GRUPO POCHTECA REPORTS ITS RESULTS FOR THE FOURTH QUARTER OF 2016

Mexico City, February 23, 2016 – Grupo Pochteca, S.A.B. de C.V. ("Pochteca" or "the Company") (BMV: POCHTEC) announced today its unaudited results for the quarter ended December 31, 2016 ("4Q16").

Highlights from 4Q16 and full year 2016

- **Sales +2%** year on year in 4Q16 to Ps 1.56 billion. During 2016 sales increased 1% to Ps 6.14 billion.
- **Gross margin of 17.2% in 4Q16,** -110 basis points (bp) less than in 4Q15. The gross margin for FY 2016 decreased 70 bp to 17.5%.
- **Operating profit -73% in 4Q16** to Ps 11 million. For the full year, accumulated operating profit was Ps 116 million, a decrease of 48%.
- **Consolidated EBITDA -42% in 4Q16** to Ps 45 million. EBITDA in 2016 was Ps 248 million, 27% less than reported for 2015
- **Consolidated EBITDA margin of 2.9% in 4Q16,** -220 bp lower than in 4Q15. For full year 2016 the EBITDA margin narrowed 160 bp to 4.0%.
- **A net loss of Ps 31 million in 4Q16, as opposed to the Ps 25 million net income of 4Q15.** In contrast to the foreign exchange gain of the year-earlier quarter, 4Q16 witnessed foreign exchange losses. Full year 2016 produced a Ps 8 million net loss as opposed to the Ps 34 million net profit of 2015.
- **Net Debt to EBITDA increased to 2.9 times from 1.6 times at the close of 2015**. Excluding non-recurring expenses of Ps 32 million incurred in 2016, this ratio was 2.6 times. Both levels are outside of our internal policy of not surpassing 2 times.

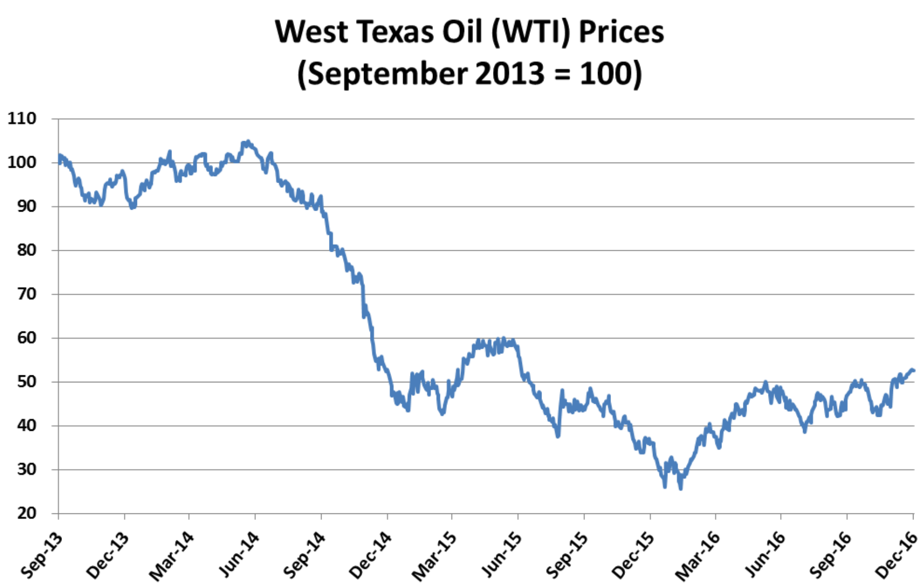
Armando Santacruz, Pochteca's Chief Executive Officer, commented: "2016 was the most complicated year Pochteca has experienced in a long time. Our profits contracted severely. Results for both the fourth quarter and the full year were unsatisfactory and fell far short of our expectations. One of the main adversities we were confronted with in 2016 was the extent to which the decline in industrial activity accelerated in Brazil, a downtrend that has acted as a drag on Pochteca's operations in that country for the past two years. The declines of 8% in 2015 and 6.6% in 2016 have caused a sharp contraction in demand for our products as industrial activity is the main sales driver for our Brazilian unit."

SELECTED FINANCIAL INFORMATION (MILLIONS OF PESOS)

	4Q16	4Q15	(%) 4Q16 vs 4Q15	YTD 16	YTD 15	(%) YTD 16 vs YTD 15
Sales	1,559	1,535	2%	6,139	6,079	1%
Gross Profit	268	280	-4%	1,075	1,106	-3%
Gross Margin (%)	17.2%	18.3%	-110pb	17.5%	18.2%	-70pb
Operating Profit	11	41	-73%	116	223	-48%
Operating Margin (%)	0.7%	2.6%	-190pb	1.9%	3.7%	-180pb
Depreciation	35	37	-7%	132	118	12%
EBITDA	45	78	-42%	248	341	-27%
EBITDA Margin (%)	2.9%	5.1%	-220pb	4.0%	5.6%	-160pb
Interest Expense	22	27	-20%	81	99	-18%
Foreign Exchange Loss	(27)	7	NC	(50)	(94)	-47%
Income Before Tax	(39)	20	NC	(15)	30	NC
Net Income / (Loss)	(31)	25	NC	(8)	34	NC
Net Debt / EBITDA 12 M	2.9x	1.6x		2.9x	1.6x	
Interest Coverage	2.6x	3.0x		2.6x	3.0x	

EBITDA = operating income before depreciation and amortization; NC = non-comparable

"Amid the continuing complexities of the environment we are faced with, one favorable development was the recovery of oil prices, which increased 45% between 2015 and 2016 from USD37.04 to USD53.72 per barrel. It is important to mention that we have recently witnessed increases in the prices of some products, including petroleum derivatives."



Source: Bloomberg

Our diversification: an important risk-mitigation factor

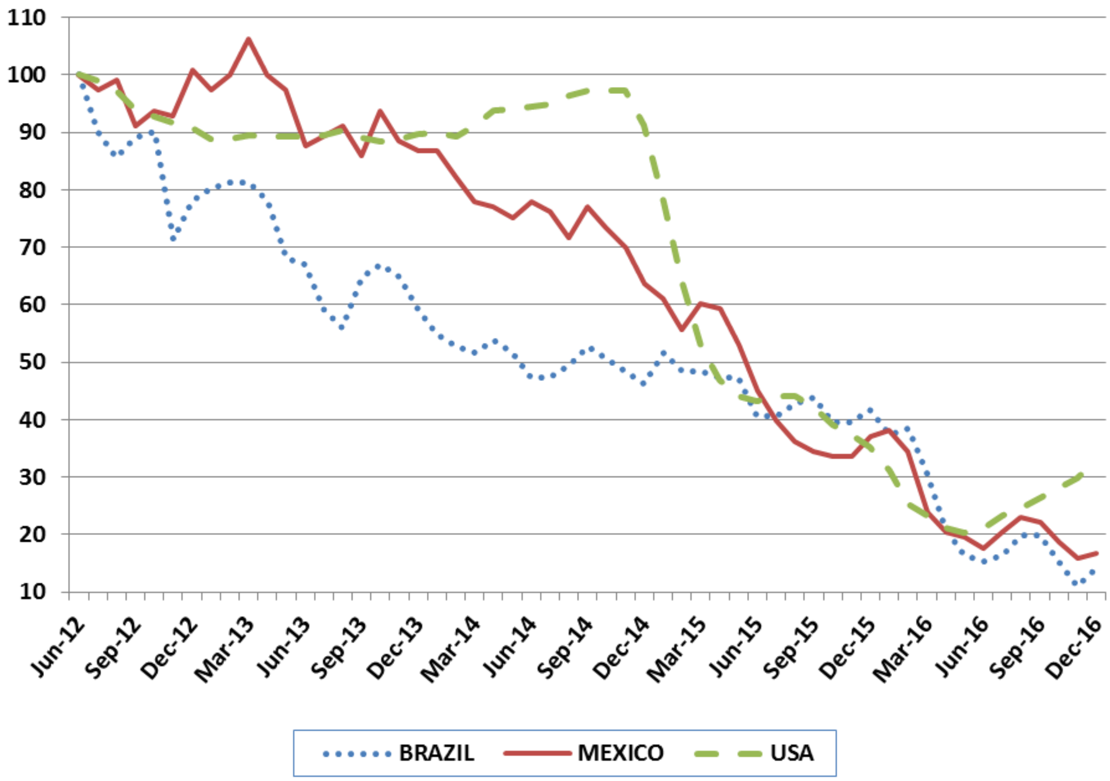
We regard our broad client and product diversification as one of the keys to our commercial strategy, which has allowed us to shield our sales and margins from a significant part of the deflation suffered n recent years as well as the intense competition generated by the contraction of the oil, gas and mining sectors. Pochteca's five top clients account for less than 6% of sales, and the five main products represent less than 8%, with no product or customer reaching 3%.

Highlights from 2016 and outlook for 2017

- **4Q16 brought to a close an extremely complicated year for the company that was marked by a major contraction of profitability.**
  - As in 2015, sales were practically unchanged.
  - But in contrast to the strong results reported for 2015, our gross profit and margin, operating income and EBITDA all weakened in 2016.
  - In Mexico, we have yet to see signs of recovery in sectors that are key for Pochteca such as mining and oil exploration and drilling. Industrial activity in Brazil continues to experience a severe contraction and we do not anticipate a significant recovery in the near term.
  - We continue to strengthen the operations and processes of our Brazilian unit Coremal in order to strengthen operations in that country.
  - We are emphasizing three strategies aimed at strengthening our profit margins, bolstering our competitiveness and expanding our cash position:
    - Corporate restructuring in order to reduce our operating expenses
    - Increased diversification toward higher-margin products such as blends as well as greater value added products
    - Reduced working capital days in order to expand liquidity and achieve growth with fewer resources

- **Slowdown of the oil industry continues**
  - We have seen no signs of a recovery in the number of active oil rigs.
  - Available information continues to show the oil industry in a profoundly recessive environment. According to data published online by Baker Hughes, during 2016 the number of active rigs in the United States, Mexico and Brazil fell a severe 18%, 51% and 66%, respectively (see graph below).

Active Oil Rigs (June 2012 = 100)



Source: Baker Hughes (www.bakerhughes.com/rig-count)

- The 2016 rollback in the number of active rigs described above came on top of reductions of 61% in the United States, 42% in Mexico and 10% in Brazil witnessed during 2015.
- There has been a contraction of almost 84% in the number of active rigs in Mexico since their numbers peaked at 120 at the beginning of 2013; only 19 were reported at the close of 2016. For that same period, there have been percentage declines in the number of active rigs of 82% in Brazil and 63% in the United States. Exploration and drilling is a key sector for Pochteca and we do not foresee a recovery in either over the short or intermediate terms.

- **Sales slightly above 4Q15.** Consolidated sales experienced a slight 2% increase. The 19% softening of the peso relative to the US dollar during the full year helped to boost the peso amount of revenues from the sale of products which we charge in dollars, however, the negative impact of the lower dollar prices we charged was greater than that of the peso's depreciation, so we have yet to emerge from the deflationary process that dates back to 2015. The weakness of industrial activity in Brazil negatively impacted our sales as industrial activity is the main generator of sales for our Brazilian unit. In Mexico, the lack of liquidity prevailing in the oil and gas industry has greatly reduced the ability of participants in that sector to pay suppliers. As a result, we have decided to prioritize a strategy of risk reduction and protection of working capital in response to this situation, which has also had a negative effect on sales. This has led to a reduction in our sales to oil and gas companies. It is important to keep in mind that in the years prior to 2016 oil exploration and drilling as well as mining in general were our main markets. Unfortunately, these sectors have experienced a major reduction in activity and, as a result, their input needs have also significantly declined. For full year 2016 sales grew 1%.

- **Gross income decreased 4.4%,** falling from Ps 280 million in 4Q15 to Ps 268 million in the most recent quarter, primarily as a result of negative effects on the gross margins of our Brazilian unit. For full year 2016, gross income narrowed 3%.

- **Our consolidated gross margin decreased 110 basis points to 17.2% chiefly as a result of the revaluation in Brazil.** The gross margin declined by 430bp in 4Q16. During the full year the real revaluated against the dollar by 19%, as it moved from 4.04 at the beginning of the year to 3.26 reais to the dollar at the end of December 2016. This 19% revaluation of the real adversely pressured our gross margin in Brazil as inventories that were purchased at higher dollar exchange rates had to be sold at a lower exchange rate. In the event that the Brazilian exchange remains at current levels, we would expect our Brazil gross margin to gradually recover to its historical levels. For all of 2016, the gross margin fell 70 basis points from 18.2% in 2015 to 17.5% in 2016.

4Q15		4Q16
18.3%	Gross margin	17.2%

- **Operating income decreased 73% in 4Q16, from Ps 41 million in 4Q15 to Ps 11 million.** Operating margin was 0.7%, which was 190 basis points lower than the level of 4Q15. The weak performance of Brazil, which recorded an operating loss in 4Q16, was the main cause of the decline in consolidated operating income. Operating income was off by 48% for the full year. In 4Q16, EBITDA decreased 42% compared to 4Q15 while EBITDA margin fell 220 basis points to 2.9%. For the full year, EBITDA decreased 27% and the EBITDA margin declined 160 basis points to 4.0%.

- **Operating expenses (excluding depreciation) increased 10% compared to 4Q15. Expenses as a percentage of sales increased from 13.2% in 4Q15 to 14.3% in 4Q16.** The main impact was generated by inflation in Brazil as a considerable part of expenses in the Brazilian economy are indexed and, as a result, are driven higher by inflation. Unfortunately, sales in Brazil have undergone a contraction thus leading to an increase in expenses as a percentage of sales. Similarly, the 45% year on year revaluation of the real against the peso, which took the Mexican currency from 4.36 to 6.33 pesos per real, also raised by the same percent expenses in Brazil when we convert our results to pesos. Unfortunately, sales in Brazil have undergone a contraction, thereby accentuating the effect of both of these variables on expenses as a percentage of sales. On an accumulated basis, operating expense increased 8% in 2016.

- **During 2016 we incurred Ps 32 million in extraordinary / non-recurring expenses.** Excluding these expenses, the percentage of expenses to sales would have been 12.9% for the year. The concepts registered as part of our non-recurring expenses included the following:
    - Labor fraud backed by the government of Quintana Roo state Ps 6 million
    - Labor fraud in Monterrey, Nuevo Leon Ps 4 million
    - Layoffs in Mexico Ps 6 million
    - Layoffs in Brazil Ps 2 million
    - Due diligence for contemplating possible acquisitions Ps 6 million

4Q15		4Q16
13.2%	Expenses / Sales	14.3%

- **Net interest expense decreased 20% year on year during 4Q16.** Bank debt at the end of 2016 totaled Ps 873 million, 7% lower than in 2015. During 2016 financial expenses were 18% lower than in 2015. Interest expense will be greater during 2017 as interest rates have risen in Mexico. To be more specific, between December 2015 and as of February 10, 2017, Banco de México had raised its reference lending rate by 325bp.

- **Pochteca registered a Ps 31 million net loss in 4Q16 as opposed to the Ps 25 million net profit booked for 4Q16.** The 73% decline in operating income was one of the main factors underpinning the net loss for the most recent quarter. In 4Q16 we recorded a Ps 27 million foreign exchange loss as opposed to the Ps 7 million exchange gain of 4Q15. For the full year we registered a Ps 8 million net loss after having posted a Ps 34 million net profit in 2015.

- **Net debt at the end of 4Q16 was Ps 728 million, 31% or Ps 174 million greater than at the end of 4Q15**. The revaluation of the Brazilian real relative to the Mexican peso was responsible for part of the increase in our net debt, which we report in pesos.
    - During 2016 Coremal's net debt increased 7% in reais, rising from 46.8 million to 49.9 million.
    - The peso/real exchange rate depreciated 45% during that same period from 4.36 to 6.33 pesos per real.
    - As a result of that movement, Coremal's net debt in peso terms increased 55%, climbing from Ps 204 million to PS 316 million.
    - In addition, during 2016 we amortized bank debt in Mexico for Ps 140 million.

- **Net Debt to EBITDA increased from 1.6 times in 4Q15 to 2.9 times at the end of 2016.** The most recent level is above our internal policy of not surpassing 2 times and is the result of EBITDA being weaker than we had anticipated as well as an increase in Coremal's debt as expressed in pesos in response to the revaluation of the Brazilian currency. We are confident that the combination of the reduction in expenses achieved through corporate restructuring, the gradual recovery in Brazil, and the absence of the non-recurring expenses incurred in 2016 will allow EBITDA to recover to better than 2015 levels, and that this metric will return to our target range levels.

- **In 4Q16 interest coverage (EBITDA / interest) was 2.6 times**. This indicator is below the 4Q15 level of 3.0 times.

- **We will remain focused on cash flow generation** by means of a strict management of working capital, as well as the cost and expense controls necessary for strengthening our EBITDA.

	4Q16	4Q15
Gross Debt (Ps millions)	873	940
Net Debt (Ps millions)	728	554
Net Debt / EBITDA 12 M	2.9x	1.6x
Interest Coverage	2.6x	3.0x
Outstanding Shares	130,522,049	130,522,049

Stock buyback fund

The managers of Grupo Pochteca's fund for repurchasing shares are the brokerages listed below:

1) Punto Casa de Bolsa, S.A. de C.V.
2) GBM Grupo Bursátil Mexicano, S.A. de C.V., Casa de Bolsa (GBM)

Independent analysis and brokerage coverage

Grupo Pochteca, S.A.B. de C.V., registered with the independent analysis program and the Selection Subcommittee agreed to assign the company to the firm Consultora 414, S.A. de C.V., "CONSULTORA 414", to assume responsibility for providing analysis of POCHTECA stock. At present, Casa de Bolsa Interacciones and Signum Research have Pochteca under coverage.

About Grupo Pochteca

Grupo Pochteca specializes in the sale and distribution of a broad array of industrial raw materials, catering to more than 40 industrial sectors including water treatment, mining, the food and automotive industries, oil exploration and drilling, personal care, cleaning and sanitation products, metalworking and dozens of other industries. In order to better attend to those industries, the company is organized into five major business segments:

1. Solvents and blends
2. Lubricants and greases
3. Chemicals for the food industry
4. Inorganic chemicals
5. Paper and board

The Company includes more than 5,500 products in its catalogue that consist of both generic and specialized products with which to cater to each segment of the industries it serves. Through our 33 distribution centers in Mexico, three in Central America, and seven in Brazil, we serve over 19,000 customers each year in more than 500 cities with support provided by specialists in each sector who in turn rely on seven quality control laboratories, and five specializing in research and application development. The company also enjoys the support of domestic and foreign suppliers that are internationally regarded as industry leaders.

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GRUPO POCHTECA, S.A.B. DE C.V.
BALANCE SHEET
Information in thousands of Mexican Pesos

	Dec-16	Sep-16	Dec-15	(%) Dec-16 vs. Sep-16	(%) Dec-16 vs. Dec-15
ASSETS					
CASH AND CASH EQUIVALENTS	144,799	149,264	385,672	(3.0)	(62.5)
TRADE ACCOUNTS RECEIVABLE	942,548	959,456	883,549	(1.8)	6.7
OTHER ACCOUNTS RECEIVABLE	254,124	266,484	215,974	(4.6)	17.7
INVENTORIES	855,304	899,815	830,616	(4.9)	3.0
TOTAL CURRENT ASSETS	**2,196,775**	**2,275,018**	**2,315,812**	(3.4)	(5.1)
PROPERTY, PLANT & EQUIPMENT, NET	813,247	821,337	813,712	(1.0)	(0.1)
DEFERRED ASSETS	571,735	560,676	532,137	2.0	7.4
TOTAL ASSETS	**3,581,758**	**3,657,031**	**3,661,660**	(2.1)	(2.2)
LIABILITIES AND STOCKHOLDERS' EQUITY					
TRADE ACCOUNTS PAYABLE	1,107,512	1,173,116	1,209,486	(5.6)	(8.4)
BANK LOANS	500,911	402,553	325,281	24.4	54.0
OTHER ACCOUNTS PAYABLE	199,033	200,041	182,363	(0.5)	9.1
TOTAL CURRENT LIABILITIES	**1,807,456**	**1,775,710**	**1,717,130**	1.8	5.3
OTHER LONG-TERM ACCOUNTS PAYABLE	169,758	174,623	177,935	(2.8)	(4.6)
LONG-TERM DEBT	371,975	461,022	614,323	(19.3)	(39.4)
TOTAL LONG-TERM LIABILITIES	**541,733**	**635,644**	**792,259**	(14.8)	(31.6)
TOTAL LIABILITIES	**2,349,189**	**2,411,354**	**2,509,389**	(2.6)	(6.4)
CONTRIBUTED CAPITAL	1,177,502	1,174,289	1,194,347	0.3	(1.4)
PROFIT (LOSS) FOR THE PERIOD	(7,564)	23,625	33,543	NC	NC
ACCUMULATED PROFIT	71,480	73,250	11,264	(2.4)	534.6
TRANSLATION EFFECT OF FOREIGN OPERATIONS	(8,849)	(25,486)	(86,883)	(65.3)	(89.8)
TOTAL EQUITY	**1,232,569**	**1,245,677**	**1,152,271**	(1.1)	7.0
TOTAL LIABILITIES AND EQUITY	**3,581,758**	**3,657,031**	**3,661,660**	(2.1)	(2.2)

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GRUPO POCHTECA, S.A.B. DE C.V.
STATEMENT OF COMPREHENSIVE INCOME
Information in thousands of Mexican Pesos

	4Q16	3Q16	4Q15	(%) 4Q16 vs 3Q16	(%) 4Q16 vs 4Q15	YTD 16	YTD 15	(%) YTD 16 vs. YTD 15
Sales	1,558,974	1,554,647	1,534,852	0.3	1.6	6,139,273	6,078,819	1.0
Cost of Sales	(1,291,179)	(1,283,293)	(1,254,730)	0.6	2.9	(5,064,001)	(4,972,853)	1.8
Gross profit	267,795	271,354	280,122	(1.3)	(4.4)	1,075,272	1,105,966	(2.8)
	17.2%	17.5%	18.3%			17.5%	18.2%	
Operating expenses	(222,356)	(202,057)	(202,400)	10.0	9.9	(827,431)	(764,800)	8.2
	-14.3%	-13.0%	-13.2%			-13.5%	-12.6%	
Depreciation	(34,619)	(34,307)	(37,157)	0.9	(6.8)	(131,943)	(118,269)	11.6
Operating profit	10,820	34,991	40,565	(69.1)	(73.3)	115,898	222,897	(48.0)
	0.7%	2.3%	2.6%			1.9%	3.7%	
Depreciation	34,619	34,307	37,157	0.9	(6.8)	131,943	118,269	11.6
EBITDA	**45,439**	**69,298**	**77,722**	(34.4)	(41.5)	**247,841**	**341,166**	(27.4)
	2.9%	4.5%	5.1%			4.0%	5.6%	
Interest expense	(21,998)	(22,263)	(27,484)	(1.2)	(20.0)	(81,407)	(98,679)	(17.5)
Foreign exchange gain (loss)	(27,460)	(24,588)	6,877	11.7	NC	(49,534)	(93,888)	(47.2)
Financing costs	(49,458)	(46,850)	(20,607)	5.6	140.0	(130,941)	(192,567)	(32.0)
	-3.2%	-3.0%	-1.3%			-2.1%	-3.2%	
Income before tax	**(38,638)**	**(11,859)**	**19,958**	225.8	NC	**(15,043)**	**30,330**	NC
Income taxes	(1,611)	4,221	(274)	NC	487.1	(5,671)	(11,535)	(50.8)
Deferred taxes	9,061	(4,021)	5,108	NC	77.4	13,151	14,748	(10.8)
NET INCOME (LOSS)	**(31,189)**	**(11,659)**	**24,791**	167.5	NC	**(7,564)**	**33,543**	NC
NC= not comparable	-2.0%	-0.7%	1.6%			-0.1%	0.6%	

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INFORMATION FOR INVESTORS

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Note: This report may contain forward-looking statements regarding the Company's performance. They must be seen as good faith estimations made by the Company. These forward-looking statements reflect management's point of view and expectations and are based on information that is currently available. They suppose risks and uncertainties, including economic conditions prevailing in Mexico and abroad, as well as fluctuations in the value of the Mexican peso against other currencies and the prices of our products and inputs.

All figures contained in this report are expressed in nominal Mexican pesos and the financial results are presented under IFRS.

All comparisons for 2016 contained in this report have been made against the figures for the comparable period of 2015 except where indicated.