

GRUPO POCHTECA REPORTS ITS RESULTS FOR THE FOURTH QUARTER OF 2014

Mexico City, February 26, 2015 – Grupo Pochteca, S.A.B. de C.V. (“Pochteca” or “the Company”) (BMV: POCHTEC) published today its unaudited results for the quarter ended December 31, 2014 (“4Q14”).

Report Highlights

- **Sales +33%** year on year to Ps 1,499 million
- **EBITDA +79%** to Ps 84 million, including the acquisition of Coremal in Brazil
- **EBITDA margin +140bp** above 3Q14 levels to **5.6%**
- **Organic EBITDA**, excluding Coremal, **+58%** to Ps 74 million
- **Organic EBITDA margin** (net Coremal) widened 260bp yoy to **6.8%**
- **Cash position expanded Ps 143 million or 79% in 2014**, growing from Ps 181 million in 4Q13 to Ps 324 million at the end of 4Q14
- **Net Debt to EBITDA returned to 2.0 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 2Q14 peak of 2.8 times in 2Q14

In commenting on these 4Q14 results, Pochteca’s Chief Executive Officer Armando Santacruz said, “We are extremely satisfied with how Pochteca successfully navigated the effects of a pronounced drop in oil prices. The prices of the oil derivatives that Grupo Pochteca sells have fallen by between 10 and 30%. However, our growing emphasis on an added value sales mix and broad product diversification allowed the Company to achieve 58% organic EBITDA growth (net Coremal) in 4Q14 relative to 4Q13. In addition to the plunge in the price of oil and of some other products we distribute, economic activity remained depressed in sectors that are key for Pochteca such as mining and construction. Despite such adversity, we managed a strong 58% increase in organic EBITDA, an achievement that strengthens our confidence in the resilience and strength of our business model.

“Pochteca is today an important supplier of the export manufacturing industry, which has sustained double digit growth. We expect the sector to maintain that pace in the coming years and in the process allow Pochteca to sustain vigorous organic growth in the future. Going forward we believe that our company is well positioned to benefit from the growth Mexico’s energy reform is expected to attract in exploration and drilling activities as close to 8% of our sales are directly geared toward those industries. Over the medium term, all of our operations will benefit once we begin to see an end to the gas shortages (known locally as *alertas de gas*) that currently affect a significant percentage of our clients and as the supply of electric energy becomes more constant and electric power rates gradually fall.”

SELECTED FINANCIAL INFORMATION (MILLIONS OF PESOS)

| | 4Q14 | 4Q13 | (%) 4Q14 vs 4Q13 | YTD 14 | YTD 13 | (%) YTD 14 vs YTD 13 |
|------------------------|-------|-------|---------------------|--------|--------|-------------------------|
| Sales | 1,499 | 1,128 | 33% | 6,032 | 4,473 | 35% |
| Gross Profit | 277 | 186 | 49% | 1,051 | 749 | 40% |
| Gross Margin (%) | 18.5% | 16.5% | | 17.4% | 16.8% | |
| Operating Profit | 56 | 30 | 87% | 196 | 156 | 26% |
| Operating Margin (%) | 3.7% | 2.7% | | 3.2% | 3.5% | |
| Depreciation | 28 | 17 | 67% | 107 | 60 | 78% |
| EBITDA | 84 | 47 | 79% | 303 | 216 | 40% |
| EBITDA Margin (%) | 5.6% | 4.2% | | 5.0% | 4.8% | |
| Interest Expense | 17 | 17 | -3% | 101 | 60 | 69% |
| Foreign Exchange Loss | 54 | 4 | 1150% | 77 | 30 | 160% |
| Income Before Tax | (14) | 9 | NC | 17 | 66 | -74% |
| Net Income / (Loss) | (14) | 7 | NC | 3 | 40 | -92% |
| Net Debt / EBITDA 12 M | | | | 2.0x | 2.2x | |
| Interest Coverage | | | | 2.7x | 2.6x | |

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

Highlights from the most recent quarter

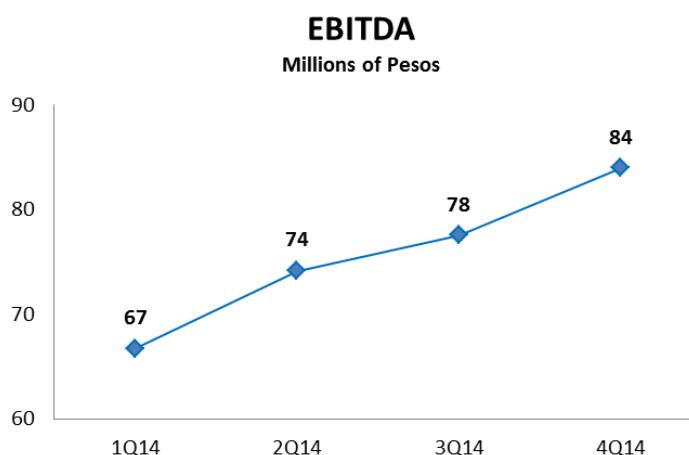
- **The environment remains complicated.**
 - We have successfully managed the impact of falling prices for oil and related products although 27% of our sales in Mexico consist of petroleum based solvents, coatings and blends.
 - Despite the complicated situation, we have managed to improve our gross and EBITDA margins.
 - Our diversification toward blends has had a favorable impact, tempering the fall in prices and widening gross margins.
 - Cross selling with our Brazil unit is beginning to produce positive results. For example, we are successfully penetrating sectors such as oil exploration and drilling and others in which Coremal did not participate prior to the arrival of Pochteca. It is a slow but sure process.
 - The drop in oil prices has done nothing to dispel the benefits Mexico's energy reform is expected to generate although they may materialize later than initially hoped and may prove less pronounced in some regions.
 - **Manufacturing:** This has been one of the brightest spots in the economy in the past two years; it should continue to register strong growth going forward. Our exposure to manufacturing remains a strength of Pochteca that will be all the more pronounced as the energy reform produces results, but even now the Company continues to benefit from the sector's growth. We are confident that the competitive gap separating China and Mexico will increasingly favor Mexico and lead more foreign companies to set up manufacturing operations inside the country with an eye toward supplying the US market.
 - **Brazil:** The environment is complicated, but the chemicals market is much larger than that of Mexico and Coremal's market share is still very small. For that reason, we are confident that the company will sustain sales and EBITDA growth in the coming years

by strengthening Coremal's operations, processes and business model, and enabling Coremal to sell products it has not previously offered and with which Pochteca is experienced.

- **Sales increased 33% compared to 4Q13.** The 33% increase in consolidated sales was achieved primarily thanks to the incorporation of Coremal in Brazil, which we acquired in December 31, 2013.
- **Consolidated gross income grew 49% as it expanded from Ps 186 million in 4Q13 to Ps 277 million in the most recent quarter as the consolidated gross margin widened 200 basis points.** Despite the decline in prices for some key products such as solvents, we managed to grow the gross margin by 200 basis points from 16.5% a year earlier to 18.5% thanks to effective cost controls and greater sales of higher margin products such as blends and chemicals for the food industry. The 9.2% weakening of the Mexican peso (MXN) in relation to the dollar (USD) during the quarter had a favorable effect that partially cancelled out the contraction in the prices of raw materials, especially those that are derived from petroleum.

| 4Q13 | | 4Q14 |
|-------|--------------|-------|
| 16.5% | Gross Margin | 18.5% |

- **Operating income grew 87% in 4Q14, from Ps 30 million in 4Q13 to Ps 56 million.** Operating margin expanded by 100 basis points to 3.7%. Both increases were achieved largely thanks to a robust 49% rise in gross income. Excluding the incorporation of Coremal, operating income grew 71% in 4Q14.
- **EBITDA increased 79% compared to 4Q13 and the EBITDA margin widened 140 basis points to 5.6%.** The incorporation of Coremal contributed to the strong expansion of EBITDA, but as we explain below, the EBITDA of Pochteca base operations, which do not include Coremal, turned in a solid performance during the quarter.
- **Organic EBITDA, excluding Coremal, grew 58% compared to 4Q13 thanks to the combination of a higher gross margin and effective expense controls. The organic EBITDA margin (net Coremal) was 6.8%, an increase of 260 basis points compared to 4Q13.**
- **Consolidated EBITDA trended favorably in 2014.** Throughout the year we strengthened EBITDA generation from quarter to quarter as the following graph indicates. Compared to the immediately preceding quarter, consolidated EBITDA grew at the following pace in 2014:
 - +11% in 2Q14
 - +5% in 3Q14
 - +9% in 4Q14



- **Operating expenses (excluding depreciation) as a percentage of sales increased from 12.3% in 4Q13 to 12.9% in 4Q14 due to the inclusion of Coremal.** Our Brazilian subsidiary is operating with expenses that are higher than 13% as a percentage of sales, a level almost 100 basis points above that of Pochteca in Mexico. A year after having incorporated Coremal into Pochteca's structure, we are focused on harmonizing the operating expense levels of Coremal with those we maintain in Mexico despite the structural restrictions that exist in Brazil primarily related to socially mandated payroll expenses and some fiscal and regulatory issues.

| 4Q13 | | 4Q14 |
|-------|------------------|-------|
| 12.3% | Expenses / Sales | 12.9% |

- **Net interest expense fell 3.5% year on year.** It is important to note that this was achieved despite having included in our 4Q14 results some amounts that were not reflected in 4Q13 numbers as Coremal results were only consolidated beginning in 1Q14 yet the balance sheet was consolidated at 4Q13.
 - For 4Q14 we included the consolidation of interests paid by Coremal on its Brazilian debt (equivalent to Ps 292 million). The interest rates Coremal paid until August 2014 were more than twice as high as what Pochteca paid in Mexico.
 - The 4Q14 report also reflects the incremental debt assumed in Mexico during 1Q14 with which to finance the acquisition of Coremal (Ps 170 million).
 - **As we noted in our report on our results for 3Q14,** financial expenses should be lower going forward as we have managed to refinance 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 Company recorded a net loss of Ps 14 million for 4Q14 principally due to the following reasons:**
 - **Compared to 4Q13, depreciation increased 67% on unusually high investments in 2013 (Ps 208 million)** for meeting the company's warehousing, transport and information technology needs. Investment during full year 2014 totaled Ps 89 million. We expect the growth trend in depreciation will be close to zero.
 - **Greater foreign exchange losses (more than 10 times higher than those of 4Q13)** due to depreciation of 9.2% by the Mexican peso and 8.6% by the Brazilian real in relation to the US dollar.
- **Improved working capital.** At the end of 4Q14 our working capital was equivalent to 28 days of sales, 13 fewer days compared to 4Q13 and 6 less days than in 3Q14. Our main challenge is to continue scaling back inventories and reducing accounts receivable in order to lower our degree of leverage.
- **Cash generation of Ps 143 million in 2014.** As a result of the increase in EBITDA and the reduction in working capital, it was possible to expand our cash position 79% during 2014, expanding it from Ps 181 million at the end of 2013 to Ps 324 million at the end of 2014, thereby expanding cash on hand by Ps 143 million.
- **Net debt at the end of 4Q14 stood at Ps 7 million, or 1% greater than in 4Q13.** It is important to mention that, as we informed the public at the time, on December 4, we concluded our refinancing of a Ps 610 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 / EBITDA returned to 2.0 times in 4Q14, which is exactly in line with our internal policy of not remaining above the 2 times mark.** 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 previously.
- **It is important to clarify that, given that Coremal's acquisition was concluded on December 31, 2013, we consolidated Coremal's balance sheet but not its results for 2013.** The net debt / EBITDA indicator of 2.2 times at 4Q13 was calculated using Coremal's proforma EBITDA for 2013. Otherwise, the indicator would have been 2.9x taking into account the entirety of Coremal's debt and excluding its EBITDA for 2013.
- **As we have indicated in previous statements,** we remain focused on generating flows through an energetic management of working capital and both cost and expense controls as a way to increase EBITDA.
- **In 4Q14 interest coverage (EBITDA / interest) was 2.7 times.** This indicator is practically in line with that of 4Q13.

| | 4Q14 | 4Q13 |
|------------------------|-------------|-------------|
| Net Debt (Ps millions) | 616 | 623 |
| Net Debt / EBITDA 12 M | 2.0x | 2.2x |
| Interest Coverage | 2.7x | 2.6x |
| Outstanding Shares | 130,522,049 | 130,522,049 |

Guidance for 2015

Our guidance for 2015 is as follows:

Sales: Ps 6,300 million, +4% yoy

EBITDA: Ps 345 million +14% yoy

EBITDA margin: 5.5%, +50 bp yoy

Stock buyback fund

For the time being the only manager of the fund for repurchasing shares of Grupo Pochteca 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 great 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

| | dec-14 | sep-14 | dec-13 | (% dec-14 vs. sep-14 dec-13 | |
|---|------------------|------------------|------------------|--------------------------------|--------------|
| ASSETS | | | | | |
| CASH AND CASH EQUIVALENTS | 324,458 | 211,181 | 181,371 | 53.6 | 78.9 |
| TRADE ACCOUNTS RECEIVABLE | 922,094 | 1,047,003 | 974,168 | (11.9) | (5.3) |
| OTHER ACCOUNTS RECEIVABLE | 65,447 | 125,615 | 3,103 | (47.9) | NC |
| INVENTORIES | 937,687 | 982,232 | 899,045 | (4.5) | 4.3 |
| ASSETS HELD FOR SALE | 12,727 | | | | |
| TOTAL CURRENT ASSETS | 2,262,413 | 2,366,031 | 2,057,686 | (4.4) | 9.9 |
| PROPERTY, PLANT & EQUIPMENT, NET | 895,514 | 905,550 | 921,839 | (1.1) | (2.9) |
| DEFERRED ASSETS | 594,129 | 679,289 | 614,230 | (12.5) | (3.3) |
| TOTAL ASSETS | 3,752,056 | 3,950,870 | 3,593,756 | (5.0) | 4.4 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | | | | |
| TRADE ACCOUNTS PAYABLE | 1,262,779 | 1,296,558 | 1,052,840 | (2.6) | 19.9 |
| BANK LOANS | 65,099 | 696,071 | 188,158 | (90.6) | (65.4) |
| OTHER ACCOUNTS PAYABLE | 243,357 | 273,271 | 231,045 | (10.9) | 5.3 |
| TOTAL CURRENT LIABILITIES | 1,571,234 | 2,265,900 | 1,472,043 | (30.7) | 6.7 |
| OTHER LONG-TERM ACCOUNTS PAYABLE | 119,493 | 234,454 | 311,958 | (49.0) | (61.7) |
| LONG-TERM DEBT | 874,892 | 251,151 | 615,909 | 248.4 | 42.0 |
| TOTAL LONG-TERM LIABILITIES | 994,385 | 485,605 | 927,867 | 104.8 | 7.2 |
| TOTAL LIABILITIES | 2,565,619 | 2,751,505 | 2,399,910 | (6.8) | 6.9 |
| CONTRIBUTED CAPITAL | 1,167,279 | 1,174,240 | 1,183,356 | (0.6) | (1.4) |
| PROFIT (LOSS) FOR THE PERIOD | 3,094 | 17,561 | 39,553 | (82.4) | (92.2) |
| OTHER COMPREHENSIVE INCOME | (250) | - | - | NC | NC |
| ACCUMULATED PROFIT | 40,830 | 40,481 | 823 | NC | NC |
| TRANSLATION EFFECT OF FOREIGN OPERATIONS | (24,517) | (32,916) | (29,886) | (25.5) | (18.0) |
| TOTAL EQUITY | 1,186,437 | 1,199,365 | 1,193,846 | (1.1) | (0.6) |
| TOTAL LIABILITIES AND EQUITY | 3,752,056 | 3,950,870 | 3,593,756 | (5.0) | 4.4 |

NC = non comparable

GRUPO POCHTECA, S.A.B. DE C.V.
STATEMENT OF COMPREHENSIVE INCOME
Information in thousands of Mexican Pesos

| | 4Q14 | 3Q14 | 4Q13 | YTD 14 | YTD 13 | <div>(%) 4Q14 vs 3Q14</div> <div>(%) 4Q13</div> | | (%) YTD 14 vs. YTD 13 |
|------------------------------|-----------------|----------------|----------------|------------------|----------------|---|---------|-----------------------|
| Sales | 1,498,947 | 1,555,661 | 1,127,654 | 6,031,940 | 4,472,769 | (3.6) | 32.9 | 34.9 |
| Cost of sales | (1,221,635) | (1,289,262) | (941,710) | (4,980,497) | (3,723,480) | (5.2) | 29.7 | 33.8 |
| Gross profit | 277,312 | 266,400 | 185,944 | 1,051,443 | 749,289 | 4.1 | 49.1 | 40.3 |
| | 18.5% | 17.1% | 16.5% | 17.4% | 16.8% | | | |
| Operating expenses | (192,944) | (188,833) | (138,908) | (748,610) | (533,204) | 2.2 | 38.9 | 40.4 |
| | -12.9% | -12.1% | -12.3% | -12.4% | -11.9% | | | |
| Depreciation | (28,376) | (28,088) | (17,027) | (107,244) | (60,250) | 1.0 | 66.6 | 78.0 |
| Operating profit | 55,992 | 49,479 | 30,009 | 195,589 | 155,835 | 13.2 | 86.6 | 25.5 |
| | 3.7% | 3.2% | 2.7% | 3.2% | 3.5% | | | |
| Depreciation | 28,376 | 28,088 | 17,027 | 107,244 | 60,250 | 1.0 | 66.6 | 78.0 |
| EBITDA | 84,368 | 77,567 | 47,036 | 302,833 | 216,085 | 8.8 | 79.4 | 40.1 |
| | 5.6% | 5.0% | 4.2% | 5.0% | 4.8% | | | |
| Interest expense | (16,536) | (27,859) | (17,134) | (101,214) | (59,804) | (40.6) | (3.5) | 69.2 |
| Foreign exchange gain (loss) | (53,873) | (24,992) | (4,311) | (77,176) | (29,635) | 115.6 | 1,149.6 | 160.4 |
| Financing costs | (70,409) | (52,850) | (21,446) | (178,389) | (89,439) | 33.2 | 228.3 | 99.5 |
| | -4.7% | -3.4% | -1.9% | -3.0% | -2.0% | | | |
| Income before tax | (14,417) | (3,371) | 8,563 | 17,199 | 66,397 | 327.7 | NC | (74.1) |
| Income taxes | 2,076 | (4,071) | (9,334) | (8,648) | (13,747) | NC | NC | (37.1) |
| Deferred taxes | (2,126) | 2,032 | 2,488 | (5,457) | (13,097) | NC | NC | (58.3) |
| Discontinued operations | 0 | 0 | 5,641 | 0 | 0 | | | |
| NET INCOME (LOSS) | (14,467) | (5,411) | 7,358 | 3,094 | 39,553 | 167.4 | NC | (92.2) |
| | -1.0% | -0.3% | 0.7% | 0.1% | 0.9% | | | |

NC = non comparable



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 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 2014 contained in this report have been made against the figures for the comparable period of 2013 except where indicated.