

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Interim Statements of Financial Position
As of March 31, 2014 and December 31, 2013

(In thousands of Mexican pesos)

	March 31, 2014 (Unaudited)	December 31, 2013 (Audited)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	Ps 5,996,344	Ps 4,737,088
Restricted cash and cash equivalents	2,842	2,840
Trade and other receivables, net	13,408,137	12,834,935
Inventories	10,873,207	11,777,714
Derivative financial instruments	79,819	86,492
Prepayments	<u>223,434</u>	<u>232,720</u>
Total current assets	<u>30,583,783</u>	<u>29,671,789</u>
Non-current assets:		
Property, plant and equipment, net	24,672,109	24,705,889
Goodwill and intangible assets, net	3,099,456	2,906,470
Deferred tax	177,240	216,597
Derivative financial instruments	10,676	-
Other non-current assets	<u>707,741</u>	<u>627,085</u>
Total non-current assets	<u>28,667,222</u>	<u>28,456,041</u>
Total assets	<u>Ps 59,251,005</u>	<u>Ps 58,127,830</u>
<u>Liabilities and Stockholders' equity</u>		
<u>Liabilities</u>		
Current liabilities:		
Current debt	Ps 833,693	Ps 753,083
Suppliers and other accounts payable	9,883,955	9,243,781
Derivative financial instruments	39,915	7,315
Income tax payable	138,863	152,951
Provisions	815,984	832,632
Other current liabilities	<u>1,610,749</u>	<u>1,315,344</u>
Total current liabilities	<u>13,323,159</u>	<u>12,305,106</u>
Non-current liabilities:		
Non-current debt	13,621,650	13,756,342
Derivative financial instruments	16,979	25,836
Deferred tax	4,250,427	4,344,268
Provisions	47,391	51,682
Employees' benefits	<u>567,559</u>	<u>556,932</u>
Total non-current liabilities	<u>18,504,006</u>	<u>18,735,060</u>
Total liabilities	<u>31,827,165</u>	<u>31,040,166</u>
<u>Stockholders' equity:</u>		
Controlling interest:		
Capital stock	6,051,880	6,051,880
Share premium	9,071,074	9,071,074
Retained earnings	8,608,674	8,292,566
Other reserves	<u>465,663</u>	<u>602,358</u>
Total controlling interest	24,197,291	24,017,878
Non-controlling interest	<u>3,226,549</u>	<u>3,069,786</u>
Total stockholders' equity	<u>27,423,840</u>	<u>27,087,664</u>
Total liabilities and stockholders' equity	<u>Ps 59,251,005</u>	<u>Ps 58,127,830</u>

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Interim Statements of Income
For the three months ended March 31, 2014 and 2013

(In thousands of Mexican pesos)

	<u>2014</u>	<u>Unaudited</u> <u>2013</u>
Revenue	Ps 20,858,529	Ps 23,283,622
Cost of sales	<u>(19,398,111)</u>	<u>(21,331,791)</u>
Gross profit	1,460,418	1,951,831
Selling expenses	(294,176)	(235,572)
Administrative expenses	(296,793)	(273,251)
Other income (expenses), net	<u>82,306</u>	<u>79,872</u>
Operating profit	<u>951,755</u>	<u>1,522,880</u>
Financial income (including foreign exchange gain)	55,040	130,396
Financial cost (including foreign exchange loss)	<u>(287,941)</u>	<u>(247,135)</u>
Financial cost, net	<u>(232,901)</u>	<u>(116,739)</u>
Share of losses of associates	<u>(6,600)</u>	<u>(11,281)</u>
Profit before income tax	712,254	1,394,860
Income tax	<u>(230,920)</u>	<u>(415,242)</u>
Net consolidated profit for the period	<u>Ps 481,334</u>	<u>Ps 979,618</u>
Profit attributable to:		
Controlling interest	Ps 316,108	Ps 775,517
Non-controlling interest	<u>165,226</u>	<u>204,101</u>
	<u>Ps 481,334</u>	<u>Ps 979,618</u>
Basic and diluted earnings per share (in pesos)	<u>Ps 0.15</u>	<u>Ps 0.37</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 Interim Statements of Cash Flows
For the three months ended March 31, 2014 and 2013

(In thousands of Mexican pesos)

	<u>Unaudited</u>	
	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Profit before income tax	Ps 712,254	Ps 1,394,860
Depreciation and amortization	437,886	511,964
Impairment of property, plant and equipment	3,093	-
Gain on sale of property, plant and equipment	(34)	(381)
Share of losses of associates	6,600	11,281
Finance cost, net	221,541	93,144
Gain on changes in the fair value of derivative financial instruments	(19,792)	(81,797)
Employees' profit sharing and provisions	<u>(20,300)</u>	<u>1,074</u>
Subtotal	<u>1,341,248</u>	<u>1,930,145</u>
Increase in trade receivables	(971,300)	(1,447,870)
Decrease (increase) in accounts receivable from related parties	48,507	(320,186)
Decrease (increase) in other accounts receivable	120,037	(40,150)
Decrease (increase) in inventories	682,196	(319,636)
Increase in accounts payable	1,151,927	687,504
Increase in accounts payable to related parties	62,733	381,099
Income tax paid	(295,413)	(237,434)
Employees' profit sharing paid	(1,410)	(1,025)
Net liability for retirement obligation	<u>10,332</u>	<u>6,761</u>
Net cash flows generated from operating activities	<u>2,148,857</u>	<u>639,208</u>
Cash from investing activities		
Interest received	26,782	24,745
Acquisition of property, plant and equipment	(345,350)	(385,838)
Acquisition of intangible assets	(238,606)	(446,989)
Acquisition of shares of associates, joint venture and others	(192,022)	-
Derivative financial instruments	9,496	(171,402)
Affiliated companies	69,663	-
Notes receivable	118,966	-
Others	<u>-</u>	<u>(2,395)</u>
Net cash flows used in investing activities	<u>(551,071)</u>	<u>(981,879)</u>
Cash from financing activities		
Proceeds from debt	984,958	178,130
Payments of debt	(1,029,843)	(53,839)
Interest paid	(165,060)	(187,772)
Dividends paid	-	(1,209,714)
Payments of loans to affiliated companies	<u>(103,586)</u>	<u>-</u>
Net cash flows used in financing activities	<u>(313,531)</u>	<u>(1,273,195)</u>
Increase (decrease) in cash and cash equivalents	1,284,255	(1,615,866)
Foreign exchange on cash and cash equivalents	(24,999)	(205,991)
Cash and cash equivalents at beginning for the period	<u>4,737,088</u>	<u>6,654,561</u>
Cash and cash equivalents at end for the period	<u>Ps 5,996,344</u>	<u>Ps 4,832,704</u>