

Alpek reports 1Q17 EBITDA of U.S. \$158 million

Selected Financial Information

(U.S. \$ Millions)

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Total Volume (ktons)	986	970	988	2	-
Polyester	759	749	755	1	1
Plastics & Chemicals	227	221	234	3	(3)
Consolidated Revenues	1,293	1,183	1,182	9	9
Polyester	916	851	837	8	9
Plastics & Chemicals	376	332	345	13	9
Consolidated EBITDA	158	133	171	19	(8)
Polyester	87	82	73	6	19
Plastics & Chemicals	70	52	99	34	(29)
Profit Attributable to Controlling Interest	87	28	72	214	20
CAPEX and Acquisitions	76	75	32	1	137
Net Debt	1,175	1,042	904	13	30
Net Debt/LTM EBITDA ⁽¹⁾	1.8	1.6	1.4		
Interest Coverage ⁽¹⁾	10.0	10.5	11.3		

(1) Times: Last 12 months

Operating & Financial Highlights (1Q17)

Alpek	<ul style="list-style-type: none"> 1Q17 Consolidated EBITDA of U.S. \$158 million, including a U.S. \$26 million non-cash inventory gain U.S. \$143 million cash dividend approved at Annual Shareholders Meeting; U.S. \$72 million paid in March
Polyester	<ul style="list-style-type: none"> 1Q17 Polyester EBITDA of U.S. \$87 million, including a U.S. \$19 million non-cash inventory gain Obtained all necessary corporate approvals to acquire PetroquimicaSuape and Citepe from Petrobras; closing subject to approval from Brazilian authority (CADE)
Plastics & Chemicals (P&C)	<ul style="list-style-type: none"> 1Q17 P&C EBITDA of U.S. \$70 million, including an U.S. \$8 million non-cash inventory gain Better-than-expected polypropylene and expandable polystyrene EBITDA, driven by favorable January results 1Q17 caprolactam reference margins posted highest level since 2012

This release contains forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. Accordingly, results could vary from those set forth in this release. The report presents unaudited financial information based on International Financial Reporting Standards (IFRS). Figures are stated in nominal Mexican pesos (\$) and in current U.S. Dollars (U.S. \$), as indicated. Where applicable, peso amounts were translated into U.S. Dollars using the average exchange rate of the months during which operations were recorded. Financial ratios are calculated in U.S. Dollars. Due to the rounding up of figures, small differences may occur when calculating percent changes from one period to the other.

Message from the CEO

Plastics & Chemicals (P&C) segment performance and higher feedstock prices contributed to a better-than-expected start this year. Alpek's first quarter 2017 consolidated EBITDA was U.S. \$158 million, down 8% versus 1Q16 and up 19% compared with the previous quarter.

1Q17 consolidated EBITDA benefited from a rising oil and feedstock price environment. For instance, the average U.S. paraxylene contract price increased 20% and 10% versus 1Q16 and 4Q16, respectively. Also, the average U.S. propylene contract price was up 52% year-on-year and 30% quarter-on-quarter.

Higher feedstock prices resulted in a U.S. \$26 million non-cash inventory gain during this first quarter, comprised of a U.S. \$19 million gain in Polyester and an U.S. \$8 million gain in P&C.

Polyester segment EBITDA was U.S. \$87 million in 1Q17. Adjusting for non-cash inventory gains, Comparable Polyester EBITDA was U.S. \$69 million; in line with Alpek's 2017 Guidance.

Comparable 1Q17 Polyester EBITDA was down 19% versus 1Q16 as moderate improvements in PTA, Fibers and Cogeneration were more than offset by lower PET margins. In contrast, the 4% sequential increase in Comparable segment EBITDA reflects a recovery after disruptions caused by Hurricane Matthew in 4Q16, as well as progress in Selenis Canada Inc. which generated a smaller loss than in the previous quarter.

The combination of a recent upswing in caprolactam margins and favorable January figures in our polypropylene (PP) and expandable polystyrene (EPS) businesses supported better-than-expected first quarter P&C results. 1Q17 P&C EBITDA was U.S. \$70 million and Comparable segment EBITDA was U.S. \$63 million; above Alpek's 2017 Guidance.

First quarter Comparable P&C EBITDA was down 34% versus the segment's record 1Q16 figure, mainly due to lower PP margins. However, sequential improvement across P&C products resulted in a 20% quarter-on-quarter increase in Comparable 1Q17 P&C EBITDA.

Capex totaled U.S. \$76 million in 1Q17, and is expected to reach U.S. \$238 million by year-end as a result of programmed strategic projects. The Altamira power cogeneration facility accounted for almost 70% of Alpek's first quarter Capex. Other investments included the 75,000 ton per year EPS capacity expansion in Altamira, Mexico, and the completion of two propylene storage spheres.

In addition to the progress in organic projects, we obtained all necessary corporate approvals to acquire 100% of PetroquímicaSuape and Citepe from Petrobras for U.S. \$385 million. This amount is payable on the closing date which is still dependent on several conditions precedent, including approval by the Administrative Council for Economic Defense (CADE) in Brazil.

As the acquisition process moves forward, we are working on several fronts that would reduce debt financing for the potential transaction. Hence, a formal process to monetize our power cogeneration assets is underway. We believe that acquiring the Brazilian assets, while preserving Alpek's investment grade rating is in our shareholder's best interest.

Certain positive developments in our P&C segment and higher feedstock prices during 1Q17, partially offset some of the headwinds we anticipated in the beginning of the year. However, we maintain our original outlook for the remainder of 2017. Adjusting for non-cash inventory gains, 1Q17 Comparable Consolidated EBITDA was U.S. \$131 million or 26% of Alpek's U.S. \$502 million full-year EBITDA guidance.

Results by Business Segment

Polyester

(Purified Terephthalic Acid (PTA), Polyethylene Terephthalate (PET), Polyester fibers – 71% of Alpek's Net Sales)

Alpek's first quarter 2017 Polyester revenues were up 9% year-on-year and 8% quarter-on-quarter, mainly as a result of higher prices. Average 1Q17 Polyester prices increased 9% versus 1Q16 and 6% when compared with 4Q16, reflecting the recovery in crude oil and feedstock prices such as paraxylene (Px) and monoethylene glycol (MEG). The average U.S. contract Px price reached its highest level since 3Q15.

1Q17 Polyester volume was up 1% when compared to 1Q16 and 4Q16. However, segment volume was lower than expected as growth driven by the integration of Selenis Canada Inc. (PET) was partially offset by subpar PET volume in Mexico and Argentina.

First quarter 2017 segment EBITDA was U.S. \$87 million, including a U.S. \$19 million non-cash inventory gain. Adjusting for inventory gains, Comparable 1Q17 Polyester EBITDA decreased 19% versus 1Q16. As anticipated, the year-on-year decline in U.S. PET margins more than offset moderate EBITDA growth in other parts of the Polyester segment such as PTA, Fibers and Cogeneration. Comparable 1Q17 Polyester EBITDA increased 4% against the previous quarter which was negatively impacted by unplanned shutdowns associated to Hurricane Matthew and a higher EBITDA loss at Selenis Canada Inc.

Plastics & Chemicals (P&C)

(Polypropylene (PP), Expandable Polystyrene (EPS), Caprolactam (CPL), Other products – 29% of Alpek's Net Sales)

1Q17 P&C revenue was up 9% and 13% when compared to 1Q16 and 4Q16, respectively, as higher average prices more than offset mixed volume figures. Average 1Q17 P&C prices increased 12% year-on-year and 10% quarter-on-quarter driven by higher feedstock prices, mainly propylene and styrene.

First quarter 2017 P&C volume was down 3% versus 1Q16 and up 3% when compared to 4Q16. PP was the main underlying driver, posting a volume decrease compared with its all-time high in 1Q16, while increasing versus 4Q16 which was negatively impacted by a multi-week planned maintenance shutdown as well as a weak propylene price environment.

1Q17 P&C EBITDA totaled U.S. \$70 million, including an U.S. \$8 million non-cash inventory gain. Adjusting for inventory gains, Comparable 1Q17 P&C EBITDA decreased 34% versus the segment's record 1Q16 figure which was boosted by peak PP margins. Since then, PP margins declined and appear to have stabilized in line with Alpek's estimations. Comparable 1Q17 P&C EBITDA was 20% higher than 4Q16 and above Alpek's 2017 Guidance driven by better-than-expected PP and EPS results in January as well as the recent upswing in CPL margins. 1Q17 CPL reference margins posted their highest level since 2012.

Consolidated Financial Results

Net Sales: Net Sales for the first quarter totaled U.S. \$1.3 billion, up 9% year-on-year and quarter-on-quarter, mainly due to higher average consolidated prices in both business segments. Average 1Q17 consolidated prices increased 10% and 7% when compared with 1Q16 and 4Q16, respectively. 1Q17 consolidated volume was flat year-on-year and up 2% on a quarterly basis.

EBITDA: 1Q17 EBITDA was U.S. \$158 million, down 8% when compared with 1Q16 and 19% higher than 4Q16. This quarter's Consolidated EBITDA includes a U.S. \$26 million non-cash inventory gain. Adjusting for inventory gains, Comparable Consolidated EBITDA was U.S. \$131 million, U.S. \$117 million and U.S. \$179 million in 1Q17, 4Q16 and 1Q16, respectively. Comparable 1Q17 Consolidated EBITDA decreased 26% year-on-year mainly due to lower PP and PET margins, as anticipated. The 12% increase versus Comparable 4Q16 Consolidated EBITDA was largely driven by better-than-expected P&C segment results.

Profit (Loss) Attributable to Controlling Interest: Profit Attributable to Controlling Interest for the first quarter of 2017 was U.S. \$87 million, compared to U.S. \$72 million and U.S. \$28 million in 1Q16 and 4Q16, respectively. 1Q17 Profit Attributable to Controlling Interest increased versus 4Q16 and 1Q16 as a higher Income Tax was more than offset by a non-cash Fx gain following the recent appreciation of the Mexican Peso.

Capital Expenditures and Acquisitions (Capex): 1Q17 Capex was U.S. \$76 million, compared to U.S. \$32 million and U.S. \$75 million in 1Q16 and 4Q16 respectively. The majority of these funds were invested in the 350 MW power cogeneration plant in Altamira, Mexico. Other projects such as the EPS capacity expansion in Altamira, Mexico and the construction of two propylene spheres advanced as planned.

Net Debt: Consolidated Net Debt as of March 31, 2017 was U.S. \$1.175 billion, up 30% year-on-year and 13% quarter-on-quarter. On an absolute basis, Net Debt increased U.S. \$134 million during 1Q17. Dividends, CAPEX and investment in Net Working Capital were among the largest cash flow line items in the first quarter. Consolidated Dividends include U.S. \$72 million paid to shareholders in March, as approved at Alpek's Annual Shareholders Meeting. Capex is associated to the ongoing development of strategic projects, mainly the Altamira power cogeneration plant. Investment in Net Working Capital reflects a rising feedstock price environment. Gross Debt as of March 31, 2017 was U.S. \$1.301 billion, up 13% and 10% when compared to 1Q16 and 4Q16 respectively. 1Q17 Cash and Cash equivalents balance was U.S. \$126 million. Financial ratios as of March 31, 2017 were: Net Debt to LTM EBITDA of 1.8 times and Interest Coverage of 10.0 times.

Appendix A - Tables

TABLE 1 | VOLUME (KTONS)

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Total Volume	986	970	988	2	-
Polyester	759	749	755	1	1
Plastics and Chemicals	227	221	234	3	(3)

TABLE 2 | PRICE CHANGES (%)

	(%) 1Q17 vs.	
	4Q16	1Q16
Polyester		
Avg. Ps. Prices	9	23
Avg. U.S. \$ Prices	6	9
Plastics and Chemicals		
Avg. Ps. Prices	14	27
Avg. U.S. \$ Prices	10	12
Total		
Avg. Ps. Prices	11	24
Avg. U.S. \$ Prices	7	10

TABLE 3 | INCOME STATEMENT (U.S. \$ Millions)

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Total Revenues	1,293	1,183	1,182	9	9
Gross Profit	171	142	185	21	(7)
Operating expenses and others	(48)	(44)	(47)	(9)	(2)
Operating income	123	98	138	26	(11)
Financial cost, net	17	(36)	(16)	147	204
Share of losses of associates	-	-	-	-	-
Income Tax	(34)	(29)	(17)	(16)	(98)
Consolidated net income	106	33	105	222	1
Controlling Interest	87	28	72	214	20

TABLE 4 | REVENUES

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Total Revenues					
Ps. Millions	26,339	23,428	21,292	12	24
U.S. \$ Millions	1,293	1,183	1,182	9	9
Domestic Revenues					
Ps. Millions	9,632	8,491	8,242	13	17
U.S. \$ Millions	473	429	458	10	3
Foreign Revenues					
Ps. Millions	16,707	14,937	13,050	12	28
U.S. \$ Millions	820	754	724	9	13
Foreign / Total (%)	63	64	61		

TABLE 5 | OPERATING INCOME AND EBITDA

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Operating Income					
Ps. Millions	2,535	1,944	2,484	30	2
U.S. \$ Millions	123	98	138	26	(11)
EBITDA					
Ps. Millions	3,241	2,647	3,089	22	5
U.S. \$ Millions	158	133	171	19	(8)

TABLE 6 | COMPARABLE EBITDA

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
EBITDA					
Ps. Millions	3,241	2,647	3,089	22	5
U.S. \$ Millions	158	133	171	19	(8)
Adjustments*					
Ps. Millions	(550)	(327)	131	(68)	(519)
U.S. \$ Millions	(26)	(16)	7	(64)	(467)
Comparable EBITDA					
Ps. Millions	2,691	2,320	3,220	16	(16)
U.S. \$ Millions	131	117	179	12	(26)

*Adjustments: Inventory and non-operating, one-time (gains) losses

TABLE 7 | FINANCIAL COST, NET (U.S. \$ Millions)

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Financial Expenses	(18)	(17)	(19)	(5)	7
Financial Income	4	4	5	(11)	(23)
Net Financial Expenses	(14)	(13)	(14)	(11)	2
Fx Gains (Losses)	31	(23)	(2)	233	1,924
Financial Cost, Net	17	(36)	(16)	147	204

TABLE 8 | NET INCOME (U.S \$ Millions)

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Consolidated Net Income	106	33	105	222	1
Non-Controlling Interest	19	5	32	264	(41)
Controlling Interest	87	28	72	214	20
Earnings per Share (U.S. Dollars)	0.04	0.01	0.03	214	20
Avg. Outstanding Shares (Millions)*	2,117	2,117	2,118		

*For comparability are considered the same number of equivalent shares in the periods presented.

TABLE 9 | CASH FLOW (U.S. \$ Millions)

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
EBITDA	158	133	171	19	(8)
Net Working Capital & Others	(64)	(84)	(114)	23	43
Capital Expenditures & Acq.	(76)	(75)	(32)	(1)	(137)
Financial Expenses	(16)	(16)	(5)	2	(227)
Income tax	(27)	(22)	(75)	(21)	64
Dividends	(88)	(20)	(135)	(340)	35
Payment affiliated companies	-	8	12	(99)	(100)
Other Sources / Uses	(20)	(50)	(5)	60	(319)
Decrease (Increase) in Net Debt	(134)	(127)	(182)	(5)	26

TABLE 10 | STATEMENT OF FINANCIAL POSITION & FINANCIAL RATIOS (U.S. \$ Millions)

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Assets					
Cash and cash equivalents	126	142	243	(12)	(48)
Trade accounts receivable	582	542	512	7	14
Inventories	807	719	660	12	22
Other current assets	271	254	343	7	(21)
Total current assets	1,786	1,656	1,758	8	2
Investment in associates and others	29	28	27	5	9
Property, plant and equipment, net	2,028	1,970	1,824	3	11
Goodwill and intangible assets, net	571	575	509	(1)	12
Other non-current assets	227	200	96	14	135
Total assets	4,640	4,428	4,213	5	10
Liabilities & stockholders' equity					
Debt	278	135	102	106	173
Suppliers	692	636	483	9	43
Other current liabilities	171	168	208	2	(18)
Total current liabilities	1,141	939	793	21	44
Debt	1,017	1,043	1,038	(2)	(2)
Employees' benefits	60	59	65	1	(8)
Other long term liabilities	372	367	349	1	7
Total liabilities	2,590	2,409	2,246	8	15
Total stockholders' equity	2,050	2,019	1,968	2	4
Total liabilities & stockholders' equity	4,640	4,428	4,213	5	10
Net Debt	1,175	1,042	904	13	30
Net Debt/EBITDA*	1.8	1.6	1.4		
Interest Coverage*	10.0	10.5	11.3		

* Times: last 12 months.

Polyester

TABLE 11 | REVENUES

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Total Revenues					
Ps. Millions	18,670	16,862	15,087	11	24
U.S. \$ Millions	916	851	837	8	9
Domestic Revenues					
Ps. Millions	5,006	4,473	3,940	12	27
U.S. \$ Millions	246	226	219	9	12
Foreign Revenues					
Ps. Millions	13,663	12,389	11,147	10	23
U.S. \$ Millions	670	625	618	7	8
Foreign / Total (%)	73	73	74		

TABLE 12 | OPERATING INCOME AND EBITDA

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Operating Income					
Ps. Millions	1,253	1,078	847	16	48
U.S. \$ Millions	61	54	47	13	30
EBITDA					
Ps. Millions	1,794	1,640	1,322	9	36
U.S. \$ Millions	87	82	73	6	19

TABLE 13 | COMPARABLE EBITDA

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
EBITDA					
Ps. Millions	1,794	1,640	1,322	9	36
U.S. \$ Millions	87	82	73	6	19
Adjustments*					
Ps. Millions	(395)	(327)	199	(21)	(299)
U.S. \$ Millions	(19)	(16)	11	(17)	(272)
Comparable EBITDA					
Ps. Millions	1,399	1,313	1,521	7	(8)
U.S. \$ Millions	69	66	84	4	(19)

*Adjustments: Inventory and non-operating, one-time (gains) losses

Plastics & Chemicals

TABLE 14 | REVENUES

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Total Revenues					
Ps. Millions	7,670	6,566	6,205	17	24
U.S. \$ Millions	376	332	345	13	9
Domestic Revenues					
Ps. Millions	4,626	4,018	4,302	15	8
U.S. \$ Millions	227	203	239	12	(5)
Foreign Revenues					
Ps. Millions	3,044	2,548	1,903	19	60
U.S. \$ Millions	149	129	106	16	41
Foreign / Total (%)	40	39	31		

TABLE 15 | OPERATING INCOME AND EBITDA

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
Operating Income					
Ps. Millions	1,282	898	1,654	43	(22)
U.S. \$ Millions	62	45	92	37	(32)
EBITDA					
Ps. Millions	1,447	1,039	1,784	39	(19)
U.S. \$ Millions	70	52	99	34	(29)

TABLE 16 | COMPARABLE EBITDA

	1Q17	4Q16	1Q16	(%) 1Q17 vs.	
				4Q16	1Q16
EBITDA					
Ps. Millions	1,447	1,039	1,784	39	(19)
U.S. \$ Millions	70	52	99	34	(29)
Adjustments*					
Ps. Millions	(154)	-	(68)	(100)	129
U.S. \$ Millions	(8)	-	(4)	(100)	(100)
Comparable EBITDA					
Ps. Millions	1,293	1,039	1,717	24	(25)
U.S. \$ Millions	63	52	95	20	(34)

*Adjustments: Inventory and non-operating, one-time (gains) losses

Appendix B – Financial Statements

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

STATEMENT OF FINANCIAL POSITION

Information in Millions of Mexican Pesos

	Mar 17	Dec 16	Mar 16	(% Mar 17 vs.)	
				Dec 16	Mar 16
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	2,362	2,935	4,222	(20)	(44)
Trade accounts receivable	10,939	11,191	8,914	(2)	23
Other accounts and notes receivable	3,503	3,626	2,397	(3)	46
Inventories	15,187	14,853	11,482	2	32
Other current assets	1,599	1,616	3,570	(1)	(55)
Total current assets	33,590	34,221	30,585	(2)	10
Investment in associates and others	547	575	466	(5)	17
Property, plant and equipment, net	38,136	40,699	31,740	(6)	20
Goodwill and intangible assets, net	10,738	11,875	8,850	(10)	21
Other non-current assets	4,269	4,130	1,679	3	154
Total assets	87,280	91,500	73,320	(5)	19
LIABILITIES AND STOCKHOLDER'S EQUITY					
CURRENT LIABILITIES:					
Debt	5,228	2,787	1,772	88	195
Suppliers	13,009	13,151	8,404	(1)	55
Other current liabilities	3,216	3,469	3,625	(7)	(11)
Total current liabilities	21,453	19,407	13,801	11	55
NON-CURRENT LIABILITIES:					
Debt (include debt issuance cost)	19,134	21,551	18,062	(11)	6
Deferred income taxes	5,410	5,883	4,643	(8)	17
Other liabilities	1,592	1,710	1,436	(7)	11
Employees' benefits	1,127	1,227	1,133	(8)	(1)
Total liabilities	48,716	49,778	39,075	(2)	25
STOCKHOLDERS' EQUITY:					
Controlling interest:					
Capital stock	6,048	6,048	6,049	-	(0)
Share premium	9,071	9,071	9,071	-	(0)
Contributed capital	15,119	15,119	15,120	-	(0)
Earned surplus	19,155	21,954	14,417	(13)	33
Total controlling interest	34,274	37,073	29,537	(8)	16
Non-controlling interest	4,290	4,649	4,708	(8)	(9)
Total stockholders' equity	38,564	41,722	34,245	(8)	13
Total liabilities and stockholders' equity	87,280	91,500	73,320	(5)	19

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

STATEMENT OF INCOME

Information in Millions of Mexican Pesos

	1Q17	4Q16	1Q16	1Q17 vs.(%)	
				4Q16	1Q16
Revenues	26,339	23,428	21,292	12	24
Domestic	9,632	8,491	8,242	13	17
Export	16,707	14,937	13,050	12	28
Cost of sales	(22,826)	(20,615)	(17,957)	(11)	(27)
Gross profit	3,513	2,813	3,335	25	5
Operating expenses and others	(978)	(869)	(851)	(13)	(15)
Operating income	2,535	1,944	2,484	30	2
Financial cost, net	317	(719)	(290)	144	209
Share of losses of associates	(2)	2	(5)	(200)	60
Profit (loss) before income tax	2,850	1,227	2,189	132	30
Income tax	(693)	(582)	(317)	(19)	(119)
Consolidated net income	2,157	645	1,872	234	15
Profit attributable to Controlling interest	1,769	544	1,282	225	38
Profit attributable to Non-controlling interest	388	101	590	284	(34)