OUR DRIVE

2015 ANNUAL REPORT

Consolidated Financial Statements

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries
Consolidated Financial Statements
December 31, 2015 and 2014

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries
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Independent Auditor's Report
(This report is a free translation from the original prepared in Spanish, which was issued to have effect only in México)

To the Stockholders of
Grupo Rotoplas, S. A. B. de C. V.

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, 2015, 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

Management is responsible for the preparation and fair presentation of these consolidated 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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 and appropriate 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, 2015, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers, S. C.

P.A. César Alfonso Rosete Vela
Audit Partner

Mexico City, April 19, 2016

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Financial Position

December 31, 2015 and 2014

Thousands of Mexican pesos

		December 31	
Assets	Notes	2015	2014
CURRENT ASSETS:			
Cash and cash equivalents	8	$3,476,252	$3,944,821
Accounts receivable and other accounts receivable	9	1,820,163	1,713,534
Related parties	10	5,246	5,087
Income tax receivable		23,013	99,316
Other recoverable taxes	11	156,228	146,997
Inventories	12	768,113	876,873
Prepayments	13	57,625	132,951
Financial asset at fair value through profit or loss	14	17,249	-
Total current assets		6,323,889	6,919,579
NON-CURRENT ASSETS:			
Related parties	10	89,093	61,760
Property, plant and equipment - Net	15	1,304,293	1,196,117
Investment accounted under the equity method	16	9,339	7,795
Intangible assets	17	168,064	108,354
Deferred income tax asset	25	203,179	200,776
Guarantee deposits	6	49,640	41,707
Total assets		$8,147,497	$8,536,088
Liabilities and Stockholders' equity			
CURRENT LIABILITIES:			
Bank loans	19	$ 12,986	$ 9,956
Suppliers	20	269,325	579,443
Other accounts payable	21	294,432	359,197
Provisions	22	33,607	28,690
Income taxes payable		151,795	51,615
Other taxes payable		57,393	63,328
Employees' statutory profit sharing		18,980	10,934
Total non-current liabilities		838,518	1,103,163
NON-CURRENT LIABILITIES:			
Bank loans	19	1,203,929	1,200,785
Employee benefits	23	8,592	7,493
Deferred income tax liability	25	28,861	34,023
Derivate financial instruments	18	14,389	25,268
Total liabilities		2,094,289	2,370,732
STOCKHOLDERS' EQUITY:			
Capital stock	24	5,039,571	5,211,295
Share premium		33,759	33,759
Retained earnings		1,288,605	897,635
Legal reserve		11,105	-
Currency translation effect in subsidiaries		(518,214)	(177,012)
Revaluation surplus		196,149	196,149
Capital attributable to:			
Controlling interest		6,050,975	6,161,826
Non-controlling interest		2,233	3,530
Total stockholders' equity		6,053,208	6,165,356
Total liabilities and stockholders' equity		$8,147,497	$8,536,088

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

Carlos Rojas Mota Velasco
President

Mario Antonio Romero Orozco
Finance and Administrative Vice President

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Income
December 31, 2015 and 2014

Thousands of Mexican pesos

	Notes	Year ended on December 31 2015	2014
Net sales	7	$5,700,400	$6,551,761
Cost of sales	26	3,396,818	4,037,461
Gross profit		2,303,582	2,514,300
Operating expenses	27	1,641,385	1,816,012
Operating profit		662,197	698,288
Financial income	28	127,470	29,935
Financial expenses	28	(214,154)	(152,100)
Net financial costs		(86,684)	(122,165)
Profit from associated company	16	302	1,148
Profit before income taxes		575,815	577,271
Income taxes	25	(173,583)	(160,430)
Consolidated profit for the year		$ 402,232	$ 416,841
Profit attributable to:			
Controlling interest		$ 402,075	$ 416,956
Non-controlling interest		157	(115)
		$ 402,232	$ 416,841
Basic and diluted earnings per share*	2.27, 24	$ 0.831	$ 1.197

* The basic and diluted earnings per share are expressed in Mexican pesos.

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

Carlos Rojas Mota Velasco
President

Mario Antonio Romero Orozco
Finance and Administrative Vice President

Thousands of Mexican pesos

	December 31	
	2015	2014
Consolidated net profit	$ 402,232	$ 416,841
Other comprehensive income:		
Items that may be subsequently reclassified to profit of loss:		
Currency translation differences*	(342,656)	13,948
Consolidated comprehensive income for the year	$ 59,576	$ 430,789
Consolidated comprehensive income for the year attributable to:		
Controlling interest	$ 60,873	$ 430,238
Non-controlling interest	(1,297)	551
	$ 59,576	$ 430,789

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

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

Carlos Rojas Mota Velasco
President

Mario Antonio Romero Orozco
Finance and Administrative Vice President

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

For the years ended on December 31, 2015 and 2014

Thousands of Mexican pesos

	Notes	Ordinary shares	Share Premium	Retained earnings	Legal reserve	Currency translation effect in subsidiaries	Revaluation surplus	Stockholder's equity of controlling interest	Non-controlling interest	Total stockholders' equity
Balances as at January 1, 2014		$ 1,176,800	$ 29,506	$ 715,207	$ -	($ 190,294)	$ 237,216	$ 1,968,435	$ 3,472	$ 1,971,907
Comprehensive income for the period:										
Other comprehensive income		-	-	-	-	13,282	-	13,282	666	13,948
Profit for the year		-	-	416,956	-	-	-	416,956	(115)	416,841
Total comprehensive income		-	-	416,956	-	13,282	-	430,238	551	430,789
Transfer of revaluation of property, plant and Equipment		-	-	41,067	-	-	(41,067)	-	-	-
Transactions with shareholders recognized directly in equity:										
On June 2, 2014, the shareholders unanimously approved the capital stock increase	24	13,673	4,253	-	-	-	-	17,926	-	17,926
Dividend payment unanimously approved on June 16, 2014	24	-	-	(275,595)	-	-	-	(275,595)	-	(275,595)
Dividend payment unanimously approved on June 16, 2014	24	-	-	-	-	-	-	-	(149)	(149)
Dividend payment unanimously approved on September 24, 2014	24	-	-	-	-	-	-	-	(344)	(344)
On November 24, 2014, the shareholders unanimously approved the increase in the capital stock	24	13,145	-	-	-	-	-	13,145	-	13,145
Treasury shares under trust /117 (Plan OCA)	24	(38,742)	-	-	-	-	-	(38,742)	-	(38,742)
On November 24, 2014, the shareholders unanimously approved the public offering of shares	24	4,182,304	-	-	-	-	-	4,182,304	-	4,182,304
Costs incurred for the public offering of shares	24	(135,885)	-	-	-	-	-	(135,885)	-	(135,885)
Total transactions with the shareholders recognized directly in equity		4,034,495	4,253	(234,528)	-	-	(41,067)	3,763,153	(493)	3,762,660
Balances as at December 31, 2014		5,211,295	33,759	897,635	-	(177,012)	196,149	6,161,826	3,530	6,165,356
Comprehensive income for the period:										
Other comprehensive income		-	-	-	-	(341,202)	-	(341,202)	(1,454)	(342,656)
Profit for the year		-	-	402,075	-	-	-	402,075	157	402,232
Total comprehensive income		-	-	402,075	-	(341,202)	-	60,873	(1,297)	59,576
Transactions with shareholders recognized directly in equity:										
Acquisition of treasury shares	24	(171,724)	-	-	-	-	-	(171,724)	-	(171,724)
Approved legal reserve	24	-	-	(11,105)	11,105	-	-	-	-	-
Transactions with shareholders recognized directly in equity:		(171,724)	-	(11,105)	11,105	-	-	(171,724)	-	(171,724)
Balances as at December 31, 2015		$ 5,039,571	$ 33,759	$ 1,288,605	$ 11,105	($ 518,214)	$ 196,149	$ 6,050,975	$ 2,233	$ 6,053,208

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

Carlos Rojas Mota Velasco
President

Mario Antonio Romero Orozco
Finance and Administrative Vice President

Grupo Rotoplas, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Cash Flows
December 31, 2015 and 2014

Thousands of Mexican pesos

	December 31	
Operating activities	2015	2014
Profit before income taxes	$ 575,815	$ 577,271
Adjustments for items not involving cash flows:		
Depreciation and amortization included in expenses and costs	104,770	137,780
Loss (profit) on sale of property, plant and equipment	4,180	(5,093)
Profit from associated company	(302)	(1,148)
Derivative financial instruments	(10,879)	23,099
Allowance for doubtful accounts	5,373	8,209
Interest receivable	(116,591)	(29,935)
Employee benefits costs	1,319	2,384
Interest payable	101,425	90,075
Changes in assets and liabilities:		
Accounts receivable	(355,574)	(459,129)
Recoverable income tax	75,516	(69,216)
Other recoverable taxes	(22,700)	142,486
Inventories	72,488	(231,451)
Prepayments	52,159	(117,655)
Guarantee deposits	(9,195)	(6,270)
Suppliers	(288,695)	173,260
Other accounts payable	(28,164)	(75,463)
Other taxes payable	(2,404)	(34,075)
Employees' statutory profit sharing	7,801	(5,468)
Employee benefits payments	(220)	(388)
Net cash flows from operating activities	166,122	119,273
Income taxes paid	(95,016)	(148,843)
Net cash flows from operating activities	71,106	(29,570)
Investing activities		
Acquisitions of property, plant and equipment	(275,089)	(154,323)
Proceeds from sale of property, plant and equipment	337	70,000
Acquisition of financial asset at fair value through profit or loss	(17,249)	-
Acquisition of intangible assets	(53,071)	(24,857)
Related parties	(26,254)	(5,305)
Interest received	113,867	29,935
Net cash flows from investing activities	(257,459)	(84,550)
Financing activities		
Proceeds from public offering of shares	-	4,182,304
Proceeds from issuance of ordinary shares	-	31,071
Costs incurred on public offering of shares	-	(194,121)
Payment of dividends to shareholders	-	(275,595)
Payment of dividends to non-controlling interest	-	(493)
Purchase of shares under trust 117(Plan OCA)	-	(38,742)
Acquisition of treasury shares	(171,724)	-
Payment of bank loans	(9,067)	(112,867)
Interest paid	(101,425)	(90,075)
Net cash flows from financing activities	(282,216)	3,501,482
(Decrease) increase in cash and cash equivalents	(468,569)	3,387,362
Cash and cash equivalents at beginning of year	3,944,821	557,459
Cash and cash equivalents at end of year	$ 3,476,252	$ 3,944,821

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

Carlos Rojas Mota Velasco
President

Mario Antonio Romero Orozco
Finance and Administrative Vice President

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 ultimately controlled by a group of stockholders. The Company is mainly engaged in manufacturing, purchasing, selling and installation of plastic containers and accessories that provide water storage, conduction and improvement solutions, and in providing individual and comprehensive water solutions to its clients. The Company has defined January 1 to December 31 as its normal operating period.

The Group operates nine production plants in Mexico City, Guadalajara, Lerma, Monterrey, León, Mérida, Veracruz, Tuxtla Gutiérrez and Los Mochis, furthermore the Group also operates production plants in Guatemala, Peru, Argentina, United States (US) and Brazil and distribution centers in El Salvador, Honduras, Nicaragua and Costa Rica, which enhances an extensive market in Mexico, Central and South America.

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

Pedregal 24, piso 19
Col. Molino del Rey
11040 Mexico City

Relevant transactions

a. Manufacturing plants closure

   i. On June 9, 2015 the Company decided to close the plant in Montes Claros, located in the state of Minas Gerais, Brazil.

   ii. On April 29, 2015 the Company decided to close the rotomolding plants in Teresina and Penedo, located in the states of Piaui y Aloagoas, Brazil, respectively.

   iii. On July 30, 2014 the Compnay decided to close the rotomolding plant in Cabo de Santo, located in the state of Pernambuco, Brazil.

   iv. The above decisions were made by the Company in order to achieve efficiencies in distribution and costs reduction. The molds and machinery that were located at the plants were relocated to different Company's plants in Brazil and other locations where the Company has presence.

b. Manufacturing plants opening

   On January 14 and December 21, 2015 the Company announced the opening of two new plants in Merced, California and Tallapoosa, Georgia, United States (US) respectively, which are a fundamental part of the strategy to meet the demand for water in this country.

c. 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.

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, 2015 and 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Interpretations issued by the IFRS interpretations committee (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 amendment to standards applied by the Company.

The following modification has been adopted for the first time by the Company for the period starting on January 1, 2015, which did not have a material effect and is described as follows:

- IAS 16 " Property, plant and equipment" and IAS 38 "Intangible assets". Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation /amortization are treated where an entity uses the revaluation model. The Company has opted to eliminate the accrued depreciation, at the moment of the revaluation, against the asset cost. This modification will have a relevant impact in further periods when the Company performs valuation modifications.

2.1.1.2 New standards issued, which adoption is not mandatory, and that were not adopted by the Company.

A number of new standards applicable to annual periods beginning after January 1, 2016 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: i. fair value through profit and loss, ii. fair value through Other Comprehensive Income (OCI) and iii. amortized cost. 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 OCI without 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 OCI , 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 standard 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, 2018, and earlier application is permitted.

- IFRS 16 "Leases". Specifies how leases are meant to be recognized, measured, presented and disclosed. The standard establishes a unique lease model, requiring that the assets and liabilities are recognized upon beginning of the lease, unless that their period term is twelve months or less or else that the lease is immaterial. The lessors continue to classify their leases as operating or finance. The standard replaces IAS 17 "Leases". The standard is effective for annual periods beginning on or after January 1, 2019.

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 Company'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.

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 2015 and 2014 (%)	Operations
Mexican subsidiaries:		
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.
Subsidiary in the USA		
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. (Refer to Note 29).

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

Company	Participation in 2015 and 2014 (%)	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, additionally during December 2015 production and operation begun in Tallapoosa, Georgia, USA.

* On July 10, 2014, the stockholders agreed to merge 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. and subsidiaries.

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

Company	Equity in 2015 and 2014 (%)	Operations
Comercializadora y Exportadora 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 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 OCI 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 OCI are reclassified to profit or loss in some cases.

2.2.5 Associates

Associates are all entities over which the Group has significant influence but not control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. (Refer to Note 16). If the ownership interest in an associate is reduced but significant influence is retained, only a proportion of the amounts previously recognized in OCI 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 OCI is recognized in OCI. These post-acquisition movements are accrued and are adjusted 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 Company 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.

Profit 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 Company, in case it was necessary.

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

As at December 31, 2015 and 2014, 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. (Refer to 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 functional currency by entity is presented in section 2.4.3 point c. The consolidated financial statements are presented in Mexican pesos ($), which is the Group's functional and 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 OCI 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 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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position.

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);

c. Stockholders' equity of each statement of financial position presented is converted at the historical exchange rate.

d. All resulting exchange differences are recognized as part of the 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 OCI.

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

		Equivalent functional currency in Mexican pesos			
		Closing exchange rate at December 31		Average exchange rate at December 31	
Country	Local currency	2015	2014	2015	2014
Brazil	Brazilian Real	4.42	5.55	4.81	5.48
Argentina	Argentinian Peso	1.32	1.72	1.72	1.69
Central America	Quetzal	2.26	1.94	2.07	1.90
Peru	New sol	5.06	4.93	4.97	4.89
United States of America	Dollar	17.25	14.73	15.86	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 (at least each three or five years) 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.

The remaining property, plant and equipment are expressed at its historical cost less the accumulated depreciation. The historical cost includes all those directly attributable expenses at the moment of the element acquisition.

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 any component accounted for as a separate asset is derecognized when replaced. 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 OCI and shown as revaluation surplus in stockholders' equity. Decreases that reverse previous increases of the same asset are first recognized in OCI to the extent of the remaining surplus attributable to the asset; 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.

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
Lease improvements	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. (Refer to Note 29).

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 cash-generating unit (CGU) or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

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

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Licenses have a definite useful life and are subsequently carried at cost less accumulated amortization. Amortization is calculated by the straight-line method based on estimated useful lives of three to five years. The trademark has an indefinite useful life since it is expected that it will contribute to the net cash flows on an undefined period term, it is recognized at it is historical cost less impairment. At December 31, 2015 and 2014 there are no accrued losses for impairment on trademarks.

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.

Directly attributable costs that are capitalized as part of the software include employee costs 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 (CGUs). Prior impairments of non-financial assets other than goodwill are reviewed for possible reversal at each reporting date. At December 31, 2015 and 2014 there are no accrued losses for impairment on non-financial assets.

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. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented 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, Other accounts receivable, prepaid expenses 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 statement of financial position 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 recognized 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, 2015 and 2014, the Company has derivative financial instruments contracted for economic hedging purposes; however, it does not recognize them as hedge accounting. (Refer to Note 18).

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 lease 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, 2015 and 2014, short-term highly-liquid investments with maturities of three months or less are invested in bank debt securities and government bonds. (Refer to 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. (Refer to Note 24).

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, equity reductions or distributions.

2.15.6 Treasury shares

Stockholders' meeting 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. The related paid amount, including the directly attributable costs of the acquisitions (net of tax), are recognized as a decrease in capital stock of the Group until the shares are canceled or reissued. When the shares are reissued, the amount received, including incremental costs directly attributable to the transaction (net of tax), are recognized as part of the capital stock.

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. 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, 2015 and 2014, 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. Income tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in OCI or directly in stockholders' equity. In this case, income tax is recognized together with the balance that gave rise to it.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position 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 statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. (Refer to Note 25).

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

2.20.1 Pension 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 $3,559 and $993 at December 31, 2015 and 2014, respectively, which is included in Note 22 in the provision for bonuses and employees' gratification.

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. (Refer to 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. (Refer to Note 27).

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 follows.

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.

The Group determines its estimates based on past experience, taking into account the type of customer, the type of operation and the specific terms of each contract.

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. At December 31, 2015 and 2014 the Group does not have finance leases.

2.26 Dividend distributions

Dividend distributions to the Company's shareholders are recognized as a liability in the consolidated financial statements in the period in which dividends are approved by the Company's stockholders and the right to receive this payment is established. In order to pay dividends (which are discounted from retained earnings), the Company uses the individual financial statements prepared in accordance with IFRS for statutory purposes.

2.27 Basic and diluted earnings per share

Net basic earnings per share is calculated by dividing the profit of the year attributable to the controlling interest by the weighted average number of ordinary shares in circulation during the year.

Net diluted earnings per share is calculated by dividing the profit of the year, by the weighted average number of shares in circulation during 2015 and 2014, decreasing such average of such potential dilutive shares. At December 31, 2015 and 2014, there are no profit dilutive components. (Refer to Note 24).

2.28 Comparison

Classifications of certain balances have been analized, and the comparative data have been amended to the new policies and standards for a 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 flows 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

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 no contracted 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, mainly. 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 in thousands of (USD9,877) and (€13) at December 31, 2015 and (USD15,195) and (€1,922) at December 31, 2014.

At December 31, 2015 and 2014, in the event of a 10% increase in the peso-USD (and euro) exchange rate, the Company would have incurred in a loss of approximately $17,036 and $22,553, respectively for the USD position and and $23 and ($3,445), 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 mainly through borrowings denominated in the relevant foreign currencies.

The Company and its subsidiaries had monetary assets and liabilities denominated in thousands of USD and €, as follows:

	December 31			
	2015		2014	
	Dollars	Euros	Dollars	Euros
Assets	USD 2,824	€ -	USD 1,316	€ 197
Liabilities	(12,701)	(13)	(16,511)	(2,119)
Net liability position	(USD 9,877)	€ (13)	(USD15,195)	(€1,922)

At December 31, 2015 and 2014, the exchange rate was $17.25 and $14.73 per USD, respectively, and $18.92 and $17.92 per €, respectively.

At April 19, date of issuance of the financial statements, the exchange rate was $17.46 per USD and $19.74 per €.

The exchange rate of the USD to the currency of the subsidiaries established abroad at December 31, 2015 and 2014 is as follows:

		Foreign currency equivalent in USD	
		December 31	
Country	Currency	2015	2014
Argentina	Peso	0.0890	0.1169
Brazil	Real	0.3001	0.3765
Costa Rica	Colón	0.0019	0.0018
El Salvador	Dollar	0.1142	0.1143
Guatemala	Quetzal	0.1310	0.1316
Honduras	Lempira	0.0448	0.0462
Nicaragua	Cordoba	0.0359	0.0376
Peru	Nuevo sol	0.2893	0.3344
Ecuador	USD	1.0000	1.0000

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, 2015 and 2014, the Company would experience an increase or decrease in the cost of sales of approximately $9,402 and $174,840, 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 2015 and 2014, the Company's borrowings bearing interest at variable rates were denominated in pesos, and reales.

The Company analyzes its exposure to interest rate risk in a dynamic way. 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 2015 would have increased/decreased by $1,439, mainly due to the difference in the cost of interest on borrowings contracted at variable rates; while income for 2014 would have increased/decreased by $2,527, mainly as a result of the change in the market value of fixed rate financial assets.

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, 2015 and 2014 would have increased/decreased by $720 and $1,263, 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	
	2015	2014
Variable rate loans	100%	99%
Fixed rate loans	- %	1%

At December 31, 2015 and 2014, bank loans with variable rates are hedged by the financial instruments described in Note 18.

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:

	December 31	
Clients	2015	2014
Counterparties without external credit ratings:		
Group A	$ 15,501	$ 38,035
Group B	1,535,838	1,430,030
Group C	195,913	160,264
Total accounts receivable from a customers, not impaired	$1,747,252	$1,628,329

Cash at bank and short-term bank deposits

Counterparties with external credit ratings:		
AAA	$ 149,201	$ 206,843
AA	3,232,704	3,674,843
A	94,347	63,135
	$3,476,252	$3,944,821

Loans to related parties

Counterparties without external credit ratings:		
Group B	$ 89,093	$ 61,760

Group A: new clients /related parties (less than six months of operations).

Group B: clients/existing related parties (more than six months of operations) with no past breaches.

Group C: clients/existing related parties (more than 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. These forecasts consider financing plans through loans, compliance with contractual obligations, compliance with financial ratios based on the current financial situation and, if applicable, external and legal regulatory requirements.

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, 2015 and 2014, the Company had term deposits of $212,410 and $232,244, 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 contractual interests.

December 31, 2015	Under 3 months	Between 3 months & 1 year	Between 1 & 5 years	Total
Bank loans	$ -	$75,716	$1,334,798	$1,410,514
Derivative financial instruments for economic hedging settled on a net basis and for negotiation purposes (swaps)	$ -	$ -	$ 14,389	$ 14,389
Suppliers	$266,939	$ 2,386	$ -	$ 269,325
Other accounts payable	$294,432	$ -	$ -	$ 294,432
Total	$561,371	$78,102	$1,349,187	$1,988,660

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 settled on a net basis and for negotiation purposes (swaps)	$ -	$ -	$ 25,268	$ 25,268
Suppliers	$563,109	$16,334	$ -	$ 579,443
Other accounts payable	$359,197	$ -	$ -	$ 359,197
Total	$922,306	$76,402	$1,423,632	$2,422,340

Group's derivative financial instruments portfolio with negative fair value changes have been presented at their fair value of $14,389 ($25,268 in 2014) in the 1 to 5 year term. Since the contractual maturities are not relevant for the understanding of the cash flows periods. These contracts are managed on a net fair value and not in accordance with their maturity. Derivatives that are settled on a net basis comprehend interest rate swaps used by the Group to manage the interest rate profile.

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

	December 31	
	2015	2014
Total loans (Note 19)	$ 1,216,915	$1,210,741
Less: cash and cash equivalents (Note 8)	(3,476,252)	(3,944,821)
(Excess cash over debt)	(2,259,337)	(2,734,080)
Total stockholders' equity	6,050,975	6,161,826
Total capital and debt	$ 3,791,638	$3,427,746
Indebtedness index	- %	- %

At December 31, 2015 and 2014, the Company has determined that the gearing ratio is zero, in view of the cash flows arising from public offering of stocks 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 an asset or liability that are not based on observable market data (i.e., unobservable inputs).

The following table discloses Group's financial assets and liabilities that are measured through fair value. Refer to note 14.1 to observe the disclosures related to property and buildings that are measured at fair value.

	Level 1	Level 2	Level 3	Total
December 31, 2015				
Financial assets at fair value through profit or loss	$ -	$ 17,249	$ -	$ 17,249
Derivative financial instruments - Liability	$	($14,389)	$	($14,389)
December 31, 2014				
Financial assets at fair value through profit or loss	$ -	$ -	$ -	$ -
Derivative financial instruments - Liability	$ -	($ 25,268)	$ -	($ 25,268)

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position 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.

The fair value for interest rate swaps is determined based on the fair value of the estimated cash flows based on observable performance outcomes.

3.4 Compensation of financial assets and liabilities

As at December 31, 2015 and 2014, the Company did not compensate 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

Estimates and judgments used in the preparation of these financial statements are evaluated on a constant basis and are based on prior experience and other factors, including forecast that are reasonable under the circumstances.

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. (Refer to Note 17).

Based on tests performed by the Company, it was determined that at December 31, 2015 and 2014 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 carrying value.

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 $9,641 and $8,659, and reduce or increase the deferred tax asset by $8,716 and $8,338, for 2015 and 2014, 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 $2,454 and $6,897, or higher by $1,088 and $1,778 respectively, if the discount rate used in the analysis of discounted cash flows had varied by 10% from Management's estimates for 2015 and 2014, 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 23.

If the discount rate for 2015 had varied by 1% above or below the discount rate estimated by management, the book value of labor obligations would have been $8,493 or $8,650 (2014: 6,733 or $8,338), respectively.

4.1.5 Revaluation surplus

The conditions of the non-observable inputs are determined under the best estimate of the Company based on the expert's assumptions hired for this purpose over the non-observable inputs, considering external and internal facts. The Company analyzes on a recurring basis the valuation of land and buildings to determine if there are factors that would suggest the need to reevaluate such assets. (Refer to Note 15.1)

Note 5 - Classification of financial instruments:

Financial assets according to the consolidated statement of financial position:

December 31, 2015	Assets at fair value through profit and loss	At amortized cost	Total
Cash and cash equivalents	$ -	$ 3,476,252	$ 3,476,252
Accounts receivable and other accounts receivable	-	1,725,186	1,725,186
Sundry debtors and employees	-	19,413	19,413
Prepayments	-	57,625	57,625
Advance Innovation Center, LLC.	17,249	-	17,249
Guarantee deposits		49,640	49,640
Related parties		94,339	94,339
	$17,249	$ 5,422,455	$ 5,439,704

December 31, 2014	Assets at fair value through profit and loss	At amortized cost	Total
Cash and cash equivalents	$ -	$ 3,944,821	$ 3,944,821
Accounts receivable and other accounts receivable	-	1,604,761	1,604,761
Sundry debtors and employees	-	11,684	11,684
Prepayments	-	132,951	132,951
Guarantee deposits	-	41,707	41,707
Related parties	-	66,847	66,847
	$ -	$ 5,802,771	$ 5,802,771

Financial liabilities according to the consolidated statement of financial position:

December 31, 2015	Liabilities at fair value through profit and loss	At amortized cost	Total
Financial liabilities according to the consolidated statement of financial position:			
Bank loans	$ -	$1,216,915	$1,216,915
Accounts payable	-	269,325	269,325
Other accounts payable	-	294,432	294,432
Derivate financial instruments	14,389	-	14,389
	$14,389	$1,780,672	$1,795,061

December 31, 2014	Liabilities at fair value through profit and loss	At amortized cost	Total
Financial liabilities according to the consolidated statement of financial position:			
Bank loans	$ -	$1,210,741	$1,210,741
Accounts payable	-	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

Note 6 - Guarantee deposits:

	December 31	
	2015	2014
Guarantee for purchase of Conmix Argentina, S. A.	$ 18,731	$19,629
Guarantee for electric power services	8,017	6,915
Guarantee for leasing of real estate	10,234	3,629
Guarantee for sundry services	12,658	11,534
	$ 49,640	$41,707

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 a permanent basis. These 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. In general, 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. Nevertheless, 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) profit from associated company, and 4) donations.

Geographic markets:

The Company also controls its assets and liabilities per geographic market, classified as Mexico, Brazil and Others (Peru, USA, 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,					
	2015	2014	2015	2014	2015	2014
	Individual Solutions		Comprehensive Solutions		Consolidated	
Sales to external customers	$ 4,477,085	$ 4,850,510	$1,223,315	$1,701,251	$ 5,700,400	$ 6,551,761
Profit before tax	$ 376,645	$ 482,481	$ 199,170	$ 94,790	$ 575,815	$ 577,271
EBITDA	$ 625,449	$ 687,174	$ 145,149	$ 172,332	$ 770,598	$ 859,506

Revenue of approximately $793,481 ($1,525,524 in 2014) derived from six external customers. This revenue is attributable to the Mexico and Brazil segments.

Profit before tax per period is as follows:

	Year ended on December 31	
	2015	2014
EBITDA	$ 770,598	$ 859,506
Depreciation and amortization	(104,770)	(137,780)
Donations	(3,631)	(23,438)
Financial costs - Net	(86,684)	(122,165)
Profit from associated company	302	1,148
Income before taxes	$ 575,815	$ 577,271

Geographic information:

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

	Mexico		Brazil		Other		Consolidated	
	December 31,		December 31,		December 31,		December 31,	
	2015	2014	2015	2014	2015	2014	2015	2014
Net sales	$ 3,632,264	$3,067,934	$ 1,117,546	$2,756,326	$ 950,590	$ 727,501	$ 5,700,400	$ 6,551,761

Assets by geographic area:

	Property, plant and equipment at December 31:	
	2015	2014
Mexico	$ 899,279	$ 821,337
Brazil	223,275	279,940
Other	181,739	94,840
	$1,304,293	$1,196,117

Note 8 - Cash and cash equivalents:

	December 31	
	2015	2014
Cash	$ 278	$ 268
Restricted cash*	44,498	41,989
Bank deposits	212,410	232,244
Short-term highly-liquid investments with maturities of three months or less	3,219,066	3,670,320
Total cash and cash equivalents	$3,476,252	$3,944,821

* 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. (Refer to Note 29).

At the date of issuance of these consolidated financial statements, the Company has used the resources obtained from the initial public offering (Refer to Note 24) to finance its operating and investing activities, mainly in the comprehensive solutions business in Mexico and Brazil targeting to size-increase the Group through the purchase of new businesses.

In addition the resources have been used to expand the individual business in USA, where, as mentioned in Note 2.2.1, two manufacturing plants have begun operations.

Note 9 - Accounts receivable and other accounts receivable:

	December 31,	
	2015	2014
Clients	$1,747,252	$1,628,329
Less: impairment estimate	(22,066)	(23,568)
	1,725,186	1,604,761
Sundry debtors	8,469	10,096
Employees	10,944	1,588
VAT not yet credited	75,564	92,676
Other accounts receivable	-	4,413
	94,977	108,773
	$1,820,163	$1,713,534

The fair value of accounts receivable at December 31, 2015 and 2014 is similar to their book value.

Accounts receivable include balances receivable from the following customers:

	December 31,	
	2015	2014
Brazilian government clients*	$1,068,605	$1,028,030
Grupo Daxme, S. A. de C. V.	90,259	-
Other	566,322	576,731
	$1,725,186	$1,604,761

*Brazilian government clients

In adherence to the *"Programa Federal Agua para Todos" (APT),* Dalka do Brasil was engaged by different Brazilian government agencies to supply and install rain water caption systems in several counties of the semiarid region. In the beginning of 2015, the federal government started to withhold the transfer of funds to these agencies; as such Dalka do Brasil stopped receiving payments in the agreed terms.

In this regard, these accounts receivable with government agencies are guaranteed by the *"Programa de Aceleación de crecimiento" (PAC),* at the federal government protection, who has recognized the amount owed by such agencies.

As such, during 2015 the Company recognized inflation adjustments as part of the account receivable; this adjustment is made based on the legal protection of this country and in accordance with the specific terms of each contract, which cover the loss of acquisitive power in the price on each of the outstanding invoices. The accounts receivable balance, with government agencies at December 31, 2015 and 2014 in thousand reales was R$241,913 and R$185,320, respectively.

The accounts receivable with the Brazilian government agencies have not been impaired since there are legal resources to demand immediate payment. The ageing of the balances with such government agencies at December 31, is shown as follows:

	December 31	
Range	2015	2014
Current	$ 172,148	$ 296,742
From 30 to 120 days	108,560	593,118
More than 120 days	787,897	138,170
	$ 1,068,605	$ 1,028,030

Balance analysis

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

	December 31,	
	2015	2014
Over 120 days	$ 824,108	$187,877

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

	December 31,	
	2015	2014
Book value at January 1	$23,568	$ 29,463
Impairment for the year	5,373	8,209
Account cancellations	(6,875)	(14,104)
Net book value	$22,066	$ 23,568

Charges and reversals to the client impairment estimate 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, 2015, accounts receivable from customers of $22,066 (2014: $23,568) 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, 2015 and 2014, the following operations were carried out with related parties at market value:

	Year ended on December 31,	
	2015	2014
Sales		
Dalkasa, S. A. (associate)	$11,056	$14,897

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

Accounts receivable	December 31, 2015	December 31, 2014
Dalkasa, S. A. (associate)	$ 5,246	$ 5,087

c. Loans made to officers

At December 31, 2015 and 2014, 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	6	
Engagement date	January 29, 2013	August 28, 2011	January 1, 2013	October 2, 2014	January 1, 2013	January 21, 2013	February 21 2012	January 10, 2013	December 1, 2013	Total
Interest rate	6.9%	UDI	6.9%	UDI	6.9%	6.9%	UDI	UDI	6.9%	
December 31, 2015										
Opening balances	$ 14,989	$ 1,550	$ 12,406	$ 6,000	$ 10,163	$ 9,739	$ 499	$ 486	$ 5,928	$ 61,760
Loan									51,531	51,531
Collections									(26,922)	(26,922)
Interests	827	121	683		547	525	11	10	-	2,724
Total	$ 15,816	$ 1,671	$ 13,089	$ 6,000	$ 10,710	$ 10,264	$ 510	$ 496	$ 30,537	$ 89,093

Officer	1		2		3	4		5	6	
Engagement date	January 29, 2013	August 28, 2011	January 1, 2013	October 2, 2014	January 1, 2013	January 21, 2013	February 21 2012	January 10, 2013	December 1, 2013	Total
Interest rate	6.9%	UDI	6.9%	UDI	6.9%	6.9%	UDI	UDI	6.9%	
December 31, 2014.										
Opening balances	$ 12,764	$ 5,575	$ 10,705	$	$ 9,882	$ 9,492	$ 468	$ 472	$ 4,611	$ 53,969
Loan	10,244	-	7,682	6,000					9,012	32,938
Collections	(8,707)	(4,200)	(6,530)						(7,695)	(27,132)
Interest	688	175	549		281	247	31	14	-	1,985
Total	$ 14,989	$ 1,550	$ 12,406	$ 6,000	$ 10,163	$ 9,739	$ 499	$ 486	$ 5,928	$ 61,760

The fair value of officers' loans as at December 31, 2015 and 2014 was $85,430 and $58,463, respectively.

In addition, such loans are subject to a 10 year term starting from its hiring date and are monthly interest bearing. Loans are due until June 1, 2024.

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

	Year ended on December 31, 2015	Year ended on December 31, 2014
Salaries and other short-term benefits	$ 132,942	$133,897

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

During 2015 and 2014 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 stockholder and President of the Board of Directors and CEO, has a familiar relationship with the main stockholder of Corporativo GBM and therefore Corporativo GBM and its subsidiaries are considered related parties.

i. As at December 31, 2015 and 2014, the Company had no balances receivable from or payable to Corporativo GBM.

ii. During the year ended December 31, 2015 and 2014, the Company conducted the following operations with Corporativo GBM:

	Year ended on December 31,	
	2015	2014
Commissions paid	$ 1,575	$67,782
Interest collected	$103,047	$17,101

Note 11 - Other recoverable taxes:

	December 31,	
	2015	2014
Recoverable VAT	$ 7,336	$ 2,672
Income tax on industrialized products[1]	45,966	59,956
Other taxes[2]	102,926	84,369
	$ 156,228	$ 146,997

[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,	
	2015	2014
Raw materials	$423,182	$369,901
Packaging materials	13,978	16,206
Work in progress	34,161	13,175
Finished goods	265,110	336,588
	736,431	735,870
Plus:		
Merchandise in transit	31,682	141,003
	$768,113	$876,873

Note 13 - Prepayments:

	December 31,	
	2015	2014
Prepaid insurance	$ 6,005	$ 2,982
Prepaid expenses	16,863	17,245
Advances for cistern installations*	34,757	112,724
	$ 57,625	$132,951

* Relates to advances made to install cisterns in Dalka Brasil, refer to Note 29.

Note 14 - Financial asset at fair value through profit or loss:

	31 de diciembre de	
	2015	2014
Advance Innovation Center, LLC.[1]	$ 17,249	$ -

[1] Advance Innovation Center, LLC.

On November 18, 2015 the Company bought a convertible note into shares of the innovation and development center Advance Innovation Center, LLC (AIC) for USD1,000,000 ($17,249) backed up with a Convertible Promissory Note under the following conditions:

i. Unless the note is converted into equity shares or equity units, the amount of the equity plus the accrued interests at a 10% interest rate on capital, must be paid in the following 12 months.

ii. The principal plus the accrued interest will be converted automatically into units or equity instruments when certain conditions are meet to be considered a Qualified Financing.

iii. The principal amount plus the non-paid accrued interests will be converted based on a note holder discretion into units or equity instruments over an Unqualified Financing.

iv. In such case that a change of control occurs before the maturity date the Company will have the option to receive twice the principal and accrued interests or else convert them into common equity units.

On March 9, 2016 the Company engaged a subscription agreement and a unit purchase agreement, where the Company has the commitment of acquiring, subject to meet certain conditions of closure, a share in AIC units by an amount of USD6 million. Refer to Note 29.

Note 15 - Property, plant and equipment:

Year ended on December 31, 2015:	Land	Constructions in progress	Buildings	Machinery and tools	Furniture, fixtures and computer equipment	Transportation equipment	Molds	Leasehold improvements	Total
Opening balances	$ 263,827	$ 203,123	$ 343,161	$ 295,731	$ 9,330	$ 5,778	$ 71,410	$ 3,757	$ 1,196,117
Effect of currency translation	(7,330)	(37,849)	4,523	(7,260)	2,818	(1,867)	(3,101)	(885)	(50,951)
Transfers	-	(119,093)	21,604	23,058	7,448	1,797	42,316	2,430	(20,440)
Acquisitions	-	251,247	3,007	13,950	3,101	1,793	1,832	159	275,089
Disposals	-	(1,020)	(24,275)	(1,613)	(4,017)	(2,900)	(1,626)	-	(35,451)
Depreciation of disposals	-	-	23,876	(713)	4,237	2,918	1,979	(1,363)	30,934
Depreciation for the period	-	-	(20,956)	(40,332)	(6,644)	(1,907)	(20,686)	(480)	(91,005)
Closing balances	$ 256,497	$ 296,408	$ 350,940	$ 282,821	$ 16,273	$ 5,612	$ 92,124	$ 3,618	$ 1,304,293
Balances at December 31, 2015:									
Cost	$ 256,497	$ 296,408	$ 525,727	$ 560,399	$ 78,453	$ 20,328	$ 292,128	$ 5,550	$ 2,035,490
Accumulated depreciation	-	-	(174,787)	(277,578)	(62,180)	(14,716)	(200,004)	(1,932)	(731,197)
Closing balance	$ 256,497	$ 296,408	$ 350,940	$ 282,821	$ 16,273	$ 5,612	$ 92,124	$ 3,618	$ 1,304,293
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

At December 31, 2015 and 2014, the charge for depreciation is included in the cost of sales by $69,231 and $106,336 and in operating expenses by $21,774 and $20,827, 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,	
	2015	2014
Cost of land	$ 98,180	$105,510
Cost of buildings	473,627	465,848
Accumulated depreciation	(163,600)	(132,528)
	310,027	333,320
Net book value	$ 408,207	$438,830

Note 15.1 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).

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

Description	Fair value at January 1, 2011	Valuation techniques	Non-observable data	Range of non-observable data weighted average prices *		
				Higher	Used	Lower
Mexico City						
Land	$ 122,401	Comparison of prices	Price per m^2	6,555	6,555	-
Plants	13,110	Comparison of prices	Price per m^2	1,549	1,757	-
Total Mexico City	135,511					
Guadalupe, Nuevo León						
Land	60,216	Comparison of prices	Price per m^2	800	800	-
Plants	52,799	Comparison of prices	Price per m^2	6,918	5,351	-
Total Guadalupe, Nuevo León	113,015					
Subtotal on following page	248,526					

Description	Fair value at January 1, 2011	Valuation techniques	Non-observable data	Range of non-observable data weighted average prices * Higher	Used	Lower
Subtotal previous page	$ 248,526					
Tlajomulco de Zúñiga, Jalisco						
Land	19,066	Comparison of prices	Price per m^2	239	239	-
Plants	21,164	Comparison of prices	Price per m^2	1,584	1,584	-
Total Tlajomulco de Zúñiga, Jalisco	40,230					
León, Guanajuato						
Land	9,399	Comparison of prices	Price per m^2	800	800	-
Plants	118,494	Comparison of prices	Price per m^2	6,918	6,918	-
Total León, Guanajuato	127,893					
Los Mochis, Sinaloa						
Land	2,806	Comparison of prices	Price per m^2	210	210	-
Plants	13,097	Comparison of prices	Price per m^2	1,633	1,667	-
Total Los Mochis, Sinaloa	15,903					
Lerma, Estado de México						
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, Estado de México	59,621					
Mérida, Yucatán						
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 Mérida, Yucatán	45,243					
Tejería, 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 Tejería, 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.

During the years ended December 31 2015 and 2014 there were no transfers between levels of fair value.

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

	December 31					
	Land		Buildings		Total	
	2015	2014	2015	2014	2015	2014
México	$ 211,136	$ 211,137	$ 295,379	$ 290,869	$ 506,515	$ 502,006
Argentina	2,632	3,429	7,254	8,156	9,886	11,585
Guatemala	11,053	9,486	3,618	4,912	14,671	14,398
Brazil	31,676	39,775	44,689	39,224	76,365	78,999
	$ 256,497	$ 263,827	$ 350,940	$ 343,161	$ 607,437	$ 606,988

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

	December 31,	
	2015	2014
Land and buildings		
Opening balance	$196,149	$237,216
Disposals	-	(41,067)
Closing balance	$196,149	$196,149

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 16 - Investment in associate:

Nature of the investment:

The Company has an investment in Dalkasa, S.A. (Dalkasa), an associate that is 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, 2015 and 2014, the interest 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, 2015 and 2014, the company had no contingencies.

The Company has no restrictions over cash and cash equivalents.

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

a. Summarized statement of financial position

	December 31,	
Assets	2015	2014
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,085	$ 273
Accounts receivable and other accounts receivable	7,577	11,115
Inventories	10,054	8,094
Prepayments		1
Total current assets	21,716	19,483
PROPERTY, PLANT AND EQUIPMENT	4,484	3,756
Total assets	$26,200	$23,239
Liabilities and Stockholders' equity		
CURRENT LIABILITIES:		
Suppliers	$ 345	$ 778
Other accounts payable	6,623	5,912
Provisions	227	-
Income tax payable	74	-
Other taxes payable	207	922
Total liabilities	7,476	7,612
Total net assets	$18,724	$15,627

b. Summarized statement of comprehensive income

	Year ended on December 31	
	2015	2014
Net sales	$25,899	$27,573
Cost of sales	(19,423)	(21,975)
Gross profit	6,476	5,598
Operating expenses	(5,310)	(3,300)
Other (expenses) income - Net	(562)	3
Net profit	$ 604	$ 2,301

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

	December 31	
Summarized financial information	2015	2014
Net assets as at January 1	$ 7,795	$13,533
Profit for the year	604	2,301
Currency translation effect	10,325	(207)
Net assets at closing	$18,724	$15,627
Investments in associate (49.88%)	$ 9,339	$ 7,795

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

	Year ended on December 31,	
	2015	2014
Net profit of associate	$ 604	$ 2,301
Investment in associate	49.88%	49.88%
	$ 302	$ 1,148

Note 17 - Intangibles:

	Goodwill	Trademark	Software and SAP licenses	Total
Balance at January 1, 2015:				
Opening balances	$56,626	$20,937	$ 30,791	$108,354
Investments	-	-	53,071	53,071
Transfers	-	-	20,440	20,440
Currency translation effect	-	-	(36)	(36)
Disposals	-	-	-	-
Amortization for the period	-	-	(13,765)	(13,765)
Closing balances	$56,626	$20,937	$ 90,501	$168,064
Balance at December 31, 2015:				
Cost	$56,626	$20,937	$230,335	$307,898
Accrued amortization	-	-	(139,834)	(139,834)
Closing balances	$56,626	$20,937	$ 90,501	$168,064
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

Trademark (Forteplas)

It has been determined that the trademark is an indefinite useful life asset, since it is expected that it will contribute indefinitely to future cash flows. As such, the trademark will not be amortized unless it is determined that it has a definite life. Trademark is tested on an annual basis for impairment purposes or in the moment impairment indicators arise.

Impairment testing on 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	2015	2014
Rotoplas Argentina, S. A.	$56,626	$ 56,626

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 to calculate value in use are as follows:

	Rotoplas Argentina, S. A.	
	December 31,	
	2015	2014
Gross margin	41.43%	19.56%
Long-term growth rate	0.73%	1%
Discount rate	12.83%	17.28%

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 18 - Derivative financial instruments:

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

	Date of		Interest rate		Fair value at December 31,	
Notional amount	Execution	Maturity	Instrument	Debt	2015	2014
Swap						
$1,200,000	Feb 2014	Dec - 2020	7.5%	5.0%	$ 12,883	$ 22,113
212,160	Nov 2011	Nov - 2016	6.0%	4.8%	1,506	3,155
					$ 14,389	$ 25,268

Such protection has the target to establish a maximum rate and manage the interest rate agreed on the bank loan contracted with Banco Santander, S.A. (Refer to Note 19). 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 19 - Bank loans:

The book value of bank loans is as follows:

	December 31,	
	2015	2014
Long-term bank loans:		
Banco Mercantil del Norte, S. A.[1]	$ 598,648	$ 596,136
Banco Santander (México), S. A.[2]	598,455	595,889
Banco Nacional de Desenvolvimiento Económico e Social (BNDES).[3]	6,826	8,760
	1,203,929	1,200,785
Short-term bank loans:		
BNDES[3]	11,469	8,505
Banco Mercantil del Norte, S. A.[1]	755	722
Banco Santander (México), S. A.[2]	762	729
	12,986	9,956
Total	$1,216,915	$1,210,741

[1] On December 20, 2013, Grupo Rotoplas signed 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 and accrues interests on a monthly basis.

[2] On December 19, 2013, Grupo Rotoplas singed a loan opening agreement with Banco Santander (México), 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 and accrues interests on a monthly basis.

[3] These amounts (net) are broken down as follows:

On January 3, 2012 Dalka do Brasil, Ltda. (Dalka Brasil), signed a straight loan opening agreement with BNDES for $4,999 (R$901 thousand reales), subject to variable interest rate that is determined by adding 3.90 additional points to the UMBNDES rate. The loan is on a five-year period term, from the date of execution of the agreement and accrues interests on a monthly basis.

On June 25, 2012, Dalka Brasil signed a straight loan opening agreement with BNDES for $14,678 (R$2,646 thousand reales), subject to variable interest rate that is determined by adding 3.90 additional points to the UMBNDES rate. The loan is on a five-year period term, from the date of execution of the agreement and accrues interests on a monthly basis.

On August 2, 2012, Dalka Brasil signed a straight loan opening agreement with BNDES for $8,321 (R$1,499 thousand reales), subject to variable interest rate that is determined by adding 3.90 additional points to the UMBNDES rate. The loan is on a five-year period term, from the date of execution of the agreement and accrues interests on a monthly basis.

On February 15, 2013, Dalka Brasil signed a straight loan opening agreement with BNDES for $4,992 (R$899 thousand reales), subject to variable interest rate that is determined by adding 3.90 additional points to the UMBNDES rate. The loan is on a five-year period term, from the date of execution of the agreement and accrues interests on a monthly basis.

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, 2015 and 2014.

The effective interest rates are as follows:

	Year ended on December 31,	
	2015 (%)	2014 (%)
Banco Mercantil del Norte, S. A.	4.88	5.16
Banco Santander (México), S. A.	4.95	5.20
BNDES	8.29	8.22

The fair value of bank loans is as follows:

	December 31,	
Fair value	2015	2014
Bank loans:		
Banco Mercantil del Norte, S. A.	$ 602,598	$ 602,485
Banco Santander (México), S. A.	602,623	602,510
BNDES	18,515	8,644
	$1,223,736	$1,213,639

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

	December 31	
Fair value	2015	2014
Banco Mercantil del Norte, S. A.	5.03	4.81
Banco Santander (México), S. A.	5.08	4.86
BNDES	3.90	3.90

The aforementioned fair values fall within level 2.

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

	December 31	
	2015	2014
Reales *	R$ 4,142	$ 3,112
* Equivalent of reales in Mexican pesos	$ 18,296	$ 17,265
Mexican peso loan	$1,198,619	$1,193,476
Total in Mexican pesos	$1,216,915	$1,210,741

Note 20 - Suppliers:

	December 31,	
	2015	2014
Indelpro, S. A. de C. V.	$ 28,902	$ 57,689
Equistar Chemicals LP	26,181	55,603
Braskem, S. A.	26,009	62,969
Pemex Petroquímica	17,311	37,401
Dow Internacional Mexicana, S. A. de C. V.	15,736	20,359
Marangon Danilo & Co., S. de R. L.	11,214	31,728
Arco Colores, S. A. de C. V.	8,966	12,888
Xingfa International Co. Ltda.	3,243	11,673
Vinmar Plastichem, S. de R. L. de C. V.	2,795	12,768
Pentair Flow Technologies	893	21,141
Vinmar Overseas Ltd.	168	11,951
Polipropileno del Caribe, S. A. de C. V.	18	14,288
TRM Resinas Termoplásticas Indústria e Comércio, Ltda.	-	35,374
Other	127,889	193,611
	$269,325	$ 579,443

Note 21 - Other accounts payable:

	December 31	
	2015	2014
Sundry creditors	$162,613	$168,032
Accrued expenses and other accounts payable*	131,819	191,165
	$294,432	$359,197

* Accrued expenses refer to expenses incurred for services received.

Note 22 - Provisions:

For the period of 2015	Employee bonuses	Legal suits	Total
At January 1, 2015	$ 993	$ 27,697	$ 28,690
Charge to the income statement	3,559	9,454	13,013
Cancellations	-	(3,102)	(3,102)
Applications	(993)	(4,001)	(4,994)
At December 31, 2015	$ 3,559	$ 30,048	$ 33,607

For the period of 2014	Employee bonuses	Legal suits	Total
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 23 - Employee benefits:

The value of obligations for benefits acquired at December 31, 2015 and 2014 totaled $8,592 and $7,493 respectively.

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

	December 31	
	2015	2014
Obligations for acquired benefits	$8,592	$7,493
Fair value of plan assets	-	-
Current situation	$8,592	$7,493
Present value of non-funded obligations	$8,592	$7,493
Liability in the statement of financial position	$8,592	$7,493

Defined benefit obligation movements were as follows:

	Seniority premium December 31,	
	2015	2014
Opening balance at January 1	$7,493	$5,497
Net cost for the period	1,395	1,353
Payments with reserve charge	(220)	(388)
Actuarial (gains) losses	(76)	1,031
Closing balance at December 31	$8,592	$7,493

The net cost for the period is as follows:

	Seniority premium Year ended on December 31	
	2015	2014
Cost of service for the period	$ 895	$ 928
Financial costs - Net	500	425
	$1,395	$1,353

The Group operates defined benefit pension plans in Mexico. These plans are in adherence to the legal dispositions set forth in articles 162 y 54 of the FLL, there are no other additional payments from the Company. At December 31, 2015 and 2014 there are no pension plans in other countries where the Group operates different than in Mexico.

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

	December 31	
Mexico	2015 (%)	2014 (%)
Discount rate	7.00	6.75
Salary increase rate	5.80	4.50
Minimum wage increase rate	4.00	4.25
Expected long-term inflation rate	4.00	4.00

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

December 31, 2015

	Impact on the obligation for defined benefits		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
Discount rate	1.00%	Decrease of 10.3%	Increase of 10.9%
Salary increase rates	1.00%	Increase of 11.2%	Decrease of 13.2%

December 31, 2014

	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 24 - Stockholders' equity:

The capital stock is comprised as follows:

Shares *	Description	Total
15,104	Represents the minimum fixed portion of equity with no withdrawal rights (Class I)	$ 50
486,219,830	Represents the variable portion of capital with withdrawal rights	4,968,132
486,234,934	Historical capital stock	4,968,182
	Restatement increase up to 1997	71,389
	Capital stock at December 31, 2015 and 2014	$5,039,571

* Common, nominative shares with no par value at December 31, 2015 and 2014 of $10.7057510.57083 and $10.57083, respectively, fully subscribed and paid in.

The elements used in determining the basic and diluted earnings per share are as follows:

	Year ended on December 31,	
	2015	2014
Profit attributable to Company stockholders	$ 402,075	$416,956
Weighted average of common shares in circulation (in thousands)	483,686	348,302
Basic and diluted earnings per share	0.831	1.197

Reconciliation of treasury shares is shown as follows:

	Number of shares	Total
Balance at January 1, 2014	-	$ -
Acquisition of treasury shares	350,000	38,742
Balance at December 31, 2014	350,000	38,742
Acquisition of treasury shares	6,127,759	171,724
Balance at December 31, 2015	6,477,759	$ 210,466

On April 30, 2015, it was unanimously agreed to provide with a maximum amount, to operate the share repurchase fund in 2015, an amount equivalent to the retained earnings at December 31, 2014.

In 2015, the Company acquired 6,127,759 own shares at an average price of $28.13 per share, the total amount of bought shares during the period was $171,724, with the target of managing liquidity over exceeds.

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, $101,307 did not come from the CUFIN and consequently $75,836 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.

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 paid capital stock.

In October 2013, the 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. At December 31, 2015 and 2014 the CUFIN balance was $33,157 and $32,465, respectively.

At December 31, 2015 and 2014 the balance of the Paid Capital Account (CUCA) was $5,975,986 and $5,851,353, respectively.

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.

In the Income Act of the Federation published on November 18, 2015 in Article Three of the provisions of temporary validity of the Income Tax Law, a tax incentive granted to individuals resident in Mexico who are subject to the additional payment of 10% on dividends or distributed profits. The incentive is applicable provided that such dividends or profits were generated in 2014, 2015, and 2016 and are reinvested in the legal entity that generated such profits, and consists of a tax credit equal to the amount obtained by applying the dividend or utility is distributed, which corresponds to year percentage distribution as follows:

Year of dividend or profit or distribution	Percentage applicable to the amount of the dividend or distributed profit (%)
2017	1
2018	2
2019 onwards	5

Note 25 - Income taxes:

IT

In 2015, the company determined a tax profit of $773,044 (2014; $451,549). In 2015, the Company amortized prior years' combined tax losses of $63,663 (2014; $58,409). 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.

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 29% and 28% for 2014 and 2015, respectively.

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

The charge to income for income taxes is analyzed below:

	For the year ended on December 31,	
	2015	2014
Current income taxes	$196,678	$119,824
Deferred income taxes	(23,095)	40,606
Total charges to consolidated income	$173,583	$160,430

Deferred tax assets and liabilities are analyzed as follows:

	December 31,	
Deferred tax asset:	2015	2014
Recoverable within the following 12 months	$ 53,565	$ 66,226
Recoverable after 12 months	149,614	134,550
	$ 203,179	$200,776
Deferred tax liability:		
Payable within the following 12 months	$ -	$ -
Payable after 12 months	(28,861)	(34,023)
	($ 28,861)	($ 34,023)

The principal components of deferred income taxes and the movement of assets and liabilities due to deferred income tax in 2015 and 2014 are shown on the tables appearing on the following pages:

Reconciliation of 2015 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, 2015	($ 2,273)	($ 46,193)	$ 25,743	($ 115,596)	($ 10,153)	($ 9,667)	($ 8,401)	($ 213)	($ 166,753)
Effect of currency translation	-	5,895	-	9,379	132	(38)	118	44	15,530
2015 movements									
Grupo Rotoplas	-	1,402	-	18,930	-	-	-	-	20,332
Rotoplas	-	(1,793)	(2,935)	-	(2,435)	6,123	289	-	(751)
RRH	(109)	(1,661)	-	-	-	-	-	-	(1,770)
Servicios	(220)	(188)	(1,090)	-	-	-	-	-	(1,498)
Bienes Raíces	-	-	(5,162)	-	-	-	-	-	(5,162)
Latinoamérica	-	-	-	(6,735)	-	-	-	-	(6,735)
Argentina	-	214	-	(914)	(63)	-	182	-	(581)
MAC	-	(230)	-	(15,077)	(29)	-	-	-	(15,336)
Brasil	13	4,003	-	(16,174)	157	-	(193)	169	(12,025)
Perú	-	879	-	-	(379)	-	122	-	622
Centroamérica	-	525	-	(613)	(354)	287	(36)	-	(191)
Movement for the year, Net	(316)	3,151	(9,187)	(20,583)	(3,103)	6,410	364	169	(23,095)
Balance as at December 31, 2015	($ 2,589)	($ 37,147)	$ 16,556	($ 126,800)	($ 13,124)	($ 3,295)	($ 7,919)	$ -	($ 174,318)

Deferred income tax balances for asset items at December 31, 2015.

Company	Labor obligations	Provisions	Property, plant and equipment	Unamortized tax losses	Inventory - net	Client advances	Allowance for doubtful accounts	Other	Total
Grupo Rotoplas	$ -	($ 36)	$ -	($ 51,511)	$ -	$ -	($ 1,251)	$	($ 52,798)
Rotoplas	-	(11,158)	453	-	(10,973)	(3,295)	(5,620)	-	(30,593)
RRH	(1,912)	(2,975)	-	-	-	-	-	-	(4,887)
Servicios	(665)	(3,457)	(12,758)	-	-	-	-	-	(16,880)
Bienes Raíces	-	-	-	-	-	-	-	-	-
Latinoamérica	-	-	-	(6,735)	-	-	-	-	(6,735)
Argentina	-	(4,296)	-	(5,450)	(361)	-	(110)	-	(10,217)
MAC	-	(230)	-	(15,077)	(29)	-	-	-	(15,336)
Brasil	(12)	(14,250)	-	(47,414)	(173)	-	(476)	-	(62,325)
Perú	-	(493)	-	-	(1,047)	-	(168)	-	(1,708)
Centroamérica	-	(252)	-	(613)	(541)	-	(294)	-	(1,700)
Total	($ 2,589)	($ 37,147)	($ 12,305)	($ 126,800)	($ 13,124)	($ 3,295)	($ 7,919)	$ -	($ 203,179)

Deferred income tax balances for liability items at December 31, 2015.

Company	Labor obligations	Provisions	plant and equipment	Property, tax losses	Unamortized Inventory - net	Client advances	doubtful accounts	Allowance for Other	Total
Grupo Rotoplas	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Rotoplas	-	-	-	-	-	-	-	-	-
RRH	-	-	-	-	-	-	-	-	-
Servicios	-	-	-	-	-	-	-	-	-
Bienes raíces	-	-	28,861	-	-	-	-	-	28,861
Latinoamérica	-	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-	-
MAC	-	-	-	-	-	-	-	-	-
Brasil	-	-	-	-	-	-	-	-	-
Perú	-	-	-	-	-	-	-	-	-
Centroamérica	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ 28,861	$ -	$ -	$ -	$ -	$ -	$ 28,861

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)	-	-	-	-	(13,568)
Rotoplas	-	22,875	(12,008)	-	(644)	65,895	2,124	(41,211)	37,031
RHH	(455)	(490)	-	-	-	-	-	-	(945)
Servicios	(144)	5,570	643	-	-	-	-	-	6,069
Bienes Raices	-	-	(12,220)	-	-	-	-	1,091	(11,129)
Latinoamerica	-	-	-	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
Centroamerica	437	(371)	-	-	48	(137)	(118)	-	(141)
Movement for the year, Net	(162)	23,905	(19,234)	10,312	(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 (Refer to Note 24).

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)
RHH	(1,803)	(1,314)	-	-	-	-	-	-	(3,117)
Servicios	(445)	(3,269)	(11,668)	-	-	-	-	-	(15,382)
Bienes Raices	-	-	-	-	-	-	-	-	-
Latinoamerica	-	-	-	-	-	-	-	-	-
Argentina	-	(5,875)	-	(5,909)	(388)	-	(380)	-	(12,552)
CONMIX	-	-	-	-	-	-	-	-	-
Brasil	(25)	(22,921)	-	(39,246)	(415)	-	(355)	(213)	(63,175)
Perú	-	(1,337)	-	-	(650)	-	(283)	-	(2,270)
Centroamerica	-	(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	-	-	-	-	-	-	-	-	-
RHH	-	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-	-
Bienes Raices	-	-	34,023	-	-	-	-	-	34,023
Latinoamerica	-	-	-	-	-	-	-	-	-
Argentina	-	-	-	-	-	-	-	-	-
CONMIX	-	-	-	-	-	-	-	-	-
Brasil	-	-	-	-	-	-	-	-	-
Peru	-	-	-	-	-	-	-	-	-
Centroamerica	-	-	-	-	-	-	-	-	-
Total	$ -	$ -	$ 34,023	$ -	$ -	$ -	$ -	$ -	$ 34,023

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

	For the year ended on December 31,	
	2015	2014
Profit before income taxes	$ 575,815	$577,271
Statutory IT rate	30%	30%
ISR at statutory rate	$ 172,745	$173,181
Plus (less) income tax effect of the following permanent items:		
Effect of different tax rates*	$ 68,363	$ 20,783
Non-deductible expenses	11,990	16,267
Inflation annual adjustment	(3,950)	6,035
Tax benefits **	(70,121)	(81,234)
Other	(5,444)	25,398
	$ 173,583	$160,430
Effective IT rate	30%	28%

* 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.

Tax rates in effect in the different countries is shown as follows:

Country	%
Argentina	35
Brasil	34
Perú	28
Guatemala	30
México	30
EUA	35
Nicaragua	30
Costa Rica	30
Honduras	25

** 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
Bahía	90
Ceara	30
Cabo de Sto. Agosthino	70

Income tax losses

At December 31, 2015 the Company has accrued income tax losses for a total of $422,667 which right to be amortized against future profits expires as follows:

Tax loss year	Grupo Rotoplas	Latinoamérica	Argentina	MAC	Brasil	Centro America	Carrying value	Date of expire
2014	$ 171,705	$ -	$ -	$ -	$ -	$ -	$ 171,705	2024
2015	-	22,449	-	-	-	-	22,449	2025
2015	-	-	18,167	-	-	-	18,167	2020
2015	-	-	-	-	-	2,044	2,044	2018
2015	-	-	-	50,255	-	-	50,255	2035
2015	-	-	-	-	158,047	-	158,047	Non-applicable*
Total	$ 171,705	$ 22,449	$ 18,167	$ 50,255	$ 158,047	$ 2,044	$ 422,667	

* Tax losses from Brazil do not have an expiry date to utilized, however, its amortization cannot be more than 30% of the taxable income.

Note 26 - Analysis of costs per nature:

	For the year ended on December 31, 2015	2014
Raw material and production materials purchases	$2,223,727	$2,754,937
Installation costs	250,681	250,457
Direct labor	181,594	172,875
Electrical power	79,736	93,901
Energy (gas)	74,042	111,184
Depreciation	69,231	106,336
Indirect manufacturing expenses	517,807	547,771
Total	$3,396,818	$4,037,461

Note 27 - Analysis of operating expenses per nature:

	For the year ended on December 31, 2015	2014
Salaries and remuneration to employees	$ 531,352	$ 443,430
Distribution and logistics	428,868	602,673
Advertising	135,387	99,947
Travel expenses	58,155	57,037
Services contracted	43,167	27,387
Commissions	37,351	29,737
Leases	33,466	31,557
Repair and maintenance	27,434	26,095
Depreciation	21,774	20,827
Fuels and lubricants	15,597	16,481
Amortization	13,765	10,617
ESPS[1]	13,488	10,218
Other	281,581	440,006
Total expenses	$1,641,385	$1,816,012

[1] The Company is required to pay ESPS, which is calculated applying the procedures established in the IT Law. In 2015 and 2014, the Company determined an ESPS expense of $7,227 and $1,583, respectively. In accordance with Peruvian law, in 2015 and 2014, the company determined an ESPS expense of $6,261 and $8,635, respectively.

Note 28 - Financial income and expenses:

	For the year ended on December 31,	
Financial revenue	2015	2014
Interest earned	$116,591	$ 29,935
Profit from changes in fair value of financial derivative instruments	10,879	-
	$127,470	$29,935
Financial expenses		
Interest paid	$101,425	$ 90,075
Loss on financial derivative instruments	23,921	28,089
Loss from changes in fair value of financial derivative instruments	-	23,099
Exchange loss	88,808	10,837
	$214,154	$152,100
	$ 86,684	$122,165

Note 29 - Fideicomiso AAA, commitments, contingencies and subsequent events:

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.

Commitments:

*Brazilian government agencies

As mentioned on Note 9 Dalka do Brasil engaged and signed contracts with several Brazilian government agencies; as of the date of these consolidated financial statements these contracts are not in compliance or have overdue accounts receivable over 90 days, in this regard the Brazilian Law 8666 allows the temporarily suspension of their execution or, if necessary, their cancelation.

The suspended contracts are as follows:

Contract number	State	Percentage of execution (%)
0.044.00/2013	Brasilia	97
0.214/2013	Minas Gerais	95
0.213.00/2013	Piauí	66
183/2014	Ceará	-
057/2014	Piauí	4

As of the date of issuance of these consolidated financial statements, the Company has not received any claim in terms of the contract suspension from Brazilian government agencies.

Leases:

Operating leases are related to buildings where the manufacturing plants of Peru, Brazil, Argentina, Mexico, Honduras and USA are located. The operating lease contracts have clauses for an annual rent review. The contracts do not contain the option to buy the leased facilities at lease termination date.

The analysis of future payments from lease contracts is as follows:

Region	Monthly rent	Up to 1 year	Between 1 and 5 years	More than 5 year	Expiry date
Peru	$ 380	$ 4,555	$ 22,773	$ -	February 2020
Brazil	469	4,310	1,940		July 2019
Argentina	28	257	-		November 2016
Mexico	1,929	23,148	83,241		November 2020*
Honduras	24	283	-		August 2016
USA	724	8,020	35,806	5,216	February 2023
	$ 3,554	$40,573	$143,760	$ 5,216	

* On January 14, 2015 the Company celebrated a lease contract with Banco Nacional de México, S. A. for the facilities located in Pedregal 24, piso 19, Col. Molino del Rey, 11040, Mexico City, including the aforementioned characteristics.

The lease contract for the facilities located in Paseo de la Reforma 115, piso 18, Col. Lomas de Chapultepec, 11000, Mexico City finalized on March 2015.

Contingencies:

At December 31, 2015, 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 these consolidated financial statements, the following relevant events have occurred and have not required any modification to these financial statements:

a. On March 4, 2016 the Company announced the completion of the acquisition of the total shares of the Argentinian company Talsar, S. A., by a total of $642 million. Talsar, S. A. is the lead company in Argentina dedicated to the design, manufacture, distribution and commercialization of heat-tanks, heaters and radiant panels under the "*Señorial*" brand and it has a 700 client network.

   The details of the net acquired assets and the goodwill are as follows:

   Purchase consideration:

Concept	Amount
Cash paid	$528,176
Contingent consideration	26,846
Deferred consideration	89,486
Total purchase consideration	644,508
Fair value of the acquired assets	93,732
Goodwill	$550,776

   Goodwill is generated from the solid position and commercial profitability of Talsar, S. A. on the heat-tanks, heaters and radiant panels markets.

   The provisionally determined fair values of the assets and liabilities as at the date of acquisition are as follows:

Fair value	Amount
Cash and cash equivalents	$ 26,919
Clients - Net of allowance for doubtful accounts	56,098
Sundry debtors and other accounts receivable	2,891
Recoverable income tax	19,235
Other recoverable taxes	4,610
Inventories	57,615
Property, plant and equipment	18,037
Accumulated depreciation of property, plant and equipment	(4,847)
Suppliers	(18,944)
Employee benefits payable	(22,232)
Income tax payable	(39,562)
VAT payable	(1,313)
Other accounts payable	(4,775)
Net identifiable assets	$ 93,732

b. Advance Innovation Center

As mentioned on Note 14 the Company had paid until December 31, 2016 the amount of USD1,000,000 for a Convertible Promissory Note.

On March 9, 2016 the Company, celebrated a unit purchase agreement through its subsidiary MAC with AIC, where subject to the compliance of certain terms and conditions of the subscription agreement, the purchase and sale of acquired interests thereby considered will take place. On the date of the issuance of these financial statements these terms and conditions have not yet concluded.

In the moment these terms and conditions are concluded the Company, in case of exercising the conversion option of the interests acquired on November 18, 2015, together with a payment of USD5,000,000, on a 15.44% of the subscription interests of AIC.

Furthermore, the Company signed a unit purchase agreement in which an option of purchase is considered with an exercisable term of two years from the closure date for an amount of Dls.10,360,000 that has not yet started at the date of these consolidated financial statements.

Note 30 - Authorization of issuance of consolidated financial statements:

The accompanying consolidated financial statements and notes thereto were authorized for issuance on April 19, 2016 by the undersigned officers.

Carlos Rojas Mota Velasco
President

Mario Antonio Romero Orozco
Finance and Administrative Vice President