GRUPO POCHTECA REPORTS ITS RESULTS FOR THE FIRST QUARTER OF 2017

Mexico City, April 26, 2017 – 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, 2017 ("1Q17").

Highlights from 1Q17

- **Sales +8%** year on year to Ps 1.6 billion
- **Gross margin 17.7%,** -60 bp compared to 1Q16
- **Operating profit +6%** to Ps 49 million
- **Consolidated EBITDA +9%** to Ps 84 million
- **Consolidated EBITDA margin 5.3%,** +10 bp compared to 1Q16
- **Net profit of Ps 16 million** was 46% less than the net profit reported for 1Q16 as a result of higher financial expenses.
- **Net Debt to EBITDA of 2.96 times**, above our internal policy of not surpassing two times.

The first quarter of 2017 marked a trend change in Grupo Pochteca's profitability, and the first quarter since 3Q15 in which we achieved growth in sales, operating income and EBITDA.

Grupo Pochteca Chief Executive Officer Armando Santacruz observed in this regard, "It is encouraging to see that following several quarters in which we experienced sharp reductions in operating income and EBITDA, during 1Q17 we reversed that trend and returned to the path of growing our profitability. For the first time in 15 months we achieved growth year on year in operating income and EBITDA, as the following table shows. As we mentioned in our report for 4Q16, 2016 proved to be the most complicated year we have had at Pochteca in a long time. It was the second straight year in which weakness in industrial activity in Brazil weighed on Coremal, our Brazilian subsidiary. There has been a sharp reduction in demand for our products given that industrial activity is the main sales driver of our business in that country."

Year-on-Year Change							
	3T15	4T15	1T16	2T16	3T16	4T16	**1T17**
Sales	1%	2%	1%	3%	-2%	2%	**8%**
Operating Profit	39%	-11%	-13%	-61%	-49%	-73%	**6%**
EBITDA	23%	-8%	-5%	-36%	-27%	-42%	**9%**

POCHTEC

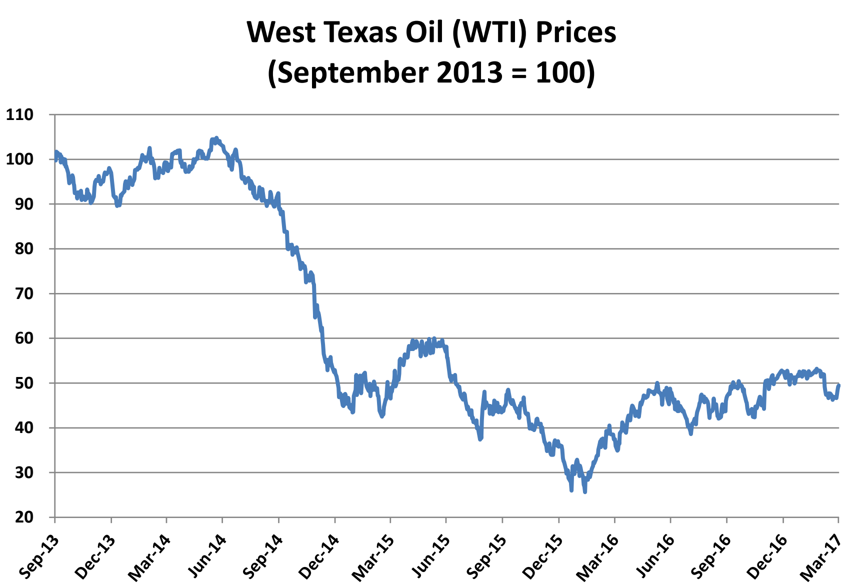
pochteca

SELECTED FINANCIAL INFORMATION (MILLIONS OF PESOS)

	1Q17	1Q16	(%) 1Q17 vs 1Q16
Sales	1,604	1,483	8%
Gross Profit	284	272	5%
Gross Margin (%)	17.7%	18.3%	-60pb
Operating Profit	49	47	6%
Operating Margin (%)	3.1%	3.2%	-10pb
Depreciation	35	31	14%
EBITDA	84	77	9%
EBITDA Margin (%)	5.3%	5.2%	10pb
Interest Expense	29	18	63%
Foreign Exchange Loss	22	12	81%
Income Before Tax	42	41	3%
Net Income / (Loss)	16	30	-46%
Net Debt / EBITDA 12 M	2.96x	1.98x	
Interest Coverage	2.4x	3.2x	

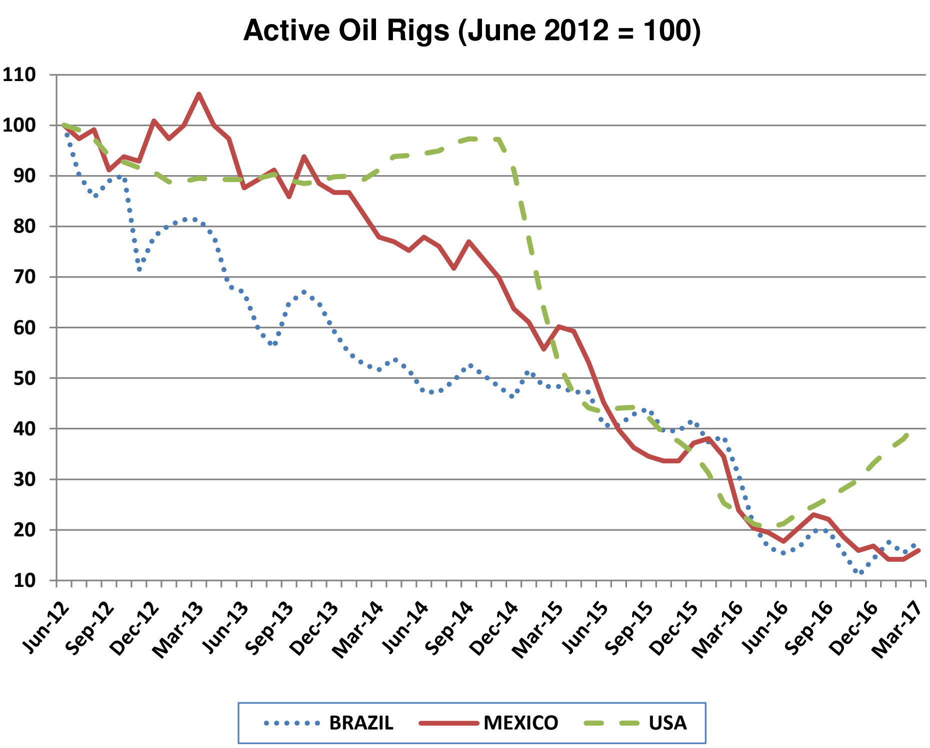
EBITDA = operating income before depreciation and amortization; NC = non-comparable

"The 32% recovery in oil prices between 1Q16 and 1Q17, from USD38.34 to USD50.60 per barrel, was a positive development in our favor amid the complicated environment we faced in 2016. As we noted in our 4Q16 earnings press release, we have recently witnessed increases in the prices of some products, including petroleum derivatives."



Highlights from the most recent quarter

- **1Q17 marked a trend change in operating income and EBITDA growth.**
  - Following five consecutive quarters of sharp declines year on year in operating income (of between -11% and -73%) and EBITDA (between -5% and -42%), in 1Q17 we returned to the path of growth in both cases.
  - In Mexico, we have yet to see signs of recovery in sectors that are key for Pochteca such as mining, and both oil exploration and drilling. As we have mentioned in previous earnings releases, industrial activity in Brazil continues to experience a severe contraction and we do not anticipate a significant recovery in the near term.
  - We remain focused on three strategies for strengthening our earnings margins, bolstering our competitiveness and expanding our cash position.
    - Corporate restructuring in order to reduce our operating expenses
    - Increased diversification toward higher-margin products such as blends as well as greater value added products
    - Reduced working capital days in order to expand liquidity and achieve growth with fewer resources.



- **As yet no evidence of recovery in the oil industry in Mexico and Brazil**
  - The number of active rigs in Mexico was below levels of March and December 2016.
  - The oil industry has begun to recover in the United States, but in both Mexico and Brazil it remains locked in a deep recession, according to data published online by Baker Hughes.
  - That information shows the number of rigs in the United States increased 78% between 1Q16 and 1Q17.

- But in Mexico and Brazil the number of rigs fell 33% and 43%, respectively (see graph above).
- There has been an 85% contraction in the number of active rigs in Mexico since it peaked at 120 in the beginning of 2013; only 18 were reported at the close of 1Q17. During that same period there have been percentage declines in the number of active rigs of 78% in Brazil and 54% in the United States. Exploration and drilling is a key sector for Pochteca and we do not foresee a recovery in either the short or intermediate terms

- **Sales above 1Q16.** Consolidated sales increased 8.2%, however, those of our Brazil operations continue to contract. During 1Q17 the sales of our Coremal subsidiary grew by more than 20% in peso terms, but fell more than 10% in reais. The favorable result in pesos reflects the Mexican currency's 24% depreciation against the Brazilian real since 1Q16, which fell from 4.81 pesos to 5.97 pesos per real. As we have noted in previous quarterly reports, the weakness of industrial activity in Brazil has severely affected sales as industrial activity is the main driver for our Brazilian unit. In Mexico, the lack of liquidity prevailing in the oil and gas industry has greatly reduced the ability of participants in that sector to pay their suppliers. Our sales have fallen by a greater degree than demand as we continue to prioritize risk reduction and protecting working capital for this sector.

- **Gross income increased 4.6%,** climbing from Ps 272 million in 1Q16 to Ps 284 million in the most recent quarter thanks to an 8% rise in sales; our gross margin narrowed **60bp to 17.7%.** The cost of goods sold was 9% greater, a faster rise than we experienced in sales.

1Q16		1Q17
18.3%	Gross Margin	17.7%

- **Operating income expanded 5.6%, going from Ps 47 million in 1Q16 to Ps 49 million.** Operating margin was 3.1%, 10bp lower than in 1Q16. Performance was weak in Brazil as that unit's operating income was down by 82% in 1Q17.

- **EBITDA grew 9% compared to** 1Q16 and the EBITDA margin gained 10bp to 5.3%.

- **Operating expenses (excluding depreciation) increased 3% compared to 1Q16.** Expenses as a percentage of sales decreased from 13.1% in 1Q16 to 12.5% in 1Q17. We regard these as positive results that reflect our efforts to control operating expenses. It is important to mention that the 3% increase is low considering that in Brazil a considerable part of expenses are indexed and, as a result, are driven higher by inflation. Moreover, the 24% year on year revaluation of the real against the peso, which took the Mexican currency from 4.81 to 5.97 per real, also raised expenses in Brazil when we convert our results to pesos.

1Q16		1Q17
13.1%	Expenses / Sales	12.5%

- **Net interest expense increased 63% year on year during 1Q17** due to the higher interest rates the company paid:
  - Pochteca paid an effective interest rate of 5.33% in 1Q16: a 3.58% TIIE plus a 175bp margin.
  - But during 1Q17 the effective interest rate was 9.19%: a 6.19% TIIE plus a 300bp margin.

- **Net income totaled Ps 16 million in 1Q17, 46% less than that of 1Q16.** The increase in financial expense as well as a higher tax burden erased the favorable effects of higher operating income in 1Q17 compared to 1Q16, and a foreign exchange gain as opposed to the foreign exchange losses of a year earlier.

- **Net debt ended 1Q17 at Ps 754 million, which was Ps 87 million (or 13%) greater than in 1Q16 despite having amortized Ps 175 million of debt between 1Q16 and 1Q17.** Increased debt at Coremal and a 24% revaluation year-on-year of the Brazilian real relative to the Mexican peso led to the increase in net debt, which we report in pesos.
  - Between 1Q16 and 1Q17, Coremal's net debt increased 30% in reais, from 42.9 million to 55.8 million.
  - The peso/real exchange rate depreciated 24% during the same 12-month period, from 4.81 to 5.97 pesos per real.
  - As a result, Coremal's net debt increased 63% in pesos, rising from PS 206 million to Ps 336 million.

- **As we informed market participants at the time, on March 30 we concluded the refinancing of the entirety of our bank debt,** thereby improving our debt profile's term. We acquired a four-year, Ps 875 million facility with a one-year grace period. The variable interest rate is based on the 91d TIIE with an applicable margin ranging from 175 bp to 350 bp, depending on the degree of consolidated leverage, measured as Net Debt / EBITDA, between 1.5x and 3.0x.

- The following financial institutions participated in the "Club Deal":
  - HSBC México, S.A., Institución de Banca Múltiple, Grupo Financiero HSBC
  - Banco Inbursa, S.A., Institución de Banca Múltiple, Grupo Financiero Inbursa
  - Scotiabank Inverlat, S.A., Institución de Banca Múltiple, Grupo Financiero Scotiabank Inverlat
  - BBVA Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA Bancomer

- **Net Debt / EBITDA increased from 1.98 times in 1Q16 to 2.96 times in 1Q17.** This level is above the two time limit we have set for ourselves and results from the shortfall in EBITDA relative to what we had projected in the past 12 months, as well as the increased debt of our Brazil subsidiary as expressed in both reais and pesos. We are confident that the reduction in expenses achieved through the corporate restructuring achieved in 2016, Brazil's gradual recovery and the absence of 2016's non-recurring expenses, EBITDA will recover to above 2015 levels and that this metric will once again comply with our objective.

* **In 1Q17 interest coverage (EBITDA / interest) was 2.4 times.** This indicator is lower than the level of 3.2 times reported for 1Q16.

	1Q17	1Q16
Gross Debt (Ps millions)	967	854
Net Debt (Ps millions)	754	667
Net Debt / EBITDA 12 M	3.0x	2.0x
Interest Coverage	2.4x	3.2x
Outstanding Shares	130,522,049	130,522,049

* **We will remain focused on cash flow generation** through a strict management of working capital, cost controls and expenses in order to achieve a higher level of EBITDA.

Management Changes

Mr. Juan Carlos Mateos, who has served as Chief Financial Officer since September 2014, has decided to leave the company effective April 27 to take on new professional activities. The Board of Directors and General Management thank Mr. Mateos for the contribution he has made to the company's development.

Stock buyback fund

The managers of Grupo Pochteca's fund for repurchasing shares are the brokerages listed below:

1) Punto Casa de Bolsa, S.A. de C.V.
2) GBM Grupo Bursátil Mexicano, S.A. de C.V., Casa de Bolsa (GBM)

Independent analysis and brokerage coverage

Grupo Pochteca, S.A.B. de C.V., registered with 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, Casa de Bolsa Interacciones and Signum Research have Pochteca under coverage.

About Grupo Pochteca

Grupo Pochteca specializes in the sale and distribution of a broad array of industrial raw materials, catering 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 board

The Company includes more than 6,500 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 30 distribution centers in Mexico, three in Central America, and eight in Brazil, we serve over 17,000 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.

POCHTEC

pochteca

GRUPO POCHTECA, S.A.B. DE C.V.
STATEMENT OF COMPREHENSIVE INCOME

Information in thousands of Mexican Pesos

	1Q17	4Q16	1Q16	(%) 1Q17 vs 4Q16	(%) 1Q17 vs 1Q16
Sales	1,604,090	1,558,974	1,483,146	2.9	8.2
Cost of Sales	(1,320,001)	(1,291,179)	(1,211,558)	2.2	9.0
Gross profit	284,089	267,795	271,588	6.1	4.6
	17.7%	17.2%	18.3%		
Operating expenses	(199,777)	(222,094)	(194,192)	(10.0)	2.9
	-12.5%	-14.2%	-13.1%		
Depreciation	(34,930)	(34,619)	(30,615)	0.9	14.1
Operating profit	49,382	11,082	46,781	345.6	5.6
	3.1%	0.7%	3.2%		
Depreciation	34,930	34,619	30,615	0.9	14.1
EBITDA	**84,312**	**45,701**	**77,396**	84.5	8.9
	5.3%	2.9%	5.2%		
Interest expense	(29,310)	(21,998)	(17,956)	33.2	63.2
Foreign exchange gain (loss)	22,132	(27,453)	12,230	NC	81.0
Financing costs	(7,179)	(49,451)	(5,726)	(85.5)	25.4
	-0.4%	-3.2%	-0.4%		
Income before tax	**42,204**	**(38,368)**	**41,055**	NC	2.8
Income taxes	(16,753)	(4,937)	(11,756)	239.4	42.5
Deferred taxes	(9,075)	14,007	992	NC	NC
NET INCOME (LOSS)	**16,376**	**(29,298)**	**30,291**	NC	(45.9)
NC= not comparable	1.0%	-1.9%	2.0%		

GRUPO POCHTECA, S.A.B. DE C.V.
BALANCE SHEET
Information in thousands of Mexican Pesos

	Mar-17	Dec-16	Mar-16	(%) Mar-16 vs. Dec-16	Mar-16
ASSETS					
CASH AND CASH EQUIVALENTS	212,961	144,799	186,509	47.1	14.2
TRADE ACCOUNTS RECEIVABLE	916,381	939,350	958,233	(2.4)	(4.4)
OTHER ACCOUNTS RECEIVABLE	212,033	262,522	177,560	(19.2)	19.4
INVENTORIES	929,861	855,304	852,500	8.7	9.1
TOTAL CURRENT ASSETS	**2,271,236**	**2,201,974**	**2,174,802**	3.1	4.4
PROPERTY, PLANT & EQUIPMENT, NET	768,285	813,247	841,540	(5.5)	(8.7)
DEFERRED ASSETS	559,428	574,942	551,761	(2.7)	1.4
TOTAL ASSETS	**3,598,950**	**3,590,163**	**3,568,103**	0.2	0.9
LIABILITIES AND STOCKHOLDERS' EQUITY					
TRADE ACCOUNTS PAYABLE	1,090,301	1,107,512	1,167,719	(1.6)	(6.6)
BANK LOANS	262,459	500,911	276,331	(47.6)	(5.0)
OTHER ACCOUNTS PAYABLE	150,163	213,815	181,705	(29.8)	(17.4)
TOTAL CURRENT LIABILITIES	**1,502,923**	**1,822,238**	**1,625,755**	(17.5)	(7.6)
OTHER LONG-TERM ACCOUNTS PAYABLE	160,753	164,812	127,377	(2.5)	26.2
LONG-TERM DEBT	704,184	371,975	577,341	89.3	22.0
TOTAL LONG-TERM LIABILITIES	**864,937**	**536,787**	**704,718**	61.1	22.7
TOTAL LIABILITIES	**2,367,860**	**2,359,025**	**2,330,473**	0.4	1.6
CONTRIBUTED CAPITAL	1,177,502	1,177,502	1,207,468	(0.0)	(2.5)
PROFIT (LOSS) FOR THE PERIOD	16,376	(5,673)	30,291	NC	(45.9)
ACCUMULATED PROFIT	65,806	71,480	44,806	(7.9)	46.9
TRANSLATION EFFECT OF FOREIGN OPERATIONS	(28,595)	(12,170)	(44,935)	135.0	(36.4)
TOTAL EQUITY	**1,231,089**	**1,231,138**	**1,237,630**	(0.0)	(0.5)
TOTAL LIABILITIES AND EQUITY	**3,598,950**	**3,590,163**	**3,568,103**	0.2	0.9

NC= not comparable

INFORMATION FOR INVESTORS

Armando Santacruz
Chief Executive Officer
+ (52-55) 5278-8000 ext. 5880
asantacruz@pochteca.com.mx

www.pochteca.com.mx

Note: This report may contain forward-looking statements regarding the Company's performance. They must be seen as good faith estimations made by 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 2017 contained in this report have been made against the figures for the comparable period of 2016 except where indicated.