

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)

	Variation			Accumulated		
	3Q 2010	3Q 2009	%	09/30/2010	09/30/2009	%
Net sales	508.4	453.1	12.2	1,577.6	1,437.0	9.8
Gross profit	114.5	98.6	16.2	330.3	315.8	4.6
Operating profit	39.4	32.3	21.9	120.8	123.7	-2.4
Net profit	44.6	30.0	48.4	110.4	98.3	12.3
EBITDA	71.5	61.5	16.3	207.9	205.9	1.0

### RESULTS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010

**Net sales** of Ferreyros as of 09-30-10 reached S/ 1,577.6 million compared to S/. 1,437.0 million reported in the same period of 2009, which means an increase of 9.8%. If sales are considered in dollars, currency in which Ferreyros' sales are invoiced, they reached US\$ 557.1 million in the nine month period 2010 and US\$ 470.2 million compared to the same period of 2009, which represents a 18.5% increase. The increase is lower in soles due to an average exchange rate in sales from January to September 2010 of S/. 2.832, while the average exchange rate during the same period of 2009 was S/. 3.056.

**Gross profit** in 3Q 2010 was S/. 330.3 million, 4.6% higher than S/. 315.8 million reported in 3Q 2009. In percentage terms, gross margin in 3Q 2010 was 20.9% versus 22.0% in 3Q 2009.

**Net profit** as of 09-30-10 was S/. 110.4 million compared to S/. 98.3 million reported in 2009, equivalent to an increase of 12.3%.

**Earning before interest, taxes, depreciation and amortization (EBITDA, in English)** for the nine month period of 2010 totaled S/. 207.9 million (US\$ 73.4 million), amount similar as S/. 205.9 million (US\$ 67.4 million) reported in the same period of 2009.

### QUARTERLY RESULTS

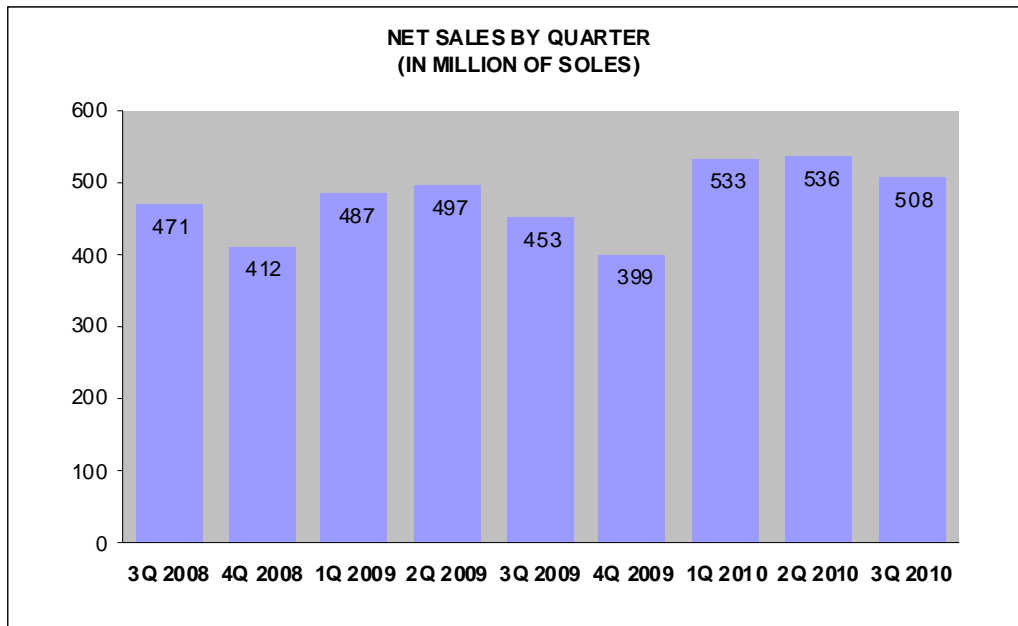
**Net sales** in 3Q 2010 amounted to S/. 508.4 million, an increase of 12.2% compared to S/. 453.1 million in the same period of 2009. If sales are considered in dollars, these reached US\$ 181.2 million in 3Q 2010 and US\$ 153.2 million in 3Q 2009, which means an increase of 18.2%. The increase is lower in soles due to an average exchange rate of S/. 2.806 in 3Q 2010, while the average exchange rate in 3Q 2009 was S/. 2.957.

**Gross profit** in 3Q 2010 amounted to S/. 114.5 million, 16.2% higher than S/. 98.6 million reported in the same period of 2009. In percentage terms, gross margin in 3Q 2010 was 22.5% compared to 21.8% in 3Q 2009.

On the other hand, **net profit** in 3Q 2010 reached S/. 44.6 million compared to S/. 30.0 million in the same period of 2009, representing **an increase of 48.4%**.

**Earning before interest, taxes, depreciation and amortization (EBITDA, in English)** in 3Q 2010 amounted to S/. 71.5 million (US\$ 25.5 million), 14.4% higher than S/. 61.5 million (US\$ 20.8 million) reported in the same period of 2009.

## SALES – COMMERCIAL MANAGEMENT



Sales in 3Q 2010 were 12.2% higher than sales in 3Q 2009 as a result of a higher economic development of the country. In general, the first 3 quarters of the year showed a better performance compared to the previous year as shown in the graph above.

<b>NET SALES</b> (In million of soles)						
	<b>3Q 10</b>	<b>3Q 09</b>	<b>Variation %</b>	<b>Accumulated as of 09-30-10</b>	<b>Accumulated as of 09-30-09</b>	<b>Variation %</b>
Caterpillar:						
Big mining	38.6	22.8	69.6	248.7	247.8	0.3
Others	150.0	148.4	1.1	423.0	361.6	17.0
	<u>188.7</u>	<u>171.2</u>	10.2	<u>671.7</u>	<u>609.4</u>	10.2
Equipment	11.1	7.8	42.4	22.9	37.9	-39.7
Automotive	33.6	26.2	28.3	108.1	92.5	16.9
Used units	19.8	13.8	43.4	66.3	28.6	132.1
	<u>253.2</u>	<u>218.9</u>	<u>15.6</u>	<u>869.0</u>	<u>768.4</u>	<u>13.1</u>
Spare parts and services	240.8	214.6	12.2	668.2	615.6	8.5
Rental	14.4	19.6	-26.4	40.3	53.0	-24.0
<b>Total</b>	<u><u>508.4</u></u>	<u><u>453.1</u></u>	<u><u>12.2</u></u>	<u><u>1,577.6</u></u>	<u><u>1,437.0</u></u>	<u><u>9.8</u></u>

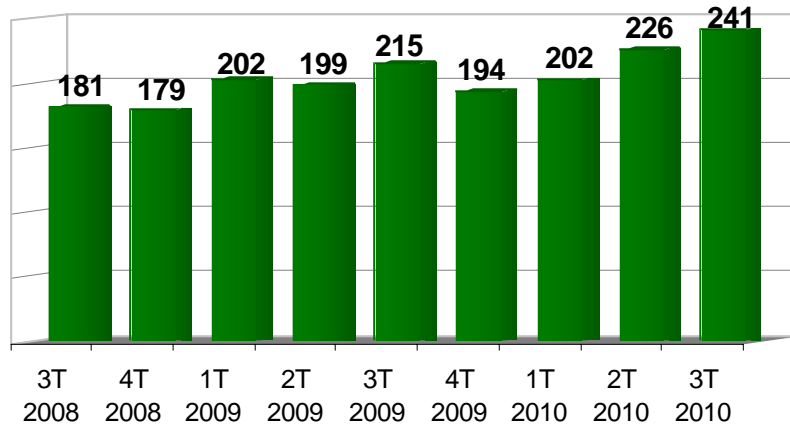
During the third quarter of 2010, there are several commercial lines that show growth. In the first place, sales of Caterpillar equipment made to the big mining registered an increase of 69.6% compared to the same quarter of 2009. Accumulated growth of the Caterpillar line shows an important increase of 17.0% due to sales made to clients of other economic sectors different from the big mining, mainly to the construction sector.

Likewise, there was an increase of 43.4% in sales of used equipment from the commercial line Rentafer, mainly to clients from the construction sector, which registered an important increase during the year. Accumulated growth of this commercial line was 132.1% compared to the same period of 2009.

Also, sales from the automotive line registered an increase of 28.3% due to the market of trucks and dump trucks upturn which in 2009 was seriously affected by the international financial crisis. Accumulated growth of this commercial line was 16.9% due to the upturn in the demand which has gradually increased over the period.

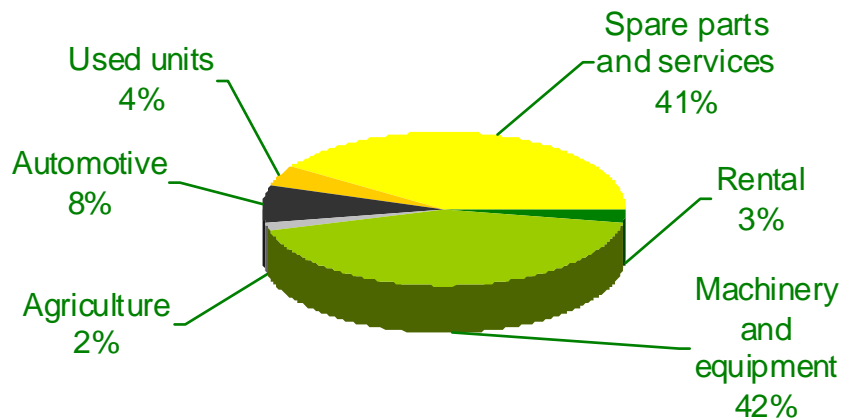
**Sales – Spare parts and services**  
(in million of soles)

**Ventas - Repuestos y Servicios**  
(en S/. millones)

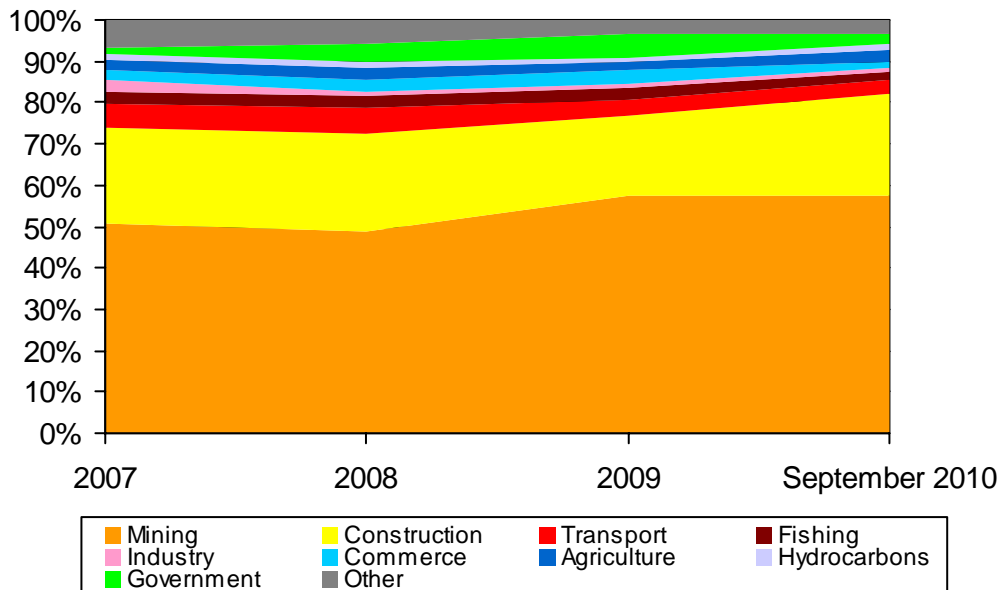


On the other hand, sales from spare parts and services showed a 12.2% growth compared to the same period of 2009, as a result of the increase of the demand mainly from the construction and big mining clients. Accumulated growth of this commercial line was 8.5%.

**Ferreyros: Sales by commercial line (in percentage)**  
(as of September 30, 2010)



As shown above, sales of Caterpillar line accounted for the 90% of the total income of the company, including new and used units, rental, spare parts and services. It is important to mention that sales of spare parts and services represent 42% 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 operating in the country.

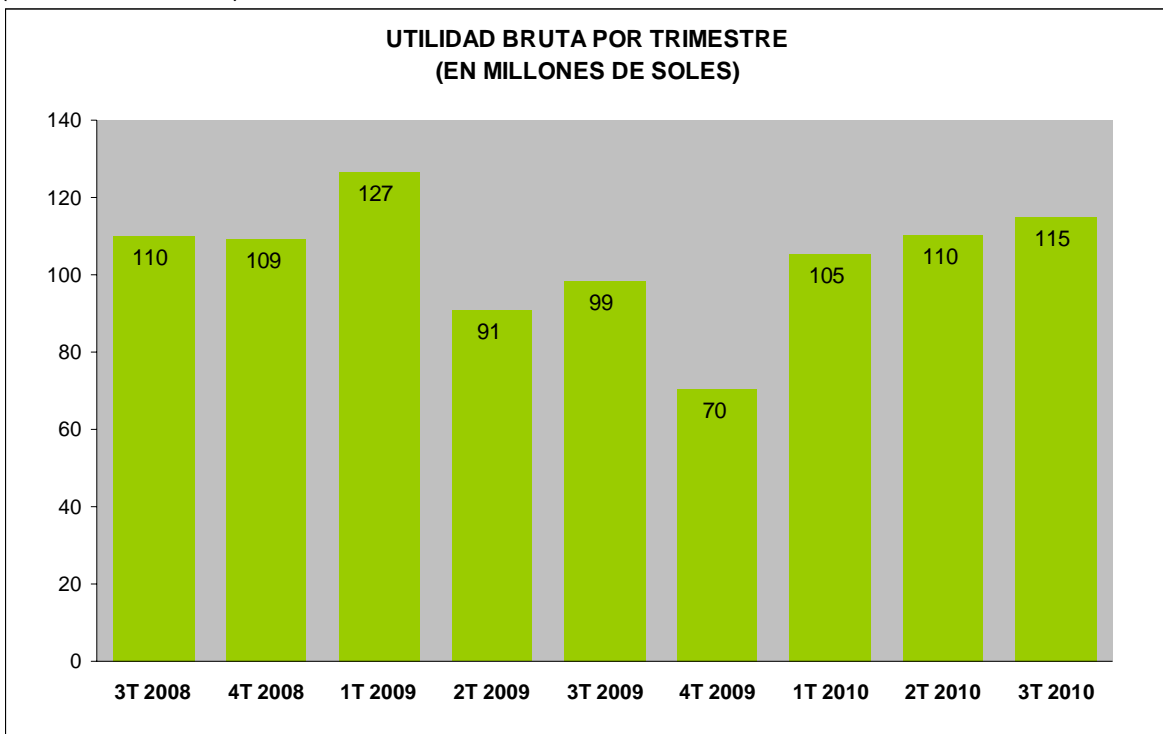


Regarding sales distribution by economic sector, it should be noted that sales to the mining and construction sector explain the increase in sales, with a 56% and 24% share, respectively, in the total sales of the third quarter of 2010.

## GROSS PROFIT

### Gross Profit by quarter

(In million of soles)



Gross profit in 3Q 2010 amounted to S/. 114.5 million compared to S/. 98.6 million reported in the same period of 2009, an increase of 16.2%. In percentage terms, gross margin in 3Q 2010 was 22.5% compared to 21.8% in 3Q 2009.

### **SELLING AND ADMINISTRATIVE EXPENSES**

Selling and administrative expenses totaled S/. 75.1 million in 3Q 2010, compared to S/. 64.1 million reported in the same period of 2009, an increase of 17.1%, which is mainly explained by: i) an increase in variable expenses as a consequence of higher net sales, ii) an increase in warranty expenses in sales of Caterpillar machinery made during the last two years; and iii) hiring of technicians to satisfy future demand of post sale services.

### **OTHER INCOME (EXPENSES), NET**

In the third quarter of 2010, this item represents a net expense of S/. 0.1 million versus a net expense of S/. 2.2 million in the same period of 2009. The higher net expense registered during the third quarter of 2009 is mainly due to a provision of S/. 4.5 million made in 2009 for inventory write-offs.

### **FINANCIAL INCOME**

Financial income in 3Q 2010 was S/. 4.9 million compared to S/. 4.3 million in the same period of 2009, which means an increase of 13.8%, mainly due to an increase in interest rate from short-term financing.

### **FINANCIAL EXPENSES**

Financial expenses amounted to S/. 11.0 million in 3Q 2010 compared to S/.15.8 million in the same period of 2009, a decrease of 30.8%, which is explained by i) a decrease of S/. 48.5 (6.0%) million in average liabilities subject to interest rate (S/. 754.9 million in 3Q 2010; S/. 803.4 million in 3Q 2009), due to the significant inventory reduction registered in 2009 which has a significant impact since 4Q 2009; and ii) the reduction of the interest rates obtained from financial institutions and the capital market to finance the company's activities. Accumulated financial expenses were S/. 31.8 million compared to S/. 58.5 million reported in the same period of 2009, a decrease of 45.5%.

Ferreryos participates in the capital market through corporate bond issuances. The interest rate of the issuances has declined significantly in the last year.

In February 2009, the auction rate was 7.31%. In 2010, the average auction rate of US \$ 40 million was 4.38%.

### **SHARE IN THE RESULTS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

This category includes earnings of subsidiaries and associated companies, recognized under the equity method. Income for this concept amounted to S/. 14.7 million in 3Q 2010, compared to S/. 7.2 million in 3Q 2009, an increase of 104.8%, mainly due to higher earnings of S/. 2.7 million of the subsidiary Unimaq, and S/. 4.9 million from the associated company La Positiva Compañía de Seguros y Reaseguros. Accumulated earnings of subsidiaries and associated companies for the nine month period of 2010 reached S/.35.0 million, a 93.4% growth than S/. 18.1 million reported in the same period of 2009 mainly due to an increase in the results of the associated company mentioned above.

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

Foreign currency operations of Ferreyros in 3Q 2010 showed an exchange gain of S/. S/. 7.6 million compared to S/. 19.6 million reported in 3Q 2009. The exchange gain in 3Q 2010 was generated by a slightly appreciation of the sol of 1.38% while the exchange gain in 3Q 2009 was caused by the appreciation of the sol against the US dollar of 4.24%. In addition, the net liability in dollars of 2009 was higher than 2010.

### **SHARES AND INCOME TAX**

Shares and income tax ending the third quarter of 2010 and 2009 have been estimated according to the current tax and accounting regulations.

### **NET PROFIT**

Net profit in 3Q 2010 reached S/. 44.6 million compared to S/. 30.0 million reported in the same period of 2009, which represents an increase of 48.4%, as a result of higher sales, better gross profit, decrease in financial expenses and increase in the net profit of the subsidiaries. These positive results compensated the decrease in the exchange rate gain that favored the results of 2009.

### **ANALYSIS OF THE BALANCE SHEET**

As shown in appendix 2, total assets for the nine month period ended September 30, 2010, totaled S/. 1,782.8 million compared to S/. 1,542.1 million reported in the same period of 2009, which represents a net increase of S/. 240.7 million (15.6%). The main variations of the asset accounts that explain this difference are the following:

- Increase in Investments of S/. 73.2 million, explained by the results in associated companies under the equity method, which amounted to S/. 34 million and by the acquisition of Inmobiliaria CDR SAC for S/. 39 million.
- Net increase of inventory of S/. 50.2 million, due to higher purchases of prime products and spare parts of S/. 27.8 million and S/. 25.2 million, respectively. Higher purchases were made to satisfy the increase in sales.
- Increase of short-term and long-term account receivables of S/. 54.0 million, as a consequence of higher sales made during 2010. Although the company promotes the use of financial institutions, it grants short-term financing to clients while documents are formalized. It is important to mention that part of that amount will be paid by the clients in the next months, through the financing obtained from financial institutions.

Total liabilities for the nine month period ended September 30, 2010 amounted to S/. 1,057.8 million compared to S/. 907.7 million reported in the same period of 2009, an increase of S/. 150.1 million (16.5%).

The composition of the Company's liabilities for the nine month period are shown in Appendix 4.

## **LIQUIDITY AND DEBT RATIOS**

Current ratio as of 09-30-10 is 1.56, lower than 1.70 as of 09-30-09.

Financial ratio as of 09-30-10 is 0.96 compared to 0.90 as of 09-30-09. For the estimation of this ratio, cash and bank balance have been excluded as well as liabilities with suppliers that do not generate financial expenses.

Total debt ratio as of 09-30-10 is 1.46 compared to 1.44 as of 09-30-09.



## COMPANY DESCRIPTION - FERREYROS

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.

As part of its strategy, the Organization considers achieve part of its growth through its subsidiaries, which add larger amounts of revenue and profits, expand market coverage and provide a portfolio of products and services that complement the supply of Ferreyros' solutions available to its clients. In that order, many of Ferreyros' clients receive products and services of various companies of the organization.

According to Conasev nomenclature, Ferreyros forms economic group with the following subsidiaries:

Subsidiary	Participation
Inti Inversiones Interamericanas Corp (*)	100.00%
Unimaq S.A.	99.99%
Orvisa S.A.	99.00%
Mega Representaciones S.A.	99.99%
Fiansa S.A. comunes	99.44%
Fiansa S.A. inversion	96.48%
Fargoline S.A.	99.86%
Ferrenergy S.A.C.	50.00%
Cresko S.A.	99.99%
Inmobiliaria CDR S.A.C.	100.00%
Motorindustria S.A.	99.99%

(\*) Investment in Central America

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

	3Q 10	%	3Q 09	%	Var %	Accumulated as of 09-30-10	%	Accumulated as of 09-30-09	%	Var %
<b>Net sales</b>	508,353	100.0	453,139	100.0	12.2	1,577,580	100.0	1,437,049	100.0	9.8
Cost of sales	(393,813)	(77.5)	(354,562)	(78.2)	11.1	(1,247,323)	(79.1)	(1,121,213)	(78.0)	11.2
<b>Gross profit</b>	<b>114,540</b>	<b>22.5</b>	<b>98,577</b>	<b>21.8</b>	<b>16.2</b>	<b>330,257</b>	<b>20.9</b>	<b>315,836</b>	<b>22.0</b>	<b>4.6</b>
Selling and administrative expenses	(75,074)	(14.8)	(64,106)	(14.1)	17.1	(214,735)	(13.6)	(192,894)	(13.4)	11.3
Other income (Expenses), net	(102)	(0.0)	(2,174)	(0.5)	95.3	5,240	0.3	747	0.1	601.8
<b>Operating profit</b>	<b>39,364</b>	<b>7.7</b>	<b>32,297</b>	<b>7.1</b>	<b>21.9</b>	<b>120,762</b>	<b>7.7</b>	<b>123,689</b>	<b>8.6</b>	<b>(2.4)</b>
Financial income	4,911	1.0	4,314	1.0	13.8	13,223	0.8	15,560	1.1	(15.0)
Gain (Loss) to exchange rate	7,585	1.5	19,604	4.3	(61.3)	16,670	1.1	55,421	3.9	(69.9)
Financial expenses	(10,958)	(2.2)	(15,786)	(3.5)	(30.6)	(31,833)	(2.0)	(58,451)	(4.1)	(45.5)
Share in the results of associated companies through the equity method	14,732	2.9	7,195	1.6	104.8	34,990	2.2	18,089	1.3	93.4
<b>Profit before sharing and income tax</b>	<b>55,634</b>	<b>10.9</b>	<b>47,624</b>	<b>10.5</b>	<b>16.8</b>	<b>153,812</b>	<b>9.7</b>	<b>154,307</b>	<b>10.7</b>	<b>(0.3)</b>
Profit sharing	(2,454)	(0.5)	(3,732)	(0.8)	(34.2)	(9,751)	(0.6)	(12,370)	(0.9)	(21.2)
<b>Profit before income tax</b>	<b>53,180</b>	<b>10.5</b>	<b>43,892</b>	<b>9.7</b>	<b>21.2</b>	<b>144,061</b>	<b>9.1</b>	<b>141,937</b>	<b>9.9</b>	<b>1.5</b>
Income tax	(8,601)	(1.7)	(13,850)	(3.1)	(37.9)	(33,645)	(2.1)	(43,650)	(3.0)	(22.9)
<b>Net profit</b>	<b>44,579</b>	<b>8.8</b>	<b>30,042</b>	<b>6.6</b>	<b>48.4</b>	<b>110,416</b>	<b>7.0</b>	<b>98,287</b>	<b>6.8</b>	<b>12.3</b>
<b>Earning per share</b>	0.092		0.062			0.229		0.204		
<b>EBITDA</b>	<b>71,549</b>		<b>61,510</b>		<b>16.3</b>	<b>207,920</b>		<b>205,930</b>		<b>1.0</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)

	<b><u>09/30/2010</u></b>	<b><u>09/30/2009</u></b>	<b><u>Variation</u></b> <b><u>%</u></b>
Caash and banks	95,483	43,854	117.7
Account receivables - Trade	367,145	323,073	13.6
Inventories	541,309	491,142	10.2
Account receivables - Affiliated companies	22,810	18,779	21.5
Account receivables - Other	22,250	6,123	263.4
Prepaid expenses	4,934	3,766	31.0
<b>Total current assets</b>	<b><u>1,053,930</u></b>	<b><u>886,737</u></b>	<b>18.9</b>
Long-term account receivables - Trade	42,958	33,046	30.0
Rental fleet	243,767	276,621	-11.9
Other fixed assets	404,607	369,670	9.5
	<u>648,374</u>	<u>646,291</u>	0.3
Accrued depreciation	(252,072)	(246,870)	2.1
Property, plant and equipment, net	<u>396,301</u>	<u>399,421</u>	-0.8
Investments	269,573	196,389	37.3
Other non current assets	20,075	26,522	-24.3
<b>Non current assets</b>	<b><u>728,907</u></b>	<b><u>655,378</u></b>	<b>11.2</b>
<b>Total assets</b>	<b><u>1,782,837</u></b>	<b><u>1,542,115</u></b>	<b>15.6</b>
Short-term debt	130,656	141,321	-7.5
Other current liabilities	545,591	379,085	43.9
<b>Current liabilities</b>	<b><u>676,246</u></b>	<b><u>520,406</u></b>	<b>29.9</b>
Long-term debt	381,596	387,336	-1.5
<b>Total liabilities</b>	<b><u>1,057,843</u></b>	<b><u>907,742</u></b>	<b>16.5</b>
<b>Deferred income</b>	<b>2,292</b>	<b>2,316</b>	<b>-1.0</b>
<b>Equity</b>	<b><u>722,703</u></b>	<b><u>632,057</u></b>	<b>14.3</b>
<b>Total liabilities and equity</b>	<b><u>1,782,837</u></b>	<b><u>1,542,115</u></b>	<b>15.6</b>
<b>Other financial information</b>			
Depreciation and amortization (figures accumulated at the end of the period)	38,945	48,594	
<b>Financial Ratios</b>			
Current ratio	1.56	1.70	
Financial debt ratio	0.96	0.90	
Indebtedness ratio	1.46	1.44	
Book value per share	1.50	1.49	

<b>NET SALES</b> (In thousand of soles)										
	<b>3Q 10</b>	<b>%</b>	<b>3Q 09</b>	<b>%</b>	<b>Variation Accumulated</b>		<b>Accumulated</b>		<b>Variation</b>	
					<b>%</b>	<b>as of 09-30-10</b>	<b>%</b>	<b>as of 09-30-09</b>	<b>%</b>	<b>%</b>
Big mining	38,637	7.6	22,775	5.0	69.6	248,673	15.8	247,806	17.2	0.3
Others	150,036	29.5	148,377	32.7	1.1	423,013	26.8	361,614	25.2	17.0
	<u>188,673</u>	<u>37.1</u>	<u>171,150</u>	<u>37.8</u>	<u>10.2</u>	<u>671,686</u>	<u>42.6</u>	<u>609,420</u>	<u>42.4</u>	<u>10.2</u>
Equipment	11,069	2.2	7,774	1.7	42.4	22,856	1.4	37,900	2.6	-39.7
Automotive	33,589	6.6	26,175	5.8	28.3	108,144	6.9	92,489	6.4	16.9
Used units	19,827	3.9	13,822	3.1	43.4	66,333	4.2	28,577	2.0	132.1
	<u>253,158</u>	<u>49.8</u>	<u>218,921</u>	<u>48.3</u>	<u>15.6</u>	<u>869,019</u>	<u>55.1</u>	<u>768,386</u>	<u>53.5</u>	<u>13.1</u>
Spare parts and services	240,786	47.4	214,631	47.4	12.2	668,234	42.4	615,632	42.8	8.5
Rental	14,410	2.8	19,585	4.3	-26.4	40,327	2.6	53,032	3.7	-24.0
<b>Total</b>	<u><b>508,354</b></u>	<u><b>100.0</b></u>	<u><b>453,137</b></u>	<u><b>100.0</b></u>	<u><b>12.2</b></u>	<u><b>1,577,580</b></u>	<u><b>100.0</b></u>	<u><b>1,437,049</b></u>	<u><b>100.0</b></u>	<u><b>9.8</b></u>

<b>SALES BY ECONOMIC SECTOR (in percentage)</b>				
	<b>3Q 10</b>	<b>3Q 09</b>	<b>Accumulated</b>	<b>Accumulated</b>
			<b>as of 09-30-10</b>	<b>as of 09-30-09</b>
Mining	56.0%	49.9%	56.1%	56.4%
Construction	22.6%	22.3%	24.3%	17.9%
Government	3.0%	3.4%	3.1%	3.3%
Services for equipment	2.4%	4.0%	2.5%	4.5%
Transport	1.4%	6.3%	2.1%	5.2%
Commerce and services	4.4%	1.3%	2.7%	2.1%
Agriculture	2.6%	3.8%	1.8%	2.6%
Fishing	2.0%	2.7%	1.7%	2.9%
Hydrocarbons	1.2%	0.4%	0.9%	0.8%
Industry	1.9%	1.8%	1.6%	1.0%
Others	2.6%	4.1%	3.4%	3.3%
<b>Total</b>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>

**Total Liabilities for the nine month period ended September 30, 2010**

(In thousands of US dollars)

	Total Liabilities	Current Liabilities	Long-term liabilities		Financial Liabilities
			Current part	Long-term	
Local banks (short-term)	29,000	29,000	-	-	29,000
Foreign banks (short-term)	44,606	44,606	-	-	44,606
Local banks (long-term)	31,129	-	14,107	17,022	31,129
Foreign banks (long-term)	1,778	-	1,778	0	1,778
Local banks (long-term) (Leasing)	5,167	-	1,323	3,844	5,167
<b>Suppliers:</b>					
Accounts payable to Caterpillar	17,751	17,751			
Accounts payable to Caterpillar	25,608	25,608			25,608
Other	24,642	24,642			
Corporate bonds	120,625	-	15,625	105,000	120,625
Caterpillar Financial Services	25,035	-	14,031	11,004	25,035
Other liabilities	54,086	54,086			
<b>Total (US\$)</b>	<b>379,427</b>	<b>195,693</b>	<b>46,864</b>	<b>136,870</b>	<b>282,948</b>
<b>Total (S/.)</b>	<b>1,057,843</b>	<b>545,591</b>	<b>130,656</b>	<b>381,596</b>	<b>788,859</b>

**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**

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

The consolidated financial statements of Ferreyros and subsidiaries as of 2010 include Inti Inversiones Interamericanas Corporation, which owns Caterpillar's distributors in Guatemala, El Salvador and Belice (hereinafter Gentrac group).

Also includes the results of the subsidiary Inmobiliaria CDR S.A.C., acquired in September 2010, which has had no movement during 2010. This subsidiary owns property as the only asset whose book value amounts to S/. 39.0 million.

### **CONSOLIDATED FINANCIAL HIGHLIGHTS**

(In million of soles)

	3Q 2010	3Q 2009	Variation %	Accumulated 09/30/2010	Accumulated 09/30/2009	Variation %
Net sales	706.8	549.3	28.7	2,113.7	1,735.3	21.8
Gross profit	154.0	118.3	30.2	445.1	378.4	17.6
Operating profit	54.4	40.2	35.4	161.3	150.1	7.4
Net profit	45.8	30.5	50.2	111.2	98.4	13.0
EBITDA	73.0	70.2	4.0	238.9	235.8	1.3

### **RESULTS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010**

**Net sales** of Ferreyros and subsidiaries as of 09-30-2010, amounted to S/ 2,113.7 million compared to S/. 1,735.3 million in the same period of 2009, which represents an important growth of S/. 378.4 million (21.8%), as a result of: i) an increase of S/. 208.3 million (12.0%) in the net sales of Ferreyros and local subsidiaries and ii) the incorporation of the sales of Gentrac group of S/. 170.1 million (9.8%). It is important to notice that the increase in the sales of Ferreyros and local subsidiaries is mainly due to an increase in the sales of Ferreyros of S/. 140.6 million, Unimaq of S/. 32.3 million, Fiansa of S/. 14.7 million and Orvisa of S/. 12.3 million. If sales are considered in dollars, currency in which Ferreyros and subsidiaries' sales are invoiced, they reached US\$ 746.4 as of 09-30-2010 and US\$ 567.8 as of 09-30-2009, which represents a 31.4% growth. If sales from Gentrac group are excluded from this variation, the increase in sales of Ferreyros and local subsidiaries in dollars is 20.9%. The growth is lower in soles due to an average exchange rate in sales from January to September 2010 of S/. 2.832, while the average exchange rate during the same period of 2009 was S/. 3.056.

**Gross profit** of Ferreyros and subsidiaries as of 09-30-2010 totaled S/. 445.1 million, 17.6% higher than S/. 378.4 million reported in the same period of 2009. If sales from Gentrac group of S/. 37.4 million are excluded, gross profit of Ferreyros and local

subsidiaries reached S/. 407.7 million, compared to S/. 378.4 million reported in the same period of 2009, which represents an increase of 7.8%. It is important to mention that the increase in the gross profit of Ferreyros and local subsidiaries is due, mainly, to an increase in Ferreyros of S/. 14.5 million and Unimaq of S/. 7.5 million.

**Net profit** for the nine month period ended September 2010 amounted to S/. 111.2 million compared to S/. 98.4 million reported in the same period of 2009, equivalent to an increase of 13.0%.

**Earning before interest, taxes, depreciation and amortization (EBITDA, in English)** for the nine month period of 2010 totaled S/. 238.9 million (US\$ 84.4 million) compared to S/. 235.8 million (US\$ 77.2 million) in the same period of 2009, an increase of 1.3%.

## QUARTERLY RESULTS

**Net sales** of Ferreyros and subsidiaries in 3Q 2010 amounted to S/ 706.8 million compared to S/. 549.3 million of the same period on the previous year, which represents an increase of 28.7%, due to: i) an increase of S/. 97.7 million (17.8%) in the sales of Ferreyros and local subsidiaries; and ii) the incorporation of sales made by Gentrac group of S/. 59.8 million (10.9%). The increase in the sales of Ferreyros and local subsidiaries is due to the increase in Ferreyros of S/. 55.3 million, Unimaq of S/. 17.0 million and Fiansa of S/. 8.9 million. If sales are considered in dollars, they totaled US\$ 251.9 million during the third quarter 2010 and US\$ 185.7 million during the third quarter of 2009, an increase of 35.6%. If sales from Gentrac group are excluded, the increase in sales of Ferreyros and local subsidiaries in dollars reaches 24.1%. The increase is lower in sales due to an average exchange rate of S/2.806, while the average exchange rate of the third quarter of 2009 was S/. 2.957.

**Gross profit** of Ferreyros and subsidiaries in 3Q 2010 amounted to S/. 154.0 million, 30.2% higher than S/. 118.3 million during the same period on the previous year. If gross profit of S/.12.5 million of Gentrac group is excluded, gross profit of Ferreyros and local subsidiaries reached S/. 141.5 million, compared to S/. 118.3 million in the same period of 2009, which represents an increase of 19.7%. The increase is mainly due to an increase in the gross profit of Ferreyros of S/. 15.6 million and Unimaq of S/. 5.2 million during the third quarter of 2010.

**Net profit** of Ferreyros and subsidiaries in 3Q 2010 amounted to S/. 45.8 million compared to S/. 30.5 million during the same period on the previous year, **an increase of 50.2%**. If net profit of S/. 0.2 million of Gentrac Group is excluded, the increase in the net profit of Ferreyros and local subsidiaries amounts to 49.6%.

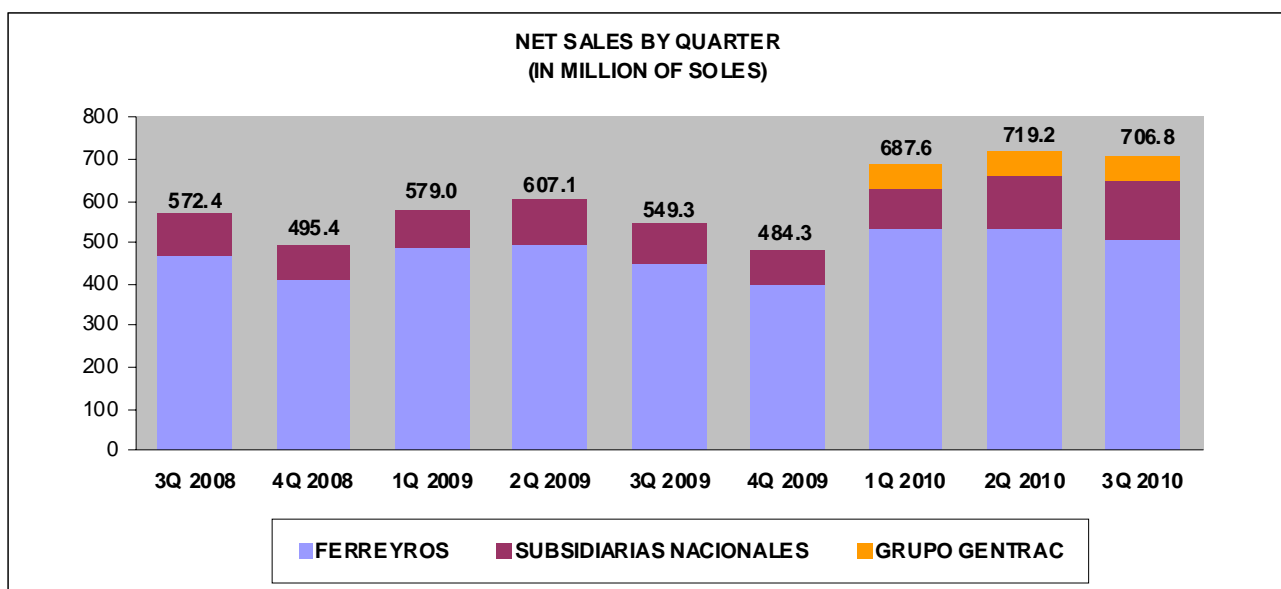
**Earning before interest, taxes, depreciation and amortization (EBITDA, in English)** during the third quarter of 2010 amounted to S/. 73.0 million (US\$ 26.0 million) compared to S/. 70.2 million (US\$ 23.7 million) of the same period on the previous year, which represents an increase of 4.0%.

## SALES - COMMERCIAL MANAGEMENT

### Net sales and Net profit (in thousand of soles)

(en miles de soles)

	Ventas Netas			Utilidad Neta		
	3T 2010	3T 2009	VAR %	3T 2010	3T 2009	VAR %
Ferreyros	504,405	428,844	17.6	36,415	23,793	53.1
Unimaq	63,218	46,215	36.8	5,416	3,028	78.9
Orvisa	35,523	36,889	(3.7)	1,521	1,659	(8.3)
Fiansa	18,851	9,906	90.3	232	717	(67.6)
Mega Representaciones	16,796	15,108	11.2	765	360	112.5
Otras (Fargoline, Ferrenergy, Domingo Rodas, Cresko)	8,252	12,291	(32.9)	1,007	932	8.0
Subsidiarias Nacionales	142,640	120,408	18.5	8,941	6,696	33.5
Ferreyros y subsidiarias nacionales	647,045	549,252	17.8	45,356	30,489	48.8
Subsidiarias de centroamerica	59,763	0		426	0	
<b>Total</b>	<b>706,808</b>	<b>549,252</b>	<b>28.7</b>	<b>45,782</b>	<b>30,489</b>	<b>50.2</b>



Sales in 3Q 2010 were 28.7% higher than sales in 3Q 2009 as a result of a higher economic development of the country. In general, the first 3 quarters of the year showed a better performance compared to the previous year as shown in the graph above.



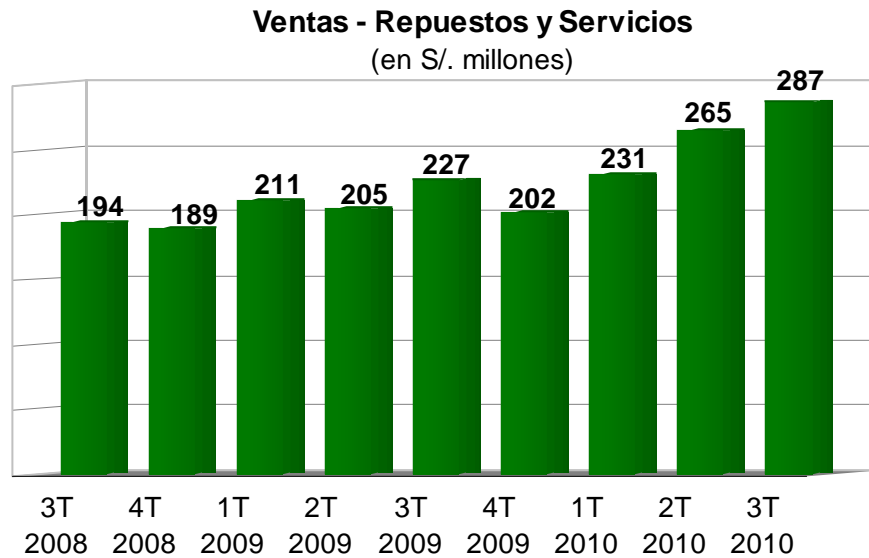
<b>CONSOLIDATED NET SALES</b> (In million of soles)						
	<b>3Q 10</b>	<b>3Q 09</b>	<b>Variation %</b>	<b>Accumulated as of 09-30-10</b>	<b>Accumulated as of 09-30-09</b>	<b>Variation %</b>
Caterpillar:						
Big mining	38.6	22.8	69.6	248.7	247.8	0.3
Others	201.0	164.8	22.0	566.0	424.2	33.4
	<u>239.6</u>	<u>187.5</u>	27.8	<u>814.7</u>	<u>672.0</u>	21.2
Equipment	15.2	8.2	86.0	30.2	37.7	-19.9
Automotive	37.1	26.3	41.1	111.8	101.1	10.5
Used units	29.5	16.8	75.8	87.5	37.9	130.7
	<u>321.5</u>	<u>238.8</u>	34.6	<u>1,044.1</u>	<u>848.7</u>	23.0
Spare parts and services	287.1	227.1	26.4	782.6	642.3	21.8
Rental	31.9	29.0	10.2	81.7	78.0	4.8
Other sales from national subsidiaries	55.9	54.4	2.8	174.6	166.4	4.9
Other sales from foreign subsidiaries	10.4			30.7		
<b>Total</b>	<u><b>706.8</b></u>	<u><b>549.3</b></u>	<b>28.7</b>	<u><b>2,113.7</b></u>	<u><b>1,735.3</b></u>	<b>21.8</b>

During the third quarter of 2010, there are several commercial lines that show growth. In the first place, sales of Caterpillar equipment made to the big mining registered an increase of 69.6% compared to the same quarter of 2009. Accumulated growth of the Caterpillar line shows an important increase of 33.4% due to sales made to clients of other economic sectors different from the big mining, mainly to the construction sector; part of the growth is due to the incorporation of sales from Gentrac group of S/. 49.6 million.

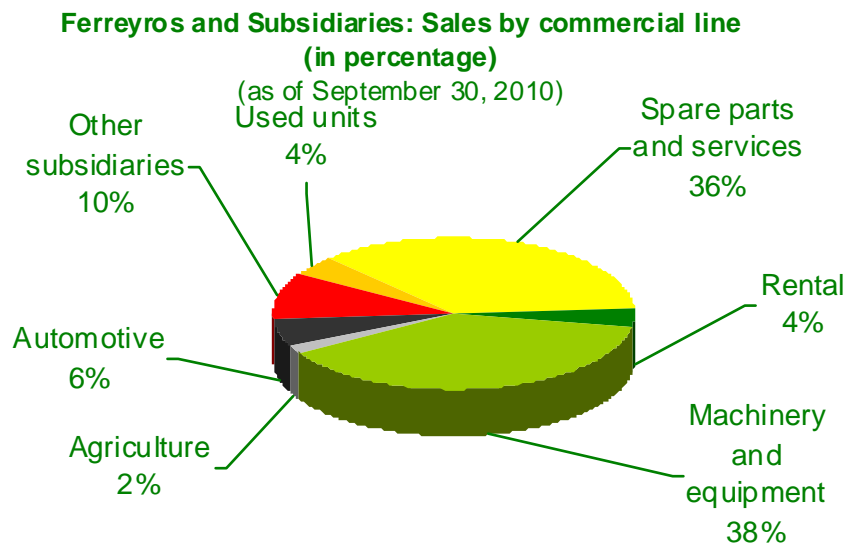
Likewise, there was an increase of 75.8% in sales of used equipment, due to an increase in the sales of units of the former rental fleet mainly to clients from the construction sector and to the incorporation of sales made by Gentrac group of S/. 2.7 million. This line showed an accumulated growth of 130.7% compared to the previous year.

Also, sales from the automotive line registered an increase of 41.1% due to the market of trucks and dump trucks upturn which in 2009 was seriously affected by the international financial crisis. Accumulated growth of the automotive line was 10.5% due to the upturn in the demand which has gradually increased over the period.

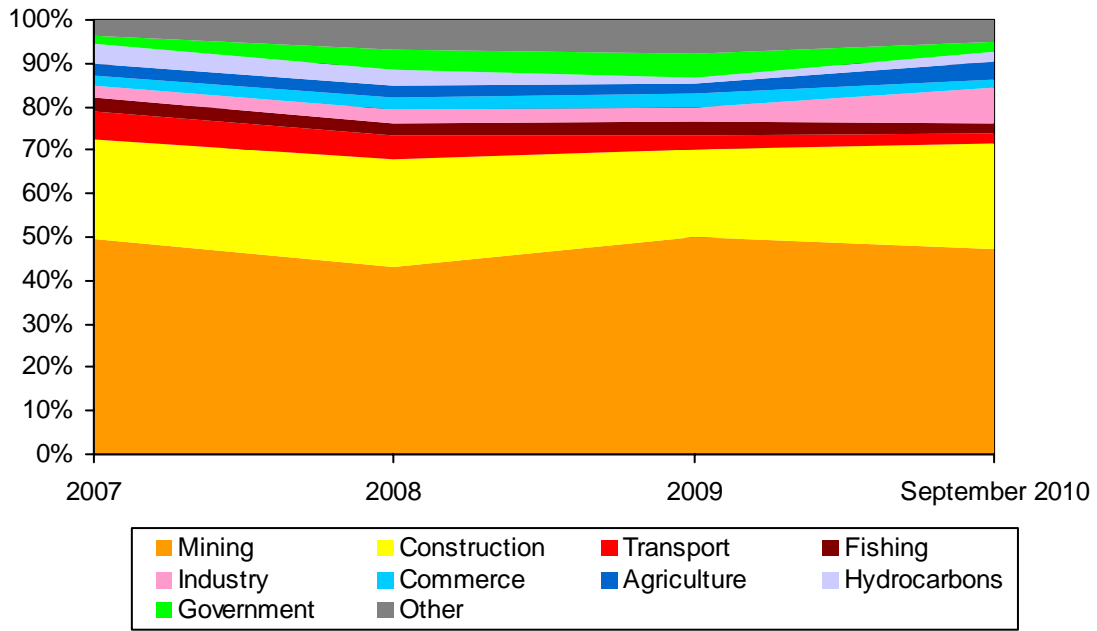
**Sales – Spare parts and services**  
(in million of soles)



On the other hand, sales from spare parts and services showed an increase of 26.4% compared to the same period of 2009, as a result of the increase of the demand mainly from the construction and mining economic sector, and as a result of the incorporation of sales made by Gentrac group of S/. 20.8 million. Accumulated growth of this commercial line was 21.8%.



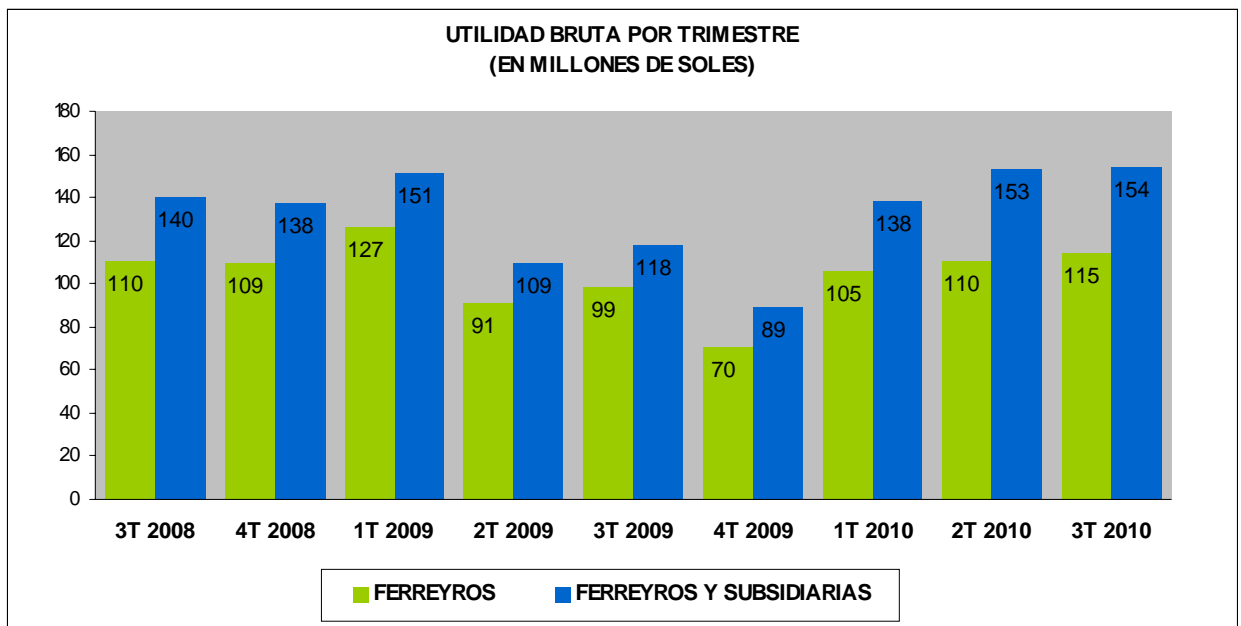
As shown above, sales of Caterpillar line accounted more than 82% of the total income of the company, including new and used units, rental, spare parts and services. It is important to mention that sales of spare parts and services represent 37% of the total sales of the company and is the line of higher profitability and growth in the revenue stream, as a result of the large fleet of Caterpillar units operating in the country.



Regarding sales distribution by economic sector, it should be noted sales to the mining and construction sector having a 48% and 24% share, respectively, in the total sales of the third quarter of 2010.

## GROSS PROFIT

### Gross Profit by quarter (in million of soles)



Excluding S/. 12.5 million from Gentrac group, gross profit of Ferreyros and local subsidiaries amounted to S/.141.5 million, 19.7% higher than S/. 118.3 million reported in the same period of 2009. In percentage terms, gross margin in 3Q 2010 was 21.8%, slightly higher than 21.5% registered in 3Q 2009.

### **SELLING AND ADMINISTRATIVE EXPENSES**

Excluding Gentrac group of S/. 10.1 million, selling and administrative expenses of Ferreyros and local subsidiaries totaled S/. 91.3 million, 19.6% higher than the same period on the previous year. This variation is mainly explained by: i) an increase in variable expenses as a consequence of higher sales, ii) an increase in warranty expenses in sales of equipments, due to important sales of machines and equipment made during the last two years, and iii) hiring of technicians to satisfy future demand of post sale services.

### **OTHER INCOME (EXPENSES)**

In the third quarter of 2010, this item represents a net income of S/. 1.8 million compared to a net expense of S/. 1.8 million reported in the same period of 2009. The higher net expense registered during the third quarter of 2009 is mainly due to a provision of S/. 4.5 million made in 2009 for inventory write-offs.

### **FINANCIAL INCOME**

Excluding Gentrac group's financial income of S/. 1.7 million, financial income of Ferreyros and local subsidiaries totaled S/. 6.5 million compared to S/. 5.7 million in the same period of 2009, revealing a 13.6% growth, mainly due to the increase in account receivables as a result of higher sales of spare parts and services, which are billed in the short term.

### **FINANCIAL EXPENSES**

Excluding Gentrac group's financial expenses of S/. 4.1 million, in the third quarter of 2010, the financial expenses of Ferreyros and its local subsidiaries amounted to S/. 13.6 million, 35.0% lower than S/. 21.0 million reported in the third quarter of 2009. This important reduction is explained by i) a decrease of S/. 115.0 million in average liabilities subject to interest rate payment due to the significant inventory reduction that produced resources that were destined for the payment of debts contracted to finance the acquisition, and ii) the reduction of the interest rates obtained from financial institutions and the capital market to finance the company's activities.

Accumulated financial expenses for the nine month period of 2010 totaled S/. 42.4 million compared to S/. 75.0 million recorded in the same period of 2009, a decrease of 43.4%.

Ferreyros participates in the capital market through corporate bond issuances. The interest rate of the issuances has declined significantly in the last year.

In February 2009, the auction rate was 7.31%. In 2010, the average auction rate of US \$ 40 million was 4.38%.

## **SHARE IN THE RESULTS OF ASSOCIATED COMPANIES**

This category includes earnings from the associated company La Positiva recognized under the equity method. During the third quarter of 2010, income from this concept totaled S/. 6.3 million, compared to S/. 0.9 million reported in the same period of 2009. Most of that company net income is explained by a significant increase in the profits generated by its investments in securities. This increased has been generating over 2010, which is why the share in the results of associated companies was S / . 8.5 million for the nine month period of 2010 compared to S/. 1.9 million reported in the same period of 2009, a 342.2% growth.

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

Foreign currency operations of Ferreyros and subsidiaries during the third quarter of 2010 showed an exchange gain of S/. 10.6 million, compared to an exchange gain of S/. 26.0 million during the same period of 2009. The exchange gain of the third quarter 2010 was generated by a slight appreciation of 1.38% of the sol against the US dollar, while the gain during the third quarter of 2009 was caused by the appreciation of the sol against the US dollar of 4.24%. In addition, the net liability in dollars of 2009 was higher than 2010.

## **SHARES AND INCOME TAX**

Shares and income tax ending the third quarter of 2010 and 2009 have been estimated according to the current tax and accounting regulations.

## **NET PROFIT**

Net profit in 3Q 2010 reached S/. 45.8 million compared to S/. 30.5 million reported in the same period of 2009, which means an increase of 50.2%, as a result of higher sales, better gross profit, decrease in financial expenses and increase in the results of an associated company. These positive impacts compensated the decrease in the exchange gain that favored the results of 2009.

## **ANALYSIS OF THE BALANCE SHEET**

As shown in appendix 2, total assets for the nine month period ended September 30, 2010, totaled S/. 2,467.5 million compared to S/. 1,812.6 million reported in the same period of 2009, which represents an increase of S/. 654.9 million. The main variations of the asset accounts that explain this difference are the following:

- Net inventory growth of S/. 173.8 million due to: i) an increase of S/. 90.1 million due to the incorporation of Gentrac group's inventory; ii) higher purchases of Ferreyros and local subsidiaries of prime products, spare parts and services of S/. 39.2 million and S/. 28.2 million respectively, and additionally, purchases of other inventory of S/. 16.3 million. These purchases were made to satisfy the growth in sales.
- Increase of short-term and long-term account receivables of S/. 197.0 million, as a consequence of : i) the incorporation of Gentrac group's account receivables of S/. 120.4 million and ii) an increase of S/. 76.6 million caused by the increase in the

account receivables of Ferreyros and local subsidiaries, due to higher sales. Although the company promotes the use of financial institutions, it grants short-term financing to clients while documents are formalized. It is important to mention that part of that amount will be paid by the clients in the next months, through the financing obtained from financial institutions.

- Net increase of fixed assets of S/. 151.2 million, mainly explained by, the incorporation of Gentrac's fixed assets of S/. 84.3 million and fixed asset of Inmobiliaria CDR of S/. 39.0 million. In addition, by the acquisition of equipment for the rental fleet of S/. 45.4 million, made basically by the subsidiary Unimaq.

## **LIABILITIES**

Total liabilities for the nine month period ended September 30, 2010 amounted to S/. 1,733.6 million compared to S/. 1,174.5 million in the same period of 2009, revealing a S/. 559.0 million increase, explained by : i) the incorporation of Gentrac group's liabilities amounting S/. 334.3 million, and ii) the increase in the liabilities of Ferreyros and local subsidiaries of S/. 224.7 million.

The composition of the Company's liabilities for the nine month period 2010 are shown in Appendix 4.

## **LIQUIDITY AND DEBT RATIOS**

Excluding Gentrac group's assets and liabilities:

- Current ratio as of 09-30-2010, is 1.48, lower than the current ratio of 1.58 as of 09-30-2009.
- Financial debt ratio as of 09-30-2010 is 1.36 versus 1.40 as of 09-30-2009. (For the estimation of this ratio, cash and bank balance have been excluded as well as liabilities with suppliers that do not generate financial expenses).
- Total debt ratio as of 09-30-2010 is 1.96 higher than 1.86 as of 09-30-2009.

Considering Gentrac group's assets and liabilities:

- Current ratio as of 09-30-2010 is 1.41, lower than the current ratio of 1.58 as of September 30<sup>th</sup>, 2009..
- Financial debt ratio is 1.71 as of 09-30-2010 compared to 1.40 as of 09-30-2009.
- Total debt ratio as of 09-30-2010 is 2.41 higher than 1.86 as of 09-30-2009.

As of September 30<sup>th</sup>, 2010, the loan obtained by Inversiones Interamericanas Corporation to acquire Gentrac group's companies has generated a US\$ 35 million increase in the consolidated liabilities.

## COMPANY DESCRIPTION - FERREYROS AND SUBSIDIARIES

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, motors, 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 Zaccarí, among others, which are addressed to different economic sectors.

As part of its strategy, the Organization considers achieve part of its growth through its subsidiaries, which add larger amounts of revenue and profits, expand market coverage and provide a portfolio of products and services that complement the supply of Ferreyros solutions available to its clients. In that order, many of Ferreyros clients receive products and services of various companies of the organization.

According to Conasev nomenclature, Ferreyros forms economic group with the following subsidiaries:

Subsidiary	Participation
Inti Inversiones Interamericanas Corp (*)	100.00%
Unimaq S.A.	99.99%
Orvisa S.A.	99.00%
Mega Representaciones S.A.	99.99%
Fiansa S.A. comunes	99.44%
Fiansa S.A. inversión	96.48%
Fargoline S.A.	99.86%
Ferrenergy S.A.C.	50.00%
Cresko S.A.	99.99%
Inmobiliaria CDR S.A.C.	100.00%
Motorindustria S.A.	99.99%

(\*) Investment in Central America

Find below a brief description of the subsidiaries core business:

**Inti Inversiones Interamericanas Corp.** is a holding company set up in late 2009. In January 2010, it bought 100% of the shares of Gentrac Corporation (hereinafter Gentrac), 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 serve the mining, construction, energy, agricultural and sea sectors. They represent prestigious brands such as Caterpillar, Exxon / Mobil lubricants, Sullair compressors, among others.

**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.

**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.

**Mega Representaciones S.A.** is a distributor of Good Year tires and Mobil 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 customers and the products it represents.

**Fiansa S.A.** is a subsidiary that serves the metal mechanic sector. Its sales in the second quarter of 2010 include incomes generated by the construction of metallic bridges, execution of metal works, electrical connections and the manufacturing and assembly of metal structures.

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

**Ferrenergy S.A.C.** was incorporated in January 2006. Its shareholders are Ferreyros S.A.A. and Energy International Corporation, with a 50% share each. Energy International is headquartered in the United States, has vast experience and is linked to Gecolsa, Caterpillar distributor in Colombia. The first project undertaken by the company was the steam power plant of Guayabal in Shiviayacu, which generates electrical power to be sold to a major oil company under a 5-year contract. The plant, which has 18 MW capacity, started to produce electricity in 2007.

**Cresko S.A.** started to operate in October 2007 offering specialized products to some segments of the construction, mining and agricultural markets that are not covered by Ferreyros or Unimaq. It is the first company of the organization to venture into the trading of Chinese products.



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

	3Q 10	%	3Q 09	%	Var %	Accumulated as of 09-30-10	%	Accumulated as of 09-30-09	%	Var %
<b>Net sales</b>	706,808	100.0	549,252	100.0	28.7	2,113,668	100.0	1,735,341	100.0	21.8
Cost of sales	(552,833)	-78.2	(430,975)	-78.5	28.3	(1,668,552)	(78.9)	(1,356,990)	(78.2)	23.0
<b>Gross profit</b>	<b>153,975</b>	<b>21.8</b>	<b>118,277</b>	<b>21.5</b>	<b>30.2</b>	<b>445,116</b>	<b>21.1</b>	<b>378,351</b>	<b>21.8</b>	<b>17.6</b>
Selling and administrative expenses	(101,325)	-14.3	(76,272)	-13.9	32.8	(286,974)	(13.6)	(231,482)	(13.3)	24.0
Other income (Expenses), net	1,785	0.3	(1,795)	-0.3	-199.5	3,137	0.1	3,258	0.2	(3.7)
<b>Operating profit</b>	<b>54,435</b>	<b>7.7</b>	<b>40,210</b>	<b>7.3</b>	<b>35.4</b>	<b>161,280</b>	<b>7.6</b>	<b>150,128</b>	<b>8.7</b>	<b>7.4</b>
Financial income	8,226	1.2	5,719	1.0	43.8	24,518	1.2	20,128	1.2	21.8
Gain (Loss) to exchange rate	10,619	1.5	26,044	4.7	-59.2	27,913	1.3	67,220	3.9	(58.5)
Financial expenses	(17,773)	-2.5	(20,993)	-3.8	-15.3	(54,094)	(2.6)	(74,992)	(4.3)	(27.9)
Share in the results of associated companies through the equity method	6,346	0.9	882	0.2	619.8	8,472	0.4	1,916	0.1	342.2
<b>Profit before sharing and income tax</b>	<b>61,852</b>	<b>8.8</b>	<b>51,861</b>	<b>9.4</b>	<b>19.3</b>	<b>168,088</b>	<b>8.0</b>	<b>164,400</b>	<b>9.5</b>	<b>2.2</b>
Profit sharing	(3,528)	-0.5	(4,451)	-0.8	-20.7	(12,313)	(0.6)	(14,375)	(0.8)	(14.3)
<b>Profit before income tax</b>	<b>58,324</b>	<b>8.3</b>	<b>47,410</b>	<b>8.6</b>	<b>23.0</b>	<b>155,775</b>	<b>7.4</b>	<b>150,025</b>	<b>8.6</b>	<b>3.8</b>
Income tax	(12,542)	-1.8	(16,921)	-3.1	-25.9	(44,581)	(2.1)	(51,642)	(3.0)	(13.7)
<b>Net profit</b>	<b>45,782</b>	<b>6.5</b>	<b>30,489</b>	<b>5.6</b>	<b>50.2</b>	<b>111,194</b>	<b>5.3</b>	<b>98,383</b>	<b>5.7</b>	<b>13.0</b>
<b>Earning per share</b>	0.095		0.063			0.230		0.204		
<b>EBITDA</b>	<b>73,007</b>		<b>70,214</b>		<b>4.0</b>	<b>238,894</b>		<b>235,839</b>		<b>1.3</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>09/30/2010</u>	<u>09/30/2009</u>	<u>Variation</u> <u>%</u>
Cash and banks	120,397	53,590	124.7
Account receivables - Trade	549,929	436,656	25.9
Inventories	792,506	618,678	28.1
Account receivables - Other	73,826	35,090	110.4
Prepaid expenses	15,929	9,906	60.8
<b>Total current assets</b>	<b>1,552,587</b>	<b>1,153,920</b>	<b>34.5</b>
Long-term account receivables - Trade	123,036	39,287	213.2
Rental fleet	375,423	(48,553)	-873.2
Other fixed assets	683,598	905,071	-24.5
	1,059,021	856,518	23.6
Accrued depreciation	(370,251)	(318,915)	16.1
Property, plant and equipment, net	688,770	537,603	28.1
Investments	56,414	41,572	35.7
Other non current assets	46,693	40,212	16.1
<b>Non current assets</b>	<b>914,913</b>	<b>658,673</b>	<b>38.9</b>
<b>Total assets</b>	<b>2,467,500</b>	<b>1,812,593</b>	<b>36.1</b>
Short-term debt	240,174	169,350	41.8
Other current liabilities	857,702	558,890	53.5
<b>Current liabilities</b>	<b>1,097,876</b>	<b>728,240</b>	<b>50.8</b>
Long-term debt	635,675	446,288	42.4
<b>Total liabilities</b>	<b>1,733,551</b>	<b>1,174,528</b>	<b>47.6</b>
<b>Deferred income</b>	<b>13,533</b>	<b>6,271</b>	<b>115.8</b>
<b>Equity</b>	<b>720,416</b>	<b>631,794</b>	<b>14.0</b>
<b>Total liabilities and equity</b>	<b>2,467,500</b>	<b>1,812,593</b>	<b>36.1</b>
<b>Other financial information</b>			
Depreciation and amortization (figures accumulated at the end of the period)	44,625	63,667	
<b>Financial Ratios</b>			
Current ratio	1.41	1.58	
Financial debt ratio	1.71	1.40	
Indebtedness ratio	2.41	1.86	
Book value per share	1.49	1.49	

<b>NET SALES</b> (In thousand of soles)												
	<b>3Q 10</b>		<b>3Q 09</b>		<b>Variation</b>		<b>Accumulated</b>		<b>Accumulated</b>		<b>Variation</b>	
		<b>%</b>		<b>%</b>	<b>%</b>	<b>as of 09-30-10</b>	<b>%</b>	<b>as of 09-30-09</b>	<b>%</b>	<b>%</b>	<b>%</b>	
Caterpillar:												
Big mining	38,636	5.5	22,775	4.1	69.6	248,672	11.8	247,806	14.3	0.3		
Others	200,963	28.4	164,773	30.0	22.0	566,000	26.8	424,162	24.4	33.4		
	<u>239,600</u>	<u>33.9</u>	<u>187,547</u>	<u>34.1</u>	<u>27.8</u>	<u>814,672</u>	<u>38.5</u>	<u>671,967</u>	<u>38.7</u>	<u>21.2</u>		
Equipment	15,229	2.2	8,186	1.5	86.0	30,190	1.4	37,685	2.2	-19.9		
Automotive	37,090	5.2	26,282	4.8	41.1	111,756	5.3	101,114	5.8	10.5		
Used units	29,544	4.2	16,802	3.1	75.8	87,484	4.1	37,923	2.2	130.7		
	<u>321,462</u>	<u>45.5</u>	<u>238,817</u>	<u>43.5</u>	<u>34.6</u>	<u>1,044,102</u>	<u>49.4</u>	<u>848,690</u>	<u>48.9</u>	<u>23.0</u>		
Spare parts and services	287,115	40.6	227,096	41.3	26.4	782,571	37.0	642,313	37.0	21.8		
Rental	31,929	4.5	28,972	5.3	10.2	81,694	3.9	77,955	4.5	4.8		
Other sales from local subsidiaries	55,906	7.9	54,367	9.9	2.8	174,552	8.3	166,383	9.6	4.9		
Other sales from foreign subsidiaries	10,396	1.5				30,749	1.5					
<b>Total</b>	<u><b>706,808</b></u>	<u><b>100.0</b></u>	<u><b>549,252</b></u>	<u><b>100.0</b></u>	<u><b>28.7</b></u>	<u><b>2,113,668</b></u>	<u><b>100.0</b></u>	<u><b>1,735,341</b></u>	<u><b>100.0</b></u>	<u><b>21.8</b></u>		

<b>SALES BY ECONOMIC SECTOR (in percentage)</b>				
	<b>3Q 10</b>	<b>3Q 09</b>	<b>Accumulated</b>	<b>Accumulated</b>
			<b>as of 09-30-10</b>	<b>as of 09-30-09</b>
Mining	45.1%	46.5%	47.2%	52.4%
Construction	19.8%	23.3%	24.2%	19.7%
Government	4.7%	6.1%	2.2%	5.2%
Services for equipment	3.9%	3.4%	2.3%	3.8%
Transport	2.6%	2.9%	2.5%	3.0%
Commerce and services	3.3%	2.5%	1.9%	2.7%
Agriculture	4.8%	1.7%	4.1%	2.4%
Fishing	3.4%	3.9%	2.1%	3.1%
Hydrocarbons	1.9%	2.4%	2.2%	1.7%
Industry	7.2%	3.0%	8.4%	3.2%
Others	3.4%	4.4%	2.9%	2.9%
<b>Total</b>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>	<u><b>100.0%</b></u>

**Total Liabilities for the nine month period ended September 30, 2010**

(In thousands of US dollars)

	Total	Current Liabilities	Long-term liabilities		Financial Liabilities
			Current part	Long-term	
Local banks (short-term)	65,706	65,706			65,706
Foreign banks (short-term)	68,581	68,581			68,581
Local banks (long-term)	72,881		28,224	44,657	72,881
Foreign banks (long-term) (includes CFS)	115,476		40,974	74,502	115,476
Local banks (long-term) (Leasing)	5,167		1,323	3,844	5,167
<b>Suppliers:</b>					
Accounts payable to Caterpillar	23,706	23,706			
Accounts payable to Caterpillar	34,627	34,627			34,627
Other	44,516	44,516			2,151
Corporate bonds	120,625	-	15,625	105,000	120,625
Other liabilities	70,504	70,504			
<b>Total (US\$)</b>	<b>621,790</b>	<b>307,641</b>	<b>86,146</b>	<b>228,003</b>	<b>485,215</b>
<b>Total (S/.)</b>	<b>1,733,551</b>	<b>857,702</b>	<b>240,174</b>	<b>635,675</b>	<b>1,352,779</b>