

mabe

Q4, 2014

Q4, 2014 Results

CONTROLADORA MABE, S.A. DE C.V.

Mabe's net sales in the fourth quarter of 2014 were US\$831 million, an increase of 4.4% compared to 2013. Mabe ended being favored by the positive trends in the US Market with exports to the US up 7% compared to the same period of 2013. Exports outside of the Americas increased 29% versus 2013 during this period due to a more comprehensive market coverage.

Operating profit in the fourth quarter was US\$72 million or 41.2% more than in 2013 driven by improvements in US economy. Fixed costs and expenses decreased 21.0% compared to Q4 2013 due to the execution of efficiency plans.



US\$ Millions	Q4 2014	% vs LY B/(W)	FY 2014	% vs LY B/(W)
Net Sales	831	4.4	2,892	(3.0)
Operating Profit	72	41.2	175	27.9
EBITDA	98	14.5	278	1.9
Net Interest Expense	16	(23.6)	69	(9.8)
Net Income	51	48.5	48	FAV
Net Leverage*	2.72	0.04x	2.72	0.04x
Net Worth	422	0.03	422	0.03
Net Interest Coverage Ratio **	4.01	0.46x	4.01	0.46x
Capex	32.3	15.4	87.3	23.8
Unit Sales ('000s)	3,041	3.4	10,247	0.3

(*) Net leverage = Net debt / LTM EBITDA

(**) Net interest coverage ratio = LTM EBITDA / Net interest expense

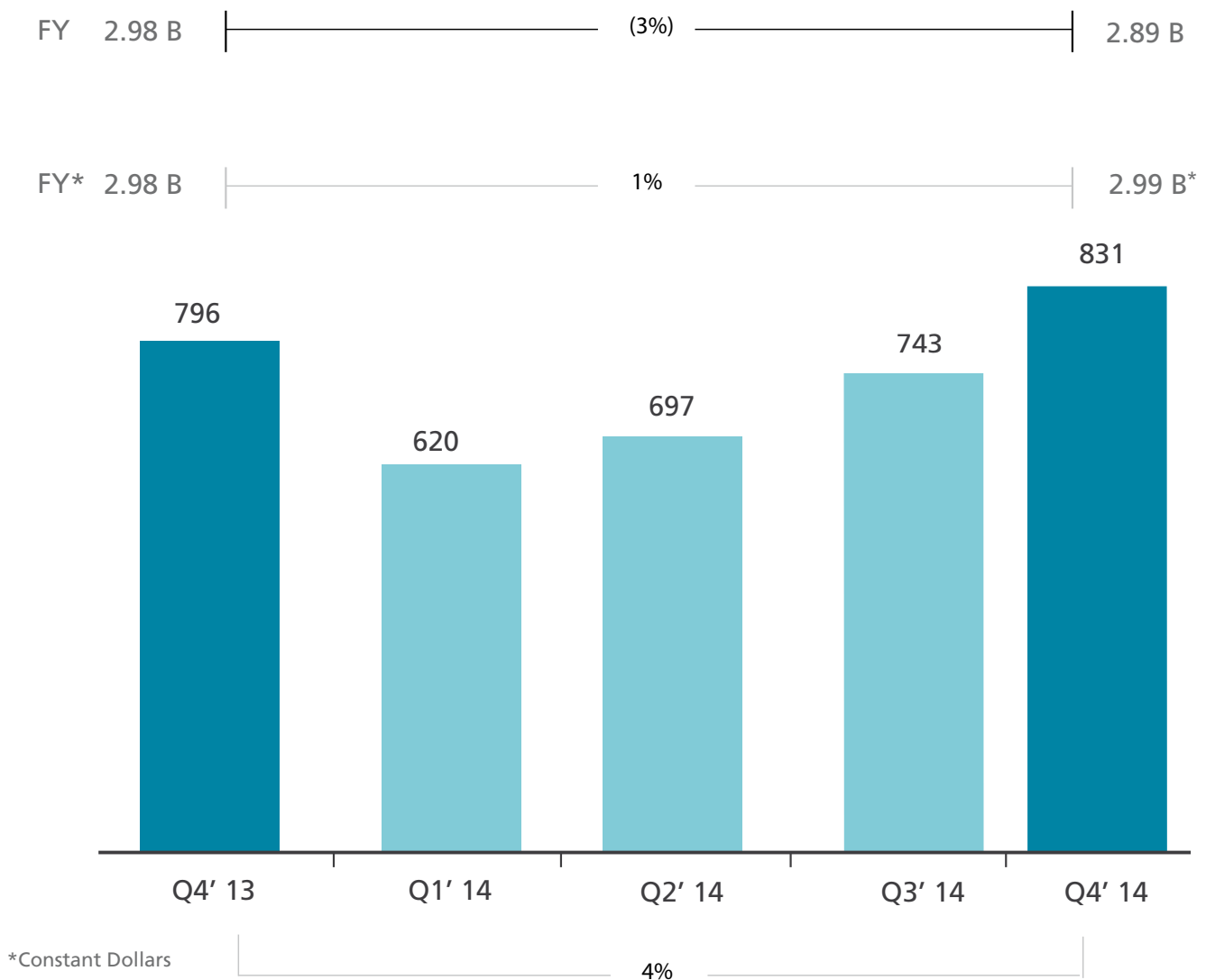
Results of operations for the three months ended December 31st, 2014 (Unaudited)

Net sales:

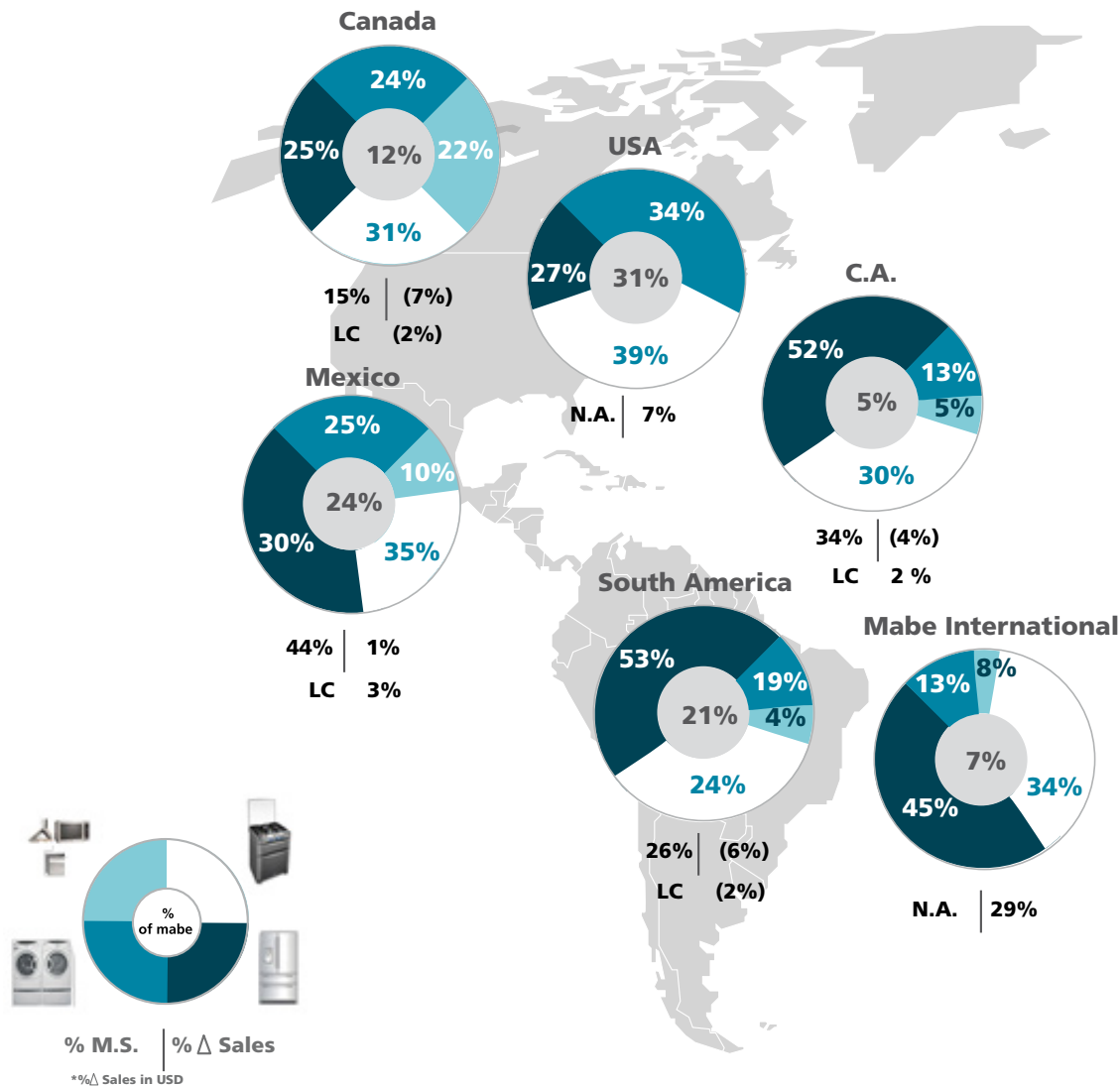
Top-line results during Q4 2014 were US\$831 million or 4.4% better compared to Q4 2013. US sales represented 31% of the total sales at the end of 2014. The number of units sold during the quarter was 3.041 million, 3.4% up compared to the same period of 2013.

Exports to the US continue to grow as evidenced by a 7% increase versus FY 2013. Exports outside the Americas grew 29% versus last year due to a broader coverage. Net sales year to date were US\$ 2.89 billion, 3% down compared to same period of 2013.

Total Mabe Revenues (US\$ million)



FY 2014 Market Share and Sales Growth by Region



Contribution Margin:

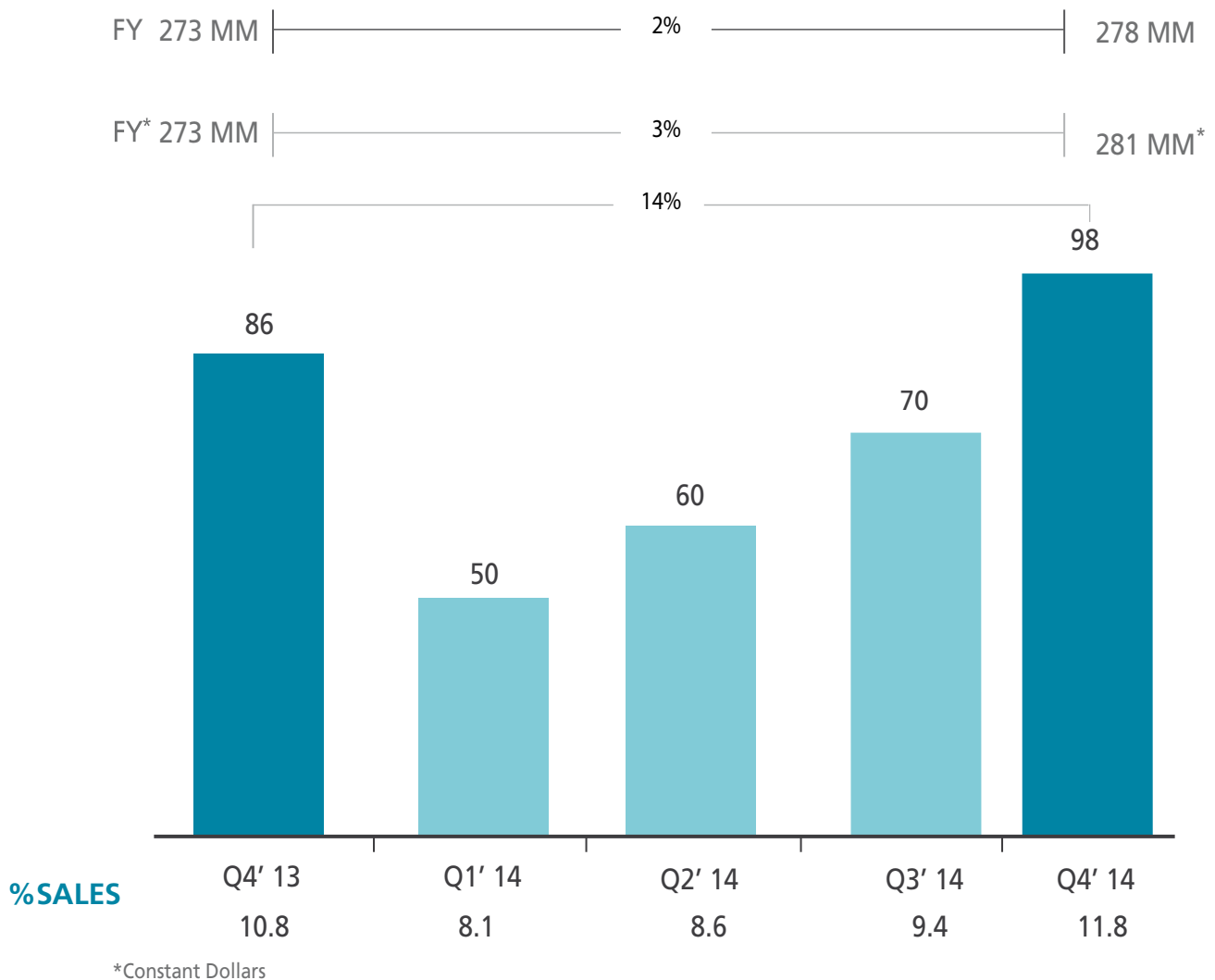
The contribution margin generated in Q4 2014 was US\$151 million or 18.2% of net sales versus 19.0% in Q4 2013. During 2014, the contribution margin generated was US\$516 million or 6.9% less than the same period of 2013.

Fixed Costs and Expenses:

Fixed costs and expenses decreased 21.0% compared to the fourth quarter of 2013 for a total of US\$79 million. Fixed costs and expenses represented 9.5% of Q4 2014 net sales versus 12.6% of Q4 2013. Full year fixed costs and expenses totaled US\$342 million, improving 18.3% versus the same period of 2013.

Operating Profit and EBITDA:

Operating profit increased 41.2% compared to Q4 2013 to reach US\$72 million. Operating profit margin was better 226 basis points standing at 8.7%, due to higher sales driven by improvements in US economy. EBITDA was US\$98 million or 14.5% more than the same quarter of 2013, EBITDA margin in Q4 2014 increased to 11.8%. EBITDA for the twelve months of 2014 reached US\$278 million, 2% higher from a year.



Cost of Financing:

Net comprehensive financing cost increased 37.1% in the fourth quarter of 2014 to a total of US\$30 million.

Net interest expense and commissions were US\$16.3, 23.6% less compared to fourth quarter of one year ago, however, depreciation of local currencies, mainly Mexico, had a negative impact on the Exchange (gain)/loss. Full year net comprehensive financing cost stood at US\$98 million or US\$7 million lower than in 2013 mainly explained by a negative FX impact.

Other Expenses & Restructuring Charges:

Other Expenses & Restructuring charges in Q4 2014 were US\$(3) million versus US\$24 million in Q4 2013. This variation is primarily explained by the cancellation of provisions of the Montreal facility closing that were estimated at beginning of 2014.

Capex:

During the fourth quarter of 2014, Mabe's capex was US\$32.3 million. This capital expenditure focused on several key projects. Mabe invested US\$7.7 in new projects in the Saltillo laundry facility. In the Celaya refrigeration facility Mabe spent US\$7.8 million in project Pangea, a continental program to improve refrigerator's features and designs.

Mabe invested US\$1.1 million in Q4 in the organizational initiative "Mabe Way".

Working Capital:

Mabe reached as of the end of the fourth quarter, a working capital level of US\$101 million. This represents an improvement of US\$44 million compared with December 2013. The breakdown is as follows: 1) Accounts receivable increased US\$29 million, to US\$427 million; 2) Inventories decreased 13.4% or US\$44.7 million, to US\$288 million; and 3) Accounts payable increased US\$28 million, to US\$614 million. Mabe negotiated new terms with his suppliers in order to improve the Working Capital.

Controladora Mabe, S.A. de C.V.
 Consolidated Condensed Statements of Income (Unaudited)
 Millions of U.S. Dollars

	Three months ended December 31 st		Twelve months ended December 31 st	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net Sales	831	796	2,892	2,981
Variable costs and expenses	<u>680</u>	<u>645</u>	<u>2,376</u>	<u>2,427</u>
Contribution Margin	151	151	516	554
Fixed costs and expenses	<u>79</u>	<u>100</u>	<u>342</u>	<u>418</u>
Operating profit	72	51	175	136
Interest (income)/expense, net	16	21	69	77
Commissions	1	1	6	14
Exchange (gain)/(loss)	<u>12</u>	<u>(0)</u>	<u>22</u>	<u>14</u>
Net comprehensive financing cost	30	22	98	105
Restructuring & other charges	<u>(3)</u>	<u>24</u>	<u>27</u>	<u>65</u>
Income/(loss) before provisions for income tax	45	5	50	(33)
Provisions for income tax expense/(benefit)	<u>(5)</u>	<u>(29)</u>	<u>2</u>	<u>(22)</u>
Income/(loss) after provisions for income tax	51	34	48	(10)
Consolidated net income / (loss)	51	34	48	(10)

Controladora Mabe, S.A. de C.V.
 Consolidated Condensed Balance Sheets (Unaudited)
 Millions of U.S. Dollars

	December 31 st <u>2014</u>	December 31 st <u>2013</u>
Assets		
Current assets:		
Cash and temporary investments	70	90
Accounts receivable– net	427	398
Tax receivables	152	94
Inventories – net	288	333
Prepaid expenses	<u>18</u>	<u>6</u>
Total current assets	955	920
Property, plant and equipment, net	836	815
Goodwill	212	212
Other assets, net	<u>236</u>	<u>290</u>
Total assets	<u>2,239</u>	<u>2,237</u>
Liabilities and stockholders' equity		
Current liabilities:		
Bank loans and short term debt	96	24
Notes and accounts payable to suppliers	614	586
Other accounts payable and accrued liabilities	<u>143</u>	<u>121</u>
Total current liabilities	853	731
Long-term debt	730	820
Employee retirement obligations	33	76
Financial Instruments	34	37
Other long-term liabilities	<u>168</u>	<u>141</u>
Total liabilities	<u>1,817</u>	<u>1,815</u>
Total stockholders' equity	<u>422</u>	<u>422</u>
Total	<u><u>2,239</u></u>	<u><u>2,237</u></u>

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COMMENTS ON OUR FINANCIAL STATEMENTS:

This Press Release contains our unaudited condensed consolidated financial statements as of December 31st, 2014 and December 31st, 2013. Since January 1st, 2010 we have prepared our condensed financial statements in U.S. Dollars, which represent the functional currency applicable to Controladora Mabe. Other periods were translated by using the average foreign exchange rate of the reported period for income statement accounts. Furthermore, since January 1st, 2012, our financial statements are reported in accordance with the International Financial Reporting Standards, referred to as "IFRS". Before January 1st, 2012 our condensed financial statements were prepared according to the Mexican Financial Reporting Standards, referred to as "MFRS". MFRS differs in certain significant respects from IFRS and from the generally accepted accounting principles applied in the United States, referred to as "U.S. GAAP". The latter might be material to the financial information contained herein. We have not prepared a reconciliation of our financial statements and related notes from IFRS to MFRS, MFRS to U.S. GAAP or IFRS to U.S. GAAP and we have not quantified those differences; therefore, we cannot assure that a reconciliation would not identify material quantitative differences. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net income or operating income as a measure of operating performance or to cash flows from operating activities as a measure of liquidity. You should review EBITDA, along with net income and cash flow from operating activities, investing activities and financing activities, when trying to understand our operating performance.

INDUSTRY & MARKET DATA:

Certain data and other statistical information used throughout this Press Release are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Other data is based on our estimates, which are derived from our review of internal surveys, as well as independent sources. Our estimates for South America and Central America are based exclusively on our beliefs and information we have obtained ourselves and not from independent sources. Although we believe our sources are reliable, we have not independently verified the information and cannot guarantee its accuracy or completeness. All market share information presented in this press release is based on unit sales