

## Organización Cultiba Announces First Quarter 2013 Financial Results

- Total case volume rose 4.6% year-over-year (“YOY”)
- Consolidated revenue increased 3.0%, with Beverage revenue up more than 5% YOY
  - Beverage segment EBITDA grew more than 11% YOY

MEXICO CITY, April 26, 2013 – Organización Cultiba, S.A.B. de C.V. (“Cultiba”) (BMV: CULTIBAB), a holding company with a majority interest in one of Mexico’s largest bottlers of soft drinks and jug water, and the exclusive bottler of PepsiCo beverage products in Mexico, as well as a holding company of a leading sugar producer, today reported consolidated financial results for the quarter ended March 31, 2013. Total revenue increased 3.0% year-over-year to Ps.7,807 million, primarily reflecting strong beverage growth as well as higher average prices. Consolidated EBITDA was Ps.607 million compared to Ps.737 million in the same period of last year reflecting strong performance in the beverage operations and lower sugar EBITDA contribution due to lower prices in the domestic and export markets. Of note, GAM’s contribution to Cultiba’s overall annual results are expected to be less than 10% given the seasonality of the beverage business. Net loss for the quarter was Ps.23 million, compared to net income of Ps.300 million in first quarter 2012. Net income in first quarter 2012 benefitted from Ps.304 million of foreign exchange gains at the holding company level.

### Select Operating and Financial Information

	First Quarter		
	2013	2012	% Chg
Total Case Volume (mm 8 oz)	365.4	349.3	4.6%
Soft drinks & bottled water	181.1	175.2	3.4%
Jug Water	184.3	174.1	5.9%
Consolidated Revenue (Ps MM)	7,807	7,578	3.0%
Consolidated EBITDA *(Ps MM)	607	737	-17.6%
Consolidated Net Income (Loss)	(23)	300	-107.7%
GEPP Revenue (PsMM)	7,059	6,697	5.4%
GEPP EBITDA *(Ps MM)	451	405	11.4%
GEPP Net Loss (Ps MM)	(115)	(243)	

EBITDA = net income (loss) plus (1) depreciation and amortization, (2) other income (expenses), net (3) interest income (expense), net; and valuation of derivatives; and (4) income taxes

## CEO COMMENT

*“Our Beverage business is performing in line with our expectations, delivering a solid first quarter performance, driven by a combination of healthy volume growth and price increases, which in turn resulted in strong segment EBITDA growth. The seasonality of the beverage division and lower prices in our sugar operations (GAM) dampened consolidated EBITDA growth this quarter. The Sugar division continues to generate good margins and approximately one-third of its yearly production goes to our Beverage operations, providing additional cost advantages to our overall business,” commented Juan Gallardo, Chairman and CEO of Cultiba.*

*“We are on track to achieve further operational synergies this year and have a clear roadmap for reaching our goal of Ps.900 million by 2014, reinforcing our optimism for margin improvement. Furthermore, by focusing on a broad, profitable mix of strong beverage brands, while leveraging our nationwide distribution footprint, we expect to deliver robust volume growth in the attractive Mexican market and are reaffirming our 2013 guidance at this time including expected EBITDA growth of at least 40%,” concluded Mr. Gallardo.*

## 1Q13 RESULTS

### Volume

During the quarter, total soft drink and bottled water case volume increased 3.4% to 181.1 million eight-ounce cases from 175.2 million eight-ounce cases in first quarter 2012. This performance reflects the launch of Jumex Fresh, the re-launch of E-pura, the consolidation of Jarritos as a multi-flavor brand in authorized territories, an increase in direct distribution of Gatorade in the traditional trade channel, and continued expansion into new regions of the country. Jug water also performed well in the quarter, increasing 5.9% to 184.3 million eight-ounce cases from 174.1 million eight-ounce cases in first quarter 2012. Increased direct-to-home routes partially contributed to this good performance.

### Revenue

Total company revenue in first quarter 2013 increased 3.0% to Ps.7,807 million from Ps.7,578 million in the first quarter of 2012. Revenue growth was primarily due to a 4.6% expansion in total beverage volume and a 2.1% increase in overall average price per case. Average revenue per case was Ps.19.3 in first quarter 2013, up from Ps.18.9 in the same period of the prior year. GEPP is benefitting from the reconfiguration of the portfolio to focus on fast growing categories and brands with a strong national presence.

### Costs of Goods Sold and Selling, General & Administrative Expenses

In the beverage division, unit costs per case in first quarter 2013 improved by approximately 1% in comparable terms excluding extraordinary foreign exchange gains in first quarter 2012. Total company

cost of goods sold, which includes product, warehouse and distribution costs was Ps.4,650 million in the quarter, up 5.5% over the same period of the prior year.

Total company selling, general and administrative costs (SG&A) in first quarter 2013 were Ps.3,091 million, up from Ps.2,937 million in first quarter 2012. As a result, SG&A, as a percent of revenue increased to 39.6% in first quarter 2013 from 38.8% in first quarter 2012 primarily due to higher depreciation and marketing expenses partially offset by synergies achieved.

## **EBITDA**

EBITDA in the quarter was Ps.607 million compared to Ps.737 million in the same period of the prior year. The beverage operations reported an 11.4% increase in EBITDA to Ps. 451 million. Lower EBITDA at GAM was driven by significantly lower sugar prices compared to a strong first quarter in 2012 and increased exports due to higher production in Mexico. The negative impact of sugar pricing on consolidated EBITDA will diminish throughout the year, as the segment typically represents no more than 10% of Cultiba's total annual EBITDA.

## **Comprehensive result of financing**

Comprehensive result of financing in first quarter 2013 was a net expense of Ps.7 million, compared to net income of Ps.125 million in first quarter 2012. During the first quarter of 2012 the peso appreciated 8.1% when the company had an outstanding dollar denominated debt of \$325 million dollars. However, during the first quarter of 2013 the peso appreciated 4.9% and the company had an outstanding debt balance of \$150 million dollars.

## **Net Income**

In first quarter 2013 the company reported a net loss of Ps.23 million, compared to net income of Ps.300 million in the same period last year. Net income in first quarter 2012 benefitted from more than Ps.303 million in foreign exchange gains on higher dollar denominated debt at the holding company.

## **Balance Sheet and Cash Flow**

The company ended the quarter with Ps.914 million in cash and equivalents, compared to Ps.589 million at the end of 2012. Total net debt at the holding company level has been reduced by 80% utilizing proceeds from the January 2013 equity offering. Long-term debt totaled Ps.2,627 million, down from Ps.4,848 million at year-end 2012.

Capital expenditures were approximately Ps700 million in the quarter. Funds were utilized primarily for expanding and strengthening logistics and the distribution network, increasing production and packaging capacity and enhancing commercial tools to service clients.

Reflecting Cultiba's solid current financial position, strong cash flow and positive outlook, the company will propose a dividend of \$128 million pesos at its shareholders meeting to be held next Tuesday, April 30th, 2013.

## RECENT DEVELOPMENTS

Subsequent to quarter's end, Cultiba refinanced its \$85 million debt with Rabobank International. The debt will be amortized over the following schedule: 20% in 2014, and 30%, 30% and 20% in 2015, 2016 and 2017, respectively. The refinancing carries an interest rate of LIBOR + 200 basis points.

## ANALYST COVERAGE

Bank of America Merrill Lynch, Credit Suisse, GBM Grupo Bursátil Mexicano, JP Morgan and Ve Por Mas.

Note: Organización Cultiba, S.A.B. de C.V. (Cultiba) is covered by the analysts listed above. Please note that any opinions, estimates or forecasts regarding the performance of Cultiba issued by these analysts reflect their own views, and therefore do not represent the opinions, estimates or forecasts of Cultiba or its management. Although Cultiba may refer to or distribute such statements, this does not imply that Cultiba agrees with or endorses any information, conclusions or recommendations included therein.

## CONFERENCE CALL INFORMATION

Management of Cultiba will host a conference call with analysts and investors to discuss first quarter 2013 results. The call will take place on Friday, April 26, 2013 at 12:00 p.m. Mexico Time (1:00 p.m. ET). To access the call, please dial 1-888-438-5519 if calling from the United States or 001-800-514-1067 if calling within Mexico or 1-719-325-2281 if calling from outside the United States and/or Mexico. The passcode is 9835015. If you are unable to listen to the live call, a replay will be available until 11:59 p.m. (New York time) on May 3, 2013. The dial in info is 1-877-870-5176 from within the United States and 1-858-384-5517 from outside the United States. The passcode for the replay is 9835015. The conference call will also be webcast and can be accessed from the following link: <http://public.viavid.com/index.php?id=104371>.

## About Cultiba

Organización Cultiba, S.A.B. de C.V. ("Cultiba") is a holding company with a majority interest in one of Mexico's largest bottlers of soft drinks and jug water, and the exclusive bottler of PepsiCo beverage products in Mexico, as well as a holding company of a leading sugar producer. Carbonated and non-carbonated soft drinks and jug water are marketed under its own brands as well as third party brands. Cultiba has 43 bottling facilities in Mexico and is the only bottler with nationwide distribution. The Company is listed on the Bolsa Mexicana de Valores, where it trades under the symbol CULTIBAB. For more information, please visit [www.cultiba.mx](http://www.cultiba.mx).

## Forward Looking Statements

This press release may contain forward-looking statements. All statements other than statements of historical fact included in this press release, including, without limitation, those regarding our prospective financial position, business strategy, management plans and objectives, future operations and synergies are

forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding present and future business operations and strategies and the environment in which the Company expects to operate in the future. Forward-looking statements speak only as of the date of this press release and the Company expressly disclaims any obligation or undertaking to release any update of or revisions to any forward-looking statements in this press release, any change in expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

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**ORGANIZACION CULTIBA, S.A.B. de C.V.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Ps in millions)  
**(unaudited)**

	Three Months Ended			
	March 31, 2013	March 31, 2012	Variations	
Net sales	\$ 7,807	\$ 7,578	\$ 229	3.0%
Cost of goods sold	4,650	4,408	242	5.5%
Gross profit	3,157	3,170	(13)	-0.4%
Selling, general and administrative expenses	3,091	2,937	154	5.2%
Income from operations	66	233	(167)	-71.7%
Other income	10	2	8	411.2%
Comprehensive result of financing	7	(125)	131	-105.2%
Share in losses and joint ventures	(19)	10	(29)	-281.3%
Income before provision for income taxes	51	370	(319)	-86.2%
Provision for income taxes	(74)	(70)	(4)	5.7%
Net income	\$ (23)	\$ 300	\$ (323)	-107.7%
EBITDA:	607	737	(130)	-17.7%
%:	7.8%	9.7%	-2%	

EBITDA = net income (loss) plus (1) depreciation and amortization, (2) other income (expenses), net; (3) interest income (expense), net; and valuation of derivatives; and (4) income taxes

**ORGANIZACION CULTIBA, S.A.B. de C.V.**  
**BALANCE SHEETS**  
(Ps in millions)  
**(unaudited)**

Assets	Mar - 13	Dec - 12
<b>Current Assets</b>		
Cash & cash equivalents	914	589
Clients	2,371	1,898
Other receivables	1,849	2,148
Inventories - net	2,213	1,586
Prepaid expenses	730	276
Other assets	139	122
<b>Total Current Assets</b>	<b>8,216</b>	<b>6,619</b>
Accounts receivables	94	69
Investments	670	598
Property, plant & equipment - net	14,533	14,486
Intangible assets	7,518	7,569
Other assets	172	205
<b>Long-term Assets</b>	<b>22,988</b>	<b>22,927</b>
<b>TOTAL ASSETS</b>	<b>31,203</b>	<b>29,546</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Bank loans	2,646	1,816
Suppliers	3,365	2,704
Other liabilities	1,304	1,448
<b>Total Current Liabilities</b>	<b>7,314</b>	<b>5,968</b>
Long-term debt	2,627	4,848
Deferred and Taxes	1,424	1,649
Other liabilities	1,275	1,239
<b>Long-term Liabilities</b>	<b>5,325</b>	<b>7,736</b>
<b>Total Liabilities</b>	<b>12,639</b>	<b>13,704</b>
<b>Stockholders equity</b>	<b>18,564</b>	<b>15,842</b>
<b>Liabilities and stockholders equity</b>	<b>31,203</b>	<b>29,546</b>