

**1Q16**

**Grupo Rotoplas S.A.B. de C.V.**  
**Financial Results**

## Grupo Rotoplas Reports First Quarter 2016 Results

- Net sales decreased 14.1% year over year, while net sales ex-Brazil increased 9.8%
- Gross margin increased by 630 basis points year over year
- EBITDA increased 19.5% year over year

**Mexico City, Mexico, April 25, 2016.** Grupo Rotoplas SAB de CV (BMV: AGUA) (“Rotoplas”, “the Company” or “the Group”), the leading provider of individual and integrated water solutions in the Americas, reported unaudited financial results for the first quarter 2016. The information within has been prepared based on International Financial Reporting Standards (IFRS).

*“We believe our first quarter 2016 provided further confirmation of Rotoplas’ ability to continue its course of positive results, overcoming headwinds to produce strengthened profitability, sustained revenues in Mexico and growth in all of our other core markets excluding Brazil. Strong demand for our products, improved sales mix, favorable raw materials costs and strict financial controls throughout our organization again drove profitability this quarter despite the negative impact from Brazil on our top line. We believe these results demonstrate not only the fundamental strength of Rotoplas’ value proposition to provide the world with more and better water, but also our continued ability to manage the factors over which we have control,”* said Carlos Rojas Mota Velasco, Grupo Rotoplas Chief Executive Officer. *“This quarter we also welcomed Talsar S.A. as a new member of the Rotoplas family, including the employees and customers who have been instrumental to Talsar’s leading market position in Argentina. We continue to evaluate our acquisition pipeline to identify similar opportunities that will add meaningful value to our business and shareholders.”*

### Financial Highlights

Figures in millions of MXN

	1Q16	1Q15	Var.
<b>Net Sales</b>	<b>1,176</b>	1,369	(14.1%)
Individual Solutions	1,134	1,199	(5.5%)
Integrated Solutions	43	170	(74.9%)
Mexico	751	752	(0.2%)
Brazil	105	394	(73.3%)
Others	320	224	43.4%
<b>EBITDA Margin</b>	<b>12.9%</b>	9.3%	360 pb
Individual Solutions	<b>12.9%</b>	11.7%	120 pb
Integrated Solutions	<b>13.3%</b>	(7.5%)	2080 pb
Mexico	<b>19.4%</b>	16.0%	340 pb
Brazil	<b>(21.0%)</b>	(3.6%)	(1740) pb
Others	<b>8.8%</b>	9.3%	(50) pb

## Results for 1Q16

## First Quarter 2016 Results

## Selected 1Q16 Financial Information

Figures in millions of MXN

	1Q16	1Q15	Var.
<b>Net Sales</b>	<b>1,176</b>	1,369	(14.1%)
<b>Gross Profit</b>	<b>506</b>	502	0.7%
<i>Gross Profit Margin</i>	43.0%	36.7%	630 pb
<b>EBIT</b>	<b>124</b>	100	23.8%
<i>EBIT Margin</i>	10.5%	7.3%	320 pb
<b>Net Income</b>	<b>91</b>	38	NA
<i>Net Income Margin</i>	7.7%	2.8%	490 pb
<b>EBITDA</b>	<b>152</b>	127	19.5%
<i>EBITDA Margin</i>	12.9%	9.3%	360 pb

In the first quarter of 2015, retail sales benefited from a severe drought in Brazil's São Paulo region. However, 2016 sales decreased due to Brazil's challenging economic and political situation. It's important to note that Rotoplas' market share in all countries increased in the first quarter 2016, while Brazil's market share has not changed despite the current situation.

First quarter net sales therefore decreased 14.1%, year on year. However, sales excluding Brazil increased 9.8% year on year, supported by increased demand from Other Countries. Mexico sales remained flat year on year due to the negative 170 basis point effect related to the Holy Week; this holiday impacts sales in every consumer sector including ours, in 2015 this holiday took place in the second quarter rather than on the first quarter, as well as a decrease in sales of integrated solutions excluding water fountains to the public sector. This was due to budgetary adjustments at some Mexican governmental organizations and the related deferral until the second quarter of 2016. However, this decrease in sales was mitigated by an increase in sales in other channels.

Gross profit margin increased by 630 basis points due to a 189 basis point improvement in raw material costs and improved sales mix including products with higher margins.

Operating profit as a percentage of sales increased by 320 basis points compared to the same period of last year. This was due to Rotoplas' company-wide zero-based budget expense containment strategies which helped mitigate lower sales volumes, as well as to startup-related expenses at Rotoplas' US operations.

Due to Rotoplas' strong operational and financial performance in the first quarter, net income increased 1.4x to Ps. 91 million and EBITDA increased 19.5% to Ps. 152 million.

## Results for 1Q16

## Results by Solution 1Q16

Figures in millions of MXN

	Individual Solutions			Integrated Solutions		
	1Q16	1Q15	Var.	1Q16	1Q15	Var.
Net Sales	<b>1,134</b>	1,199	(5.5%)	<b>43</b>	170	(74.9%)
EBITDA	<b>146</b>	140	4.6%	<b>6</b>	(13)	NA
EBITDA Margin	12.9%	11.7%	120 pb	13.3%	(7.5%)	2080 pb

Individual solutions decreased by 5.5%, year on year, representing 96% of first quarter 2016 net sales. As previously stated, this decrease was due to strong first quarter 2015 retail sales in Brazil which were positively impacted by the drought in Brazil's São Paulo region, however, Brazil's current economic and political situation has since negatively impacted consumer purchasing power.

In the first quarter 2016, Grupo Rotoplas successfully incorporated Talsar S.A., the leading water heater company in Argentina, into Rotoplas' operations, in line with the Company's strategy to consolidate its position in individual solutions within Latin America. Rotoplas is in the initial stage of the integration process and expects to gain further synergies and improved efficiency and profitability as it implements the "Rotoplas Way" throughout its Argentinian operations.

Integrated solutions represented 4% of first quarter 2016 net sales and decreased by 74.9% year on year, again due to the deferral of some integrated solutions programs in Mexico, and to the previously mentioned economic downturn in Brazil.

First quarter individual solutions' EBITDA increased to 12.9% and integrated solutions EBITDA expanded to 13.3%, both supported by improved raw material costs.

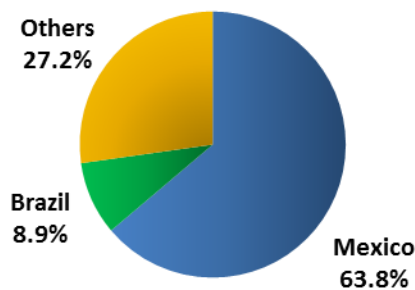
## Results for 1Q16

### Results by Country 1Q16

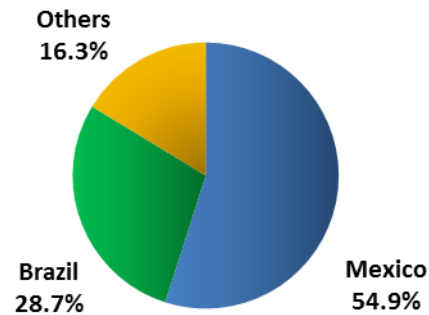
Figures in millions of MXN

	Mexico			Brazil			Others		
	1Q16	1Q15	Var.	1Q16	1Q15	Var.	1Q16	1Q15	Var.
Net Sales	751	752	(0.2%)	105	394	(73.3%)	320	224	43.4%
EBITDA	146	121	21.0%	(22)	(14)	(56.1%)	28	21	35.4%
EBITDA Margin	19.4%	16.0%	340 pb	(21.0%)	(3.6%)	(1740) pb	8.8%	9.3%	(50) pb

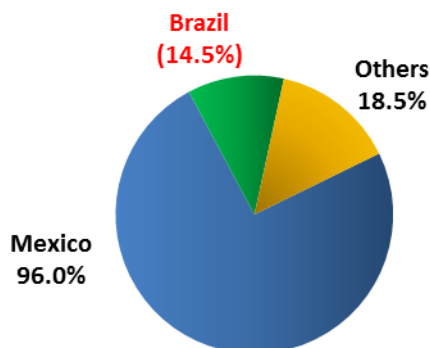
#### Sales 1Q16



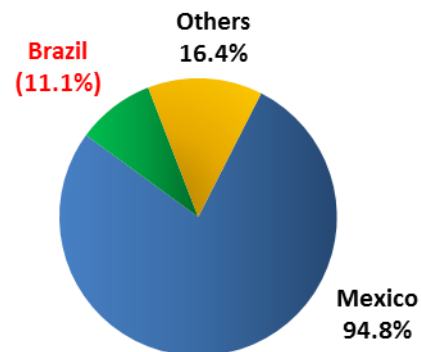
#### Sales 1Q15



#### EBITDA 1Q16



#### EBITDA 1Q15



### Non-operating Results

Comprehensive cost of financing for the first three months of 2016 decreased to Ps. 10 million, compared to a Ps. 49 million in the first quarter of 2015. Mexican peso appreciation against the currencies of those countries in which Rotoplas operates resulted in a cumulative exchange rate loss of Ps. 8 million.

First quarter 2016 net interest amounted to Ps. 1.5 million, due to the Company's favorable net cash position.

## Results for 1Q16

**Capex**

During the first three months of the year, Grupo Rotoplas made capital investments in the amount of Ps. 93 million, which were allocated to production automation projects, capacity expansion and maintenance at the Company's various manufacturing plants, as well as to the opening of new plants in the U.S.

**Capex**

Figures in millions of MXN

	2016	%
Mexico	47	50%
Brazil	5	6%
Others	41	44%
<b>Total</b>	<b>93</b>	<b>100%</b>

**Debt**

Total year end debt remained at Ps. 1,223 million; 98.9% of which was comprised of long-term debt with the remaining balance comprised of short-term debt. 99% of the Company's total debt is denominated in Mexican pesos with the remaining 1% denominated in Brazilian reals.

Grupo Rotoplas' cash position as of March 31, 2016 was Ps. 2,730 million. Cash resources were used primarily for the acquisition Talsar and to support working capital increases required in Rotoplas' fast growing markets. Correspondingly, the Company's net debt was (Ps. 1,507) million.

Figures in millions of MXN

	1Q16	Dic. 2015	Var.
<b>Total Debt</b>	<b>1,223</b>	<b>1,217</b>	<b>0.5%</b>
Short Term Debt	13	13	(1.3%)
Long Term Debt	1,210	1,204	0.5%
Cash and Equivalents	2,730	3,476	(21.5%)
<b>Net Debt</b>	<b>(1,507)</b>	<b>(2,259)</b>	<b>33.3%</b>

**Financial Indicators for LTM**

	LTM16	LTM15
Net Debt / EBITDA (x)	(1.9) x	(3.2) x
Total Liabilities/Stockholders' Equity	0.3	0.4
Earnings Per Share	0.94	0.66
Price per Share at Closing	33.46	32.65

## Results for 1Q16

### Derivative Financial Instruments

The use of derivative financial instruments is governed by the recommendations and policies dictated by the Grupo Rotoplas Board of Directors and is supervised by the Company's Auditing Committee, both of which provide guidelines for managing risk in credit, exchange rates and interest rates, as well as the use of derivative and non-derivative financial instruments and in investing excess cash.

As of March 31, 2016, Grupo Rotoplas' market value positions were:

Type of Instrument	Market Value (millions of pesos)
SWAP	(0.6)
SWAP / CAP	(11.6)

### Share Buyback Program

As of March 31, 2016 the Company's share buyback fund reported 6,748,632 shares in treasury.

### Analyst Coverage

As of March 31, 2016, Grupo Rotoplas is covered by analysts at the following brokerages:

- Bank of America Merrill Lynch
- Grupo Bursátil Mexicano (GBM)
- Goldman Sachs
- Grupo Santander

### Conference Call

Grupo Rotoplas will host a conference call on Tuesday, April 26, 2016 at 10:00 a.m. Mexico City time / 11:00 a.m. EST to present the Company's 2016 First Quarter results.

Carlos Rojas Mota Velasco, Chairman of the Board and Chief Executive Officer, and Mario Romero, Chief Financial Officer, will review first quarter results followed by a question and answer session.

To participate in the conference call, please dial:

- Mexico: 001 800 514 5965
- USA: 1 800 500 0920
- Other countries: 1 719 325 2191

Conference number: 3198784

The call is also available through the Grupo Rotoplas investor relations website:

[www.rotoplas.com/investors](http://www.rotoplas.com/investors)

## Investor Relations

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### Forward Looking Statements

This press release may include certain forward-looking statements relating to Grupo Rotoplas S.A.B. de C.V., it relies on considerations of the Grupo Rotoplas S.A.B. de C.V. management which are based on current and known information; however, the forward-looking statements could vary due to facts, circumstances and events beyond the control of Grupo Rotoplas, S.A.B. de C.V.

### About the Company

Grupo Rotoplas S.A.B. de C.V. is Latin America's leading provider of individual and integrated water solutions for storing, carrying, and treating water. With more than 35 years' experience in the industry and 24 plants throughout the Americas, Rotoplas has a presence in 12 countries and a portfolio that includes 17 product lines. Grupo Rotoplas has been listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA" since December 2014.



## Results for 1Q16

**Grupo Rotoplas S.A.B. de C.V.**  
**Consolidated Income Statement for 1Q16**  
 Non-Audited Figures - in millions of MXN

	1Q16	1Q15	Var.
<b>Net Sales</b>	<b>1,176</b>	<b>1,369</b>	<b>(14.1%)</b>
Cost of Sales	670	867	(22.7%)
<b>Gross Profit</b>	<b>506</b>	<b>502</b>	<b>0.7%</b>
<i>Gross Profit Margin</i>	43.0%	36.7%	630 pb
Operating Expense	382	402	(4.9%)
<b>Operating Income</b>	<b>124</b>	<b>100</b>	<b>23.8%</b>
<i>Operating Income Margin</i>	10.5%	7.3%	320 pb
<b>Comprehensive Financing Cost</b>	<b>10</b>	<b>49</b>	<b>(79.1%)</b>
Financial Income	33	31	8.2%
Financial Costs	43	79	(45.4%)
<b>Earnings Before Taxes</b>	<b>114</b>	<b>52</b>	<b>NA</b>
Taxes	23	14	62.9%
<b>Net Income</b>	<b>91</b>	<b>38</b>	<b>NA</b>
<i>Net Income Margin</i>	7.7%	2.8%	490 pb
<b>EBITDA</b>	<b>152</b>	<b>127</b>	<b>19.5%</b>
<i>EBITDA Margin</i>	12.9%	9.3%	360 pb

## Results for 1Q16

**Grupo Rotoplas S.A.B. de C.V.****Balance Sheet as of March 31, 2016**

Non-Audited Figures - in millions of MXN

	1Q16	Dic. 2015
Cash and Cash Equivalents	2,730	3,476
Accounts Receivable	2,003	1,874
Inventory	841	768
Other Current Assets	365	276
<b>Current Assets</b>	<b>5,939</b>	<b>6,394</b>
Property, Plant and Equipment -Net	1,575	1,304
Other Long-Term Assets	1,120	483
<b>Total Assets</b>	<b>8,634</b>	<b>8,181</b>
Short-term Debt	13	13
Suppliers	711	580
Other Accounts Payable	243	280
<b>Short-term Liabilities</b>	<b>966</b>	<b>872</b>
Long-term Debt	1,210	1,204
Other Long-Term Liabilities	49	52
<b>Total Liabilities</b>	<b>2,225</b>	<b>2,128</b>
<b>Total Stockholders' Equity</b>	<b>6,409</b>	<b>6,054</b>
<b>Total Liabilities + Stockholders' Equity</b>	<b>8,634</b>	<b>8,181</b>