

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2014 and 2013

(Thousands of Mexican pesos)

*These financial statements have been translated from the Spanish language original and for the convenience of foreign/English-speaking readers.*

	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 2,450,883	904,819
Trade receivables (notes 6 and 9)	1,597,246	1,647,826
Debtors (note 9)	99,096	46,330
Value added tax recoverable	495,996	365,620
Income tax recoverable	-	103,507
Related parties (note 7)	104,630	251,212
	<u>2,296,968</u>	<u>2,414,495</u>
Inventories (note 8)	1,939,019	1,985,769
Derivative financial instruments (note 5)	23,641	6,916
Advanced payments	58,315	54,653
Total current assets	6,768,826	5,366,652
Property, machinery and equipment (note 10)	4,245,744	4,110,899
Investment in shares of the associated parties (note 12)	5,226,855	4,598,513
Intangible assets and goodwill (note 11)	6,636,241	6,608,383
Deferred income tax (note 18)	350,377	276,074
Other assets	33,209	28,738
<b>Total assets</b>	<b>\$ 23,261,252</b>	<b>20,989,259</b>

	<b>2014</b>	<b>2013</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>SHORT-TERM LIABILITIES:</b>		
Current installments of long-term bankloans and notes payable (note 14)	\$ 900,000	-
Suppliers	991,594	1,094,386
Creditors	487,437	484,430
Related parties (note 7)	273,221	48,639
Derivative financial instruments	36,478	-
Income tax payable	243,388	-
Employees' statutory profit sharing payable	<u>11,673</u>	<u>10,944</u>
Total short-term liabilities	<u>2,943,791</u>	<u>1,638,399</u>
<b>LONG-TERM LIABILITIES:</b>		
Notes payable, excluding current installments (note 14)	4,880,479	4,979,370
Long-term debt (note 14)	1,127,662	1,064,219
Derivative financial instruments (note 5)	31,706	31,921
Deferred income tax (note 18)	785,124	814,512
Taxes under tax consolidation (note 18)	207,903	218,643
Employee benefits (note 17)	<u>108,665</u>	<u>112,173</u>
Total long-term liabilities	<u>7,141,539</u>	<u>7,220,838</u>
Total liabilities	<u>10,085,330</u>	<u>8,859,237</u>
<b>STOCKHOLDERS' EQUITY (NOTE 19):</b>		
Capital stock	575,625	575,625
Reserve for repurchase of shares	385,886	601,911
Retained earnings	5,035,707	4,265,071
Statutory reserve	141,862	141,862
Premium on the subscription of shares	113,110	113,110
Financial instruments	(26,882)	(19,114)
Cumulative translation adjustment	<u>83,730</u>	<u>(13,757)</u>
Capital attributable to controlling interest	6,309,038	5,664,708
Capital attributable to non-controlling interest	<u>6,866,884</u>	<u>6,465,314</u>
Total stockholders' equity	13,175,922	12,130,022
Contingencies and commitments (notes 27 and 28)		
Subsequent event (note 29)		
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 23,261,252</u></b>	<b><u>20,989,259</u></b>

See accompanying notes to consolidated financial statements.

# CONSOLIDATED STATEMENTS OF INCOME

Years ended December 31, 2014 and 2013

(Thousands of Mexican pesos)

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	<b>2014</b>	<b>2013</b>
Net sales (note 20)	\$ 14,318,529	13,180,293
Cost of goods sold (note 21)	<u>8,736,508</u>	<u>8,541,161</u>
Gross profit	<u>5,582,021</u>	<u>4,639,132</u>
Operating expenses:		
Selling (note 22)	2,811,284	2,449,008
Administrative (note 22)	<u>593,549</u>	<u>465,715</u>
	<u>3,404,833</u>	<u>2,914,723</u>
Income before other expenses and incomes	2,177,188	1,724,409
Other (expenses) income, net (note 23)	<u>(64,569)</u>	<u>32,636</u>
Operating income	<u>2,112,619</u>	<u>1,757,045</u>
Financial result:		
Interest earned and foreign exchange gain (note 24)	891,076	938,986
Interest paid and foreign exchange loss (note 24)	<u>(1,149,546)</u>	<u>(1,198,375)</u>
Financial result, net	<u>(258,470)</u>	<u>(259,389)</u>
Equity investment in associates (note 12)	<u>414,334</u>	<u>186,323</u>
Income before income taxes	2,268,483	1,683,979
Income taxes (note 18)	<u>764,195</u>	<u>536,465</u>
Consolidated net income for the year	<b><u>\$ 1,504,288</u></b>	<b><u>1,147,514</u></b>
Net income attributable to non-controlling interests	\$ 733,294	539,825
Net income attributable to controlling interests	<u>770,994</u>	<u>607,689</u>
Consolidated net income for the year	<b><u>\$ 1,504,288</u></b>	<b><u>1,147,514</u></b>
Basic earnings per common and diluted share in Mexican pesos (note 26)	<b><u>\$ 1.794</u></b>	<b><u>1.407</u></b>

See accompanying notes to consolidated financial statements.

# CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

Years ended December 31, 2014 and 2013

(Thousands of Mexican pesos)

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	<b>2014</b>	<b>2013</b>
Consolidated net income for the year	\$ 1,504,288	1,147,514
Items that will not be reclassified to income:		
Actuarial losses on employee benefit obligations	(292)	(6,544)
Items that will or can be reclassified subsequently to income:		
Foreign currency translation results	194,974	(16,664)
Change in valuation of derivative financial instruments	<u>(12,852)</u>	<u>30,383</u>
Consolidated comprehensive income	<b><u>\$ 1,686,118</u></b>	<b><u>1,154,689</u></b>
Comprehensive income attributable to non-controlling interest	\$ 825,763	541,429
Comprehensive income attributable to controlling interest	<u>860,355</u>	<u>613,260</u>
Consolidated comprehensive income	<b><u>\$ 1,686,118</u></b>	<b><u>1,154,689</u></b>

See accompanying notes to consolidated financial statements.

# CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Years ended December 31, 2014 and 2013

(Thousands of Mexican pesos)

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	CAPITAL STOCK	RESERVE FOR REPURCHASE OF SHARES	RETAINED EARNINGSS
<b>BALANCES AS OF DECEMBER 31, 2012</b>	\$ 575,625	600,000	4,396,286
Repurchase of outstanding shares (note 19(a))	-	(19,586)	-
Placement of shares (note 19(a))	-	21,497	-
Payment of dividends (note 19(c))	-	-	(734,397)
Increase in stockholders' equity for non-controlling interest	-	-	-
	-	1,911	(734,397)
Comprehensive income (note 3):			
Net income for the year	-	-	607,689
Cumulative effect of translation	-	-	-
Change in valuation of derivative financial instruments	-	-	-
Actuarial losses on employee benefit obligations	-	-	(4,507)
Comprehensive income for the year	-	-	603,182
<b>BALANCES AS OF DECEMBER 31, 2013</b>	575,625	601,911	4,265,071
Repurchase of outstanding shares (note 19(a))	-	(237,141)	-
Placement of shares (note 19(a))	-	21,116	-
Payment of dividends (note 19(c))	-	-	-
Reimbursement to stockholders for non-controlling interest	-	-	-
Increase in stockholders' equity for non-controlling interest	-	-	-
	-	(216,025)	-
Comprehensive income (note 3):			
Net income for the year	-	-	770,994
Cumulative effect of translation	-	-	-
Change in valuation of derivative financial instruments	-	-	-
Actuarial losses on employee benefit obligations	-	-	(358)
Comprehensive income for the year	-	-	770,636
<b>BALANCES AS OF DECEMBER 31, 2014</b>	\$ 575,625	385,886	5,035,707

See accompanying notes to consolidated financial statements.

	STATUTORY RESERVE	PREMIUM ON THE SUBSCRIPTION OF SHARES	FINANCIAL INSTRUMENTS	CUMULATIVE TRANSLATION ADJUSTMENTS	CAPITAL ATTRIBUTABLE TO CONTROLLING INTEREST	CAPITAL ATTRIBUTABLE TO NON-CONTROLLING INTEREST	TOTAL STOCKHOLDERS' EQUITY
	141,862	113,110	(37,524)	(5,425)	5,783,934	6,268,885	12,052,819
	-	-	-	-	(19,586)	-	(19,586)
	-	-	-	-	21,497	-	21,497
	-	-	-	-	(734,397)	(350,000)	(1,084,397)
	-	-	-	-	-	5,000	5,000
	-	-	-	-	(732,486)	(345,000)	(1,077,486)
	-	-	-	-	607,689	539,825	1,147,514
	-	-	-	(8,332)	(8,332)	(8,332)	(16,664)
	-	-	18,410	-	18,410	11,973	30,383
	-	-	-	-	(4,507)	(2,037)	(6,544)
	-	-	18,410	(8,332)	613,260	541,429	1,154,689
	141,862	113,110	(19,114)	(13,757)	5,664,708	6,465,314	12,130,022
	-	-	-	-	(237,141)	-	(237,141)
	-	-	-	-	21,116	-	21,116
	-	-	-	-	-	(384,625)	(384,625)
	-	-	-	-	-	(28,500)	(28,500)
	-	-	-	-	-	(11,068)	(11,068)
	-	-	-	-	(216,025)	(424,193)	(640,218)
	-	-	-	-	770,994	733,294	1,504,288
	-	-	-	97,487	97,487	97,487	194,974
	-	-	(7,768)	-	(7,768)	(5,084)	(12,852)
	-	-	-	-	(358)	66	(292)
	-	-	(7,768)	97,487	860,355	825,763	1,686,118
	<b>141,862</b>	<b>113,110</b>	<b>(26,882)</b>	<b>83,730</b>	<b>6,309,038</b>	<b>6,866,884</b>	<b>13,175,922</b>

# CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended December 31, 2014 and 2013

(Thousands of Mexican pesos)

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	<b>2014</b>	<b>2013</b>
Operating activities:		
Income before income taxes	\$ 2,268,483	1,683,979
Adjustments for:		
Depreciation and amortization	302,587	292,908
Profit on sale of property, machinery and equipment	(23,159)	(13,515)
Net period cost	12,602	29,798
Interest income	(23,399)	(62,130)
Foreign exchange gain	(144,874)	(22,421)
Investment in subsidiaries and associates	(414,334)	(186,323)
Impairment losses on intangible assets	29,787	-
Allowance for impairment	142,338	-
Other expenses without cash flow	-	(3,257)
Cancellation of provisions	(24,569)	-
Employee statutory profit sharing	11,058	8,723
Interest expense	400,447	342,035
Subtotal	2,536,967	2,069,797
Decrease in accounts receivable	26,045	167,063
Decrease (increase) in inventories	46,750	(228,037)
Decrease (increase) in related parties, net	158,039	(15,429)
Increase in advanced payments and taxes recoverable	(30,531)	(21,030)
(Decrease) increase in suppliers	(102,792)	103,612
(Decrease) increase in other accounts payable and creditors	(25,387)	42,003
Income tax paid	(639,064)	(620,534)
Net cash provided by operating activities	1,970,027	1,497,445
Investing activities:		
Business acquired	-	(2,886,768)
Increased equity interest in subsidiaries	(42,116)	-
Dividends received	129,577	305,267
Interest received	23,044	60,944
Acquisition of property, machinery and equipment	(710,160)	(889,911)
Proceeds from sale of property, machinery and equipment	160,661	139,796
Acquisition of intangibles	(40,138)	-
Net cash used in investing activities	(479,132)	(3,270,672)

(Continued)

	<b>2014</b>	<b>2013</b>
Financing activities::		
Cash in flow from issuance of certificados bursátiles (domestic bonds)	1,000,000	3,000,000
Proceeds from long-term bank loans	1,300,000	200,000
(Decrease) increase in capital stock on non-controlling interest	(11,068)	5,000
Long-term bank loans paid	(1,500,000)	(389,640)
Other long-term liabilities	63,443	(47,707)
Repurchase of shares	(237,141)	(19,585)
Placement of shares	21,116	21,497
Interest paid	(407,477)	(320,223)
Dividends paid	(171,500)	(1,084,397)
Reimbursement to stockholders for non-controlling interest	(28,500)	-
Net cash provided by financing activities	<u>28,873</u>	<u>1,364,945</u>
Increase (decrease) in cash and cash equivalents	1,519,768	(408,282)
Effect from exchange rate on cash and cash equivalents	<u>26,296</u>	<u>1,905</u>
Net increase (decrease) in cash and cash equivalents	1,546,064	(406,377)
Cash and cash equivalents:		
At beginning of the year	<u>904,819</u>	<u>1,311,196</u>
At end of the year	<u><b>\$ 2,450,883</b></u>	<u><b>904,819</b></u>

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