FOURTH QUARTER 2014 ALFA, S.A.B. DE C.V.

Revenues and EBITDA increased 20% and 15% vis-a-vis 4Q13, supported by the consolidation of Campofrio.

Monterrey, N.L., Mexico. February 23, 2015.- ALFA, S.A.B. de C.V. ("ALFA") announced today unaudited financial results for the quarter ended December 31, 2014 ("4Q14"). Revenues amounted to U.S. $4,617 million, up 20% year-on-year. EBITDA[1] was U.S. $502 million, an increase of 15% year-on-year. The consolidation of Campofrio Food Group ("CFG") was the main driver of the abovementioned increases. Excluding CFG, revenues and EBITDA would have been up 3% and 2% vis-a-vis 4Q13, respectively.

Commenting on the quarter's results, Mr. Alvaro Fernandez, ALFA's President, said: "ALFA posted solid results in 4Q14, even as the company faced challenging business conditions, including a strong depreciation of the peso. Robust sales in North America in Nemak, healthy organic and acquisition-driven growth in Sigma, expansion of IT services in Alestra and increased output at Newpek supported the quarter's results. By contrast, Alpek was affected by margin pressure on its key products and declining oil prices. For the full year, all our companies except Alpek, posted record EBITDA in 2014."

4Q14 Capital Expenditures, including acquisitions amounted to U.S. $458 million. Funds were invested in several key projects, such as: Alpek's contribution to M&G's Corpus Christi PTA/PET plant, Nemak's additional casting and machining capabilities, Sigma's acquisition of Fabrica Juris ("Juris"), a processed meats company in Ecuador, and investments in fixed assets and distribution equipment, Alestra's infrastructure and equipment and the drilling of new wells at Newpek.

As of December 31, 2014, ALFA's Net Debt totaled U.S. $5,123 million, U.S. $1,650 million higher than 4Q13. Debt increased due to CFG, as Sigma raised approximately U.S. $200 million to complete the acquisition and assumed U.S. $597 million corresponding to CFG's debt. Besides, ALFA issued a U.S. $1 billion long-term bond in March, 2014. At the end of the year, ALFA's financial condition remained strong: The Net Debt to EBITDA ratio was 2.5 times, and Interest Coverage was 6.0 times. Furthermore, the proforma Net Debt to EBITDA ratio was 2.4 times when considering CFG's last twelve months.

Majority Net Loss totaled U.S. $450 million in 4Q14, compared to a Majority Net Income of U.S. $79 million in 4Q13. The quarter's operating income was more than offset by exchange losses on foreign debt due to the peso depreciation in the period, plus losses in the mark-to-market of ALFA's investment in Pacific Rubiales Energy ("PRE") shares, whose price declined.

SELECTED FINANCIAL INFORMATION (U.S. $ MILLIONS)

	4Q14	4Q13	3Q14	Ch.% vs. 4Q13	Ch.% vs. 3Q14	YTD '14	YTD '13	YTD Chg. %
CONSOLIDATED REVENUES	**4,617**	**3,859**	**4,663**	**20**	**(1)**	**17,200**	**15,870**	**8**
Alpek	1,646	1,608	1,633	2	1	6,471	7,028	(8)
Nemak	1,074	1,099	1,141	(2)	(6)	4,622	4,391	5
Sigma	1,657	982	1,712	69	(3)	5,359	3,820	40
Alestra	109	105	104	4	5	415	395	5
Newpek	42	34	47	23	(11)	170	133	28
CONSOLIDATED EBITDA	**502**	**438**	**546**	**15**	**(8)**	**2,016**	**1,915**	**5**
Alpek	71	132	131	(46)	(46)	434	573	(24)
Nemak	148	140	162	6	(9)	691	611	13
Sigma	199	130	185	53	7	636	524	22
Alestra	47	37	43	27	10	170	170	-
Newpek	27	22	33	22	(17)	116	91	28
MAJORITY NET INCOME	**(450)**	**79**	**55**	**(670)**	**(918)**	**(119)**	**463**	**(126)**
CAPEX & ACQUISITIONS	458	739	324	(38)	41	1,426	1,550	(8)
NET DEBT	**5,123**	**3,473**	**5,163**	**48**	**(1)**	**5,123**	**3,473**	**48**
Net Debt to LTM EBITDA*	2.5	1.8	2.6			2.5	1.8	
Interest Coverage*	6.0	6.7	5.8			6.0	6.7	

*Times. LTM= Last 12 months

[1] EBITDA = operating income + depreciation and amortization + non-recurring items.

CONTENTS

4Q14 CONSOLIDATED SECTION
OPERATIONS

Comments on the performance of each one of ALFA's companies during 4Q14:

Alpek reported revenues and EBITDA of U.S. $1,646 million and U.S. $71 million, up 2% and down 46% year-on-year, respectively. Volume was up 7% year-on-year but was partially offset by an average price decline of 5% following reductions in oil-related feedstock prices. EBITDA was down primarily reflecting a non-cash inventory devaluation charge in the amount of U.S. $52 million, which resulted from the above mentioned lower polyester feedstock prices by year-end. Excluding such charge, 4Q14 would have declined by 9% year-on-year.

Alpek continued to develop strategic investments. During 4Q14, it invested U.S. $152 million primarily for the Corpus Christi PTA/PET plant in accordance with agreed-upon milestones. Likewise, investments were made as per a tolling agreement with Huntsman Petrochemical, LLC on MEG feedstock. During 4Q14, the Cosoleacaque cogeneration plant began commercial operations. By year-end, the caprolactam facility began to achieve the expected improvements in feedstock yields and output, following the technology upgrade undertaken earlier in the year.

Net Debt at the end of the quarter was U.S. $715 million, down 7% from the U.S. $766 million at the end of 4Q13. Financial ratios were: Net Debt to EBITDA, 1.6 times; Interest Coverage, 6.5 times. These ratios compare to 1.3 and 7.1 times, respectively, reported in 2013.

(See Appendix C for a full discussion of Alpek's 4Q14 financial results)

In 4Q14 **Nemak** Revenues were U.S. $1,074 million, down 2% compared to 4Q13 mainly due to lower sales volumes in South America and Eastern Europe. By contrast, 4Q14 EBITDA increased 6% year-on-year to U.S. $148 million, due to higher marginal contribution on a better sales mix and operational efficiencies. EBITDA per unit reached U.S. $13.00 in 4Q14, up from U.S. $11.70 a year ago.

Capital expenditures amounted to U.S. $124 million in the quarter. Funds were utilized for the launching of new programs, expanding capacity and plant renovations. At the end of 4Q14 Net debt totaled U.S. $1,270 million, up U.S. $130 million when compared to 4Q13. Financial ratios were: Net Debt to EBITDA of 1.8 times and Interest Coverage of 9.6 times, which compare to 1.9 times and 6.1 times, respectively, reported in 4Q13.

Sigma's revenues totaled U.S. $1,657 million during the quarter, up 69% vis-à-vis 4Q13 primarily due to the consolidation of CFG. Excluding CFG, revenues would have risen 3% year-on-year to $1,013 million, driven by volume gains and higher average prices. 4Q14 EBITDA reached U.S. $199 million, 53% higher than in 4Q13 mainly reflecting CFG's contribution. Excluding CFG, 4Q14 EBITDA would have been U.S. $142 million, up 9% from 4Q13. EBITDA was impacted by the depreciation of the Mexican peso during the quarter. However, better results in International Operations (US and Central/South America) partially offset this negative factor.

During 4Q14, Sigma invested U.S. $109 million in capital expenditures and acquisitions. This figure includes the acquisition of Juris in November, 2014, which helped Sigma to expand its presence in South America. At the end of 4Q14, Net Debt was U.S. $1,862 million, up U.S. $543 million from 4Q13. The acquisition of CFG and the assumption of its debt were the main contributors to an increase in debt. Reported Net Debt to EBITDA was 2.9 times, and Interest Coverage was 5.6 times. Considering CFG's LTM EBITDA and LTM interest expense, proforma Net Debt to EBITDA would be 2.6 times and Interest Coverage 4.9 times.

Alestra's 4Q14 revenues were U.S. $109 million, up 4% year-on-year. EBITDA was U.S. $47 million, 27% higher than 4Q13. 4Q14 results were driven by a 3% increase in revenue from its core Value Added Services ("VAS"), including managed networks and IT services consisting of hosting, systems integration, network security and cloud services.

Capital expenditures and acquisitions totaled U.S. $32 million during 4Q14. At the end of the quarter, Alestra's net debt was U.S. $210 million, a U.S. $35 million increase over 4Q13. This was the result of the strong investment plan implemented including the increase in Data Center capacity as well as the acquisition of S&C Constructores de Sistemas, an IT company focused in tailor-made solutions for corporate customers. As of the end of 4Q14 financial ratios were:

Net Debt to EBITDA, 1.2 times; Interest Coverage, 7.3 times. These ratios compare to 1.0 and 7.5 times, respectively, reported in 4Q13.

During 4Q14, **Newpek** continued to execute its investment strategy. At the Eagle Ford Shale play ("EFS") in South Texas, 30 new liquids-rich wells were connected to sales. This brought total wells in production at EFS to 497 by the quarter's end, which represented a 34% increase over the 371 wells in production in 4Q13. At the end of the quarter, there were eight rigs and two dedicated fracking fleets operating at EFS.

Newpek´s sales volume in the U.S. averaged 9.2 Thousand Barrels of Oil Equivalent per Day ("MBOED") during 4Q14, up 39% from 4Q13. Liquids and oil represented 66% of the total sales volume for the quarter, up from 53% a year ago. 4Q14 Revenues totaled U.S. $42 million and EBITDA was U.S. $27 million. This represented year-on-year increases of 23% and 22%, respectively.

In Mexico, production averaged 5.5 MBOED during 4Q14, up 50% from 4Q13. The San Andrés field represented 74% of the total production for the quarter, up from 72% in the same period of the previous year. There were 138 wells in production in Mexico by the quarter's end, a 15% increase over the 120 wells at the end of 4Q13.

CONSOLIDATED FINANCIAL RESULTS

4Q14 Consolidated revenues increased 20% to U.S. $4,617 million from U.S. $3,859 million reported in 4Q13. This performance was primarily due to the consolidation of CFG. Excluding CFG, 4Q14 revenues increased 3% vis-a-vis 4Q13. Organically, all companies contributed to the growth in revenues, except Nemak as explained. Foreign sales represented 65% of the total during 4Q14. Year-to-date, ALFA reported revenues of U.S. $17,200 million, up 8% vis-a-vis 2013. Nemak, Sigma (including CFG), Alestra and Newpek all reported higher revenues, which offset lower sales at Alpek. Excluding CFG, ALFA's 2014 full year revenues would have been flat compared to 2013.

4Q14 consolidated Operating Income totaled U.S. $295 million, up 19% from the U.S. $247 million reported in 4Q13. The consolidation of CFG explains 11 percentage points ("pp") of the increase, while 8 pp are explained by the solid performance of Nemak, Sigma ex-CFG and Alestra. As explained, Alpek was heavily affected by non-cash inventory devaluation charges. For the full year, ALFA's Operating Income was U.S. $1,275 million, up 16% vis-à-vis 2013, and up 10% excluding CFG. 4Q14 EBITDA was U.S. $502 million, up 15% year-on-year. Excluding CFG, 4Q14 EBITDA was U.S. $445 million, slightly higher than the U.S. $438 million reported in 4Q13. On a cumulative basis, EBITDA was U.S. $2,016 million, up 5% from the same period in 2013, but flat excluding CFG due to the abovementioned non-cash inventory write downs at Alpek.

ALFA reported 4Q14 Comprehensive Financing Expense ("CFE") in the amount of U.S. $970 million, compared to U.S. $90 million reported in 4Q13. The two main factors for this expense were: foreign exchange losses of U.S. $295 million, reflecting the higher value in peso terms of ALFA's foreign debt as the peso lost 9.4% value to the dollar in the period; and, a U.S. $595 million loss in the mark-to-market valuation of ALFA's investment in Pacific Rubiales Energy shares. Year-to-date, CFE amounted to U.S. $1,330 million, 321% higher compared to 2013, basically for the same reasons.

Majority Net Loss totaled U.S. $450 million in 4Q14, which compares with a Majority Net Income of U.S. $79 million in 4Q13. Although operating income increased 19% year-on-year, the higher CFE in the period generated net losses. Cumulatively, 2014 Majority Net Loss amounted to U.S. $119 million, compared to a Majority Net Profit of U.S. $463 million in 2013.

CAPITAL EXPENDITURES AND ACQUISITIONS; NET DEBT

Consolidated capital expenditures and acquisitions totaled U.S. $458 million in 4Q14. All subsidiaries continued to make progress on their investment plans as explained in the initial section of this report. On a cumulative basis, ALFA's capital expenditures and acquisitions totaled U.S. $1,426 million in 2014.
During the quarter, ALFA increased its stake in PRE to 18.94%. This investment is reported within Current Assets in ALFA's Balance Sheet, outside of Cash & Cash Equivalents so that the calculation of the Net Debt to EBITDA ratio is not affected. At the end of the quarter, the investment in PRE was marked at CAD $7.19 per share.

At year-end 2014, ALFA's Net Debt totaled U.S. $5,123 million, U.S. $1,650 million higher than 2013. As explained in the cover page of this report the acquisition of CFG and related debt assumption, plus the long term bond issued in March 2014 at the parent company level are the main reasons for the increase in debt. ALFA's financial condition remained strong, as shown by the following ratios: Net Debt to EBITDA of 2.5 times and Interest Coverage of 6.0 times. Furthermore, proforma Net Debt to EBITDA ratio considering CFG's last twelve months EBITDA was 2.4 times.

(See Tables 1 to 7 and Appendixes A and B for more detailed information on ALFA´s consolidated results.)

NEMAK

HIGH-TECH ALUMINUM AUTOPARTS

(23% and 29% of ALFA´s Revenues and EBITDA in 4Q14)

INDUSTRY COMMENTS

During 4Q14, the Seasonally Adjusted Annual Rate ("SAAR") for U.S. vehicle sales was 16.8 million units, 7% higher than the 15.7 million units reported in 4Q13. For the same period, Nemak's North American customers produced 3.0 million vehicles, up 1% compared to the 2.9 million produced in 4Q13. In Europe, 4Q14 vehicle SAAR was 19.0 million units, 4% higher than the same period a year ago. Nemak's European customers produced 3.4 million vehicles in 4Q14, 2% higher year-on-year.

OPERATIONS

4Q14 sales volume was 11.4 million equivalent units, which pushed the total yearly figure to 49.4 million and helped set another record year for Nemak. However, 4Q14 volume was 6% lower than in 4Q13 driven by lower demand in South America and Eastern Europe. A high level of sales in 4Q13 also made for a tougher comparison. Sales in North America accounted for 62% of the total, while Europe contributed with 30% and South America and Asia the remainder. For full-year 2014, Nemak's volume was up 4% when compared to 2013 driven by growth in its North American and European operations, which more than offset weak sales in South America.

Customers continue to value Nemak as a strategic partner. During 2014, Nemak secured over 60 business contracts with various Original Equipment Manufacturers in North America, Europe, Asia and South America totaling U.S. $1,700 million in annual revenues.

Stringent fuel-efficiency regulations continue driving light-weighting initiatives in the auto industry. Consequently, in 2014 Nemak made the strategic decision to enter the aluminum structural components market due to its high growth potential. Supporting this move were the five programs worth U.S. $120 million in annual revenues that Nemak has been awarded over the past twelve months. To execute that strategy, at the end of 2014 Nemak announced the construction of a new high pressure die casting plant in Mexico for the production of engine blocks, transmission cases and structural components.

Moreover, in order to provide a more comprehensive array of solutions, and as part of its vertical integration strategy into higher value-added operations, Nemak continues to expand its machining capacity in all regions. This downstream integration will allow it to achieve operational efficiencies and strengthen its relationship with customers, while protecting its Tier-1 position.

FINANCIAL RESULTS

4Q14 Revenues were U.S. $1,074 million, a 2% decrease compared to 4Q13 due to lower volumes, which were partially compensated by better sales mix. For full year 2014, Nemak's revenues were U.S. $4,622 million, 5% higher than in 2013.

In turn, 4Q14 operating income was U.S. $73 million, up 2% year-on-year. Higher marginal contribution due to improved sales mix and efficiency gains, were the main contributors to this increase. For the full year 2014 operating income amounted to U.S. $405 million, up 15% when compared to 2013.

4Q14 EBITDA rose to U.S. $148 million, a 6% year-on-year increase. On a cumulative basis, Nemak's 2014 EBITDA was U.S. $690 million, an increase of 13% when compared to 2013. 2014 EBITDA per unit averaged U.S. $14.00, up 9% compared to 2013.

CAPITAL EXPENDITURES AND ACQUISITIONS; NET DEBT

Nemak's capital expenditures totaled U.S. $124 million during 4Q14. Investments were made to expand capacity, to upgrade existing production equipment, for new product lines and to achieve higher operational efficiency. Of particular note is the expansion of the new Chongqing plant in China to produce a new engine block program. The company continues to develop initiatives to maximize asset utilization as well as reduce investment per unit of installed capacity. For the full year 2014, capital expenditures amounted to U.S. $393 million.

Net debt totaled U.S. $1,270 million at the end of 4Q14, up U.S. $130 million when compared to 4Q13. Financial ratios in 4Q14 were the following: Net Debt to EBITDA of 1.8 times, and Interest Coverage of 9.6 times. These figures compare to 1.9 times and 6.1 times, respectively, reported in 4Q13.

(See Tables 8 to 10 for more detailed information on Nemak).

SIGMA

REFRIGERATED FOOD PRODUCTS

(36% and 39% of ALFA´s Revenues and EBITDA in 4Q14)

INDUSTRY COMMENTS

Food consumption in Mexico showed signs of recovery during 4Q14 although levels remained weak on a cumulative basis. This was evidenced by data released by the National Association of Supermarkets and Department Stores (ANTAD), which showed supermarket same-store sales increasing less than 1% in nominal pesos compared to 4Q13. With respect to raw materials, prices of key ingredients for Sigma's products showed a slight decrease when compared to 3Q14, an improvement from the historically high prices experienced throughout most of 2014. However, raw material prices have not returned to the 4Q13 levels. For example, pork prices are still up 9% vis-a-vis 4Q13, while turkey thighs and turkey breasts are 15% and 85% higher, respectively.

OPERATIONS

During 4Q14, Sigma´s consolidated sales volume reached 418,000 tons, up 38% year-on-year. Excluding CFG, sales volume increased 2%. Sales volume in Mexico grew 1% while international sales volume increased 4%. Sigma's 4Q14 sales prices in U.S. Dollars increased 23% on average, driven by a richer mix provided by CFG, which includes products such as cured ham and sausages. Excluding CFG, sales prices increased 1% year-on-year.

FINANCIAL RESULTS

Sigma's 4Q14 financial results reflect the consolidation of CFG. Revenues totaled U.S. $1,657 million during 4Q14, up 69% vis-à-vis 4Q13. Excluding CFG, revenues rose 3% year-on-year to $1,013 million, driven mostly by volume gains and higher average prices. Revenues grew 2% and 5% in México and international ex-CFG, respectively. Mexican sales represent 43% of total sales. On a cumulative basis, revenues amounted to U.S. $5,359 million, up 40% when compared to 2013. Excluding CFG, cumulative sales increased 6% to U.S. $4,054 million.

4Q14 Operating income was U.S. $142 million, up 40% when compared to 4Q13. Excluding CFG, operating income reached U.S. $114 million, up 13%. On a cumulative basis, operating income was U.S. $483 million, 17% higher year-on-year and U.S. $424 million, up 3% year-on-year when excluding CFG. Sigma's 4Q14 EBITDA reached U.S. $199 million, 53% higher than in 4Q13. Excluding CFG, 4Q14 EBITDA was U.S. $142 million, up 9% from 4Q13. This increase was influenced by positive results in international operations, which helped to offset the effect of the peso-dollar exchange rate. On a cumulative basis, EBITDA amounted to U.S. $636 million, a 22% increase compared to the same period a year ago. Excluding CFG, cumulative EBITDA was U.S. $526 million, up 1% when compared to 2013.

CAPITAL EXPENDITURES AND ACQUISITIONS; NET DEBT

During 4Q14, Sigma invested U.S. $109 million in capital expenditures and acquisitions. This figure includes the acquisition of Juris already explained. On a cumulative basis, capital expenditures and acquisitions for 2014 totaled U.S. $387 million. Funds were used for the CFG shares acquired during the Public Tender Offer, the acquisition of Juris, the replacement of assets and distribution.

At the end of 4Q14, Net Debt was U.S. $1,862 million, up U.S. $543 million from 4Q13. This increase includes the assumption of CFG's own Net Debt. Reported Net Debt to EBITDA was 2.9 times and Interest Coverage was 5.6 times. Taking into account CFG's LTM EBITDA and LTM interest expense, Net Debt to EBITDA would be 2.6 times and Interest Coverage 4.9 times.

(See Tables 11 to 14 for more detailed information on Sigma).

ALESTRA

IT SERVICES AND TELECOMMUNICATIONS

(2% and 9% of ALFA´s Revenues and EBITDA in 4Q14)

INDUSTRY COMMENTS

As a result of the new Mexican Telecomm Bill that went into effect in August 2014, the telecommunications regulator (IFT) issued additional regulations during 4Q14, including some that force the dominant carrier to lease its passive infrastructure and to offer its mobile services to virtual operators for free. Likewise, regulations established the migration of domestic Long Distance to local service beginning January, 2015.

OPERATIONS

During 4Q14, Alestra's value added services (IT, managed networks, data, internet and local – "VAS") reached 1.84 million E0s (equivalent of customer-access circuits providing services), up 33% year-on-year. Alestra's Data Centers closed with 2,570 m^2 of capacity, of which more than 75% was in use. During the quarter, Alestra launched a strategy to focus in the mid-market including a set of new solutions combining both Telecomm and IT Services that fits with the segment specific needs. Additionally, as a part of its strategy, Alestra acquired S&C Constructores de Sistemas, a Mexican IT company. The acquisition will strengthen Alestra's presence in the IT market with an enhanced portfolio of state-of-the-art services.

FINANCIAL RESULTS

4Q14 Revenues amounted to U.S. $109 million, up 4% when compared to 4Q13. The main driver was VAS, which represented 85% of total revenues during 4Q14. For full year 2014, Alestra's revenue totaled U.S. $415 million, up 5% compared to 2013.

Operating income amounted to U.S. $30 million during 4Q14, up 46% when compared to the U.S. $21 million reported in 4Q13. The increase was driven by higher revenues, savings in interconnection payments to the dominant carrier and a more efficient cost structure due to the expansion of Alestra's network and last-mile connections. Cumulative operating income amounted to U.S. $103 million, compared to U.S. $104 million in 2013. The 2013 figure included an extraordinary income of U.S. $21 million, resulting from the favorable resolution of disputes on interconnection rates.

4Q14 EBITDA amounted to U.S. $47 million, 27% higher than the U.S. $37 million reported in 4Q13. For full year 2014, Alestra´s EBITDA was U.S. $170 million, in line with 2013. Without the extraordinary income of 2013, EBITDA would have been 14% higher.

CAPITAL EXPENDITURES AND ACQUISITIONS; NET DEBT

Capital expenditures in 4Q14 totaled U.S. $32 million, for a cumulative investment of U.S. $106 million. Funds were mainly utilized to deploy IT infrastructure, increase Data Centers capacity and equip the facilities with the latest technologies, and to acquire S&C Constructores de Sistemas.

At the end of 4Q14, net debt was U.S. $210 million, which compares to U.S. $175 million in 4Q13. The increase was mainly the result of the strong investment plan implemented by Alestra in 2014.

At the end of the quarter, Alestra reported strong financial ratios: Net Debt to EBITDA, 1.2 times; Interest Coverage 7.3 times. These ratios compare to 1.0 times and 7.5 times, respectively, in 2013.

(See Tables 15 to 17 for more detailed information on Alestra).

NEWPEK

NATURAL GAS AND HYDROCARBONS

(2% and 5% of ALFA´s Revenues and EBITDA in 4Q14)

INDUSTRY COMMENTS

Declining trends in oil prices seen in 3Q14 accelerated in 4Q14. At the end of the quarter, reference crude prices had declined approximately 50% when compared to peak prices in mid-June. There is uncertainty as to what the new mid-to-long term sustainable oil price would be. This environment is causing some oil companies to reconsider exploration budgets for 2015 and beyond. At the same time, operational and exploratory costs are expected to go down, given the expected lower demand for oil and gas services.

In Mexico, the energy reform moved ahead, although the Mexican Government is aware that some of the projects considered for Round One, especially non-conventional oil fields and deep water reservoirs, could be postponed due to the new pricing environment. Despite all of the above, the bidding rules for the first projects, which include exploratory fields in shallow waters, were published and access to data rooms was given to potential bidders.

Furthermore, the Mexican Government, Pemex and some private companies, including Newpek, are in the process of negotiating the migration of current Contratos Integrales de Exploración y Producción ("CIEPs") into Production Sharing Agreements. Such migration is considered positive to all parties involved and is expected to be finalized in the short term.

OPERATIONS IN THE U.S.

During 4Q14, 30 new liquids-rich wells were connected to sales at the EFS play in South Texas. This brought wells in production at EFS to 497 by the quarter's end, which represented a 34% increase over the 371 wells in production in 4Q13. At the end of the quarter, there were eight rigs and two dedicated fracking fleets operating at EFS. Sales volume averaged 9.2 Thousand Barrels of Oil Equivalent per Day ("MBOED") during 4Q14, up 39% from 4Q13. Liquids and oil represented 66% of the total sales volume for the quarter, up from 53% a year ago.

Newpek's other prospects within the U.S. continue to develop as planned. In Kansas, two new wells were put on production during the quarter. In North Texas (Bend Arch) a test well was bought, which together with the seismic data already gathered will help define future drilling locations. In Oklahoma, 3D seismic data interpretation continued.

The new oil price environment is making Newpek to be more selective insofar as the development programs for 2015. In EFS, about 80 new wells would be drilled this year instead of the 100+ wells drilled on average over the past few years. In the other formations, seismic data interpretation continues and drilling will resume once the pricing environment improves.

FINANCIAL RESULTS – CAPITAL EXPENDITURES; NET DEBT

4Q14 revenues totaled U.S. $42 million and EBITDA was U.S. $27 million. These figures represented year-on-year increases of 23% and 22%, respectively. For full-year 2014, Newpek´s revenues and EBITDA amounted to U.S. $170 million and U.S. $116 million, up 28% when compared to 2013, in both cases. 4Q14 Capital expenditures amounted to U.S. $34 million, for a cumulative figure of U.S. $133 million. Net debt at the end of the quarter was U.S. $98 million.

OPERATIONS IN MEXICO

In Mexico, the mature fields (San Andrés and Tierra Blanca), which are operated in partnership with Monclova Pirineos Gas, have shown important progress. By quarter's end, production was 5.4 MBOED, approximately 83% above the hydrocarbons production base of the fields. As already stated, Newpek is currently working in migrating the CIEPs into Production Sharing Agreements in association with Pemex and its current partner.

Production averaged 5.5 MBOED during 4Q14, up 50% from 4Q13. The San Andrés field represented 74% of the total production for the quarter, up from 72% in the same period of the previous year. There were 138 wells in production in Mexico by the quarter's end, a 15% increase over the 120 wells in production at the end of 4Q13.

(See Tables 18 to 20 for more detailed information on Newpek)

FINANCIAL INFORMATION

CONSOLIDATED AND GROUP TABLES

CONSOLIDATED BALANCE SHEET

CONSOLIDATED STATEMENT OF INCOME

FOR MORE INFORMATION AND THE SPANISH VERSION OF THIS REPORT, VISIT ALFA´s WEBPAGE AT www.alfa.com.mx

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COTIZA EN BOLSA MEXICANA DE VALORES

ALFA

LATIBEX

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TABLE 1 | VOLUME AND PRICE CHANGES (%)

	4Q14 vs.		YTD. 14 vs.
	3Q14	4Q13	YTD'13
Total Volume	(2.0)	12.1	7.6
Domestic Volume	0.7	12.8	6.5
Foreign Volume	(3.8)	11.5	8.3
Avg. Ps. Prices	6.6	13.3	4.6
Avg. U.S. $ Prices	0.9	5.5	0.2

TABLE 2 | REVENUES

				(%) 4Q14 vs.				
	4Q14	3Q14	4Q13	3Q14	4Q13	YTD.14	YTD.13	Ch.%
TOTAL REVENUES								
Ps. Millions	63,880	61,131	50,277	4	27	228,886	203,456	12
U.S. $ Millions	4,617	4,663	3,859	(1)	20	17,200	15,870	8
DOMESTIC REVENUES								
Ps. Millions	22,656	21,481	19,661	5	15	84,537	78,302	8
U.S. $ Millions	1,636	1,639	1,509	0	8	6,356	6,108	4
FOREIGN REVENUES								
Ps. Millions	41,224	39,649	30,617	4	35	144,348	125,154	15
U.S. $ Millions	2,981	3,024	2,350	(1)	27	10,844	9,761	11
Foreign / Total (%)	65	65	61			63	62	

TABLE 3 | OPERATING INCOME AND EBITDA

				(%) 4Q14 vs.				
	4Q14	3Q14	4Q13	3Q14	4Q13	YTD.14	YTD.13	Ch.%
OPERATING INCOME								
Ps. Millions	4,041	4,607	3,224	(12)	25	16,886	14,085	20
U.S. $ Millions	295	351	247	(16)	19	1,275	1,100	16
EBITDA								
Ps. Millions	6,916	7,163	5,708	(3)	21	26,776	24,534	9
U.S. $ Millions	502	546	438	(8)	15	2,016	1,915	5

TABLE 4 | COMPREHENSIVE FINANCING (EXPENSE) / INCOME (CFI) (U.S. $ MILLIONS)

				(%) 4Q14 vs.				
	4Q14	3Q14	4Q13	3Q14	4Q13	YTD.14	YTD.13	Ch.%
Financial Expenses	(89)	(99)	(91)	10	2	(362)	(315)	(15)
Financial Income	8	0	6	-	33	27	28	(4)
Net Financial Expenses	(81)	(99)	(85)	18	5	(335)	(287)	(17)
Fx Gains (Losses)	(295)	(132)	(8)	(123)	-	(407)	(26)	(1,465)
Interest Rate Swaps	0	0	0	-	-	0	(8)	100
Mark-to-market of financial instruments	(595)	0	0	-	-	(595)	0	-
Capitalized CFE	1	2	3	(50)	(67)	7	4	75
CFE	(970)	(229)	(90)	(324)	(978)	(1,330)	(316)	(321)
Avg. Cost of Borrowed Funds (%)	5.4	5.1	5.9			4.9	5.6	

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TABLE 5 | MAJORITY NET INCOME (U.S. $ MILLIONS)

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD.14	YTD.13	Ch.%
Consolidated Net Income (Loss)	(447)	75	89	(696)	(602)	(51)	531	(110)
Minority Interest	3	20	10	(85)	(70)	68	68	0
Majority Net Income (Loss)	(450)	55	79	(918)	(670)	(119)	463	(126)
Per Share (U.S. Dollars)	(0.09)	0.01	0.02	(1,000)	(550)	(0.02)	0.09	(122)
Avg. Outstanding Shares (Millions)	5,136	5,136	5,143			5,136	5,144	

TABLE 6 | CASH FLOW (U.S. $ MILLIONS)

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD.14	YTD.13	Ch.%
EBITDA	502	546	438	(8)	15	2,017	1,915	5
Net Working Capital & Others	269	(39)	156	790	72	125	73	71
Capital Expenditures & Acquisitions	(458)	(324)	(739)	(41)	38	(1,426)	(1,550)	8
Net Financial Expenses	(77)	(87)	(79)	11	3	(342)	(273)	(25)
Taxes	(79)	(80)	(57)	1	(39)	(341)	(346)	1
Dividends	0	0	(154)	-	100	0	(274)	100
Other Sources / Uses	(117)	(919)	(50)	87	(134)	(1,683)	(139)	(1,111)
Decrease (Increase) in Net Debt	40	(904)	(485)	104	108	(1,650)	(595)	(177)

TABLE 7 | SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (U.S. $ MILLIONS)

	4Q14	3Q14	4Q13	YTD.14	YTD.13
Assets	15,798	16,382	12,648	15,798	12,648
Liabilities	11,115	10,944	7,664	11,115	7,664
Stockholders' Equity	4,683	5,438	4,984	4,683	4,984
Majority Equity	3,748	4,330	4,316	3,748	4,316
Net Debt	5,123	5,163	3,473	5,123	3,473
Net Debt/EBITDA*	2.5	2.6	1.8	2.5	1.8
Interest Coverage*	6.0	5.8	6.7	6.0	6.7

*Times: LTM= Last 12 months

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TABLE 8 | REVENUES

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD.14	YTD.13	4Q14
TOTAL REVENUES								
Ps. Millions	14,787	14,967	14,315	(1)	3	61,325	56,299	9
U.S. $ Millions	1,074	1,141	1,099	(6)	(2)	4,622	4,391	5
DOMESTIC REVENUES								
Ps. Millions	1,974	1,940	1,781	2	11	7,818	6,573	19
U.S. $ Millions	143	148	137	(3)	5	589	512	15
FOREIGN REVENUES								
Ps. Millions	12,813	13,027	12,534	(2)	2	53,507	49,725	8
U.S. $ Millions	930	994	962	(6)	(3)	4,033	3,879	4
Foreign / Total (%)	87	87	88			87	88	
Total Volume (Million Eq. Heads)	11.4	12.1	12.0	(6)	(5)	49.4	47.6	4

TABLE 9 | OPERATING INCOME AND EBITDA

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD.14	YTD.13	4Q14
OPERATING INCOME								
Ps. Millions	978	1,187	925	(18)	6	5,343	4,517	18
U.S. $ Millions	73	90	71	(20)	2	405	353	15
EBITDA								
Ps. Millions	2,020	2,124	1,825	(5)	11	9,139	7,823	17
U.S. $ Millions	148	162	140	(9)	6	690	611	13

TABLE 10 | SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (U.S. $ MILLIONS)

	4Q14	3Q14	4Q13	YTD.14	YTD.13
Assets	3,992	4,055	4,074	3,992	4,074
Liabilities	2,547	2,535	2,662	2,547	2,662
Stockholders' Equity	1,444	1,520	1,412	1,444	1,412
Net Debt	1,270	1,244	1,140	1,270	1,140
Net Debt/EBITDA*	1.8	1.8	1.9	1.8	1.9
Interest Coverage*	9.6	7.8	6.1	9.6	6.1

*Times: LTM= Last 12 months

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TABLE 11 | VOLUME AND PRICE CHANGES (%)

	4Q14 vs.		YTD. 14 vs.
	3Q14	4Q13	YTD'13
Total Volume	(3)	38	21
Avg. Ps. Prices	5.4	30	21
Avg. U.S. $ Prices	(0.2)	23	16

TABLE 12 | REVENUES

				(%) 4Q14 vs.				
	4Q14	3Q14	4Q13	3Q14	4Q13	YTD.14	YTD.13	4Q14
TOTAL REVENUES								
Ps. Millions	22,932	22,446	12,792	2	79	71,465	48,989	46
U.S. $ Millions	1,657	1,712	982	(3)	69	5,359	3,820	40
DOMESTIC REVENUES								
Ps. Millions	9,765	9,614	8,991	2	9	37,385	33,670	11
U.S. $ Millions	706	733	690	(4)	2	2,812	2,625	7
FOREIGN REVENUES								
Ps. Millions	13,167	12,832	3,801	3	246	34,080	15,319	122
U.S. $ Millions	952	979	292	(3)	226	2,547	1,194	113
Foreign / Total (%)	57	57	30			48	31	

TABLE 13 | OPERATING INCOME AND EBITDA

				(%) 4Q14 vs.				
	4Q14	3Q14	4Q13	3Q14	4Q13	YTD.14	YTD.13	4Q14
OPERATING INCOME								
Ps. Millions	1,960	1,816	1,312	8	49	6,436	5,277	22
U.S. $ Millions	142	138	101	2	41	483	412	17
EBITDA								
Ps. Millions	2,760	2,432	1,698	13	63	8,495	6,710	27
U.S. $ Millions	199	185	130	7	53	636	524	22

TABLE 14 | SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (U.S. $ MILLIONS)

	4Q14	3Q14	4Q13	YTD.14	YTD.13
Assets	4,857	5,197	2,935	4,857	2,935
Liabilities	3,774	3,966	1,988	3,774	1,988
Stockholders' Equity	1,083	1,231	947	1,083	947
Majority Equity	847	894	947	847	947
Net Debt	1,862	2,011	1,319	1,862	1,319
Net Debt/EBITDA*	2.9	3.5	2.5	2.9	2.5
Interest Coverage*	5.6	5.0	6.7	5.6	6.7

*Times: LTM= Last 12 months

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TABLE 15 | REVENUES

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD.14	YTD.13	4Q14
TOTAL REVENUES								
Ps. Millions	1,508	1,360	1,366	11	10	5,519	5,067	9
U.S. $ Millions	109	104	105	5	4	415	395	5
IT, MN, DATA, INTERNET AND LOCAL SERVICES (VAS)								
Ps. Millions	1,267	1,150	1,155	10	10	4,659	4,250	10
U.S. $ Millions	91	88	89	3	3	350	331	6
LONG DISTANCE SERVICES								
Ps. Millions	241	211	212	14	14	860	816	5
U.S. $ Millions	17	16	16	6	7	65	64	1
IT, MN, Data, Internet and Local Services / Total (%)	85	84	85			84	84	

TABLE 16 | OPERATING INCOME AND EBITDA

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD.14	YTD.13	4Q14
OPERATING INCOME								
Ps. Millions	418	336	269	28	55	1,374	1,329	3
U.S. $ Millions	30	26	21	18	46	103	104	(1)
EBITDA								
Ps. Millions	655	561	485	17	35	2,260	2,166	4
U.S. $ Millions	47	43	37	10	27	170	170	-

TABLE 17 | SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (U.S. $ MILLIONS)

	4Q14	3Q14	4Q13	YTD.14	YTD.13
Assets	628	656	638	628	638
Liabilities	389	398	355	389	355
Stockholders' Equity	240	258	282	240	282
Net Debt	210	203	175	210	175
Net Debt/EBITDA*	1.2	1.3	1.0	1.2	1.0
Interest Coverage*	7.3	5.8	7.5	7.3	7.5

*Times: LTM= Last 12 months

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TABLE 18 | REVENUES

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD.14	YTD.13	Ch.%
TOTAL REVENUES								
Ps. Millions	583	617	447	(6)	30	2,259	1,710	32
U.S. $ Millions	42	47	34	(11)	23	170	133	28
DOMESTIC REVENUES								
Ps. Millions								
U.S. $ Millions								
FOREIGN REVENUES								
Ps. Millions	583	617	447	(6)	30	2,259	1,710	32
U.S. $ Millions	42	47	34	(11)	23	170	133	28
Foreign / Total (%)	100	100	100			100	100	
VOLUME								
Thousands of Barrels of Oil Equivalent Per Day (MBOEPD)	9.2	8.9	6.6			8.2	6.7	
Liquids & others as % of total sales volume	66	60	53			62	52	

TABLE 19 | OPERATING INCOME AND EBITDA

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD.14	YTD.13	Ch.%
OPERATING INCOME								
Ps. Millions	202	138	191	46	6	446	825	(46)
U.S. $ Millions	15	10	15	41	0	33	64	(48)
EBITDA								
Ps. Millions	378	431	292	(12)	29	1,539	1,166	32
U.S. $ Millions	27	33	22	(17)	22	116	91	28

TABLE 20 | SELECTED BALANCE SHEET INFORMATION & FINANCIAL RATIOS (U.S. $ MILLIONS)

	4Q14	3Q14	4Q13	YTD.14	YTD.13
Assets	355	339	302	355	302
Liabilities	194	188	163	194	163
Stockholders' Equity	161	151	139	161	139
Net Debt	98	94	83	98	83
Net Debt/EBITDA*	0.9	0.9	0.9	0.9	0.9
Interest Coverage*	34.3	33.4	66.8	34.3	66.8

*Times: LTM= Last 12 months

Appendix A

ALFA, S.A.B. de C.V. and Subsidiaries

BALANCE SHEET

Information in millions of Nominal Mexican Pesos

	Dec-14	Sep-14	Dec-13	(%) Dec 14 vs. Sep 14	Dec 13
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	16,669	14,367	11,902	16	40
Trade accounts receivable	21,708	21,049	18,421	3	18
Other accounts and notes receivable	8,524	6,277	5,143	36	66
Inventories	30,758	30,995	22,692	(1)	36
Other current assets	7,559	14,286	1,493	(47)	406
Total current assets	85,219	86,975	59,651	(2)	43
INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	1,502	1,542	6,174	(3)	(76)
PROPERTY, PLANT AND EQUIPMENT	93,908	84,855	73,974	11	27
INTANGIBLE ASSETS	40,451	39,186	23,906	3	69
OTHER NON-CURRENT ASSETS	11,460	7,848	1,685	46	580
Total assets	232,540	220,406	165,390	6	41
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	3,054	4,725	7,340	(35)	(58)
Bank loans and notes payable	7,660	3,154	3,181	143	141
Suppliers	35,167	31,888	20,934	10	68
Other current liabilities	16,235	15,798	11,245	3	44
Total current liabilities	62,115	55,564	42,700	12	45
LONG-TERM LIABILITIES:					
Long-term debt	82,327	75,650	46,932	9	75
Deferred income taxes	10,361	8,177	7,319	27	42
Other liabilities	5,809	5,397	1,379	8	321
Estimated liabilities for seniority premiums and pension plans	3,006	2,456	1,891	22	59
Total liabilities	163,619	147,244	100,221	11	63
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	207	206	210	0	(1)
Contributed capital	207	206	210	0	(1)
Earned surplus	54,949	58,045	56,231	(5)	(2)
Total controlling interest	55,156	58,251	56,441	(5)	(2)
Total Non-controlling interest	13,765	14,911	8,728	(8)	58
Total stockholders' equity	68,921	73,162	65,169	(6)	6
Total liabilities and stockholders' equity	232,540	220,406	165,390	6	41
Current ratio	1.37	1.57	1.40		
Debt to equity	2.37	2.01	1.54		

Appendix B

ALFA, S.A.B. DE C.V. and Subsidiaries

STATEMENT OF COMPREHENSIVE INCOME

Information in millions of Nominal Mexican Pesos

	4Q14	3Q14	4Q13	YTD '14	YTD '13	4Q14 vs. (%) 3Q13	4Q14 vs. (%) 4Q13
Net sales	63,880	61,131	50,277	228,886	203,456	*4*	*27*
Domestic	22,656	21,481	19,661	84,537	78,302	*5*	*15*
Export	41,224	39,649	30,617	144,348	125,154	*4*	*35*
Cost of sales	(52,802)	(49,686)	(41,655)	(187,704)	(166,829)	*(6)*	*(27)*
Gross profit	11,078	11,445	8,621	41,181	36,627	*(3)*	*28*
Operating expenses and others	(7,037)	(6,837)	(5,398)	(24,295)	(22,542)	*(3)*	*(30)*
Operating income	4,041	4,607	3,224	16,886	14,085	*(12)*	*25*
Comprehensive financing expense, net	(13,995)	(3,012)	(1,171)	(18,621)	(4,057)	*(365)*	*(1,095)*
Equity in income (loss) of associates	(235)	(51)	(27)	(291)	(41)	*(360)*	*(767)*
Income before the following provision	(10,189)	1,545	2,027	(2,026)	9,987	*(760)*	*(603)*
Provisions for:							
Income tax	3,526	(558)	(869)	659	(3,192)	*732*	*506*
Consolidated net income	(6,663)	987	1,158	(1,367)	6,795	*(775)*	*(675)*
Income (loss) corresponding to minority interest	(69)	266	127	892	869	*(126)*	*(155)*
Net income (loss) corresponding to majority interest	(6,594)	721	1,031	(2,259)	5,926	*(1,014)*	*(739)*
EBITDA	6,916	7,163	5,708	26,776	24,535	*(3)*	*21*
Interest coverage*	6.0	5.8	6.7	6.0	6.7		

* LTM

APPENDIX C

ALPEK´S 4Q14 REPORT

Fourth Quarter 2014 (4Q14)

Monterrey, Mexico. February 23, 2015 – Alpek, S.A.B. de C.V. (BMV: ALPEK)

Alpek reports 4Q14 EBITDA of U.S. $71 million

Selected Financial Information

(U.S. $ Millions)

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Total Volume (ktons)	984	989	916	-	7	3,931	3,874	1
Polyester	766	766	701	-	9	3,082	3,035	2
Plastics & Chemicals	218	222	216	(2)	1	849	839	1
Consolidated Revenues	1,646	1,633	1,608	1	2	6,471	7,028	(8)
Polyester	1,214	1,187	1,187	2	2	4,752	5,356	(11)
Plastics & Chemicals	432	446	421	(3)	3	1,719	1,671	3
Consolidated EBITDA	71	131	132	(46)	(46)	434	572	(24)
Polyester	29	87	84	(67)	(66)	270	388	(30)
Plastics & Chemicals	43	42	47	3	(8)	159	180	(12)
Profit Attributable to Controlling Interest	(29)	30	(9)	(197)	(208)	65	21	202
CAPEX and Acquisitions	152	58	23	160	558	320	179	79
Net Debt	715	712	766	-	(7)			
Net Debt/LTM EBITDA(1)	1.6	1.4	1.3					
Interest Coverage(1)	6.5	7.5	7.1					

(1) Times: Last 12 months.

Operating & Financial Highlights (4Q14)

ALPEK	• 4Q14 EBITDA of U.S. $71 million, after an estimated U.S. $68 million oil-related impact in Polyester inventory valuation and margin • Cosoleacaque cogeneration plant fully operational as of December 01, 2014
Polyester	• 4Q14 Polyester EBITDA negatively impacted by a U.S. $52 million non-cash inventory devaluation charge and an estimated U.S. $16 million loss due to falling feedstock prices • Resilient 4Q14 Polyester volume (flat vs. 3Q14) • U.S. $87 million estimated oil-related impact in 2014
Plastics & Chemicals	• 4Q14 Plastics & Chemicals EBITDA +3% vs. 3Q14 • 8% year-over-year EBITDA decrease in line with expectations of lower polypropylene and EPS margins after posting record highs in 2013 • Caprolactam plant reached expected efficiencies in 4Q14 from technology upgrade project

Message from the CEO

Fourth quarter 2014 was marked by the steepest decline in oil prices since 2008. Brent crude dropped 40% in 4Q14, driving down petroleum-based feedstocks such as paraxylene (Px). The reference U.S. Contract Px price reached U.S. $1,014 per ton in December 2014, down 29% quarter on quarter, and 34% lower than December 2013. This quarter's abrupt price movements had an estimated impact of U.S. $68 million on Alpek's Polyester EBITDA.

4Q14 consolidated EBITDA was U.S. $71 million, including oil-related losses in our Polyester segment. By contrast, robust polypropylene margins drove a 3% quarter-on-quarter EBITDA increase in our Plastics & Chemicals segment. Excluding the U.S. $68 million impact, Alpek's 4Q14 EBITDA would have been U.S. $139 million, in line with full-year guidance.

On the positive side, lower feedstock prices reduced net working capital needs and boosted cash flow. Even with this year's Capex ramp-up, Net Debt was flat when compared to 3Q14 and down 7% year-on-year.

2014 Capex totaled U.S. $320 million, up 79% over the prior year. We actively pursued a combination of vertical integration, operating efficiency and geographic expansion projects to further enhance our profitability. 2014 Capex was a record high for Alpek, excluding its major acquisitions in 2011.

We closed the year with 4Q14 Capex reaching U.S. $152 million. The majority of these funds were expended in accordance with agreed upon milestones involving two strategic projects: i) the Corpus Christi PTA/PET facility and ii) a monoethyleneglycol (MEG) tolling agreement signed with Huntsman Petrochemical LLC ("Huntsman").

The U.S. $65 million multiyear tolling agreement signed with Huntsman establishes contractual rights to ~150,000 tons per year of MEG from its production facility in Port Neches, TX. This agreement will allow us to secure a portion of our supply needs at ethylene-based economics. Startup is expected in 4Q15.

An important milestone this quarter was the startup of our Cosoleacaque cogeneration plant in December 2014. We invested a total of U.S. $137 million in this 95 megawatt facility that will fulfill the steam and power needs of our PTA/PET site in Cosoleacaque, Veracruz, and supply excess power to users in other parts of Mexico. The new cogeneration plant posted positive EBITDA in its first month, and is expected to deliver U.S. $30 million in savings during 2015.

Another recent development involves our JV in Russia with United Petrochemical Company ("UPC"). After an exhaustive evaluation process, we believe it was in our Shareholders' best interest not to pursue this endeavor and exercised our exit option as laid out in the JV agreement. As a result, we recognized a U.S. $9 million asset impairment charge in the fourth quarter. However, Alpek's cash investment in this project was partially offset by its IntegRex ® licensing income.

While low oil and feedstock prices represent a new challenge heading into 2015, we remain fully committed to continue investing in our integration and efficiency projects. 2015 investments include ongoing projects such as the Corpus Christi PTA/PET site and the Huntsman tolling agreement, plus new ventures such as a ~300 megawatt cogeneration plant in Altamira, Tamaulipas.

Results by Business Segment

Polyester

(PTA, PET, Polyester fibers – 73% of Alpek's Net Sales)

Alpek's fourth quarter 2014 polyester revenues were up 2% both year over year and quarter over quarter. Excluding a one-time year-end adjustment, 4Q14 polyester revenues were down 10% when compared to 4Q13 and 3Q14 as a result of lower underlying average prices. Average proforma 4Q14 polyester prices decreased 17% year-on-year and 9% quarter-on-quarter reflecting lower oil and petrochemical feedstock prices, mainly paraxylene.

4Q14 polyester volume increased 9% year-on-year, and was flat when compared to 3Q14. Polyester volume was resilient to the downward price trend, which typically has a short-term effect on demand as customers may defer some purchases by drawing down on their inventories.

Segment EBITDA was U.S. $29 million in the fourth quarter, down 66% year-on-year and 67% when compared to 3Q14. EBITDA was impacted by a U.S. $ 52 million non-cash inventory devaluation charge and an estimated U.S. $16 million loss, both driven by the sharp decline in oil and feedstock prices during the quarter. Margins were pressured, as reference prices fell, mainly from the temporary mismatch between average feedstock costs and end-product sale prices. Excluding the U.S. $68 million impact, Polyester EBITDA would have been U.S. $97 million.

For the year, revenue was down 11% to U.S. $4.8 billion due to a 13% decline in average prices, partially offset by a 2% volume increase. 2014 Polyester EBITDA decreased 30% to U.S. $270 million mainly due to an estimated U.S. $87 million full-year impact from the aforementioned charges.

Plastics & Chemicals (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 27% of Alpek's Net Sales)

4Q14 Plastics & Chemicals revenues increased 3% when compared to 4Q13, but were 3% lower than 3Q14 driven by both price and volume fluctuations. Average P&C prices posted a 2% increase year-on-year and 1% decrease quarter-on-quarter as feedstocks in this segment were slower to follow the decline in oil prices, especially propylene.

Alpek's fourth quarter P&C volume also posted moderate differences when compared to previous quarters; 1% higher than 4Q13 and down 2% versus 3Q14.

P&C EBITDA was U.S. $43 million in the fourth quarter, down 8% year-on-year but 3% higher quarter-on-quarter. The year-on-year decline in EBITDA reflects lower margins as favorable polypropylene and EPS market dynamics normalized during 2014. Strong polypropylene margins contributed to the quarterly P&C EBITDA growth.

For the year, revenue was up 3% to U.S. $1.7 billion driven by increases of 1% in volume and 2% in prices. 2014 P&C EBITDA decreased 12% to U.S. $159 million as a result of lower margins after a record high year for polypropylene and EPS in 2013.

Consolidated Financial Results

Revenues: Revenues for the fourth quarter totaled U.S. $1.6 billion, up 2% year-on-year. Polyester revenues were up 2% annually, driven by a 9% increase in volume and a 6% decline in average polyester prices. Plastics and Chemicals revenues, in turn, were 3% higher year-on-year reflecting a 2% increase in average P&C prices and 1% volume growth. Compared to 3Q14, consolidated revenues were up 1%, driven by a 2% increase in Polyester that more than offset the 3% decline in Plastics & Chemicals. For the year, consolidated revenues decreased 8% to U.S. $6.5 billion compared with 2013, as the 1% higher volumes were more than offset by a 9% decline in average prices.

EBITDA: 4Q14 EBITDA was U.S. $71 million, representing declines of 46%, both on an annual and quarterly basis, mainly reflecting the decrease in EBITDA at the Polyester segment, which fully absorbed the impact from the steep decline in oil and feedstock prices during the quarter. The P&C segment posted an 8% year-on-year decline in EBITDA after reaching record-high margins in 2013. Accumulated EBITDA as of December 31, 2014 amounted to U.S. $434 million, 24% below 2013 levels, resulting mainly from the estimated U.S. $87 million full-year impact associated with Polyester inventory valuation and margin. As a result, EBITDA per ton fell 25% during the year, from U.S. $148 in 2013 to U.S. $110 in 2014.

Profit (Loss) Attributable to Controlling Interest: During the fourth quarter, the Company reported a Loss Attributable to the Controlling Interest of U.S $29 million, compared with a U.S. $30 million gain in 3Q14 and a U.S. $9 million loss in 4Q13. This quarter's loss was attributable to the U.S. $52 million inventory devaluation charge, a U.S. $28 million foreign exchange (Fx) loss resulting from the recent devaluation of the Mexican Peso, and the U.S. $9 million asset impairment charge associated with the Russian JV. For the full year, Alpek reported a U.S. $65 million Profit Attributable to the Controlling Interest, up 202% from 2013.

Capital Expenditures: Alpek continued to make progress on its capital expenditure program, investing U.S. $152 million during 4Q14, for a total of U.S $320 million in 2014, a record high for the Company. Accumulated capex increased 79% from 2013, and was invested in strategic projects aimed at further enhancing its strong competitive position such as the Corpus Christi PTA/PET site, the completion of the Cosoloacaque cogeneration plant which began commercial operations in December 2014, a portion of the Huntsman tolling agreement, the acquisition of CablemaPET in Argentina, and the caprolactam technology upgrade.

Net Debt: Consolidated net debt as of December 31, 2014 totaled U.S. $715 million, down 7% year-on-year and relatively flat on a quarterly basis. Gross Debt as of December 31, 2014 was U.S. $1.1 billion, flat year-on-year. Financial ratios as of December 31, 2014 were: Net Debt to LTM EBITDA of 1.6 times and Interest coverage of 6.5 times. These ratios compare to 1.3 and 7.1 times, respectively, reported in 2013. Alpek maintains a healthy debt profile, as 86% of Gross Debt matures starting 2022 and carries fixed interest rates.

Appendix A - Tables

TABLE 1 | VOLUME (KTONS)

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Total Volume	984	989	916	-	7	3,931	3,874	1
Polyester	766	766	701	-	9	3,082	3,035	2
Plastics & Chemicals	218	222	216	(2)	1	849	839	1

TABLE 2 | PRICE CHANGES (%)

	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14 vs. YTD'13
Polyester			
Avg. Ps. Prices	8	-	(9)
Avg. U.S. $ Prices	2	(6)	(13)
Plastics & Chemicals			
Avg. Ps. Prices	4	8	5
Avg. U.S. $ Prices	(1)	2	2
Total			
Avg. Ps. Prices	7	1	(6)
Avg. U.S. $ Prices	1	(5)	(9)

TABLE 3 | REVENUES

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Total Revenues								
Ps. Millions	22,801	21,410	20,954	6	9	86,072	90,061	(4)
U.S. $ Millions	1,646	1,633	1,608	1	2	6,471	7,028	(8)
Domestic Revenues								
Ps. Millions	8,319	8,369	7,223	(1)	15	32,060	32,101	-
U.S. $ Millions	602	639	554	(6)	9	2,413	2,507	(4)
Foreign Revenues								
Ps. Millions	14,482	13,041	13,731	11	5	54,012	57,961	(7)
U.S. $ Millions	1,044	995	1,054	5	(1)	4,057	4,521	(10)
Foreign / Total (%)	63	61	66			63	64	

TABLE 4 | OPERATING INCOME AND EBITDA

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Operating Income								
Ps. Millions	336	1,266	869	(73)	(61)	3,739	2,926	28
U.S. $ Millions	27	97	67	(72)	(60)	286	228	25
EBITDA								
Ps. Millions	963	1,720	1,721	(44)	(44)	5,710	7,344	(22)
U.S. $ Millions	71	131	132	(46)	(46)	434	572	(24)

TABLE 5 | COMPREHENSIVE FINANCING (EXPENSE) / INCOME (CF(E)/I) (U.S. $ Millions)

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Financial Expenses	(18)	(16)	(16)	(12)	(14)	(70)	(87)	20
Financial Income	3	2	3	20	(17)	10	12	(18)
Net Financial Expenses	(16)	(14)	(13)	(11)	(22)	(59)	(74)	20
Fx Gains (Losses)	(28)	(21)	(9)	(30)	(202)	(52)	(9)	(491)
Interest Rate Swaps	-	-	-	-	-	-	(8)	100
CF(E)/ I	(43)	(35)	(22)	(23)	(97)	(111)	(91)	(22)

TABLE 6 | NET INCOME (U.S $ Millions)

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Consolidated Net Income	(25)	41	(1)	(160)	(2,215)	104	72	45
Non-Controlling Interest	5	11	8	(57)	(45)	39	50	(22)
Controlling Interest	(29)	30	(9)	(197)	(208)	65	21	202
Earnings per Share (U.S. Dollars)	(0.01)	0.01	(0.00)	(197)	(208)	0.03	0.01	202
Avg. Outstanding Shares (Millions)	2,118	2,118	2,118			2,118	2,118	

TABLE 7 | CASH FLOW (U.S. $ Millions)

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
EBITDA	71	131	132	(46)	(46)	434	572	(24)
Net Working Capital & Others	145	(8)	(27)	1,932	(643)	159	(56)	383
Capital Expenditures & Acq.	(152)	(58)	(23)	(160)	(558)	(320)	(179)	(79)
Financial Expenses	(21)	(15)	(14)	(38)	(54)	(69)	(88)	22
Income tax	(20)	(27)	(23)	28	14	(101)	(85)	(19)
Dividends	-	(7)	(148)	100	100	(7)	(313)	98
Payment affiliated companies	-	2	-	(109)	-	-	-	-
Other Sources / Uses	(26)	(18)	(2)	(45)	(1,103)	(44)	(2)	(2,080)
Decrease (Increase) in Net Debt	(3)	(1)	(104)	196	98	51	(150)	134

TABLE 8 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (U.S. $ Millions)

	4Q14	3Q14	4Q13
Assets	4,442	4,610	4,445
Liabilities	2,414	2,452	2,374
Stockholders' Equity	2,028	2,158	2,071
Net Debt	715	712	766
Net Debt/EBITDA*	1.6	1.4	1.3
Interest Coverage*	6.5	7.5	7.1

* Times: last 12 months.

Polyester

TABLE 9 | REVENUES

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Total Revenues								
Ps. Millions	16,830	15,561	15,467	8	9	63,228	68,636	(8)
U.S. $ Millions	1,214	1,187	1,187	2	2	4,752	5,356	(11)
Domestic Revenues								
Ps. Millions	3,827	4,182	3,537	(8)	8	15,411	17,045	(10)
U.S. $ Millions	277	319	271	(13)	2	1,161	1,332	(13)
Foreign Revenues								
Ps. Millions	13,003	11,380	11,930	14	9	47,817	51,592	(7)
U.S. $ Millions	937	868	916	8	2	3,591	4,025	(11)
Foreign / Total (%)	77	73	77			76	75	

TABLE 10 | OPERATING INCOME AND EBITDA

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Operating Income								
Ps. Millions	(140)	804	353	(117)	140	2,006	977	105
U.S. $ Millions	(8)	61	27	(113)	130	156	77	103
EBITDA								
Ps. Millions	374	1,146	1,096	(67)	(66)	3,541	4,974	(29)
U.S. $ Millions	29	87	84	(67)	(66)	270	388	(30)

Plastics & Chemicals

TABLE 11 | REVENUES

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Total Revenues								
Ps. Millions	5,971	5,849	5,487	2	9	22,844	21,425	7
U.S. $ Millions	432	446	421	(3)	3	1,719	1,671	3
Domestic Revenues								
Ps. Millions	4,492	4,187	3,686	7	22	16,649	15,056	11
U.S. $ Millions	325	319	283	2	15	1,253	1,175	7
Foreign Revenues								
Ps. Millions	1,479	1,662	1,801	(11)	(18)	6,195	6,369	(3)
U.S. $ Millions	107	127	138	(16)	(23)	466	496	(6)
Foreign / Total (%)	25	28	33			27	30	

TABLE 12 | OPERATING INCOME AND EBITDA

	4Q14	3Q14	4Q13	(%) 4Q14 vs. 3Q14	(%) 4Q14 vs. 4Q13	YTD'14	YTD'13	Ch.%
Operating Income								
Ps. Millions	483	437	504	11	(4)	1,674	1,882	(11)
U.S. $ Millions	35	33	39	5	(9)	126	147	(14)
EBITDA								
Ps. Millions	596	549	613	8	(3)	2,110	2,304	(8)
U.S. $ Millions	43	42	47	3	(8)	159	180	(12)

Appendix B – Financial Statements

ALPEK, S.A.B DE C.V. and Subsidiaries

STATEMENT OF FINANCIAL POSITION

Information in Millions of Mexican Pesos

	Dec 14	Sep 14	Dec 13	(%) Dec 14 vs. Sep 14	(%) Dec 14 vs. Dec 13
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	5,744	5,887	4,737	(2)	21
Trade accounts receivable	9,777	10,744	9,676	(9)	1
Other accounts and notes receivable	2,080	1,832	1,729	13	20
Inventories	11,486	11,709	11,778	(2)	(2)
Other current assets	1,854	1,627	1,752	14	6
Total current assets	30,941	31,799	29,672	(3)	4
Investment in shares	278	425	134	(34)	108
Property, plant and equipment, net	27,392	25,178	24,706	9	11
Goodwill and intangible assets,net	6,083	4,040	2,906	51	109
Other non-current assets	677	583	710	16	(5)
Total assets	65,371	62,025	58,128	5	12
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Current portion of long-term debt	11	612	261	(98)	(96)
Bank loans and notes payable	316	884	492	(64)	(36)
Suppliers	9,882	9,886	8,848	-	12
Other current liabilities	4,116	3,063	2,704	34	52
Total current liabilities	14,325	14,445	12,305	(1)	16
NON-CURRENT LIABILITIES:					
Non-current debt	15,666	13,677	13,756	15	14
Deferred income taxes	4,256	4,224	4,344	1	(2)
Other liabilities	315	68	78	365	308
Employees´ benefits	964	577	557	67	73
Total liabilities	35,526	32,991	31,040	8	14
STOCKHOLDERS´ EQUITY:					
Controlling interest:					
Capital stock	6,052	6,052	6,052	-	-
Share premium	9,071	9,071	9,071	-	-
Contributed capital	15,123	15,123	15,123	-	-
Earned surplus	10,826	10,390	8,895	4	22
Total controlling interest	25,949	25,513	24,018	2	8
Non-controlling interest	3,896	3,521	3,070	11	27
Total stockholders´equity	29,845	29,034	27,088	3	10
Total liabilities and stockholders´ equity	65,371	62,025	58,128	5	12

ALPEK, S.A.B DE C.V. and Subsidiaries

STATEMENT OF INCOME

Information in Millions of Mexican Pesos

	4Q14	3Q14	4Q13	4Q14 vs.(%) 3Q14	4Q14 vs.(%) 4Q13	YTD '14	YTD '13	YTD ´14 vs. (%) YTD ´13
Revenues	22,801	21,410	20,953	6	9	86,072	90,061	(4)
Domestic	8,319	8,369	7,222	(1)	15	32,060	32,101	-
Export	14,482	13,041	13,731	11	5	54,012	57,960	(7)
Cost of sales	(21,611)	(19,519)	(19,323)	(11)	(12)	(79,757)	(82,436)	3
Gross profit	1,190	1,891	1,630	(37)	(27)	6,315	7,625	(17)
Operating expenses and others	(854)	(625)	(760)	(37)	(12)	(2,576)	(4,699)	45
Operating income	336	1,266	870	(73)	(61)	3,739	2,926	28
Comprehensive financing expense, net	(607)	(465)	(287)	(30)	(111)	(1,497)	(1,172)	(28)
Share of losses of associates	(29)	(7)	(5)	(395)	(722)	(45)	(31)	(48)
Profit (loss) before income tax	(300)	794	578	(138)	(152)	2,197	1,723	27
Income tax	(68)	(259)	(591)	74	88	(883)	(817)	(8)
Consolidated net income (loss)	(368)	535	(13)	(169)	(2,752)	1,314	906	45
Profit (loss) attributable to Controlling interest	(427)	394	(123)	(208)	(248)	801	262	206
Profit attributable to Non-controlling interest	59	141	110	(58)	(46)	513	644	(20)