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# GCC REPORTS FOURTH QUARTER 2012 RESULTS

**Chihuahua, Chih., Mexico, April 24, 2013** – Grupo Cementos de Chihuahua, S.A.B. de C.V. ("GCC" or the "Company") (BMV: GCC*), a leading cement and concrete producer in markets in Mexico and the United States, today announced consolidated results for the quarter ended December 31, 2012.

## HIGHLIGHTS

- Operating income increased 38.3% in the fourth quarter and 83.6% for the full year 2012.
- EBITDA increased 7.6% and 21.6% in the fourth quarter and full year respectively.
- Free cash flow showed strong growth of 55.2% in the fourth quarter and 181.6% for the year.
- Cement sales volume in the United States showed solid growth of 7.8% and 16.5% in the last quarter of 2012 and full year, respectively.
- Consolidated net income increased 310.9% in 2012 compared to the previous year.

**KEY FIGURES** (millions of pesos)

| | 4Q12 | 4Q11 | 4Q12 vs 4Q11 | 2012 | 2011 | 2012 vs 2011 |
|---|---|---|---|---|---|---|
| Net Sales | 1,949.3 | 1,968.8 | -1.0% | 8,309.9 | 7,206.5 | 15.3% |
| Operating Income | 201.0 | 145.3 | 38.3% | 748.1 | 407.6 | 83.6% |
| EBITDA | 412.2 | 383.0 | 7.6% | 1,583.3 | 1,302.2 | 21.6% |
| Consolidated Net Income | (9.5) | 467.6 | -102.0% | 246.3 | 59.9 | 310.9% |

*EBITDA: operating income + depreciation and amortization*

## ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Beginning in the first quarter of 2012, GCC adopted International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as its standards basis for the preparation and presentation of its financial statements; therefore, the consolidated unaudited financial statements attached to this report have been prepared under these standards effective as of December 31, 2012.

As these quarterly financial statements are part of the first yearly financial statements ending on December 31, 2012 that GCC preparing and presenting under IFRS, the company is following IFRS 1 "First time adoption of International Financial Reporting Standards" that establishes the application of certain mandatory exceptions and some optional exemptions. The exceptions applied by GCC are disclosed in the accompanying notes to the financial statements attached to this report.

The main policies and accounting criteria utilized in the preparation and presentation of this report, and the reconciliation to IFRS of the financial figures reported to the Mexican Stock Exchange in the fourth quarter of 2011 under Mexican Financial Reporting Standards, are disclosed in the accompanying notes to the financial statements attached to this report.

## FINANCIAL RESULTS

**Net sales** in the fourth quarter of 2012 totaled $1,949.3 million pesos, decreasing 1.0% compared with the fourth quarter of 2011, mainly derived from the appreciation of the Mexican peso against the U.S. dollar which negatively impacted the conversion to pesos of dollar denominated sales in the United States. Nevertheless, sales in the U.S. increased due to a surge of cement volume, while in Mexico the pricing environment improved and volumes were slightly lower than those registered in the last quarter of 2011.

In the United States, sales expressed in peso terms increased 1.3% to $1,297.3 million pesos as a result of a combination of the following factors: cement sales volumes grew 7.8% and the pricing environment in the cement and concrete markets improved compared to the same period of 2011; these factors were partially offset by the effect of the 4.7% appreciation of the Mexican peso against the U.S. dollar. Sales expressed in dollars rose 5.7% compared with the fourth quarter of 2011. On a regional basis, growth was strongest in the central and south regions of the country where GCC has presence, whereas performance in the northern region was affected by harsher winter weather than in 2011. The residential, industrial, agricultural and public infrastructure sectors were the main drivers of growth during the quarter.

In Mexico, sales totaled $652.0 million pesos, a decrease of 5.2% compared with sales in the same period of last year. This decline was caused by lower cement and concrete sales volumes due to lower demand from the public infrastructure and mining sectors when compared to demand in the same period of 2011. In line with the previous three quarters, cement and concrete prices continued to trend favorably. In addition, sales volume for aggregates increased a significant 25.7% reflecting rising demand for these paving products.

Cumulative consolidated net sales as of December 31, 2012 increased 15.3% over 2011 results, to $8,309.9 million pesos. This growth is the result of the following factors: 23.3% rise in sales in the United States reflecting the 16% and 7% improvement in cement and concrete sales volumes, respectively; in Mexico a 0.9% increase of sales due to higher sales volumes of concrete, aggregates and concrete blocks; a better pricing environment in both countries; and the depreciation of the Mexican peso against the U.S. dollar of approximately 6%, which had a positive impact on the consolidated results of the Company.

**NET SALES** (millions of pesos)

| | 4Q12 | 4Q11 | 4Q12 vs 4Q11 | 2012 | 2011 | 2012 vs 2011 |
|---|---|---|---|---|---|---|
| **Consolidated** | **1,949.3** | **1,968.8** | **-1.0%** | **8,309.9** | **7,206.5** | **15.3%** |
| United States | 1,297.3 | 1,281.1 | 1.3% | 5,722.6 | 4,642.0 | 23.3% |
| Mexico | 652.0 | 687.7 | -5.2% | 2,587.3 | 2,564.5 | 0.9% |

**NET SALES** (millions of dollars)

| | 4Q12 | 4Q11 | 4Q12 vs 4Q11 | 2012 | 2011 | 2012 vs 2011 |
|---|---|---|---|---|---|---|
| **Consolidated** | **149.5** | **145.0** | **3.1%** | **629.5** | **579.7** | **8.6%** |
| United States | 98.9 | 93.6 | 5.7% | 433.2 | 372.9 | 16.2% |
| Mexico | 50.6 | 51.4 | -1.7% | 196.2 | 206.8 | -5.1% |

**VARIATION IN SALES VOLUMES** (%)

| | 4Q12 vs 4Q11 | 2012 vs 2011 |
|---|---|---|
| Cement | 1.8% | 10.1% |
| Concrete | -5.3% | 5.7% |
| Block | -4.1% | 7.7% |
| Aggregates | 25.7% | 20.4% |

**Cost of sales** in the fourth quarter of 2012 was $1,445.8 million pesos and represented 74.2% of sales, increasing 0.9 percentage points compared to the fourth quarter of 2011 due to the combination of lower variable costs as a percentage of sales, which were not sufficient to offset an increase in maintenance costs in cement plants and higher cost of production, mainly in concrete operations in both countries.

During 2012, cost of sales as a percentage of sales remained at a similar level with respect to the previous year, representing 79.8% of sales.

**Administrative and selling expenses** decreased 24.4% to $302.6 million pesos in the last quarter of 2012, compared to $400.4 million pesos of 2011. This significant reduction is the result of the following factors: decrease of salaries, wages and benefits; non-recurring legal expenses incurred in the last quarter of 2011, mostly in the United States Division; and a lower exchange rate for the Mexican peso against the U.S. dollar. During 2012, these expenses decreased 11.6% in comparison with 2011. As a percentage of sales, administrative and selling expenses declined 3.5 percentage points.

**Operating income** in the last quarter of 2012 totaled $201.0 million pesos, increasing 38.3% over the $145.3 million pesos in operating income reported in the same period of 2011. This increase was the result of higher sales and maintenance expenses, combined with lower administrative and selling expenses. Operating income for the full year rose 83.6% to $748.1 million pesos, compared to $407.6 million pesos of operating income in 2011.

**EBITDA** in the fourth quarter of the year totaled $412.2 million pesos, which represents an increase of 7.6% compared to the fourth quarter of 2011. EBITDA margin as a percentage of sales was 21.1%, improving 2.6 percentage points compared to the margin obtained in the same period of last year. Total EBITDA in 2012 increased 21.6% over 2011, to $1,583.3 million pesos. EBITDA margin increased 1.0 percentage points to 19.1%.

The **Result from financial activities** registered in the fourth quarter of 2012 was an expense of $124.9 million pesos, 11.8% lower than in the same quarter of last year. This result is a combination of the following factors: the appreciation of the Mexican peso against the U.S. dollar, a reduction of average outstanding debt and a decrease of debt interest rates. In 2012, the result from financial activities increased 2.4% to $500.4 million pesos compared to 2011, as a result of the reduction of financial expenses due to the lower outstanding debt, partially offset by the cumulative depreciation of the Mexican peso against the U.S dollar of approximately 6% during the year.

**Net consolidated income** for the fourth quarter of 2012 was a loss of $9.5 million pesos. In 2012, consolidated net income increased 310.9% to $246.3 million pesos, compared to net income of $59.9 million pesos in 2011.

**Free cash flow** in the fourth quarter of 2012 was $465.7 million pesos, increasing 55.2% in respect with the same period of last year. This variation was primarily the result of a combination of the following factors: EBITDA growth, decrease of working capital investment as the result of lower accounts receivable, a reduction in inventories, an increase in accounts payable, and an increase in capital investments, compared to the same period of 2011.

During 2012, $742.7 million pesos of free cash flow was registered, rising 181.6% over the $263.7 million pesos in 2011. The substantial improvement in free cash flow during 2012 was the result of better operating results including a significant reduction of working capital investment.

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

| | 4Q12 | 4Q11 | Var | 2012 | 2011 | Var |
|---|---|---|---|---|---|---|
| **Operating Income** | **201.0** | **145.3** | **38.3%** | **748.1** | **407.6** | **83.6%** |
| Depreciation and amortization | 211.2 | 237.7 | -11.1% | 835.1 | 894.7 | -6.7% |
| **EBITDA** | **412.2** | **383.0** | **7.6%** | **1,583.3** | **1,302.2** | **21.6%** |
| Interest income (expense) | (124.7) | (146.3) | -14.8% | (480.8) | (519.6) | -7.5% |
| (Increase) Decrease in working capital | 329.6 | 192.9 | 70.9% | 138.0 | (272.3) | -150.7% |
| Taxes | 0.0 | 0.0 | 0.0% | 0.0 | 0.0 | 0.0% |
| Capital expenditures* | (149.7) | (146.9) | 1.9% | (495.3) | (243.6) | 103.3% |
| Other | (1.7) | 17.3 | -109.9% | (2.4) | (3.1) | -20.2% |
| **Free cash flow** | **465.7** | **300.0** | **55.2%** | **742.7** | **263.7** | **181.6%** |

** Excludes investments in new production capacity and acquisition*

GCC's **Interest-bearing debt** in dollars decreased 7.0%, from $535.6 million dollars as of December 31, 2011 to $498.4 million dollars as of December 31, 2012. Debt converted to pesos as of the last day of 2012 totaled $6,483.7 million pesos, which represents a reduction of 13.5% compared to outstanding debt on December 31, 2011. Net debt as of December 31, 2012 was $5,279.9 million pesos.

On February 8, 2013 GCC completed two new financing transactions, successfully concluding its refinancing plan. This resulted in an improved capital structure, providing a better debt maturity profile and enhanced financial flexibility, consistent with expected recovery of the economies in Mexico and the United States. This refinancing included:

1. An issuance of senior secured notes in an aggregate amount of $260.0 million dollars with a 8.125% coupon rate, a 7 year term and a BB- rating from Fitch Ratings and a B rating from Standard and Poor's. This issuance was led by Banco Bilbao Vizcaya Argentaria, S.A., Citigroup Global Markets, Inc. and Scotia Capital (USA) and was well-received among investors with over 110 international investment funds participating and an order book of $1.6 billion dollars, a 6.1x oversubscription. 73% of the demand came from U.S. accounts, 15% from Europe, 11% from Latin America and 1% from Asia.

2. A syndicated term loan facility in an aggregate amount of $250.0 million dollars with a 5-year term with BBVA Securities, Inc., Citigroup Global Markets, Inc., and The Bank of Nova Scotia acting as joint lead arrangers and joint bookrunners and with the participation of BBVA Bancomer, S.A., The Bank of Nova Scotia, Banco Nacional de México, S.A., Banamex, USA, Comerica Bank, Corpbanca, New York Branch, Banco Invex, S.A., Banco del Bajío, S.A., HSBC México, S.A., Israel Discount Bank of New York and Bancaribe Curacao Bank N.V.

According to IAS 1 (International Accounting Standards) -Presentation of Financial Statements-, issued by the International Accounting Standards Board or "IASB", GCC classified its total outstanding debt as current in the statement of financial position, as of December 31, 2012. This classification was conducted because, as of such date, the Company did not have an agreement with creditors to waive the obligation of maintaining certain specific financial ratios (financial leverage and interest expense ratios), nor did the Company have an unconditional right to defer or reschedule payment of its financial obligations.

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

| | GCC |
|---|---|
| **TOTAL** | **6,483.7** |
| Short term | 6,483.7 |
| Long term | 0.0 |

For informative and comparison purposes, outstanding debt as of December 31, 2012 is presented on a proforma basis to reflect the new financial structure, totaling $6,637.9 million pesos.

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

| | GCC |
|---|---|
| **TOTAL** | **6,637.9** |
| Short term | 51.5 |
| Long term | 6,586.4 |

GCC's **Total assets** as of December 31, 2012 were $21,277.8 million pesos, figure 6.5% lower than assets as of December 31, 2011.

As per the laws regulating the Mexican Stock Exchange and its participants, GCC publicly disclosed that analysis of the Company's performance is covered by GBM Casa de Bolsa, and Acciones y Valores Banamex, Casa de Bolsa.

**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 2012 figures compared to those of 2011.

**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)*

| | 4Q 2012 | % | 4Q 2011 | % | 4Q12 / 4Q11 |
|---|---|---|---|---|---|
| **Net sales** | **1,949,348** | 100.0% | **1,968,825** | 100.0% | **-1.0%** |
| Mexico sales | 652,047 | 33.4% | 687,746 | 34.9% | -5.2% |
| U.S.A. sales | 1,297,301 | 66.6% | 1,281,079 | 65.1% | 1.3% |
| Cost of sales | 1,445,799 | 74.2% | 1,423,081 | 72.3% | 1.6% |
| **Gross income** | **503,549** | 25.8% | **545,743** | 27.7% | **-7.7%** |
| Operating expenses | 302,590 | 15.5% | 400,426 | 20.3% | -24.4% |
| **Operating income** | **200,958** | 10.3% | **145,317** | 7.4% | **38.3%** |
| Other (income) and expenses | 1,717 | 0.1% | (17,338) | -0.9% | 109.9% |
| Earnings in associates | 7,463 | 0.4% | - | 0.0% | 100% |
| **Income (loss) after other (income) and expenses** | **191,779** | 9.8% | **162,655** | 8.3% | **17.9%** |
| Financial income | 7,402 | 0.4% | 7,378 | 0.4% | 0.3% |
| Financial expenses | (132,128) | -6.8% | (153,706) | -7.8% | 14.0% |
| Exchange gain (loss), net | (169) | 0.0% | 4,701 | 0.2% | -103.6% |
| **Net financing income (expenses)** | **(124,896)** | -6.4% | **(141,627)** | -7.2% | **11.8%** |
| **Income (loss) before taxes** | **66,883** | 3.4% | **21,029** | 1.1% | **218.1%** |
| Income taxes | 76,334 | 3.9% | (446,606) | -22.7% | 117.1% |
| **Consolidated net income** | **(9,451)** | -0.5% | **467,635** | 23.8% | **-102.0%** |
| **Related to equity holders of the parent** | **(9,396)** | -0.5% | **466,883** | 23.7% | -102.0% |
| **Non-controlling interests** | **(55)** | 0.0% | **752** | 0.0% | -107.4% |
| **EBITDA** | **412,171** | 21.1% | **383,006** | 19.5% | 7.6% |
| Net financial expenses | **(124,726)** | -6.4% | **(146,328)** | -7.4% | 14.8% |
| Free cash flow | **465,673** | 23.9% | **300,004** | 15.2% | 55.2% |

## Cumulative Income Statement

*(Thousands of pesos)*

| | 2012 | % | 2011 | % | 2012 / 2011 |
|---|---|---|---|---|---|
| **Net sales** | **8,309,866** | 100.0% | **7,206,526** | 100.0% | **15.3%** |
| Mexico sales | 2,587,310 | 31.1% | 2,564,527 | 35.6% | 0.9% |
| U.S.A. sales | 5,722,556 | 68.9% | 4,641,999 | 64.4% | 23.3% |
| Cost of sales | 6,627,512 | 79.8% | 5,742,690 | 79.7% | 15.4% |
| **Gross income** | **1,682,354** | 20.2% | **1,463,836** | 20.3% | **14.9%** |
| Operating expenses | 934,233 | 11.2% | 1,056,273 | 14.7% | -11.6% |
| **Operating income** | **748,121** | 9.0% | **407,563** | 5.7% | **83.6%** |
| Other (income) and expenses | 2,435 | 0.0% | 3,051 | 0.0% | -20.2% |
| Earnings in associates | 7,463 | 0.1% | - | 0.0% | 100% |
| **Income (loss) after other (income) and expenses** | **738,223** | 8.9% | **404,512** | 5.6% | **82.5%** |
| Financial income | 25,334 | 0.3% | 25,628 | 0.4% | -1.1% |
| Financial expenses | (506,176) | -6.1% | (545,229) | -7.6% | 7.2% |
| Exchange gain (loss), net | (19,521) | -0.2% | 30,826 | 0.4% | -163.3% |
| **Net financing income (expenses)** | **(500,363)** | -6.0% | **(488,775)** | -6.8% | **-2.4%** |
| **Income (loss) before taxes** | **237,860** | 2.9% | **(84,263)** | -1.2% | **382.3%** |
| Income taxes | (8,424) | -0.1% | (450,810) | -6.3% | 98.1% |
| **Income (loss) from continuing operations** | **246,284** | 3.0% | **366,547** | 5.1% | **-32.8%** |
| Net income (loss) of discontinued operations | - | 0.0% | (306,615) | -4.3% | 0.0% |
| **Consolidated net income** | **246,284** | 3.0% | **59,932** | 0.8% | **310.9%** |
| **Related to equity holders of the parent** | **246,339** | 3.0% | **59,508** | 0.8% | 314.0% |
| **Non-controlling interests** | **(55)** | 0.0% | **424** | 0.0% | -112.9% |
| **EBITDA** | **1,583,252** | 19.1% | **1,302,236** | 18.1% | 21.6% |
| Net financial expenses | **(480,842)** | -5.8% | **(519,601)** | -7.2% | 7.5% |
| Free cash flow | **742,723** | 8.9% | **263,705** | 3.7% | 181.6% |

## 2012 Income Statement

*(Thousands of pesos)*

| | 1Q 2012 | % | 2Q 2012 | % | 3Q 2012 | % | 4Q 2012 | % | 2012 |
|---|---|---|---|---|---|---|---|---|---|
| **Net sales** | **1,492,300** | 100.0% | **2,284,351** | 100.0% | **2,583,867** | 100.0% | **1,949,348** | 100.0% | **8,309,866** |
| Mexico sales | 601,237 | 40.3% | 669,538 | 29.3% | 664,489 | 25.7% | 652,047 | 33.4% | 2,587,310 |
| U.S.A. sales | 891,063 | 59.7% | 1,614,813 | 70.7% | 1,919,378 | 74.3% | 1,297,301 | 66.6% | 5,722,556 |
| Cost of sales | 1,284,094 | 86.0% | 1,852,024 | 81.1% | 2,045,595 | 79.2% | 1,445,799 | 74.2% | 6,627,512 |
| **Gross income** | **208,206** | 14.0% | **432,327** | 18.9% | **538,272** | 20.8% | **503,549** | 25.8% | **1,682,354** |
| Operating expenses | 194,254 | 13.0% | 196,286 | 8.6% | 241,103 | 9.3% | 302,590 | 15.5% | 934,233 |
| **Operating income** | **13,952** | 0.9% | **236,041** | 10.3% | **297,169** | 11.5% | **200,958** | 10.3% | **748,121** |
| Other (income) and expenses | 4,228 | 0.3% | 19,550 | 0.9% | (23,060) | -0.9% | 1,717 | 0.1% | 2,435 |
| Earnings in associates | - | 0.0% | - | 0.0% | - | 0.0% | 7,463 | 0.4% | 7,463 |
| **Income (loss) after other (income) and expenses** | **9,724** | 0.7% | **216,491** | 9.5% | **320,229** | 12.4% | **191,779** | 9.8% | **738,223** |
| Financial income | 5,941 | 0.4% | 5,992 | 0.3% | 5,998 | 0.2% | 7,402 | 0.4% | 25,334 |
| Financial expenses | (118,212) | -7.9% | (121,467) | -5.3% | (134,368) | -5.2% | (132,128) | -6.8% | (506,176) |
| Exchange gain (loss), net | (12,935) | -0.9% | 287 | 0.0% | (6,704) | -0.3% | (169) | 0.0% | (19,521) |
| **Net financing income (expenses)** | **(125,206)** | -8.4% | **(115,188)** | -5.0% | **(135,074)** | -5.2% | **(124,896)** | -6.4% | **(500,363)** |
| **Income (loss) before taxes** | **(115,482)** | -7.7% | **101,304** | 4.4% | **185,155** | 7.2% | **66,883** | 3.4% | **237,860** |
| Income taxes | (6,044) | -0.4% | (112,331) | -4.9% | 33,617 | 1.3% | 76,334 | 3.9% | (8,424) |
| **Consolidated net income** | **(109,438)** | -7.3% | **213,635** | 9.4% | **151,538** | 5.9% | **(9,451)** | -0.5% | **246,284** |
| **Equity attributable to equity holders of the parent** | **(109,316)** | -7.3% | **213,517** | 9.3% | **151,535** | 5.9% | **(9,396)** | -0.5% | **246,339** |
| **Non-controlling interest** | **(122)** | 0.0% | **118** | 0.0% | **4** | 0.0% | **(55)** | 0.0% | **(55)** |
| **EBITDA** | **223,531** | 15.0% | **446,186** | 19.5% | **501,364** | 19.4% | **412,171** | 21.1% | **1,583,252** |

## 2011 Income Statement

*(Thousands of pesos)*

| | 1Q 2011 | % | 2Q 2011 | % | 3Q 2011 | % | 4Q 2011 | % | 2011 |
|---|---|---|---|---|---|---|---|---|---|
| **Net sales** | **1,103,792** | 100.0% | **1,853,184** | 100.0% | **2,280,725** | 100.0% | **1,968,825** | 100.0% | **7,206,526** |
| Mexico sales | 512,206 | 46.4% | 659,170 | 35.6% | 705,406 | 30.9% | 687,746 | 34.9% | 2,564,527 |
| U.S.A. sales | 591,586 | 53.6% | 1,194,014 | 64.4% | 1,575,319 | 69.1% | 1,281,079 | 65.1% | 4,641,999 |
| Cost of sales | 1,059,119 | 96.0% | 1,508,554 | 81.4% | 1,751,935 | 76.8% | 1,423,081 | 72.3% | 5,742,690 |
| **Gross income** | **44,673** | 4.0% | **344,630** | 18.6% | **528,790** | 23.2% | **545,743** | 27.7% | **1,463,836** |
| Operating expenses | 182,139 | 16.5% | 226,956 | 12.2% | 246,752 | 10.8% | 400,426 | 20.3% | 1,056,273 |
| **Operating income** | **(137,466)** | -12.5% | **117,674** | 6.3% | **282,038** | 12.4% | **145,317** | 7.4% | **407,563** |
| Other (income) and expenses | 14,739 | 1.3% | 23,151 | 1.2% | (17,501) | -0.8% | (17,338) | -0.9% | 3,051 |
| **Income (loss) after Other (income) and expenses** | **(152,205)** | -13.8% | **94,522** | 5.1% | **299,539** | 13.1% | **162,655** | 8.3% | **404,512** |
| Financial income | 6,254 | 0.6% | 4,404 | 0.2% | 7,591 | 0.3% | 7,378 | 0.4% | 25,628 |
| Financial expenses | (130,309) | -11.8% | (125,685) | -6.8% | (135,528) | -5.9% | (153,706) | -7.8% | (545,229) |
| Exchange loss | (1,969) | -0.2% | 5,294 | 0.3% | 22,800 | 1.0% | 4,701 | 0.2% | 30,826 |
| **Net Financing Income (Expenses)** | **(126,025)** | -11.4% | **(115,987)** | -6.3% | **(105,137)** | -4.6% | **(141,627)** | -7.2% | **(488,775)** |
| **Income (Loss) before Taxes** | **(278,229)** | -25.2% | **(21,464)** | -1.2% | **194,402** | 8.5% | **21,028** | 1.1% | **(84,263)** |
| Income taxes | (36,845) | -3.3% | 20,624 | 1.1% | 12,018 | 0.5% | (446,606) | -22.7% | (450,810) |
| **Income (loss) from continuing operations** | **(241,384)** | -21.9% | **(42,088)** | -2.3% | **182,384** | 8.0% | **467,635** | 23.8% | **366,547** |
| Net Income (loss) of discontinued operations | 11,546 | 1.0% | 13,596 | 0.7% | (331,757) | -14.5% | - | 0.0% | (306,615) |
| **Consolidated net income** | **(229,838)** | -20.8% | **(28,492)** | -1.5% | **(149,373)** | -6.5% | **467,635** | 23.8% | **59,932** |
| **Equity attributable to equity holders of the parent** | **(229,740)** | -20.8% | **(28,542)** | -1.5% | **(149,094)** | -6.5% | **466,883** | 23.7% | **59,508** |
| **Non-controlling interest** | **(98)** | 0.0% | **49** | 0.0% | **(279)** | 0.0% | **752** | 0.0% | **424** |
| **EBITDA** | **91,521** | 8.3% | **328,785** | 17.7% | **498,923** | 21.9% | **383,006** | 19.5% | **1,302,236** |

## Balance Sheet

*(Thousands of pesos)*

| | DECEMBER 2012 | DECEMBER 2011 | Variation |
|---|---|---|---|
| **Total Assets** | **21,277,794** | **22,745,543** | -6.5% |
| Current Assets | 4,171,006 | 4,177,375 | -0.2% |
| *Cash and cash equivalents* | *1,203,768* | *1,163,149* | 3.5% |
| Non-current | 4,641,086 | 5,024,412 | -7.6% |
| Property, machinery and equipment (net) | 12,247,471 | 13,211,851 | -7.3% |
| Other non current assets | 218,232 | 331,905 | -34.2% |
| **Total liabilities*** | **8,999,722** | **10,083,109** | -10.7% |
| Current liabilities | 7,733,710 | 1,809,217 | 327.5% |
| *Bank debt* | *2,790,666* | *517,645* | 439.1% |
| *Senior secured notes* | *3,690,268* | - | 100.0% |
| *Other cost bearing liabilities* | *2,738* | *4,163* | -34.2% |
| Long term liabilities | 1,266,012 | 8,273,891 | -84.7% |
| *Bank debt* | - | *3,000,941* | -100.0% |
| *Senior secured notes* | - | *3,968,328* | -100.0% |
| *Other cost bearing liabilities* | - | *3,024* | -100.0% |
| Other long term liabilities | 44,395 | 41,388 | 7.3% |
| Income taxes payable | 333,632 | 349,763 | -4.6% |
| Deferred taxes | 463,863 | 551,243 | -15.9% |
| **Total Equity** | **12,278,072** | **12,662,434** | -3.0% |
| Equity attributable to equity holders of the parent | 12,274,553 | 12,658,860 | |
| Non-controlling interest | 3,519 | 3,574 | -1.5% |
| **Total liabilities and equity** | **21,277,794** | **22,745,543** | -6.5% |

*See note about debt classification on page 6.

## Proforma Balance Sheet
## new financial structure

*(Thousands of pesos)*

| | DECEMBER 2012 | DECEMBER 2011 | Variation |
|---|---|---|---|
| **Total Assets** | **21,432,011** | **22,745,543** | -5.8% |
| Current Assets | 4,325,223 | 4,177,375 | 3.5% |
| *Cash and cash equivalents* | *1,357,985* | *1,163,149* | 16.8% |
| Non-current | 4,641,086 | 5,024,412 | -7.6% |
| Property, machinery and equipment (net) | 12,247,471 | 13,211,851 | -7.3% |
| Other non current assets | 218,232 | 331,905 | -34.2% |
| **Total liabilities** | **9,153,940** | **10,083,109** | -9.2% |
| Current liabilities | 1,301,564 | 1,809,217 | -28.1% |
| *Bank debt* | *48,788* | *517,645* | -90.6% |
| *Senior secured notes* | - | - | 0.0% |
| *Other cost bearing liabilities* | *2,738* | *4,163* | -34.2% |
| Long term liabilities | 7,852,376 | 8,273,891 | -5.1% |
| *Bank debt* | *3,203,737* | *3,000,941* | 6.8% |
| *Senior secured notes* | *3,382,626* | *3,968,328* | -14.8% |
| *Other cost bearing liabilities* | - | *3,024* | -100.0% |
| Other long term liabilities | 44,395 | 41,388 | 7.3% |
| Income taxes payable | 333,632 | 349,763 | -4.6% |
| Deferred taxes | 463,863 | 551,243 | -15.9% |
| **Total Equity** | **12,278,072** | **12,662,434** | -3.0% |
| Equity attributable to equity holders of the parent | 12,274,553 | 12,658,860 | |
| Non-controlling interest | 3,519 | 3,574 | -1.5% |
| **Total liabilities and equity** | **21,432,011** | **22,745,543** | -5.8% |

## Income Statement

*(Thousands of dollars)*

| | 4Q 2012 | % | 4Q 2011 | % | 4Q12 / 4Q11 |
|---|---|---|---|---|---|
| **Net sales** | **149,489** | 100.0% | **145,034** | 100.0% | **3.1%** |
| Mexico sales | 50,575 | 33.8% | 51,441 | 35.5% | -1.7% |
| U.S.A. sales | 98,914 | 66.2% | 93,594 | 64.5% | 5.7% |
| Cost of sales | 111,630 | 74.7% | 104,455 | 72.0% | 6.9% |
| **Gross income** | **37,859** | 25.3% | **40,580** | 28.0% | **-6.7%** |
| Operating expenses | 23,363 | 15.6% | 29,391 | 20.3% | -20.5% |
| **Operating income** | **14,496** | 9.7% | **11,188** | 7.7% | **29.6%** |
| Other (income) and expenses | 133 | 0.1% | (1,273) | -0.9% | 110.4% |
| Earnings in associates | 576 | 0.4% | - | 0.0% | 100.0% |
| **Income (loss) after other (income) and expenses** | **13,788** | 9.2% | **12,461** | 8.6% | **10.6%** |
| Financial income | 572 | 0.4% | 542 | 0.4% | 5.5% |
| Financial expenses | (10,202) | -6.8% | (11,282) | -7.8% | 9.6% |
| Exchange gain (loss), net | (13) | 0.0% | 345 | 0.2% | -103.8% |
| **Net financing income (expenses)** | **(9,643)** | -6.5% | **(10,395)** | -7.2% | **7.2%** |
| **Income (loss) before taxes** | **4,145** | 2.8% | **2,065** | 1.4% | **100.7%** |
| Income taxes | 5,894 | 3.9% | (32,781) | -22.6% | 118.0% |
| **Consolidated net income** | **(1,749)** | -1.2% | **34,846** | 24.0% | **-105.0%** |
| **EBITDA** | **30,804** | 20.6% | **28,749** | 19.8% | **7.1%** |

## Cumulative Income Statement

*(Thousands of dollars)*

| | 2012 | % | 2011 | % | 2012 / 2011 |
|---|---|---|---|---|---|
| **Net sales** | **629,486** | 100.0% | **579,745** | 100.0% | **8.6%** |
| Mexico sales | 196,249 | 31.2% | 206,836 | 35.7% | -5.1% |
| U.S.A. sales | 433,236 | 68.8% | 372,909 | 64.3% | 16.2% |
| Cost of sales | 503,408 | 80.0% | 461,984 | 79.7% | 9.0% |
| **Gross income** | **126,078** | 20.0% | **117,762** | 20.3% | **7.1%** |
| Operating expenses | 70,962 | 11.3% | 84,974 | 14.7% | -16.5% |
| **Operating income** | **55,116** | 8.8% | **32,787** | 5.7% | **68.1%** |
| Other (income) and expenses | 185 | 0.0% | 245 | 0.0% | -24.7% |
| Earnings in associates | 567 | 0.1% | - | 0.0% | 100% |
| **Income (loss) after other (income) and expenses** | **54,365** | 8.6% | **32,542** | 5.6% | **67.1%** |
| Financial income | 1,924 | 0.3% | 2,062 | 0.4% | -6.7% |
| Financial expenses | (38,448) | -6.1% | (43,862) | -7.6% | 12.3% |
| Exchange gain (loss), net | (1,483) | -0.2% | 2,480 | 0.4% | -159.8% |
| **Net financing income (expenses)** | **(38,006)** | -6.0% | **(39,321)** | -6.8% | **3.3%** |
| **Income (loss) before taxes** | **16,358** | 2.6% | **(6,779)** | -1.2% | **341.3%** |
| Income taxes | (644) | -0.1% | (36,266) | -6.3% | 98.2% |
| **Income (loss) from continuing operations** | **17,002** | 2.7% | **29,488** | 5.1% | **-42.3%** |
| Net Income (loss) of discontinued operations | - | 0.0% | (24,666) | -4.3% | 0.0% |
| **Consolidated net income** | **17,002** | 2.7% | **4,821** | 0.8% | **252.6%** |
| **EBITDA** | **118,577** | 18.8% | **104,761** | 18.1% | **13.2%** |