

Consolidated statements of financial position

(Thousands of Mexican pesos)

	DECEMBER 31, 2013	DECEMBER 31, 2012 Reformulated	JANUARY 1, 2012 Reformulated
ASSETS:			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 886,680	1,311,196	1,204,907
Trade receivables (notes 6 and 9)	1,647,826	1,780,484	1,692,762
Debtors (note 9)	46,330	46,413	63,973
Value added tax recoverable	365,620	201,096	212,497
Income tax recoverable	103,507	115,920	87,925
Related parties (note 7)	202,573	120,598	184,305
	2,365,856	2,264,511	2,241,462
Inventories (note 8)	1,985,769	1,658,724	1,375,495
Derivative financial instruments (note 5)	25,055	63,151	71,213
Advanced payments	54,653	90,058	112,325
Total current assets	5,318,013	5,387,640	5,005,402
Property, machinery and equipment (note 10)	4,110,899	3,312,732	3,015,685
Investment in shares of the associated parties (note 12)	4,598,513	4,696,895	4,656,519
Intangible assets and goodwill (note 11)	6,608,383	3,847,137	3,859,724
Deferred income taxes (note 18)	172,588	196,060	245,436
Other assets	28,738	11,107	33,736
Total assets	\$ 20,837,134	17,451,571	16,816,502

	DECEMBER 31, 2013	DECEMBER 31, 2012 Reformulated	JANUARY 1, 2012 Reformulated
LIABILITIES AND STOCKHOLDERS' EQUITY			
SHORT-TERM LIABILITIES:			
Bank loans (note 14)	\$ -	-	4,200
Suppliers	1,094,386	941,865	1,036,340
Creditors	484,430	351,233	354,441
Derivative financial instruments	-	877	43,507
Income tax payable	-	-	39,768
Employees' statutory profit sharing payable	10,944	25,660	26,439
Total short-term liabilities	1,589,760	1,319,635	1,504,695
LONG-TERM LIABILITIES:			
Notes payable (note 14)	4,979,370	2,181,441	2,219,361
Long-term debt (note 14)	1,064,219	1,060,946	1,117,135
Derivative financial instruments (note 5)	31,921	37,068	27,384
Deferred income tax (note 18)	711,026	446,496	511,329
Taxes under tax consolidation (note 18)	218,643	225,649	205,382
Employee benefits (note 17)	112,173	127,517	78,346
Total long-term liabilities	7,117,352	4,079,117	4,158,937
Total liabilities	8,707,112	5,398,752	5,663,632
STOCKHOLDERS' EQUITY (NOTE 19):			
Capital stock	575,625	575,625	575,625
Reserve for repurchase of shares	601,911	600,000	321,194
Retained earnings	4,265,071	4,396,286	4,161,062
Legal reserve	141,862	141,862	141,862
Premium on the subscription of shares	113,110	113,110	113,110
Financial instruments	(19,114)	(37,524)	(43,856)
Cumulative translation adjustment	(13,757)	(5,425)	39,367
Capital attributable to controlling interest	5,664,708	5,783,934	5,308,364
Capital attributable to non-controlling interest	6,465,314	6,268,885	5,844,506
Total stockholders' equity	12,130,022	12,052,819	11,152,870
Contingencies and commitments (notes 27 and 28)			
Subsequent event (note 29)			
Total liabilities and stockholders' equity	\$ 20,837,134	17,451,571	16,816,502

See accompanying notes to consolidated financial statements.

Consolidated statements of income

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

	2013	2012 Reformulated
Net sales (note 20)	\$ 13,180,293	12,041,798
Cost of goods sold (note 21)	8,541,161	8,078,963
Gross profit	4,639,132	3,962,835
Operating expenses:		
Selling (note 23)	2,449,008	1,967,601
Administrative (note 23)	465,715	407,718
	2,914,723	2,375,319
Income before other incomes and expenses	1,724,409	1,587,516
Other income, net (note 22)	32,636	47,196
Operating income	1,757,045	1,634,712
Financial result:		
Interest earned and exchange gain (note 24)	938,986	1,025,796
Interest paid and exchange loss (note 24)	(1,198,375)	(1,220,684)
Financial result, net	(259,389)	(194,888)
Equity investment in associates (note 12)	186,323	412,963
Income before income taxes	1,683,979	1,852,787
Income taxes (note 18)	536,465	423,318
Consolidated net income for the year	\$ 1,147,514	1,429,469
Net income attributable to non-controlling interests	\$ 539,825	639,382
Net income attributable to controlling interests	607,689	790,087
Consolidated net income for the year	\$ 1,147,514	1,429,469
Basic income per common and diluted share in Mexican pesos (note 26)	\$ 1.407	1.853

See accompanying notes to consolidated financial statements.

Consolidated statements of other comprehensive income

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

	2013	2012 Reformulated
Consolidated net income for the year	\$ 1,147,514	1,429,469
Items that will not be reclassified to income:		
Actuarial losses on employee benefit obligations	(6,544)	(29,357)
Items that will be reclassified subsequently to income:		
Foreign currency translation results	(16,664)	(89,584)
Change in valuation of derivative financial instruments	30,383	(10,541)
Consolidated comprehensive income	<u>\$ 1,154,689</u>	<u>1,299,987</u>
Comprehensive income attributable to non-controlling interest	\$ 541,429	563,379
Comprehensive income attributable to controlling interest	<u>613,260</u>	<u>736,608</u>
Consolidated comprehensive income	<u>\$ 1,154,689</u>	<u>1,299,987</u>

See accompanying notes to consolidated financial statements.

Consolidated statements of changes in stockholders' equity

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

	CAPITAL STOCK	RESERVE FOR REPURCHASE OF SHARES	RETAINED EARNINGS
Balances as of January 1, 2012, previously reported	\$ 575,625	321,194	2,535,062
Effect of adoption of newly issued accounting standards (note 2(e))	-	-	1,626,000
Reformulated balances as of January 1, 2012	575,625	321,194	4,161,062
Repurchase of outstanding shares	-	(450,007)	-
Placement of shares	-	425,515	-
Increase in reserve for repurchase of shares	-	178,460	(178,460)
Payment of dividends (note 19(c))	-	124,838	(361,384)
	-	278,806	(539,844)
Comprehensive income (note 3):			
Net income for the year	-	-	790,087
Cumulative effect of translation	-	-	-
Change in valuation of derivative financial instruments	-	-	-
Actuarial losses on employees' benefit obligations	-	-	(15,019)
Comprehensive income for the year	-	-	775,068
Balances as of December 31, 2012	575,625	600,000	4,396,286
Repurchase of outstanding share	-	(19,586)	-
Placement of shares	-	21,497	-
Payment of dividends (note 19(c))	-	-	(734,397)
Increase in stockholders' equity for non-controlling interest	-	-	-
	-	1,911	(734,397)
Comprehensive income (note 3):			
Net income for the year	-	-	607,689
Cumulative effect of translation	-	-	-
Change in valuation of derivative financial instruments	-	-	-
Actuarial losses on employees' benefit obligations	-	-	(4,507)
Comprehensive income for the year	-	-	603,182
Balances as of December 31, 2013	\$ 575,625	601,911	4,265,071

See accompanying notes to consolidated financial statements.

LEGAL RESERVE	PREMIUM ON THE SUBSCRIPTION OF SHARES	FINANCIAL INSTRUMENTS	CUMULATIVE TRANSLATION ADJUSTMENTS	CAPITAL ATTRIBUTABLE TO CONTROLLING INTEREST	CAPITAL ATTRIBUTABLE TO NON-CONTROLLING INTEREST	TOTAL STOCKHOLDERS' EQUITY
141,862	113,110	(43,856)	39,367	3,682,364	1,062,751	4,745,115
-	-	-	-	1,626,000	4,781,755	6,407,755
141,862	113,110	(43,856)	39,367	5,308,364	5,844,506	11,152,870
-	-	-	-	(450,007)	-	(450,007)
-	-	-	-	425,515	-	425,515
-	-	-	-	-	-	-
-	-	-	-	(236,546)	(139,000)	(375,546)
-	-	-	-	(261,038)	(139,000)	(400,038)
-	-	-	-	790,087	639,382	1,429,469
-	-	-	(44,792)	(44,792)	(44,792)	(89,584)
-	-	6,332	-	6,332	(16,873)	(10,541)
-	-	-	-	(15,019)	(14,338)	(29,357)
-	-	6,332	(44,792)	736,608	563,379	1,299,987
141,862	113,110	(37,524)	(5,425)	5,783,934	6,268,885	12,052,819
-	-	-	-	(19,586)	-	(19,586)
-	-	-	-	21,497	-	21,497
-	-	-	-	(734,397)	(350,000)	(1,084,397)
-	-	-	-	-	5,000	5,000
-	-	-	-	(732,486)	(345,000)	(1,077,486)
-	-	-	-	607,689	539,825	1,147,514
-	-	-	(8,332)	(8,332)	(8,332)	(16,664)
-	-	18,410	-	18,410	11,973	30,383
-	-	-	-	(4,507)	(2,037)	(6,544)
-	-	18,410	(8,332)	613,260	541,429	1,154,689
141,862	113,110	(19,114)	(13,757)	5,664,708	6,465,314	12,130,022

Statements of consolidated cash flow

Years ended December 31, 2013 and 2012
(Thousands of Mexican pesos)

	2013	2012
Operating activities:		
Income before taxes	\$1,683,979	1,852,787
Items related to investing activities:		
Depreciation and amortization	292,908	207,863
(Profit) loss on sale of property, machinery and equipment	(13,515)	2,455
Net cost for the period	29,798	23,158
Interest income	(62,130)	(52,945)
(Gain) loss from exchange	(20,516)	41,279
Investment in subsidiaries and associates	(186,323)	(412,963)
Other expenses without cash flow	(3,257)	(10,266)
Cancellation of provisions	-	(53,962)
Employees' statutory profit sharing	8,723	24,974
Items related to financing activities -		
Interest expense	342,035	206,555
Subtotal	2,071,702	1,828,935
Decrease (increase) of accounts receivable	148,924	(87,722)
Increase of inventories	(228,037)	(283,229)
(Increase) decrease in accounts receivable from related parties	(15,429)	126,163
Increase in advanced payments and taxes recoverable	(21,030)	(16,594)
Increase (decrease) in suppliers	103,612	(94,474)
Increase (decrease) in other accounts payable and creditors	42,003	(38,561)
Income tax paid	(620,534)	(524,890)
Net cash by operating activities	1,481,211	909,628
Investing activities:		
Business acquired (Grupo Nutrisa)	(2,886,768)	-
Dividends collected	305,267	315,580
Interest collected	60,944	52,401
Acquisition of property, machinery and equipment	(889,911)	(618,938)
Collections on sale of property, machinery and equipment	139,796	114,041
Net cash used in investing activities	(3,270,672)	(136,916)
Financing activities:		
Cash in flow from issuance of certificados bursátiles (domestic bonds)	3,000,000	-
Long-term bank loans obtained	200,000	-
Increase in capital stock on non-controlling interest	5,000	-
Long-term bank loans paid	(389,640)	(4,200)
Other long-term liabilities	(47,707)	(56,189)
Repurchase of shares	(19,585)	(450,007)
Placement of shares	21,497	425,515
Interest paid	(320,223)	(205,996)
Dividends paid	(1,084,397)	(375,546)
Net cash provided by (used in) financing activities	1,364,945	(666,423)
Net (decrease) increase in cash and cash equivalents	(424,516)	106,289
Cash and cash equivalents:		
At beginning of the year	1,311,196	1,204,907
At end of the year	\$886,680	1,311,196

See accompanying notes to consolidated financial statements.