$ Millions	75	67	13	403	423	(5)
EBITDA						
Ps. Millions	1,408	1,554	(9)	7,004	6,732	4
U.S. \$ Millions	108	113	(5)	531	544	(3)

Plastics & Chemicals

TABLE 11 | REVENUES

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Total Revenues						
Ps. Millions	4,850	4,972	(2)	20,963	20,669	1
U.S. \$ Millions	373	365	2	1,586	1,674	(5)
Domestic Revenues						
Ps. Millions	3,443	3,381	2	14,724	14,098	4
U.S. \$ Millions	265	248	7	1,114	1,142	(2)
Foreign Revenues						
Ps. Millions	1,407	1,591	(12)	6,239	6,571	(5)
U.S. \$ Millions	108	117	(8)	472	532	(11)
Foreign / Total (%)	29	32		30	32	

TABLE 12 | OPERATING INCOME AND EBITDA

	4Q12	4Q11	Ch.%	YTD'12	YTD'11	Ch.%
Operating Income						
Ps. Millions	321	624	(49)	2,161	2,394	(10)
U.S. \$ Millions	25	46	(46)	163	193	(15)
EBITDA						
Ps. Millions	427	721	(41)	2,607	2,813	(7)
U.S. \$ Millions	33	53	(38)	197	227	(13)

Appendix B – Financial Statements

ALPEK, S.A.B DE C.V. and Subsidiaries

BALANCE SHEET

Information in millions of Mexican Pesos

	dec-12	dec-11	(%) dec-12 vs dec-11
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	6,655	3,584	86
Trade accounts receivable	10,465	10,811	(3)
Other accounts and notes receivable	1,611	919	75
Inventories	11,582	12,320	(6)
Other current assets	1,647	1,834	(10)
Total current assets	31,960	29,468	8
INVESTMENT IN SHARES IN ASSOCIATES	94	83	13
PROPERTY, PLANT AND EQUIPMENT	26,695	28,879	(8)
OTHER INTANGIBLE ASSETS	2,023	2,312	(13)
OTHER NON-CURRENT ASSETS	924	1,411	(35)
Total assets	61,696	62,153	(1)
LIABILITIES AND STOCKHOLDER'S EQUITY			
CURRENT LIABILITIES:			
Current portion of long-term debt	140	491	(71)
Bank loans and notes payable	360	1,651	(78)
Suppliers	9,232	9,616	(4)
Other accounts payable and accrued expenses	2,316	6,921	(67)
Total current liabilities	12,048	18,679	(35)
LONG-TERM LIABILITIES:			
Long-term debt	13,940	17,545	(21)
Deferred income taxes	4,718	5,126	(8)
Other liabilities	209	743	(72)
Estimated liabilities for employee benefits	1,130	1,261	(10)
Total liabilities	32,045	43,354	(26)
STOCKHOLDERS' EQUITY:			
Majority interest:			
Nominal capital stock	6,052	4,968	22
Restatement of capital stock			
Contributed capital	6,052	4,968	22
Earned surplus	20,128	10,286	96
Total majority interest	26,180	15,254	72
Minority interest	3,471	3,545	(2)
Total stockholders' equity	29,651	18,799	58
Total liabilities and stockholders' equity	61,696	62,153	(1)

ALPEK, S.A.B DE C.V. and Subsidiaries

STATEMENT OF INCOME

Information in millions of Mexican Pesos

	4Q12	4Q11	YTD '12	YTD '11	4Q12 vs (%) 4Q11
Net sales	21,789	23,538	96,163	90,667	(7)
Domestic	7,911	8,275	34,559	34,866	(4)
Export	13,878	15,263	61,604	55,801	(9)
Cost of sales	(19,894)	(21,082)	(86,767)	(80,653)	6
Gross profit	1,895	2,456	9,396	10,014	(23)
Operating expenses and others	(593)	(920)	(1,920)	(2,425)	36
Operating income	1,302	1,536	7,476	7,589	(15)
Comprehensive financing expense, net	(435)	(12)	(1,331)	(1,190)	(3,525)
Equity in income (loss) of associates	(11)	1	(39)	(23)	(1,200)
Income before the following provision	856	1,525	6,106	6,376	(44)
Provisions for:					
Income tax	(338)	(444)	(1,723)	(1,948)	24
Consolidated net income	518	1,081	4,383	4,428	(52)
Income corresponding to minority interest	123	93	720	529	216
Net income corresponding to majority interest	395	988	3,663	3,899	(67)

Appendix C – Guidance 2013

2013 Industry Outlook

- North American structural advantages to provide greater stability for domestic markets
- Recent industry trends are indicative of a potentially unfavorable environment in 2013
- Asian margins expected to recover slowly from 4Q12 bottom
- Slow recovery in Asian margins would extend pressure on export markets through 2013

2013 Consolidated Guidance

	2013	% Change (vs. 2012)
Volume (Ktons)	4,000	(2)
Net Sales (Million)	U.S. \$7,000	(4)
EBITDA (Million)	U.S. \$650	(11)
Capex (Million)	U.S. \$160	34

2013 Strategic Investment Priorities

- Conclude construction of the Cosoleacaque cogeneration plant
- Upgrade installed PTA-PET capacity in North America
- Implement MEG (monoethyleneglycol) integration project in Mexico or the United States
- Begin construction of the Altamira cogeneration plant