

mabe

Q2, 2015

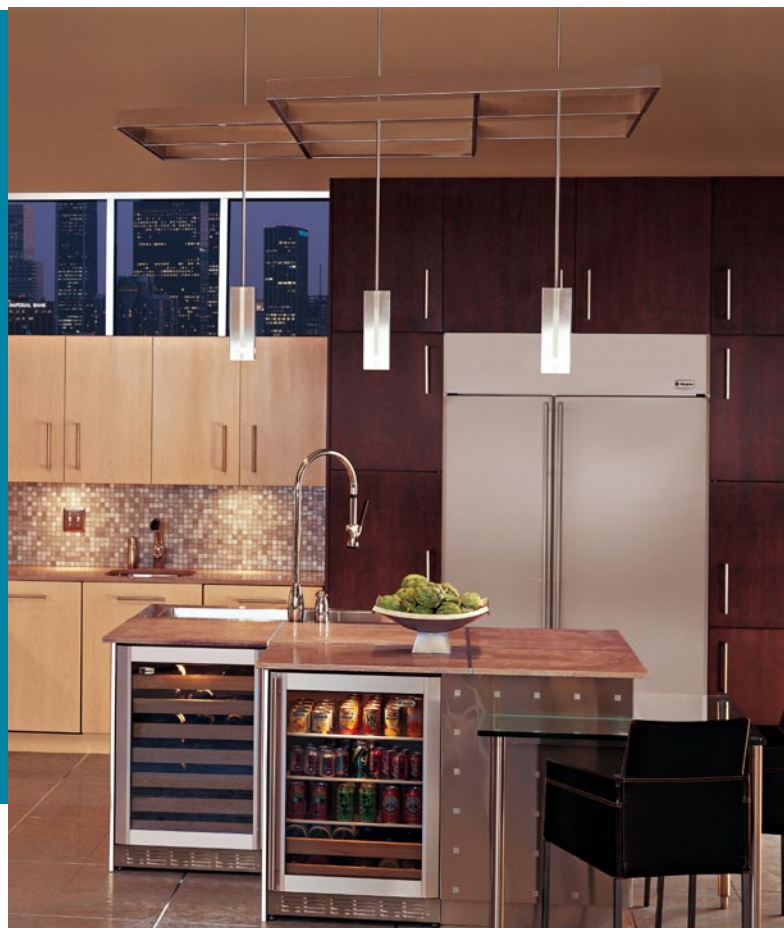
Q2, 2015 Results

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

Mabe's net sales in the second quarter of 2015 were US\$709 million, an increase of 2% compared to 2014.

Mabe continued being favored by the positive trends in the US Market with exports to the US up 5%. Domestic Market in Mexico in local currency increased 18% vs last year, South America and Central America Markets had good performance compared to the same quarter of 2014 and Exports outside of the Americas decreased 10% during this period. Despite of the devaluation in most of Mabe's market top line shows good results mainly driven by price increases.

Additionally Mabe reported an improvement in the net income result for the second quarter of 2015 to reach US\$23million or US\$14million more than a year ago. Operating profit was US\$52 million or 51% greater than in 2014 driven by fixed costs and expenses savings that decreased 15% compared to 2014 due to the execution of efficiency plans and translation effects.



Q2 2015 results were very positive in almost all fronts. Mabe's strong position in most of the markets where we compete allowed us to increase prices in Latin America defending / improving our margins by cost and expenses efficiencies.

US\$ Millions	Q2 2015	% vs LY B/(W)	YTD 2015	% vs LY B/(W)
Net Sales	709	2	1,288	(2)
Operating Profit	52	51	76	28
EBITDA	72	20	120	9
Net Interest Expense	16	(12)	31	(13)
Net Income	23	14	25	20
Net Leverage*	2.62x	0.36x	2.62x	0.36x
Net Worth	427	(1)	427	(1)
Net Interest Coverage Ratio **	4.45x	1.16x	4.45x	1.16x
Capex	21.7	34	41.4	20
Unit Sales ('000s)	2,602	4	4,859	1,258

(*) Net leverage = Net debt / LTM EBITDA

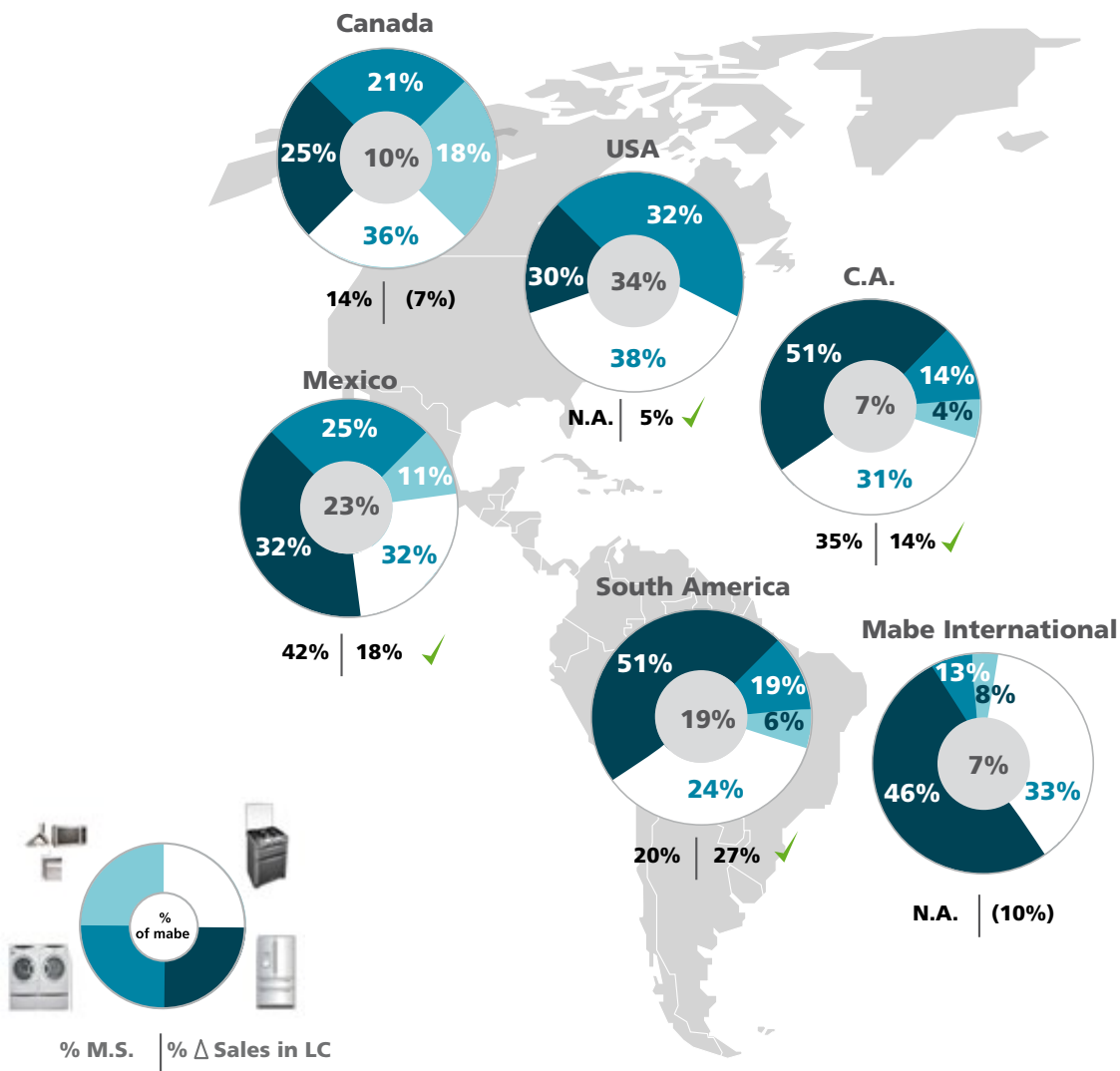
(**) Net interest coverage ratio = LTM EBITDA / Net interest expense

Results of operations for the three months ended June 30th, 2015 (Unaudited)

Net sales:

Top-line results during Q2 2015 were US\$709 million or 2% up compared to Q2 2014. The number of units sold during the quarter was 2.602 million, an improvement of 4% vs last year. Exports to the US maintained good momentum as evidenced by a 5% increase versus a year ago. Sales in Local Currency for our regions was as follows: Domestic Market in Mexico increased 18% vs last year, Canada sales were impacted by the strong USD showing a decrease of 7%, South America had an improvement of 27%, Central America increased 14% and Exports outside the Americas decreased 10%.

Q2 2015 Market Share and Sales Growth by Region



Contribution Margin:

The contribution margin for Q2 2015 was US\$127 million or 3% more than in Q2 2014. Contribution margin represented 18% of sales virtually flat versus one year ago.

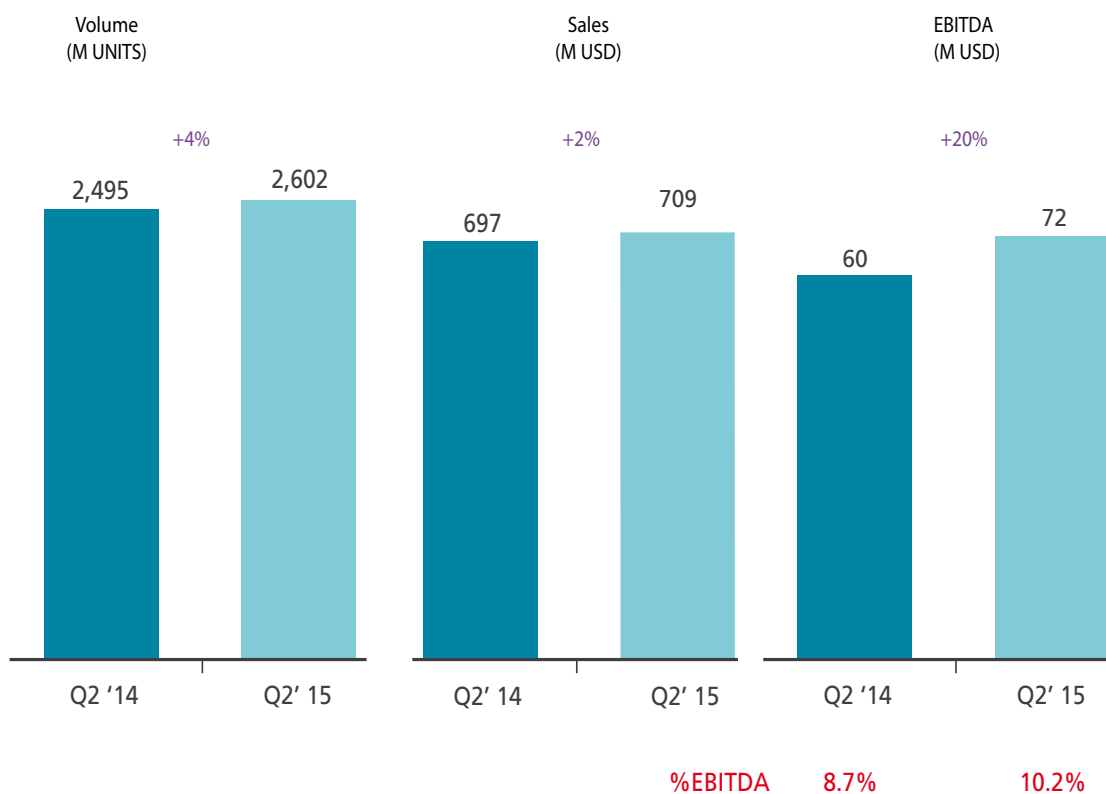
Fixed Costs and Expenses:

Fixed costs and expenses decreased 15% compared to the second quarter of 2014 to reach US\$76 million. Fixed costs and expenses represented 11% of Q2 2015 net sales versus the 13% of Q2 2014 net sales. This represents a 209 basis point improvement as a result of productivity plans.

Operating Profit and EBITDA:

Operating profit increased 51% compared to Q2 2014 to reach US\$52 million in Q2 2015. Operating profit margin was up 236 basis points to reach 7.3%, driven by a fixed costs and expenses reduction. EBITDA was US\$72 million or 20% more than the same quarter of 2014. EBITDA margin stood at 10.2%, 155 basis point better versus last year despite the negative impact of a strong dollar.

Sales (US\$ million), Volumes ('000 units) and EBITDA Margin (%)



Cost of Financing:

Net comprehensive financing cost increased 39% in the second quarter of 2015 to a total of US\$23 million. Net interest expense and commissions were US\$17 million, representing a saving of US\$3 million compared to the same period of one year ago. Foreign exchange loss during Q2 2015 was US\$5 million, as a result of the depreciation of the Local Currencies in the market that we operate.

Restructuring Charges:

Restructuring and charges were US\$6 million less than a year ago. This variation is primarily explained by the Montreal facility closing in 2014.

Capex:

In the second quarter of 2015, Mabe's capex was US\$21.7 million, focused on several key projects.

Mabe invested US\$8 million in new projects in the Saltillo laundry facility; these projects include the Dryer Update for US Market (US\$2.3 millions) and the New Washer for LATAM (US\$3.3 millions). In the Celaya refrigeration facility Mabe spent US\$5.9 million in the Bottom Freezer Project, a continental program to improve refrigerator's features and designs. To reduce operating costs and have a greater efficiency in production processes Mabe decided to transfer the Queretaro plant to Celaya investing US\$2.8 million in this project.

Working Capital:

Mabe reached as of the end of the second quarter, a working capital level of US\$48 million. This represents an improvement of US\$67 million compared with June 2014. The breakdown is as follows: 1) Accounts receivable decreased US\$7 million, to US\$376 million; 2) Inventories decrease 5% or US\$17 million, to US\$298 million; and 3) Accounts payable increased 7% or US\$43 million, to US\$626 million, as a result of extended payment terms negotiated during the second half of 2014.

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

	June 30 th	
	<u>2015</u>	<u>2014</u>
Net Sales	709	697
Variable costs and expenses	<u>581</u>	<u>574</u>
Contribution Margin	127	123
Fixed costs and expenses	<u>76</u>	<u>89</u>
Operating profit	52	34
Interest (income)/expense, net	16	19
Commissions	1	1
Exchange (gain)/(loss)	<u>5</u>	<u>(4)</u>
Net comprehensive financing cost	23	16
Restructuring & other charges	<u>1</u>	<u>7</u>
Income/(loss) before provisions for income tax	28	10
Provisions for income tax expense/(benefit)	<u>5</u>	<u>1</u>
Income/(loss) after provisions for income tax	23	9
Consolidated net income / (loss)	23	9

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

	June 30 th <u>2015</u>	June 30 th <u>2014</u>
Assets		
Current assets:		
Cash and temporary investments	70	80
Accounts receivable– net	376	383
Tax receivables	143	154
Inventories – net	298	315
Prepaid expenses	10	4
Total current assets	<u>897</u>	<u>937</u>
Property, plant and equipment, net	826	815
Goodwill	210	210
Other assets, net	279	292
Total assets	<u>2,213</u>	<u>2,253</u>
Liabilities and stockholders' equity		
Current liabilities:		
Bank loans and short term debt	138	26
Notes and accounts payable to suppliers	626	583
Other accounts payable and accrued liabilities	172	175
Total current liabilities	<u>935</u>	<u>783</u>
Long-term debt	689	820
Employee retirement obligations	30	74
Financial Instruments	29	36
Other long-term liabilities	104	107
Total liabilities	<u>1,785</u>	<u>1,820</u>
Total stockholders' equity	<u>427</u>	<u>433</u>
Total	<u>2,213</u>	<u>2,253</u>

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COMMENTS ON OUR FINANCIAL STATEMENTS:

This Press Release contains our unaudited condensed consolidated financial statements as of June 30th, 2015 and June 30th, 2014. 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.