

For further information, please contact:

Patricia Gastelumendi L.
CFO
Tel: (511) 626-4257
patricia.gastelumendi@ferreyros.com.pe

Elizabeth Tamayo M.
Investor Relations
Tel: (511) 626-5112
elizabeth.tamayo@ferreycorp.com.pe

Liliana Montalvo V.
Treasury Management
Tel: (511) 626-4163
liliana.montalvo@ferreycorp.com.pe

Management Discussion and Analysis of the Consolidated Financial Statements of Ferreycorp S.A.A. and Subsidiaries

Second Quarter 2014

Lima, July 23, 2014. – Ferreycorp S.A.A. and subsidiaries (Lima Stock Exchange: FERREYC1), a leading corporation in the capital goods sector and complementary services, with presence in Peru, Chile, Guatemala, El Salvador, Nicaragua, Belize, Colombia y Ecuador, announces consolidated results for the second quarter of 2014. The consolidated financial results have been prepared in accordance with International Financial Reporting Standards (IFRS) and are stated in nuevos soles.

MAIN HIGHLIGHTS

- During the first semester, consolidated net profit reached S/. 96 million, which reflects the result of the operations without significant impacts due to exchange rate variation, if compared to net profit of S/. 14 million in the first semester 2013 that was impacted by a significant exchange loss. In turn, gross margin was 22.4% higher than 19.7% achieved during the same period in 2013. This result is mainly due to the increase of spare parts and services in the total sales mix to 37%.
- Consolidated sales reached S/. 2.5 billion as of June 30, 2014, which represents a decrease of 9% compared to the same period in 2013 (S/. 2.7billion). This decrease is the result of a decline in almost all the business lines explained by a lower economic activity in the country and minor levels of public and private investment. Lower sales of Caterpillar equipment, were



partially offset by an increase in sales of spare parts and services, rental and used and lubricants sales. In foreign currency, sales amounted US\$ 892 million, 14.7% lower. Variation in US dollars was higher because average exchange rate for the first half of 2014 was higher than during the first half of 2013.

- As of June 30, 2014, EBITDA reached S/. 273 million, which shows a decrease of 8% if compared to S/. 296 million reported in the same period in 2013, mostly driven by lower sales. In this context, EBITDA margin as of June 30, 2014 was 10.9% showing stability regarding 10.8% reported in 2013.
- The Net debt/EBITDA ratio as of June 30, 2014 was 3.06, less than 3.27 as of June 30, 2013, primarily due to a reduction of debt. It is important to mention that the Adjusted debt/EBITDA ratio was 2.46 as of June 30, 2014, which is under the limit of 3.5 established in the international bonds covenant.

FINANCIAL RESULTS

	2Q14	2Q13	%Var.	1S14	1S13	%Var.
Net sales US\$ (million)	455	561	-18.8	892	1,046	-14.7
Net sales S/.	1,272	1,495	-14.9	2,500	2,742	-8.8
Gross profit S/.	279	306	-8.7	559	540	3.4
Operating profit S/.	82	117	-30.2	182	190	-4.6
Financial expenses S/.	(26)	(26)	-0.5	(50)	(49)	3.3
Gain (loss) to exchange rate S/.	5	(107)	-	(1)	(124)	-98.9
Net profit S/.	46	(13)	-	96	14	598.0
EBITDA S/.	129	176	-26.8	273	296	-7.6
EBITDA US\$	46	66	-30.2	98	113	-13.5
Gross margin	22.0%	20.5%		22.4%	19.7%	
Operating margin	6.4%	7.9%		7.3%	6.9%	
Net margin	3.6%	-0.8%		3.8%	0.5%	
EBITDA margin	10.1%	11.8%		10.9%	10.8%	
Leverage ratio				1.08	1.27	
Net debt / EBITDA				3.06	3.27	

NOTE: The first-quarter 2013 results have been restructured by applying IFRS 11 (Joint Agreements), which establishes that Ferrenergy, as a joint venture (50% share) must be presented as an equity method investment



MAIN HIGHLIGHTS

Trex acquisition, Terex representative in Chile

During the second quarter, Ferreycorp started operations in Chile through the acquisition of Trex, a company which represents Terex with a complete range of cranes, port equipment and platforms. With an investment of US\$ 17.5 million, Ferreycorp continues its development among the provision of capital goods and services in Latin America.

Through the sale and rental services, Trex serves the Chilean territory from offices in five cities, with small operations in Ecuador and Colombia, which represent high-potential markets with the synergies created among the companies of the corporation. It should be noted that Trex, Ferreyros and Unimaq, are representatives of various Terex lines.

Ferreycorp in the Peruvian Stock Exchange Good Corporate Governance Index

Ferreycorp is part of the Good Corporate Governance Index of the Lima Stock Exchange for seventh consecutive year and has been part of this index since its inception in 2008.

The Good Corporate Governance Index is composed by listed companies that adequately meet the Principles of Good Corporate Governance and also considers the liquidity levels of their shares.

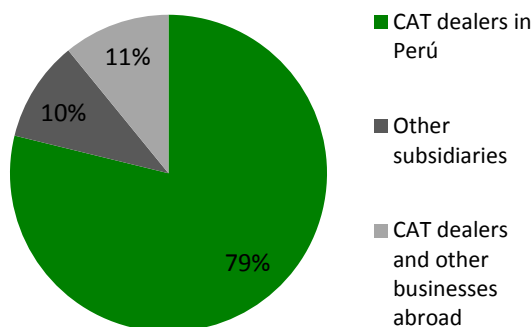
COMMERCIAL MANAGEMENT

In the second quarter 2014, consolidated sales of Ferreycorp S.A.A and its subsidiaries in Peru, Chile, Guatemala, El Salvador, Nicaragua, Belize, Colombia and Ecuador totaled S/. 1,227 million, 14.9% lower from similar period 2013. The recently acquired TREX company with operations in Chile, Colombia and Ecuador, only brings one month of sales to the corporation results. In foreign currency, sales achieved US\$ 455 million, down from US\$ 561 million during the same period in 2013

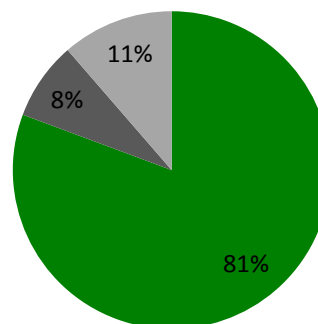
It is also worth recalling that Ferreycorp divide its businesses in three main groups: Subsidiaries which are Caterpillar dealers and represent allied brands in Peru (Ferreyros, Unimaq y Orvisa), subsidiaries which are Caterpillar dealers and have other businesses abroad, (Gentrac, Cogesa, Mercalsa and TREX), and the ones aimed to offer capital goods and services other than Caterpillar to different economic sectors (Motored, Fiansa, Fargoline, Mega Representaciones, Cresko, Ferrenergy, Forbis Logistics and Sitech).

Sales composition in the second quarter of 2014 showed no substantial variation compared to the same period in 2013.

Sales composition
2Q 2014



Sales composition
2Q 2013



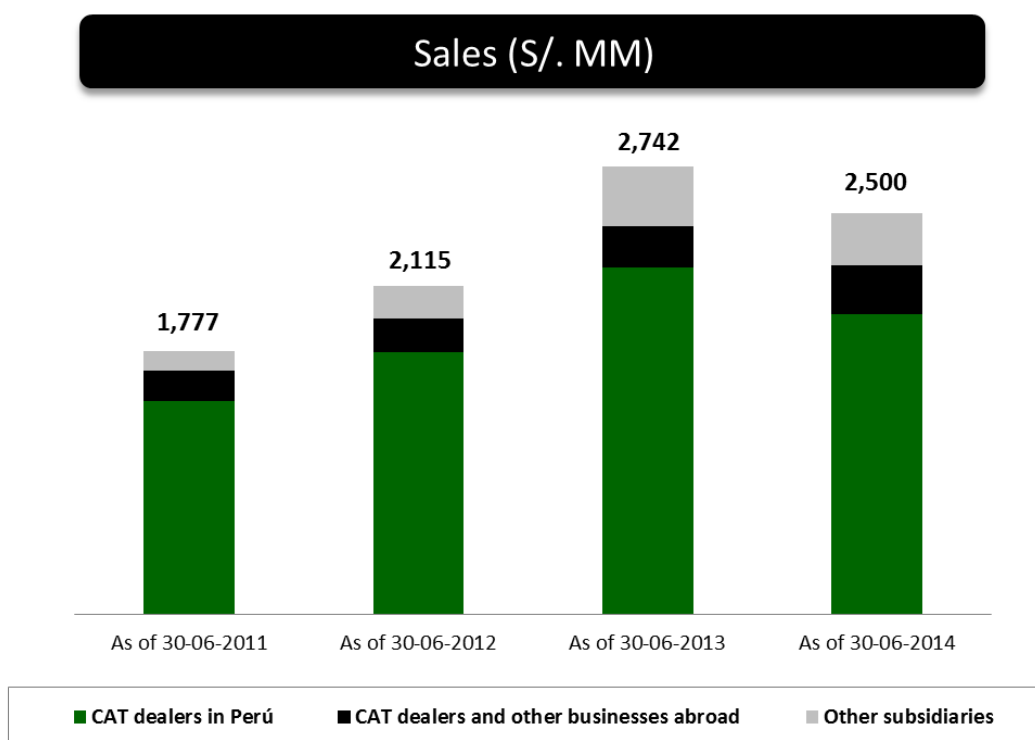
Consolidated net sales (S/. MM)

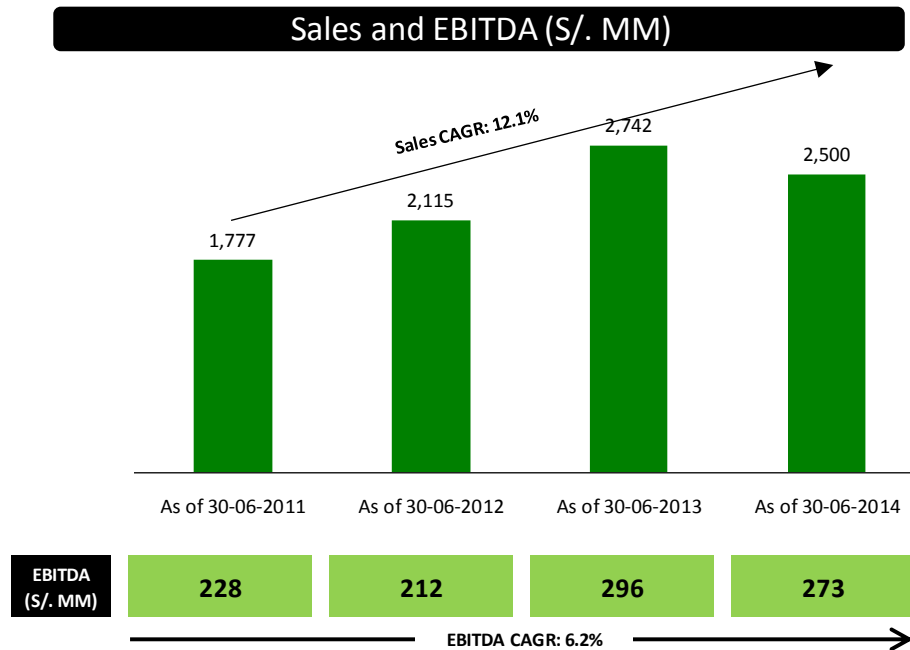
	2Q 2014	%	2Q 2013	%	VAR %	As of jun14	%	As of jun13	%	VAR %
Ferreyros + Ferreycorp	808	63.5%	1,024	68.5%	-21.1%	1,593	63.7%	1,861	67.8%	-14.4%
Unimaq	145	11.4%	137	9.2%	5.5%	264	10.6%	247	9.0%	7.3%
Orvisa	54	4.3%	58	3.9%	-7.6%	113	4.5%	105	3.8%	7.1%
Total CAT dealers in Peru	1,007	79.2%	1,220	81.6%	-17.5%	1,970	78.8%	2,212	80.7%	-10.9%
Total CAT dealers and other businesses abroad	136	10.7%	120	8.1%	12.8%	257	10.3%	218	8.0%	17.8%
Motored	49	3.8%	69	4.6%	-29.8%	120	4.8%	147	5.4%	-18.2%
Mega Representaciones	47	3.7%	50	3.4%	-5.7%	95	3.8%	99	3.6%	-4.2%
Others (Ferrenergy, Fargoline, Cresko, Fiansa, entre otras)	33	2.6%	35	2.3%	-4.6%	57	2.3%	66	2.4%	-13.1%
Total other subsidiaries	129	10.1%	154	10.3%	-16.3%	272	10.9%	312	11.4%	-12.7%
Total consolidated sales	1,272	100.0%	1,495	100.0%	-14.9%	2,500	100.0%	2,742	100.0%	-8.8%

According to the results by group of companies, sales of **Caterpillar dealers in Peru** as of June 30, 2014 decreased by 10.9%, which was primarily the result of a contraction in the new equipment market. Sales of spare parts and services during the first half of 2014 increased by 8.7% compared to the same period in 2013. However, equipment sales, does not show significant deliveries for large-scale projects, which did happen during the first half of 2013 and is reflected in sales distribution by economic sectors. This result has been partially offset by an increase in sales of the subsidiaries Unimaq and Orvisa, which shows an increase of 7.3% and 7.1% respectively.

In line with the corporation's strategy of business diversification, **Caterpillar dealers and other businesses abroad** reported an increase in sales of S/. 38.9 million or 17.8%, primarily due to the acquisition of new businesses, such as the distribution of Mobil lubricants in Gentrac Guatemala and Mercalsa Nicaragua as well as the acquisition of a new business of allied equipment in Chile (TREX) with small subsidiaries in Ecuador and Colombia.

Finally, sales of the **other subsidiaries in Peru** showed a decrease of 12.7% primarily due to slower dynamics in the automotive sector attended by Motored, business postponements in the metal mechanic line attended by Fiansa and lower economic activity that affects other businesses to which the corporation is linked through mining investment and domestic demand. It is important to recall that, in order to expand Fiansa capacity for project management and administration, Ferreycorp announced a partnership with the Spanish company URSSA during the first quarter of 2014, which is a specialist in metallurgical constructions from Corporacion Mondragon and that is working in Europe, America, Africa and Asia.



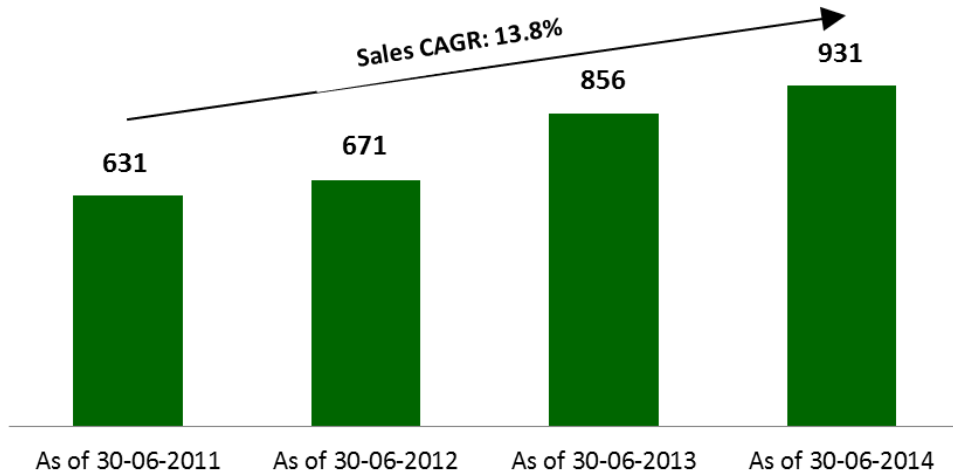


It is important to highlight the positive results in some business lines that offset the lower sales to some sectors that contracted their demand. Thus, in the second quarter 2014, there was an increase of 19.6% in the sales of rental business of Ferreyros (Rentafer), Unimaq CAT Rental Store and dealers abroad as well as in used equipment sales. Other lines that contributed to the corporation's sales, although to a lesser extent, are the machinery line for the agricultural sector and the logistics services business generating increases of 34.5% and 19.1%, respectively. Sales of spare parts and services continued their growth trend, showing an increase of 2.1% compared to the same quarter of 2013. It is well known that one of the main characteristics of the corporation is its high quality after-sales service, for which the corporation makes important investments in inventories of spare parts and components as well as in modernizing its workshops and selecting and training its technicians.

Sales by business line (S/. MM)

	2Q 2014	%	2Q 2013	%	Var %
MACHINERY AND EQUIPMENT					
Mining trucks and Caterpillar machines (GM)	108	8.5	204	13.7	-47.1
Machines and engines for other sectors (NGM)	326	25.6	460	30.8	-29.2
Rental and used	142	11.1	118	7.9	19.6
Allies equipment	64	5.1	66	4.4	-2.8
Automotive	37	2.9	62	4.1	-39.6
Agricultural equipment	23	1.8	17	1.1	34.5
SUB TOTAL MACHINERY AND EQUIPMEN	700	55.1	928	62.1	-24.5
SPARE PARTS AND SERVICES	474	37.3	465	31.1	2.1
OTHER LINES					
Lubricants	41	3.2	43	2.8	-4.0
Metal-mechanics	13	1.1	19	1.2	-27.5
Tires	14	1.1	18	1.2	-21.9
Security implements	13	1.0	12	0.8	10.0
Logistic Services	11	0.8	9	0.6	19.1
Other	5	0.4	2	0.2	122.3
SUB TOTAL OTHER LINES	97	7.6	102	6.8	-4.7
TOTAL	1,272	100.0	1,495	100.0	-14.9

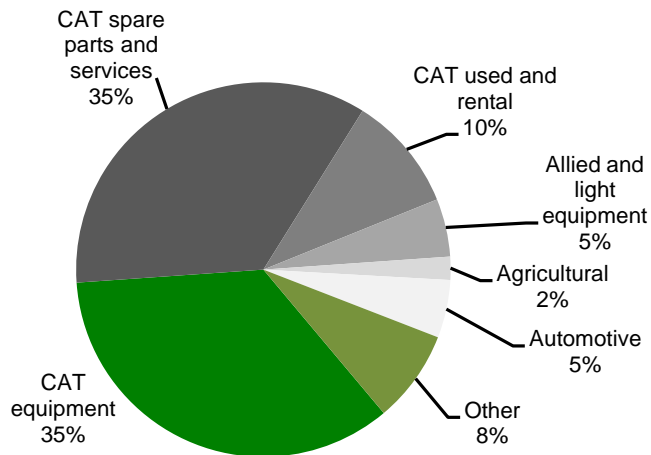
Sale Spare Parts(S/. MM)



During the first semester 2014, sales from the Caterpillar line accounted 80% of total income, including machinery and equipment (new, used and rental units) as well as spare parts and services.

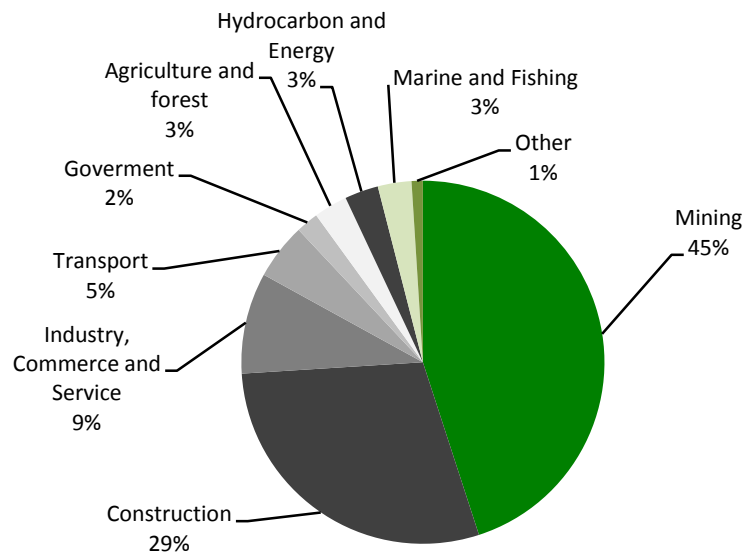
It should be highlighted that sales of Caterpillar spare parts and services continued to represent a significant share (35%) of total sales, thus being the lines generating the highest margin and EBITDA in the corporation. One of the hallmarks of the corporation is its high quality after-sales service offered to all its clients.

Sales by business line (as of June 2014)



Regarding sales distribution by economic sector, sales to the mining and construction sectors continued to record the largest sales volume, with shares of 45% and 29.3% of total sales, respectively. It is important to mention the variation of the mining and construction sectors in the total sales, which in the first semester 2013 represented 51.8% and 24.3%, respectively.

Sales by economic sectors (as of june 2014)



ANALYSIS OF FINANCIAL INFORMATION

Sales

Million soles	2Q14	2Q13	%Var.	1S14	1S13	%Var.
Net Sales	1,271.6	1,494.6	-14.9	2,499.7	2,742.3	-8.8

(See explanation of this variation in the section Commercial Management)

Gross Profit

Million soles	2Q14	2Q13	%Var.	1S14	1S13	%Var.
Gross profit	279.1	305.9	-8.7	559.0	540.4	3.4

Gross profit and gross margin were positive. In percentage terms, gross margin in the second quarter of 2014 was 22% higher than 20.5% reported during the same quarter 2013. The increase in gross margin was primarily due to:

- An increase of spare parts and services in the sales mix (2Q 2014: 37.3%; 2Q 2013: 31.1%), which have higher margins than other commercial lines.
- In the second quarter 2013 there were strategic sales that for their volume had lower margins than the margin in other lines. During that period there was also a direct sale of drilling and haulage equipment (former Bucyrus business) for US\$19.6 million with a lower margin than the average in sales to big mining companies.

Selling and Administrative Expenses

Million soles	2Q14	2Q13	%Var.	1S14	1S13	%Var.
Selling and Administrative expenses	197.1	190.9	3.3	383.4	361.8	6.0

Selling and administrative expenses grew by 3.3%. Operating expenses, which also include depreciation, amortization and provision, totaled as percentage of sales, 15.5% in the second quarter of 2014, compared to 12.8% in the second quarter of 2013.

Increases in operating expenses for the second quarter of 2014 are primarily related to:

- Higher personnel expenses due to increases in salaries in the second half of 2013 in accordance with the Peruvian labor market, expenses related to commercial and support personnel in order to continue with the market coverage.

- Due to the growth and development of the corporation companies in the last years, there has been an increase in IT expenses, including more software licenses and services and the implementation of new SAP business tools. This qualitative leap forward is expected to benefit current and future operations of the corporation.

Financial Expenses

Million soles	2Q14	2Q13	%Var.	1S14	1S13	%Var.
Financial expenses	25.8	25.9	-0.5	50.2	48.5	3.3

Financial expenses for the second quarter of 2014 showed a variation of -0.5% compared to the second quarter of 2013. This is due to a variation of only -1.1% in average liabilities during the second quarter of 2014 compared to the second quarter of 2013.

Foreign Exchange Gain (Loss)

Million soles	2Q14	2Q13	%Var.	1S14	1S13	%Var.
Foreign exchange gain (loss)	4.7	(106.6)		(1.3)	(123.5)	-98.9

The gain due exchange rate during the second quarter is the result of the slightly appreciation (0.46%) of the nuevo sol against the US dollar. In the other hand, during the second quarter 2013 there was a higher devaluation (7.49%) of the nuevo sol against the dollar which resulted in greater loss in exchange rate.

It is important to highlight that the company has a natural hedge, considering that sales – as well as machinery import, invoices to clients and financing – are made in foreign currency (US dollars). The net currency position is widely covered by inventories, which are recorded in US dollars but registered in the balance sheet using the exchange rate at the date of acquisition.

Net Profit

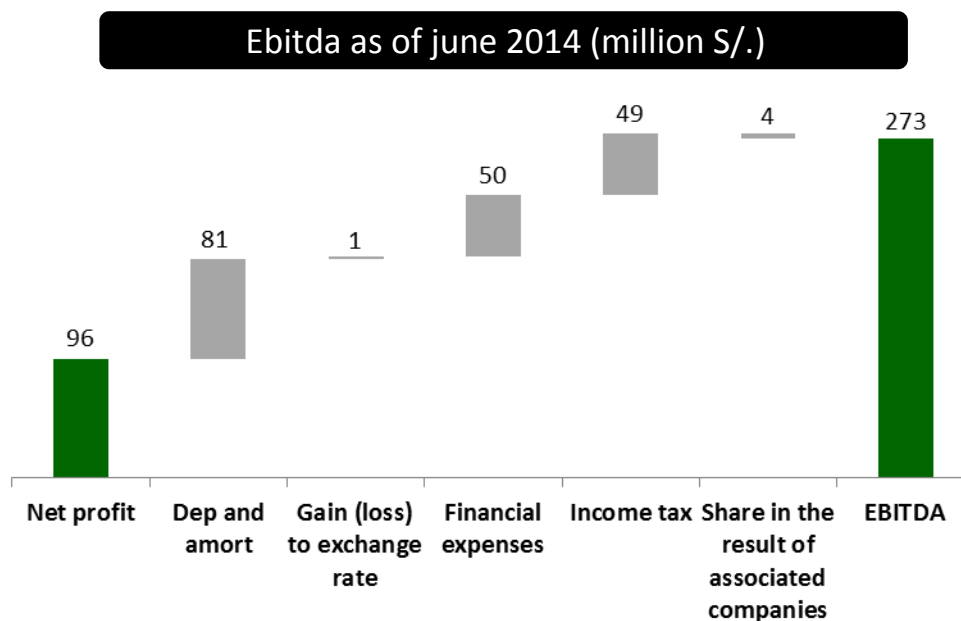
Million soles	2Q14	2Q13	%Var.	1S14	1S13	%Var.
Net profit	45.7	(12.6)		96.0	13.7	598.0

As mentioned before, the higher net profit is primarily due to a minor impact of the exchange rate, compared to the same quarter of 2013, which allowed to offset the lower gross profit.

EBITDA

Million soles	2Q14	2Q13	1S14	1S13
Net profit	45.7	-12.7	96.0	13.7
+ Financial expenses	25.8	26.0	50.2	48.6
+/- Foreign exchange gain (loss)	(4.8)	106.6	1.4	123.5
+ Income tax	23.0	3.3	49.1	17.7
+/- Share in the results of associated companies through the equity method	(2.1)	0.0	(4.1)	(1.7)
+ Depreciation and amortization	41.3	53.1	80.7	93.8
EBITDA	129.0	176.3	273.3	295.6

The second-quarter 2014 EBITDA decreased by 27% to S/. 129 million, if compared to S/. 176 million reported in the second quarter of 2013, primarily due to lower gross profit as a result of lower sales. In foreign currency, the decrease was of 30%, from US\$ 66 million in the second quarter of 2013 to US\$ 46 million in the second quarter of 2014. EBITDA margin also decreased from 11.8% in the second quarter of 2013 to 10.1% in the second quarter of 2014.



Eighty four percent of the corporation's EBITDA is generated by Caterpillar dealers and allied brands in Peru (Ferreyros, Unimaq and Orvisa), which are the businesses that have a greater contribution in sales and profit in the corporation. On the other hand, 9% of EBITDA is generated by Caterpillar dealers and other businesses abroad, while 7% comes from local subsidiaries aimed to offer capital goods and services for the different economic sectors, in accordance with sales distribution.

ANALYSIS OF CONSOLIDATED FINANCIAL POSITION

As shown in Appendix 2, total assets as of June 30, 2014 amounted to S/. 4.3 billion, compared to S/. 4.2 billion as of June 30, 2013, an increase of S/. 114.3 million (2.7%). This variation was primarily due to an increase of S/. 152.7 million in the account property, plant and equipment, primarily due to revaluation of land (S/. 108.6 million) and offset by a decrease in accounts receivable.

Financial liabilities as of June 30, 2014 amounted to S/. 1.869 billion, or US\$ 669 million, which represented a decrease of 6.8% in nuevos soles and 7.3% in US dollars, compared to the debt balance of S/. 2.006 billion or US\$ 721 million as of June 30, 2013. We should note that the financial debt includes the TREN acquisition for US\$ 17.5 million.

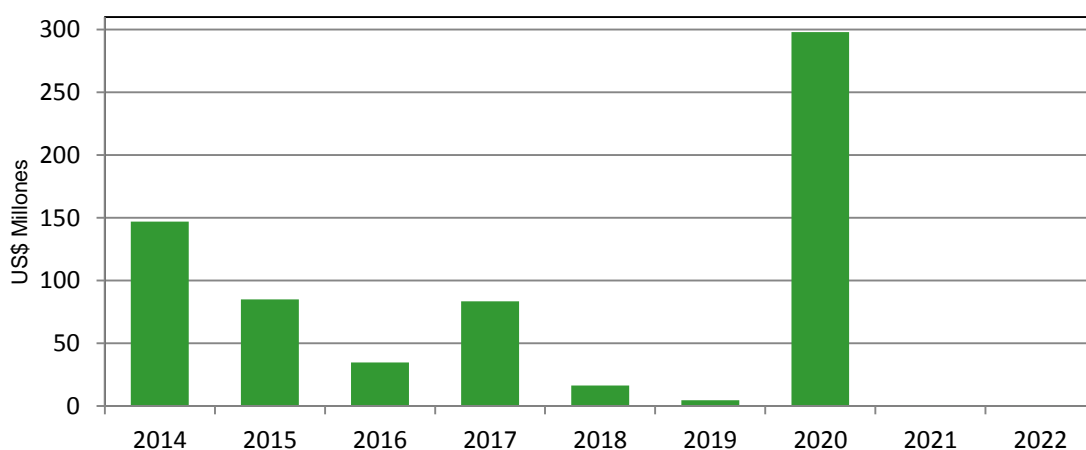
From the financial liabilities, 31.2% (S/. 583 million) is short-term debt, while the balance (S/. 1,286 million) is long-term debt.

The financial liabilities that mature in 2014 will be pay with company resources and with available credit lines. It is important to mention that the corporation has available credit lines with banks, Caterpillar Financial Services and Caterpillar inventory floor plan of more than US\$ 700 million.

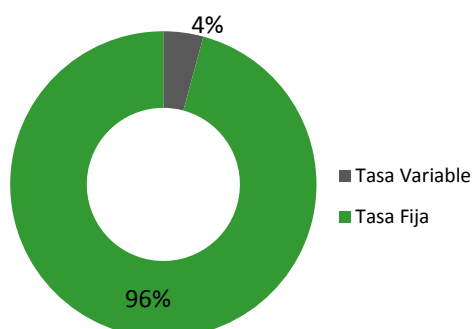
It is important to point out that in the December 2013 press release \$280 million matured in 2014, from this amount US\$ 63 million were paid with the corporation cash generation and US\$ 70 million were re-profiled.

Below is the maturity structure of Ferreycorp and subsidiaries consolidated liabilities, which was recorded in US dollars (99%) and at a fixed rate (96%).

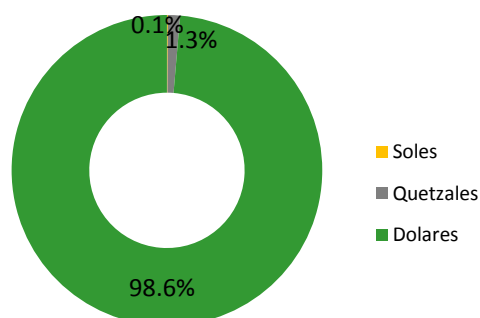
Maturity Structure of Liabilities (US\$ MM)



Gross debt by currency



Gross debt by rate



Investment in Fixed Assets (CAPEX)

Million soles	1S 2014	1S 2013
Infraestructure (1)	17.0	15.0
Machinery and equipment	15.2	23.1
Rental fleet	42.0	47.2
Other (2)	8.7	7.0
Total	82.9	92.3

Note: In the Financial Statements reported to the *Superintendencia del Mercado de Valores* (Superintendency of Securities Market. SMV, in Spanish), the items above have the following nomenclature:

- (1) Buildings and other constructions
- (2) Transport units, furniture and appliances

Capital expenditures (CAPEX) as of June 30, 2014 totaled S/. 82.9 million (US\$ 30 million), 3% lower from the same period in 2013. The amount is distributed as follows: 18% on machinery and equipment, 51% on rental fleet, 21% on infrastructure and 11% on other items.

Regarding Ferreyros and Unimaq rental fleet, it is important to highlight the beginning of the “Rental Acceleration Program”. Having more than 1,200 units in the corporation rental fleet (básicamente entre Ferreyros y Unimaq) has an impact in the financial ratios, because it implies mayor nivel de activos que financiar. As a result, Caterpillar, Ferreyros and Unimaq started the “Rental Acceleration Program” aimed to diminish the effect on liabilities by transferring parte de la flota de alquiler a to Caterpillar International Services del Peru y en consecuencia los pasivos referidos a ella, así como el riesgo.

FINANCIAL RATIOS

Financial Ratios	2014	2013
Current Ratio	1.91	1.88
Financial debt ratio (1)	1.08	1.27
Indebtedness ratio (2)	1.72	2.03
Leverage ratio (3)	3.06	3.27
Adjusted debt to Ebitda ratio(4)	2.46	2.47
Financial expenses coverage ratio (5)	5.44	6.08
Assets turnover	1.14	0.94
Inventory turnover	2.84	3.06
Book value per share	1.58	1.48

(1) Financial debt net of cash / Equity

(2) Total liabilities / Equity

(3) Net of cash

(4) Excludes short term debt related to inventories

(5) EBITDA / Financial expenses

Current ratio obtained as of June 30, 2014 was similar to the one obtained as of June 30, 2013.

The Net Financial Debt/EBITDA ratio was lower due to the fact that financial debt in US dollars as of June 30, 2014 decreased by 4.7% compared to the same period in 2013.

Income Statement (NOTE)

(In thousands of nuevos soles)

	2Q 2014	%	2Q 2013	%	Var	As of	%	As of	%	Var
					%	30.06.201		30.06.201		%
						4		3		
Net Sales	1,271,661	100.0	1,494,616	100.0	-14.9	2,499,751	100.0	2,742,392	100.0	-8.8
Cost of goods sold	-992,495	-78.0	-1,188,713	-79.5	-16.5	-1,940,692	-77.6	-2,201,957	-80.3	-11.9
Gross profit	279,166	22.0	305,903	20.5	-8.7	559,059	22.4	540,435	19.7	3.4
Selling and administrative expens	-197,148	-15.5	-190,873	-12.8	3.3	-383,420	-15.3	-361,838	-13.2	6.0
Other income (expenses), net	-33	-0.0	2,387	0.2		5,947	0.2	11,774	0.4	-49.5
Operating profit	81,985	6.4	117,417	7.9	-30.2	181,586	7.3	190,371	6.9	-4.6
Financial income	5,734	0.5	5,786	0.4	-0.9	10,961	0.4	11,447	0.4	-4.2
Gain (loss) to exchange rate	4,754	0.4	-106,615	-7.1		-1,355	-0.1	-123,521	-4.5	-98.9
Financial expenses	-25,819	-2.0	-25,957	-1.7	-0.5	-50,222	-2.0	-48,596	-1.8	3.3
Share in the net result of associated through the equity method	2,100	0.2	-1	-0.0		4,090	0.2	1,706	0.1	139.7
Profit before income tax	68,754	5.4	-9,371	(0.6)		145,060	5.8	31,407	1.1	361.9
Income tax	-23,040	-1.8	-3,294	-0.2	599.5	-49,103	-2.0	-17,659	-0.6	178.1
Net profit	45,714	3.6	-12,665	(0.8)		95,957	3.8	13,748	0.5	598.0
Earning per share	0.047		(0.015)			0.100		0.016		
EBITDA	129,024	10.1	176,269	11.8	-26.8	273,257	10.9	295,596	10.8	-7.6

NOTE: Some figures have been reclassified in this document to include the assignment in gross profit of purchase orders transferred by CAT to Ferreyros, as sales and cost of sales. This assignment was part of the purchase agreement of the former Bucyrus business acquired from Caterpillar. In the income statement presented to the SMV, only the gross profit obtained from such operations is included in Other operating profit.

State of Financial Position

(In thousand of nuevos soles)

	As of 30-06-2014	As of 30-06-2013	Variation %
Cash and banks	139,599	178,741	-21.9
Account receivables - Trade	846,834	904,678	-6.4
Inventories	1,358,212	1,381,444	-1.7
Account receivables - Other	137,821	121,266	13.7
Prepaid expenses	19,667	25,368	-22.5
Current Assets	2,502,133	2,611,497	-4.2
Long-term account receivables - Trade	33,182	29,238	13.5
Long-term account receivables - Other	5,948	6,377	-6.7
Rental Fleet	600,768	580,523	3.5
Other fixed assets	1,296,180	1,099,239	17.9
	1,896,948	1,679,762	12.9
Accrued depreciation	-550,321	-485,854	13.3
Property, plant and equipment, net	1,346,627	1,193,908	12.8
Investments	89,411	78,276	14.2
Intangible assets, net and goodwill	253,791	230,370	10.2
Tax asset deferred income	127,044	94,201	34.9
Non current Assets	1,856,003	1,632,370	13.7
Total Assets	4,358,136	4,243,867	2.7
Short-term debt	233,308	212,544	9.8
Other current liabilities	1,073,621	1,179,905	-9.0
Current Liabilities	1,306,929	1,392,449	-6.1
Long-term debt	1,286,493	1,334,418	-3.6
Other payables	1,835	1,922	-4.5
Liabilities due to taxes to deferred earnings	159,497	114,628	39.1
Total Liabilities	2,754,754	2,843,417	-3.1
Equity	1,603,382	1,400,450	14.5
Total Liabilities and Equity	4,358,136	4,243,867	2.7
Other financial information (figures accumulated at the end of the period)			
Depreciation	74,809	74,390	
Amortization	5,901	19,388	

NET SALES

(In thousand of nuevos soles)

	2Q 2014	%	2Q 2013	%	Variation %	As of 30.06.2014	%	As of 30.06.2013	%	Variation %
MACHINERY AND EQUIPMENT										
Mining trucks and Caterpillar machines (CM)	108,086	8.5	204,136	13.7	-47.1	260,936	10.4	462,384	16.9	-43.6
Machines and engines for other sectors (NGM)	325,903	25.6	460,348	30.8	-29.2	604,073	24.2	728,790	26.6	-17.1
Rental and used	141,580	11.1	118,402	7.9	19.6	243,696	9.7	205,490	7.5	18.6
Allies equipment	64,406	5.1	66,235	4.4	-2.8	135,617	5.4	134,501	4.9	0.8
Automotive	37,421	2.9	61,994	4.1	-39.6	98,748	4.0	133,355	4.9	-26.0
Agricultural equipment	23,063	1.8	17,148	1.1	34.5	41,377	1.7	31,199	1.1	32.6
SUB TOTAL MACHINERY AND EQUIPME	700,459	55.1	928,263	62.1	-24.5	1,384,447	55.4	1,695,719	61.8	-18.4
SPARE PARTS AND SERVICES	474,315	37.3	464,657	31.1	2.1	930,928	37.2	856,162	31.2	8.7
OTHER LINES										
Lubricants	40,880	3.2	42,576	2.8	-4.0	81,764	3.3	75,958	2.8	7.6
Metal-mechanics	13,435	1.1	18,522	1.2	-27.5	17,904	0.7	31,556	1.2	-43.3
Tires	13,804	1.1	17,677	1.2	-21.9	30,851	1.2	35,354	1.3	-12.7
Security implements	12,727	1.0	11,572	0.8	10.0	24,833	1.0	26,451	1.0	-6.1
Logistic Services	10,606	0.8	8,905	0.6	19.1	19,077	0.8	17,377	0.6	9.8
Other	5,435	0.4	2,444	0.2	122.3	9,947	0.4	3,815	0.1	160.7
SUB TOTAL OTHER LINES	96,886	7.6	101,697	6.8	-4.7	184,375	7.4	190,511	6.9	-3.2
TOTAL	1,271,661	100.0	1,494,616	100.0	-14.9	2,499,751	100.0	2,742,392	100.0	-8.8

SALES DISTRIBUTION BY ECONOMIC SECTOR

	2Q 2014	2Q 2013	As of 30/06/14	As of 30/06/13
Mining	34.1%	50.1%	45.0%	51.8%
Construction	38.8%	26.6%	29.3%	24.3%
Government	0.7%	2.4%	2.0%	2.7%
Transport	5.0%	3.3%	4.7%	3.8%
Industry, commerce and services	8.6%	9.4%	8.8%	9.1%
Agriculture and forest	4.0%	2.9%	3.4%	2.9%
Fishing and marine	3.8%	1.2%	2.7%	1.5%
Hydrocarbons and energy	3.2%	1.9%	2.6%	2.0%
Others	1.6%	2.2%	1.6%	1.9%
Total	100.0%	100.0%	100.0%	100.0%

Total Liabilities as of March 31, 2014

(In thousand of US\$ Dollars)

	(A)				
	Total Liabilities	Current Liabilities	Long-term liabilities		Financial Liabilities
			Current part	Long term	
Local banks (short term)	79,781	79,781	-	-	79,781
Foreign banks (short term)	19,170	19,170	-	-	19,170
Local banks (long term)	76,459	-	44,384	32,075	76,459
Foreign banks (long term)	48,274	-	9,461	38,813	48,274
Local banks (long term)-Leasing	13,094	-	7,847	5,247	13,094
Suppliers:		-	-	-	
Accounts payable to Caterpillar (Inve	23,634	23,634	-	-	-
Accounts payable to Caterpillar	21,829	21,829	-	-	21,829
Others	78,494	78,494	-	-	4,246
Corporate bonds	294,418	-	-	294,418	294,418
Caterpillar Financial	107,195	-	21,753	85,443	107,195
Other liabilities	222,899	161,076	-	61,823	4,122
Total (US\$)	985,248	383,985	83,443	517,820	668,588
Total (S/.)	2,754,754	1,073,621	233,308	1,447,825	1,869,373

(A) Generate interest payment

Cash Flow Statement

(In thousand of nuevos soles)

As of 30.06.2014
Cash flows from operating activities

Trade accounts receivables	2,498,351
Suppliers	-1,904,959
Employees and others	-193,553
Taxes	-57,996

Net Cash provided by operating activities **341,843**
Cash flows from investing activities

Acquisition of property, machinery and equipment	-93,470
Businesses acquisitions	-
Intangibles acquisitions	-4,356
Sale of property, machinery and equipment	351
Acquisition of investments	-36,706

Net cash used in investing activities **-134,181**
Cash flow from financing activities

Financial liabilities	611,933
Financial liabilities payed	-698,258
Interests payed	-47,812
Dividends payed	-55,786

Net cash used in financing activities **-189,923**

Net increase in cash and cash equivalents	17,739
Cash at the beginning of the year	119,413
Result by traslation	343
Gain (loss) to exchange rate	-24
Cash and cash equivalents transferred by merger	2,128
Cash and cash equivalents at end of year	139,599



THIS REPORT SHOULD BE READ IN CONJUNCTION WITH THE FERREYCORP'S CONSOLIDATED FINANCIAL STATEMENTS, SINCE IT DOES NOT INCLUDE THE RESULTS OF THE CORPORATION'S SUBSIDIARIES, BUT ONLY ACTIVITIES OF THE CORPORATION.