

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Interim Statements of Financial Position
As of September 30, 2014 and December 31, 2013

(In thousands of Mexican pesos)

	September 30, 2014 (Unaudited)	December 31, 2013 (Audited)
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	Ps 5,886,659	Ps 4,737,088
Restricted cash and cash equivalents	2,923	2,840
Trade and other receivables, net	13,838,395	12,834,935
Inventories	11,708,968	11,777,714
Derivative financial instruments	18,380	86,492
Prepayments	343,187	232,720
Total current assets	<u>31,798,512</u>	<u>29,671,789</u>
Non-current assets:		
Property, plant and equipment, net	25,178,406	24,705,889
Goodwill and intangible assets, net	4,039,540	2,906,470
Deferred tax	198,630	216,597
Other non-current assets	809,872	627,085
Total non-current assets	<u>30,226,448</u>	<u>28,456,041</u>
Total assets	<u>Ps 62,024,960</u>	<u>Ps 58,127,830</u>
<u>Liabilities and Stockholders' equity</u>		
<u>Liabilities</u>		
Current liabilities:		
Current debt	Ps 1,495,835	Ps 753,083
Suppliers and other accounts payable	10,403,758	9,243,781
Derivative financial instruments	101,368	7,315
Income tax payable	96,478	152,951
Provisions	786,833	832,632
Other current liabilities	1,560,976	1,315,344
Total current liabilities	<u>14,445,248</u>	<u>12,305,106</u>
Non-current liabilities:		
Non-current debt	13,676,629	13,756,342
Derivative financial instruments	35,770	25,836
Deferred tax	4,223,508	4,344,268
Provisions	32,281	51,682
Employees' benefits	577,063	556,932
Total non-current liabilities	<u>18,545,251</u>	<u>18,735,060</u>
Total liabilities	<u>32,990,499</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	9,520,432	8,292,566
Other reserves	869,589	602,358
Total controlling interest	25,512,975	24,017,878
Non-controlling interest	3,521,486	3,069,786
Total stockholders' equity	<u>29,034,461</u>	<u>27,087,664</u>
Total liabilities and stockholders' equity	<u>Ps 62,024,960</u>	<u>Ps 58,127,830</u>

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Interim Statements of Income
For the nine and three months ended September 30, 2014 and 2013

(In thousands of Mexican pesos)

	<u>Unaudited</u>			
	Nine months ended September 30, <u>2014</u>	Nine months ended September 30, <u>2013</u>	Three months ended September 30, <u>2014</u>	Three months ended September 30 <u>2013</u>
Revenue	Ps 63,271,314	Ps 69,107,544	Ps 21,410,411	Ps 23,207,656
Cost of sales	<u>(58,146,459)</u>	<u>(63,112,721)</u>	<u>(19,519,187)</u>	<u>(21,137,257)</u>
Gross profit	5,124,855	5,994,823	1,891,224	2,070,399
Selling expenses	(899,648)	(755,344)	(300,453)	(259,419)
Administrative expenses	(925,256)	(868,423)	(325,597)	(306,756)
Other income (expenses), net	<u>103,128</u>	<u>44,382</u>	<u>478</u>	<u>27,916</u>
Operating profit before non-recurring items	3,403,079	4,415,438	1,265,652	1,532,140
Non-recurring items	<u>-</u>	<u>(2,359,078)</u>	<u>-</u>	<u>-</u>
Operating profit	<u>3,403,079</u>	<u>2,056,360</u>	<u>1,265,652</u>	<u>1,532,140</u>
Financial income (including foreign exchange gain)	100,717	117,324	4,977	25,075
Financial cost (including foreign exchange loss)	<u>(991,212)</u>	<u>(1,002,281)</u>	<u>(470,436)</u>	<u>(456,879)</u>
Financial cost, net	<u>(890,495)</u>	<u>(884,957)</u>	<u>(465,459)</u>	<u>(431,804)</u>
Share of losses of associates	<u>(16,125)</u>	<u>(26,763)</u>	<u>(5,790)</u>	<u>(11,807)</u>
Profit before income tax	2,496,459	1,144,640	794,403	1,088,529
Income tax	<u>(814,854)</u>	<u>(225,623)</u>	<u>(259,227)</u>	<u>(363,489)</u>
Net consolidated profit for the period	<u>Ps 1,681,605</u>	<u>Ps 919,017</u>	<u>Ps 535,176</u>	<u>Ps 725,040</u>
Profit attributable to:				
Controlling interest	Ps 1,227,866	Ps 384,593	Ps 394,035	Ps 537,268
Non-controlling interest	<u>453,739</u>	<u>534,424</u>	<u>141,141</u>	<u>187,772</u>
	<u>Ps 1,681,605</u>	<u>Ps 919,017</u>	<u>Ps 535,176</u>	<u>Ps 725,040</u>
Basic and diluted earnings per share (in pesos)	<u>Ps 0.58</u>	<u>Ps 0.18</u>	<u>Ps 0.19</u>	<u>Ps 0.25</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 Interim Statements of Cash Flows
For the nine months ended September 30, 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 2,496,459	Ps 1,144,640
Depreciation and amortization	1,341,115	1,556,664
Impairment of property, plant and equipment	3,109	2,010,715
Gain on sale of property, plant and equipment	(303)	(2,547)
Share of losses of associates	16,125	26,763
Finance cost, net	799,846	691,548
Loss on changes in the fair value of derivative financial instruments	1,853	47,914
Provisions	(88,405)	350,363
Employees' profit sharing	(1,852)	3,319
Subtotal	<u>4,567,947</u>	<u>5,829,379</u>
Increase in trade receivables	(900,285)	(1,259,823)
Decrease (increase) in accounts receivable from related parties	368,503	(159,323)
(Increase) decrease in other accounts receivable	(168,999)	11,926
(Increase) decrease in inventories	(44,221)	31,746
Increase in accounts payable	1,087,830	753,071
Increase in accounts payable to related parties	38,022	59,973
Income tax paid	(1,067,598)	(795,312)
Employees' profit sharing paid	(7,556)	(27,109)
Net liability for retirement obligation	2,717	23,993
Net cash flows generated from operating activities	<u>3,876,360</u>	<u>4,468,521</u>
Cash from investing activities		
Interest received	72,881	71,239
Acquisition of property, plant and equipment	(917,502)	(1,182,527)
Acquisition of intangible assets	(1,118,324)	(792,349)
Acquisition of shares of associates, joint venture and others	(311,750)	(53)
Business acquisitions, net of cash acquired	(170,200)	-
Derivative financial instruments	48,572	(182,955)
Dividends received	-	906
Affiliated companies	103,142	5,913
Notes receivable	115,350	(13,499)
Others	-	210
Net cash flows used in investing activities	<u>(2,177,831)</u>	<u>(2,093,115)</u>
Cash from financing activities		
Proceeds from debt	3,491,673	5,483,159
Payments of debt	(3,284,668)	(5,847,072)
Interest paid	(602,861)	(790,313)
Dividends paid	(96,129)	(2,124,305)
Increase in capital stock	12,131	-
Payments of loans to affiliated companies	(103,586)	-
Net cash flows used in financing activities	<u>(583,440)</u>	<u>(3,278,531)</u>
Increase (decrease) in cash and cash equivalents	1,115,089	(903,125)
Foreign exchange on cash and cash equivalents	34,482	(2,517)
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 5,886,659</u>	<u>Ps 5,748,919</u>