

***Alpek, S. A. B. de C. V. and subsidiaries***  
**Consolidated Statements of Financial Position**  
**At June 30, 2016 and December 31, 2015**

*In thousands of Mexican pesos*

<b>Asset</b>	<u>At June 30, 2016 (Unaudited)</u>	<u>At December 31, 2015 (Audited)</u>
<b>CURRENT ASSET:</b>		
Cash and cash equivalents	Ps 3,856,043	Ps 6,649,904
Restricted cash and cash equivalents	4,105	2,753
Trade and other receivables, net	14,314,408	13,383,935
Inventories	13,088,579	12,086,117
Derivative financial instruments	17,066	203,356
Prepayments and others	<u>376,173</u>	<u>337,943</u>
<b>Total current asset</b>	<u>31,656,374</u>	<u>32,664,008</u>
<b>NON-CURRENT ASSET:</b>		
Property, plant and equipment, net	34,417,921	31,321,771
Goodwill and intangible assets, net	10,832,713	8,812,066
Deferred income taxes	315,697	361,187
Other assets	<u>2,519,271</u>	<u>1,734,562</u>
<b>Total non-current asset</b>	<u>48,085,602</u>	<u>42,229,586</u>
<b>Total asset</b>	<u>Ps 79,741,976</u>	<u>Ps 74,893,594</u>
<b>Liability and Stockholders' equity</b>		
<b>CURRENT LIABILITY:</b>		
Debt	Ps 1,646,301	Ps 678,331
Suppliers and other accounts payable	10,421,239	9,800,552
Derivative financial instruments	406,638	848,301
Income tax payable	958,022	1,370,491
Provisions	218,328	338,411
Other liabilities	<u>1,737,892</u>	<u>1,891,472</u>
<b>Total current liability</b>	<u>15,388,420</u>	<u>14,927,558</u>
<b>NON-CURRENT LIABILITY:</b>		
Debt	19,308,984	18,275,740
Derivative financial instruments	611,334	711,342
Provisions	164,931	184,748
Deferred income taxes	5,143,029	4,707,030
Employee benefits	1,242,791	1,108,066
Deferred credits and others	<u>561,517</u>	<u>480,353</u>
<b>Total non-current liability</b>	<u>27,032,586</u>	<u>25,467,279</u>
<b>Total liability</b>	<u>42,421,006</u>	<u>40,394,837</u>
<b>STOCKHOLDERS' EQUITY</b>		
Controlling interest:		
Capital stock	6,051,227	6,051,880
Share premium	9,071,074	9,071,074
Retained earnings	10,225,860	10,009,224
Other reserves	<u>7,754,318</u>	<u>4,822,051</u>
<b>Total controlling interest</b>	33,102,479	29,954,229
Non-controlling interest	<u>4,218,491</u>	<u>4,544,528</u>
<b>Total stockholders' equity</b>	<u>37,320,970</u>	<u>34,498,757</u>
<b>Total liability and stockholders' equity</b>	<u>Ps 79,741,976</u>	<u>Ps 74,893,594</u>

***Alpek, S. A. B. de C. V. and subsidiaries***  
**Consolidated Statements of Income**  
**For the six and three months ended June 30, 2016 and 2015**

*In thousands of Mexican pesos*

	<u>Unaudited</u>			
	Six months ended June 30, <u>2016</u>	Six months ended June 30, <u>2015</u>	Three months ended June 30, <u>2016</u>	Three months ended June 30 <u>2015</u>
Revenue	Ps 43,632,541	Ps 41,119,846	Ps 22,340,644	Ps 21,398,827
Cost of sales	<u>(36,277,257)</u>	<u>(36,042,437)</u>	<u>(18,319,777)</u>	<u>(18,150,237)</u>
Gross profit	7,355,284	5,077,409	4,020,867	3,248,590
Selling expenses	(795,108)	(659,660)	(416,698)	(317,031)
Administrative expenses	(984,189)	(840,226)	(471,572)	(478,543)
Other income (expenses), net	<u>51,523</u>	<u>376,037</u>	<u>11,214</u>	<u>(23,462)</u>
Operating profit	<u>5,627,510</u>	<u>3,953,560</u>	<u>3,143,811</u>	<u>2,429,554</u>
Finance income	178,803	103,913	43,632	53,684
Finance cost	<u>(1,441,498)</u>	<u>(766,540)</u>	<u>(1,015,965)</u>	<u>(291,508)</u>
Finance cost, net	<u>(1,262,695)</u>	<u>(662,627)</u>	<u>(972,333)</u>	<u>(237,824)</u>
Share of losses of investments accounted for the equity method	<u>(4,981)</u>	<u>(17,436)</u>	<u>(719)</u>	<u>(3,279)</u>
Profit before income taxes	4,359,834	3,273,497	2,170,759	2,188,451
Income taxes	<u>(1,221,461)</u>	<u>(1,106,004)</u>	<u>(904,560)</u>	<u>(744,489)</u>
Net consolidated profit	<u>Ps 3,138,373</u>	<u>Ps 2,167,493</u>	<u>Ps 1,266,199</u>	<u>Ps 1,443,962</u>
Profit attributable to:				
Controlling interest	Ps 2,148,567	Ps 1,648,267	Ps 866,747	Ps 1,272,728
Non-controlling interest	<u>989,806</u>	<u>519,226</u>	<u>399,452</u>	<u>171,234</u>
	<u>Ps 3,138,373</u>	<u>Ps 2,167,493</u>	<u>Ps 1,266,199</u>	<u>Ps 1,443,962</u>
Basic and diluted earnings per share (in pesos)	<u>Ps 1.01</u>	<u>Ps 0.78</u>	<u>Ps 0.41</u>	<u>Ps 0.60</u>
Weighted average of outstanding shares (in thousands of shares)	<u>2,117,443</u>	<u>2,118,164</u>	<u>2,116,922</u>	<u>2,118,164</u>

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

## Consolidated Statements of Cash Flows

For the six months ended June 30, 2016 and 2015

(In thousands of Mexican pesos)

	<u>Unaudited</u>	
	<u>2016</u>	<u>2015</u>
<b>Cash flows from operating activities</b>		
Profit before income tax	Ps 4,359,834	Ps 3,273,497
Depreciation and amortization	1,211,626	1,083,425
Impairment of property, plant and equipment	1,191	4,992
Loss (gain) on sale of property, plant and equipment	2,284	(380,994)
Share of losses of investments accounted for the equity method	4,981	17,436
Finance cost, net	1,187,589	577,682
(Gain) loss on changes in the fair value of derivative financial instruments	(31,904)	25,693
Employees' profit sharing and provisions	<u>(237,732)</u>	<u>(228,804)</u>
<b>Subtotal</b>	<b>6,497,869</b>	<b>4,372,927</b>
Increase in trade receivables	(914,730)	(452,019)
Decrease in accounts receivable from related parties	303,533	517,257
(Increase) decrease in other accounts receivable	(277,081)	247,605
(Increase) decrease in inventories	(536,333)	910,562
Decrease in accounts payable	(544,716)	(1,063,012)
Decrease in accounts payable to related parties	(158,105)	(737,149)
Employees' profit sharing paid	(6,751)	(3,919)
Net liability for retirement obligation	29,106	8,301
Income tax paid	<u>(2,130,730)</u>	<u>(309,593)</u>
Net cash flows generated from operating activities	<u>2,262,062</u>	<u>3,490,960</u>
<b>Cash flows from investing activities</b>		
Interest received	118,055	86,982
Acquisition of property, plant and equipment	(1,190,418)	(614,126)
Acquisition of intangible assets	(1,261,249)	(401,290)
Business acquisitions, net of cash acquired	(63,156)	(632,485)
Investment in joint ventures and associates	(71,783)	(90,255)
Derivative financial instruments	188,489	(110,253)
Related parties	1,120,356	(28,047)
Notes receivable and others	(4,309)	11,576
Net cash flows used in investing activities	<u>(1,164,015)</u>	<u>(1,777,898)</u>
<b>Cash flows from financing activities</b>		
Proceeds from debt	2,033,407	1,300,188
Payments of debt	(2,091,585)	(1,160,942)
Interest paid	(613,800)	(485,662)
Dividends paid by Alpek, S. A. B. de C. V.	(1,959,187)	(1,472,825)
Dividends paid to the non-controlling interest	(1,668,593)	(620,652)
Repurchase of shares	<u>(3,249)</u>	<u>-</u>
Net cash flows used in financing activities	<u>(4,303,007)</u>	<u>(2,439,893)</u>
Decrease in cash and cash equivalents	(3,204,960)	(726,831)
Foreign exchange fluctuations on cash and cash equivalents	411,099	143,455
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 3,856,043</u>	<u>Ps 5,160,440</u>

