

GRUPO POCHTECA REPORTS ITS RESULTS FOR THE FIRST QUARTER OF 2015

Mexico City, April 24, 2015 – Grupo Pochteca, S.A.B. de C.V. (“Pochteca” or “the Company”) (BMV: POCHTEC) announced today its unaudited results for the quarter ended March 31, 2015 (“1Q15”).

Report Highlights

It is important to note that all 1Q15 results are fully comparable with those of 1Q14 as the consolidation of Coremal in Brazil began in 1Q14.

- **Sales -1.1%** year on year to Ps 1.47 billion
- **Gross margin 18.2%**, +120bp compared to 1Q14
- **Consolidated EBITDA +21.9%** to Ps81 million
- **Mexico EBITDA +27% and Brazil EBITDA +21%**
- **EBITDA margin 5.5%**, +100bp above that of 1Q14
- **Mexico EBITDA margin +140bp and Brazil EBITDA margin +60bp**
- **Net income of Ps7 million**, 40% below that of 1Q14 due to foreign exchange losses; the company registered forex gains for 1Q14
- **Net Debt to EBITDA narrowed to 1.9 times**, in line with our internal policy of not surpassing 2 times, after this indicator had risen from 1.8 times prior to the Coremal acquisition to a peak of 2.8 times in 2Q14

In commenting on these 1Q15 results, Pochteca’s Chief Executive Officer Armando Santacruz said, “As we have noted in previous statements, we are proud of how the company has managed to achieve double digit EBITDA growth as it successfully navigated the extremely adverse environment of the past six months that has been marked by the abrupt and pronounced drop in oil prices. The price of West Texas Intermediate (WTI) fell 53% from USD101.57 at March 31, 2014, to USD47.72 at the end of the most recent quarter. In this context, the prices of the oil derivatives that Grupo Pochteca distributes fell by between 10% and 30% in pesos during this period, an effect that was partially offset by the weakening of the Mexican peso (MXN) in relation to the dollar (USD).

Pochteca Executive Director Eugenio Manzano added that, “We consider the positive results achieved in a highly complicated environment a sign of just how much our one-stop-shop proposal and company management model have proven to be both solid and efficient, based on a broad diversification of products and clients, as well as a growing emphasis on value added blends.”

SELECTED FINANCIAL INFORMATION (MILLIONS OF PESOS)

	1Q15	1Q14	(%) 1Q15 vs 1Q14
Sales	1,472	1,489	-1%
Gross Profit	268	253	6%
Gross Margin (%)	18.2%	17.0%	120pb
Operating Profit	54	42	27%
Operating Margin (%)	3.7%	2.9%	80pb
Depreciation	27	24	13%
EBITDA	81	67	22%
EBITDA Margin (%)	5.5%	4.5%	100pb
Interest Expense	28	27	3%
Foreign Exchange Loss	(15)	0	NC
Income Before Tax	11	16	-29%
Net Income / (Loss)	7	11	-40%
Net Debt / EBITDA 12 M	1.9x	2.5x	
Interest Coverage	2.7x	2.5x	

EBITDA = operating income before depreciation and amortization; NC = non comparable

Highlights from the most recent quarter

- **We continue to successfully manage an adverse environment**
 - Once again we managed to grow our gross and EBITDA margins despite greatly reduced prices for oil and related products. Approximately 27% of our sales in Mexico consist of petroleum based solvents, coatings and blends. We also suffered significant deflation on important product lines such as dairy derivatives, corn derivatives, and mining inputs.
 - Activity remains depressed in other sectors that are key for Pochteca such as mining and construction.
 - Our one-stop-shop proposal to clients and diversification into blends have helped to mitigate the impact of falling prices and made it possible to expand our gross margins.
 - We are encouraged by results from cross selling with our Brazil unit. We have begun to successfully penetrate sectors in which Pochteca Coremal had no participation such as oil exploration and drilling. It is a gradual process, but one that we are confident will produce results.
 - Manufacturing and energy reform will be key growth drivers. Our exposure to manufacturing, one of the most dynamic components of the economy, remains a point of strength of Pochteca.
 - We are optimistic about Coremal's prospects in the complicated situation Brazil is experiencing. We continue to strengthen Coremal's operations, processes and

management model. We are confident it will continue to register growth in both sales and EBITDA in the coming years.

As we indicated at the beginning of this statement, 1Q15 results are fully comparable with those of 1Q14 as the consolidation of Coremal in Brazil began in 1Q14.

- **Sales decreased 1% compared to 1Q14.** Consolidated sales decreased 1% principally because the adverse impact of falling prices for the products we sell was more pronounced than the positive effect of a weaker peso. The peso averaged 13.23 to the dollar in 1Q14, and 14.94 to the dollar in 1Q15, a depreciation of 12.9%.
- **Gross income grew 6%, widening from Ps253 million in 1Q14 to Ps268 million in the most recent quarter as the consolidated gross margin widened 120 basis points to 18.2%.** Just as we saw in 4Q14, the company managed to grow our gross margin even as prices fell for key products such as solvents, dairy derivatives, corn derivatives and mining inputs.
- **Our effective cost controls and increasing focus on higher margin products such as blends and chemicals for the food industry had a favorable effect.** The 12.9% weakening of the peso (MXN) in relation to the US dollar (USD) between 1Q14 and 1Q15 partially cancelled out the effect of the contraction in raw material prices, particularly those of oil derivatives.

1Q14		1Q15
17.0%	Gross margin	18.2%

- **Operating income grew 27% in 1Q15, from Ps42 million in 1Q14 to Ps54 million.** Operating margin expanded by 60 basis points to 3.7%. Both increases were achieved largely thanks to a effective controls on operating expenses which, excluding depreciation, were unchanged from the same quarter a year earlier, and stronger emphasis on sales of added value products.
- **EBITDA increased 22% compared to 1Q14 while EBITDA margin expanded 100 basis points to 5.5%.** Operations in both Mexico and Brazil turned in very strong performances and showed double digit EBITDA growth during 1Q15: Mexico +27% and Brazil +21%.
- **EBITDA margin growth extended to both countries.** That of Mexico grew 140bp to 5.7% and in Brazil it added 60bp to 5.0%. We are confident we can sustain this growth trend in the

operating profitability of Coremal in Brazil on the strength of our introduction of Pochteca's management model beginning in January 2014.

- **Operating expenses (excluding depreciation) were practically unchanged from 1Q14.** We regard this as a significant achievement considering that expenses in Brazil are higher due to structural reasons, as we will explain below. As a percentage of sales, expenses rose on slightly from 12.5% in 1Q14 to 12.7% in 1Q15 due to lower sales. We are focused on harmonizing Coremal's operating expenses with those we maintain in Mexico despite the structural restrictions in Brazil, primarily consisting of the effect on payrolls of social benefits and some fiscal and regulatory issues.

1Q14		1Q15
12.5%	Expenses / Sales	12.7%

- **Net interest expense increased 3% year on year.** It is important to note that 1Q15 results included the following:
 - The consolidation of interests paid by Coremal on its Brazilian debt (equivalent to Ps285 million). Until August 2014 the interest rates Coremal paid were more than twice as high as those Pochteca was paying in Mexico.
 - Incremental debt assumed in Mexico during 1Q14 with which to finance the acquisition of Coremal (Ps 170 million)
- **As we noted in our previous reports,** we estimate that financial expenses will be lower going forward for the following reasons:
 - We refinanced the debt of Coremal in Brazil at a rate 295 basis points lower than before.
 - We are also confident we will be able to generate higher cash levels through:
 - Greater EBITDA
 - Lower inventories and
 - Improved terms of payment to suppliers, especially at Coremal
- **The Ps7 million net profit of 1Q15 was below the Ps11 million in net income achieved in 1Q14.** Earnings were mainly weakened by a Ps15 million foreign exchange loss that marked a reversal of the foreign exchange gain reported for 1Q14.
- **Improved working capital.** At the end of 1Q15 our working capital was equivalent to 16 days of sales, 21 fewer days compared to 1Q14 and 12 less days than in 4Q14. Our main challenge is to continue scaling back inventories and reducing accounts receivable in order to increase our cash position and lower our degree of leverage.

- **Net debt at the end of 1Q15 stood at Ps598 million, 15% or Ps105 million less than at the end of 1Q14.** It is important to mention that, as we informed the public at the time, on December 4, we concluded our refinancing of a Ps610 million syndicated credit with HSBC México, S.A., Institución de Banca Múltiple, and Grupo Financiero Inbursa, S.A. The original credit had been scheduled to come due in June 2015. The new loan is for four years with a one year grace period.
- **Net Debt to EBITDA narrowed to 1.9 times in 1Q15**, a level in line with our internal policy of not surpassing 2 times. It is important to point out that this indicator had risen from 1.8 times prior to the Coremal acquisition, which concluded December 31, 2013, to a more than two year high of 2.8 times in 2Q14. This was a result of the consolidation of the Brazilian debt of Coremal and the credits Pochteca took out in order to finance the acquisition, as we explained on previous occasions.
- **As we have indicated previously**, we remain focused on generating cash flow through an energetic management of working capital and both cost and expense controls as a way to increase EBITDA.
- **In 1Q15 interest coverage (EBITDA / interest) was 2.7 times.** This indicator is higher than the 2.5x level of 1Q14.

	1Q15	1Q14
Net Debt (Ps millions)	598	703
Net Debt / EBITDA 12 M	1.9x	2.5x
Interest Coverage	2.7x	2.5x
Outstanding Shares	130,522,049	130,522,049

Guidance for 2015

We are confirming the guidance for 2015 we published in our report for 4Q14:

Sales: Ps6.30 billion, +4% yoy
 EBITDA: Ps345 million +14% yoy
 EBITDA margin: 5.5%, +50bp yoy

Stock buyback fund

For the time being the only manager of Grupo Pochteca's fund for repurchasing shares is Punto Casa de Bolsa, S.A. de C.V.

Market maker

In order to increase the stock's marketability and complement the steps the company is taking to better attend to the investing public, as of October 22, 2014 UBS Casa de Bolsa, S.A. de C.V. began working as the designated market maker for Grupo Pochteca, S.A.B. de C.V. We are confident that this decision as well as other measures the company has taken will make for a greater depth of trading in our shares.

Independent analysis and brokerage coverage

Grupo Pochteca, S.A.B. de C.V., registered in the independent analysis program and the Selection Subcommittee agreed to assign the company to the firm Consultora 414, S.A. de C.V., "CONSULTORA 414", to assume responsibility for providing analysis of POCHTECA stock.

At present Actinver Casa de Bolsa, BBVA Bancomer, Casa de Bolsa Interacciones and Vector Casa de Bolsa have Pochteca under coverage.

About Grupo Pochteca

Grupo Pochteca specializes in the sale and distribution of a broad array of industrial raw materials, a task in which it attends to more than 40 industrial sectors including water treatment, mining, the food and automotive industries, oil exploration and drilling, personal care, cleaning and sanitation products, metalworking and dozens of other industries. In order to better attend to those industries, the company is organized into five major business segments:

1. Solvents and blends
2. Lubricants and greases
3. Chemicals for the food industry
4. Inorganic chemicals
5. Paper and cardboard

The Company includes more than 5,500 products in its catalogue that consist of both generic and specialized products with which to cater to each segment of the industries it serves. Through our 34 distribution centers in Mexico, three in Central America, and seven in Brazil, we serve over 20,000 customers each year in more than 500 cities, with support provided by specialists in each sector who in turn rely on seven quality control laboratories, and five specializing in research and application development. The company also enjoys the support of domestic and foreign suppliers that are internationally regarded as industry leaders.

GRUPO POCHTECA, S.A.B. DE C.V.

BALANCE SHEET

Information in thousands of Mexican Pesos

	mar-15	dec-14	mar-14	(%) mar 15 vs. dec-14 mar-14	
ASSETS					
CASH AND CASH EQUIVALENTS	321,881	324,458	256,813	(0.8)	25.3
TRADE ACCOUNTS RECEIVABLE	951,872	921,937	1,086,979	3.2	(12.4)
OTHER ACCOUNTS RECEIVABLE	71,738	65,447	8,939	9.6	702.5
INVENTORIES	997,730	937,687	940,308	6.4	6.1
ASSETS HELD FOR SALE	12,727	12,727	-	NC	NC
TOTAL CURRENT ASSETS	2,355,948	2,262,256	2,293,039	4.1	2.7
PROPERTY, PLANT & EQUIPMENT, NET	873,297	895,514	924,406	(2.5)	(5.5)
DEFERRED ASSETS	589,981	585,315	687,949	0.8	(14.2)
TOTAL ASSETS	3,819,227	3,743,085	3,905,393	2.0	(2.2)
LIABILITIES AND STOCKHOLDERS' EQUITY					
TRADE ACCOUNTS PAYABLE	1,411,384	1,193,012	1,216,521	18.3	16.0
BANK LOANS	117,056	61,525	223,191	90.3	(47.6)
OTHER ACCOUNTS PAYABLE	104,131	188,497	199,107	(44.8)	(47.7)
TOTAL CURRENT LIABILITIES	1,632,571	1,443,034	1,638,820	13.1	(0.4)
OTHER LONG-TERM ACCOUNTS PAYABLE	248,360	255,398	308,181	(2.8)	(19.4)
LONG-TERM DEBT	802,541	873,988	736,352	(8.2)	9.0
TOTAL LONG-TERM LIABILITIES	1,050,901	1,129,386	1,044,533	(6.9)	0.6
TOTAL LIABILITIES	2,683,472	2,572,420	2,683,353	4.3	0.0
CONTRIBUTED CAPITAL	1,156,255	1,168,167	1,176,069	(1.0)	(1.7)
PROFIT (LOSS) FOR THE PERIOD	6,793	4,524	11,304	50.1	(39.9)
ACCUMULATED PROFIT	44,650	40,127	40,376	11.3	10.6
TRANSLATION EFFECT OF FOREIGN OPERATIONS	(71,943)	(42,153)	(5,710)	70.7	1,160.0
TOTAL EQUITY	1,135,754	1,170,665	1,222,040	(3.0)	(7.1)
TOTAL LIABILITIES AND EQUITY	3,819,227	3,743,085	3,905,393	2.0	(2.2)

NC = not comparable

GRUPO POCHTECA, S.A.B. DE C.V.

STATEMENT OF COMPREHENSIVE INCOME

Information in thousands of Mexican Pesos

	1Q15	4Q14	1Q14	(%) 1Q15 vs 4Q14 1Q14	
Sales	1,472,148	1,498,947	1,488,953	(1.8)	(1.1)
Cost of Sales	(1,204,106)	(1,221,635)	(1,235,526)	(1.4)	(2.5)
Gross profit	268,041	277,312	253,426	(3.3)	5.8
	18.2%	18.5%	17.0%		
Operating expenses	(186,716)	(192,769)	(186,690)	(3.1)	0.0
	-12.7%	-12.9%	-12.5%		
Depreciation	(27,311)	(28,706)	(24,276)	(4.9)	12.5
Operating profit	54,014	55,837	42,460	(3.3)	27.2
	3.7%	3.7%	2.9%		
Depreciation	27,311	28,706	24,276	(4.9)	12.5
EBITDA	81,325	84,543	66,736	(3.8)	21.9
	5.5%	5.6%	4.5%		
Interest expense	(28,131)	(15,927)	(27,267)	76.6	3.2
Foreign exchange gain (loss)	(14,752)	(53,873)	480	(72.6)	NC
Financing costs	(42,883)	(69,800)	(26,787)	(38.6)	60.1
	-2.9%	-4.7%	-1.8%		
Income before tax	11,131	(13,963)	15,674	NC	(29.0)
Income taxes	(10,414)	1,982	(2,464)	NC	322.7
Deferred taxes	6,076	(1,057)	(1,905)	NC	NC
NET INCOME (LOSS)	6,793	(13,037)	11,304	NC	(39.9)
	0.5%	-0.9%	0.8%		

NC = not comparable



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Note: This report may contain forward-looking statements regarding the Company's performance. They must be seen as good faith estimations of the Company. These forward-looking statements reflect management's point of view and expectations and are based on information that is currently available. They suppose risks and uncertainties, including economic conditions prevailing in Mexico and abroad, as well as fluctuations in the value of the Mexican peso against other currencies and the prices of our products and inputs.

All figures contained in this report are expressed in nominal Mexican pesos and the financial results are presented under IFRS.

All comparisons for 2015 contained in this report have been made against the figures for the comparable period of 2014 except where indicated.