

**This document must be read together with the management report of the financial statements of Ferreyros S.A.A.**

## **MANAGEMENT REPORT OF THE CONSOLIDATED FINANCIAL STATEMENTS OF FERREYROS S.A.A AND SUBSIDIARIES**

Results during the third quarter, as well as results reached during the first nine-month period of 2011, have been characterized by a good commercial management that has allowed an increase in sales of 44% and 32%, respectively, compared to the previous year, which were accomplished with an average margin of 22% allowing an increase in gross profit. The good commercial management was accompanied of an efficient managing of the expenses for which the increase in the operating profit almost reached an average of 60%. As a consequence, net profit and EBITDA have showed increases of 35% and 42% in the nine-month period. It should be noted that net profit in third quarter shows a decrease as a result of a temporary foreign exchange which has been recovered in October. Therefore, the above mentioned net profit is not reflection of the good management and results of the period.

Net sales of Ferreyros and subsidiaries during the first nine months of 2011 amounted to US\$ 1,008 million, compared to US\$ 746 million reported in the same period of the previous year, which represents a 35% growth. It is important to mention that the Company reached during the first nine months of 2011, an amount similar to the one obtained during the twelve-month period of 2010.

Likewise, net sales in 3Q 2011 (US\$ 372 million) were higher than net sales in 2Q 2011 (US\$ 333 million) and 1Q 2011 (US\$ 303 million).

On the other hand, net profit during the nine-month period of 2011 reached the amount of US\$ 54 million compared to US\$ 39 million in the same period of the previous year, an important growth of 38%.

During the nine-month period of 2011 Earning before interest, taxes, depreciation and amortization (EBITDA, in English) amounted to US\$ 124 million compared to US\$ 85 million in the same period of 2010, which represents an increase of 45%.

### **NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements of Ferreyros and subsidiaries in the third quarter of 2011 and 2010 include Inti Inversiones Interamericanas Corporation, which owns Caterpillar's dealers in Guatemala, El Salvador and Belice (hereinafter Gentrac group) since January 2010.

Also include the results of the subsidiary Inmobiliaria CDR S.A.C., acquired in September 2010, which owns property as the only asset which book value amounts to S/. 46.6 million. This company had no movement during 2010.

## CONSOLIDATED FINANCIAL RESULTS - SUMMARY

(In million of soles)

	Variation			Accumulated	Accumulated	Variation
	3Q 2011	3Q 2010	%	As of 09-30-11	As of 09-30-10	%
Net sales	1,020.3	706.8	44.4	2,790.6	2,113.7	32.0
Gross profit	224.8	154.0	46.0	623.3	445.1	40.0
Operating profit	83.7	50.9	64.6	234.3	148.6	57.7
Foreign exchange	-10.3	10.6	-196.7	11.7	27.9	-58.2
Net profit	43.3	45.7	-5.3	149.8	110.8	35.2
EBITDA	133.3	85.0	56.8	343.1	241.5	42.1

### RESULTS FOR THE FIRST NINE-MONTH PERIOD 2011

Net sales for the first nine-month period 2011 reached S/. 2,790.6 million compared to S/. 2,113.7 million in the same period of the previous year, an increase of 32.0%. If sales are considered in dollars, currency in which sales are invoiced, they reached US\$ 1,007.8 million for the first nine-month period 2011 and US\$ 746.4 million reported in 2010, which is equivalent to an increase of 35.0%. The increase is lower in soles due to the average exchange rate of S/. 2.769 in the first nine months of 2011, while the average exchange rate during the same period of 2010 was S/. 2.832.

The important growth in net sales was achieved due an increase in demand of all economic sectors which serves the Company, especially, the mining and construction sectors.

Gross profit for the first nine-month period 2011 reached S/. 623.3 million, 40.0% higher than S/. 445.1 million reported in the same period of 2010. In percentage terms, gross margin was 22.3%, higher than 21.1% reported in 2010.

Operating profit for the first nine-month period 2011, reached the amount of S/. 234.3 million compared to S/. 148.6 million in the same period of 2010, an increase of 57.7%, due to higher sales (S/. 2,790.6 million vs S/. 2,113.6 million), higher gross margin (22.3% vs 21.1%) and lower operating expenses as a percentage of net sales (13.6% vs 14.2%).

Net profit as of 09-30-11 reached S/. 149.8 million compared to S/. 110.8 million reported in the same period of the previous year, an increase of 35.2%.

This important growth could be higher not having been registered in September a foreign exchange loss of S/. 19.6 million, as a result of devaluation of Peruvian currency against US dollars. However, that loss, has been recovered in October as a consequence of a decrease in the Exchange rate from S/. 2.773 as of 09-30-11 and S/. 2.719 as of 10-27-11 (date of this management report). If the foreign exchange loss of S/. 19.6 million is excluded, net profit could be S/. 162.4 million, 46.6% higher than the one obtained in the same period of 2010. The increase in net profit is higher than the growth in sales and gross profit due to the good management in the rest of the profit and loss accounts.

During the first nine-month period of 2011, Earning before interest, taxes, depreciation and amortization (EBITDA, in English) was S/. 343.1 million compared to S/. 241.5 million, which represents an increase of 42.1%. EBITDA represents 12.3% when compared to 11.4% reported in 2010. It is important to mention that EBITDA does not consider the effect of the foreign exchange, reflecting adequately the result of the management of the business.

## **QUARTERLY RESULTS**

Net sales in 3Q 2011 reached S/. 1,020.3 million, a 44.4% increase when compared to S/. 706.8 million reported in the same period of 2010. If sales are considered in dollars, currency in which sales are invoiced, they reached US\$ 372.1 million in 3Q 2011, 47.7% higher than US\$ 251.9 million in 3Q 2010.

The increase in sales is lower due to an average exchange rate in sales of S/2.742 during 3Q 2011, while the average exchange rate during 3Q 2010 was S/. 2.806.

Gross profit in 3Q 2011 amounted to S/. 224.8 million, 46.0% higher compared to S/. 154.0 million in the same period of 2010. In percentage terms, gross margin in 3Q 2011 is 22.0% higher than 21.8% in 3Q 2010.

Operating profit in 3Q 2011 amounted to S/. 83.7 million compared to S/. 50.9 million in 3Q 2010, an increase of 64.6%, due to higher sales (S/. 1,020.3 million vs S/. 706.8 million), better gross margin (22.0% vs 21.8%) and lower operating expenses as a percentage of net sales (13.3% vs 14.8%).

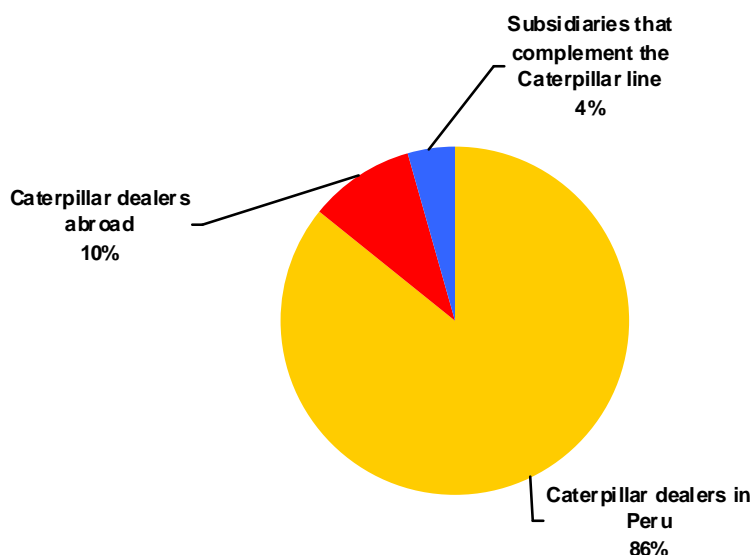
On the other hand, net profit in 3Q 2011 reached the amount of S/. 43.3 million, compared to S/. 45.7 million in the same period of the previous year, which represents a decrease of 5.3%, which is explained by a foreign exchange loss of S/. 19.6 million, registered in September, which affects Ferreyros and its subsidiaries Unimaq and Cresko. That loss, has been recovered in October by a decrease in the exchange rate of S/. 2.773 as of 09-30-11 and S/. 2.719 as of 10.24.11 (date of this management report). If the foreign exchange loss of S/. 19.6 million is excluded, net profit could be S/. 55.9 million, 22.3% higher than the one obtained in the same period of 2010.

During 3Q 2011, Earning before interest, taxes, depreciation and amortization (EBITDA, in English) was S/. 133.3 million compared to S/. 85.0 million in the same period of 2010, which represents an increase of 56.8%.

## **COMMERCIAL MANAGEMENT**

The Organization distributes its business in three big divisions: Caterpillar dealers in Peru, (Ferreyros, Unimaq and Orvisa), Caterpillar dealers abroad (Gentrac group) and the ones aimed to offer capital goods and services that complement the Caterpillar line (Fiansa, Mega Representaciones, Fargoline, Cresko and Ferrenergy) .

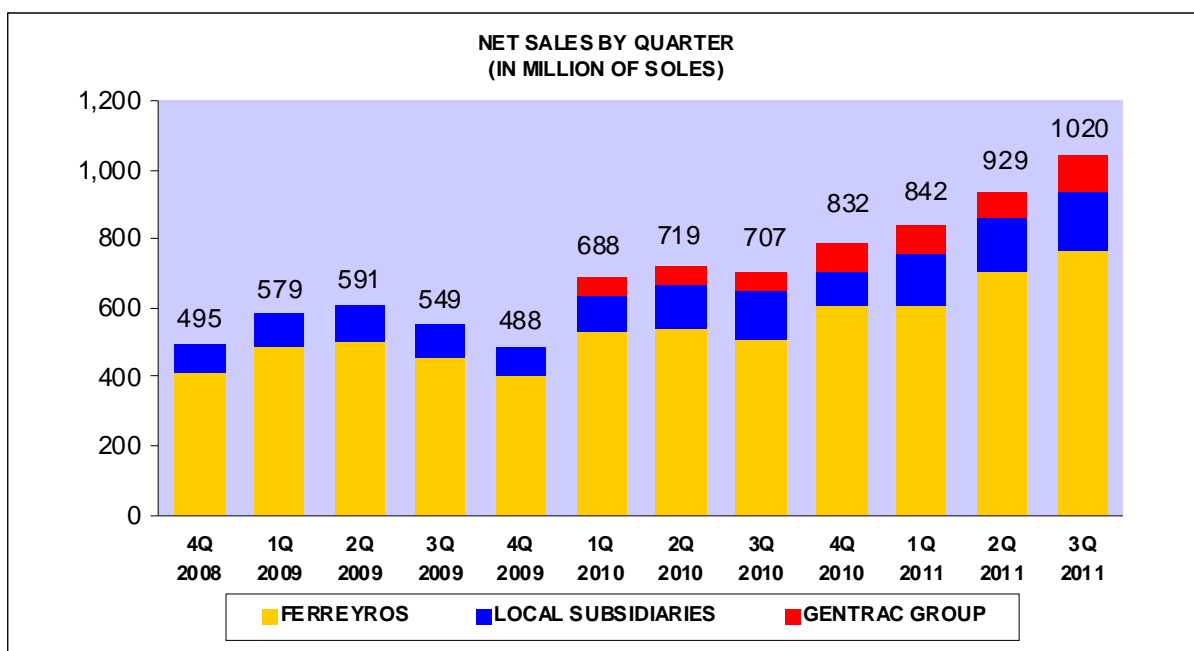
The following graph shows the composition of the sales according to the above mentioned divisions.



(In thousands of soles)

	Net sales			Net Profit		
	3Q 2011	3Q 2010	VAR %	3T 2011	3T 2010	VAR %
Ferreyros	742,295	504,407	47.2	32,016	36,142	(11.4)
Unimaq	91,484	63,218	44.7	4,362	5,416	(19.5)
Orvisa	41,748	35,523	17.5	2,572	1,521	69.1
Cresko	8,968	11,104	(19.2)	(283)	79	(457.7)
Mega Representaciones	25,867	16,796	54.0	983	765	28.4
Other (Fiansa, Fargoline, Ferrenergy, CDR)	8,505	15,997	(46.8)	(946)	1,635	(157.9)
Local Subsidiaries	176,571	142,638	23.8	6,686	9,416	(29.0)
Ferreyros and local subsidiaries	918,867	647,045	42.0	38,702	45,558	(15.0)
Subsidiaries from Central america	101,421	59,763	69.7	4,623	183	2,423.5
<b>Total</b>	<b>1,020,288</b>	<b>706,808</b>	<b>44.4</b>	<b>43,325</b>	<b>45,741</b>	<b>(5.3)</b>

Sales in 3Q 2011 registered an increase of 44.4% compared to sales made in the same period of 2010, as a result of higher economic development in the country, Ferreyros and subsidiaries' efficient commercial management and the preference of the clients to the products that the Company sells. In general, sales in 3Q 2011 were higher than sales recorded in the last quarters, as shown in the graph below.



### NET SALES – THIRD QUARTER 2011

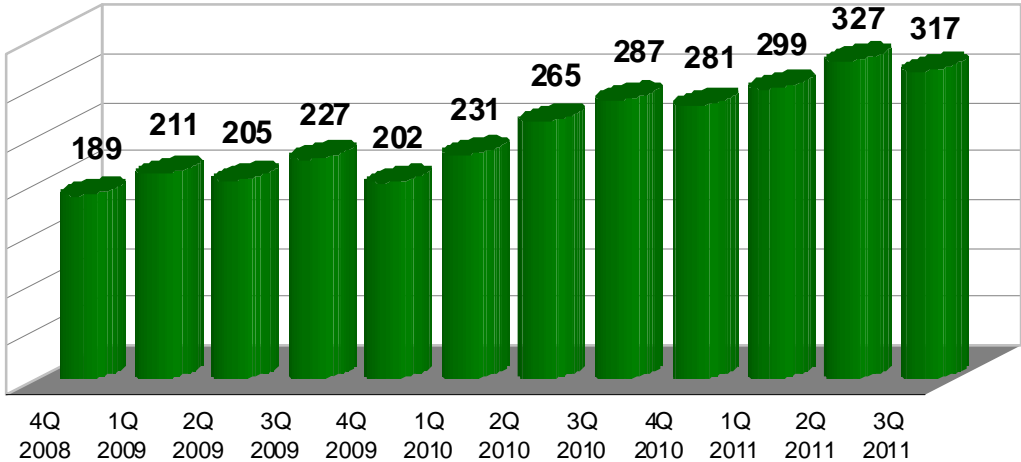
<b>CONSOLIDATED NET SALES</b> (In million of soles)						
	3Q 2011	3Q 2010	Variation %	Accumulated As of 09-30-11	Accumulated As of 09-30-10	Variation %
Caterpillar:						
Big mining	103.0	38.6	166.5	257.3	248.7	3.5
Other	411.3	201.0	104.7	1,017.4	566.0	79.7
Caterpillar equipment	<u>514.3</u>	<u>239.6</u>	114.6	1,274.7	814.7	56.5
Agricultural equipment	17.7	15.2	16.0	50.5	30.2	67.2
Automotive	27.9	37.1	-24.9	102.8	111.8	-8.0
Rental and Used	<u>73.7</u>	<u>61.5</u>	19.9	<u>204.4</u>	<u>169.2</u>	20.8
	<b>633.5</b>	<b>353.4</b>	<b>79.3</b>	<b>1,632.4</b>	<b>1,125.8</b>	<b>45.0</b>
Spare parts and Services	317.0	287.1	10.4	942.7	782.6	20.5
Other sales from local subsidiaries	61.1	55.9	9.3	187.5	174.6	7.4
Other sales from subsidiaries abroad	8.7	10.4	-16.7	28.0	30.7	-9.0
<b>Total</b>	<u><b>1,020.3</b></u>	<u><b>706.8</b></u>	<b>44.4</b>	<u><b>2,790.6</b></u>	<u><b>2,113.7</b></u>	<b>32.0</b>

During the third quarter of 2011, many commercial lines showed an important growth. In the first place, Caterpillar equipment sold to clients of all economic sectors. It is important

to stand out the important growth of 166.5% achieved in the big mining sector and 104.7% growth in the rest of economic sectors, compared to the same period of 2010. This increase is basically explained by higher sales made by Ferreyros (S/. 218.6 million), Gentrac Group (S/. 33.0) and Unimaq (S/. 22.9 million).

Likewise, there was an increase of 19.9% in sales of rental and used equipment of the commercial line Rentafer, due to a major number of units rented to clients of the construction sector.

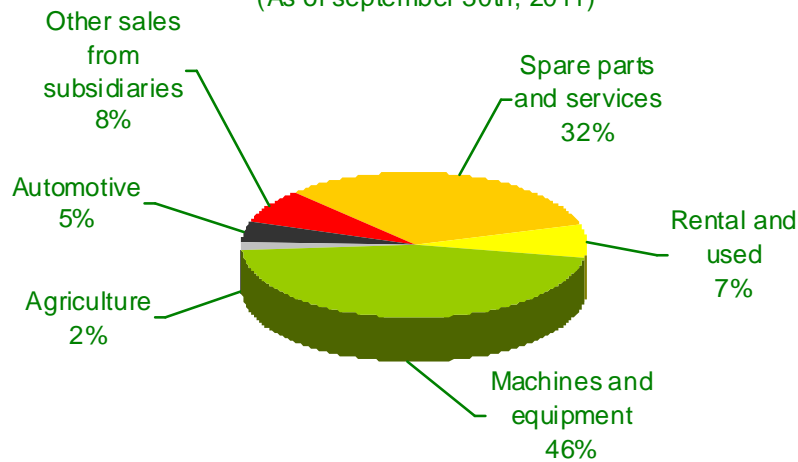
**Sales - Spare parts and services**  
(IN S/. MM)



On the other hand, spare parts and services showed an increase of 10.4% compared to the same period of the previous year, as a result of higher demand, mainly, to the construction and mining sectors, and the continuous increase in the number of machines sold by Ferreyros and some subsidiaries.

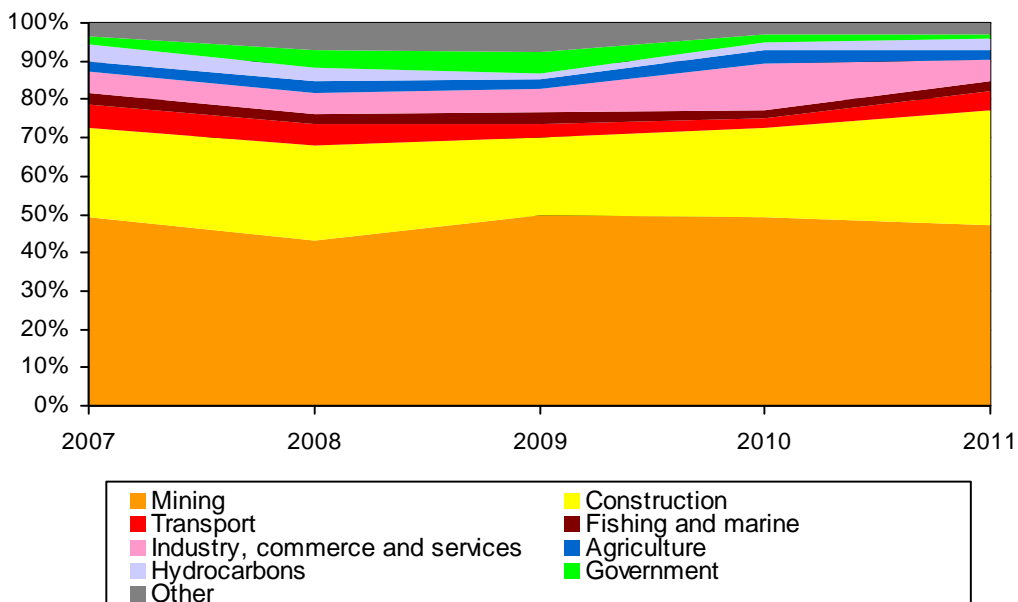
### Ferreyros and Subsidiarias: Sales by commercial line

(As of september 30th, 2011)



Sales from Caterpillar line accounted 85% of the total income of Ferreyros and subsidiaries, including machinery and equipment (new, used units and rental) as well as, spare parts and services.

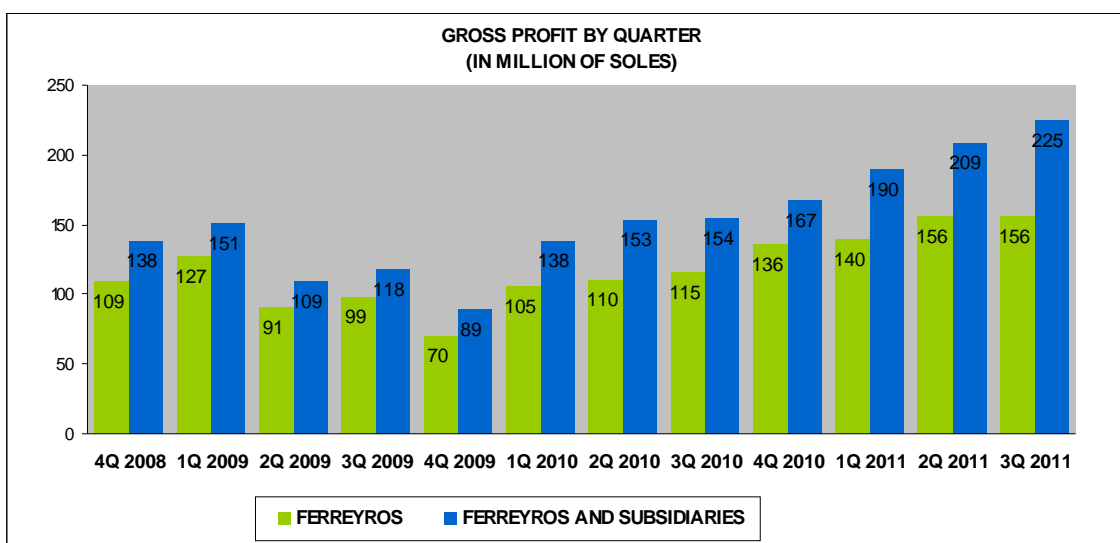
It is important to point out that sale of spare parts and services represent 32% of the total sales of Ferreyros and subsidiaries and is the line of higher profitability and growth in the revenue stream, as a result of the large fleet of Caterpillar units operating.



Regarding sales distribution by economic sector, it should be noted sales to the mining and construction sector having a 49% and 29%, respectively, in the total sales of the third quarter of 2011.

## GROSS PROFIT

Gross profit of Ferreyros and subsidiaries in 3Q 2011 reached S/.224.8 million, 46.0% higher than S/. 154.0 million reported in the same period of 2010. In percentage terms, gross margin in 3Q 2011 is 22.0%, higher than 21.8% in 3Q 2010.



## SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses of Ferreyros and subsidiaries totaled S/. 136.2 million, 30.3% higher than the figure reported in the previous year. This variation is mainly explained by: i) an increase of 47.5% in variable expenses as a consequence of higher net sales of 44.4% and by an increase of 19.5% in fixed expenses, basically due to i) improve in salaries of key personnel and qualified technicians: ii) hiring of technicians to satisfy future demand of post sale services and to increase market coverage, and iii) hiring of commercial personnel to extend market coverage.

In despite of higher expenses in soles, selling and administrative expenses in 3Q 2011, represent 13.3% of net sales compared to 14.8% in 3Q 2010.

## OTHER INCOME (EXPENSES)

In 3Q 2011, this category represents a net expense of S/. 4.9 million compared to a net income of S/. 1.4 million reported in the same period of 2010. This higher expense is mainly explained by an extraordinary expense made by the subsidiary Fiansa recorded in 3Q 2011.



## **FINANCIAL INCOME**

Financial income in 3Q 2011 amounted to S/. 6.7 million compared to S/. 8.2 million reported in the same period of 2010, which represents a slightly decrease of 18.0%. The decrease was driven by lower accrued interests of long term sales to clients, mainly due to the strategy adopted by the company not to grant financing aimed to avoid risks of bad loans.

However, the Company covers financial needs of its clients through financing programs from banks and leasing institutions, as well as Caterpillar Financial Services which has an important outstanding in long-term credits granted to clients who purchase Caterpillar machinery.

## **FINANCIAL EXPENSES**

Financial expenses in 3Q 2011 amounted to S/. 20.6 million, 15.7% higher than S/. 17.8 million reported in 3Q 2010 due to an increase in the average liabilities subject to interest rates (S/. 1,607.6 million in 3Q 2011; S/. 1,352.8 million in 3Q 2010), which is basically explained by higher purchases of inventories to possess the units in the country to assure immediate delivery to clients, as well as major purchases of rental fleet to satisfy higher demand of this modality of contracting by some clients.

Ferreyros participates in the capital market through corporate bond issuances with great support from investors. The interest rate of the issuances has decreased significantly in the last year. During 2010, the average interest rate of US\$ 40 million issuances was 4.40%

## **SHARE IN THE RESULTS OF ASSOCIATED COMPANIES AND BUSINESS RECOGNIZED UNDER THE EQUITY METHOD**

Ferreyros has an investment in a company of the insurance sector. This category includes income from the associated company.

During 3Q 2011, income under this category totaled S/. 1.9 million compared to S/. 6.3 million registered in the same period of 2010, which represents a decrease of 69.9%, due to an extraordinary profit in 3Q 2010 which were not achieved during 2011.

## **FOREIGN EXCHANGE GAIN (LOSS)**

During 3Q 2011, net liabilities in foreign currency showed an exchange loss of S/. 10.3 million, compared to an exchange gain of S/. 10.6 million during the same period of the previous year, as a consequence of the devaluation of the sol against the US dollar which was 0.85% in 3Q 2011, compared to an appreciation of the sol of 1.38% in the 3Q 2010. However, that loss, has been recovered in October as a result of a decrease in the exchange rate of S/. 2.773 as of 09-30-11 and S/. 2.719 as of 10-24-11 (date of this management report). If foreign exchange loss of S/. 19.6 million is excluded, the result in 3Q 2011 would be S/. 55.9 million, 22.3% higher than the same period of 2010.

## SHARES AND INCOME TAX

Shares and income tax ending the third quarter of 2011 and 2010 have been estimated according to the current tax and accounting regulations.

## NET PROFIT

Debido a las variaciones explicadas líneas arriba, la utilidad neta del 3T 2011 ascendió a S/. 43.3 millones en comparación con S/. 45.7 millones de similar período del año anterior, lo cual representa una disminución de 5.3% (en la página 2, sección “Resultado del Trimestre”, se explica la causa de esta disminución), pero como se ha señalado en la página 2 los resultados operativos fueron muy buenos explicándose la mayor diferencia por la pérdida en cambio.

Due to variations previously mentioned, net profit in 3Q 2011 reached S/. 43.3 million compared to S/. 45.7 million reported in the same period of 2010, which represents a decrease of 5.3% (page 2, section “Quarterly results”), but as mentioned in page 2, operating results were very good explaining the big difference due to foreign exchange.

## ANALYSIS OF THE BALANCE SHEET

As shown in appendix 2, total assets as of September 30, 2011, totaled S/. 3,249 million compared to S/. 2,468 million reported in the same period of 2010, which represents a net increase of S/. 781 million (32.0%). The main variations in the asset accounts which explained the increase are: i) an increase of S/. 505 million in Inventories, due to higher sales; ii) a net increase of S/. 205 million in fixed assets, which is, basically explained by purchases of rental equipment of S/. 138 million, to satisfy future demand of customers mainly from the construction sector; and iii) net increase of S/. 22 million in Investments, mainly explained by an acquisition of shares issued by subsidiary INTI.

As of September 30, 2011, total liabilities of Ferreyros and subsidiaries amounted to S/. 2,353 million compared to S/. 1,734 million as of September 30, 2010, which is equivalent to an increase of S/. 619 million (36%). The increase in assets of S/. 781 million was financed by an increase in liabilities of S/. 616 million and by an increase in Equity of S/. 165 million.

The composition of the Company's liabilities as of September 30, 2011, are shown in Appendix 4.

## LIQUIDITY AND DEBT RATIOS

Consolidated current ratio as of 09-30-11 is 1.27, lower than 1.41 recorded in 09-30-10 due to the strategy of taking short-term financing, to obtained better interest rates. The Company has initiated a process of substitution of short-term debt by medium-term debt, which will improve the current ratio in the next months.

The Company's strategy during the third quarter of 2011 was to take short-term funding pending the increase in Equity approved in the General shareholder's meeting held in

March 30, 2011. Also, the above mentioned strategy, was started to decrease financial expenses of the Company due to competitive interest rates obtained through short-term credit lines with local and foreign Banks. Due to unfavorable conditions in the capital market during the third quarter, the Company decided not to issue shares and the increase in Equity programmed in 2011.

Consolidated financial debt ratio as of 09-30-11 is 1.78 compared to 1.66 as of 09-30-10. For the estimation of this ratio, cash and bank balance account have been excluded as well as liabilities with suppliers that do not generate financial expenses.

Consolidated total debt ratio as of 09-30-11 is 2.66 compared to 2.41 recorded in 09-30-10.

## COMPANY DESCRIPTION - FERREYROS AND SUBSIDIARIES

The Organization Ferreyros is composed by Ferreyros S.A.A., the leading importer of capital goods and services in Peru, and its subsidiaries listed below. As complement to Ferreyros' operations, the parent company, which mission is detailed in the Management report of Ferreyros S.A.A, the subsidiaries contribute to the organization with higher sales and profits, extend market coverage and provide a portfolio of products and services that enriches the offer of Ferreyros' solutions. In this sense, many of Ferreyros' S.A.A customers receive products and services of several companies of the organization.

It is worth mentioning that the Organization distributes its business in three big divisions: the Caterpillar dealers in Peru, the Caterpillar dealers abroad and the ones that complement the offer of Caterpillar capital goods and services.

According to Superintendencia del Mercado de Valores nomenclature, Ferreyros forms economic group with the following subsidiaries:

<u>Subsidiaries</u>	<u>Participation</u>
Caterpillar dealers in Peru :	
Unimaq S.A.	99.99%
Orvisa S.A.	99.00%
Caterpillar dealers abroad:	
Corporation General de Tractores S.A. – Guatemala (*)	100.00%
Compañía General de Equipos S.A. - El Salvador (*)	100.00%
General Equipment Company Ltd. – Belice (*)	100.00%
Subsidiaries aimed to offer Caterpillar capital goods and services:	
Mega Representaciones S.A.	99.99%
Cresko S.A.	99.99%
Fargoline S.A.	99.86%
Fiansa S.A.	99.99%
Ferrenergy S.A.C.	50.00%
Inmobiliaria CDR S.A.C.	99.89%

(\*) Subsidiaries of Inti Inversiones Interamericanas Corp.

Find below a brief description of the subsidiaries' core business:

**Unimaq S.A.** is a company that serves the general construction sector by selling machines, equipment and spare parts, leasing of light equipment and post sale services. Represents Caterpillar products aimed to serve the general construction.

**Orvisa S.A.** is a leading company in the distribution of capital goods in the Amazon region and one of the companies with greater trading volume in the area. It sells machinery and earthmoving equipment and forestry use, river engines, agricultural tractors, spare parts and workshop services. The portfolio of products is similar to Ferreyros.

**Inti Inversiones Interamericanas Corp.** is a holding company set up in late 2009. In January 2010, Inti acquired 100% of Gentrac Corporation shares, which also owns Caterpillar's distributors in Guatemala, El Salvador and Belice. The latter are leaders, in their respective countries, in the trading of machinery and equipment, and serving mining, construction, energy, agricultural and sea sectors. They represent prestigious brands such as Caterpillar, Exxon / Mobil lubricants, Sullair compressors, among others. The core business of the 3 companies is similar to Ferreyros.

**Mega Representaciones S.A.** is a distributor of Good Year tires and Mobil lubricants in Peru. Develops its activities of sale and service, especially in the mining, construction, transportation, agricultural and industrial sectors. The high added value it offers makes it an important and strategically ally for its clients and the products it represents.

**Cresko S.A.** inició sus operaciones en octubre del 2007 para atender ciertos segmentos de los mercados de construcción, minería y agricultura no cubiertos por Ferreyros ni Unimaq. Es la segunda empresa de la organización en incursionar en la comercialización de productos de procedencia china.

**Fargoline S.A.** is a subsidiary that provides storage services in simple or field bonded warehouses. By late 2009, it obtained permission from Peruvian Customs to operate as a temporary warehouse, point of arrival and customs warehouse in its new complex located in Gambetta, Callao.

**Fiansa S.A.** is a subsidiary of the metal mechanic sector and serves costumers from mining, energy and construction sectors. Sales during second quarter of 2011 include income generated by the construction of metallic bridges, execution of metal works, electrical connections and the manufacturing and assembly of metal structures.

**Ferrenergy S.A.C.** Its shareholders are Ferreyros S.A.A. and Energy International Corporation, with a 50% share each. Energy International is headquartered in the United States. The second project undertaken by the company was the steam power plant of Guayabal, which generates electrical power of 18 MVV to be sold to a major oil company under a 5-year contract.

**Profit and Loss Statement** (NOTE)  
(In thousand of nuevos soles)

	3Q 2011			3Q 2010			Accumulated		Accumulated		Var	
		%		%		%	As of 09-30-11	%	As of 09-30-10	%	%	
<b>Net sales</b>	1,020,288	100.0	706,808	100.0	44.4	2,790,586	100.0	2,113,668	100.0	32.0		
Cost of sales	(795,480)	-78.0	(552,833)	-78.2	43.9	(2,167,320)	(77.7)	(1,668,552)	(78.9)	29.9		
<b>Gross profit</b>	<b>224,808</b>	<b>22.0</b>	<b>153,975</b>	<b>21.8</b>	<b>46.0</b>	<b>623,266</b>	<b>22.3</b>	<b>445,116</b>	<b>21.1</b>	<b>40.0</b>		
Selling and administrative expenses	(136,186)	-13.3	(104,518)	-14.8	30.3	(380,706)	(13.6)	(299,287)	(14.2)	27.2		
Other income (Expenses), net	(4,898)	-0.5	1,409	0.2		(8,295)	(0.3)	2,761	0.1			
<b>Operating profit</b>	<b>83,724</b>	<b>8.2</b>	<b>50,866</b>	<b>7.2</b>	<b>64.6</b>	<b>234,266</b>	<b>8.4</b>	<b>148,590</b>	<b>7.0</b>	<b>57.7</b>		
Financial income	6,745	0.7	8,226	1.2	-18.0	20,717	0.7	24,518	1.2	(15.5)		
Gain (Loss) to exchange rate	(10,272)	-1.0	10,619	1.5	-196.7	11,676	0.4	27,913	1.3	(58.2)		
Financial expenses	(20,558)	-2.0	(17,773)	-2.5	15.7	(56,432)	(2.0)	(54,094)	(2.6)	4.3		
Share in the results of associated companies through the equity method	1,908	0.2	6,346	0.9	-69.9	6,342	0.2	8,472	0.4	(25.1)		
<b>Profit before income tax</b>	<b>61,547</b>	<b>6.0</b>	<b>58,283</b>	<b>8.2</b>	<b>5.6</b>	<b>216,569</b>	<b>7.8</b>	<b>155,399</b>	<b>7.4</b>	<b>39.4</b>		
Income tax	(18,222)	-1.8	(12,542)	-1.8	45.3	(66,758)	(2.4)	(44,581)	(2.1)	49.7		
<b>Net profit</b>	<b>43,325</b>	<b>4.2</b>	<b>45,741</b>	<b>6.5</b>	<b>-5.3</b>	<b>149,811</b>	<b>5.4</b>	<b>110,818</b>	<b>5.2</b>	<b>35.2</b>		
<b>Earning per share</b>	0.069		0.073			0.240		0.178				
<b>EBITDA</b>	<b>133,250</b>	<b>13.1</b>	<b>84,968</b>	<b>12.0</b>	<b>56.8</b>	<b>343,095</b>	<b>12.3</b>	<b>241,488</b>	<b>11.4</b>	<b>42.1</b>		

NOTE: Some figures have been reclassified in this document, to show direct-order sales in sales and cost of sales. In the Profit and Loss Statement presented to Conasev, only the gross profit obtained from such operations is included in Other Operating Profit.

**Balance Sheet Statement**

(In thousand of nuevos soles)

	<u>09/30/2011</u>	<u>09/30/2010</u>	<u>Variation</u> %
Cash and banks	60,232	120,397	-50.0
Account receivables - Trade	668,652	549,929	21.6
Account receivables - Other	1,297,405	792,506	1,657.4
Inventories	95,296	73,826	-88.0
Prepaid expenses	18,692	15,929	17.3
<b>Total current assets</b>	<b>2,140,277</b>	<b>1,552,587</b>	<b>37.9</b>
Long-term account receivables - Trade	77,416	123,036	-37.1
Long-term account receivables - Other	6,862	-	
Rental fleet	513,859	375,423	36.9
Other fixed assets	780,397	683,598	14.2
	1,294,256	1,059,021	22.2
Accrued depreciation	(400,143)	(370,251)	8.1
Property, plant and equipment, net	894,113	688,770	29.8
Investments	78,446	56,414	39.1
Other non current assets	51,456	46,693	10.2
<b>Non current assets</b>	<b>1,108,293</b>	<b>914,913</b>	<b>21.1</b>
<b>Total assets</b>	<b>3,248,570</b>	<b>2,467,500</b>	<b>31.7</b>
Short-term debt	471,292	240,174	96.2
Other current liabilities	1,213,514	857,702	41.5
<b>Current liabilities</b>	<b>1,684,806</b>	<b>1,097,876</b>	<b>53.5</b>
Long-term debt	667,888	635,675	5.1
<b>Total liabilities</b>	<b>2,352,694</b>	<b>1,733,551</b>	<b>35.7</b>
<b>Deferred income</b>	<b>10,282</b>	<b>13,533</b>	<b>-24.0</b>
<b>Equity</b>	<b>885,594</b>	<b>720,416</b>	<b>22.9</b>
<b>Total liabilities and equity</b>	<b>3,248,570</b>	<b>2,467,500</b>	<b>31.7</b>
<b>Other financial information</b>			
Depreciation and amortization (figures accumulated at the end of the period)	81,770	59,908	
<b>Financial Ratios</b>			
Current ratio	1.27	1.41	
Financial debt ratio	1.78	1.66	
Indebtedness ratio	2.66	2.41	
Book value per share	1.42	1.49	

<b>NET SALES</b> (In million of soles)										
	3Q 2011		3Q 2010		Variation	Accumulated As of 09-30-11		Accumulated As of 09-30-10		Variation
		%		%	%		%		%	%
Caterpillar:										
Big mining	102,970	10.1	38,636	5.5	166.5	257,311	9.2	248,672	11.8	3.5
Other	411,317	40.3	200,963	28.4	104.7	1,017,362	36.5	566,000	26.8	79.7
Caterpillar equipment	514,287	50.4	239,600	33.9	114.6	1,274,673	45.7	814,672	38.5	56.5
Agricultural equipment	17,668	1.7	15,229	2.2	16.0	50,466	1.8	30,190	1.4	67.2
Automotive	27,852	2.7	37,090	5.2	-24.9	102,844	3.7	111,756	5.3	-8.0
Rental and Used	73,703	7.2	61,473	8.7	19.9	204,392	7.3	169,178	8.0	20.8
	<b>633,510</b>	<b>62.1</b>	<b>353,391</b>	<b>50.0</b>	<b>79.3</b>	<b>1,632,375</b>	<b>58.5</b>	<b>1,125,796</b>	<b>53.3</b>	<b>45.0</b>
Spare parts and Services	317,031	31.1	287,115	40.6	10.4	942,715	33.8	782,571	37.0	20.5
Other sales from local subsidiaries	61,090	6.0	55,906	7.9	9.3	187,528	6.7	174,552	8.3	7.4
Other sales from subsidiaries abroad	8,657	0.8	10,396	1.5	-16.7	27,968	1.0	30,749	1.5	-9.0
<b>Total</b>	<b>1,020,288</b>	<b>100.0</b>	<b>706,808</b>	<b>100.0</b>	<b>44.4</b>	<b>2,790,586</b>	<b>100.0</b>	<b>2,113,668</b>	<b>100.0</b>	<b>32.0</b>

<b>SALES BY ECONOMIC SECTOR (in percentage)</b>				
	3Q 2011	3Q 2010	Accumulated As of 09-30-11	Accumulated As of 09-30-10
Mining	49.4%	45.1%	47.0%	47.2%
Construction	29.4%	23.7%	29.9%	26.5%
Government	1.2%	4.7%	1.0%	2.2%
Transport	4.9%	2.6%	5.2%	2.5%
Industry, commerce and services	5.0%	10.5%	5.8%	10.3%
Agriculture	1.8%	4.8%	2.3%	4.1%
Fishing and marine	2.3%	3.4%	2.4%	2.1%
Hydrocarbons and energy	4.1%	1.9%	3.1%	2.2%
Other	2.0%	3.4%	3.2%	2.9%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



**FERREYROS S.A.A. AND SUBSIDIARIES**

**APPENDIX 4**

**Total Liabilities as of September 30, 2011**

(In thousands of US dollars)

(A)

	Total Liabilities	Current Liabilities	Long-term liabilities		Financial Liabilities
			Current part	Long term	
Local banks (short-term)		76,044	-	-	-
Foreign banks (short-term)		58,397	58,861	-	-
Local banks (long-term)		-	30,101	74,025	-
Foreign banks (long-term)		-	27,051	53,109	-
Local banks (long-term) (Leasing)		-	3,372	5,489	-
Suppliers:					
Accounts payable to Caterpillar		38,960	-	-	-
Accounts payable to Caterpillar		43,933	-	-	-
Other		59,277	-	-	345
Corporate bonds		-	32,500	68,858	-
Caterpillar Financial Services		-	18,072	39,373	-
Other liabilities		161,006	-	-	-
<b>Total (US\$)</b>	<b>-</b>	<b>437,618</b>	<b>169,957</b>	<b>240,854</b>	<b>345</b>
<b>Total (S/.)</b>	<b>2,352,694</b>	<b>1,213,514</b>	<b>471,292</b>	<b>667,888</b>	<b>957</b>

(A) Generate interest payment

**This document must be read together with the management report of the consolidated financial statements of Ferreyros S.A.A. and Subsidiaries**

**MANAGEMENT REPORT OF THE FINANCIAL STATEMENTS OF  
FERREYROS S.A.A**

**FINANCIAL HIGHLIGHTS**

(In million of soles)

	3Q 2011	3Q 2010	Variation %	Accumulated As of 09-30-11	Accumulated As of 09-30-10	Variation %
Net sales	761.0	508.4	49.7	2,071.4	1,577.6	31.3
Gross profit	156.2	114.5	36.4	452.2	330.3	36.9
Operating profit	59.5	36.9	61.5	181.5	110.6	64.0
Foreign exchange	(7.6)	7.6	-199.6	6.2	16.7	-63.1
Net profit	42.8	44.5	-3.9	149.4	110.0	35.8
EBITDA	96.2	68.7	40.0	282.3	197.8	42.7

Results during the third quarter, as well as results achieved during the first nine-month period of 2011, have been characterized by good commercial management which allowed an increase in sales of 50% and 31%, respectively, compared to the previous year, which were accomplished with an average margin of 22% allowing to an increase in gross profit. The good commercial performance was accompanied of an efficient management of expenses for which the increase in the operating profit exceeded 60%. As a consequence, net profit and EBITDA showed increases of 36% and 43% in the nine-month period. It should be noted that net profit in third quarter shows a decrease as a result of a temporary foreign exchange which has been recovered in October. Therefore, the above mentioned net profit is not reflection of the good management and results of the period.

**RESULTS FOR THE FIRST NINE-MONTH PERIOD 2011**

Net sales for the first nine-month period 2011 reached S/. 2,071.4 million compared to S/. S/. 1,577.6 million in the same period of the previous year, an increase of 31.3%. If sales are considered in dollars, currency in which sales are invoiced, they reached US\$ 748.1 million for the first nine-month period 2011 and US\$ 7557.1 million reported in 2010, which is equivalent to an increase of 34.3%. The increase is lower in soles due to the average exchange rate of S/. 2.769 in the first nine months of 2011, while the average exchange rate during the same period of 2010 was S/. 2.832.

The important growth in net sales was achieved due to an increase in demand of all economic sectors which serves the Company, especially, the mining and construction sectors.

Gross profit for the first nine-month period 2011 reached S/. 452.2 million, 36.9% higher than S/. 330.3 million reported in the same period of 2010. In percentage terms, gross margin was 21.8%, higher than 20.9% reported in 2010.

Operating profit for the first nine-month period 2011, reached the amount of S/. 181.5 million compared to S/. 110.6 million in the same period of 2010, an increase of 64.0%, due to higher sales (S/. 2,071.4 million vs S/. 1,577.6 million), higher gross margin (21.8% vs 20.9%) and lower operating expenses as a percentage of net sales (13.4% vs 14.3%).

Net profit as of 09-30-11 reached S/. 149.4 million compared to S/. 110.0 million reported in the same period of the previous year, an increase of 35.8%.

This important growth could be higher not having been registered in September a foreign exchange loss of S/. 14.6 million, as a result of devaluation of Peruvian currency against US dollars. However, that loss, have been recovered in October as a consequence of a decrease in the exchange rate from S/. 2.773 as of 09-30-11 and S/. 2.719 as of 10-27-11 (date of this management report). If the foreign exchange loss of S/. 14.6 million is excluded, net profit could be S/. 158.8 million, 44.4% higher than the one obtained in the same period of 2010. The increase in net profit is higher than the growth in sales and gross profit due to the good management in the rest of the profit and loss accounts.

During 3Q 2011, Earning before interest, taxes, depreciation and amortization (EBITDA, in English) was S/. 282.3 (US\$ 102.0 million) compared to S/. 197.8 million in the same period of 2010, which represents an increase of 42.7%.

It is important to mention that EBITDA does not consider foreign exchange, reflecting adequately the results in the business good performance.

## QUARTERLY RESULTS

Net sales in 3Q 2011 reached S/. 761.0 million, a 49.7% increase when compared to S/. 508.4 million reported in the same period of 2010. If sales are considered in dollars, currency in which sales are invoiced, they reached US\$ 277.5 million in 3Q 2011, 53.2% higher than US\$ 181.2 million in 3Q 2010.

The increase in sales is lower due to an average exchange rate in sales of S/.2.742 during 3Q 2011, while the average exchange rate during 3Q 2010 was S/. 2.806.

Gross profit in 3Q 2011 amounted to S/. 156.2 million, 36.4% higher compared to S/. 114.5 million in the same period of 2010. In percentage terms, gross margin in 3Q 2011 is 20.5% lower than 22.5% in 3Q 2010. The decrease in 3Q 2011 is due to higher sales of prime products sales which have lower gross margins than sales of spare parts and services. The percentage of gross profit by commercial line has not suffered significant variations throughout 2011.

Operating profit amounted to S/. 59.7 million compared to S/. 36.9 million in the same period of 2010, an increase of 61.3%, due to higher sales (S/. 761.0 million vs S/. 508.4 million) and lower operating expenses as a percentage of net sales (12.8% vs 15.3%).

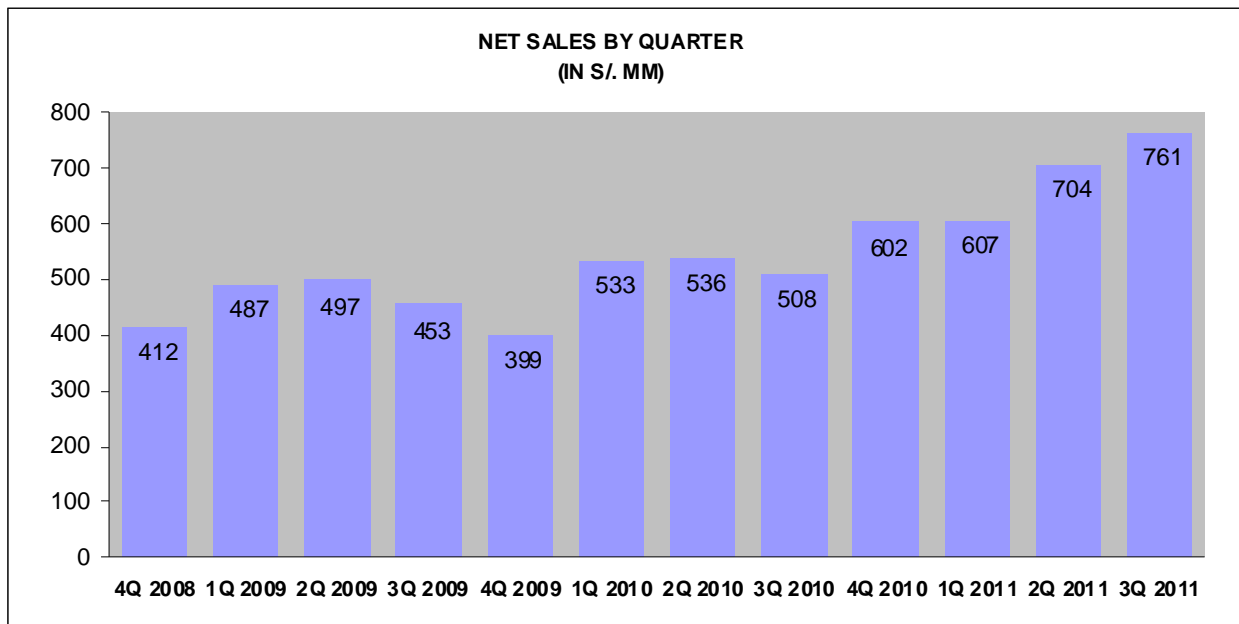
On the other hand, net profit in 3Q 2011 reached the amount of S/. 42.8 million, compared to S/. 44.5 million in the same period of the previous year, which represents a slightly decrease of 3.9%, which is explained by a foreign exchange loss of S/. 14.6 million, registered in September, which was caused by a devaluation of the sol against the US dollar. However, this loss, has been recovered in October by a decrease in the exchange rate of S/. 2.773 as of 09-30-11 and S/. 2.719 as of 10.24.11 (date of this management report). If the foreign exchange loss of S/. 19.6 million is excluded, net profit could be S/. 52.2 million, 17.0% higher than the one obtained in the same period of 2010.

It is important to point out that net profit in 3Q 2010 was significantly higher than the other quarters of 2010 (net profit in 3Q 2010: S/. 44.6 million; average net profit of the rest of quarters: S/. 31.3 million).

During 3Q 2011, Earning before interest, taxes, depreciation and amortization (EBITDA, in English) was S/. 96.2 million (US\$ 35.1 million) 40.0% higher than S/. 68.7 million (US\$ 24.5 million) in the same period of 2010.

## COMMERCIAL MANAGEMENT

Sales in 3Q 2011 registered an increase of 49.7% compared to sales made in the same period of 2010, as a result of higher economic development in the country, efficient commercial management and the preference of the clients to the products that the Company sells. In general, sales in 3Q 2011 were higher than sales recorded in the last quarters, as shown in the graph below:



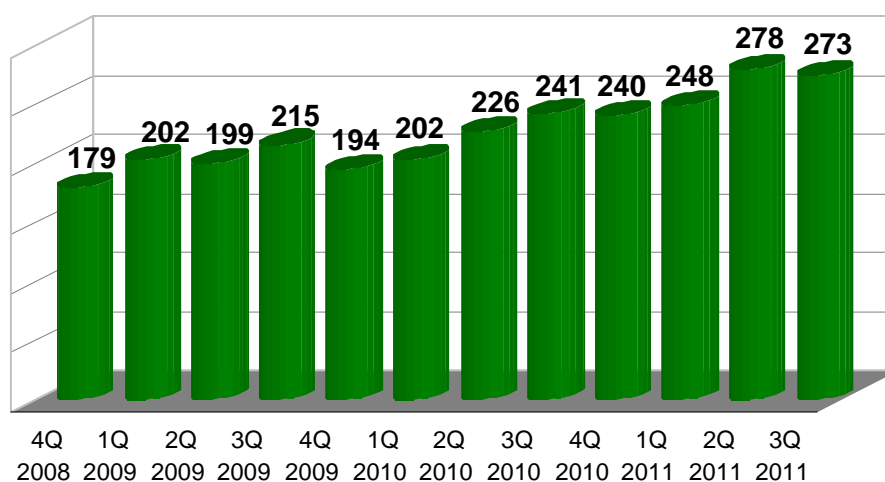
## NET SALES OF THE THIRD QUARTER 2011

<b>NET SALES</b> (In million of soles)						
			Variation	Accumulated	Accumulated	Variation
	3Q 2011	3Q 2010	%	As of 09-30-11	As of 09-30-10	%
Caterpillar equipment	407.3	188.7	115.9	1,011.8	671.7	50.6
Agricultural equipment	12.1	11.1	9.4	37.7	22.9	64.9
Automotive	27.8	33.6	-17.3	102.8	108.1	-5.0
Rental and Used	40.7	34.2	18.9	120.0	106.7	12.5
	<b>487.9</b>	<b>267.6</b>	<b>82.3</b>	<b>1,272.2</b>	<b>909.3</b>	<b>39.9</b>
Spare parts and Services	273.1	240.8	13.4	799.1	668.2	19.6
<b>Total</b>	<b>761.0</b>	<b>508.4</b>	<b>49.7</b>	<b>2,071.4</b>	<b>1,577.6</b>	<b>31.3</b>

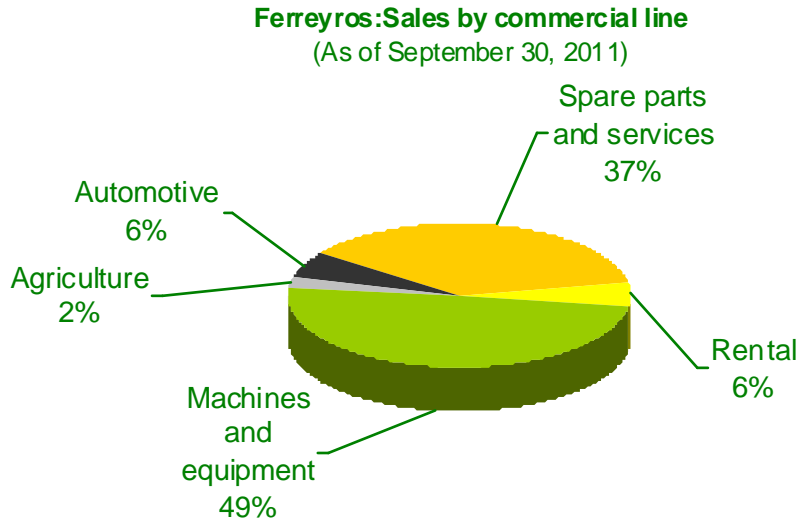
During the third quarter of 2011, many commercial lines showed an important growth. In the first place, Caterpillar equipment sold to clients of all economic sectors. It is important to stand out the important growth of 166.5% achieved in the big mining sector and 102.8% growth in the rest of economic sectors, compared to the same period of 2010.

Likewise, there was an increase of 18.9% in income from the rental commercial line Rentafer, due to major units rented to clients of the construction sector.

### Sales – Spare parts and services (In US/. million)

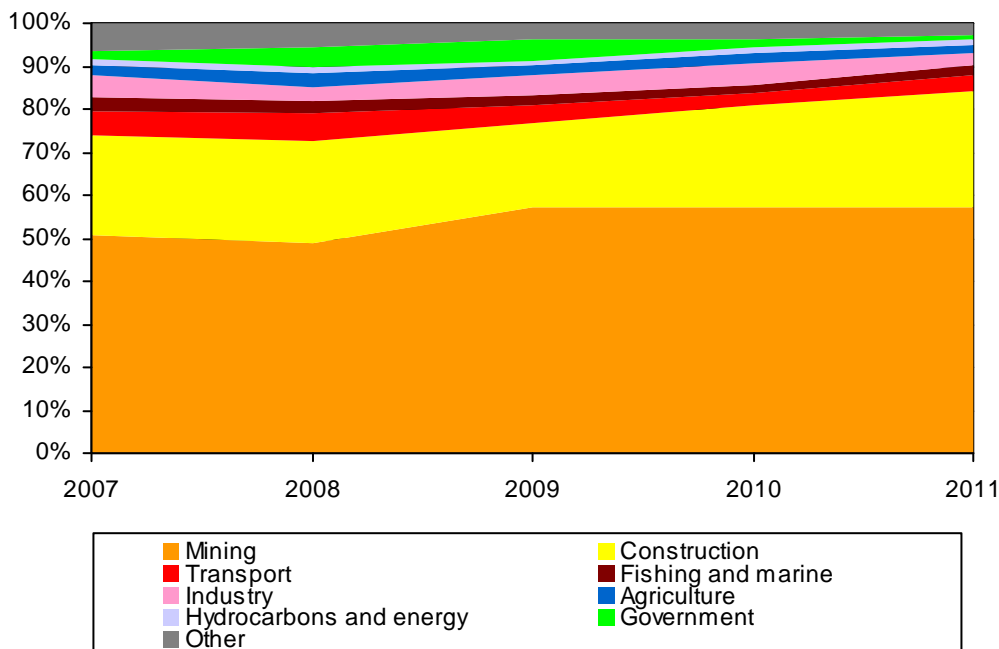


On the other hand, sales of spare parts and services during 3Q 2011 had an important growth of 13.4%, compared to the same period of 2010, as a result of higher demand, mainly from clients from the construction and mining sectors due to the continuous increase in the units sold by Ferreyros and its subsidiaries.



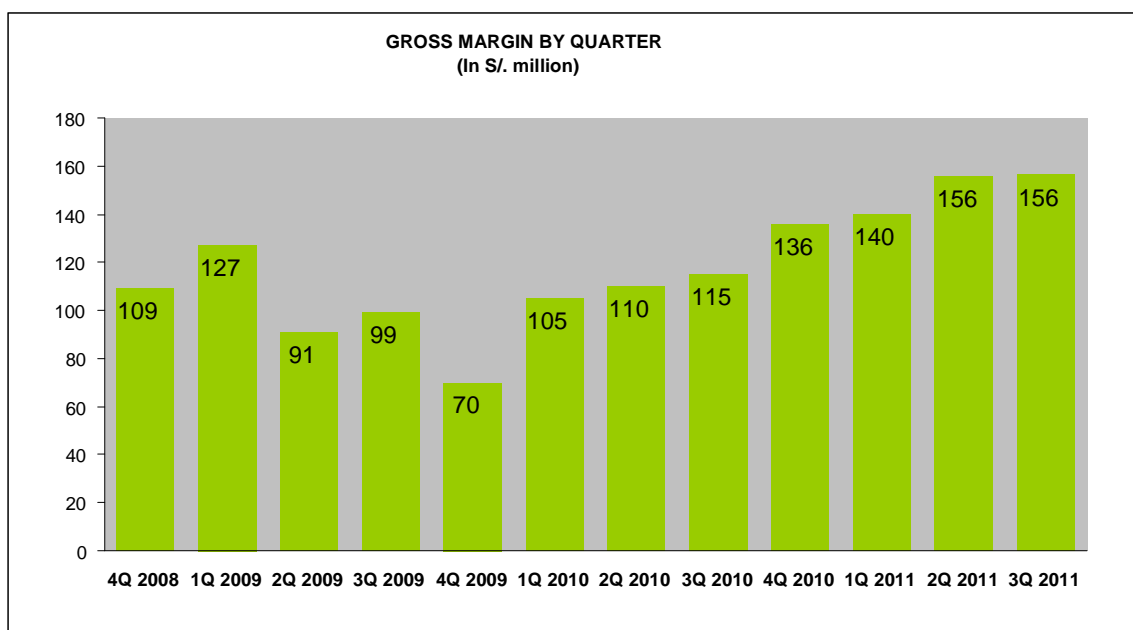
During 3Q 2011, sales from Caterpillar line accounted 92% of the total income of Ferreyros, including machinery and equipment (new, used units and rental) as well as, spare parts and services.

It is important to point out that sale of spare parts and services represent 37% of the total sales of the Company, and is the line of higher profitability and growth in the revenue stream, as a result of the large fleet of Caterpillar units sold by Ferreyros and subsidiaries.



Regarding sales distribution by economic sector, it should be noted sales to the mining and construction sector having a 58% and 28%, respectively, in the total sales of the third quarter of 2011.

## GROSS PROFIT



## SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses in 3Q 2011, totaled S/. 97.6 million compared to S/. 77.5 million reported in the previous year, an increase of 25.8%. This variation is mainly explained by an increase of 52.8% in variable expenses as a consequence of higher net sales of 49.7% and by an increase of 15% in fixed expenses, basically due to i) improve in salaries of key personnel and qualified technicians: ii) hiring of technicians to satisfy future demand of post sale services and to increase market coverage, and iii) hiring of commercial personnel to extend market coverage.

Despite of higher expenses in sales, selling and administrative expenses in 3Q 2011, represent 12.8% of net sales compared to 15.3% in 3Q 2010.

## OTHER INCOME (EXPENSES), NET

In 3Q 2011, this category represents a net income of S/. 0.9 million compared to a net expense of S/. 0/1 million reported in the same period of 2010. This variation is not significant.

## FINANCIAL INCOME

Financial income in 3Q 2011 amounted to S/. 6.8 million compared to S/. 4.9 million reported in the same period of 2010, which represents a decrease of 22.7%, due to measures adopted by the Company to reduce direct financing to clients aimed to avoid risks of bad loans. The Company covers financial needs of its clients through financing programs from banks and leasing institutions, as well as Caterpillar Financial Services which has an important outstanding in long-term credits granted to clients who purchase Caterpillar machinery.

## **FINANCIAL EXPENSES**

Financial expenses in 3Q 2011 amounted to S/. 12.8 million, 16.8% higher than S/. 11.0 million reported in 3Q 2010 due to an increase in the average liabilities subject to interest rates (S/. 989 million in 3Q 2011; S/. 755 million in 3Q 2010), which is basically explained by higher purchases of inventories to possess the units in the country to assure immediate delivery to clients, as well as major purchases of rental fleet to satisfy higher demand of this modality of contracting by some clients.

The Company has managed to obtain part of the debt in very competitive conditions. Ferreyros participates in the capital market through corporate bond issuances with great support from investors. The interest rate of the issuances has decreased significantly in the last year. During 2010, the average interest rate of US\$ 40 million issuances was 4.40%

## **SHARE IN THE RESULTS OF ASSOCIATED COMPANIES AND BUSINESS RECOGNIZED UNDER THE EQUITY METHOD**

During 3Q 2011, income under this category totaled S/. 13.1 million, 11% lower than income of S/. 14.7 million obtained in 3Q 2010, due to a decrease in results from an associated company of the insurance sector, which was compensated by an increase in the results of local and foreign subsidiaries.

## **FOREIGN EXCHANGE GAIN (LOSS)**

During 3Q 2011, net liabilities in foreign currency showed an exchange loss of S/. 7.6 million, compared to an exchange gain of S/. 7.6 million during the same period of the previous year, as a consequence of the devaluation of the sol against the US dollar which was 0.85% in 3Q 2011, compared to an appreciation of the sol of 1.38% in the 3Q 2010. However, that loss, was recovered in October as a result of a decrease in the exchange rate of S/. 2.773 as of 09-30-11 and S/. 2.719 as of 10-27-11 (date of this management report). If foreign exchange loss of S/. 14.6 million is excluded, net profit would be S/. 158.8 million, 44.4% higher than the same period of 2010.

## **SHARES AND INCOME TAX**

Shares and income tax ending the third quarter of 2011 and 2010 have been estimated according to the current tax and accounting regulations.

## **NET PROFIT**

Due to variations previously mentioned, net profit in 3Q 2011 reached S/. 42.8 million compared to S/. 44.6 million reported in the same period of 2010, which represents a slightly decrease of 4% (page 1, section "Quarterly results"), but as mentioned in page 1, operating results were very good explaining the big difference due to foreign exchange.

## **ANALYSIS OF THE BALANCE SHEET**

As shown in appendix 2, total assets as of September 30, 2011, totaled S/. 2,423 million compared to S/. 1,782 million reported in the same period of 2010, which represents a net



increase of S/. 641 million (36.0%). The main variations in the asset accounts which explained the increase are: i) an increase of S/. 439 million in Inventories, due to higher purchases of prime products and spare parts, as a consequence of the important growth in sales; ii) a net increase of S/. 152 million in fixed assets, which is, basically explained by purchases of rental equipment of S/. 138 million, to satisfy future demand of customers mainly from the construction sector; and iii) net increase of S/. 54 million in Investments, due to income of S/. 36.2 million from subsidiaries recognized under the equity method and the capital contribution to the subsidiary Fiansa for S/. 18.5 million.

The composition of the Company's liabilities as of September 30, 2011, are shown in Appendix 4.

## **LIQUIDITY AND DEBT RATIOS**

Current ratio as of 09-30-11 is 1.31, lower than 1.56 recorded in 09-30-10 due to the strategy of taking short-term financing, to obtained better interest rates. The Company has initiated a process of substitution of short-term debt by medium-term debt, which will improve the current ratio in the next months.

The Company's strategy during the third quarter of 2011 was to take short-term funding pending the increase in Equity approved in the General shareholder's meeting held in March 30, 2011. Also, the above mentioned strategy, was started to decrease financial expenses of the Company due to competitive interest rates obtained through short-term credit lines with local and foreign Banks. Due to unfavorable conditions in the capital market during the third quarter, the Company decided not to issue shares and the increase in Equity programmed in 2011.

Financial debt ratio as of 09-30-11 is 1.13 compared to 0.96 as of 09-30-10. For the estimation of this ratio, cash and bank balance account have been excluded as well as liabilities with suppliers that do not generate financial expenses.

Total debt ratio as of 09-30-11 is 1.83 compared to 1.46 recorded in 09-30-10.

## **COMPANY DESCRIPTION - FERREYROS S.A.A**

Ferreyros' mission is to provide its customers with the solutions they require by offering them the capital goods and services they need to create value in the markets where they have a share. For this purpose, it imports and sells machinery, engines, vehicles and spare parts; leases machinery and equipment, and provides maintenance and repair services. A key characteristic of its customer value proposition is the well-known post-sale service which includes spare parts warehouses and workshops nationwide, as well as service personnel throughout the Peruvian territory. The Company constantly invests in staff, especially technical staff, as well as in the infrastructure of its branches and workshops. Additionally, it adapts investment in working capital to the market's changing conditions.

Ferreyros represents leading brands in the market, such as Caterpillar, Massey Ferguson, Kenworth, Iveco, Yutong, Atlas Copco Drilling Solutions, Sullair, Oldenburg, Paus, Metso and Zaccara, among others, which are addressed to different economic sectors.

The Organization is composed by Ferreyros S.A.A., the leading importer of capital goods and services in Peru, and its subsidiaries which are listed below. As complement to Ferreyros's operations, the parent company, the subsidiaries contribute to the organization with higher sales and profits, extend the coverage of market and provide a portfolio of products and services that enriches the offer of Ferreyros's solutions. In this sense, many of Ferreyros' S.A.A customers receive products and services of several companies of the organization.

It is important to mention that the Organization distributes its business in three big divisions: Caterpillar dealers in Peru, Caterpillar dealers abroad and the ones aimed to offer capital goods and services other than Caterpillar, to different economic sectors.

According to the Superintendencia del Mercado de Valores nomenclature, Ferreyros forms economic group with the following subsidiaries:

<u>Subsidiary</u>	<u>Participation</u>
- Caterpillar dealers in Peru:	
Unimaq S.A.	99.99%
Orvisa S.A.	99.00%
- Caterpillar dealers abroad:	
Corporation General de Tractores S.A. – Guatemala (*)	100.00%
Compañía General de Equipos S.A. - El Salvador (*)	100.00%
General Equipment Company Ltd. – Belice (*)	100.00%
- Subsidiaries aimed to complement the offer of Caterpillar capital goods and services:	
Mega Representaciones S.A.	99.99%
Fiansa S.A.	99.99%
Fargoline S.A.	99.86%
Ferrenergy S.A.C.	50.00%
Cresko S.A.	99.99%
Forbis Logistics Corp (*)	100.00%
Inmobiliaria CDR S.A.C.	100.00%

(\*) Subsidiaries of Inti Inversiones Interamericanas Corp.

**Profit and Loss Statement**

(In thousand of nuevos soles)

	3Q 2011			3Q 2010			Accumulated			Accumulated		
	Value	%	Variation	Value	%	Variation	As of 09-30-11	%	Variation	As of 09-30-10	%	Variation
<b>Net sales</b>	760,969	100.0	49.7	508,353	100.0		2,071,352	100.0		1,577,580	100.0	31.3
Cost of sales	(604,779)	(79.5)	53.6	(393,813)	(77.5)		(1,619,146)	-78.2		(1,247,323)	-79.1	29.8
<b>Gross profit</b>	<b>156,190</b>	<b>20.5</b>	<b>36.4</b>	<b>114,540</b>	<b>22.5</b>		<b>452,206</b>	<b>21.8</b>		<b>330,257</b>	<b>20.9</b>	<b>36.9</b>
Selling and administrative expenses	(97,567)	(12.8)	25.8	(77,571)	(15.3)		(277,267)	-13.4		(224,863)	-14.3	23.3
Other income (Expenses), net	923	0.1		(102)	(0.0)		6,533	0.3		5,240	0.3	24.7
<b>Operating profit</b>	<b>59,546</b>	<b>7.8</b>	<b>61.5</b>	<b>36,867</b>	<b>7.3</b>		<b>181,472</b>	<b>8.8</b>		<b>110,634</b>	<b>7.0</b>	<b>64.0</b>
Financial income	3,794	0.5	-22.7	4,911	1.0		11,365	0.5		13,223	0.8	-14.0
Gain (Loss) to exchange rate	(7,556)	(1.0)	-199.6	7,586	1.5		6,154	0.3		16,671	1.1	-63.1
Financial expenses	(12,797)	(1.7)	16.8	(10,958)	(2.2)		(32,559)	-1.6		(31,833)	-2.0	2.3
Share in the results of associated companies through the equity method	13,116	1.7	-11.0	14,732	2.9		36,366	1.8		34,990	2.2	3.9
<b>Profit before income tax</b>	<b>56,104</b>	<b>7.4</b>	<b>5.6</b>	<b>53,138</b>	<b>10.5</b>		<b>202,797</b>	<b>9.8</b>		<b>143,685</b>	<b>9.1</b>	<b>41.1</b>
Income tax	(13,295)	(1.7)	54.6	(8,600)	(1.7)		(53,397)	-2.6		(33,645)	-2.1	58.7
<b>Net profit</b>	<b>42,808</b>	<b>2.7</b>	<b>-3.9</b>	<b>44,538</b>	<b>8.8</b>		<b>149,400</b>	<b>7.2</b>		<b>110,040</b>	<b>7.0</b>	<b>35.8</b>
Earning per share	0.069			0.071			0.240			0.176		
<b>EBITDA</b>	<b>96,211</b>	<b>12.6</b>	<b>40.0</b>	<b>68,718</b>	<b>13.5</b>		<b>282,345</b>	<b>13.6</b>		<b>197,792</b>	<b>12.5</b>	<b>42.7</b>

**Balance Sheet Statement**

(In thousand of nuevos soles)

	<u>09/30/2011</u>	<u>09/30/2010</u>	<u>Variation</u> <u>%</u>
Cash and banks	36,724	95,483	-61.5
Account receivables - Trade	419,101	367,145	14.2
Inventories	979,759	541,309	81.0
Account receivables - Subsidiaries	15,714	22,810	-31.1
Account receivables - Other	42,194	22,250	89.6
Prepaid expenses	6,384	4,934	29.4
<b>Total current assets</b>	<b>1,499,875</b>	<b>1,053,930</b>	42.3
Long-term account receivables - Trade	16,335	42,958	-62.0
Long-term account receivables - Subsidiaries	9,264		
Long-term account receivables - Other	6,864		
Rental fleet	347,929	243,767	42.7
Other fixed assets	466,250	404,607	15.2
	814,179	648,374	25.6
Accrued depreciation	(266,357)	(252,072)	5.7
Property, plant and equipment, net	547,822	396,301	38.2
Investments	323,812	269,573	20.1
Other non current assets	18,903	20,075	-5.8
<b>Non current assets</b>	<b>923,000</b>	<b>728,907</b>	26.6
<b>Total assets</b>	<b>2,422,875</b>	<b>1,782,837</b>	35.9
Short-term debt	353,828	130,656	170.8
Other current liabilities	792,673	545,591	45.3
<b>Current liabilities</b>	<b>1,146,502</b>	<b>676,246</b>	69.5
Long-term debt	419,590	381,596	10.0
<b>Total liabilities</b>	<b>1,566,092</b>	<b>1,057,843</b>	48.0
<b>Deferred income</b>	0	2,292	-100.0
<b>Equity</b>	<b>856,783</b>	<b>722,703</b>	18.6
<b>Total liabilities and equity</b>	<b>2,422,875</b>	<b>1,782,837</b>	35.9
<b>Other financial information</b>			
Depreciation and amortization (figures accumulated at the end of the period)	53,142	38,945	
<b>Financial Ratios</b>			
Current ratio	1.31	1.56	
Financial debt ratio	1.13	0.96	
Indebtedness ratio	1.83	1.46	
Book value per share	1.37	1.50	

<b>NET SALES</b> (In million of soles)											
	3Q 2011		3Q 2010		Variación	Accumulated		Accumulated		Variation	
		%		%	%	As of 09-30-11	%	As of 09-30-10	%	%	%
Caterpillar equipment	407,315	53.5	188,673	37.1	115.9	1,011,839	48.8	671,686	42.6	50.6	
Agricultural equipment	12,109	1.6	11,069	2.2	9.4	37,688	1.8	22,856	1.4	64.9	
Automotive	27,765	3.6	33,589	6.6	-17.3	102,757	5.0	108,144	6.9	-5.0	
Rental and Used	40,696	5.3	34,237	6.7	18.9	119,963	5.8	106,660	6.8	12.5	
	<b>487,885</b>	<b>64.1</b>	<b>267,568</b>	<b>52.6</b>	<b>82.3</b>	<b>1,272,247</b>	<b>61.4</b>	<b>909,346</b>	<b>57.6</b>	<b>39.9</b>	
Spare parts and Services	273,085	35.9	240,786	47.4	13.4	799,104	38.6	668,234	42.4	19.6	
<b>Total</b>	<b>760,969</b>	<b>100.0</b>	<b>508,353</b>	<b>100.0</b>	<b>49.7</b>	<b>2,071,352</b>	<b>100.0</b>	<b>1,577,580</b>	<b>100.0</b>	<b>31.3</b>	

<b>SALES BY ECONOMIC SECTOR (in percentage)</b>						
	3Q 2011		3Q 2010		Accumulated	Accumulated
		%		%	As of 09-30-11	As of 09-30-10
Mining	58.0%		56.0%		57.3%	56.1%
Construction	28.4%		24.9%		26.9%	26.8%
Government	2.3%		1.4%		1.3%	2.1%
Transport	3.1%		3.0%		3.6%	3.1%
Agriculture	1.1%		4.4%		2.0%	2.7%
Industry, commerce and service	1.9%		3.2%		2.9%	2.5%
Fishing and marine	2.1%		2.6%		2.3%	1.8%
Hydrocarbons and energy	1.8%		1.9%		1.0%	1.6%
Other	1.3%		2.6%		2.6%	3.4%
<b>Total</b>	<b>100.0%</b>		<b>100.0%</b>		<b>100.0%</b>	<b>100.0%</b>

**Total Liabilities as of September 30, 2011**

(In thousands of US dollars)

(A)

	Total Liabilities	Current Liabilities	Long-term liabilities		Financial Liabilities
			Current part	Long term	
Local banks (short-term)	1,113	1,113	-	-	1,113
Foreign banks (short-term)	113,587	54,726	58,861	-	113,587
Local banks (long-term)	72,645	-	19,302	53,342	72,645
Foreign banks (long-term)	-	-	-	-	-
Local banks (long-term) (Leasing)	4,242	-	1,514	2,728	4,242
<b>Suppliers:</b>					
Accounts payable to Caterpillar	30,865	30,865	-	-	-
Accounts payable to Caterpillar	27,015	27,015	-	-	27,015
Other	29,209	29,209	-	-	-
Corporate bonds	101,358	-	32,500	68,858	101,358
Caterpillar Financial Services	41,805	-	15,420	26,384	41,805
Other liabilities	142,926	142,926	-	-	-
<b>Total (US\$)</b>	<b>564,764</b>	<b>285,854</b>	<b>127,598</b>	<b>151,312</b>	<b>361,764</b>
<b>Total (S/.)</b>	<b>1,566,092</b>	<b>792,673</b>	<b>353,828</b>	<b>419,590</b>	<b>1,003,173</b>