

## Alpek signed a JV agreement with UPC in Russia

Monterrey, Mexico. September 26, 2013 – Alpek, S.A.B. de C.V. (“Alpek”) announced today that its subsidiary, Grupo Petrotemex, S.A. de C.V., signed a joint venture (“JV”) agreement with Joint Stock Company United Petrochemical Company (“UPC”), a subsidiary of Sistema JSFC (“Sistema”), for the construction of an integrated purified terephthalic acid (“PTA”) – polyethylene terephthalate (“PET”) plant in Ufa, Bashkortostan, Russia. Under the JV agreement, Alpek and UPC will elaborate a detailed business plan to determine the project’s feasibility. Alpek and UPC will invest US\$10 million each in the completion of the plant’s evaluation stage. Construction is subject to the approval of the business plan by the Board of Directors of both companies.

The new facility would be an IntegRex® PTA – PET site dedicated to serve the Russian PET market with a maximum installed capacity of 600 Kton IntegRex® PTA and 600 Kton IntegRex® PET. An IntegRex® license agreement is expected to be signed upon final approval of the JV by all relevant competition authorities. Paraxylene (“Px”) would be sourced domestically. Px supply negotiations are underway with JSOC Bashneft, a subsidiary of Sistema and one of the largest private Russian oil companies.

The European Commission has granted unconditional approval to the proposed transaction and declared it compatible with the internal market and with the EEA (European Economic Area) Agreement. The JV is also subject to approval from other relevant competition authorities, which is expected in due course.

José de Jesús Valdez, Alpek’s CEO stated: “We are very excited by the prospect of Alpek’s first venture outside of the Americas, entering the Russian PET market with a world-class partner such as UPC/Sistema. This agreement reaffirms Alpek’s commitment to the PET value chain and demonstrates the great potential of our IntegRex® technology as an effective vehicle for international expansion. We are convinced that this partnership will create an unparalleled value offer in the Russian PET market by combining Alpek’s IntegRex® technology and polyester value chain expertise with UPC’s unique domestic sourcing capabilities and local market knowledge.”

“We are pleased to have signed the agreement with Alpek on the PET project, our first joint venture. The project will give us access to the unique IntegRex® technology and new opportunities to supply our PET products to the fast growing Russian and international petrochemical markets. UPC is looking forward to a long and successful business partnership with Alpek, one of the largest petrochemical companies in Latin America, as well as to the perspective to increase PTA/PET production in the nearest future and deepen our footprint in Russia,” said Kirill Tyurdenev, President of United Petrochemical Company.

### **About Alpek:**

**Alpek** is the largest petrochemical company in Mexico and the second largest in Latin America. The company operates two business segments: Polyester (PTA, PET and polyester fibers), and Plastics & Chemicals (PP, EPS, caprolactam, polyurethanes and other specialty and industrial chemicals). Alpek is a leading producer of PTA and PET worldwide, operates the largest expandable polystyrene plant in America and one of the largest polypropylene plants in North America. It is also the only producer of caprolactam in Mexico. In 2012, Alpek reported revenues of U.S. \$7,277 million and EBITDA of U.S. \$728 million. The company operates 19 plants in Mexico, USA and Argentina, and employs 4,500 people. Alpek is a publicly traded company listed on the Mexican Stock Exchange.

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### **About Sistema / UPC:**

**Sistema** is the largest publicly-traded diversified holding company in Russia and the CIS, which invests in and is a major shareholder of companies serving over 100 million customers in the sectors of telecommunications, high technology, oil and energy, radars and aerospace, banking, retail, mass-media, tourism and healthcare services. Founded in 1993, the Company reported revenues of US\$ 8.5 billion for the second quarter of 2013, and total assets of US\$ 44.4 billion as of June 30, 2013. Sistema's global depository receipts are listed under the symbol "SSA" on the London Stock Exchange. Sistema's ordinary shares are listed under the symbol "AFKS" on the MICEX-RTS Stock Exchange. Sistema was ranked number 315 in the 2011 edition of the Fortune Global 500 list. Website: [www.sistema.com](http://www.sistema.com)

**United Petrochemical Company ("UPC")** is a vertically integrated petrochemical group which owns four enterprises located in the Bashkortostan Region: Ufaorgsintez; Tuimazinkoye and Shkapovskoye Gas Processing Plants, which produce liquid petroleum gas and stable natural gasoline (SNG) from associated petroleum gas (APG) and natural gas liquids (NGL); and Bisphenol-A plant. Ufaorgsintez is one of the leading petrochemical producers in Russia. Its product line includes polypropylene, polyethylene, phenol and acetone. In 2012 UPC generated combined revenue of RUB 17.9 billion (USD 550 million).

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