Rotoplas®
más y mejor agua

2014

MORE AND BETTER water

ANNUAL REPORT

corporate PROFILE

MISSION

For people to have more and better water.

VISION

To be a global company that is a point of reference for individual and integrated water solutions whose success is founded on the *Rotoplas Way*.

VALUES

- Collaboration
- Service
- Passion for the business
- Integrity
- Humility
- Social and environmental responsibility

HISTORY

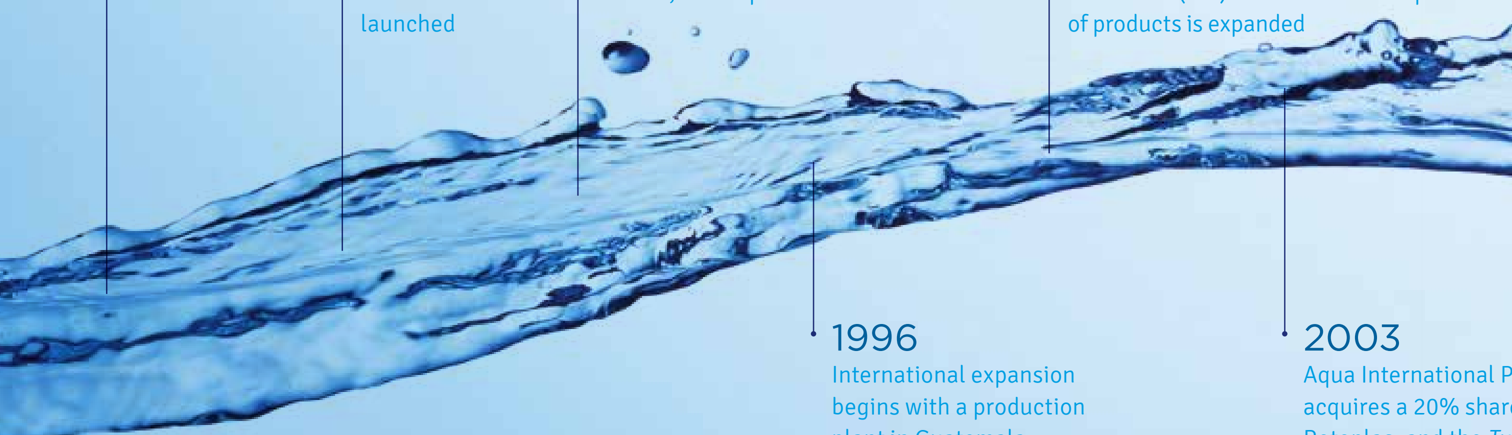
1978
Rotoplas is born

1989
The first polyethylene water tank is launched

1995
Two product lines are sold through 3 thousand points-of-sale in Mexico, with 8 plants

1996
International expansion begins with a production plant in Guatemala

1999-2001
The research and development center known as *Centro de Investigación y Desarrollo* (CID) is created and the portfolio of products is expanded



2003
Aqua International P
acquires a 20% shar
Rotoplas, and the *Tu*
brand is launched.

GRUPO ROTOPLAS
IN NUMBERS

12
Countries

+ 2,600
Employees

+ 6,850
Direct customers

+ 23,000
Points-of-sale

17
Product lines

24
Plants

5
Distribution centers

2008
The ERP SAP system is introduced in all countries

2010
A group of shareholders acquires Aqua International Partners' share

2014
Grupo Rotoplas is listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA". Rotoplas participates in the US market for the first time ever

artners
e in
boplus

2009
The Rotoplas Bio line is launched, and the Shared Services Center is created

2013
School water fountains, water purifying plants, and wastewater treatment plants are launched

Grupo Rotoplas SAB de CV is a leading company in Mexico and Latin America that provides individual and integrated solutions for storing, carrying, and treating water. With more than 35 years' experience in the industry, Rotoplas is present in 12 countries and its portfolio includes 17 product lines. It has 24 production plants in operation in the Americas. Since December 10th, 2014, Grupo Rotoplas is listed on the Mexican Stock Exchange (BMV) under the ticker "AGUA".

CONTENT

PRESENCE
IN THE AMERICAS

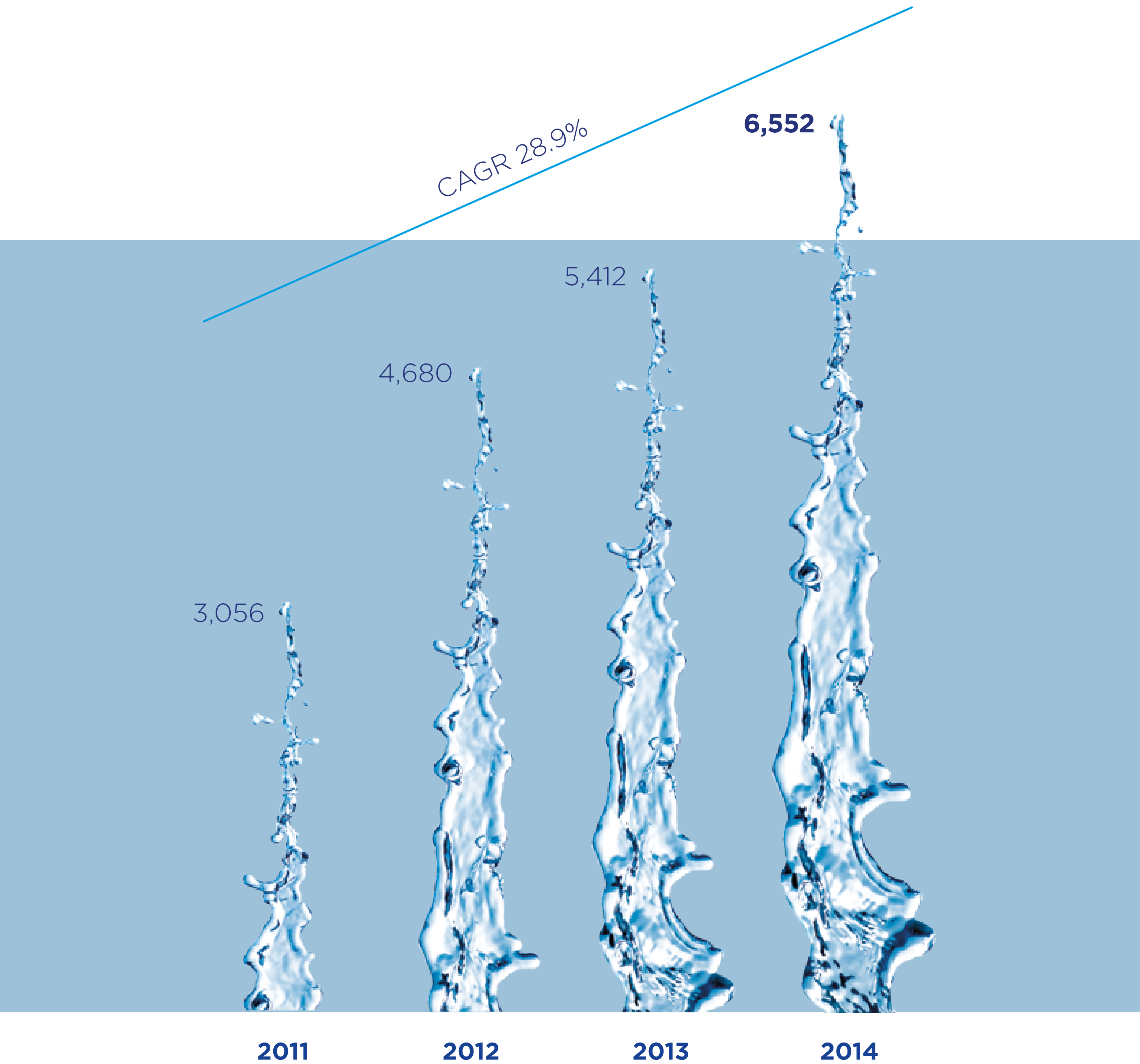
financial HIGHLIGHTS

* Figures in millions of MXN	2013	2014
Net sales	5,412	6,552
Change against prior year	15.6%	21.1%
Gross profit	2,202	2,514
Margin as % of sales	40.7%	38.4%
Operating Income	646	698
Margin as % of sales	11.9%	10.7%
EBITDA	805	859
Margin as % of sales	14.9%	13.1%
Net income	437	417
Margin as % of sales	8.1%	6.4%
Net debt/EBITDA	1.0	(3.2)
Total liabilities/Stockholders' equity	1.2	0.4
Earnings per share	1.30	1.20
Price per share at closing	NA	30.1
Outstanding shares (1)	333.9	486.2

(1) Figures in millions

NET SALES

* Figures in millions of MXN
** As of December 31 for years 2011, 2012, 2013, and 2014



message FROM THE EXECUTIVE PRESIDENT

Dear Shareholders:

2014 was an exceptional year for our company due mainly to the our successful Initial Public Offering through which we issued 144.2 million shares, equivalent to 29.7% of the company.

Water is at the center of our entrepreneurial activity and today, as always, we are committed to helping people have *more and better water.*

We are leaders in the majority of the markets in which we operate and our success is based on the strong recognition of the Rotoplas brand as a symbol of value, quality, social responsibility, and trust.

Today, as always, we are committed to our mission of helping people have more and better water. It was based on this commitment that we decided to issue the IPO as a crucial step in our strategy to promote the growth of our water solutions in the Americas. This fills us with enthusiasm for the path the company is on and makes us commit to being better every day in order to successfully respond to the trust investors have put on us.

The resources obtained by the IPO will be used primarily to fund capital expenditures and working capital in order to expand the business of individual solutions in the US, consolidate the integrated solutions business in Mexico and Brazil, and to finance growth through possible acquisitions. We will continue with the process of designing and implementing new water solutions that, in conjunction with the ones already in place, will allow us to remain at the forefront of the industry and to maintain our growth trajectory in the geographies in which we operate.

Today climate change, contamination, demographic growth, the need for infrastructure, and the changes in water usage are some of the challenges and problems that are defining the future availability of water.

The Americas are already facing important water scarcity problems, particularly in the Latin-American region, where 40 million people do not have access to potable water and more than 120 million do not have access to sanitation, which in turn results in health problems. This is not a problem that affects developing nations exclusively; in the US, for example, in the state of California, they are facing one of the worst draughts in history and they are implementing extraordinary measures to be able to ensure the supply of this important resource.

At Rotoplas throughout the years we have offered individual and integrated solutions to face the water problems that are so severe in the region.

Our individual solutions include a wide range of products designed to store, carry, and treat water, particularly water tanks, cisterns, hydraulic pipes, sanitation pipes, biodigestors, filters, and purifiers, among others.

The main integrated solutions contribute to fighting water scarcity and to sustainably solving the basic water needs of the families around us and they offer a solution for the lack of water sanitation infrastructure which at the same time improves quality of life and minimizes the impact on the environment.

In 2014 we sold our solutions to governments in different countries to improve the quality of life of their citizens.

Regarding water, for example, the Mexican government implemented a comprehensive program to encourage students in public and private schools to drink water, in an attempt to reduce the country's high rates of childhood diabetes and obesity.

Our participation in these programs is consistent with our goal to provide access to clean water by offering innovative and value-added water solutions aimed at improving the quality of life. With our individual and integrated water solutions we offer governments high-quality solutions that support the development of populations in their countries.

The company's growth strategy is based on innovation in water solutions. In 2014, we

The financial results for 2014 are testament to the goals we have reached and the success we have obtained in taking our water solutions to the people and companies that need them.

continued to develop new technologies to innovate and improve our existing water solutions and production processes in our research and development center (*Centro de Investigación y Desarrollo*, CID). This has allowed us to expand our product mix, reduce our operating costs and, simultaneously, optimize operations and adapt to the changing needs of our customers and to advances in technology.

Today we are leaders in the majority of the markets in which we operate with our individual water solutions, and we are continually strengthening our offering of integrated solutions. Further, our success is based on the strong recognition of the Rotoplas brand as a symbol of value, quality, social responsibility, and trust, and on our unique platform in the market that we define as the *Rotoplas Way*.

Our diversified water solutions business, strategic distribution network, the strong positioning of our brands, our platform focused on processes and systems, production plants in the local markets, ability to seize opportunities, as well as our management team who, although young have many years of experience in this sector, and our strong focus on constant innovation, are the competitive advantages that we believe will continue to support our growth.

At year-end 2014, we had 24 production facilities installed in the Americas and five distribution centers strategically located in Mexico, Costa Rica, El Salvador, Honduras, and Nicaragua. Through our extensive distribution network, we reached close to 7 thousand customers in more than 23 thousand points-of-sale, with important reductions in distribution and transportation costs.

Our financial results for 2014 are testament to the goals we have reached and the success we have obtained in Mexico, Brazil and the rest of the Americas in taking our water solutions to the people and companies that need them most.

Dear Shareholders:

It is with great pride that I share with you this report on the main initiatives and strategies that contributed to Rotoplas reaching its results and to continuing to be a leading company in the water sector, with an innovative vision that has a direct impact on health and well-being issues for families, and to improving the quality of life of thousands of people in the Americas.

Today we are very well positioned in a market valued at 600 billion dollars that, besides the tangible economic benefits it brings to our company, presents us with the opportunity to contribute to offering a solution to a problem that constitutes an important challenge for humanity.

We have a unique combination of capabilities and competitive advantages that allow us to capitalize on specific market opportunities and continue offering innovative and value-added water solutions.

We also have a management team with ample experience in the water industry and a unique group of employees, whose joint work has permitted us to maintain the high quality of our products and a constant growth in sales.

I thank you for your trust and reiterate that we will continue to work on developing solutions to contribute to take better and more water to people.

Sincerely,

Carlos Rojas Mota Velasco
Executive President and Chairman of the Board of Directors

Mexico City, April 2015

Water
A PROBLEM WITH A SOLUTION

Water, as an element that is essential for the well-being of all humans and for preserving the environment, is at the center of our business. We are aware of the importance it holds as a factor that contributes to improving the quality of life of those who do not have access to it and of the fundamental role it plays in the life of those with the privilege of having it available and clean at the precise moment when they want it.

1.1 billion people
ALL OVER THE WORLD
DO NOT HAVE ACCESS TO CLEAN DRINKING WATER

2.6 billion people
DO NOT HAVE ACCESS
TO SANITATION SERVICES

It is essential to make considerable investments all over the world to ensure the future supply of the growing world population.

Climate change, pollution, demographic growth, infrastructure needs, and water usage are just some of the challenges that will define the future availability of water, since only 0.8% of the total global water is available to cover the needs of humanity. This is the origin of the Rotoplas commitment to constantly search for increasingly more innovative and efficient ways to take more and better water to people.

Rotoplas contributes to facing the water problem in regions where it is particularly relevant, such as Latin America, where more than 40 million people do not have access to clean drinking water and where there are more than 120 million people without access to sanitation. Additionally, the water contamination problem is severe, since it is estimated that 72% of wastewater in these areas is not treated.

Since more than 60% of the fresh water that is fit for human consumption is concentrated in ten countries, it is essential to make considerable investments all over the world to ensure the future supply of water for the growing world population. The five main trends to which these investments need to be allocated are the greater demand for water, the scarcity of water resulting from the lack of sustainable sources, the low quality of water, the challenges of a centralized infrastructure, and the need for greater harvesting and reuse of this resource.

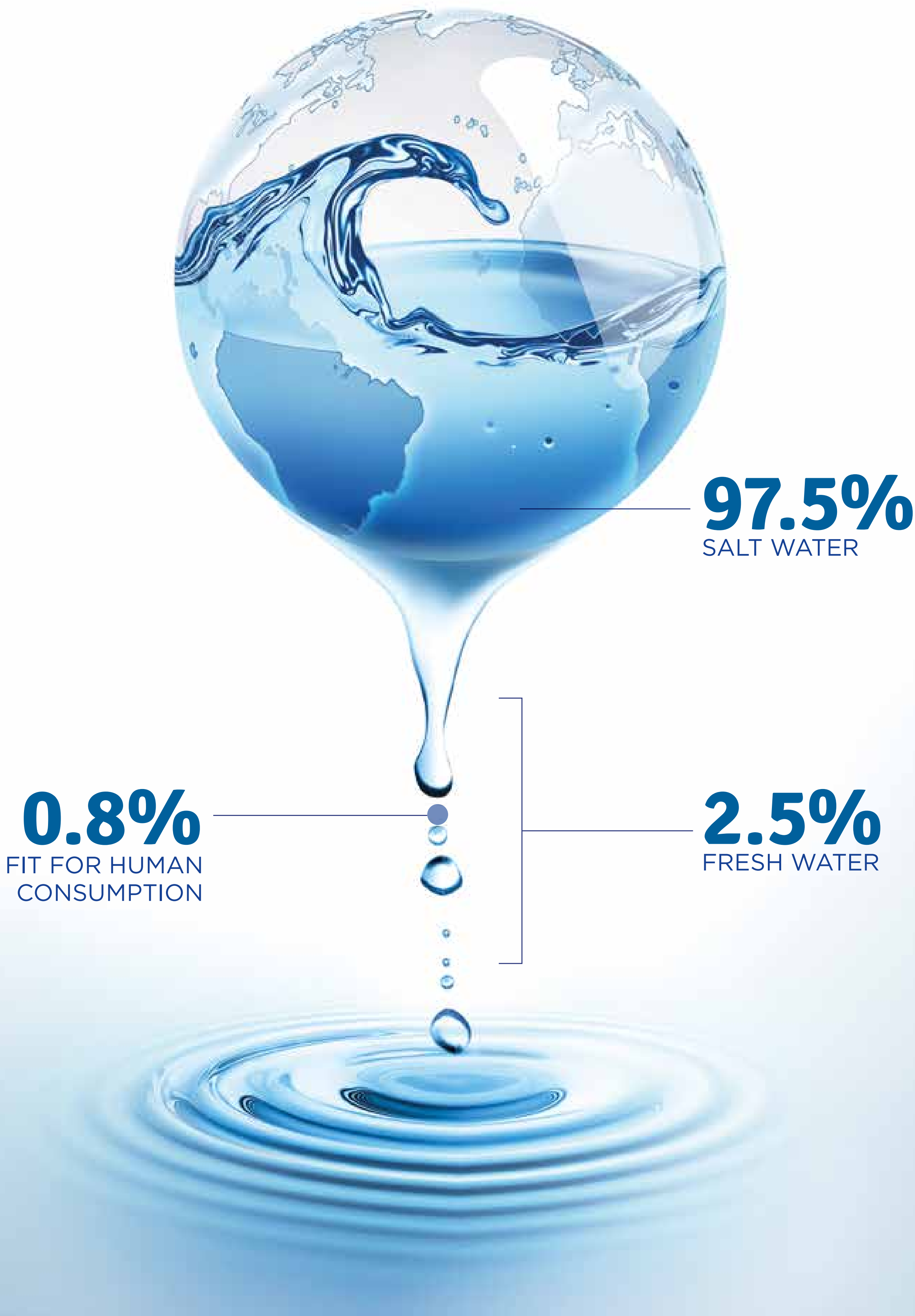
According to the World Health Organization, today about 1.1 billion people do not have access to water for human consumption and more than 2.6 billion people lack access to basic sanitation services. Further, this organization estimates that global losses associated with inadequate water supply and sanitation amount to 260 billion dollars every year, and that about 22 trillion dollars will be allocated to the water industry over the next 20 years, which makes this industry the largest investment component in infrastructure worldwide

As a leading company in innovation and water solutions, and aware that this problem exists, over the past few years at Rotoplas we concentrated our growth in the Americas and we are currently present in 12 countries, with Mexico and Brazil being our main markets, and with an important presence in Argentina, Belize, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, and Peru. Additionally, in late 2014 we entered the US market for the first time ever, where in spite of it being one of the strongest economies on the planet, they are facing severe problems, such as the prolonged draught in California and extreme weather conditions that increase the scarcity of water.

FACTORS AFFECTING WATER AVAILABILITY

Climate change | Contamination | Demographic growth | Lack of infrastructure | Water usage

+3/4 OF THE PLANET IS WATER



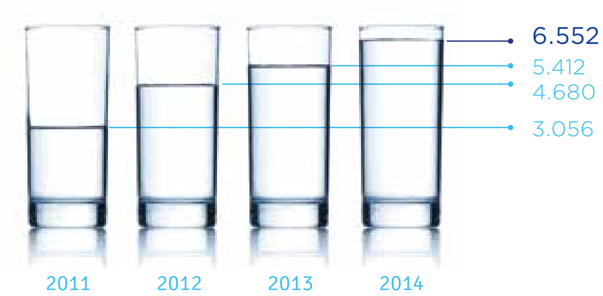
ROTOPLAS TODAY

At Rotoplas we believe that satisfying the demand for *more and better water* is crucial for the economic growth, development, and sustainability of a country and its people.

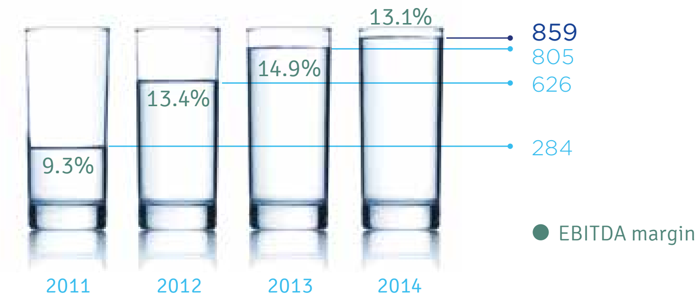
With this purpose in mind we have developed the expertise and technologies needed to offer our customers innovative and efficient water solutions with which we can successfully participate in the battle to face the challenges presented by scarcity and the deterioration in the quality of water.

Today we operate in markets that are suffering from water scarcity for several reasons, including draught, pollution, and lack of infrastructure, and that require important improvements in their water infrastructure, including storing and distribution systems, and decentralized solutions. Rotoplas works closely with the country governments to satisfy the basic needs of the population concerning the water issue and to supply regions that have no access to water or sanitation systems.

NET SALES (BILLIONS OF MXN)



EBITDA (BILLIONS OF MXN)




Rotoplas
toplas.
más y mejor agua


RAE-01
RAN-01
Rotoplas.

SOLUTIONS

Rotoplas offers individual and integrated water solutions for both urban and rural areas.

OUR INDIVIDUAL WATER SOLUTIONS, which are designed to store, carry, and treat water, offer end-users a complete solution to their water management needs. Clients for these solutions are mainly hardware stores, home improvement centers and stores, and construction materials stores.

Our individual water solutions have historically been our primary source of growth and revenue. Individual solutions for storing water include cisterns, industrial tanks, and water tanks made out of polyethylene. As of December 31, 2014, we had 20 production facilities that produced individual water storage solutions.

Our individual solutions to carry water include hydraulic pumps, sanitary catch pits, and hydraulic and sewage pipes, all made out of polypropylene. As of December 31, 2014, we had one production facility to produce individual solutions to carry water, located in Mexico.

Finally, our individual water treatment solutions include biodigesters and water heaters, filters, and purifiers. As of December 31, 2014, Rotoplas had one production facility dedicated to producing these types of solutions, although some of them were also produced in individual water storage solutions facilities.

OUR INTEGRATED WATER SOLUTIONS, on the other hand, cater to more complex customer needs, and they include rainwater harvesting systems, outdoor composting bathrooms, drinking fountains, water purifying units, and wastewater treatment plants, with value-added services such as engineering, installation, site development, project management and maintenance.

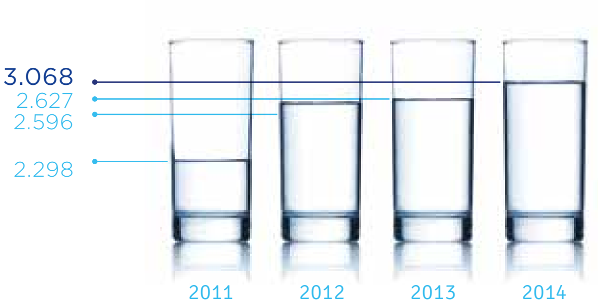
Most of the clients for our integrated water solutions are government entities and agencies that sponsor government programs, construction companies, and industrial and agricultural businesses. Integrated solutions require a more sophisticated marketing and sales effort. From 2011 to 2014, net sales of our integrated water solutions registered CAGR growth of 250.7%.

In 2014, individual solutions represented 74% of sales, with a 2.3% decrease as compared to 2013, due mainly to our strategy of moving from individual solutions to integrated solutions for government programs in Brazil. Without taking into consideration this shift, individual solutions increased 18.4% due to an increase in sales across all product lines and all countries. On the other hand, integrated solutions represented 26% of total sales in 2014, with a 279.2% increase, due mainly to the shift to integrated solutions in Brazil, as mentioned above.

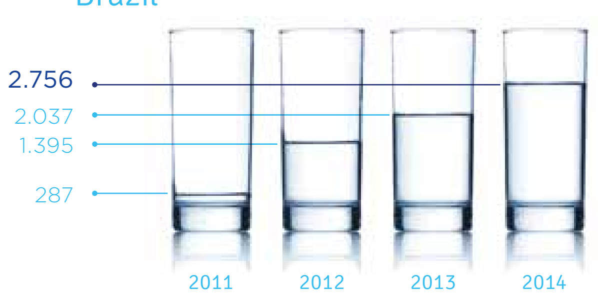
Rotoplas will concentrate a majority of its efforts on integrated water solutions, which are a very efficient way of improving the quality of life of those customers that most need it, and also represent an attractive business opportunity.

SALES PER COUNTRY (BILLIONS OF MXN)

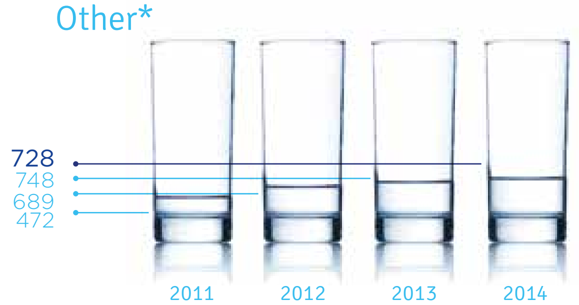
Mexico



Brazil



Other*



Consequently, EBITDA for individual solutions contracted by 6.4% with respect to the prior year and the margin stood at 14.1%. On the other hand, EBITDA for integrated solutions grew 137.9%, resulting from the shift described above, and EBITDA margin was 10.1%.

We have four different types of production facilities where we make the products we offer our clients: rotomolding plants, where we produce the majority of the water solutions by means of a rotomolding rotational process; raw materials plants, where we produce the raw materials used in the rotomolding plants; injection plants, which produce the majority of the components and accessories used in the water storing and treatment solutions, and the extrusion plant, were the hydraulic pipes, sanitation pipes, and some of the water carrying solutions are produced, as well as their accessories.

Moving forward, Rotoplas will concentrate a majority of its efforts on integrated water solutions, which are a very efficient way of improving the quality of life of those customers that most need it, and also represent an attractive business opportunity.

*Includes Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Peru, Argentina and the United States

FINANCIAL RATIOS	2011	2012	2013	2014
Deuda neta / EBITDA	1.2	1.0	1.0	(3.2)
Pasivo total / Capital contable	0.9	1.0	1.2	0.4


Rotoplas

We installed 11,150 outdoor composting bathrooms and 11,150 water harvesting systems to benefit more than 22 thousand families.

Additionally, to maintain our position on the forefront of our sector, at Rotoplas we apply a program to research and develop new technologies through our own research and development center, CID, to create innovative water solutions and improve both existing solutions and production processes. This allows us to expand our product mix and reduce operating costs, while at the same time optimizing operations and adapting to the changing needs of our customers and technological advances. Every new water solution is developed through a design and testing process and, once it satisfies the proper quality standards and market research has been conducted, we start commercializing it in a specific country or market.

The CID was responsible for launching our integrated water solutions development platform for products such as the outdoor composting bathrooms, drinking fountains, rainwater harvesting systems, wastewater treatment plants, and purifying plants, all of which have changed the lives of people that lacked access to drinking water, sanitation, and sewage systems. Innovation has played a key role in the growth of Rotoplas since its very beginnings, starting with revolutionizing the market with its polyethylene water tanks and cisterns that substituted the water tanks made of asbestos and the cisterns made of concrete, which were all heavy, unsafe, costly, and difficult to install.

Particularly relevant in 2014 was Rotoplas' collaboration with the *Cruzada Contra el Hambre* (Crusade against Hunger), a social well-being strategy in Mexico that unites the efforts and resources of the federal, state and municipal governments in Mexico, with those of the social and private sectors, and international organisms and institutions. In early 2014, we successfully completed the task we had begun in November 2013 to install over 11,150 outdoor composting bathrooms and 11,150 rainwater harvesting systems, benefiting more than 22 thousand families.

Additionally, we took part in the federal government's initiative that forces schools in Mexico to have an adequate number of fountains to uninterruptedly provide free drinking water in order to encourage students to drink water instead of sodas or sugary beverages to try to reduce high rates of childhood obesity and diabetes. In 2014, we installed 266 water fountains and directly or indirectly were allocated seven government bids, with an estimated value of 53 million pesos, under which we are also obligated to service the water fountains we sold.

CID
CENTRO DE INVESTIGACIÓN Y DESARROLLO

Innovation has been a fundamental part for the growth of Rotoplas since its very beginnings.

In Brazil we have benefited 300 thousand families with polyethylene cisterns with rain water harvesting technology.

Brazil, where we have been present since 2001, is our second most important source of revenue. We have two divisions through which we sell our products in that country: Acqualimp Brasil, in charge of selling individual and integrated water solutions, and APC, which focuses on serving government contracts. As of December 31, 2014, we had seven rotomolding facilities located in the states of Alagoas, Bahía, Ceará, Minas Gerais, Pernambuco, and Piauí and a raw materials (compounding) facility located in the state of Bahia.

In that country we have put our experience to use in collaborating with the *Agua para Todos* (Water for All) government program, and revolutionized the market with our polyethylene cisterns. In only three years, we installed the same number of polyethylene cisterns as cement cisterns had been installed in the previous 10 years. In the context of the *Agua para Todos* program coordinated by the Department of Domestic Integration the goal is to provide rainwater harvesting systems to 750 families affected by water scarcity in the Brazilian semi-arid regions. Out of this amount, approximately 300 thousand families have already benefited from our polyethylene cisterns with rainwater harvesting technology, which offers them better health and quality of life.

In September 2014, we entered the US market for the first time ever, by beginning operations to sell individual water storing solutions such as water tanks for industry and agriculture, in the states of Arizona, California, and Nevada. At year-end, we had installed a rotomolding facility located in central San Joaquin Valley, in the state of California.

In terms of our marketing efforts, we reinforced our communications to strengthen the brand and position it at the international level; projected brand strategic growth for the long-term; generated a change in the Rotoplas brand perception that transcends the idea that we are only the most popular maker of water tanks in Mexico; offered the complete individual and integrated water solutions portfolio to show the current reach of the brand; and built a broad differentiation within the business units to set the foundations for recognition that will allow Rotoplas to behave as an international brand. Our main registered trademarks are Rotoplas, Tuboplus, and Acqualimp, which correspond to the water solutions that represent the largest sales volume in Mexico and abroad.

Rotoplas® más y mejor agua

Acqualimp® Mais e melhor água

Tuboplus

THE AMERICAS:
A MARKET THAT REQUIRES MORE AND BETTER WATER

At year-end, Rotoplas had operations in 12 countries in the Americas, including the US, classified in three geographic regions: Mexico, Brazil, and other markets.

The operation in Mexico includes 11 production facilities located in Mexico City and in the states of Chiapas, Estado de México, Guanajuato, Jalisco, Nuevo León, Sinaloa, Veracruz, and Yucatán. Additionally, we have a distribution center in the city of Hermosillo, Sonora, and a research and development center in León, Guanajuato. As of December 31, 2014, our operations in Mexico accounted for 46.8% of our net sales.

In Brazil, Rotoplas has production and marketing operations for individual water storage and treatment solutions and integrated water solutions, particularly rainwater harvesting systems. As of December 31, 2014, we had seven rotomolding facilities located in the states of Alagoas, Bahía, Ceará, Minas Gerais, Pernambuco, and Piauí, and operations in Brazil accounted for 42.1% of the Rotoplas net sales.

We also operate in Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua in Central America; Peru and Argentina in South America and, starting in September 2014, in the US. In those countries we have five production facilities located in Guatemala, Peru, Argentina, and the US, and four distribution centers located in Costa Rica, El Salvador, Honduras and Nicaragua. At year-end, our operations in these countries accounted for 11.1% of the company's net sales.

Finally, in Ecuador Rotoplas has an indirect, non-controlling investment in our associate Dalkasa Ecuador.

At year-end, revenue in Mexico contributed with 46.8% of sales and grew 16.8% driven by the good performance of individual and integrated solutions. Brazil accounted for 42.1% of revenue and grew 35.3%, mainly because we contributed to facing the water shortages problems the country is experiencing with our integrated solutions. Other countries represented 11.1% of total company sales and revenue was down 2.7% as compared to 2013, primarily due to the depreciation of the Argentinean peso against the Mexican peso.

IN LATIN AMERICA

Revenue in Mexico contributed with 46.8% of sales, with a 16.8% increase

Brazil represented 42.1% of revenue and grew 35.3%

Other countries accounted for 11.1% of the company's total sales

Foundations OF THE ROTOPLAS WAY

Rotoplas was founded in 1978 as a company that made home products, such as plant pots and other receptacles, out of polyethylene and through a process known as rotomolding.

In 1989, the company identified an opportunity in the water storing solutions market in Mexico that would eventually change its history: it designed and produced a polyethylene water tank that inhibited the reproduction of bacteria and that, further, was lighter and easier to install than the heavy asbestos water tanks that dominated the market at the time. This innovation revolutionized the Mexican water storage solutions industry and in less than three years Rotoplas became the market leader in sales of water tanks for residential use.

+than **35** years' **EXPERIENCE**

+than **6,850** **DIRECT** CUSTOMERS

The foundations of the company's sustained growth are found in the Rotoplas Way that is sustained on robust processes, state-of-the-art systems, and an extraordinary team of managers and employees.

From 1995 to this date, Rotoplas has been able to considerably increase the efficiency of its production, distribution, and sales processes by improving its production and logistics infrastructure. Consequently, over the past twenty years, the company increased its operation from the two product lines that it marketed and sold in 3 thousand points-of-sale in one country in 1995, to the current 17 product lines that are marketed and sold in 23 thousand points-of-sale in 12 countries.

Over these past years, there were several strategic moments worth mentioning, including, for example, the beginning of the Rotoplas international expansion process in 1996, with the opening of the production facility in Guatemala.

Later, in 2003, Acqua International Partners, a private investment fund, acquired 20% of the Rotoplas capital stock and the company implemented a corporate restructuring to promote a process-based operation that could continue to support its growth. Further, that same year we launched the water carrying business unit with its individual solution under the Tuboplus brand, a new hydraulic pipe made out of polypropylene, which transformed the traditional water carrying market.

In 2008, the company began to implement the Enterprise Resource Planning system, ERP SAP, in every country in which it operates in order to standardize operating processes. This was the basis for the creation in 2009 of a shared services center to consolidate and make more efficient the customer service, distributor, finances, accounting, and collecting operations.

In 2010, the people who were shareholders of the company at the time acquired the Aqua International Partners share. The experience with the investment fund had contributed to having an evolutionary process with emphasis on institutionalization, and the company went from being essentially a family company to an institutionalized company.

In 2011, the company carried out what to this day has been its only organic growth operation by acquiring Conmix, SA, an Argentinian company with operations in the provinces of Tucumán and Buenos Aires that focused on producing and selling polyethylene water storing tanks used in homes and in the agriculture sector, under two trademarks, Forteplas and Tinacos.

In 2013, Rotoplas increased its integrated water solutions product line by introducing the school drinking water fountain, the water purifying plants, and the wastewater treatment plants.

The foundation of the company's sustained growth is located in the Rotoplas Way of managing the

The polyethylene water tank revolutionized the domestic market and helped transform Rotoplas into a leading company.

business, a platform focused on reducing operating costs and standardizing processes to support the strategic growth and profitability plan. This platform is based on robust processes, cutting-edge systems, and on an extraordinary team of managers and employees. Above all, we invest a great deal of our time and resources in developing leadership and team work through effective collaboration. It was because we applied the Rotoplas Way in Brazil, for example, that we were able to put nine plants in operation in only 18 months, thus delivering integrated solutions to our customers in record time, which contributed to making us the category leaders we are today.

We are also implementing the Rotoplas Way in our operations in the US, a new market for us where we have the advantage of having a local management team with the local experience and expertise in the business and knowledge of the prevailing needs.

Throughout its history, Rotoplas has revolutionized markets by replacing traditional products for storing, carrying, and treating water, with innovative, value-added water solutions that seek to better satisfy customer needs. This growth process accelerated over the past three years, when the company expanded its individual water solutions to include the value-added integrated water solutions.

Grupo Rotoplas is currently the leading company in its field in Mexico and in the other 10 Latin-American countries where it operates. Further, in 2014 we entered the US market for the first time, by installing a facility in the state of California. Today we have 24 production facilities and five distribution centers strategically located in these countries. We operate based on an infrastructure with state-of-the-art technology and a wide distribution network through which we reach 23 thousand points-of-sale through 6,850 distributors.

Tuboplus, a hydraulic pipe made out of polypropylene, transformed the traditional water carrying market.

PORTFOLIO OF INNOVATIVE SOLUTIONS

Storing | Carrying | Carrying pumps | Purifying | Filtering | Treating

ROTOPLAS TOMORROW

We see the future of Grupo Rotoplas with optimism. We remain as a company with uninterrupted growth, whose products and services will continue to have a strong demand all over the Americas.

We believe there is potential for considerable expansion in the short term due primarily to population growth, the increase in water shortages, and the need for a better sanitation infrastructure and more access to water of a better quality.

Correspondingly, we will continue expanding our range of individual and integrated water solutions that we will offer in Mexico and in the rest of the countries in which we operate.

The pillars upon which the growth of Rotoplas will be supported over the next few years will be the expansion of the individual water solutions in the US, the growth of integrated solutions in all the countries in which we are present, mainly in Mexico and Brazil, with rainwater harvesting systems, outdoor composting bathrooms and school drinking water fountains, and possible growth through acquisitions.

We see the US as an attractive market opportunity because of the water problems the country is facing, including the prolonged draught in several states, such as California, and the country's demographic growth. Correspondingly, we are studying the possibility of opening six or seven rotomolding plants in that country over the next few years.

We hope that programs such as *Agua Para Todos* in Brazil and the *Cruzada Contra el Hambre* in Mexico will continue to grow as the trend to satisfy basic water needs continues to play an important role in public policies.

Further, we believe our hydraulic pipes, Tuboplus, made out of polypropylene, will continue to be widely accepted by consumers as an alternative that offers them better characteristics than the technologies currently available in the countries where we are present. We will also seek to increase our sales of filters and purifiers, positioning them as an excellent substitute for bottled water that is more accessible in terms of pricing and nobler in terms of its impact on the environment.

In summary, we believe our experience until now in the countries where we operate, positions us favorably to take advantage of growth opportunities, which is why we will continue the process to analyze and seek for new business opportunities through organic and inorganic growth.

PILLARS OF GROWTH

Expansion of the US business

Growth of integrated solutions: water harvesting system, outdoor composting bathrooms, and school drinking water fountains

Potential acquisitions

More and Better Water

FOR OUR COMMUNITIES

Since water is at the center of Rotoplas’ being, we already were a socially responsible company even before the concept took root in the business community. As such, we contribute to social, environmental, and economic growth in society and in the communities in which we operate.

100% of our production facilities

ARE ISO 9001 CERTIFIED

+than **150** thousand

OUTDOOR COMPOSTING BATHROOMS INSTALLED

Rotoplas designed the rainwater harvesting system that collects and stores rainwater and offers considerable savings in time and resources to families in need.

At Rotoplas we believe there is the potential to at the same time contribute to improving the quality of life of the people who inhabit the poverty stricken communities close to our operations and to increase our business, because of the growing need of the population and the economy to have a better water infrastructure and access to clean drinking water and sanitation and sewage services.

Since we know it is very important for our production to impact the environment as little as possible, all our production facilities are ISO 9001 quality-certified. In addition, facilities located in León, Guanajuato and Lerma, Estado de México, operate under the ISO 14001 environmental certification and under security certification ISO 18001. Because we are aware of our commitment to society, we also decided to implement an ISO 18001 certification process in all our plants.

Within this context, our outdoor composting bathrooms integrated solutions promote investments in health and the quality of life of poor people and in improving sanitation, without having to incur in elevated costs that compromise both home and public finances. Between 2008 and 2014, we installed more than 150 thousand outdoor composting bathrooms, including those set up through the Cruzada Nacional Contra el Hambre.

In response to the water scarcity problems resulting from draught, waste, and contamination that Mexico is facing, Rotoplas designed its rainwater harvesting system that collects and stores rainwater and offers the most needy families considerable savings in time and resources because it provides them with water for personal use, for irrigating their crops and family orchards, and for house cleaning, without having to carry water for long distances. It also contributes to reducing water scarcity problems in rural and urban communities, and has a positive impact on the reduction of poverty.

On the other hand, Rotoplas developed a line of water filters and purifiers that seeks to strengthen the habit of using a purifier to decrease the consumption of bottled water, which is highly contaminant. Besides contributing to the preservation of the environment and encouraging the consumption of natural water, these filters and purifiers improve the quality of life and free water of bacteria.

As has been mentioned before, Rotoplas participates in the school drinking water fountain program sponsored by the Mexican federal government that seeks to offer free clean drinking water to students, in

We developed a line of filters and purifiers to decrease the consumption of bottled water

School drinking water fountains use cutting-edge technology and have benefited more than 63 thousand students.

order to encourage children and adolescents to drink water instead of carbonated drinks, as a measure to try to combat childhood obesity and diabetes. The school water fountains made by Rotoplas specifically for this project and that have benefited more than 63 thousand students, have an innovative design and use cutting-edge technology, adhere to the norms established by the Mexican sanitary risks authority, Cofepris, and are included in the catalog of ultra-filtering technologies of the National Institute of the Physical Education Infrastructure, (Instituto Nacional de la Infraestrluctura Física Educativa, INIFED).

Another Rotoplas product that contributes to preserving the environment and non-renewable resources is our wastewater treatment plant (Planta de Tratamiento de Aguas Residuales, PTAR) that treats physical, chemical, and biological contaminants that are present in sewage and waste water. Designed so that sewage water can be reused for watering gardens, cleaning floors, irrigating crops, and so that it can be discharged without causing damage to rivers, oceans, and lakes in the country, the PTARs comply with the Mexican official norms for reused water and managing sewage sludge.

Besides offering our clients and the communities in which we operate innovative high-quality products, we implement a training and certification program to generate a water care culture through which we offer courses and certifications to different sectors of the population among which plumbers—who constitute our most important link to society—are necessarily included, as are students, social rehabilitation centers, and other vulnerable groups.

This initiative includes programs to promote self-employment and to improve productive life in the communities dedicated to construction and among vulnerable groups. We have a permanent plumber-certification program to share new abilities for installing hydraulic solutions. As part of this program, the trained plumbers receive a package including basic tools and participate in social events that encourage communal living. In 2014, we trained and certified more than 5 thousand plumbers, which contributes to guaranteeing the quality of our water solutions and to develop more simple installing methods based on the feedback we receive from them.

In activities other than the training of plumbers, in early 2014 we offered an intensive training course in water carrying solutions in a prison in the city of Monclova, Coahuila, in which more than 120 interns participated as part of a rehabilitation program.

Also relevant in our training efforts is the innovative program aimed at women who have been victims of violence. At Grupo Rotoplas we have broken the gender barrier in the plumbing business through training programs that offer these women an important incentive that contributes to their personal growth. Participants receive a certificate

Our wastewater treatment plant (PTAR) helps treat physical, chemical, and biological contaminants present in sewage and waste water.

We supported UNAM architecture, engineering, and social work students that participated in the Solar Decathlon, competing with other 19 international universities.

that endorses the knowledge, abilities, and attitudes they have obtained for handling the Rotoplas storing and carrying solutions.

Rotoplas also sponsors World Water Day events that take place in Mexico, which include several activities and workshops aimed at creating and raising awareness about the importance of water care.

Another project in which Rotoplas participates is called SustentARTE, consisting of a series of artistic installations aimed at rescuing urban spaces through art and environmental awareness. As part of this project, the Alam-Petrov group of artists created Árbol de la vida, Acapulco en la azotea, and Venado en la chinampa, three works and installations made by using pipes, water tanks, and other Rotoplas brand products.

Additionally, and with the sole benefit for the company of doing a social good, a team of Rotoplas employees participated in an animal vigilance brigade in collaboration with the foundation Koncientizando por un mundo mejor, AC, that helps animals living on the streets.

In terms of education, Rotoplas supported UNAM architecture, engineering, and social work students that participated in the Solar Decathlon, competing with other 19 international universities in the city of Versailles. Rotoplas offered technical advice and sustainable solutions such as a self-cleaning biodigester and the Tuboplus pipes.

As part of the water protection culture that is so ingrained at Rotoplas, the company created the digital community known as Fan del Agua to establish an emotional and social connection with Mexican people, whose main protagonist is the issue of caring and saving water. This project includes an app that has 200 thousand followers.

In 2014, Rotoplas also donated water tanks and water filters to support poverty stricken families affected by the Odile hurricane that hit the city of Los Cabos and the state of Baja California Sur.

Finally, Rotoplas participated in different forums related to caring for water and the environment, among which the most relevant were The Green Expo, that brought together Mexican and foreign companies that offer state-of-the-art environmental solutions and technology; the Conexión Verde MX entrepreneurial forum that took place in the city of Guadalajara in order to establish contacts and strengthen relationships and partnerships with different people that are involved in the new era of the green economy; and the Enverdeser and ANEAS expos, which took place in late 2014, where Rotoplas presented its workshop “Sustainable Systems: Cero Wastewater”.


Árbol de la vida
por ALAM+PETROV para Rotoplas
JC Amador
Rotoplas

CORPORATE GOVERNANCE

Grupo Rotoplas adheres to the strictest corporate governance norms and respects all applicable legislation in every country in which it operates. The company has a code of ethics to which all personnel must adhere, including management and members of the Board.

Grupo Rotoplas adheres to the strictest corporate governance norms and respects all applicable legislation in every country in which it operates. The company has a code of ethics to which all personnel must adhere, including management and members of the Board.

The Board of Directors is made up of 14 directors that are named by the General Shareholders Meeting. It meets every three months and as of December 31st, 2014, 50% of the members were independent directors, a number which is above what is required by the Mexican Securities Market Law (Ley del Mercado de Valores, LMV) that establishes that at least 25% of the members have to be independent.

The Board of Directors is our legal representative and is authorized to take any action in connection with our operations not expressly reserved to our shareholders. Based on the company's internal regulation and the LMV, among other things, the Board of Directors has the authority to: authorize the company's general strategy; oversee the management of the company and its subsidiaries; approve, always considering the opinion of the audit and corporate practice committees: (i) transactions with related parties, subject to certain limited exceptions; (ii) the election of our chief executive officer, his compensation and removal for justified causes and policies for the description and comprehensive compensation package of other executive officers; (iii) the guidelines for our internal control and internal audit and those of our subsidiaries; (iv) our consolidated financial statements and those of our subsidiaries; (v) unusual or non-recurring transactions and any transactions or series of related transactions during any calendar year that involve (a) the acquisition or sale of assets with a value equal to or exceeding 5.0% of our consolidated assets or (b) granting collateral or guarantees or the assumption of liabilities, equal to or exceeding 5.0% of our consolidated assets, and (vi) contracts with external auditors; call shareholders' meetings and execute their resolutions; the annual submission to our general shareholders' meeting of (i) the chief executive officer´s report, and (ii) the opinion of the Board of Directors in respect to such report; any transfer by us of shares in our subsidiaries; creation of special committees and granting them power and authority, provided that the committees will not have the authority which by-law or under our bylaws is expressly reserved for the shareholders or our Board of Directors; determine how to vote the shares that we hold in our subsidiaries; and the exercise of general powers in order to achieve our corporate purpose.

The company's strategies are reviewed periodically by the Board of Directors and the committees, which are all presided by independent directors. In compliance with the LMV, the company has an audit committee and a corporate practice committee, each made up of three members of the Board of Directors.

The audit committee's main duties are, among others: supervising our external auditors, analyzing the audit reports made by the company accountants, informing the board of our internal controls, supervising the execution of related party transactions, requesting reports from our executive officers when needed, informing the board of any irregularities, supervising the activities of our executives, and providing an annual report to the Board.

The corporate practices committee's principal duties with respect to corporate practices are: rendering an opinion to the Board of Directors in connection with the company's performance and management, requesting and obtaining opinions from independent third-party experts, calling shareholders' meetings, providing assistance for preparing the annual reports and presenting to the Board of Directors an annual report on the activities of the Board.

Further, Rotoplas has a compensation committee whose purpose it is to assist our Board of Directors in reviewing our organizational structures and making sure they are consistent with our strategy, including salaries and compensation policies, reviewing ethical values and relationships among our employees, proposing initiatives to improve the work environment, and proposing methodologies to improve our organizational development processes. The compensation committee meets at least once every quarter.

The company's strategies are reviewed periodically by the Board of Directors and the committees, which are all presided by independent directors.

BOARD OF DIRECTORS

CHAIRMAN OF THE BOARD
Carlos Rojas Mota Velasco

DIRECTORS
Gonzalo Uribe Lebrija
Mario Antonio Romero Orozco
Carlos Rojas Aboumrad
Francisco José González Gurría
Alejandro Rojas Domene
Alfredo Elías Ayub

INDEPENDENT DIRECTORS
John G. Sylvia
Francisco Amaury Olsen
Elmer Franco Macías
José María González Lorda
Jaime Serra Puche
Alejandro Aboumrad Gabriel
Luis Fernando Reyes Pacheco

SECRETARY NON-MEMBER
Mauricio Romero Orozco

AUDIT COMMITTEE
John G. Sylvia
Chairman
Francisco Amaury Olsen
Secretary
José María González Lorda
Member

CORPORATE PRACTICES COMMITTEE
Jaime Serra Puche
Chairman
Alejandro Rojas Domene
Secretary
Luis Fernando Reyes Pacheco
Member

COMPENSATION COMMITTEE
Luis Fernando Reyes Pacheco
Chairman
José María González Lorda
Secretary

SENIOR MANAGEMENT

Carlos Rojas Mota Velasco
Chief Executive Officer

Mario Antonio Romero Orozco
Chief Financial Officer

Gonzalo Uribe Lebrija
Chief Operating Officer

Carlos Rojas Aboumrad
Vice-President for New Businesses

José Luis Mantecón García
Vice-President for Developing Institutional Businesses

Diego Ernesto Casas González
Director Human Resources

Eduardo Santos Burgoa Márquez
Director Supply Chain

Érika María Domínguez Zermeño
Director Marketing

Alfonzo Gustavo Vásquez Salazar
Country Manager Peru

Antonio Caso Valdés
Country Manager Mexico

Carlos Augusto Valdés Fletes
Country Manager Central America

Marcelo Claudio Santorelli Correa
Country Manager Argentina

Vinicius Ramos Ranucci
Country Manager Brazil

Fabiano Pinto Goncalves
Country Manager APS Brazil

GRUPO ROTOPLAS, S. A. B. DE C. V. Y SUBSIDIARIAS
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014 and 2013

pwc

INDEPENDENT AUDITOR'S REPORT

(This report is a free translation from the original prepared in spanish, which was issued to have effect only in Mexico)

We have audited the accompanying consolidated financial statements of Grupo Rotoplas, S. A. B. de C. V. (the Company or Grupo Rotoplas) and subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of income, of comprehensive income, of changes in stockholders' equity and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

The Company's and its subsidiaries' Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Auditing Standards. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assements, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Management as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Grupo Rotoplas, S. A. B. de C. V. and subsidiaries as at December 31, 2014, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers, S. C.

C.A. César Alfonso Rosete Vela
Audit Partner

Mexico City, April 13, 2015

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

GRUPO ROTOPLAS, S. A. B. DE C. V. AND SUBSIDIARIES

December 31, 2014 and 2013. Thousands of Mexican pesos

	NOTES	2014	2013
Assets			
CURRENT ASSETS:			
Cash and cash equivalents	8	$ 3,944,821	$ 557,459
Accounts receivable and other accounts receivable	9	1,725,462	1,253,121
Related parties	10	5,087	7,573
Income tax receivable		99,316	30,100
Other recoverable taxes	11	146,997	289,483
Inventories	12	876,873	645,422
Prepayments	13	132,951	15,296
Total current assets		**6,931,507**	**2,798,454**
NON-CURRENT ASSETS:			
Related parties	10	49,832	49,358
Property, plant and equipment - Net	14	1,196,117	1,230,891
Investment accounted under the equity method	15	7,795	6,752
Intangible assets	16	108,354	94,161
Deferred income tax asset	24	200,776	197,252
Guarantee deposits	6	41,707	35,437
Total assets		**$ 8,536,088**	**$ 4,412,305**
Liabilities and Stockholders' equity			
CURRENT LIABILITIES:			
Bank loans	18	$ 9,956	$ 107,691
Suppliers	19	579,443	406,183
Other accounts payable	20	359,197	444,058
Provisions	21	28,690	19,292
Income taxes payable		51,615	80,634
Other taxes payable		63,328	97,403
Employees' statutory profit sharing		10,934	16,402
Total non-current liabilities		**1,103,163**	**1,171,663**
NON-CURRENT LIABILITIES:			
Bank loans	18	1,200,785	1,215,917
Employee benefits	22	7,493	5,497
Deferred income tax liability	24	34,023	45,152
Derivate financial instruments	17	25,268	2,169
Total liabilities		**2,370,732**	**2,440,398**
STOCKHOLDERS' EQUITY:			
Capital stock	23	5,211,295	1,176,800
Share premium		33,759	29,506
Retained earnings		897,635	715,207
Currency translation effect in subsidiaries		(177,012)	(190,294)
Revaluation surplus		196,149	237,216
Capital attributable to:			
Controlling interest		6,161,826	1,968,435
Non-controlling interest		3,530	3,472
Total stockholders' equity		**6,165,356**	**1,971,907**
Total liabilities and stockholders' equity		**$ 8,536,088**	**$ 4,412,305**

The accompanying notes are an integral part of these consolidated financial statements.

Mr. Carlos Rojas Mota Velasco
President

Mr. Mario Antonio Romero Orozco
Finance and Administration Vice President

CONSOLIDATED STATEMENTS OF INCOME

GRUPO ROTOPLAS, S. A. B. DE C. V. AND SUBSIDIARIES

December 31, 2014 and 2013. Thousands of Mexican pesos

	NOTES		2014		2013
Net sales	7	$	6,551,761	$	5,411,821
Cost of sales	25		4,037,461		3,210,009
Gross profit			2,514,300		2,201,812
Operating expenses	26		1,816,012		1,556,294
Operating profit			698,288		645,518
Financial income	27		(114,400)		(87,093)
Financial expenses	27		236,565		219,457
Net financial costs			122,165		132,364
Profit from associated company by the equity method	15		1,148		1,036
Profit before income taxes			577,271		514,190
Income taxes	24		160,430		77,668
Consolidated profit for the year		**$**	**416,841**	**$**	**436,522**
Profit attributable to:					
Controlling interest		$	416,956	$	435,296
Non-controlling interest			(115)		1,226
		$	416,841	$	436,522
Earnings per share*	**2.27, 23**	**$**	**1.197**	**$**	**1.304**

* The earnings per share are expressed in Mexican pesos.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

GRUPO ROTOPLAS, S. A. B. DE C. V. AND SUBSIDIARIES

December 31, 2014 and 2013 . Thousands of Mexican pesos

		2014		2013
Consolidated net profit	$	416,841	$	436,522
Other comprehensive income:				
Items that may be subsequently reclassified to profit of loss:				
Currency translation differences*		13,948		(139,783)
Consolidated comprehensive income for the year	**$**	**430,789**	**$**	**296,739**
Consolidated comprehensive income for the year attributable to:				
Controlling interest	$	430,238	$	295,906
Non-controlling interest		551		833
	$	**430,789**	**$**	**296,739**

* These items were not subject to payment of income taxes.

The accompanying notes are an integral part of these consolidated financial statements.

Mr. Carlos Rojas Mota Velasco
President

Mr. Mario Antonio Romero Orozco
Finance and Administration Vice President

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

GRUPO ROTOPLAS, S. A. B. DE C. V. AND SUBSIDIARIES

For the years ended on December 31, 2014 and 2013. Thousands of Mexican pesos

	Notes	Capital Stock	Share Premium
Balances as at January 1, 2013		$ 539,744	$ 29,506
Comprehensive income for the period:			
Other comprehensive income		-	-
Profit for the year		-	-
Total comprehensive income		-	-
Transactions with shareholders recognized directly in equity:			
On December 16, 2013, the shareholders unanimously approved the increase in the capital stock	23	637,056	-
Dividend payment unanimously approved on December 23, 2013	23	-	-
Total transactions with the shareholders recognized directly in equity		637,056	-
Balances as at December 31, 2013		1,176,800	29,506
Comprehensive income for the period:			
Other comprehensive income		-	-
Profit for the year		-	-
Total comprehensive income		-	-
Transfer of revaluation of property, plant and equipment			
Transactions with shareholders recognized directly in equity:			
On June 2, 2014, the shareholders unanimously approved the capital stock increase	23	13,673	4,253
Dividend payment unanimously approved on June 16, 2014	23	-	-
Dividend payment unanimously approved on June 16, 2014	23	-	-
Dividend payment unanimously approved on September 24, 2014	23	-	-
On November 24, 2014, the shareholders unanimously approved the increase in the capital stock	23	13,145	-
Treasury shares under trust /117 (Plan OCA)	23	(38,742)	-
On November 24, 2014, the shareholders unanimously approved the public offering of shares	23	4,182,304	-
Costs incurred for the public offering of shares	23	(135,885)	-
Total transactions with the shareholders recognized directly in equity		4,034,495	4,253
Balances as at December 31, 2014		**$ 5,211,295**	**$ 33,759**

The accompanying notes are an integral part of these consolidated financial statements.

Mr. Carlos Rojas Mota Velasco
President

Mr. Mario Antonio Romero Orozco
Finance and Administration Vice President

Retained earnings	Currency translation effect in subsidiaries	Revaluation surplus	Stockholder's equity of controlling interest	Non-controlling interest	Total stockholders' equity
$ 921,261	$ (50,904)	$ 237,216	$ 1,676,823	$ 2,639	$ 1,679,462
-	(139,390)	-	(139,390)	(393)	(139,783)
435,296	-	-	435,296	1,226	436,522
435,296	(139,390)	-	295,906	833	296,739
-	-	-	637,056	-	637,056
(641,350)	-	-	(641,350)	-	(641,350)
(641,350)	-	-	(4,294)	-	(4,294)
715,207	(190,294)	237,216	1,968,435	3,472	1,971,907
-	13,282	-	13,282	666	13,948
416,956	-	-	416,956	(115)	416,841
416,956	13,282	-	430,238	551	430,789
41,067		(41,067)			-
-	-	-	17,926	-	17,926
(275,595)	-	-	(275,595)	-	(275,595)
-	-	-	-	(149)	(149)
-	-	-	-	(344)	(344)
-	-	-	13,145	-	13,145
-	-	-	(38,742)	-	(38,742)
-	-	-	4,182,304	-	4,182,304
-	-	-	(135,885)	-	(135,885)
(234,528)	-	(41,067)	3,763,153	(493)	3,762,660
$ 897,635	**$ (177,012)**	**$ 196,149**	**$ 6,161,826**	**$ 3,530**	**$ 6,165,356**

CONSOLIDATED STATEMENTS OF CASH FLOWS

GRUPO ROTOPLAS, S. A. B. DE C. V. AND SUBSIDIARIES

December 31, 2014 and 2013. Thousands of Mexican pesos

	2014	2013
Operating activities		
Profit before income taxes	$ 577,271	$ 514,190
Adjustments for items not involving cash flows:		
Depreciation and amortization included in expenses and costs	137,780	146,645
Profit on sale of property, plant and equipment	(5,093)	-
Profit from associated company	(1,148)	(1,036)
Derivative financial instruments	23,099	5,783
Allowance for doubtful accounts	8,209	28,537
Interest receivable	(29,935)	(15,496)
Employee benefits costs	2,384	(5,339)
Interest payable	90,075	88,762
Changes in assets and liabilities:		
Accounts receivable	(466,446)	(499,321)
Recoverable income tax	(69,216)	(4,775)
Other recoverable taxes	142,486	(66,701)
Inventories	(231,451)	1,634
Prepayments	(117,655)	(7,111)
Guarantee deposits	(6,270)	591
Suppliers	173,260	(94,783)
Other accounts payable	(75,463)	202,503
Other taxes payable	(34,075)	4,606
Employees' statutory profit sharing	(5,468)	(7,636)
Employee benefits payments	(388)	(989)
Net cash flows from operating activities	111,956	290,064
Income taxes paid	(148,843)	(87,197)
Net cash flows from operating activities	(36,887)	202,867
Investing activities		
Acquisitions of property, plant and equipment	(154,323)	(280,375)
Proceeds from sale of property, plant and equipment	70,000	20,780
Acquisition of intangible assets	(24,857)	(830)
Related parties	2,012	4,455
Interest received	29,935	15,496
Net cash flows from investing activities	(77,233)	(240,474)
Financing activities		
Proceeds from public offering of shares	4,182,304	-
Proceeds from issuance of ordinary shares	31,071	637,056
Costs incurred on public offering of shares	(194,121)	-
Payment of dividends to shareholders	(275,595)	(641,350)
Payment of dividends to non-controlling interest	(493)	-
Purchase of shares under trust 117(Plan OCA)	(38,742)	-
Payment of bank loans	(112,867)	(783,835)
Bank loans received	-	1,323,607
Interest paid	(90,075)	(88,762)
Net cash flows from financing activities	3,501,482	446,716
Increase in cash and cash equivalents	3,387,362	409,109
Cash and cash equivalents at beginning of year	557,459	148,350
Cash and cash equivalents at end of year	**$ 3,944,821**	**$ 557,459**

Non-cash transactions are included in Note 29.

The accompanying notes are an integral part of these consolidated financial statements.

Mr. Carlos Rojas Mota Velasco
President

Mr. Mario Antonio Romero Orozco
Finance and Administration Vice President

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS

GRUPO ROTOPLAS, S. A. B. DE C. V. AND SUBSIDIARIES

December 31, 2014 and 2013. Thousands of pesos, unless otherwise specified

NOTE 1 - COMPANY INFORMATION:

Grupo Rotoplas, S. A. B. de C. V. (Grupo Rotoplas) and its subsidiaries (the Company or Group) started operations in Mexico City in 1978. The Company is mainly engaged in manufacturing, purchasing, selling and installing plastic containers and accessories that provide water storage, conduction and improvement solutions, and in providing individual and comprehensive water solutions to its clients.

The Group operates nine production plants in Mexico City, Guadalajara, Lerma, Monterrey, Leon, Merida, Veracruz, Tuxtla Gutierrez and Los Mochis, as well as a distribution center in Hermosillo. The Group also operates production plants in Guatemala, Peru, Argentina and Brazil and distribution centers in El Salvador, Honduras, Nicaragua and Costa Rica, which provides for a very extensive market in Mexico and Central and South America.

The Company's address and main place of business is:

Paseo de la Reforma 115, 18th Floor
Col. Lomas de Chapultepec
Zip Code 11000
Mexico City, Mexico

Relevant transactions

a. Public offering of shares. On November 24, 2014, the Company's shareholders issued a public offering of shares consisting of a primary public offering for subscription of 144,217,395 common, sole series, class II, nominative shares with no par value, representing the variable portion of the Company's capital stock. The offering includes 18,810,964 common, sole series, class II, nominative shares with no par value, which are part of the overallotment option.

   On the basis of the foregoing and in accordance with Mexican laws, as of that date the Company changed its name from Grupo Rotoplas, S. A. de C. V. to Grupo Rotoplas, S. A. B. de C. V., as now it is a traded stock corporation.

b. Merger of Grupo Rotoplas, S. A. B. de C. V. and Industria Mexicana de Moldeo Rotacional, S. A. de C. V. On December 19, 2013, the shareholders of Grupo Rotoplas, S. A. B. de C. V. and its holding company, Industria Mexicana de Moldeo Rotacional, S. A. de C. V. (IMMR) jointly agreed the legal and accounting merger of the companies, where Grupo Rotoplas, S. A. B. de C. V. resulted as the prevailing company. The transaction between companies of the Group constituted a legal reorganization under common control. Therefore, the consolidated financial statements as at December 31, 2013 show the financial information of IMMR as if it had always been a part of Grupo Rotoplas, S. A. B. de C. V. (see Note 29).

c. Closing of the plant. On July 30, 2014, the Company decided to close the rotomolding plant in Cabo Santo, Pernambuco, Brazil. The Company's decision was based on distribution and cost reduction improvements. The molds and machinery held at the plant were distributed amongst different plants of the Company in Brazil to maintain the same production capacity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The most significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The consolidated financial statements at December 31, 2014 and 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Standards (IFRIC). Therefore the historical cost convention has been used for valuation of captions, except for property, plant and equipment, financial assets and liabilities and derivative instruments, which have been determined at fair value.

IFRS require certain critical accounting estimates to be made when preparing the financial statements. They also require management to exercise its judgment in determining the accounting policies to be applied by the Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1.1 Changes in accounting policies and disclosures

2.1.1.1 New standards, amendments to standards and interpretations applied by the Company.

The following standards have been adopted for the first time by the Company for the period starting on January 1, 2014. The nature and effects of each new standard or amendment thereto are described as follows:

- Amendment to International Accounting Standard (IAS) 32 “Financial instruments: presentation on the offsetting financial assets and liabilities”. This amendment clarifies that the right to set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the consolidated financial statements.

- Amendments to IAS 36, “Impairment of assets on the recoverable amount disclosures for non-financial assets”. This amendment removed certain disclosures of the recoverable amount of cash-generating units (CGU) which had been included in IAS 36 by the issue of IFRS 13. The amendment did not have a significant effect on the consolidated financial statements.

- Amendment to IAS 39 “Financial instruments: recognition and measurement” on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to over the counter derivatives and the establishment of central counterparties. Under IAS 39, novation of derivatives of central counterparties would result in discontinuation of hedge accounting. The amendment provides relief by discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The amendment did not have a significant effect on the consolidated financial statements.

- IFRIC 21 “Levies” sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 “Provisions”. The interpretation addresses what the obligating event is that gives rise to pay a levy and when a liability should be recognized. The Group is not currently subjected to significant levies so the impact to the Group is not material.

2.1.1.2 New standards not yet adopted by the Company.

A number of new standards applicable to annual periods beginning after January 1, 2014 and have not been applied in preparing these consolidated financial statements, are set out below:

- IFRS 9 “Financial instruments”, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for recognition of changes in own credit risk in other comprehensive income , for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness test. It requires an economic relationship between the hedged item and the hedging instrument and for the hedging ratio to be the same as the one Management actually use for risk management purposes. Contemporaneous documentation is still required, but is different to the currently prepared under IAS 39. The standard is effective for periods beginning on or after January 1, 2018. Early adoption is permitted.

- IFRS 15 “Revenue from contracts with customers”. This standards deals with revenue recognition and it establishes principles for reporting useful information for the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognized when a customer obtains control of a good or service and has the ability to direct the use and obtain benefits from the good or service. The standard replaces IAS 18 “Revenue” and IAS 11 “Construction contracts” and the related interpretations. The standard is effective for annual periods beginning on or after January 1, 2017, and earlier application is permitted.

At the date of the consolidated financial statements the Company’s management is in the process of analyzing the effects of the adoption of the new standards and amendments noted above.

There are no other additional standards, changes or interpretations that are not yet effective that would be expected to have a material impact on the Group's financial information.

2.2 CONSOLIDATION

2.2.1 Subsidiaries

Subsidiaries are all entities over which the Company has control. The Company controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The Company applies the acquisition method to account the business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Company. The consideration transferred includes the fair value of any asset of liability resulting from a contingent consideration arrangement. Identifiable assets acquired and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are recorded as expenses as they are incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is re-measured to fair value at the acquisition date; any gains of losses arising from such re-measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 "Financial instruments": Recognition and Measurement" either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Transactions, balances and unrealized gains or losses between Group companies are eliminated. When necessary, the accounting policies applied by the subsidiaries have been modified to ensure their consistency with those adopted by the Group.

The accompanying consolidated financial statements include those of the company and the following subsidiaries:

Company	Participation in 2014 and 2013 (%)	Operations
Rotoplas S. A. de C. V. (Rotoplas)[1]	99.99	Manufacturing and sale of plastic tanks for water storage.
Fideicomiso AAA Grupo Rotoplas (Fideicomiso AAA)[2]	100	Granting of financial support.
Suministros Rotoplas, S. A. de C. V. (Suministros)	99.99	Administrative services provided to manufacturing companies.
Rotoplas Recursos Humanos, S. A. de C. V. (Recursos)	99.99	Rendering of administrative services.
Servicios Rotoplas, S. A. de C. V. (Servicios)	99.99	Rendering of administrative services.
Rotoplas Comercializadora, S. A. de C. V. (Comercializadora)	99.99	Subholder of shares.
Rotoplas de Latinoamérica, S. A. de C. V. (Latino)[3]	99.99	Subholder of shares.
Rotoplas Bienes Raíces, S. A. de C. V. (Bienes Raices)[1]	42.63	Real estate services.
Moulding Acquisiton, Corp. (MAC)[4]	100	Manufacturing and sale of plastic tanks for water storage.

[1] Rotoplas is in turn the holder of 56.96% of the shares of Bienes Raices.

[2] Fideicomiso AAA was set up on March 15, 2007 by the Company in its capacity of trustor in order to promote the development of companies by operating a preferential financial support system aimed at suppliers and distributors. (See Note 28).

[3] Latino is the holder of the shares of the following tier two companies for consolidated financial statement purposes:

Company	Participation In 2014 and 2013 (%)	Operations
Dalka do Brasil, Ltda. (Brazil)	99.99	Manufacturing and sale of plastic tanks for water storage.
Dalka, S. A. C. (Peru)	99.99	Manufacturing and sale of plastic tanks for water storage.
Rotoplas Argentina, S. A. (Argentina)	98.87	Manufacturing and sale of plastic tanks for water storage.
Conmix Argentina, S. A. (Argentina)*	98.87	Manufacturing and sale of plastic tanks for water storage.
Tinacos y Tanques de Centroamérica, S. A. de C. V. y subsidiarias (Guatemala), (Centroamerica)[5]	99.99	Manufacturing and sale of plastic tanks for water storage.

[4] In April 2014 the Company registered Molding Acquisition, Corp. (MAC) in the state of California as it is a very competitive state for environmental efficiencies, and seeking to attract close to one third of the US water storage plastic tanks market. MAC was set up in the City of Merced as it is located in the center of the state, where the production facilities have been operating since January 2015.

* On July 10, 2014, the shareholders agreed to merger Conmix Argentina, S. A. and Rotoplas Argentina, S. A., as a result, from that date Rotoplas Argentina, S. A. took over the assets and liabilities of that company, the main reason of this merger is the positioning of the products in the market and ensuring greater sales thereof. The transaction had no significant effects on the financial statements of Grupo Rotoplas, S. A. B. de C. V.

[5] Centroamerica is the holder of the shares of the following tier three companies for consolidated financial statement purposes:

Company	Equity in 2014 and 2013 (%)	Operations
Tinacos y Tanques de Centroamerica, S. A.	99.99	Manufacturing and sale of plastic tanks for water storage.
Exportadora y Comercializadora del Caribe, S. A.	90	Exportation, importation and distribution of water storage plastic tanks.
Servicios Apolo, S. A.	90	Rendering of administrative services.
Tinacos y Tanques de Honduras, S. A. de C. V.	99	Manufacturing and sale of water storage plastic tanks.
Tanques Plásticos, S. A. (Costa Rica)	100	Manufacturing and sale of of water storage plastic tanks.
Tinacos y Tanques de Centroamérica, S. A de C. V. (El Salvador)	100	Manufacturing and sale of water storage plastic tanks.
Tinacos y Tanques de Nicaragua, S. A.	99.99	Manufacturing and sale of water storage plastic tanks.

2.2.2 Changes in the interest of subsidiaries without loss of control

Transactions carried out with the non-controlling interest that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the subsidiary's net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.2.3 Legal reorganizations of companies

Management uses the equity reorganization method to account for the internal reorganizations of the Group under common control. The bases of the equity reorganization method are as follows:

The financial statements of the ongoing company fully incorporate the profit/loss (including the comparative periods), regardless of whether the reorganization took place on intermediary dates over the year. This means that the transaction involves two entities controlled by the same controlling company. The figures used refer to the accounting values of the existing entity, i.e., the consolidated financial statements reflect the figures from the perspective of the controlling company, for the period over which the absorbing entity has held control. The method is based on the principle that the transaction involves no substantial economic changes and instead it represents a change in the Group's structure.

In applying the equity reorganization method it is not possible to generate new goodwill, which means that any differences between the transaction cost of the book values over net assets are recognized in retained earnings under stockholders' equity. (See Note 29).

2.2.4 Disposal of subsidiaries

When the Company ceases to have control retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. Fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.2.5 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. (See Note 15). Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Company's share of post-acquisition profit or loss is recognized in the income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to "share of profit of associated company accounted for using the equity method" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognized in the Company's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognized in the income statement.

As at December 31, 2014 and 2013, the Company holds an indirect investment (through its subsidiary Latino) in Dalkasa, S.A. (Ecuador) of 49.88% of its equity. That company is mainly engaged in manufacturing and selling water storage plastic tanks.

2.3 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. (See Note 7).

2.4. FOREIGN CURRENCY TRANSLATION

2.4.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The consolidated financial statements are presented in Mexican pesos ($), which is the Group's presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within "Financial income and expenses".

2.4.3 Group companies

The results and financial position of the Company's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

b. Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

c. All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

The main types of exchange rates used in the different translation processes are as follows:

		Local currency valued in Mexican pesos			
		Closing exchange rate at December 31		Average exchange rate at December 31	
Country	Local currency	2014	2013	2014	2013
Brazil	Brazilian Real	5.55	5.58	5.48	5.94
Argentina	Argentinian Peso	1.72	2.00	1.69	2.34
Central America	Quetzal	1.94	1.67	1.90	1.63
Peru	New sol	4.93	4.69	4.89	4.73
United States of America	Dollar	14.73	-	13.30	-

2.5 PROPERTY, PLANT AND EQUIPMENT

Land and buildings comprise mainly the production and distribution plants and the offices,. Land and buildings are shown at fair value based on valuations performed by external experts, less subsequent building depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. If there are events that indicate that the fair value has changed, it would be necessary to determine a new price. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenses directly attributable to the acquisition of elements.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are recognized to other comprehensive income and shown as revaluation surplus in stockholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income. All other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement, and depreciation based on the asset's original cost is transferred from revaluation surplus to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Years
Buildings	20
Machinery and equipment	10
Furniture, fixtures and computer equipment	3.3
Transportation equipment	4
Molds	10
Laboratory equipment	10
Tools and other equipment	10-12

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

When the carrying amount of an asset exceeds its estimated recoverable value, an impairment loss is recognized to reduce the book value to its recoverable value.

When revalued assets are sold, the amounts included in other comprehensive income are transferred to retained earnings.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognized within operating expenses and costs of sales, depending on the function of assets.

2.5.1 Leasehold improvements

Improvements to leased property and commercial space in which the Company acts as lessee are recognized at their historical cost less accumulated depreciation. Depreciation of leasehold improvements is measured by the straight-line method based on the initial term of the lease agreement or the useful life of improvements, the lower of these two. (See Note 28).

2.6 INTANGIBLE ASSETS

2.6.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of consideration transferred, the amount of any non-controlling interest in the acquire and the acquisition-date of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each CGU or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and fair value less the cost of disposal. Any impairment, if any, is recognized immediately as an expense and is not subsequently reserved.

2.6.2 Trademarks and licenses

Trademarks and licenses acquired individually are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at acquisition date. Trademarks and licenses have an indefinite useful life and are recorded at cost less accumulated amortization. Amortization is calculated by the straight-line method based on estimated useful lives of three to five years.

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of three to five years.

2.6.3 Computer programs

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use.
- Management intends to complete the software product and use or sell it
- There is an ability to use or sell the software.
- It can be demonstrated how the software product will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available.
- The expenditure attributable to the software product during its development can be reliably measured.

Direct costs that are capitalized as part of computer programs include compensation of the employees developing the programs and an appropriate portion of relevant overheads.

Other development costs that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as expenses are not recognized as assets in subsequent periods.

Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed three years.

2.7 IMPAIRMENT OF NON-FINANCIAL ASSETS

Intangible assets with indefinite useful lives, e.g. goodwill or intangible assets not ready for use, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGU). Prior impairments of non-financial assets other than goodwill are reviewed for possible reversal at each reporting date.

2.8 FINANCIAL ASSETS

2.8.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and accounts receivable. Management classifies its financial assets under those categories at the time of initial recognition, considering the purpose for which they were acquired.

2.8.1.1 Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

2.8.1.2 Loans and accounts receivable

Loans and accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and accounts receivable are shown in the following captions of the statement of financial position: Cash and cash equivalents, Accounts receivable and Related parties.

2.8.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within "Financial income and expenses" in the period in which they arise.

2.9 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of breach, insolvency or bankruptcy of the Company or the counterparty.

2.10 IMPAIRMENT OF FINANCIAL ASSETS

2.10.1 Assets carried at amortized cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. The Group may measure impairment on the basis of an instrument's fair value using an observable market price. As a practical experience, the Group evaluates the impairment estimate for accounts receivable when these clients overreach 90 days of not have received the payment the due payment, the analysis is performed for each account and under individual behavior basis. Increases to this estimate are recognized under operating expenses in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated income statement.

2.11 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Financial instruments that fail to comply with hedging accounting are recognized at their fair value through profit or loss.

At December 31, 2014 and 2013, the Company has derivative financial instruments contracted for economic hedging purposes; however, it does not recognize them as hedge accounting. (See Note 17).

2.12 INVENTORIES

Inventories are stated at the lower of cost and net realizable value, controlled through the standard cost method, which is adjusted at the end of each month to recognize their values through the weighted average cost method. The cost of finished products and of work in progress includes raw materials, direct labor costs and related overheads based on the Group's regular operating capacity. Net realizable value is the estimated selling price in the ordinary course of the business, less applicable variable selling expenses.

2.13 ACCOUNTS RECEIVABLE

Accounts receivable represent amounts due from customers and arise from the sale of goods over the ordinary course of business. If collection is expected in one year or less from the closing date, they are classified as current assets. Otherwise, they are shown as non-current assets. Accounts receivable are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment, if any.

2.13.1 Prepayments

Prepayments comprise expenses incurred by the Company where the risks and rewards inherent to the goods to be acquired and services to be received have not been transferred yet. Prepayments are recorded at cost and are shown in the statement of financial position as current assets or if they are expected to be transferred in more than one year as non-current assets. Once the goods and/or services are received, related to prepayments, they must be recognized as an asset or an expense in the statement of income in the period, respectively.

2.13.2 Guarantee deposits

Guarantee deposits relate to disbursements made to secure commitments assumed under certain agreements (mainly related to leased property). Guarantee deposits, whose recoverability will take place in a period of over 12 months, are recognized at their amortized cost using the effective interest method. Guarantee deposits to be recovered over a period of less than 12 months are not discounted.

2.14 CASH AND CASH EQUIVALENTS

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, restricted cash, deposits held at call with banks and other short-term highly-liquid investments with maturities of three months or less. At December 31, 2014 and 2013, short-term highly-liquid investments with maturities of three months or less are invested in bank debt securities and government bonds. (See Note 8).

2.15 STOCKHOLDERS' EQUITY

2.15.1 Capital stock

Ordinary shares are classified as capital stock in equity and are expressed at their historical cost. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in stockholders' equity as a deduction, net of tax, from the proceeds. Capital stock includes inflation effects recognized until December 31, 1997.

2.15.2 Share premium

The share premium represents the excess between the payment for share subscription and the par value thereof on historical bases.

2.15.3 Legal reserve

Under the Corporations Law, 5% of the net profit must be set aside to increase the legal reserve until it is the equivalent of 20% of the historical capital stock. The purpose behind that reserve is to keep a minimum amount of capital to cover unforeseen funding needs.

2.15.4 Retained earnings

This item relates to accumulated net income of previous years and includes the effects of inflation recognized until December 31, 1997.

2.15.5 Comprehensive income

Comprehensive income is comprised of the net income for the year, plus other capital reserves, net of taxes, which are made up of the effects of currency translation of foreign entities, remeasurement of employee benefits and other items that in accordance with specific provisions must be recorded in stockholders' equity and do not qualify as capital contributions, reductions or distributions.

2.15.6 Treasury shares

On stockholders' meetings, the stockholders may at times authorize disbursements of a maximum limit to acquire own shares. When an entity's own shares are repurchased, they become treasury shares and the related amount is charged to stockholders' equity at purchase price: a portion goes to capital stock at modified historical value and the surplus goes to retained earnings. Those amounts are expressed at historical value.

2.16 ACCOUNTS PAYABLE

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payable are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest method.

2.17 BANK LOANS

Loans are initially recognized at their fair value, net of related costs incurred, and are subsequently recognized at their amortized cost. Any differences between the proceeds received (net of related costs incurred) and the redemption value are recognized in the income statement over the period of the loan using the effective interest method.

2.18 LOAN COSTS

General and specific loan costs directly attributable to the acquisition, construction or production of qualified assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. At December 31, 2014 and 2013, no financing costs had been capitalized.

All other loan costs are recognized in profit or loss in the period in which they are incurred.

2.19 CURRENT AND DEFERRED INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in stockholders' equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. (See Note 24).

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognized.

The balances of deferred income tax assets and liabilities are offset when there is the legal right to offset tax incurred and they are related to the same tax authorities and the same tax entity or different tax entities, provided the intention is to settle the balances on a net basis.

2.20 EMPLOYEE BENEFITS

2.20.1Pension Plan

Defined benefit plans

A defined benefit plan is the amount of a seniority premium benefit to which an employee is entitled at retirement, which usually depends on one or two factors, such as age, years of service and compensation. In this case, the Company is required to pay the amount established in the plan when it comes due. The Group companies have established a plan in conformity with the requirements set forth in the Federal Labor Law (FLL) in respect of which the Group companies that have personnel are required to pay their employees, and the latter are entitled to receive, a seniority premium upon termination of employment after 15 years of service.

The liability recognized in the statement of financial position for seniority premium, which is considered to be a defined benefit, is the present value of the defined benefit obligation at the end of the reporting period less the fair of the plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit cost method. The present value of the defined benefit obligation is determined by discounting estimated future cash outflows using interest rates for high-quality government bonds that are denominated in the same currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Past-service costs are recognized immediately in the statement of income.

2.20.2 Retirement benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or whenever an employee accepts voluntarily redundancy in exchange for those benefits. The Company recognizes termination benefits at the earlier of the following dates: a) when the Company can no longer withdraw the offer those benefits, and b) when the Company recognizes costs for a restructuring that is in scope of IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” and involves the payment of termination benefits. If an offer is made to encourage voluntary termination of the employment relationship by employees, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.20.3 Annual employee bonuses

Some of the Company’s executives receive an annual bonus calculated as a percentage of their annual compensation and depending on the level of compliance of the goals established to each officer at the beginning of the year. In the years in which these bonuses were distributed, the Company recorded a provision of $993 and $11,959 at December 31, 2014 and 2013, respectively, which is included in Note 21 in the provision for employee bonuses.

2.20.4 Other officer bonuses

As part of a retention plan, the Company gives to its officers support in order to acquire Company’s shares. Depending on certain factors, mainly years of service, eligible employees can opt to accept a loan for a future purchase of shares, which is periodically discounted from their pay and which bears market value interest. (See Note 10c)

2.20.5 Employees’ statutory profit-sharing (ESPS) and gratifications

The Company recognizes a liability and a bonus expense and employees’ statutory profit sharing based on a calculation that considers the profit attributable to the Company’s stockholders after certain adjustments. The Company recognizes a provision when it is contractually obligated or when there is a past practice that generates a constructive obligation. (See Note 26).

2.21 PROVISIONS

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.22 REVENUE RECOGNITION

Revenue from the sale of goods in the normal course of the Company's operations is measured at the fair value of the consideration received or receivable. Revenue is stated net of value-added tax (VAT), rebates and discounts, after eliminating intercompany sales. The Company recognizes revenue when it can be reliably measured, when economic benefits are likely to flow to the entity, and when specific criteria have been met for each type of operation, as described below. The Group bases its estimates based on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.22.1 Revenue from sales of plastic containers and accessories (wholesale)

The Company manufactures and sells a broad variety of plastic containers and accessories in the wholesale market. Sales of those products are recognized when the Company has delivered the products to the customer, who is entitled to decide the distribution channel and sales price of the products to be sold in the retail market, and when there is no longer a pending obligation to be met by the Company that could result in the return or rejection of products.

Products are considered to have been delivered to the customer when they have been placed in the location specified in the contract, the related loss risks have been transferred to the customer and the customer has accepted the products as per the agreement in place, or the return terms have expired, or the Company has objective evidence that it has complied with all the requirements for the customer to accept the products.

Plastic containers and accessories are generally sold at a discount for volume. Additionally, customers have the right to return defective products. Sales are recognized on the basis of the prices agreed in the respective agreements, net of an allowance for discounts for volume and returned items. Allowances for discounts for volume and returned items are determined on the basis of past experience. It is not considered that financing is being offered to customers as a separate component of a sales transaction, since the credit term is 7 to 60 days, which is consistent with market practices.

2.23. INTEREST INCOME

Interest income is recognized using the effective interest method. When a loan or account receivable is impaired, its carrying value is adjusted to its recoverable value, which is determined discounting the estimated future cash flow at the instrument's original effective interest rate. Interest income on impaired loan and account receivables is recognized using the original effective interest rate.

2.24. DIVIDEND INCOME

Dividend income is recognized when the right to receive payment is established.

2.25 LEASES

Classification of leases as financial or operating leases depends on the substance of transactions rather than on the form of the respective agreements.

Leases in which a significant portion of the risks and benefits related to the leased items are retained by the lessor are classified as operating leases. Payments made under an operating lease (net of any incentives received from the lessor) are charged to the statement of income based on the straight line method over the period of the lease.

Leases where the Company assumes substantially all the risks and rewards of the leased property are classified as financial leases. Financial leases are capitalized at the start of the lease at the lower of the fair value of the leased property and the present value of the minimum payments. If it is practical, the calculation to discount the minimum payments at present value is carried out using the implicit lease interest rate; otherwise, the lessee incremental borrowing rate is used. Any initial lessee direct costs are added to the original amount recognized as an asset.

Each lease payment is allocated between the liability and the financial charges until a constant rate for the current balance is reached. The respective lease obligations are included in the current portion of the non-current debt, net of financial charges. Financial costs interest is charged to income for the year over the lease period, in order to produce a constant periodic interest rate for the remaining balance of the liability for each period. Property, plant and equipment acquired under a financial lease arrangement are depreciated based on the useful lives of assets.

2.26 DIVIDEND DISTRIBUTIONS

Dividends distribution to the Company's shareholders are recognized as a liability in the financial statements in the period in which dividends are approved by the Company's shareholders and the right to receive these payment is established. In order to pay dividends (which are discounted from prior year's net income), the Company uses the individual financial statements prepared in accordance with IFRS for legal purposes.

2.27 EARNINGS PER SHARE

Net earnings per share are calculated by dividing the profit for the year attributable to the controlling interest by the weighted average number of ordinary shares in issue during the year. At December 31, 2014 and 2013, there are no components of diluted earnings, thus earnings per diluted share are not calculated or disclosed. The basic earnings per share are expressed in Mexican pesos.

2.28 COMPARISON

Classifications of certain balances have been reviewed and the comparative data have been amended to the new policies and standards for better presentation in the consolidated financial statements.

NOTE 3 – FINANCIAL RISK MANAGEMENT:

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks, such as: market risk (including currency risk, cash flow and price risks), credit risk and liquidity risk. The purpose behind the Group's risk management plan is to minimize the potential adverse effects arising from the unpredictable nature of markets on the Group's financial performance.

The Group's financial risk management is overseen by the Finance department in accordance with the policies approved by the Board of Directors, which has issued general policies on financial risk management and specific risks.

3.1.1 Market risks

i. Foreign currency exchange rate risk

The Group operates internationally and it is exposed to US dollar (USD) and euro (€) exchange risks in relation to the functional currencies of each subsidiary. Exchange risk arises from future commercial operations in foreign currency and from certain foreign currency assets and liabilities.

The Finance department has established a policy requiring Group companies to manage exchange risks in relation to their functional currency. The Group companies must hedge their exposure to foreign currency exchange risks through the Group's Treasury department. In managing exchange risk arising from future commercial transactions and recognized assets and liabilities, the Group companies can use different instruments such as forwards agreements negotiated by the Group Treasury. Exchange rate risk arises when future commercial transactions and recognized assets and liabilities are contracted in a currency other than the entity's functional currency.

As part of its risk management policies, the Group's Finance department periodically analyzes its exposure to risk and when the economic conditions of each country in which it operates require it, the Group contracts expected cash flow hedges for the following 12 months, for each relevant currency. Additionally, the Group calculates sham differences in exchange rates and, when necessary, it adjusts the costs of its products. At December 31 of the reporting years, the Group had contracted no financial instruments to hedge exchange rate risks.

The Group has contracted foreign currency financing and peso bank loans. The Group is mainly exposed to the risk of fluctuations in the peso-US dollar and peso-euro exchange rates associated to merchandise that it imports from the US, Portugal and Italy. Purchases of merchandise paid in a currency other than the Mexican peso represent approximately 7% of total purchases. The Company's consolidated operations were exposed to exchange rate risk of (USD15,195) and (€1,922) at December 31, 2014 and (USD9,000) and €138 at December 31, 2013.

In the event of a 10% increase in the peso-USD (and euro) exchange rate at December 31, 2014 and 2013, the Company would incur a loss of approximately $22,553 and $11,759, respectively, and ($3,445) and $1,084, respectively, due to its euro position. This 10% represents the sensitivity rate used when the exchange risk is reported internally to the Finance department, and represents management's assessment of possible changes in exchange rates. The sensitivity analysis includes only those monetary items not yet settled denominated in a foreign currency at the period closing.

The Group has a number of investments in foreign operations, whose net assets are exposed to exchange rate risk. Currency exchange rate exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At December 31, 2014 and 2013, the Company and its subsidiaries had monetary assets and liabilities denominated in thousands of USD and €, as follows:

	December 31							
	2014				2013			
	Dollars		Euros		Dollars		Euros	
Assets	USD	1,316	€	197	USD	66,947	€	5,719
Liabilities		(16,511)		(2,119)		(75,947)		(5,581)
Net (short) long position	**USD**	**(15,195)**	**€**	**(1,922)**	**USD**	**(9,000)**	**€**	**138**

At December 31, 2014 and 2013, the exchange rate was $14.73 and $13.06 per USD, respectively, and $17.92 and $18 per €, respectively.

At April 13, 2015, date of issuance of the financial statements, the exchange rate was $15.29 to the USD and $16.10 to the €.

The exchange rate of the USD to the currency of the subsidiaries established abroad at December 31, 2014 and 2013 is as follows:

Foreign currency equivalents in USD			
		December 31	
Country	Currency	2014	2013
Argentina	Peso	.1169	.1534
Brazil	Real	.3765	.4269
Costa Rica	Colon	.0018	.0020
El Salvador	Dollar	.1143	.1143

Foreign currency equivalents in USD			
		December 31	
Country	Currency	2014	2013
Guatemala	Quetzal	.1316	.1275
Honduras	Lempira	.0462	.0482
Nicaragua	Cordoba	.0376	.0395
Peru	New sol	.3344	.3589

ii. Price risk

The Company is exposed to price risk fluctuation in relation to the prices of raw materials needed to manufacture its products Risk price arises form fluctuations in the prices of resin, which is the main raw material used and which is associated to the oil commodity. The risk arises because the price of an asset may vary due to economic uncertainty.

The Company does not utilize hedge financial instruments or guaranteed purchase agreements with its suppliers. Instead, the best prices for this raw material are analyzed and purchases are made based on the best price identified. The Company prepares simulations to analyze the risk of price fluctuations and, if necessary, adjusts the cost of products.

In the event of a 10% increase or decrease in the prices of resin at December 31, 2014 and 2013, the Company would experience an increase or decrease in the cost of sales of approximately $174,840 and $141,780, respectively, which would be charged through the sales prices. This 10% represents the sensitivity rate used when the price risk is reported internally to the Finance department, and it represents Management's assessment of possible changes in the price of resin.

iii. Cash flows and fair value of interest rates

The Company's interest rate risk arises from long-term borrowings. Loans bearing interest at variable rates expose the Company to the risk of fluctuations in the related future cash flows. That is risk is partially compensated by cash equivalents also bearing interest at variable rates. Loans bearing interest at fixed rates expose the Company to the risk of market value of interest rates. In 2014 and 2013, the Company's borrowings bearing interest at variable rates were denominated in USD, reales and Argentinian pesos.

The Company analyzes its exposure to interest rate risk in a dynamic manner. Various scenarios are simulated taking into consideration refinancing arrangements, renewal of existing positions, alternative forms of financing and hedge contracts. Based on these scenarios, the Company calculates the impact of a change in interest rates on income for the year. For each simulation, the same interest rate fluctuation is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Company manages its risk of changes in cash flows arising from loans contracted at variable rates by contracting swaps with variable-to-fixed interest rates. Those swaps have the effect of changing variable rates on loans to fixed rates. The main reason for using these financial instruments is to know for certain the cash flows that the Company will pay to meet its contractual obligations.

With these interest-rate swaps, the Company agrees with other parties to periodically deliver or receive the existing difference between the amount of interest of variable rates set forth in debt agreements and the amount of interest of fixed rates contracted under derivative financial instruments.

If the interest rates of borrowings contracted in pesos not hedged with financial instruments had increased/decreased by 10%, while the rest of the variables remained constant, after-tax income for 2014 would have increased/decreased by $2,527, mainly due to the difference in the cost of interest on borrowings contracted at variable rates; while income for 2013 would have increased/decreased by $3,482, mainly as a result of the change in the market value of fixed rate financial assets classified as available for sale.

Additionally, if the variable interest rates had been five basis points above/below, and all other variables had remained constant, net income for the period at December 31, 2014 and 2013 would have increased/decreased by $1,263 and $1,149, respectively, as a result of the changes in the fair value of hedge derivative financial instruments contracted to hedge exposure to the changes in variable interest rates of loans contracted in Mexican pesos.

Additionally, the proportion of fixed and variable interest rates of loans received is as follows:

	December 31	
	2014	2013
Variable rate loans	99%	90%
Fixed rate loans	1%	10%

At December 31, 2014 and 2013, bank loans with variable rates are hedged by the financial instruments described in Note 17.

3.1.2 Credit risk

Credit risk is managed on a consolidated basis, except for risk related to accounts receivable balances. Each Company subsidiary is responsible for managing and analyzing each of its new customer's credit risk prior to determining the credit terms and conditions for delivery. Credit risk relates to cash and investments in securities, derivative financial instruments and deposits in banks and financial institutions, as well as to credit granted to wholesale and retail customers, including balances not yet collected. Banks and financial institutions only accept clients that have been issued acceptable credit rates by specialized agencies to meet the respective financial obligations (e.g., minimum "A" rate). Independent ratings are considered for wholesale clients, when available. If there are none, the Company's management estimates the customer's credit quality, taking into account its financial situation, past experience and other factors. Individual credit limits are established based on internal and external ratings, according to the policies established by the Finance department. Credit limits are regularly monitored.

Credit limits were not exceeded in the years being reported and Management does not expect the Company to incur losses from breach by those entities. Also in those years, the Company increased its portfolio mainly as a result of the influence of government clients involved in social development programs.

Credit quality of the financial assets not yet matured or impaired, which has been evaluated using external credit ratings as reference, when available, or historical information on compliance ratios of their issuers and counterparties, is shown as follows:

	December 31	
Customers	2014	2013
Counterparties without external credit ratings:		
Group A	$ 38,035	$ 83,222
Group B	1,430,030	1,069,999
Group C	160,264	35,668
Total accounts receivable from a customers, not impaired	**$ 1,628,329**	**$ 1,188,889**

	December 31	
Cash at bank and short-term bank deposits	2014	2013
Counterparties with external credit ratings:		
AAA	$ 206,843	$ 123,335
AA	3,674,843	434,124
A	63,135	-
	$ 3,944,821	**$ 557,459**

Loans to related parties		
Counterparties without external credit ratings:		
Group B	**$ 49,832**	**$ 49,358**

Group A: new customers /related parties (under six months of operations).
Group B: customers/existing related parties (over six months of operations) with no past breaches.
Group C: customers/existing related parties (over six months of operations) with some past breaches. In those cases, past due balances were collected in full.

No financial assets have been renegotiated. There are no past due balances receivable from related parties.

3.1.3 Liquidity risk

Cash flow forecasting is performed at the operating subsidiary level and the Finance department subsequently consolidates that information. The Company's Finance department monitors cash flow forecasts and the Company's liquidity requirements, ensuring that cash and investments in trading securities are sufficient to meet operating needs.

The Company constantly monitors, and makes decisions not to violate, the limits and covenants established in indebtedness contract. Projections consider Company financing plans and compliance with covenants, minimum internal liquidity ratios and legal or regulatory requirements.

Surplus cash held by the operating entities are transferred to the Company's Treasury. The Company's Treasury invests these funds in term deposits and marketable securities, whose maturities or liquidity allow for flexibility to cover the Company's cash needs. At December 31, 2014 and 2013, the Company had term deposits of $232,244 and $90,046, respectively, which are expected to be enough to manage liquidity risk.

The table below analyzes the Group's financial liabilities, presented for the period between the date of the consolidated statement of financial position and the date of its expiration. Amounts shown in the table correspond to non-discounted cash flows, including interest.

December 31, 2014	Under 3 months	Between 3 months & 1 year	Between 1 & 5 years	Total
Bank loans	$ -	$ 60,068	$ 1,398,364	$ 1,458,432
Derivative financial instruments for economic hedging	$ -	$ -	$ 25,268	$ 25,268
Suppliers	$ 563,109	$ 16,334	$ -	$ 579,443
Other accounts payable	$ 227,248	$ -	$ -	$ 227,248
Total	**$ 790,357**	**$ 76,402**	**$ 1,423,632**	**$ 2,290,391**

December 31, 2013	Under 3 months	Between 3 months & 1 year	Between 1 & 5 years	Total
Bank loans	$ -	$ 107,691	$ 1,215,917	$ 1,323,608
Derivative financial instruments for economic hedging	$ -	$ -	$ 2,169	$ 2,169
Suppliers	$ 395,395	$ 10,788	$ -	$ 406,183
Other accounts payable	$ 443,362	$ 696	$ -	$ 444,058
Total	**$ 838,757**	**$ 119,175**	**$ 1,218,086**	**$ 2,176,018**

3.2 CAPITAL MANAGEMENT

The Company's objectives in managing capital are: to safeguard its capacity to continue in business as a going concern, provide returns for the stockholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group can vary the amount of dividends payable to the stockholders, conduct a capital stock reduction, issue new shares or sell assets and reduce its debt. The Company has the practice of reinvesting its profits as a capitalization instrument.

Like other entities in the industry, the Company monitors its capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total loans (including current and non-current loans as shown in the consolidated statement of financial position) less cash and cash equivalents. Total capital is calculated as equity as shown in the consolidated statement of financial position plus net debt.

In general terms, the Group monitors the gearing ratio with a view to avoid exceeding the 50% mark. The gearing ratios for the reporting periods were as follows:

	December 31	
	2014	2013
Total loans (Note 18)	$ 1,210,741	$ 1,323,608
Less: cash and cash equivalents (Note 8)	(3,944,821)	(557,459)
(Exceso de efectivo sobre deuda) deuda neta	(2,734,080)	766,149
Total stockholders' equity	6,165,856	2,093,205
Total capital and debt	**$ 3,431,776**	**$ 2,859,354**
Indebtedness index	**- %**	**27%**

At December 31, 2014, the Company has determined that the gearing ratio is zero, in view of the cash flows arising from public offerings of shares made by the Company in 2014.

3.3 FAIR VALUE ESTIMATE

The table below shows the financial instruments recorded at fair value, classified as per the valuation method used in each case. The different levels are determined as follows:

Level 1: quoted price (not adjusted) of an identical asset or liability.
Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (i.e., derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

	Level 1	Level 2	Level 3	Total
December 31, 2014				
Derivative financial instruments - Liability	$ -	$ (25,268)	$ -	$ (25,268)
December 31, 2013				
Derivative financial instruments - Liability	$ -	$ (2,169)	$ -	$ (2,169)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from a stock exchange, negotiators, brokers, industrial groups, price services or a regulating agency and those prices represent real and recurring transactions in the market on an arm's length basis. The quoted market price used for the financial assets held by the Group is the current bid price. These instruments are included in Level 1. The instruments included in level 1 comprise mainly tradable securities or securities available for sale.

The fair value of financial instruments not traded in active markets, e.g., over-the-counter derivatives, is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimations. If all relevant inputs required to fair value of a financial instrument are observable, the instrument is included in Level 2.

If one or more relevant inputs are not based on observable market information, the instrument is included in Level 3.

3.4 COMPENSATION OF FINANCIAL ASSETS AND LIABILITIES

As at December 31, 2014 and 2013, the Company has not compensated financial assets and liabilities.

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS:

Estimations and judgments used in preparing the financial statements are constantly evaluated and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances.

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company prepares estimations and assumptions considering future events to recognize and measure certain captions of its financial statements. The resulting accounting estimates recognized probably differ from actual results or events. Estimations and assumptions involving a significant risk of material adjustments to assets and liabilities recognized in the subsequent year are as follows:

4.1.1 Impairment of goodwill

The company tests annually whether goodwill has suffered any impairment; in accordance with the criteria set forth in Note 2.6.1. The recoverable amount of CGU has been determined based on their value-in use calculations. The determination of the value-in use requires the use of certain estimates. (See Note 16).

Based on tests performed by the Company, it was determined that at December 31, 2014 and 2013 there was no impairment in goodwill and therefore it was considered unnecessary to carry out sensitivity tests, since cash flow surpluses at present value significantly exceed the book values.

4.1.2 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgments are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain.

The Company recognizes liabilities for matters observed during tax audits if it considers that they will likely result in the determination of tax in addition to the amount originally incurred. Where the final outcome of these matters is different from the estimated liability , these differences are recognized in income taxes payable and/or deferred for the period.

The Company recognizes a deferred tax asset for accumulated tax losses based on the projections and estimations for realization of the respective tax benefit through future tax profits and considering the existing market conditions at the year closing.

If the tax result of those processes differs 5% from recognized estimates, the Company must increase or reduce the income tax liability by $8,659 and $7,153, and reduce or increase the deferred tax asset by $8,338 and $7,594, for 2014 and 2013, respectively.

4.1.3 Fair value of derivative instruments

The fair value of financial instruments that are not traded in an active market is determined through the use of valuation methods. The Company uses its judgment to select the methods and assumptions to be considered, which are mainly based on existing market conditions at year end.

The Company has determined the fair value of derivative financial assets by estimating its discounted cash flows. The use of estimation methods could result in amounts different from those shown at maturity. The effects on income of swaps contracts would be lower by $6,897 and $4,121, or higher by $1,778 and $4,555 respectively, if the discount rate used in the analysis of discounted cash flows had varied by 10% from Management’s estimates for 2014 and 2013, respectively.

4.1.4 Retirement benefits

The present value of retirement obligations depends on the number of circumstances determined on the basis of actuarial studies using several assumptions. The assumptions used in determining the net cost for the period include the discount rate. Any changes to these assumptions would affect the liability recognized.

The cost of employee benefits that qualify as defined benefit plans is determined using actuarial valuations. An actuarial valuation involves assumptions with respect to discount rates, future salary increases, personnel turnover rates and mortality rates, among others. Due to the long-term nature of these plans, such estimations are subject to a significant amount of uncertainty.

At the end of each year, the Company estimates the discount rate for determining the present value of future cash flows calculated to liquidate retirement obligations, based on the interest rates of top-quality corporate bonuses, expressed in the same currency as pension benefits with similar maturity dates. Other factors used to estimate pension obligations are based on current market conditions. Additional information is disclosed in Note 22.

If the discount rate for 2014 had varied by 1% above or below the discount rate estimated by management, the book value of labor obligations would have been $6,733 or $8,338 (2013: $4,992 o $6,095), respectively.

NOTE 5 - CLASSIFICATION OF FINANCIAL INSTRUMENTS:

Financial assets according to balance sheet:

December 31, 2014	Loans and accounts receivable	Assets at fair value through income (loss)	**Total**
Cash and cash equivalents	$ 274,501	$ -	$ 274,501
Short-term highly-liquid investments with maturities of three months or less	-	3,670,320	3,670,320
Accounts receivable	1,632,786	-	1,632,786
Short-term and long-term related parties	54,919	-	54,919
	$ 1,962,206	**$ 3,670,320**	**$ 5,632,526**

December 31, 2013	Loans and accounts receivable	Assets at fair value through income (loss)	**Total**
Cash and cash equivalents	$ 123,335	$ -	$ 123,335
Short-term highly-liquid investments with maturities of three months or less	-	434,124	434,124
Accounts receivable	1,214,026	-	1,214,026
Short-term and long-term related parties	56,931	-	56,931
	$ 1,394,292	**$ 434,124**	**$ 1,828,416**

Financial assets according to balance sheet:

December 31, 2014	Liabilities at fair value through profit or loss	At amortized cost	Total
Financial assets according to balance sheet:			
Long-term and short-term bank loans	$ -	$ 1,210,741	$ 1,210,741
Suppliers	-	579,443	579,443
Other accounts payable	-	359,197	359,197
Derivate financial instruments	25,268	-	25,268
	$ 25,268	**$ 2,149,381**	**$ 2,174,649**

December 31, 2013	Liabilities at fair value		At amortized cost		Total	
Financial assets according to balance sheet:						
Long-term and short-term bank loans	$	-	$	1,323,608	$	1,323,608
Suppliers		-		406,183		406,183
Other accounts payable		-		444,058		444,058
Derivate financial instruments		2,169		-		2,169
	$	**2,169**	**$**	**2,173,849**	**$**	**2,176,018**

NOTE 6 - GUARANTEE DEPOSITS:

	December 31			
		2014		2013
Guarantee for purchase of Conmix Argentina, S. A.	$	19,629	$	18,731
Guarantee for electric power services		6,915		6,341
Guarantee for leasing of real estate		3,629		2,374
Guarantee for sundry services		11,534		7,991
	$	**41,707**	**$**	**35,437**

NOTE 7 - SEGMENT REPORTING:

General Management is the maximum authority for making Company operation decisions. Therefore, General Management has determined the operating segments to be reported based on internal reports previously reviewed to make strategic business decisions.

An operating segment is defined as a component of an entity on which there is separate financial information which is evaluated on a regular basis. Revenue of the different Company segments streams mainly from the sale of products.

Water solutions:

"Individual solutions" segment

Individual solutions are products that by themselves satisfy the needs of customers on permanent bases. Those products are commercialized through the Company's distributor network, without the need for additional services such as installation or maintenance services.

"Comprehensive solutions" segment

Comprehensive solutions are systems made up of different Individual Solutions that interact with each other to meet more complex needs. Generally speaking, those systems include added value services such as installations or maintenance to ensure that they function properly.

Income and results per operating segment:

The Company evaluates the performance of each operating segment based on profits before financial results, taxes, depreciation and amortizations and donations (EBITDA), and considers that indicator to be a good measure to evaluate the yield of each Group operating segment, as well as the capacity to fund capital investments and working capital requirements. The EBITDA is not a financial performance measure under IFRS and it should not be considered an alternative to net profit to measure operating performance, or cash flows to measure liquidity.

The Company has defined EBITDA as the consolidated profit (loss) before taxes after adding or subtracting, as the case may be: 1) depreciation, amortization and impairment of non-current assets; 2) the net financial result (includes interest costs and income, and exchange gains or losses), 3) equity in loss of associate, and 4) donations.

Geographic markets:

The Company also controls its assets and liabilities per geographic market, classified as Mexico, Brazil and Others (Peru, Argentina, Guatemala, Honduras, Nicaragua, Costa Rica and El Salvador).

Below is an analysis of income and results per segment to be reported: The other income statement items are not assigned, as they are managed on a corporate level. The information disclosed in each segment is shown net of eliminations related to transactions conducted between Group companies. This form of presentation is the same as that used by management in its periodic review processes of the Company's performance.

	Year ended on December 31,					
	2014	2013	2014	2013	2014	2013
	Individual Solutions		Comprehensive Solutions		Consolidated	
Sales to external customers	$ 4,850,510	$ 4,963,124	$ 1,701,251	$ 448,697	$ 6,551,761	$ 5,411,821
Pretax profits	$ 482,481	$ 466,901	$ 94,790	$ 47,289	$ 577,271	$ 514,190
EBITDA	$ 687,174	$ 732,815	$ 172,332	$ 72,558	$ 859,506	$ 805,373

Revenue of approximately $1,059,000 ($1,291,000 in 2013) derived from three external customers. This revenue is attributable to the Mexico and Brazil segments.

Pretax income per period is as follows:

	Year ended on December 31	
	2014	2013
EBITDA	$ 859,506	$ 805,373
Depreciation and amortization	(137,780)	(146,645)
Donations	(23,438)	(13,210)
Financial costs - Net	(122,165)	(132,364)
Equity in results of associate	1,148	1,036
Income before taxes	**$ 577,271**	**$ 514,190**

Geographic information:

Sales per geographic market for the year ended on December 31:

	Mexico		Brazil		Other		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013
Net sales	$ 3,067,934	$ 2,627,468	$ 2,756,326	$ 2,036,537	$ 727,501	$ 747,816	$ 6,551,761	$ 5,411,821

Assets by geographic area:

Property, plant and equipment at December 31:	2014	2013
Mexico	$ 821,337	$ 860,120
Brazil	279,940	309,611
Other	94,840	61,160
	$ 1,196,117	**$ 1,230,891**

NOTE 8 - CASH AND CASH EQUIVALENTS:

	December 31	
	2014	2013
Cash	$ 268	$ 244
Restricted cash*	41,989	33,045
Bank deposits	232,244	90,046
Short-term highly-liquid investments with maturities of three months or less	3,670,320	434,124
Total cash and cash equivalents	**$ 3,944,821**	**$ 557,459**

* Restricted cash comprises the amount contributed to guarantee the promotion and development of companies. Restricted cash is kept as a bank deposit at a financial institution with an external credit rating of AAA. (See Note 28).

NOTE 9 - ACCOUNTS RECEIVABLE AND OTHER ACCOUNTS RECEIVABLE:

	December 31,	
	2014	2013
Clients	$ 1,628,329	$ 1,188,889
Less: impairment estimate	(23,568)	(29,463)
	1,604,761	1,159,426
Sundry debtors	22,024	50,309
Employees	1,588	963
VAT not yet credited	92,676	39,095
Other accounts receivable	4,413	3,328
	120,701	93,695
	$ 1,725,462	**$ 1,253,121**

The fair value of accounts receivable at December 31, 2014 and 2013 is similar to their book value.

Accounts receivable include balances receivable from the following customers:

	December 31,	
	2014	2013
Codevasf (Brazil)	$ 636,476	$ 133,602
Sedesol (Mexico)	-	333,070
Other	968,285	692,754
	$ 1,604,761	**$ 1,159,426**

The analysis of past due but not impaired accounts receivable from customers is as follows:

	December 31,	
	2014	2013
Over three months	**$ 118,014**	**$ 84,214**

Movements in allowance for impairment of the customer portfolio are as follows:

	December 31, 2014	December 31, 2013
Book value at January 1	$ 29,463	$ 20,336
Impairment for the year	8,209	28,537
Account cancellations	(14,104)	(19,410)
Net book value	**$ 23,568**	**$ 29,463**

Charges and reversals in the customer allowance have been included under operating expenses in the statement of income. When there is no further expectation of recovery of an account from a customer, the balance is canceled together with the respective impairment provision. The Other accounts receivable are not impaired.

At December 31, 2014, accounts receivable from customers of $23,568 (2013: $29,463) were impaired and have been fully reserved. Accounts receivable from customers impaired individually relate mainly to customers who are unexpectedly going through economic difficulties. A portion of those accounts receivable is expected to be recovered.

The maximum exposure to credit risk at year end is the book value of customers and other accounts receivable. The group received no guarantees in relation to customers or other accounts receivable.

NOTE 10 – RELATED PARTIES:

a. In the year ended on December 31, 2014 and 2013, the following operations were carried out with related parties at market value:

Sales	Year ended on December 31, 2014	2013
Dalkasa, S. A. (associate)	$ 14,897	$ 14,323

b. Year-end balances resulting from sales/purchases of goods and services.

Accounts receivable	December 31, 2014	2013
Dalkasa, S. A. (associate)	$ 5,087	$ 7,573

c. Loans made to personnel

At December 31, 2014 and 2013, loans made to key officers are subject to fixed and variable interest rates, shown below: Additionally, those loans are for a period of 10 years starting as from the date they are contracted.

OFFICER	1		2	3	4		5	
Engagement date	January 29, 2013	August 28, 2011	January 1, 2013	January 1, 2013	January 21, 2013	February 21, 2012	January 10, 2013	Total
Interest rate	**6.9%**	UDI	**6.9%**	**6.9%**	**6.9%**	UDI	UDI	
December 31, 2014.								
Opening balances	$ 12,764	$ 5,575	$ 10,705	$ 9,882	$ 9,492	$ 468	$ 472	$ 49,358
Loan	10,244	-	7,682	-	-	-	-	17,926
Collections	(8,707)	(4,200)	(6,530)	-	-	-	-	(19,437)
Interest	688	175	549	281	247	31	14	1,985
Total	**$ 14,989**	**$ 1,550**	**$ 12,406**	**$ 10,163**	**$ 9,739**	**$ 499**	**$ 486**	**$ 49,832**

OFFICER	1		2	3	4		5	
Engagement date	January 29, 2013	August 28, 2011	January 1, 2013	January 1, 2013	January 21, 2013	February 21, 2012	January 10, 2013	Total
Interest rate	6.9%	UDI	6.9%	6.9%	6.9%	UDI	UDI	
December 31, 2013.								
Opening balances	$ 11,915	$ 5,321	$ 9,993	$ 9,225	$ 8,840	$ 468	$ -	$ 45,762
Loan	-	-	-	-	-	-	450	450
Interest	849	254	712	657	652	-	22	3,146
Total	**$ 12,764**	**$ 5,575**	**$ 10,705**	**$ 9,882**	**$ 9,492**	**$ 468**	**$ 472**	**$ 49,358**

The fair value of officer's loans as at December 31, 2014 and 2013 was $46,535 and $41,483, respectively.

d. Compensations paid to directors and other management members were as follows:

	Year ended on December 31	
	2014	2013
Salaries and other short-term benefits	$ 133,897	$ 122,087

Compensation paid to directors and key executives is determined by the Board of Directors based on their performance and on market trends.

e. Other related parties

In 2014 and 2013 the Company carried out operations with Corporativo Grupo Bursatil Mexicano (GBM), which in turn holds the shares of GBM International, Inc. and GBM México.

Corporativo GBM and subsidiaries have a commercial relationship with the Company and its subsidiaries, and to date have provided financial advisory services, investment banking services and other bank services.

Carlos Rojas Mota Velasco, main Company shareholders and President of the Board of Directors and CEO, has a familiar relationship with the main shareholders of Corporativo GBM and therefore Corporativo GBM and its subsidiaries are considered to be related parties.

i. As at December 31, 2014 and 2013, the Company had no balances receivable from or payable to Corporativo GBM.

ii. During the year ended December 31, 2014 and 2013, the Company conducted the following operations with Corporativo GBM:

	Year ended on December 31	
	2014	**2013**
Commissions paid	$ 67,782	$ -
Interest collected	$ 17,101	$ 913

NOTE 11 - OTHER RECOVERABLE TAXES:

	December 31,	
	2014	**2013**
Favorable VAT	$ 2,672	$ 91,128
Financial contribution to social security	-	14,307
Income tax on industrialized products[1]	59,956	64,666
Other taxes[2]	84,369	119,382
	$ 146,997	**$ 289,483**

[1] Relates to a federal Brazilian tax paid on the purchase of an industrialized product, which can be deducted from the amount earned from the sale of that product to third parties.

[2] Relates to different minor local taxes incurred by the different entities located in Latin America, the salient being Brazil and Peru.

NOTE 12 - INVENTORIES:

	December 31,	
	2014	2013
Raw materials	$ 369,901	$ 300,766
Packaging materials	16,206	13,792
Products in progress	13,175	17,874
Finished goods	336,588	242,151
	735,870	574,583
Plus:		
Merchandise in transit	141,003	70,839
	$ 876,873	**$ 645,422**

NOTE 13.- PREPAYMENTS:

	December 31	
	2014	2013
Prepaid insurance	$ 2,982	$ 2,739
Prepaid expenses	17,245	-
Advances for cistern installations*	112,724	12,557
	$ 132,951	**$ 15,296**

* Relates to advances made to install cisterns in Dalka Brasil, see Note 28.

NOTE 14 - PROPERTY, PLANT AND EQUIPMENT:

	Land	Constructions in progress	Buildings	Machinery and tools	Furniture, fixtures and computer equipment	Transportation equipment	Molds	Leasehold improvements	Total
Year ended on December 31, 2014:									
Opening balances	$ 322,528	$ 158,520	$ 353,963	$ 317,711	$ 8,939	$ 2,311	$ 63,320	$ 3,599	$ 1,230,891
Effect of currency translation	565	2,096	(4,954)	(20,409)	4,015	3,257	5,922	158	(9,350)
Transfers	-	(119,611)	46,552	45,280	3,655	754	23,370	-	-
Acquisitions	-	163,685	-	700	194	1,718	349	-	166,646
Disposals	(59,266)	(1,567)	(5,639)	(3,607)	(811)	(5,710)	(4,405)	-	(81,005)
Depreciation of disposals	-	-	5,683	1,052	705	4,978	3,680	-	16,098
Depreciation for the period	-	-	(52,444)	(44,996)	(7,367)	(1,530)	(20,826)	-	(127,163)
Closing balances	**$ 263,827**	**$ 203,123**	**$ 343,161**	**$ 295,731**	**$ 9,330**	**$ 5,778**	**$ 71,410**	**$ 3,757**	**$ 1,196,117**
Balances at December 31, 2014:									
Cost	$ 263,827	$ 203,123	$ 521,387	$ 561,349	$ 68,347	$ 19,911	$ 260,827	$ 5,245	$ 1,904,016
Accumulated depreciation	-	-	(178,226)	(265,618)	(59,017)	(14,133)	(189,417)	(1,488)	(707,899)
Closing balance	**$ 263,827**	**$ 203,123**	**$ 343,161**	**$ 295,731**	**$ 9,330**	**$ 5,778**	**$ 71,410**	**$ 3,757**	**$ 1,196,117**
Year ended on December 31, 2013:									
Opening balances	$ 334,052	$ 137,292	$ 413,057	$ 267,189	$ 21,753	$ 5,690	$ 58,789	$ 4,061	$ 1,241,883
Effect of currency translation	(10,639)	(14,489)	(17,365)	(15,336)	(1,024)	(771)	(3,949)	(462)	(64,035)
Transfers	(885)	(151,832)	6,769	114,039	2,361	330	29,218	-	-
Acquisitions	-	187,549	-	10,979	468	569	5,397	-	204,962
Disposals	-	-	(17,593)	(15,024)	(14,736)	(7,852)	(2,471)	-	(57,676)
Depreciation of disposals	-	-	7,327	11,467	9,938	6,210	1,954	-	36,896
Depreciation for the period	-	-	(38,232)	(55,603)	(9,821)	(1,865)	(25,618)	-	(131,139)
Closing balance	**$ 322,528**	**$ 158,520**	**$ 353,963**	**$ 317,711**	**$ 8,939**	**$ 2,311**	**$ 63,320**	**$ 3,599**	**$ 1,230,891**
Balances at December 31, 2013:									
Cost	$ 322,528	$ 158,520	$ 485,428	$ 553,659	$ 69,471	$ 19,892	$ 237,200	$ 5,525	$ 1,852,223
Accumulated depreciation	-	-	(131,465)	(235,948)	(60,532)	(17,581)	(173,880)	(1,926)	(621,332)
Closing balance	**$ 322,528**	**$ 158,520**	**$ 353,963**	**$ 317,711**	**$ 8,939**	**$ 2,311**	**$ 63,320**	**$ 3,599**	**$ 1,230,891**

At December 31, 2014 and 2013, the charge for depreciation is included in the cost of sales by $106,336 and $101,844 and in operating expenses by $20,827 and $29,295, respectively.

If land and buildings had been measured using the historic cost valuation method instead of by the revaluation method, the balances recorded would have been as follows:

	December 31,	
	2014	2013
Cost of land	$ 105,510	$ 164,211
Cost of buildings	465,848	424,556
Accumulated depreciation	(132,528)	(109,236)
Net book value	**$ 438,830**	**$ 479,531**

14.1 FAIR VALUE OF LAND AND BUILDINGS

In 2010, appraisals of land and buildings were carried out by independent experts at January 1, 2011. The increase of revaluation was recorded net of deferred taxes under revaluation surplus recorded at January 1, 2011.

Assets are classified under different levels depending on their features, as follows;

1. quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
2. inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
3. inputs for the assets or liabilities that are not based on observable market data (unobservable data) (level 3).

Following is information on fair value measurements carried out at January 1, 2011 using non-observable data classified as level 3:

				Range of non-observable data weighted average prices *		
Description	Fair value at January 1, 2011	Valuation techniques	Non-observable data	Higher	Used	Lower
Mexico City						
Land	$ 122,401	Comparison of prices	Price per m²	6,555	6,555	-
Plants	13,110	Comparison of prices	Price per m²	1,549	1,757	-
Total Mexico City	135,511					
Guadalupe, Nuevo Leon						
Land	60,216	Comparison of prices	Price per m²	800	800	-
Plants	52,799	Comparison of prices	Price per m²	6,918	5,351	-
Total Guadalupe, Nuevo Leon	113,015					
Tlajomulco de Zuñiga, Jalisco						
Land	19,066	Comparison of prices	Price per m²	239	239	-
Plants	21,164	Comparison of prices	Price per m²	1,584	1,584	-
Total Tlajomulco de Zuñiga, Jalisco	40,230					
Leon, Guanajuato						
Land	9,399	Comparison of prices	Price per m²	800	800	-
Plants	118,494	Comparison of prices	Price per m²	6,918	6,918	-
Total Leon, Guanajuato	127,893					
Los Mochis, Sinaloa						
Land	2,806	Comparison of prices	Price per m²	210	210	-
Plants	13,097	Comparison of prices	Price per m²	1,633	1,667	-
Total Los Mochis, Sinaloa	15,903					

Description	Fair value at January 1, 2011	Valuation techniques	Non-observable data	Range of non-observable data weighted average prices * Higher	Used	Lower
Lerma, State of Mexico						
Land	14,253	Comparison of prices	Price per m^2	1,100	1,100	-
Plants	45,368	Comparison of prices	Price per m^2	6,846	6,821	-
Total Lerma, State of Mexico	59,621					
Merida, Mexico, April 26, 2004						
Land	29,938	Comparison of prices	Price per m^2	1,008	1,008	-
Plants	15,305	Comparison of prices	Price per m^2	3,134	3,134	-
Total Merida, Yucatan	45,243					
Tejeria, Veracruz						
Land	23,216	Comparison of prices	Price per m^2	700	700	-
Plants	31,291	Comparison of prices	Price per m^2	2,878	2,859	-
Total Tejeria, Veracruz	54,507					
Total Mexico	591,923					
Pilar, Buenos Aires	17,158	Comparison of prices	Price per m^2	722	704	-
Total Argentina	17,158					
Villanueva, Guatemala	13,478	Comparison of prices	Price per m^2	10,048	8,128	5,990
Total Guatemala	13,478					
Extrema, Brazil	71,543					
Total Brazil	71,543					
	$ 694,102					

* Values used are expressed in Mexican pesos.

Fair values net of movements for the periods are as follows:

	December 31 Land 2014	2013	Buildings 2014	2013	Total 2014	2013
Mexico	$ 211,137	$ 270,402	$ 290,869	$ 298,760	$ 502,006	$ 569,162
Argentina	3,429	3,987	8,156	6,048	11,585	10,035
Guatemala	9,486	8,149	4,912	4,912	14,398	13,061
Brazil	39,775	39,990	39,224	44,243	78,999	84,233
	$ 263,827	**$ 322,528**	**$ 343,161**	**$ 353,963**	**$ $606,988**	**676,491**

Changes in fair value measurement using significant non-observable data (level 3):

	December 31, 2014	2013
Land and buildings		
Opening balance	$ 237,216	$ 237,216
Disposals	(41,067)	-
Closing balance	**$ 196,149**	**$ 237,216**

Increases and decreases in fair value determined at January 1, 2011 using immaterial data are shown under land and buildings at the beginning of this note.

Group valuation process

The Group's Finance and Administration department performs the valuations of land and buildings required for financial reporting purposes, including level 3 fair values. This team reports directly to the senior directors of the Finance department. The results of valuation and annual processes performed serve to confirm that the conditions set forth in the accounting policy for revaluation of assets takes place every five years is still in force.

Valuations of land and buildings performed by external parties take place every five years if the conditions shown in non-observable data or of assets are affected by external and internal elements. Based on discussions between management and the external appraisers, it has been determined that non-observable data used as the basis for valuations, such as age, dimensions and borders, conditions of land and buildings, locations and local economic factors, are comparable to the prices of the respective locations of assets.

Assets valued at January 1, 2011 have suffered no increases resulting from revaluation, except for certain immaterial improvements.

The ratio of non-observable data when measuring the fair value is as follows: the higher the price per square meter, the higher the fair value.

Amounts obtained from the revaluation of land and buildings at fair value have not experienced significant changes from the date of the appraisal (January 1, 2011) to the date of the reporting periods.

NOTE 15 - INVESTMENT ACCOUNTED FOR UNDER THE EQUITY METHOD:

Nature of the investment

The Company has an investment in Dalkasa, S.A. (Dalkasa), an associate that was accounted for under the equity method. Dalkasa, a private entity incorporated and operating in Quito, Ecuador, is mainly engaged in manufacturing and selling plastic water containers for water storage. At December 31, 2014 and 2013, the equity in the associate was 49.88%.

The Company holds no joint control over Dalkasa because it does not meet the requirements to do so. Instead, in accordance with IFRS, it holds significant influence in Dalkasa because it has participation in the Board of Directors; it participates in policy processes and in significant transactions, and in the supply of technical information.

Investment contingencies and commitments:

At December 31, 2014 and 2013, the company had no contingencies.

The Company has no restrictions over cash and cash equivalents.

Certain financial information pertaining to the investment in the associate is shown as follows:

a. Summarized statement of financial position

	December 31,	
Assets	2014	2013
CURRENT ASSETS:		
Cash and cash equivalents	$ 273	$ 39
Accounts receivable and other accounts receivable	11,115	13,627
Inventories	8,094	5,899
Prepayments	1	16
Total current assets	19,483	19,581
PROPERTY, PLANT AND EQUIPMENT	3,756	3,199
Total assets	$ 23,239	$ 22,780

Liabilities and Stockholders' equity		
CURRENT LIABILITIES:		
Suppliers	$ 778	$ 654
Other accounts payable	5,912	7,735
Provisions	-	858
Other taxes payable	922	-
Total liabilities	7,612	9,247
Total net assets	**$ 15,627**	**$ 13,533**

b. Summarized statement of comprehensive income

	Year ended on December 31	
	2014	**2013**
Net sales	$ 27,573	$ 23,581
Cost of sales	21,975	18,944
Gross profit	5,598	4,637
Operating expenses	3,300	2,744
Other income (expenses) - Net	(3)	(184)
Net profit	**$ 2,301**	**$ 2,077**

c. Reconciliation of summarized financial information at carrying value regarding equity in associates

	December 31	
Summarized financial information	**2014**	**2013**
Net assets as at January 1	$ 13,533	$ 11,456
Profit for the year	2,301	2,077
Currency translation effect	(207)	-
Net assets at closing	$ 15,627	$ 13,533
Investments in associate (49.88%)	**$ 7,795**	**$ 6,752**

d. Share of profit of associate based on the equity method

	Year ended on December 31	
	2014	**2013**
Net profit of associate	$ 2,301	$ 2,077
Investment in associate	49.88%	49.88%
	$ 1,148	$ 1,036

NOTE 16 - INTANGIBLE ASSETS:

	Goodwill	Brand	Software and SAP licenses	Total
Balance at January 1, 2014:				
Opening balances	**$ 56,626**	**$ 20,937**	**$ 16,598**	**$ 94,161**
Investments	$ -	$ -	$ 24,857	$ 24,857
Currency translation effect	-	-	(47)	(47)
Amortization for the period	-	-	(10,617)	(10,617)
Closing balances	**$ 56,626**	**$ 20,937**	**$ 30,791**	**$ 108,354**
Balance at December 31, 2014:				
Cost	$ 56,626	$ 20,937	$ 157,486	$ 235,049
Accrued amortization	-	-	(126,695)	(126,695)
Closing balances	**$ 56,626**	**$ 20,937**	**$ 30,791**	**$ 108,354**
Balance at January 1, 2013:				
Opening balances	$ 56,626	$ 20,951	$ 31,460	$ 109,037
Currency translation effect	-	(14)	(186)	(200)
Investments	-	-	830	830
Amortization for the period	-	-	(15,506)	(15,506)
Closing balances	**$ 56,626**	**$ 20,937**	**$ 16,598**	**$ 94,161**
Balance at December 31, 2013:				
Cost	$ 56,626	$ 20,937	$ 132,958	$ 210,521
Accrued amortization	-	-	(116,360)	(116,360)
Closing balances	**$ 56,626**	**$ 20,937**	**$ 16,598**	**$ 94,161**

Impairment testing of goodwill

Goodwill is assigned to the CGU and is monitored at the Group operating segment level.

Following is a summary of goodwill assigned to each CGU:

	December 31,	
CGU	2014	2013
Rotoplas Argentina, S. A.	$ 66,480	$ 36,307
Conmix Argentina, S. A.*	-	27,389
	$ 66,480	$ 63,696

* As mentioned in Note 2.2.1, on July 10, 2014, the shareholders agreed to merger Conmix Argentina, S. A. and Rotoplas Argentina, S. A., as a result of which as of that date they are considered to be a single CGU.

The recoverable value of the CGUs has been determined on the basis of their value in use, which is determined through projections of cash flows before taxes, based on financial budgets approved by Management, covering a five-year period. Cash flows subsequent to that period are extrapolated using the following estimated growth rates, which do not exceed the average long-term growth rate for the business in which each CGU operates.

Key assumptions used at December 31, to calculate in use values are as follows:

	Conmix Argentina, S. A.	Rotoplas Argentina, S. A.	
	2013	2014	2013
Gross margin	27.20%	19.56%	21%
Long-term growth rate	- %	1%	0%
Discount rate	17.58%	17.28%	17.58%

These assumptions have been used for each CGU.

The gross margin has been budgeted based on past performance and on expectations of development for each market. The weighted average growth rates used are consistent with the projections included in the industry's reports. The discount rates used are pre-tax and reflect specific risks relating to the each operating segment.

NOTE 17 – DERIVATIVE FINANCIAL INSTRUMENTS:

Contracted interest rate and position instruments at each year end were as follows:

Notional amount	Date of		Interest rate		Fair value at December 31,	
Swap	Execution	Maturity	Instrument	Debt	2014	2013
$ 1,200,000	Feb 2014	Dic 2020	7.5%	5.0%	$ (22,113)	$ -
301,440	Nov 2011	Nov 2016	6.0%	4.8%	(3,155)	(2,169)
					$ (25,268)	**$ (2,169)**

This protection was contracted to establish a maximum rate and manage the interest rate agreed on the bank loan contracted with Banco Santander, S.A. (see Note 18). When the reference rate is above the level of the agreed-upon interbank interest rate (TIIE), the right, yet not obligation is generated to exercise the agreed-upon rate. While the reference rate is below the level of the agreed-upon rate, the rate exercised is the reference rate.

The notional amounts related to derivative financial instruments reflect the reference volume contracted; however, they do not reflect the amounts at risk as concerns future flows. Amounts at risk are usually limited to the unrealized profit or loss on market valuation of those instruments, which may vary depending on the changes in the market value of the underlying goods, their volatility and the credit rating of the counterparts.

NOTE 18 - BANK LOANS:

The book value of bank loans is as follows:

	December 31,	
	2014	2013
Long-term bank loans:		
Banco Mercantil del Norte, S. A.[1]	$ 596,136	$ 596,700
Banco Santander (Mexico), S. A.[2]	595,889	600,000
Banco Nacional de Desenvolvimiento Económico e Social (BNDES).[5]	8,760	19,217
	1,200,785	**1,215,917**
Short-term bank loans:		
Banco Nacional de México, S. A.[4]	-	100,000
BNDES[5]	8,505	6,694
Banco Provincia, S. A.[3]	-	997
Banco Mercantil del Norte, S. A.[1]	722	-
Banco Santander (Mexico), S. A.[2]	729	-
	9,956	107,691
Total	**$ 1,210,741**	**$ 1,323,608**

[1] On December 20, 2013, Grupo Rotoplas singed a loan opening agreement with Banco Mercantil del Norte, S. A., Institución de Banca Múltiple, Grupo Financiero Banorte, for $600,000 subject to variable interest that will be the result of adding the TIIE plus 1.50 additional points. The agreement is for a period of seven years, maturing on December 19, 2020. Grupo Rotoplas agrees to settle the loan in 84 monthly installments. The agreement establishes 36 months of that term as the grace period for payment of the capital, starting as from the date of execution.

[2] On December 19, 2013, Grupo Rotoplas singed a loan opening agreement with Banco Santander (Mexico), S. A., Institución de Banca Múltiple, Grupo Financiero Santander México, for $600,000 subject to variable interest that will be the result of adding the TIIE plus 1.55 additional points. The agreement is for a period of seven years, maturing on December 19, 2020. Grupo Rotoplas agrees to settle the loan in 84 monthly installments. The agreement establishes 36 months of that term as the grace period for payment of the capital, starting as from the date of execution.

[3] On May 3, 2013, Rotoplas Argentina, S. A., signed a straight loan opening agreement with Banco de la Provincia de Buenos Aires, for $2,004 (1,000 thousand Argentinian pesos), subject to fixed interest of 17%. The agreement is for a period of one year, maturing on May 29, 2014. Rotoplas Argentina, S. A. agrees to settle that loan in 12 monthly installments starting as from the date of execution of the agreement.

[4] On October 29, 2013, Grupo Rotoplas signed a promissory note payable to Banamex, S. A. for $100,000, subject to 4.71% annual interest, which was paid on December 16, 2014.

[5] On January 3, 2012 Dalka do Brasil, Ltda. (Dalka Brazil), signed a straight loan opening agreement with BNDES for $4,999 (R$901 thousand reales), subject to variable income resulting from adding 3.90 additional points to the UMBNDES rate. The loan is for a 5-year period, from the date of execution of the agreement.

On June 25, 2012, Dalka Brazil signed a straight loan opening agreement with BNDES for $14,678 (R$2,646 thousand reales), subject to variable income resulting from adding 3.90 additional points to the UMBNDES rate. The loan is for a 5-year period, from the date of execution of the agreement.

On August 2, 2012, Dalka Brazil signed a straight loan opening agreement with BNDES for $8,321 (R$1,499 thousand reales), subject to variable income resulting from adding 3.90 additional points to the UMBNDES rate. The loan is for a 5-year period, from the date of execution of the agreement.

On February 15, 2013, Dalka Brazil signed a straight loan opening agreement with BNDES for $4,992 (R$899 thousand reales), subject to variable income resulting from adding 3.90 additional points to the UMBNDES rate. The loan is for a 5-year period, from the date of execution of the agreement.

Rotoplas Comercializadora, S. A. de C. V., Rotoplas Bienes Raíces, S. A. de C. V., Rotoplas, S. A. de C. V., Servicios Rotoplas, S. A. de C. V., Suministros Rotoplas, S. A. de C. V., Rotoplas Recursos Humanos, S. A. de C. V. and Rotoplas de Latinoamérica, S. A. de C. V. are jointly liable with the borrower with respect to each and every obligation contracted under the above agreements.

The aforementioned agreements establish obligations of to do and not to do, such as contracting further debt at an additional cost (under certain circumstances); restrictions on capital investments, and maintaining certain financial indicators, which have been complied with at December 31, 2014 and 2013.

The book value of bank loans is as follows:

	December 31,	
Fair value	2014	2013
Bank loans:		
Banco Mercantil del Norte, S. A.	$ 602,485	$ 602,626
Banco Santander (Mexico), S. A.	602,510	602,658
BNDES	8,644	19,217
Banco Nacional de México, S. A.	-	100,026
Banco Provincia, S. A.	-	1,083
	$ 1,213,639	**$ 1,325,610**

The fair values of the loans based on discounted cash flow using rates (%) for each debt are as follows:

Fair value	December 31 2014	2013
Banco Mercantil del Norte, S. A.	4.81	5.29
Banco Santander (Mexico), S. A.	4.86	5.33
BNDES	3.9	3.9
Banco Nacional de México, S. A.	-	5.62
Banco Provincia, S. A.	-	17.04

The aforementioned fair values fall within level 2.

The book values of the Company's loans are expressed in the following currencies:

	December 31			
		2014		2013
Reales *	R$	3,112	R$	4,646
* Equivalent of reales in Mexican pesos	$	17,265	$	25,911
Mexican peso loan		1,193,476	$	1,297,697
Total in Mexican pesos	**$**	**1,210,741**	**$**	**1,323,608**

NOTE 19 - SUPPLIERS:

	December 31			
		2014		2013
Braskem, S. A.	$	62,969	$	16,094
Indelpro, S. A. de C. V.		57,689		30,049
Equistar Chemicals LP		55,603		15,121
Goldman, Sachs & Co.		47,941		-
Pemex Petroquímica		37,401		61,615
TRM Resinas Termoplásticas Indústria e Comércio, Ltda.		35,374		2,303
Marangon Danilo & Co., S. de R. L.		31,728		4,174
Pentair Flow Technologies		21,141		-
Dow Internacional Mexicana, S. A. de C. V.		20,359		44,458
Polipropileno del Caribe, S. A. de C. V.		14,288		5,938
The Dow Chemical Company		13,087		-
Arco Colores, S. A. de C. V.		12,888		7,515
Vinmar Plastichem, S. de R. L. de C. V.		12,768		3,054
Vinmar Overseas Ltd.		11,951		21,813
Xingfa International Co. Ltda.		11,673		2,965
Neospec, S. A. de C. V.		7,421		4,156
Dismolper, S. A. de C. V.		6,569		5,309
The Girex Corpotation		6,097		875
Marra S.R.L.		6,090		-
Chemtex International de México, S. A. de C. V.		4,345		-
Rugo, S. A. de C. V.		4,141		3,056
Sta - Rite de México S. A. de C. V.		2,167		16,083
Polímeros Nacionales, S. A. de C. V.		10		7,236
Other		95,743		154,369
	$	**579,443**	**$**	**406,183**

NOTE 20 – OTHER ACCOUNTS PAYABLE:

	December 31			
		2014		2013
Sundry creditors	$	168,032	$	188,537
Accrued expenses and other accounts payable*		191,165		255,521
	$	**359,197**	**$**	**444,058**

* Accrued expenses refer to expenses incurred for services received.

NOTE 21 - PROVISIONS:

		Employee bonuses		Legal suits		Total
For the period of 2013						
At January 1, 2013	$	9,404	$	1,291	$	10,695
Charge to the statement of income		30,215		6,042		36,257
Cancellations		(6,998)		-		(6,998)
Applications		(20,662)		-		(20,662)
At December 31, 2013	**$**	**11,959**	**$**	**7,333**	**$**	**19,292**
For the period of 2014						
At January 1, 2014	$	11,959	$	7,333	$	19,292
Charge to the statement of income		29		32,660		32,689
Cancellations		(1,777)		(11,554)		(13,331)
Applications		(9,218)		(742)		(9,960)
At December 31, 2014	**$**	**993**	**$**	**27,697**	**$**	**28,690**

Provisions mainly include liabilities for estimated compliance and performance bonuses expected to be covered in the following year, as well as labor suits filed against the company and other commercial suits that have been assessed under management's best estimation and are expected to be covered in the short-term.

NOTE 22 - EMPLOYEE BENEFITS:

The value of obligations for benefits acquired at December 31, 2014 and 2013 totaled $7,493 and $5,497 respectively, as shown below:

The amount shown as a liability in the consolidated statement of financial position is comprised as follows:

	December 31			
		2014		2013
Obligations for acquired benefits	$	7,493	$	5,497
Fair value of plan assets		-		-
Current situation	$	7,493	$	5,497
Present value of non-funded obligations	$	7,493	$	5,497
Cost of past services not recognized		-		-
Liability in the statement of financial position	**$**	**7,493**	**$**	**5,497**

Defined benefit obligation movements were as follows:

	December 31					
	Seniority premium		Other separation benefits		Total	
	2014	2013	2014	2013	2014	2013
Opening balance at January 1	$ 5,497	$ 5,523	$ -	$ 6,302	$ 5,497	$ 11,825
Net cost for the period	1,353	1,308	-	-	1,353	1,308
Contributions to fund						
Payments with a charge to the reserve	(388)	(989)	-	-	(388)	(989)
Actuarial (gains) losses	1,031	(345)	-	(6,302)	1,031	(6,647)
Closing balance at December 31	**$ 7,493**	**$ 5,497**	**$ -**	**$ -**	**$ 7,493**	**$ 5,497**

The net cost for the period is as follows:

	Year ended on December 31	
Seniority premium	**2014**	**2013**
Cost of service for the period	$ 928	$ 946
Financial costs - Net	425	362
	$ 1,353	**$ 1,308**

The economic hypotheses in nominal and real terms used were as follows:

	December 31	
Mexico	**2014 (%)**	**2013 (%)**
Discount rate	6.75	8
Salary increase rate	4.50	4.50
Minimum wage increase rate	4.25	4.25
Expected long-term inflation rate	4	4

The sensitivity of the obligation for defined benefits due to changes in the weighted average of the main assumptions is as follows:

Impact on the obligation for defined benefits	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	1.00%	Decrease of 12.5%	Increase of 14.3%
Salary increase rate	1.00%	Increase of 8.5%	Decrease of 7.25%

The foregoing sensitivity analyses are based on a change in one assumption with all other assumptions remaining constant. In practice, this is unlikely and changes in other assumptions can be correlated. In calculating the sensitivity of the obligation for defined benefits, we applied the same method as that used for significant actuarial assumptions (current value of obligations for defined benefits calculated by the projected unit credit method at the end of the period of reference). This method was also applied to the calculation of the liability for pensions recognized in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not vary in relation to the preceding period.

NOTE 23 - STOCKHOLDERS' EQUITY:

The capital stock is comprised as follows:

Shares* December 31, 2014	2013	Description	Total December 31, 2014	2013
15,104	15,104	Representing the minimum fixed portion of capital with no withdrawal rights	$ 50	$ 50
486,219,830	333,901,407	Representing the variable portion of of capital with withdrawal rights	5,139,856	1,105,361
486,234,934	333,916,511	Historical capital stock	5,139,906	1,105,411
		Restatement increase up to 1997	71,389	71,389
		Capital stock	$ 5,211,295	$ 1,176,800

* Common, nominative shares with no par value at December 31, 2014 and 2013 of $10.57083 and $3.31044, respectively, fully subscribed and paid in.

The elements used in determining the basic profit per share are as follows:

	Year ended on December 31 2014	2013
Profit attributable to Company shareholders	$ 416,956	$ 435,296
Weighted average of common outstanding shares (in thousands)	348,302	333,901
Basic profit per share	1.197	1.304

On June 2, 2014, it was unanimously agreed to increase the capital stock by $13,6773, which represents a total of 4,130,360 shares with a par value of 3.31044 each and a share premium of $4,253.

On June 16, 2014, it was unanimously agreed to declare a dividend payment of $275,595 that was distributed among the shareholders depending on their shareholding percentage. Of the foregoing dividend, $101 did not come from the CUFIN and consequently $75 tax was paid, which is included in tax payable in the year.

On June 16, 2014, it was unanimously agreed to declare a dividend of $149, which was distributed to the non-controlling interest through a subsidiary. That balance was paid out from the CUFIN and therefore was not subject to IT.

On September 24, 2014, it was unanimously agreed to declare a dividend of $344, which was distributed to the non-controlling interest through a subsidiary. That balance was paid out from the CUFIN and therefore was not subject to IT.

On November 24, 2014, it was unanimously agreed to increase the capital stock by $13,145, which represents a total of 3,970,668 shares with a par value of 3.31044 each.

On December 19, 2014, the Company acquired 350,000 own shares through Trust 117 for a total of $38,742. Those shares are held as treasury shares in order for them to be sold to eligible officers on subsequent dates.

As mentioned in Note 1, on November 24, 2014, the Company's shareholders issued a public offering of shares consisting of a primary public offering for subscription of 144,217,395 common, sole series, class II, nominative shares with no par value, representing the variable portion of the Company's capital stock. The offering includes 18,810,964 common, sole series, class II, nominative shares with no par value, which are part of the overallotment option. This public offering consists of a primary public offering for subscription of shares in Mexico through the BMV, as well as a primary private offering for share subscription in the US to institutional investors (qualified institutional buyers) in accordance with the provisions of rule 144A of the 1933 US Securities Act, through transactions that are exempt from the registration requirements set forth in that law, and in other international markets outside the US in accordance with the regulations to that Law. The amount secured through the public offering totaled $4,182,304, which was fully paid in. The public offering gave rise to $135,885 in net costs of placement taxes.

On December 16, 2013, it was unanimously agreed to increase the capital stock by $637,056, which represents a total of 192,438 shares with a par value of 3.31044 each.

On December 23, 2013, it was unanimously agreed to declare a dividend payment of $641,350 that was distributed among the shareholders depending on their shareholding percentage. Of the foregoing dividend, $322 did not come from the CUFIN and consequently $137 tax was paid, which is included in tax payable in the year.

The profit for the year is subject to the legal provision requiring that at least 5% of the profit be set aside to increase the legal reserve until it reaches an amount equivalent to one fifth of the capital stock.

In October 2013, Congress approved the issuance of a new Income Tax Law that came into effect on January 1, 2014. Among other aspects, this law establishes a 10% tax on earnings generated as from 2014, and on dividends paid to residents in Mexico and abroad, and establishes that for the periods from 2001 to 2013, the net tax profit must be determined in the terms of the current Income Tax Law for the tax period in question.

Dividends are not subject to income tax if paid from the CUFIN. Dividends in excess of the CUFIN are subject to 42.86% tax if paid in 2015. The tax is payable by the Company and may be credited against income tax of the current period or that of the following two periods. Dividends paid from previously taxed profits are not subject to tax withholding or additional payments.

In the event of a capital reduction, any excess of stockholders' equity over capital contributions, the latter restated in accordance with the provisions of the Income Tax Law, is accorded the same tax treatment as dividends.

As a result of the merge, 110,062,533 class "A" common shares with no par value of the variable portion of capital held by IMMR were canceled, as well as 110,062,533 Class "A" common nominative shares issued without par value of the variable portion of the capital stock of Grupo Rotoplas, S. A de C. V.

NOTE 24 - INCOME TAXES:

IT

In 2014, the company determined a tax profit of $451,549 (2013; $514,526). In 2014, the Company amortized prior years' combined tax losses of $58,409 (2013; $31,313). The tax result differs from the book result mainly due to items that accrue over time and are deducted differently for book and tax purposes, to the recognition of the effects of inflation for tax purposes and to items affecting only the book or tax result.

New Income Tax Law

In October 2013, the Congress approved the issuance of a new Income Tax Law, which went into effect on January 1, 2014 and the repeal of the Income Tax Law published on January 1, 2002. Although the new Income Tax Law retains the essence of the previous Income Tax Law, a number of important amendments have been made, of which the following are the most significant:

i. It places restrictions on the deduction of contributions to pension funds and exempt salaries, car leasing, restaurant expenses and Social Security dues. It also eliminates immediate deduction of fixed assets.

ii. It modifies the mechanics for taxing income arising from installment sales and generalizes the procedure for determining the profit on the sale of shares.

iii. It modifies the procedure for determining the ESPS taxable base, establishes the mechanics for determining the opening balance of the capital contributions account and the CUFIN, and establishes new mechanics for recovering asset tax.

iv. It establishes an income tax rate of 30% for 2014 and subsequent periods, as compared to the previous Income Tax Law, under which the rates were 30%, 29% and 28% for 2013, 2014 and 2015, respectively.

v. It eliminates the direct costing system and the last-in, first-out valuation method.

The Company has reviewed and adjusted the deferred income balance at December 31, 2013. Determination of temporary differences considers the application of these new provisions, the impact of which is detailed in the reconciliation of the effective rate shown below: However, the effects on the limitation on deductions and others mentioned above will be applied as from 2014, and will mainly affect tax incurred as from this period.

The charge to income for income taxes is analyzed below:

	For the year ended on December 31,	
	2014	2013
Current income taxes	$ 119,824	$ 128,948
Deferred income taxes	40,606	(51,280)
Total charges to consolidated income	**$ 160,430**	**$ 77,668**

Deferred tax assets and liabilities are analyzed as follows:

	December 31,	
Deferred tax asset:	2014	2013
Recoverable within the following 12 months	$ 66,226	$ 118,300
Recoverable after 12 months	134,550	78,952
	$ 200,776	**$ 197,252**
Deferred tax liability:		
Payable within the following 12 months	$ -	$ -
Payable after 12 months	(34,023)	(45,152)
	$ (34,023)	**$ (45,152)**

The principal components of deferred income taxes and the movement of assets and liabilities due to deferred income tax in 2014 and 2013 are shown on the tables appearing on the following pages:

Reconciliation of 2014 movements:

Company	Labor obligations	Provisions	Property, plant and equipment	Unamortized tax losses	Inventory - net	Client advances	Allowance for doubtful accounts	Other	**Total**
Opening balance as at January 1, 2014	$ (2,468)	$ (67,193)	$ 44,855	$ (73,216)	$ (9,880)	$ (75,313)	$ (10,192)	$ 41,307	$ (152,100)
Effect of currency translation	357	(2,905)	122	5,544	11	(112)	(2)	(38)	2,977
2014 movements:									
Grupo Rotoplas	-	(1,363)	-	(12,205)	-	-	-	-	(12,205)
Rotoplas	-	22,875	(12,008)	-	(644)	65,895	2,124	(41,211)	37,031
RRH	(455)	(490)	-	-	-	-	-	-	(945)
Servicios	(144)	5,570	643	-	-	-	-	-	6,069
Bienes raíces	-	-	(12,220)	-	-	-	-	1,091	(11,129)
Latinoamérica	-	-	-	1,929	-	-	-	-	1,929
Argentina	-	(3,197)	-	(2,274)	(93)	-	(224)	-	(5,788)

CONMIX	-	(189)	-	9,662	14	-	336	-	9,823
Brasil	-	(530)	4,351	13,200	483	-	(161)	(1,362)	15,981
Peru	-	1,600	-	-	(92)	-	(164)	-	1,344
Centroamérica	437	(371)	-	-	48	(137)	(118)	-	(141)
Movement for the year, Net	(162)	23,905	(19,234)	(47,924)	(284)	65,758	1,793	(41,482)	40,606
Minus items recognized in capital stock*	-	-	-	58,236	-	-	-	-	(58,236)
Balance as at December 31, 2014	**$ (2,273)**	**$ (46,193)**	**$ 25,743**	**$ (115,596)**	**$ (10,153)**	**$ (9,667)**	**$ (8,401)**	**$ (213)**	**$ (166,753)**

* In the period ended on December 31, 2014, the company recognized deferred tax on costs arising from public offering amounting to $58,236, which were recognized under capital stock (see Note 23).

Deferred income tax balances for asset items at December 31, 2014.

Company	Labor obligations	Provisions	Property, plant and equipment	Unamortized tax losses	Inventory - net	Client advances	Allowance for doubtful accounts	Other	**Total**
Grupo Rotoplas	$ -	$ (1,438)	$ -	$ (70,441)	$ -	$ -	$ (1,251)	$ -	$ (73,130)
Rotoplas	-	(9,365)	3,388	-	(8,538)	(9,418)	(5,909)	-	(29,842)
RRH	(1,803)	(1,314)	-	-	-	-	-	-	(3,117)
Servicios	(445)	(3,269)	(11,668)	-	-	-	-	-	(15,382)
Bienes raíces	-	-	-	-	-	-	-	-	-
Latinoamérica	-	-	-	-	-	-	-	-	-
Argentina	-	(5,875)	-	(5,909)	(388)	-	(380)	-	(12,552)
CONMIX	-	-	-	-	-	-	-	-	-
Brasil	(25)	(22,921)	-	(39,246)	(415)	-	(355)	(213)	(63,175)
Peru	-	(1,337)	-	-	(650)	-	(283)	-	(2,270)
Centroamérica	-	(674)	-	-	(162)	(249)	(223)	-	(1,308)
Total	$ (2,273)	$ (46,193)	$ (8,280)	$ (115,596)	$ (10,153)	$ (9,667)	$ (8,401)	$ (213)	$ (200,776)
Items recognized in capital stock	**$**	**$**	**$**	**$ (58,236)**	**$**	**$**	**$**	**$**	**$ (58,236)**

Deferred income tax balances for liability items at December 31, 2014.

Company	Labor obligations	Provisions	Property, plant and equipment	Unamortized tax losses	Inventory - net	Client advances	Allowance for doubtful accounts	Other	Total
Grupo Rotoplas	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rotoplas	-	-	-	-	-	-	-	-	-
RRH	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-
Bienes raíces	-	-	34,023	-	-	-	-	-	34,023
Latinoamérica	-	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-	-
CONMIX	-	-	-	-	-	-	-	-	-
Brasil	-	-	-	-	-	-	-	-	-
Peru	-	-	-	-	-	-	-	-	-
Centroamérica	-	-	-	-	-	-	-	-	-
Total	**$**	**$**	**$ 34,023**	**$**	**$**	**$**	**$**	**$**	**$ 34,023**

Reconciliation of 2013 movements:

Company	Labor obligations	Provisions	Property, plant and equipment	Unamortized tax losses	Inventory - net	Client advances	Allowance for doubtful accounts	Other	Total
Opening balance as at January 1, 2013	$ (4,683)	$ (30,905)	$ 33,144	$ (85,037)	$ (4,074)	$ (3,349)	$ (1,251)	$ (4,665)	$ (100,820)
2013 movements:									
Grupo Rotoplas	-	(75)	-	-	-	-	-	-	(75)
Rotoplas	-	(22,913)	11,132	-	(3,819)	(71,964)	(8,032)	41,211	(54,385)
RRH	27	(673)	-	-	-	-	-	-	(646)
Servicios	(19)	(1,856)	300	-	-	-	-	(1,374)	(2,949)
Bienes Raices	-	-	(1,541)	-	-	-	-	11,994	10,453
Latinoamerica	-	-	-	(718)	-	-	-	-	(718)
Argentina	492	1,053	(296)	(8,806)	(240)	-	(235)	-	(8,032)
CONMIX	-	1,222	1,019	(19)	(14)	-	(336)	(1,000)	872
Brasil	414	(8,851)	1,095	21,364	(912)	-	(189)	(8,583)	4,338
Peru	1,342	(1,359)	2	-	(570)	-	(141)	-	(726)
Centroamerica	(41)	(2,836)	-	-	(251)	-	(8)	3,724	588
Movements for the year, Net	2,215	(36,288)	11,711	11,821	(5,806)	(71,964)	(8,941)	45,972	(51,280)
Balance at December 31, 2013	**$ (2,468)**	**$ (67,193)**	**$ 44,855**	**$ (73,216)**	**$ (9,880)**	**$ (75,313)**	**$ (10,192)**	**$ 41,307**	**$ (152,100)**

Deferred income tax balances for asset items at Tuesday, December 31, 2013.

Company	Labor obligations	Provisions	Property, plant and equipment	Unamortized tax losses	Inventory - net	Client advances	Allowance for doubtful accounts	Other	Total
Grupo Rotoplas	$ -	$ (75)	$ -	$ -	$ -	$ -	$ (1,251)	$ -	$ (1,326)
Rotoplas	-	(32,240)	-	-	(7,893)	(75,313)	(8,032)	-	(123,478)
RRH	(1,349)	(824)	-	-	-	-	-	-	(2,173)
Servicios	(300)	(8,839)	(12,311)	-	-	-	-	-	(21,450)
Bienes raíces	-	-	-	-	-	-	-	(1,091)	(1,091)
Latinoamerica	-	-	-	(1,929)	-	-	-	-	(1,929)
Argentina	-	(307)	-	(8,806)	(240)	-	(235)	-	(9,588)
CONMIX	-	-	-	(9,663)	(14)	-	(336)	-	(10,013)
Brasil	(25)	(22,376)	(4,473)	(52,818)	(912)	-	(189)	-	(80,793)
Peru	-	(2,721)	-	-	(570)	-	(141)	-	(3,432)
Centroamerica	(794)	-	-	-	(251)	-	(8)	-	(1,053)
Total	**$ (2,468)**	**$ (67,382)**	**$ (16,784)**	**$ (73,216)**	**$ (9,880)**	**$ (75,313)**	**$ (10,192)**	**$ (1,091)**	**$ (256,326)**

Deferred income tax balances for liability items at Tuesday, December 31, 2013.

Company	Labor obligations	Provisions	Property, plant and equipment	Unamortized tax losses	Inventory - net	Client advances	Allowance for doubtful accounts	Other	Total
Grupo Rotoplas	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rotoplas	-	-	15,396	-	-	-	-	41,211	56,607
RRH	-	-	-	-	-	-	-	-	-
Servicios	-	-	-	-	-	-	-	-	-
Bienes Raices	-	-	46,243	-	-	-	-	-	46,243
Latinoamerica	-	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-	-
CONMIX	-	189	-	-	-	-	-	-	189
Brasil	-	-	-	-	-	-	-	1,187	1,187
Peru	-	-	-	-	-	-	-	-	-
Centroamerica	-	-	-	-	-	-	-	-	-
Total	**$ -**	**$ 189**	**$ 61,639**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 42,398**	**$ 104,226**

The reconciliation between the legal tax rate and the effective income tax rate is as follows:

	For the year ended on December 31,			
		2014		2013
Profit before income taxes	$	577,271	$	514,190
Incurred IT rate		30%		30%
ISR at statutory rate	$	173,181	$	154,257
Plus (less) income tax effect of the following permanent items:				
Effect of different rates*	$	20,783	$	9,115
Non-deductible expenses		16,267		8,585
Inflation annual adjustment		6,035		7,811
Tax benefits **		(81,234)		(65,092)
Other		25,328		(37,008)
	$	**160,360**	**$**	**77,668**
Effective IT rate		**28%**		**15%**

* The legal rate used in this reconciliation is in accordance with the IT Law, which is the most representative for the reporting entity. The effect on rates is due to the fact that there are branches at several countries in Central and South America, the principal in Brazil.

Following are the rates in effect in the different countries:

Country	%
Argentina	35
Brazil	34
Peru	30

Country	%
Central America	30
Mexico	30

** The tax benefit is an exemption from the payment of Tax on the Circulation of Merchandise (TCM) for each of the plants located in Brazil as per the percentages shown in the following table: That tax benefit is recorded in income for the period as revenue, and is non-taxable.

State:	%
Piauí	75
Montes Claros	90
Petrolina	90
Penedo	50

State:	%
Bahía	90
Ceara	30
Cabo de Sto. Agosthino	70

FLAT TAX

In October 2013, the Congress approved the abrogation of the Flat Tax Law published on October 1, 2007. Therefore, as of the date on which the decree approved in October 2013 went into effect, all general administrative resolutions and provisions and all rulings issued pertaining to flat tax consultations, interpretations, authorizations or permits issued to private parties become null and void.

In 2013 the Company determined a higher IT base. As per tax legislation in effect at December 31, 2013, the Company was subject of payment to the higher of IT and flat tax for the year.

NOTE 25 - ANALYSIS OF COSTS PER NATURE:

	For the year ended on December 31,	
	2014	2013
Raw material and production materials purchases	$ 2,754,937	$ 2,282,151
Installation costs	250,457	-
Direct labor	172,875	169,852
Electrical power	93,901	75,508
Energy (gas)	111,184	86,222
Depreciation	106,336	101,844
Indirect manufacturing expenses	547,771	494,432
Total	**$ 4,037,461**	**$ 3,210,009**

NOTE 26 - ANALYSIS OF OPERATING EXPENSES PER NATURE:

	For the year ended on December 31,	
	2014	2013
Distribution and logistics	$ 602,673	$ 486,002
Employee remuneration and benefits	443,430	328,184
Services contracted	27,387	9,017
Commissions	29,737	23,820
Repair and maintenance	26,095	18,711
Amortization	10,617	15,506
Leasing	31,557	53,886
Depreciation	20,827	29,295
Travel expenses	57,037	61,493
ESPS[1]	10,218	16,352
Fuels and lubricants	16,481	20,307
Advertising	99,947	89,045
Other	440,006	404,316
Total expenses	**$ 1,816,012**	**$ 1,556,294**

[1] The Company is required to pay ESPS, which is calculated applying the procedures established in the IT Law. In 2014 and 2013, the Company determined an ESPS expense of $1,583 and $6,538, respectively. In accordance with Peruvian law, in 2014 and 2013, the company determined an ESPS expense of $8,635 and $9,814, respectively.

NOTE 27 - FINANCIAL INCOME AND EXPENSES:

	For the year ended on December 31,			
		2014		2013
Financial revenue				
Interest earned	$	29,935	$	15,496
Profit on derivative financial instruments		-		10,744
Exchange gain		84,465		60,853
	$	**114,400**	**$**	**87,093**
Financial expenses				
Interest paid	$	90,075	$	88,762
Loss on derivative financial instruments		28,089		20,874
Changes in the fair value of financial instruments		23,099		4,970
Exchange loss		95,302		104,851
	$	**236,565**	**$**	**219,457**
	$	**122,165**	**$**	**132,364**

NOTE 28 - COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS:

Commitments:

The Company has a trust named Fideicomiso AAA created on March 15, 2007 in order to promote the development of the companies via the operation of a system of preferential financial support for suppliers and distributors. The main purpose is to provide financing in the form of an electronic discount of collection rights eligible under the productive chain arrangement, in both local currency and USD.

On January 23, 2014, Dalka Brazil signed a contract with CODEVASF for the supply of 29,088 cisterns in the state of PIAUI. The value of that contract is R152,091 thousand reales (equivalent to $843.7 million). The contract establishes that in the event of total noncompliance, the right to be contracted could temporarily be suspended and a fine of 10% of the contract value would be imposed in accordance with the law, in addition to the implications contemplated in the law, up to a maximum of 20% of the overall value of the contract, which will be a cause for rescission. On the other hand, in the event of partial noncompliance or delay in the execution of the contract, a fine will be imposed of 2% of the value of the unexecuted or delayed portion of the contract. A fine will be imposed on any remaining unexecuted portion, amounting to 2% of the value of that unexecuted portion. That contract was in effect up to January 15, 2015. At the date of issuance of the consolidated financial statements, that contract has not been concluded because CODAVASF must inspect installed cisterns before work can continue on the following cisterns. This has resulted in no penalties for the Company.

On January 23, 2014, Dalka Brazil signed a contract with CODEVASF for the supply of 10,000 cisterns in the state of PIAUI. The value of that contract is R48,490 thousand reales (equivalent to $269 million). That contract was in effect up to September 15, 2014. At the date of issuance of the consolidated financial statements, the government has not yet concluded inspection of the installation.

Operating leases are for the buildings housing the plants in Peru and Honduras. The leasing periods for those buildings are 10 years and one year with a one-year extension, respectively, and mature in 2021 and March 2015, respectively. At the date of issuance of the financial statements, management is negotiating an extension to the leasing agreement. All operating leasing agreements contain clauses for the annual revision of lease payments at market prices. The agreements do not establish the option to buy the space leased at the date of expiration of the lease terms. The monthly lease payments are $361 and $23 for the buildings located in Peru and Honduras, respectively.

Following is an analysis of future minimum payments arising from those leasing agreements:

Up to 1 year	$	4,338
From 1 to 5 years		1,084
	$	5,422

On April 29, 2013, Dalka Brazil signed a contract to supply 26,021 tanks whit CODEVASF; therefore 16,299 tanks was going to send the State of Alagoas and another for 9,722 for the State of Minas Gerais. The value of those contracts is R148,164 thousand reales (equivalent to $879 million). The contract establishes that in the event of total noncompliance, the right to be contracted could temporarily be suspended and a fine of 10% of the contract value would be imposed in accordance with the law, in addition to the implications contemplated in the law, up to a maximum of 20% of the overall value of the contract, which will be a cause for rescission. That contract is for a term of one year, renewable up to June 20, 2014. The contract concludes in 2014.

On November 8, 2013, Rotoplas S.A. de C.V. signed a contract with the Department of Social Development For the acquisition, distribution and installation of rainwater capturing systems for domestic use in housing located in rural areas. The value of that contract is $270 million. It establishes a clause providing for a penalty of 5% of the amount for each calendar day of delay, a deduction of 3% on the amount of partial or deficient compliance with the schedule of deliveries and rescission of the contract when the sum of deductions totals 10% of the overall contract. The contract was in effect up to December 31, 2013 and payment was made in February 2014.

On May 7, 2013, Tinacos y Tanques de Centroamerica, S. A. signed a contract with ACICAFOC for the supply of 3,496 cisterns for the collection of rainwater in Guatemala, El Salvador, Honduras and Nicaragua. The value of that contract was $2.11 million plus VAT for each country. That contract contemplates no sanctions in the event of a delay or failure to comply. It was in effect from May 7 to December 30, 2013 and was paid in 2013.

Contingencies:

At December 31, 2014, and at the date of issuance of these financial statements, there are no contingencies.

Subsequent events:

At the date of issuance of the consolidated financial statements, there have been no subsequent events that could have a material effect on those financial statements.

At the date of issuance of the consolidated financial statements, the Company has used the resources received from public offering of shares (see Note 23) to finance its operating and investment activities, principally in the business of comprehensive solutions in Mexico and Brazil, where growth is sought via the possible acquisition of businesses.

Additionally, those resources have been used to expand the individual solutions business in the US, where, as mentioned in Note 2.2.1, the first manufacturing plant is now operating. The installation of two additional manufacturing plants in the US is expected to conclude in 2015.

NOTE 29 - REORGANIZATION OF BUSINESSES UNDER COMMON CONTROL:

On December 19, 2013, the stockholders of the Company and of IMMR decided on the legal and accounting merger of the companies, with Grupo Rotoplas S. A. de C. V. surviving, using internal balance sheets at November 30, 2013. That transaction between companies of the Group amounted to a legal reorganization, and the consolidated financial statements at December 31, 2013 reflect the financial information of IMMR as if it had always been part of Grupo Rotoplas S. A. de C. V.

The condensed internal balance sheets at November 30, 2013 are as follows:

Description		Accounting balances at November 30, 2013		
	IMMR	Company	Balances and eliminations and effects of merger	Company restructured
Current assets	$ 362	$ 1,250,187	$ -	$ 1,250,549
Noncurrent assets	624,718	1,960,969	(624,718)	1,960,969
Total assets	**$ 625,080**	**$ 3,211,156**	**$ (624,718)**	**$ 3,211,518**
Short-term liabilities	$ 2,283	$ 437,788	$ -	$ 440,071
Long-term liabilities	-	1,196,700	-	1,196,700
Total liabilities	**$ 2,283**	**$ 1,634,488**	**$ -**	**$ 1,636,771**
Capital stock	$ 35,740	$ 1,176,801	$ (35,740)	$ 1,176,801
Legal reserve	17,093	-	-	17,093
Share premium	7,556	29,506	-	37,062
Retained earnings	562,408	(138,103)	(588,978)	(164,673)
Income for the year	-	504,035	-	504,035
Controlling portion	622,797	1,572,239	(624,718)	1,570,318
Non-controlling portion	-	4,429	-	4,429
Total stockholders' equity	**$ 622,797**	**$ 1,576,668**	**$ (624,718)**	**$ 1,574,747**
Total liabilities and stockholders' equity	**$ 625,080**	**$ 3,211,156**	**$ (624,718)**	**$ 3,211,518**

NOTE 30 - AUTHORIZATION OF ISSUANCE OF CONSOLIDATED FINANCIAL STATEMENTS:

The accompanying consolidated financial statements and notes thereto were authorized for issuance on April 13, 2015 by the undersigned officers.

Mr. Carlos Rojas Mota Velasco
President

Mr. Mario Antonio Romero Orozco
Vice President of Finance and Administration

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Markets
Rotoplas trades in the Mexican Stock Exchange with the ticker symbol AGUA

AGUA

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