

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Financial Position
At March 31, 2016 and December 31, 2015

In thousands of Mexican pesos

Asset	<u>At March 31, 2016 (Unaudited)</u>	<u>At December 31, 2015 (Audited)</u>
CURRENT ASSET:		
Cash and cash equivalents	Ps 4,222,433	Ps 6,649,904
Restricted cash and cash equivalents	2,739	2,753
Trade and other receivables, net	14,363,867	13,383,935
Inventories	11,482,453	12,086,117
Derivative financial instruments	36,238	203,356
Prepayments and others	<u>477,232</u>	<u>337,943</u>
Total current asset	<u>30,584,962</u>	<u>32,664,008</u>
NON-CURRENT ASSET:		
Property, plant and equipment, net	31,739,553	31,321,771
Goodwill and intangible assets, net	8,850,497	8,812,066
Deferred income taxes	324,746	361,187
Other assets	<u>1,820,257</u>	<u>1,734,562</u>
Total non-current asset	<u>42,735,053</u>	<u>42,229,586</u>
Total asset	<u>Ps 73,320,015</u>	<u>Ps 74,893,594</u>
<u>Liability and Stockholders' equity</u>		
CURRENT LIABILITY:		
Debt	Ps 1,772,380	Ps 678,331
Suppliers and other accounts payable	8,663,830	9,800,552
Derivative financial instruments	501,727	848,301
Income tax payable	818,258	1,370,491
Provisions	305,020	338,411
Other liabilities	<u>1,739,831</u>	<u>1,891,472</u>
Total current liability	<u>13,801,046</u>	<u>14,927,558</u>
NON-CURRENT LIABILITY:		
Debt	18,061,703	18,275,740
Derivative financial instruments	718,938	711,342
Provisions	185,902	184,748
Deferred income taxes	4,642,876	4,707,030
Employee benefits	1,133,021	1,108,066
Deferred credits and others	<u>531,658</u>	<u>480,353</u>
Total non-current liability	<u>25,274,098</u>	<u>25,467,279</u>
Total liability	<u>39,075,144</u>	<u>40,394,837</u>
STOCKHOLDERS' EQUITY		
Controlling interest:		
Capital stock	6,048,773	6,051,880
Share premium	9,071,074	9,071,074
Retained earnings	9,337,660	10,009,224
Other reserves	<u>5,079,874</u>	<u>4,822,051</u>
Total controlling interest	29,537,381	29,954,229
Non-controlling interest	<u>4,707,490</u>	<u>4,544,528</u>
Total stockholders' equity	<u>34,244,871</u>	<u>34,498,757</u>
Total liability and stockholders' equity	<u>Ps 73,320,015</u>	<u>Ps 74,893,594</u>

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Income
For the three months ended March 31, 2016 and 2015

In thousands of Mexican pesos

	<u>Unaudited</u>	
	<u>2016</u>	<u>2015</u>
Revenue	Ps 21,291,897	Ps 19,721,019
Cost of sales	<u>(17,957,480)</u>	<u>(17,892,200)</u>
Gross profit	3,334,417	1,828,819
Selling expenses	(378,410)	(342,629)
Administrative expenses	(512,617)	(361,683)
Other income (expenses), net	<u>40,309</u>	<u>399,499</u>
Operating profit	<u>2,483,699</u>	<u>1,524,006</u>
Finance income	135,171	50,229
Finance cost	<u>(425,533)</u>	<u>(475,032)</u>
Finance cost, net	<u>(290,362)</u>	<u>(424,803)</u>
Share of losses of investments accounted for the equity method	<u>(4,262)</u>	<u>(14,157)</u>
Profit before income taxes	2,189,075	1,085,046
Income taxes	<u>(316,901)</u>	<u>(361,515)</u>
Net consolidated profit	<u>Ps 1,872,174</u>	<u>Ps 723,531</u>
Profit attributable to:		
Controlling interest	Ps 1,281,820	Ps 375,539
Non-controlling interest	<u>590,354</u>	<u>347,992</u>
	<u>Ps 1,872,174</u>	<u>Ps 723,531</u>
Basic and diluted earnings per share (in pesos)	<u>Ps 0.61</u>	<u>Ps 0.18</u>
Weighted average of outstanding shares (in thousands of shares)	<u>2,117,964</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, 2016 and 2015

(In thousands of Mexican pesos)

	<u>Unaudited</u>	
	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Profit before income tax	Ps 2,189,075	Ps 1,085,046
Depreciation and amortization	604,373	523,649
Impairment of property, plant and equipment	785	1,623
Gain on sale of property, plant and equipment	(137)	(380,791)
Share of losses of investments accounted for the equity method	4,262	14,157
Finance cost, net	282,489	382,157
(Gain) loss on changes in the fair value of derivative financial instruments	(49,058)	14,824
Employees' profit sharing and provisions	<u>(78,292)</u>	<u>(33,595)</u>
Subtotal	2,953,497	1,607,070
(Increase) decrease in trade receivables	(741,120)	616,290
Decrease in accounts receivable from related parties	4,966	430,374
(Increase) decrease in other accounts receivable	(324,958)	149,269
Decrease in inventories	523,264	832,494
(Decrease) in accounts payable	(1,437,548)	(2,237,502)
Increase (decrease) in accounts payable to related parties	29,342	(528,069)
Employees' profit sharing paid	(1,674)	(1,500)
Net liability for retirement obligation	13,273	5,448
Income tax paid	<u>(1,322,677)</u>	<u>60,871</u>
Net cash flows generated from operating activities	<u>(303,635)</u>	<u>934,745</u>
Cash flows from investing activities		
Interest received	69,803	42,078
Acquisition of property, plant and equipment	(444,392)	(275,806)
Acquisition of intangible assets	-	(110,400)
Business acquisitions, net of cash acquired	(63,156)	(605,750)
Investment in joint ventures and associates	(71,783)	(55,892)
Derivative financial instruments	190,087	(94,443)
Related parties	221,244	-
Notes receivable and others	<u>(1,870)</u>	<u>11,669</u>
Net cash flows used in investing activities	<u>(100,067)</u>	<u>(1,088,544)</u>
Cash flows from financing activities		
Proceeds from debt	1,293,857	859,392
Payments of debt	(699,686)	(908,965)
Interest paid	(219,416)	(178,167)
Dividends paid by Alpek, S. A. B. de C. V.	(1,959,187)	-
Dividends paid to the non-controlling interest	(450,645)	(406,478)
Repurchase of shares	<u>(28,767)</u>	<u>-</u>
Net cash flows used in financing activities	<u>(2,063,844)</u>	<u>(634,218)</u>
(Decrease) in cash and cash equivalents	(2,467,546)	(788,017)
Foreign exchange fluctuations on cash and cash equivalents	40,075	54,673
Cash and cash equivalents at beginning of year	<u>6,649,904</u>	<u>5,743,816</u>
Cash and cash equivalents at end of year	<u>Ps 4,222,433</u>	<u>Ps 5,010,472</u>

