

GRUPO POCHTECA REPORTS ITS RESULTS FOR THE FOURTH QUARTER OF 2015

Mexico City, February 26, 2016 – Grupo Pochteca, S.A.B. de C.V. (“Pochteca” or “the Company”) (BMV: POCHTEC) announced today its unaudited results for the quarter ended December 31, 2015 (“4Q15”).

Highlights from 4Q15 and full year 2015

- **Sales +2%** year on year in 4Q15 to Ps 1.53 billion. During 2015 sales increased 1% to Ps 6.08 billion.
- **Gross margin of 18.3% in 4Q15**, -20 basis points (bp) than in 4Q14. The gross margin for FY 2015 increased 80 bp to 18.2%.
- **Operating profit -11% in 4Q15** to Ps 50 million. For the full year, accumulated operating profit was Ps 232 million, a 19% increase.
- **Consolidated EBITDA -8% in 4Q15** to Ps 78 million. EBITDA in 2015 was Ps 341 million, 13% greater than reported for 2014
- **Consolidated EBITDA margin of 5.1%**, -50 bp lower than in 4Q14. For full year 2015 the EBITDA margin widened 60 bp to 5.6%.
- **Net income of Ps 25 million in 4Q15, as opposed to a Ps 13 million net loss in 4Q14**, thanks to lower foreign exchange losses in 4Q15. Net income for full year 2015 totaled Ps 34 million, more than five times greater than in 2014.
- **Net Debt to EBITDA decreased to 1.5 times from 2.0 times in 4Q14**, a result in line with our internal policy of not surpassing 2 times. This indicator had risen from 1.8 times prior to the Coremal acquisition to a peak of 2.8 times in 2Q14.

Armando Santacruz, Pochteca’s Chief Executive Officer commented on these reported results:

“In 2015, we managed to successfully overcome the adversities imposed by the current environment. Industries that are of key importance to the products we distribute continue to confront a recessionary and deflationary environment. We managed to successfully tackle the difficulties that accompanied the sharp drop in oil prices. During 2015 the price of West Texas Intermediate (WTI) fell 30% from USD53.27 to USD37.04, thereby further aggravating effect of the 49% erosion of WTI prices between June and December 2014. From June 2014 to the end of 2015 such prices have plunged by a total of 65%.”

Lower prices on the products we distribute

“Although the drop in dollar prices was partially offset by the weakening of the Mexican peso to the dollar, the peso prices of the oil derivatives that we sell fell between 10% and 35%.”

Reduced activity in the oil industry

“Another development that reflects the recessive environment that has engulfed the oil industry is the reduction in the number of active oilrigs. According to data published on line by Baker Hughes, the number of active rigs in the United States, Mexico and Brazil collapsed in the past 12 months with declines of 61%, 42% and 10%, respectively (please see graph on page 3). These results come on top of contractions of 38% in Mexico and 42% in Brazil as well as no change in the number of active rigs in the United States that was reported for 2014.”

SELECTED FINANCIAL INFORMATION (MILLIONS OF PESOS)

	4Q15	4Q14	(%) 4Q15 vs 4Q14	YTD 15	YTD 14	(%) YTD 15 vs YTD 14
Sales	1,535	1,499	2%	6,079	6,032	1%
Gross Profit	280	277	1%	1,106	1,051	5%
Gross Margin (%)	18.3%	18.5%	-20pb	18.2%	17.4%	80pb
Operating Profit	50	56	-11%	232	195	19%
Operating Margin (%)	3.2%	3.7%	-50pb	3.8%	3.2%	60pb
Depreciation	28	29	-3%	109	108	1%
EBITDA	78	85	-8%	341	303	13%
EBITDA Margin (%)	5.1%	5.6%	-50pb	5.6%	5.0%	60pb
Interest Expense	18	16	14%	89	101	-11%
Foreign Exchange Loss	(5)	(54)	-91%	(106)	(77)	37%
Income Before Tax	27	(14)	NC	37	18	110%
Net Income / (Loss)	25	(13)	NC	34	5	641%
Net Debt / EBITDA 12 M	1.5x	2.0x		1.5x	2.0x	
Interest Coverage	3.3x	2.7x		3.3x	2.7x	

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

Double digit growth in operating income (19%) and EBITDA (13%) in 2015

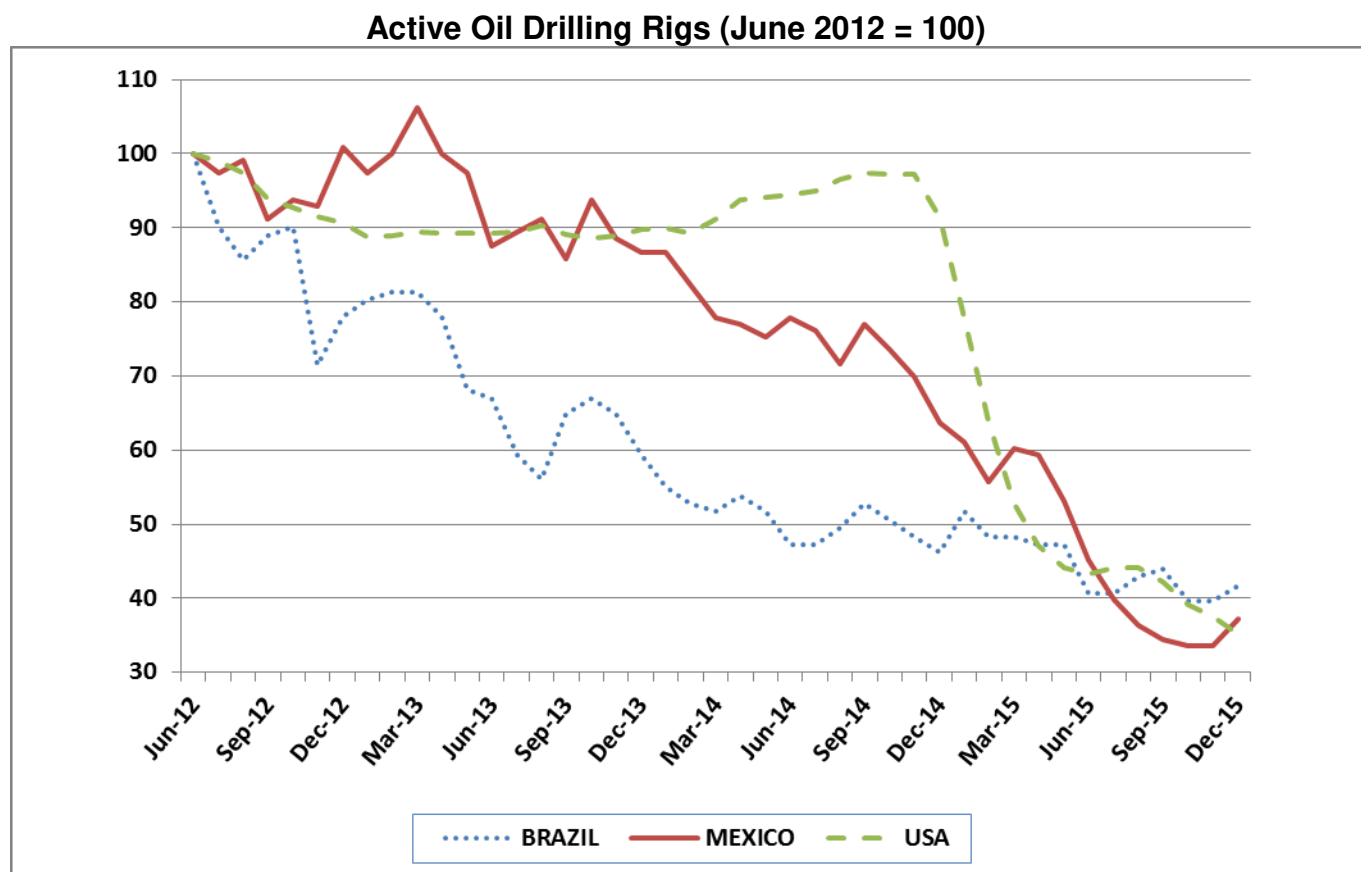
In light of the highly adverse context we have faced during 2015, we are very pleased with the results we achieved for the year. We view the double digit growth in operating profit (19%) and EBITDA (13%) as a major achievement. These results are a sign of just how solid our one-stop-shop proposal and the company management model based on a broad diversification of products and clients, sales with strong technical support, as well as a growing emphasis on value added blends, have proven to be.

Client and product diversification (our top five customers account for less than 6.5% of revenues and no single product or client represents as much as 2% of sales) have been very valuable in a business environment marked by double digit price deflation on several key products. In addition, some of our clients have seen a double-digit contraction in demand for their products that in some cases has exceeded 50% such as in the case of oil and gas. This diversification has allowed us to preserve margins and sales by recomposing the mix of products and clients in order to keep growing our operating profit in the new environment.

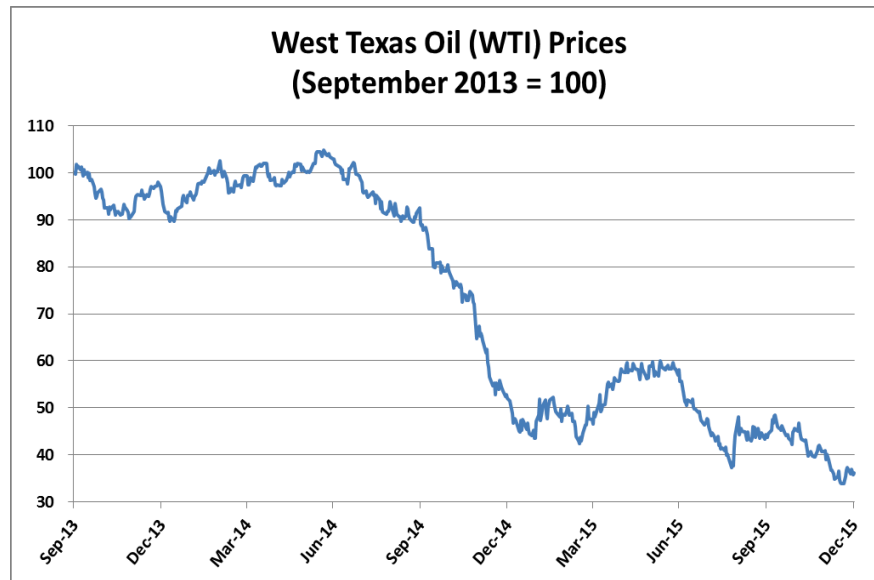
Graphs illustrating the deflationary and recessive environment

We feel it is useful to include some charts that illustrate the sharp decline in the prices of oil, steel and other important metals such as gold, silver, copper, iron and aluminum. We also include one graph that depicts the sharp decrease over the past three years in the number active oilrigs including offshore platforms in Brazil, Mexico and the United States. Another headwind we are facing is continuing weakness in Brazil's GDP, which after having been flat in 2014 fell by 3.8% in 2015.

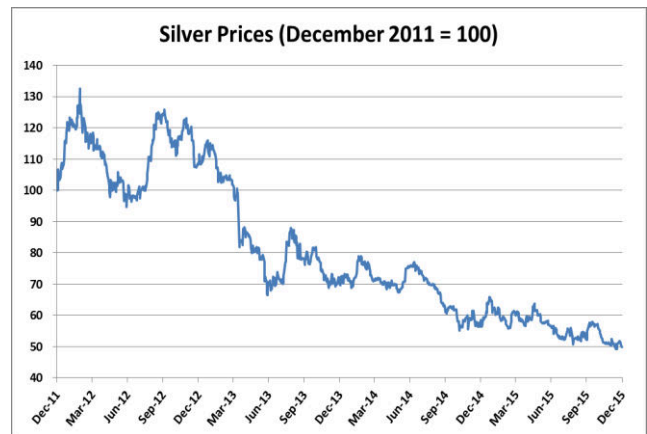
Pochteca has been able to increase revenues despite the sharp contraction in prices of products that we distribute. We have also succeeded in posting sustained operating profit increases despite significant losses incurred on inventories and narrower margins, in absolute numbers, on today's sales of one ton of a product whose price has fallen, compared with one ton of the same product 12 months earlier.



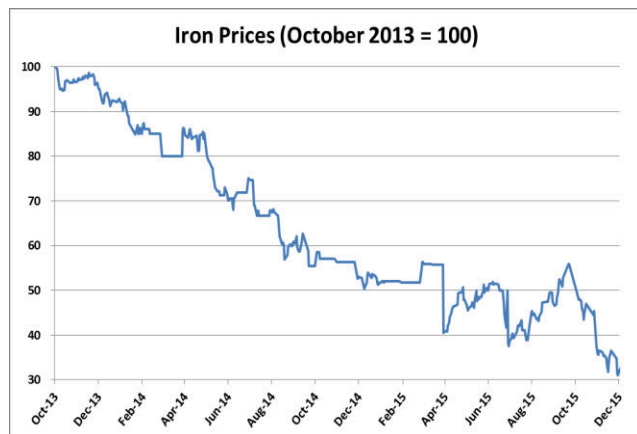
Source: Baker Hughes (www.bakerhughes.com/rig-count)



Source: Bloomberg



Source: Bloomberg



Source: Bloomberg

Highlights from the most recent quarter

- **Pochteca continues to overcome challenges imposed by an extremely adverse environment.**
 - Once again we managed to grow our gross, operating and EBITDA margins despite greatly reduced prices for oil and related products. Keep in mind that roughly 27% of our sales in Mexico consist of petroleum based solvents, coatings and blends.
 - Some of our other major product lines experienced significant price deflation in 2015 such as:
 - Dairy derivatives: prices fell between 30% and 55%.
 - Corn derivatives: prices were between 26% and 40% lower.
 - Current prices for these two product lines are the lowest seen in the past four years.
 - Mining inputs fell by close to 30%.
 - We have yet to see signs of recovery in other sectors that are key for Pochteca such as mining and oil exploration and drilling.
 - Manufacturing and energy reform are likely to remain key growth drivers. Our exposure to manufacturing, one of the most dynamic components of the economy, remains a point of strength for Pochteca. Mexico's energy reform will stimulate exploration and drilling, an important segment of Pochteca sales, and will lower the cost of manufacturing industries' energy inputs and bolster their competitiveness.
 - The business climate in Brazil remains highly complex and major challenges emerge day to day. Nevertheless, our promotion of cross selling with our Brazil unit and the transfer from Mexico to Brazil, and vice versa, of best practices and both product and market know-how, continue to generate encouraging results.
 - We have begun to successfully penetrate in Brazil sectors in which Coremal had lacked any participation such as oil exploration and drilling or chemicals for the food industry. It is a gradual process, but one that we are confident will produce results.
 - We continue to strengthen Coremal's operations, processes and management model in order to strengthen growth in both sales and EBITDA in the coming years.

- In all of our operations we will remain focused on two strategies that have allowed us to mitigate the impact of falling sales prices and continue to grow our gross margins:
 - reinforce and promote our one-stop-shop service proposal
 - diversification into blends and products with greater value added
- **Sales slightly above 4Q14.** Consolidated sales increased 2%. The negative effect of falling prices was significantly larger than the positive effect of a weaker peso. The peso averaged 13.86 to the dollar in 4Q14, and 16.75 to the dollar in 4Q15, a 12 month depreciation of 21%, which in turn was much less than the percentage contraction in the dollar prices of most of our products.
- **Gross income grew 1%, rising from Ps 277 million in 4Q14 to Ps 280 million in the most recent quarter.** During full year 2015 we managed to expand gross income 5%, from Ps 1.051 billion in 2014 to Ps 1.106 billion even though prices declined for key products such as solvents, dairy derivatives, corn derivatives and mining inputs.
- **Consolidated gross margin decreased 20 basis points to 18.3% despite our effective cost controls and increasing focus on higher margin products such as blends and chemicals for the food industry.** The 21% weakening of the peso in relation to the US dollar (USD) between 4Q14 and 4Q15 partially cancelled out the effect of the contraction in raw material prices, particularly those of oil derivatives as the prices of these products have decreased between 30% and 60% in USD. On an accumulated basis, however, consolidated gross margin increased 80 basis points from 17.4% in 2014 to 18.2% in 2015.

4Q14		4Q15
18.5%	Gross margin	18.3%

- **Operating income decreased 11% in 4Q15, from Ps 56 million in 4Q14 to Ps 50 million.** Operating margin was 3.2%, 50 basis points lower than in 4Q14. The negative impact of lower prices for the products we sell neutralized the effects of our growing emphasis on sales of value added products. On an accumulated basis, however, operating income increased 19% in 2015 as it grew from Ps 195 million in 2014 to Ps 232 million.
- **EBITDA decreased 8% compared to 4Q14 while EBITDA margin narrowed 50 basis points to 5.1%.** For the full year, EBITDA increased 13% compared to 2014, rising from Ps 303 million to Ps 341 million. The EBITDA margin for 2015 widened 60 basis points to 5.6%.

- **Operating expenses (excluding depreciation) increased 5% compared to 4Q14.** Expenses as a percentage of sales increased slightly from 12.9% in 4Q14 to 13.2% in 4Q15. Operating expense increased an accumulated 2% in 2015.

4Q14		4Q15
12.9%	Expenses / Sales	13.2%

- **Net interest expense increased 14% year on year.** Nevertheless, interest expense for full year 2015 was 11% lower than in 2014.
- **Net income totaled Ps 25 million in 4Q15 as opposed to a Ps 13 million net loss a year earlier.** The positive result was largely due to a significantly lower foreign exchange loss in the most recent quarter than in 4Q14. Net income for full year 2015 grew an accumulated 641%, rising from Ps 5 million in 2014 to Ps 34 million in 2015.
- **Net debt at the end of 4Q15 was Ps518 million, 15% or Ps 93 million less than at the end of 4Q14.** As we informed the public at the time, we concluded our refinancing of a Ps 610 million, syndicated credit with HSBC Mexico, S.A., Institución de Banca Múltiple, and Grupo Financiero Inbursa, S.A. on December 4, 2014. The original credit had been scheduled to mature in June 2015. We refinanced it at a term of four years with a one-year grace period.
- **Net Debt to EBITDA decreased to 1.5 times in 4Q15 from 2.0 times at the end of 2014. The most recent level is well in line with our internal policy of not surpassing 2 times.** It is important to point out that prior to the Coremal acquisition, which concluded December 31, 2013, this indicator rose from 1.8 times in 3Q13 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 (equivalent to Ps 285 million), and the PS 170 million in debt Pochteca assumed to finance the acquisition. At the time we informed the market that we had a clearly defined route map to return to our target of 2 times by no later than December, a goal with which we fully complied.
- **As we have indicated previously,** we remain focused on generating cash flow through an energetic management of working capital, and on both cost and expense controls as a way to increase EBITDA. This effort allowed us to consistently and significantly lower our accounts receivable days at the end of 2013, 2014 and 2015, as they were pared from 53 to 51 and to 47 days, respectively. This was achieved despite a severe liquidity crunch in the oil exploration and drilling market due to delays in Pemex payments, and despite a very adverse environment in Brazil. Similarly, we have managed to lower our inventory days year on year at the end of 2013, 2014 and 2015, to 86, 72 and 62 days, respectively. That reduction in inventories led to a reduction in accounts payable days, which fell from 90 at the end of 2014 to 81 at the end of

2015. Once we reach our target inventory level, we will stabilize purchases and improve our supplier days.

- **EBITDA to operating cash flow conversion ratio.** During 2015, we managed to transform more than 100% of EBITDA into operating cash flow (cash flow before CAPEX, taxes, interest, and debt), with an index of 1.05 times. Excluding Ps 20 million used to finance the purchase of shares by company employees during 2015, the index climbs to 1.1 times.
- **In 4Q15 interest coverage (EBITDA / interest) was 3.3 times.** This indicator is higher than the 4Q14 level of 2.7 times.

	4Q15	4Q14
Net Debt (Ps millions)	518	611
Net Debt / EBITDA 12 M	1.5x	2.0x
Interest Coverage	3.3x	2.7x
Outstanding Shares	130,522,049	130,522,049

Guidance for 2016

We are introducing the guidance for 2016:

Sales: Ps 6.45 billion, +6% yoy
 EBITDA: Ps 390 million +14% yoy
 EBITDA margin: 6.0%, +40 bp yoy

Stock buyback fund

The managers of Grupo Pochteca's fund for repurchasing shares are:

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

On October 7, 2015 we informed market participants that as of that date we began to manage our share repurchase fund with GBM. This share repurchase fund had been managed by Punto Casa de Bolsa, S.A. de C.V., which will continue managing it jointly with GBM. With this initiative, Pochteca aims to increase the liquidity of its shares in the stock market with the support of these two financial institutions.

Market maker

As we informed market participants on October 22, 2015, we ended the contract for market maker services we had with UBS Casa de Bolsa, S.A. de C.V., UBS, Grupo Financiero (UBS). Pochteca thanks UBS for the services it provided during the time it acted as market maker.



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 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, 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 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

	dec-15	sep-15	dec-14	% dec-15 vs. sep-15 dec-14	
ASSETS					
CASH AND CASH EQUIVALENTS	385,672	250,048	324,458	54.2	18.9
TRADE ACCOUNTS RECEIVABLE	883,703	995,483	921,937	(11.2)	(4.1)
OTHER ACCOUNTS RECEIVABLE	105,032	102,558	65,447	2.4	60.5
INVENTORIES	830,616	881,077	937,687	(5.7)	(11.4)
ASSETS HELD FOR SALE	12,727	12,727	12,727	0.0	NC
TOTAL CURRENT ASSETS	2,217,750	2,241,893	2,262,255	(1.1)	(2.0)
PROPERTY, PLANT & EQUIPMENT, NET	846,237	803,453	860,514	5.3	(1.7)
DEFERRED ASSETS	595,623	598,810	620,315	(0.5)	(4.0)
TOTAL ASSETS	3,659,610	3,644,155	3,743,084	0.4	(2.2)
LIABILITIES AND STOCKHOLDERS' EQUITY					
TRADE ACCOUNTS PAYABLE	1,100,830	1,137,071	1,204,741	(3.2)	(8.6)
BANK LOANS	149,953	130,881	61,525	14.6	143.7
OTHER ACCOUNTS PAYABLE	127,732	132,845	176,768	(3.8)	(27.7)
TOTAL CURRENT LIABILITIES	1,378,515	1,400,796	1,443,034	(1.6)	(4.5)
OTHER LONG-TERM ACCOUNTS PAYABLE	348,368	343,814	255,398	1.3	36.4
LONG-TERM DEBT	753,967	749,597	873,988	0.6	(13.7)
TOTAL LONG-TERM LIABILITIES	1,102,335	1,093,411	1,129,386	0.8	(2.4)
TOTAL LIABILITIES	2,480,850	2,494,207	2,572,420	(0.5)	(3.6)
CONTRIBUTED CAPITAL	1,190,485	1,193,922	1,168,167	(0.3)	1.9
PROFIT (LOSS) FOR THE PERIOD	33,542	8,752	4,523	283.2	641.5
ACCUMULATED PROFIT	11,264	11,264	39,339	0.0	(71.4)
TRANSLATION EFFECT OF FOREIGN OPERATIONS	(56,531)	(63,990)	(41,364)	(11.7)	36.7
TOTAL EQUITY	1,178,760	1,149,948	1,170,665	2.5	0.7
TOTAL LIABILITIES AND EQUITY	3,659,610	3,644,155	3,743,084	0.4	(2.2)

NC= not comparable

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

Information in thousands of Mexican Pesos

	4Q15	3Q15	4Q14	<div>(%) 4Q15 vs</div> <div>3Q15 4Q14</div>		YTD 15	YTD 14	<div>(%) YTD 15</div> <div>vs. YTD 14</div>
Sales	1,534,852	1,578,085	1,498,947	(2.7)	2.4	6,078,819	6,031,940	0.8
Cost of Sales	(1,254,730)	(1,287,360)	(1,221,635)	(2.5)	2.7	(4,972,853)	(4,980,497)	(0.2)
Gross profit	280,122	290,726	277,312	(3.6)	1.0	1,105,966	1,051,443	5.2
	18.3%	18.4%	18.5%			18.2%	17.4%	
Operating expenses	(202,529)	(195,245)	(192,769)	3.7	5.1	(764,929)	(748,435)	2.2
	-13.2%	-12.4%	-12.9%			-12.6%	-12.4%	
Depreciation	(27,737)	(26,705)	(28,706)	3.9	(3.4)	(108,849)	(107,574)	1.2
Operating profit	49,856	68,775	55,837	(27.5)	(10.7)	232,188	195,434	18.8
	3.2%	4.4%	3.7%			3.8%	3.2%	
Depreciation	27,737	26,705	28,706	3.9	(3.4)	108,849	107,574	1.2
EBITDA	77,593	95,481	84,543	(18.7)	(8.2)	341,037	303,008	12.6
	5.1%	6.1%	5.6%			5.6%	5.0%	
Interest expense	(18,110)	(21,438)	(15,927)	(15.5)	13.7	(89,306)	(100,605)	(11.2)
Foreign exchange gain (loss)	(5,077)	(66,848)	(53,873)	(92.4)	(90.6)	(105,841)	(77,176)	37.1
Financing costs	(23,187)	(88,286)	(69,800)	(73.7)	(66.8)	(195,147)	(177,781)	9.8
	-1.5%	-5.6%	-4.7%			-3.2%	-2.9%	
Income before tax	26,669	(19,511)	(13,963)	NC	NC	37,041	17,654	109.8
Income taxes	2,003	2,922	1,982	(31.4)	1.0	(9,258)	(8,742)	5.9
Deferred taxes	(3,882)	40	(1,057)	NC	267.4	5,758	(4,388)	NC
NET INCOME (LOSS)	24,790	(16,549)	(13,037)	NC	NC	33,542	4,524	641.4
NC= not comparable	1.6%	-1.0%	-0.9%			0.6%	0.1%	



INFORMATION FOR INVESTORS

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