



# **GRUPO CEMENTOS DE CHIHUAHUA, S.A.B. DE C.V.**

**(BMV: GCC \*)**

Third quarter 2014 earnings results

For more information: [investors@gcc.com](mailto:investors@gcc.com)

## GCC REPORTS THIRD QUARTER 2014 RESULTS

**Chihuahua, Chih., Mexico, October 28, 2014** – Grupo Cementos de Chihuahua, S.A.B. de C.V. (“GCC” or the “Company”) (BMV: GCC\*), a leading producer of cement and concrete in markets in Mexico and the United States, today announced its consolidated results for the third quarter of 2014.

### HIGHLIGHTS

GCC achieved a 16.1% increase in sales, 59.2% in operating income and 37.3% in EBITDA over the same quarter of last year, with sustained growth over the course of the year.

- Sales rose 18.8% in the United States and 8.4% in Mexico.
- Cement sales volumes increased 5%.
- Concrete sales volumes grew 18%.
- EBITDA margin expanded 3.8 percentage points to 24.5%.
- Leverage ratio declined from 4.3 to 3.3 times in the last twelve months.

### KEY FIGURES (millions of pesos)

	3Q14	3Q13	3Q14 vs 3Q13	2014	2013	2014 vs 2013
Net Sales	3,156.1	2,719.0	16.1%	7,463.6	6,248.6	19.4%
Operating Income	564.8	354.8	59.2%	898.6	466.8	92.5%
EBITDA	772.8	562.7	37.3%	1,527.6	1,080.0	41.4%
Consolidated Net Income	344.2	188.2	82.9%	507.0	(73.4)	790.5%

*EBITDA: operating income + depreciation and amortization*

### FINANCIAL RESULTS

**Net Sales** rose 16.1% in the third quarter of this year compared to the same period of 2013, totaling \$3,156.1 million pesos. This strong growth reflects increased sales of cement and concrete in the United States and concrete in Mexico, driven by improved performance of various segments of the construction industry in the regions where GCC participates.

In the United States, sales increased 18.8% over the third quarter of 2013 and totaled \$2,390.4 million pesos. North Dakota, Colorado, Iowa, Nebraska, Oklahoma and Arkansas were the main drivers of the 7% and 24% sales volume growth in cement and concrete, respectively, driven by activity in the residential sector, highway and road construction, utility infrastructure, as well as the commercial, manufacturing, office and lodging segments. The pricing environment remained favorable, especially for cement. Sales in dollar terms in the United States rose 16.9%, reflecting a 1.6% depreciation of the peso against the dollar during the period.

In Mexico, sales rose 8.4% compared to the third quarter of 2013, totaling \$765.7 million pesos, reflecting a 6% and 25% increase in sales volumes of concrete and concrete block respectively, driven by continuity

of public infrastructure projects, urban paving and highways, and activity in the residential, commercial and industrial sectors. Prices remained stable from the same quarter of last year.

On a cumulative basis, consolidated net sales in 2014 rose 19.4% compared to the same period of last year and totaled \$7,463.6 million pesos. In the United States, the 24.9% increase was driven by the increase in construction activity in the United States, primarily arising from strengthening in the residential and non-residential sectors, a more favorable climate and better pricing. In Mexico, the 8.4% sales growth was driven by public infrastructure projects, urban paving and highways, and reactivation in the residential, commercial and industrial sectors.

**NET SALES** (millions of pesos)

	3Q14	3Q13	3Q14 vs 3Q13	2014	2013	2014 vs 2013
<b>Consolidated</b>	<b>3,156.1</b>	<b>2,719.0</b>	<b>16.1%</b>	<b>7,463.6</b>	<b>6,248.6</b>	<b>19.4%</b>
United States	2,390.4	2,012.6	18.8%	5,276.4	4,223.6	24.9%
Mexico	765.7	706.5	8.4%	2,187.2	2,025.0	8.0%

**NET SALES** (millions of dollars)

	3Q14	3Q13	3Q14 vs 3Q13	2014	2013	2014 vs 2013
<b>Consolidates</b>	<b>240.6</b>	<b>210.6</b>	<b>14.3%</b>	<b>569.6</b>	<b>491.7</b>	<b>15.9%</b>
United States	182.2	155.9	16.9%	402.8	331.8	21.4%
Mexico	58.4	54.7	6.7%	166.8	159.9	4.3%

**VARIATION IN SALES VOLUME** (%)

	3Q14 vs 3Q13	2014 vs 2013
<b>Cement</b>	<b>5%</b>	<b>9%</b>
United States	7%	12%
Mexico	-2%	3%
<b>Concrete</b>	<b>18%</b>	<b>22%</b>
United States	24%	27%
Mexico	6%	15%
<b>Block</b>	<b>25%</b>	<b>16%</b>
<b>Aggregates</b>	<b>0%</b>	<b>2%</b>

**Cost of Sales** in the third quarter of 2014 was \$2,331.5 million pesos, accounting for 73.9% of sales, a decrease of 3.6 percentage points from the same period of last year, as a result of a 4.8 percentage point reduction in fixed costs and a slight increase in variable costs, compared to sales, and the positive effect of the increase in sales in both divisions.



During the first nine months of 2014, the cost of sales, as a percentage of sales, was 78.3%, declining 3.2 percentage points from the same period of 2013, reflecting lower variable energy and fuel costs in the U.S. Division, a 2.3 percentage point reduction in fixed productions costs with respect to sales, and the effect of higher volumes and prices, mainly in the U.S. Division.

**Operating Expenses** in the third quarter of 2014 totaled \$259.8 million pesos, decreasing 1.2 percentage points as a percentage of sales, and rising 1.2% over the same quarter of last year.

This increase was mainly due to higher expenses in the cement and energy business and the effect of the depreciation of the peso against the dollar on expenses in the U.S. Division. During the first nine months of 2014, operating expenses increased 4.0%, due to higher salaries and benefits in both divisions, as well as the effect of the depreciation of the peso against the dollar. As a percentage of sales, operating expenses declined 1.5 percentage points.

**Operating Income** in the third quarter of 2014 rose 59.2% over the same quarter of last year and totaled \$564.8 million pesos. Cumulative operating income in the first nine months of the year grew by 92.5% over the same period of last year and totaled \$898.6 million pesos.

**EBITDA** in the third quarter grew by 37.3% compared to the third quarter of 2013, totaling \$772.8 million pesos. The margin increased by 3.8 percentage points to 24.5% of sales. Cumulative EBITDA in 2014 rose 41.4% over the same period of last year and totaled \$1,527.6 million pesos, with a margin of 20.5%, 3.2 percentage points higher than the margin in the first nine months of 2013.

**Net Financial Expenses** in the third quarter of 2014 totaled \$129.8 million pesos, a 1.0% decline compared to the same period of 2013. This was mainly due to a combination of different factors: increase in financial expenses and an exchange gain generated by the depreciation of the peso against the dollar. During the first nine months of 2014, net financial expense was \$399.4 million pesos, an increase of 19.6% over the same period of last year, driven by the adjustment to the effective tax rate used in the calculation of interest-bearing liabilities, financial cost of employee benefits, environmental remediation obligations and the 3.4% cumulative depreciation of the peso against the dollar.

During the third quarter of 2014, **Income Taxes** resulted in a tax charge of \$92.8 million pesos, an increase of 172.5% compared to the third quarter of 2013, primarily due to higher taxable income in the period. Income tax recorded in the first nine months of 2014 reflects a benefit of \$2.6 million pesos.

In the third quarter of 2014, **Consolidated Net Income** totaled \$344.2 million pesos, an increase of 82.9% with respect to the third quarter of 2013. In the first nine months of 2014, consolidated net income rose 790.5% to \$507.0 million pesos, which compares favorably with the loss of \$73.4 million pesos in the same period of last year.

**Free Cash Flow** generated in the third quarter of 2014 totaled \$509.4 million pesos, 8.9% lower than the \$559.2 million pesos in the third quarter of 2013. This variation was due to a combination of the following factors: 37.3% increase in EBITDA, 31.0% reduction in capital expenditures, a lower reversal in working capital as a result of the increase in sales which was reflected in higher receivables, and higher paid taxes.

During the first nine months of 2014, \$135.6 million pesos of free cash flow was generated, which compares favorably with a negative cash flow of \$44.7 million pesos in the same period of 2013.

**EBITDA AND FREE CASH FLOW** (millions of pesos)

	3Q14	3Q13	Var	2014	2013	Var
<b>Operating income</b>	<b>564.8</b>	<b>354.8</b>	<b>59.2%</b>	<b>898.6</b>	<b>466.8</b>	<b>92.5%</b>
Depreciation and amortization	208.0	207.9	0.0%	629.0	613.2	2.6%
<b>EBITDA</b>	<b>772.8</b>	<b>562.7</b>	<b>37.3%</b>	<b>1,527.6</b>	<b>1,080.0</b>	<b>41.4%</b>
Interest income (expense)	(181.8)	(179.2)	1.5%	(407.9)	(297.9)	36.9%
(Increase) Decrease in working capital	36.2	301.0	-88.0%	(403.9)	(205.4)	96.7%
Taxes	(31.0)	(1.4)	2049.1%	(150.6)	(264.4)	-43.0%
Capital expenditures*	(84.5)	(122.5)	-31.0%	(423.0)	(352.2)	20.1%
Other	(2.2)	(1.5)	50.6%	(6.6)	(4.8)	37.0%
<b>Free cash flow</b>	<b>509.4</b>	<b>559.2</b>	<b>-8.9%</b>	<b>135.6</b>	<b>(44.7)</b>	<b>403.3%</b>

\*Excludes investments in new production capacity and acquisitions

Total **Interest-Bearing Debt** at September 30, 2014 was \$6,379.4 million pesos, 1.2% higher than at the end of September 2013. The increase in pesos reflects the 3.4% depreciation of the peso against the dollar and principal amortizations for 2.1% of total debt. At September 30, 2014, net debt totaled \$5,322.9 million pesos, a decrease of 2.1% compared to net debt of \$5,435.1 million pesos at the end of the same period of last year, primarily due to increased cash and short-term investments.

At the close of the third quarter of 2014, short-term debt was \$616.1 million pesos, accounting for 9.7% of the outstanding debt. Of the Company's total debt, 92% is denominated in dollars and 8% in pesos.

GCC's financial leverage declined from 4.3 times in September 2013 to 3.3 times in September 2014, as a result of higher EBITDA and principal repayment on bank debt.

**INTEREST-BEARING DEBT** (millions of pesos)

	Sep-2014	Sep-2013	2014 vs 2013
<b>TOTAL</b>	<b>6,379.4</b>	<b>6,302.1</b>	<b>1.2%</b>
US dollar denominated	92%	92%	
Mexican peso denominated	8%	8%	
<b>Short term</b>	<b>616.1</b>	<b>191.7</b>	<b>221.4%</b>
US dollar denominated	83%	85%	
Mexican peso denominated	17%	15%	
<b>Long term</b>	<b>5,763.3</b>	<b>6,110.4</b>	<b>-5.7%</b>
US dollar denominated	93%	92%	
Mexican peso denominated	7%	8%	

GCC's **Total Assets** at September 30, 2014 were \$22,690.8 million pesos, rising 1.4% compared to the close of the third quarter of 2013, primarily due to a combination of the following factors: increase in cash, receivables, and property, plant and equipment, and a decrease in deferred income taxes (resulting from the application of new tax rules effective as of 2014).

As per the provisions of Article 4.033.01 section VIII of the Mexican Stock Exchange Regulations, the Company discloses that as of January 2014, analyst coverage of GCC stock is conducted by the independent research group Investigaciones MSMexico, S. de R.L. de C.V. (Morningstar).

### **OTHER EVENTS**

This September, Grupo Cementos de Chihuahua, S.A.B. de C.V. (GCC) announced the retirement, effective January 1, 2015, of Mr. Manuel Antonio Milán Reyes as Chief Executive Officer of GCC, after 30 years of service to the Company. Mr. Milan is also a member of the Board of Directors and will continue to serve in that capacity. It was also announced that the Board of Directors appointed Mr. Héctor Enrique Escalante Ochoa as the new CEO of GCC.

Mr. Enrique Escalante has successfully served as President of the U.S. Division since August 2000, the business unit that accounts for two thirds of GCC's sales, and was formerly President of the Mexico Division, positions that have given him solid experience in the cement and concrete industry. Prior to assuming executive positions at GCC, Mr. Escalante held various positions in management and sales for about 20 years in various industries.

Mr. Escalante is an industrial and systems engineering graduate of the Instituto Tecnológico y de Estudios Superiores de Monterrey and holds an MBA from Cornell University. He has been a member of the Young Presidents' Organization since 2003 and was President of the Portland Cement Association (PCA) of the United States from 2008-2010.

In addition, the appointment of Ron Henley was announced as the new President of the U.S. Division to replace Mr. Escalante. Ron Henley joined GCC in 2012 as Vice President of Logistics, U.S. Division and since 2013 has served as Vice President of Concrete in the division, achieving excellent results. Prior to GCC, Henley held various management positions for companies in the construction industry. Henley is a graduate of the University of Missouri in finance and accounting.



## BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

All figures herein were prepared in accordance with International Financial Reporting Standards, and are expressed in Mexican pesos. Unless otherwise stated, all percentage changes refer to the 2014 figures compared to those of 2013.

## About GCC

GCC is a leading supplier of cement, aggregates, concrete and construction-related services in Mexico and the United States. The Company has annual cement production capacity of 4.4 million tons.

Founded in 1941, the Company's shares trade on the Mexican Stock Exchange under the ticker symbol GCC\*.

This document contains forward-looking statements relating to Grupo Cementos de Chihuahua S.A.B. de C.V. and subsidiaries (GCC) based upon management projections. These projections reflect GCC's opinion on future events that may be subject to a number of risks and uncertainties. Various factors may cause actual results to differ from those expressed herein, including, among others, changes in macroeconomic, political, governmental or business conditions in the markets where GCC operates; changes in interest rates, inflation rates and currency exchange rates; construction industry performance; pricing, business strategy and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. GCC assumes no obligation to update or correct the information contained in this press release.



## Income Statement

(Thousands of pesos)

	<b>3Q 2014</b>	<b>%</b>	<b>3Q 2013</b>	<b>%</b>	<b>3Q14 / 3Q13</b>
<b>Net sales</b>	<b>3,156,060</b>	100.0%	<b>2,719,049</b>	100.0%	<b>16.1%</b>
Mexico sales	765,702	24.3%	706,487	26.0%	8.4%
USA sales	2,390,358	75.7%	2,012,562	74.0%	18.8%
Cost of sales	2,331,472	73.9%	2,107,563	77.5%	10.6%
<b>Gross income</b>	<b>824,588</b>	26.1%	<b>611,487</b>	22.5%	<b>34.8%</b>
Operating expenses	259,756	8.2%	256,699	9.4%	1.2%
<b>Operating income (loss)</b>	<b>564,832</b>	17.9%	<b>354,787</b>	13.0%	<b>59.2%</b>
Other expenses, net	2,194	0.1%	1,457	0.1%	50.6%
<b>Operating income (loss) after other expenses, net</b>	<b>562,638</b>	17.8%	<b>353,330</b>	13.0%	<b>59.2%</b>
Financial income	5,563	0.2%	5,930	0.2%	-6.2%
Financial expenses	(141,834)	-4.5%	(135,112)	-5.0%	5.0%
Exchange gain (loss), net	6,500	0.2%	(1,855)	-0.1%	450.5%
<b>Net financing income (expenses)</b>	<b>(129,770)</b>	-4.1%	<b>(131,037)</b>	-4.8%	<b>-1.0%</b>
Earnings in associates	4,145	0.1%	-	0.0%	100.0%
<b>Income (loss) before taxes</b>	<b>437,013</b>	13.8%	<b>222,293</b>	8.2%	<b>96.6%</b>
Income taxes	92,847	2.9%	34,075	1.3%	172.5%
<b>Consolidated net (loss) income</b>	<b>344,165</b>	10.9%	<b>188,218</b>	6.9%	<b>82.9%</b>
<b>Related to equity holders of the parent</b>	<b>344,046</b>	10.9%	<b>188,222</b>	6.9%	<b>82.8%</b>
<b>Non-controlling interests</b>	<b>119</b>	0.0%	<b>(4)</b>	0.0%	<b>3407.3%</b>
<b>EBITDA</b>	<b>772,784</b>	24.5%	<b>562,733</b>	20.7%	<b>37.3%</b>
Free cash flow	509,429	16.1%	559,228	20.6%	-8.9%



## Cumulative Income Statement to September

(Thousands of pesos)

	<b>2014</b>	<b>%</b>	<b>2013</b>	<b>%</b>	<b>2014 / 2013</b>
<b>Net sales</b>	<b>7,463,599</b>	100.0%	<b>6,248,600</b>	100.0%	<b>19.4%</b>
Mexico sales	2,187,222	29.3%	2,024,974	32.4%	8.0%
USA sales	5,276,377	70.7%	4,223,627	67.6%	24.9%
Cost of sales	5,846,235	78.3%	5,090,519	81.5%	14.8%
<b>Gross income</b>	<b>1,617,365</b>	21.7%	<b>1,158,082</b>	18.5%	<b>39.7%</b>
Operating expenses	718,729	9.6%	691,275	11.1%	4.0%
<b>Operating income (loss)</b>	<b>898,635</b>	12.0%	<b>466,806</b>	7.5%	<b>92.5%</b>
Other expenses, net	6,602	0.1%	4,820	0.1%	37.0%
<b>Operating income (loss) after other expenses, net</b>	<b>892,034</b>	12.0%	<b>461,986</b>	7.4%	<b>93.1%</b>
Financial income	16,822	0.2%	12,337	0.2%	36.4%
Financial expenses	(422,157)	-5.7%	(345,763)	-5.5%	22.1%
Exchange gain (loss), net	5,900	0.1%	(675)	0.0%	974.2%
<b>Net financing income (expenses)</b>	<b>(399,436)</b>	-5.4%	<b>(334,101)</b>	-5.3%	<b>19.6%</b>
Earnings in associates	11,800	0.2%	-	0.0%	100.0%
<b>Income (loss) before taxes</b>	<b>504,398</b>	6.8%	<b>127,885</b>	2.0%	<b>294.4%</b>
Income taxes	(2,596)	0.0%	201,309	3.2%	-101.3%
<b>Consolidated net (loss) income</b>	<b>506,994</b>	6.8%	<b>(73,424)</b>	-1.2%	<b>790.5%</b>
<b>Related to equity holders of the parent</b>	<b>506,877</b>	6.8%	<b>(73,471)</b>	-1.2%	789.9%
<b>Non-controlling interests</b>	<b>118</b>	0.0%	<b>48</b>	0.0%	147.4%
<b>EBITDA</b>	<b>1,527,625</b>	20.5%	<b>1,079,991</b>	17.3%	<b>41.4%</b>
Free cash flow	135,585	1.8%	(44,703)	-0.7%	403.3%

## 2014 Income Statement

(Thousands of pesos)

	1Q 2014	%	2Q 2014	%	3Q 2014	%	2014
<b>Net sales</b>	<b>1,744,773</b>	100.0%	<b>2,562,766</b>	100.0%	<b>3,156,060</b>	100.0%	<b>7,463,599</b>
Mexico sales	689,985	39.5%	731,535	28.5%	765,702	24.3%	2,187,222
USA sales	1,054,788	60.5%	1,831,231	71.5%	2,390,358	75.7%	5,276,377
Cost of sales	1,490,788	85.4%	2,023,974	79.0%	2,331,472	73.9%	5,846,235
<b>Gross income</b>	<b>253,985</b>	14.6%	<b>538,792</b>	21.0%	<b>824,588</b>	26.1%	<b>1,617,365</b>
Operating expenses	235,721	13.5%	223,253	8.7%	259,756	8.2%	718,729
<b>Operating income (loss)</b>	<b>18,264</b>	1.0%	<b>315,539</b>	12.3%	<b>564,832</b>	17.9%	<b>898,635</b>
Other expenses, net	700	0.0%	3,707	0.1%	2,194	0.1%	6,602
<b>Operating income (loss) after other expenses, net</b>	<b>17,564</b>	1.0%	<b>311,832</b>	12.2%	<b>562,638</b>	17.8%	<b>892,034</b>
Financial income	7,022	0.4%	4,237	0.2%	5,563	0.2%	16,822
Financial expenses	(139,107)	-8.0%	(141,217)	-5.5%	(141,834)	-4.5%	(422,157)
Exchange gain (loss), net	2,741	0.2%	(3,341)	-0.1%	6,500	0.2%	5,900
<b>Net financing income (expenses)</b>	<b>(129,344)</b>	-7.4%	<b>(140,321)</b>	-5.5%	<b>(129,770)</b>	-4.1%	<b>(399,436)</b>
Earnings in associates	3,935	0.2%	3,720	0.1%	4,145	0.1%	11,800
<b>Income (loss) before Taxes</b>	<b>(107,845)</b>	-6.2%	<b>175,231</b>	6.8%	<b>437,013</b>	13.8%	<b>504,398</b>
Income taxes	(97,868)	-5.6%	2,424	0.1%	92,847	2.9%	(2,596)
<b>Consolidated net (loss) income</b>	<b>(9,977)</b>	-0.6%	<b>172,806</b>	6.7%	<b>344,165</b>	10.9%	<b>506,995</b>
<b>Related to equity holders of the parent</b>	<b>(9,996)</b>	-0.6%	<b>172,827</b>	6.7%	<b>344,046</b>	10.9%	<b>506,877</b>
<b>Non-controlling interests</b>	<b>19</b>	0.0%	<b>(20)</b>	0.0%	<b>119</b>	0.0%	<b>118</b>
<b>EBITDA</b>	<b>230,823</b>	13.2%	<b>524,018</b>	20.4%	<b>772,784</b>	24.5%	<b>1,527,625</b>

## 2013 Income Statement

(Thousands of pesos)

	1Q 2013	%	2Q 2013	%	3Q 2013	%	2013
<b>Net sales</b>	<b>1,437,640</b>	100.0%	<b>2,091,911</b>	100.0%	<b>2,719,049</b>	100.0%	<b>6,248,600</b>
Mexico sales	613,299	42.7%	705,188	33.7%	706,487	26.0%	2,024,974
USA sales	824,341	57.3%	1,386,723	66.3%	2,012,562	74.0%	4,223,627
Cost of sales	1,283,967	89.3%	1,698,989	81.2%	2,107,563	77.5%	5,090,519
<b>Gross income</b>	<b>153,673</b>	10.7%	<b>392,922</b>	18.8%	<b>611,487</b>	22.5%	<b>1,158,082</b>
Operating expenses	221,833	15.4%	212,743	10.2%	256,699	9.4%	691,275
<b>Operating income (loss)</b>	<b>(68,160)</b>	-4.7%	<b>180,179</b>	8.6%	<b>354,787</b>	13.0%	<b>466,806</b>
Other expenses, net	345	0.0%	3,018	0.1%	1,457	0.1%	4,820
<b>Operating income (loss) after other expenses, (net)</b>	<b>(68,504)</b>	-4.8%	<b>177,160</b>	8.5%	<b>353,330</b>	13.0%	<b>461,986</b>
Financial income	3,262	0.2%	3,145	0.2%	5,930	0.2%	12,337
Financial expenses	(114,537)	-8.0%	(96,114)	-4.6%	(135,112)	-5.0%	(345,763)
Exchange gain (loss), net	(2,706)	-0.2%	3,886	0.2%	(1,855)	-0.1%	(675)
<b>Net financing income (expenses)</b>	<b>(113,981)</b>	-7.9%	<b>(89,083)</b>	-4.3%	<b>(131,037)</b>	-4.8%	<b>(334,101)</b>
Earnings in associates	-	0.0%	-	0.0%	-	0.0%	-
<b>Income (loss) before taxes</b>	<b>(182,486)</b>	-12.7%	<b>88,078</b>	4.2%	<b>222,293</b>	8.2%	<b>127,885</b>
Income taxes	(83,878)	-5.8%	251,111	12.0%	34,075	1.3%	201,309
<b>Consolidated net (loss) income</b>	<b>(98,608)</b>	-6.9%	<b>(163,033)</b>	-7.8%	<b>188,218</b>	6.9%	<b>(73,424)</b>
<b>Related to equity holders of the parent</b>	<b>(98,527)</b>	-6.9%	<b>(163,167)</b>	-7.8%	<b>188,222</b>	6.9%	<b>(73,471)</b>
<b>Non-controlling interest</b>	<b>(81)</b>	0.0%	<b>133</b>	0.0%	<b>(4)</b>	0.0%	<b>48</b>
<b>EBITDA</b>	<b>135,104</b>	9.4%	<b>382,154</b>	18.3%	<b>562,733</b>	20.7%	<b>1,079,991</b>

## Statement of Financial Position

(Thousands of pesos)

	SEPTEMBER 2014	SEPTEMBER 2013	Variation
<b>Total assets</b>	<b>22,690,781</b>	<b>22,379,844</b>	1.4%
<b>Current Assets</b>	<b>4,848,083</b>	<b>4,094,948</b>	18.4%
Cash and cash equivalents	1,056,511	867,008	21.9%
Accounts receivable, net	1,613,499	1,309,726	23.2%
Other accounts receivable, net	546,190	328,269	66.4%
Inventories	1,520,323	1,475,264	3.1%
Prepaid expenses	111,560	114,682	-2.7%
<b>Non-current assets</b>	<b>5,770,332</b>	<b>6,337,334</b>	<b>-8.9%</b>
Investment in associates	123,280	109,423	12.7%
Goodwill	4,312,978	4,389,961	-1.8%
Other non-current assets	267,674	351,642	-23.9%
Deferred taxes	1,066,400	1,486,308	-28.3%
Property, machinery and equipment, net	12,072,366	11,947,561	1.0%
<b>Total liabilities</b>	<b>9,665,615</b>	<b>10,363,896</b>	-6.7%
<b>Current liabilities</b>	<b>1,965,359</b>	<b>1,572,826</b>	25.0%
<i>Bank debt</i>	<i>615,456</i>	<i>164,237</i>	274.7%
<i>Senior secured notes</i>	<i>-</i>	<i>-</i>	0.0%
<i>Other cost bearing liabilities</i>	<i>690</i>	<i>27,492</i>	-97.5%
Trade accounts payable	993,329	771,962	28.7%
Other current liabilities	355,884	609,135	-41.6%
<b>Long-term liabilities</b>	<b>7,700,256</b>	<b>8,791,070</b>	-12.4%
<i>Bank debt</i>	<i>2,389,839</i>	<i>2,857,244</i>	-16.4%
<i>Senior secured notes</i>	<i>3,373,456</i>	<i>3,252,596</i>	3.7%
<i>Other cost bearing liabilities</i>	<i>-</i>	<i>559</i>	-100.0%
Employee benefits	400,235	450,509	-11.2%
Remediation obligation of the assets	50,043	38,188	31.0%
Deferred income taxes	1,486,684	2,191,975	-32.2%
<b>Total equity</b>	<b>13,025,165</b>	<b>12,015,948</b>	8.4%
<b>Equity attributable to equity holders of the parent</b>	<b>13,021,691</b>	<b>12,012,590</b>	8.4%
Capital stock	396,270	396,270	0.0%
Additional paid-in capital	1,832,940	1,832,940	0.0%
Reserves	279,998	279,998	0.0%
Retained earnings	9,642,447	9,715,450	-0.8%
Net consolidated (loss) income	506,994	(73,472)	790.1%
Other comprehensive income	363,041	(138,597)	361.9%
<b>Non-controlling interest</b>	<b>3,474</b>	<b>3,358</b>	3.5%
<b>Total liabilities and equity</b>	<b>22,690,781</b>	<b>22,379,844</b>	1.4%



## Income Statement

(Thousands of dollars)

	3Q 2014	%	3Q 2013	%	3Q14 / 3Q13
<b>Net sales</b>	<b>240,605</b>	100.0%	<b>210,555</b>	100.0%	<b>14.3%</b>
Mexico sales	58,385	24.3%	54,704	26.0%	6.7%
USA sales	182,220	75.7%	155,851	74.0%	16.9%
Cost of sales	177,768	73.9%	163,172	77.5%	8.9%
<b>Gross income</b>	<b>62,837</b>	26.1%	<b>47,383</b>	22.5%	<b>32.6%</b>
Operating expenses	19,802	8.2%	19,916	9.5%	-0.6%
<b>Operating income (loss)</b>	<b>43,034</b>	17.9%	<b>27,467</b>	13.0%	<b>56.7%</b>
Other expenses, net	166	0.1%	113	0.1%	46.9%
<b>Operating income (loss) after other expenses, (net)</b>	<b>42,869</b>	17.8%	<b>27,354</b>	13.0%	<b>56.7%</b>
Financial income	420	0.2%	457	0.2%	-8.2%
Financial expenses	(10,818)	-4.5%	(10,442)	-5.0%	3.6%
Exchange gain (loss), net	454	0.2%	(144)	-0.1%	416.2%
<b>Net financing income (expenses)</b>	<b>(9,944)</b>	-4.1%	<b>(10,129)</b>	-4.8%	<b>-1.8%</b>
Earnings in associates	313	0.1%	-	0.0%	100.0%
<b>Income (loss) before taxes</b>	<b>33,238</b>	13.8%	<b>17,225</b>	8.2%	<b>93.0%</b>
Income taxes	7,062	2.9%	2,590	1.2%	172.7%
<b>Consolidated net (loss) income</b>	<b>26,175</b>	10.9%	<b>14,636</b>	7.0%	<b>78.8%</b>
<b>Related to equity holders of the parent</b>	<b>26,166</b>	10.9%	<b>14,636</b>	6.1%	<b>78.8%</b>
<b>Non-controlling interests</b>	<b>9</b>	0.0%	-	0.0%	100.0%
<b>EBITDA</b>	<b>58,887</b>	24.5%	<b>43,567</b>	20.7%	<b>35.2%</b>

## Cumulative Income Statement to September

(Thousands of dollars)

	2014	%	2013	%	2014 / 2013
<b>Net sales</b>	<b>569,629</b>	100.0%	<b>491,665</b>	100.0%	<b>15.9%</b>
Mexico sales	166,794	29.3%	159,855	32.5%	4.3%
USA sales	402,835	70.7%	331,810	67.5%	21.4%
Cost of sales	446,122	78.3%	400,862	81.5%	11.3%
<b>Gross income</b>	<b>123,507</b>	21.7%	<b>90,803</b>	18.5%	<b>36.0%</b>
Operating expenses	54,779	9.6%	54,567	11.1%	0.4%
<b>Operating income (loss)</b>	<b>68,728</b>	12.1%	<b>36,236</b>	7.4%	<b>89.7%</b>
Other expenses, net	504	0.1%	372	0.1%	35.5%
<b>Operating income (loss) after other expenses, (net)</b>	<b>68,224</b>	12.0%	<b>35,864</b>	7.3%	<b>90.2%</b>
Financial income	1,276	0.2%	959	0.2%	33.0%
Financial expenses	(32,184)	-5.7%	(27,212)	-5.5%	18.3%
Exchange gain (loss), net	405	0.1%	(54)	0.0%	844.3%
<b>Net financing income (expenses)</b>	<b>(30,503)</b>	-5.4%	<b>(26,307)</b>	-5.4%	<b>15.9%</b>
Earnings in associates	895	0.2%	-	0.0%	100.0%
<b>Income (loss) before Taxes</b>	<b>38,616</b>	6.8%	<b>9,557</b>	1.9%	<b>304.0%</b>
Income taxes	(128)	0.0%	15,897	3.2%	-100.8%
<b>Consolidated net (loss) income</b>	<b>38,744</b>	6.8%	<b>(6,340)</b>	-1.3%	<b>711.1%</b>
<b>Related to equity holders of the parent</b>	<b>38,735</b>	6.8%	<b>(6,344)</b>	-1.3%	710.6%
<b>Non-controlling interests</b>	<b>9</b>	0.0%	<b>4</b>	0.0%	139.1%
<b>EBITDA</b>	<b>116,674</b>	20.5%	<b>84,591</b>	17.2%	<b>37.9%</b>