

**MANAGEMENT REPORT AND DISCUSSION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF
FERREYCORP S.A.A. (Former – FERREYROS S.A.A) AND SUBSIDIARIES**

Ferreycorp S.A.A, the leading corporation importer of capital goods and services in the country, and its subsidiaries in Peru, Guatemala, El Salvador and Belice, reached during the first nine-month period of 2012 sales of US\$ 1,294.0 million, 28.4% higher compared to the same period of 2011 (US\$ 1,007.8 million).

It is important to point out that until June 30, 2012 Ferreycorp S.A.A. (former Ferreyros S.A.A.) assumed the business role of the subsidiary Ferreyros S.A. which is the company with higher trading volumes in the corporation and the leading trader of capital goods and services in the country. The core business of Ferreycorp, has been transferred to subsidiary Ferreyros S.A. and became effective on July 1st, 2012, as will be explained below in the Main Highlights section.

MAIN HIGHLIGHTS

1. Simple Reorganization

As reported in the second quarter 2012 management report, the Ferreyros S.A.A. Shareholders Meeting held on March 28, 2012 approved the simple reorganization of the company in order to separate the investor role of the organization from the operating role, related to the distribution of capital goods. This will allow a better organization of the different business of the organization.

The Shareholders Meeting approved the new organizational structure through the segregation of two economic blocks to two subsidiaries: Ferreyros S.A. and Motored S.A. It also approved to change the corporate name of Ferreyros S.A.A. to Ferreycorp S.A.A., which assumed the corporate role and is the holding company of the corporation subsidiaries.

Ferreycorp S.A.A.

Ferreycorp, as a Holding, consolidates local and foreign subsidiaries' financial results and gives the policy guidelines for all the companies of the Corporation. The new organizational structure allows each of the subsidiaries of the group – including Ferreyros - to focus on the value proposition to its clients, to achieve better market coverage and to attend business opportunities and to improve operational capabilities.

Ferreyros S.A.

The economic block derived from the sale of Caterpillar and allies machinery, equipment, and post - sale services was assigned to the subsidiary Ferreyros S.A. and went into effect on July 1st, 2012.

It is important to notice that the reorganization did not affect the execution of the company's financial operations as it was supported by the banks, suppliers and investors for the transference of the credits, based on the requirements of the corporation.

The bondholder's assembly of the Second Bond Program approved the transference of the economic block from Ferreycorp S.A.A. to Ferreyros S.A. The registration of Ferreyros S.A. as an issuer in process with the SMV.

Motored S.A.

Meanwhile, the economic block derived from the automotive division business, distributor of prestigious brands such as Kenworth, Iveco and DAF, was assigned to the subsidiary Motored S.A. The transference of the economic block allocated to Motored S.A. became effective on April 1st, 2012.

It is important to notice that the reorganization has not generate major impacts on the business performance, the operations with customers or in the consolidated financial results of the Corporation because the businesses are the same but operated under different corporate names.

2. Adoption of IFRS

In order to comply with the Peruvian legislation, the company adopted IFRS at the end of 2011. Therefore, quarterly financial results during 2011 were reported according to Peruvian Accounting Principles and only the yearly financial information at the end of 2011 was reported according to IFRS. In this Management report, the accumulated financial information as of September 30, 2012 is reported according to IFRS.

For comparative purposes, financial information of the third quarter 2011 and the accumulated financial information as of September 30, 2011 have been estimated retroactively according to IFRS, as reported in the previous Management report.

It is important to notice that according to IFRS, results from subsidiaries and associated companies are not included in the financial statements of Ferreycorp S.A.A. These financial statements will only record cash dividends agreed by the respective subsidiaries Shareholders' Meetings.

On the other hand, in the consolidated financial statements, results from all the subsidiaries of the organization are included, thus, consolidated statements under Peruvian Accounting Principles and IFRS should be similar in this aspect. Individual financial statements should be read together with the consolidated financial statements.

FINANCIAL RESULTS - SUMMARY

(In million of soles)

Financial results are shown below:

	3Q 2012	%	2Q 2012	%	Var %	3Q 2011	%	Var %	Accumulated as of 09-30-12	%	Accumulated as of 09-30-11	%	Var %
Net Sales US\$	504.6		413.5		22.0	372.1		35.6	1,294.0		1,007.8		28.4
Net Sales	1,321.2	100.0	1,102.4	100.0	19.8	1,020.3	100.0	29.5	3,436.7	100.0	2,790.6	100.0	23.2
Gross profit	253.4	19.2	245.5	22.3	3.2	214.3	21.0	18.2	708.5	20.6	617.1	22.1	14.8
Operating profit	93.2	7.1	77.1	7.0	20.8	87.5	8.6	6.5	234.6	6.8	245.8	8.8	-4.5
Financial expenses, net	-19.2	-1.5	-17.4	-1.6	10.4	-14.8	-1.5	29.2	-49.3	-1.4	-36.7	-1.3	34.1
Gain (Loss) to exchange rate	44.4	3.4	-3.2	-0.3		-10.3	-1.0		54.0	1.6	11.7	0.4	362.6
Net profit	81.3	6.2	37.0	3.4	119.7	45.4	4.4	79.1	163.2	4.7	157.7	5.7	3.5
EBITDA	137.8	10.4	109.5	9.9	25.8	128.3	12.6	7.4	350.6	10.2	356.7	12.8	-1.7

RESULTS FOR THE FIRST NINE-MONTH PERIOD OF 2012

Net sales in US dollars for the first nine-month period of 2012 reached US\$ 1,294.0 million, a 28.4% growth, compared to US\$ 1,007.8 million reported in the same period of 2011. The increase in soles is 23.2%, it is lower due to an average exchange rate of S/. 2.656 in sales made in the first nine-month period of 2012, compared to an average exchange rate of S/. 2.769 during the same period of 2011.

It is important to mention that the company's business is in realized in US currency, meanwhile, its financial statements are recorded at the exchange rate on the date of each sale.

Gross profit for the nine-month period of 2012, reached S/. 708.5 million showing an increase of 14.8% compared to S/. 617.1 million reported in the same period of 2011.

In percentage terms, gross margin as of September 30, 2012 was 20.6%, lower than 22.1% reported in the same period of 2011. It is important to point out that revaluating trend of the Sol during 2012 (Exchange rate at the beginning of the year was S/. 2.700 and at the end of September was S/. 2.598) has an impact in the gross profit which is registered in soles, without necessarily having an impact in the gross profit registered in US dollars. This situation occurs because sales made in soles are registered at a lower exchange rate compared to the exchange rate that is use to register inventories. Lower gross profit was recovered in previous months through foreign exchange gain as a result of the adjustment of the debt incurred to finance inventories, without adjusting downward the local currency values at which the inventory was registered.

On the other hand, lower gross profit is explained by:

- a) Different participation of the commercial lines in total sales, each bringing different margins. During the first nine-month period of 2012, post sale lines (spare parts and services) accounted for the 30.3% of total sales, compared to 33.8 % reported in 2011. As will be explained ahead, these commercial lines provide higher margins because they generate higher operating expenses due to the effort made to keep inventories and distribution services throughout the country. It is worth mentioning that despite their relative weight in total sales decreased, the revenues provided by these commercial lines continue to show an increase of 10.6% as of September 30, 2012 compared to the same period of 2011.
- b) Significant sales of direct ordered equipment, which have lower margins.

Operating profit as of September 30, 2012 reached S/. 234.6 million compared to S/. 245.8 million reported in the previous year. Operating profit has not shown the growth experienced in sales or gross profit due to expenses made to prepare the capabilities that will be needed to satisfy future projects and to improve efficiency in corporate processes. It is important to notice that between January and September 2012 additional technicians (245 people) have been hired to cover the needs in future projects that, as will be mentioned ahead, will require training during the next two years. Likewise, other expenses showed an important increase such as the ones related to IT costs, which should lead to greater competitiveness and will be absorbed by the future growth. (see detailed explanation in "Selling and administrative expenses").

Net profit for the nine-month period of 2012 amounted to S/. 163.2 million compared to S/. 157.8 million reported in the same period of the previous year, an increase of 3.5%. Higher net profit is the result of the lower operating profit mentioned above, but compensated by the gain to exchange rate effect.

Earning before interest, taxes, depreciation and amortization (EBITDA, in English) was amounted to S/. 350.6 million (US\$ 132 million), compared to S/. 356.7 million (US\$ 128.8 million) reported in the same period of 2011, 1.7% lower due to a decrease in the operating profit explained by higher expenses which benefits will be earned in the future.

QUARTERLY RESULTS

Ferreycorp and its subsidiaries reported record sales levels during 3Q 2012 which amounted to US\$ 504.6 million, equivalent to an increase of 35.6% compared to same period 2011 (US\$ 372.1 million).

The increase in sales is 29.5%, lower than the 35.6% increase in US\$ dollars, due to an average exchange rate of S/. 2.618 in sales made during 3Q 2012, compared to an average exchange rate of S/. 2.742 during the previous year. Sales are invoiced in US currency.

Gross profit during 3Q 2012, amounted to S/. 253.4 million, compared to S/. 214.3 million reported in the same period of the previous year, 18.2% higher. The increase in gross profit is lower than sales increase, because in percentage terms gross margin during this third quarter was 19.2%, lower than 21.0%, reported in the same period of 2011.

Operating expenses show a 27% growth, (see explanation of “Results for the nine-month period of 2012” and “Selling and Administrative expenses”).

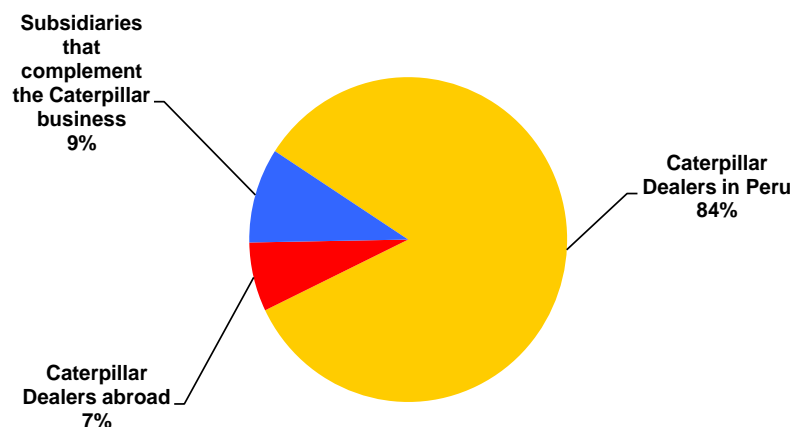
Operating profit for the 3Q 2012 amounted S/.93.2 million compared to S/. 87.5 million in 3Q 2011, a 6.5% increase. In percentage terms, the operating profit compared to total sales reduced to 7.1% during the 3Q 2012, meanwhile in the same period the previous year it was 8.6%.

During 3Q 2012, EBITDA was boosted by the operating profit increase, reaching S/. 137.8 million (US\$ 52.6 million) 7.4% higher than S/. 128.3 million (US\$ 46.8 million) reported in the same period the previous year

COMMERCIAL MANAGEMENT

Ferreycorp distributes its business in three big divisions: Caterpillar dealers in Peru (Ferreyros, Unimaq, Orvisa y Ferrenergy), Caterpillar dealers in Central America (Gentrac group) and the ones aimed to offer capital goods and services other than Caterpillar (Motored, Fiansa, Fargoline, Mega Representaciones, Cresko and Forbis Logistics).

The graph shows the composition of the corporation sales according to these classification:

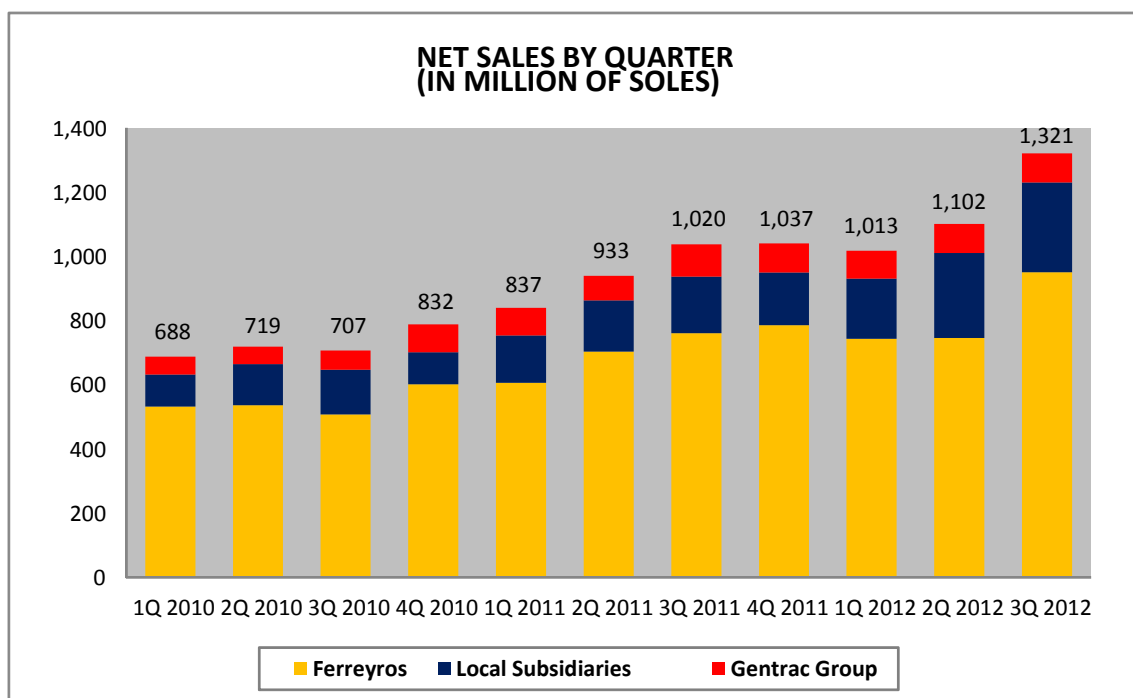


(In thousand of soles)

	Net Sales									
	3Q 2012	%	3Q 2011	%	VAR %	As of 09.30.12	%	As of 09.30.12	%	VAR %
Ferreyros	950,517	71.9%	742,294	72.8%	28.1%	2,435,934	70.9%	2,042,604	73.2%	19.3%
Unimaq	103,874	7.9%	91,484	9.0%	13.5%	307,880	9.0%	245,650	8.8%	25.3%
Orvisa	43,035	3.3%	41,748	4.1%	3.1%	124,040	3.6%	99,604	3.6%	24.5%
Motored	61,840	4.7%	-	-	-	117,258	3.4%	-	-	-
Mega Representaciones	33,313	2.5%	25,867	2.5%	28.8%	92,949	2.7%	66,691	2.4%	39.4%
Fiansa, Ferrenergy)	37,977	2.9%	17,474	1.7%	117.3%	90,778	2.6%	71,664	2.6%	26.7%
Local Subsidiaries	280,039	21.2%	176,572	17.3%	58.6%	732,905	21.3%	483,609	17.3%	51.5%
Ferreyros and local subsidiaries	1,230,557	93.1%	918,866	90.1%	33.9%	3,168,839	92.2%	2,526,213	90.5%	25.4%
Subsidiaries abroad	90,677	6.9%	101,421	9.9%	-10.6%	267,863	7.8%	264,373	9.5%	1.3%
Total	1,321,233	100.0%	1,020,288	100.0%	29.5%	3,436,703	100.0%	2,790,586	100.0%	23.2%

The strong increase of the subsidiaries sales is driven by the increase in market coverage and the dynamism in the sectors where they operate like mining, construction, hydrocarbons and marine.

As shown in the graph below, sales by quarter continue to show a growth trend:



During 3Q 2012, almost all the commercial lines showed an important growth compared to the same period of 2011. It is important to notice the 221.0% increase in the sales of Caterpillar equipment to clients from the large mining sector. This is in part the result of the sale of 18 mining trucks and other equipment delivered through the last months which contracts were completed during this quarter.

In this quarter, equipment from the new commercial line (former Bucyrus) was delivered.

Caterpillar equipment sales to customers in other sectors showed a 12.2% decrease explained by lower purchases in the construction sector. During this quarter the sales to the construction sector represent 27.3% of the total sales, compared to 40.0% in the same quarter last year. However, the construction sector has increased its demand for rental and used equipment which show a 6.4% growth during the quarter under review.

Furthermore, the automotive line registered a 122.2% growth, which is basically explained by higher demand in the economic sectors which sales are aimed such as transport and construction and by the transference of the business to the new subsidiary Motored. This business was operated by Ferreycorp S.A.A. (former Ferreyros S.A.A.) until March 31st, 2012.

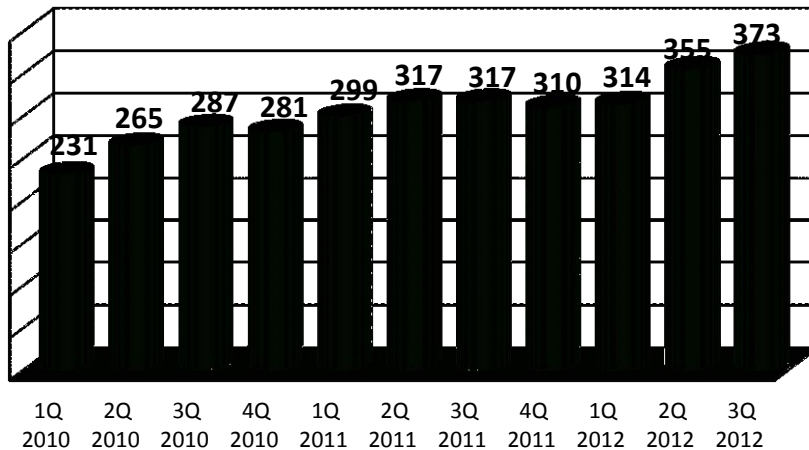
**Net Sales by Commercial Line
(In million of soles)**

	3Q 2012	%	3Q 2011	%	Variation %
Caterpillar Equipment					
Big Mining	330.5	25.0	103.0	10.1	221.0
Other	361.3	27.3	411.3	40.4	-12.2
	691.7	52.4	514.3	50.5	34.5
Agricultural Equipment	18.7	1.4	17.7	1.7	5.6
Automotive	61.9	4.7	27.9	2.7	122.2
Used and Rental	78.4	5.9	73.7	7.2	6.4
	850.7	64.4	633.5	62.2	34.3
Spare parts and Services	372.8	28.2	317.0	31.1	17.6
Other sales from local subsidiaries	90.2	6.8	59.3	5.8	52.3
Other sales from subsidiaries abroad	7.5	0.6	8.7	0.9	-13.8
Total	1,321.2	100.0	1,018.5	100.0	29.7

During the quarter the sale of spare parts and services continued their growth trend, showing an increase of 17.6% compared to the same period of 2011. This increase is mainly due to the growing fleet of machinery that has been sold during the years and accumulated throughout country.

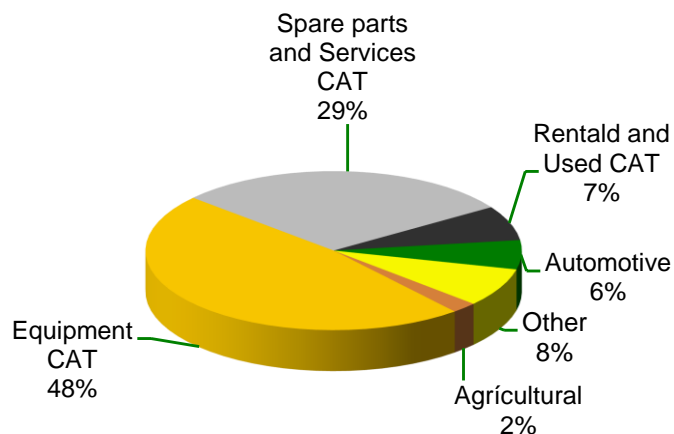
One of the main qualities of the Company is its important post-sale service to its clients, for which it has developed large workshops throughout the country and realized major investments for higher inventories of spare parts and components across the country.

Sales - Spare parts and Services
(In S/. million)



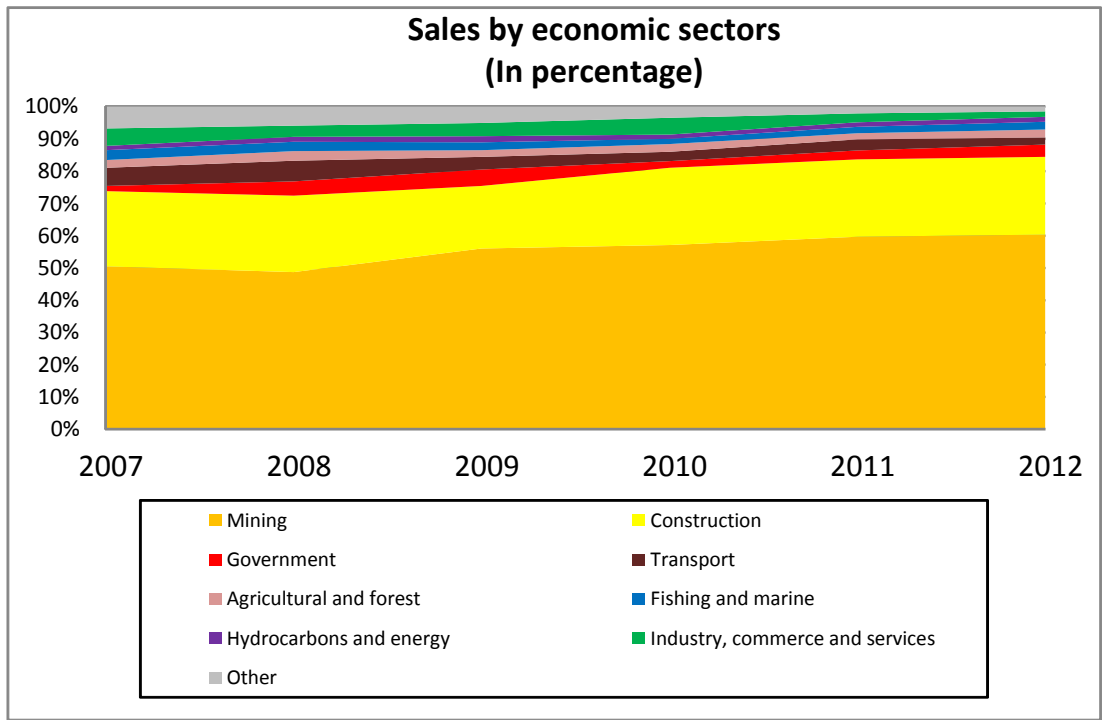
As of September 30, 2012 sales from Caterpillar line accounted 84% of the total income of the Company, including machinery and equipment (new, used units and rental) as well as, spare parts and services. It is important to point out that sale of spare parts and services represent 28% of the total sales, is the line of higher profitability to cover infrastructure expenses and higher operating expenses to grant post-sale services according to the quality standards that characterize the corporation. In addition, is the commercial line of higher growth in the revenue stream, as a result of the large fleet of units sold by Ferreycorp and subsidiaries.

Ferreycorp S.A.A. and subsidiaries
Sales by Commercial Line
(Accumulated as of September 2012)



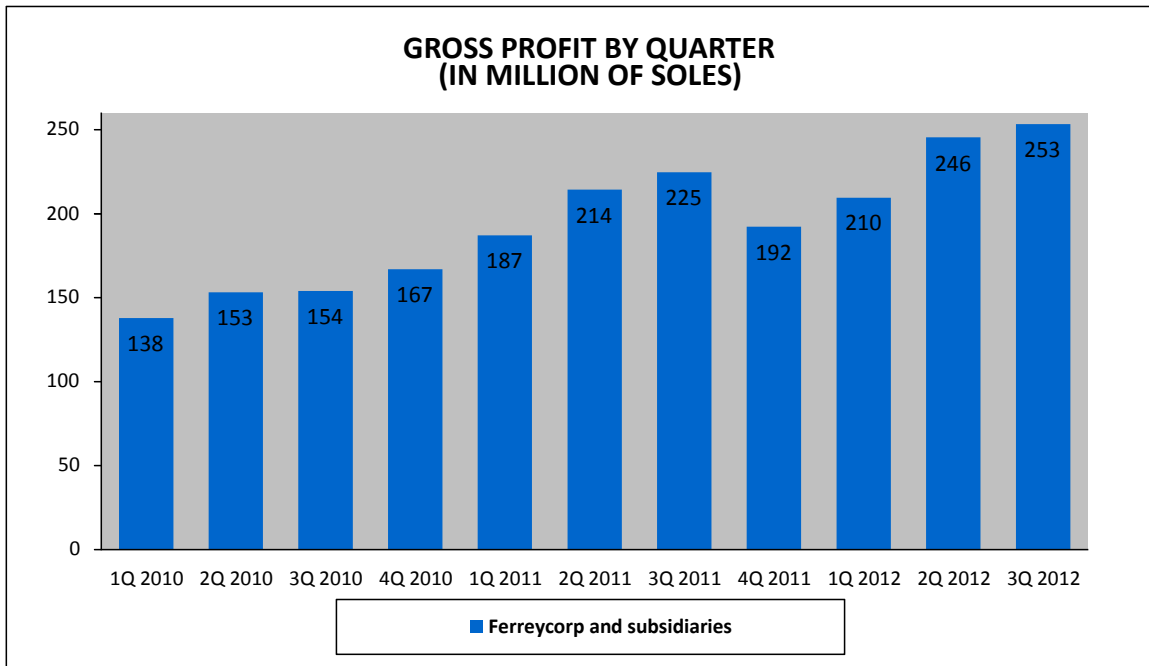
Regarding sales distribution by economic sector, it should be noted that sales to the mining and construction sector continue explaining the higher sales volume, with a share of 48% and 26% respectively in total sales as of September 30, 2012.

It is important to mention that the mining sector includes open pit mining companies as well as underground mining companies with long tradition in the country.



GROSS PROFIT

During 3Q 2012 the gross profit amounted S/. 253.4 million, higher than S/. 214.3 million reached during the same period the previous year, which represent a 18.2% variation. In percentage terms, the gross profit during this quarter is 19.2%, lower than 21.0% reached during the third quarter 2011.

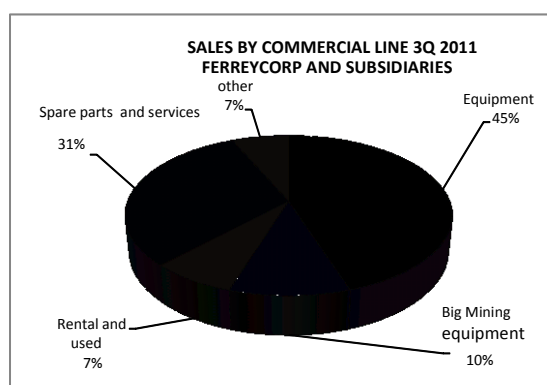
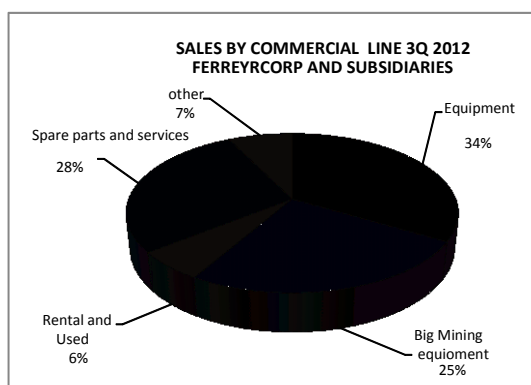


The decrease in gross margin was caused by the same reasons previously explained in the results as of September 30, 2012. On one hand, the appreciation of the sol caused that the exchange rate went from S/. 2.70 at the beginning of 2012 to S/. 2.598 at the end of September, causing an impact

in gross margin of sales registered in soles, without necessarily causing a decrease in margin registered in US dollars.

On the other hand, margin was affected by an important variation in participation of commercial lines. During 3Q of 2012, sales of Caterpillar equipment to Big Mining companies showed an important growth, compared to 3Q 2011. These sales are made with lower margins than sales to clients from other economic sectors. Likewise, sales of spare parts and services, which generate higher margins used to cover higher expenses made in logistics processes and distribution, showed a decrease in the share of total sales. However, it is important to point out that, despite the decrease of this commercial line share in the total sales, the revenue from these lines was not affected and increased 17.6%.

Furthermore, significant sales of direct ordered equipment have been made, which have lower margins.



SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses in 3Q 2012 amounted to S/. 160.4 million, compared to S/. 126.3 million reported in the same period of the previous year, a 27.0% growth.

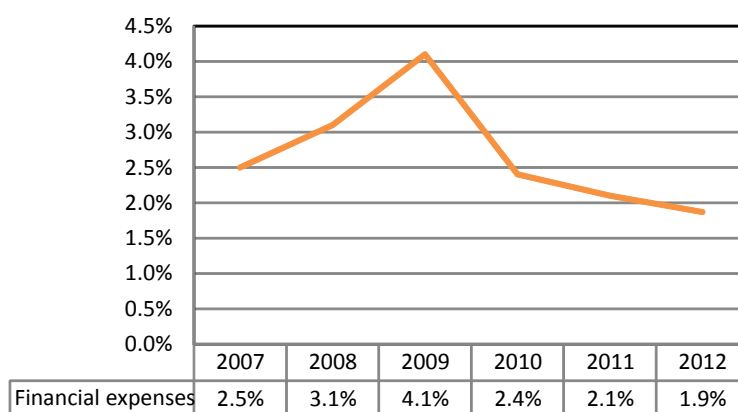
This variation is mainly explained by:

- a) An increase in variable expenses as a consequence of higher net sales.
- b) An increase in personnel expenses made to support the important sale of machines and equipment, as follows:
 - i) Hiring of technicians to satisfy future demand of post-sale services
It is important to point out that due to demand of post sale services, technicians must be hired with two years in advance to train them.
 - ii) Increase in salaries of key personnel and qualified technicians to maintain salaries according to market
 - iii) Increase in hiring of commercial personnel to support the increase in operations.
- c) An increase in ITs expenses, mainly:
 - i) To improve response time nationwide
 - ii) Expenses related to Human Resources and CRM (Customer Relationship Management) SAP modules.
 - iii) Acquisition of software licenses
Higher expenses in information systems represent a very important qualitative step that will benefit current and future operations of the Corporation.

During 3Q of 2012, Selling and administrative expenses represented 12.1% of total sales, lower than 14.5% registered in 1Q 2012 and 15.4% registered in 2Q 2012.

FINANCIAL EXPENSES

Financial expenses during 3Q 2012 amounted to S/. 24.7 million, 13.6% higher compared to S/. 21.7 million reported during the same period the previous year, due to an increase of 24.2% in average liabilities subject to interest rates (S/. 1,996.1 million in 3Q 2012; S/. 1,607.6 million in 3Q 2011), which is mainly explained by higher purchases of inventories to possess the units in the country to assure immediate delivery to clients, higher purchases of rental fleet to satisfy higher demand by some clients, and the acquisition of the former Bucyrus distribution business and customer support.



FOREIGN EXCHANGE GAIN (LOSS)

During 3Q 2012, net liabilities in foreign currency showed an exchange gain of S/. 44.4 million, compared to an exchange loss of S/. 10.3 million the same period of the previous year. The reason is that during 3Q 2012 a 2.75% appreciation of the sol against the US dollar was registered, compared to a 0.85% devaluation of the sol against the US dollar during 3Q 2011.

Operations in foreign currency are registered at free market exchange rates. Exchange rates as of September 30, 2012 published by the Superintendencia de Banca, Seguros y AFP registered by the Company in the assets and liabilities accounts are S/. 2.597 per US dollar at exchange rate buy and S/. 2.598 per US dollar at exchange rate sell (S/. 2.772 per US dollar at exchange rate buy and S/. 2.773 per US dollar at exchange rate sell as of September 30, 2011).

As of September 30, 2012 and 2011, assets and liabilities in US dollars are as follows:

	09-30-2012 US\$ (000)	09-30-2011 US\$ (000)
Assets		
Cash and equivalent	27,043	19,620
Accounts receivable – trade (Net)	363,084	210,161
Accounts receivable - Other (Net)	<u>76,748</u>	<u>25,188</u>
	<u>466,876</u>	<u>254,970</u>
Liabilities		
Other financial liabilities	(637,007)	(499,546)
Accounts payable - Trade	(276,640)	(132,682)
Salaries, taxes and other accounts payable	<u>(132,146)</u>	<u>(101,901)</u>
	<u>(1,045,793)</u>	<u>(734,129)</u>
Net	<u><u>(578,917)</u></u>	<u><u>(479,159)</u></u>

It is important to point out that, although assets and liabilities in foreign currency are recorded according to accounting principles, most sales made by the Corporation are invoice in US dollars; therefore, net liabilities in foreign currency are widely covered by inventories and rental fleet, which are traded in US dollars.

NET PROFIT

Due to variations previously mentioned, net profit during 3Q 2012 amounted to S/. 81.3 million compared to S/. 45.4 million reported the same period the previous year, which represents an increase of 79.1%.

FINANCIAL INFORMATION - ANALYSIS

As shown in appendix 2, total assets as of September 30, 2012, totaled S/. 4,393.5 million compared to S/. 3,432.8 million reported in the same period of 2011, a net increase of S/. 960.8 million (28.0%).

The main variations in the asset accounts which explain the increase are: i) an increase of S/. 284.4 million in account receivables – trade, due to higher sales mainly during the third quarter 2012; ii) an increase of S/. 350.8 million in inventories, due to higher purchases of prime products and spare parts, as a consequence of the significant increase in sales of those products and, in some cases, due to the increase in leading time of some commercial lines, due to higher worldwide demand, as well as the acquisition of the brand Bucyrus to the inventory account; iii) a net increase of S/. 116.3 million in fixed assets account, which is explained by higher purchases of rental fleet and machinery for workshops, to satisfy future demand of clients, mainly, from the construction sector; and iv) an important increase in other non current assets of S/. 150.8 million, basically caused by the goodwill recorded as a result of the acquisition of the brand Bucyrus in the amount of S/. 145.8 million.

Composition of the Ferreycorp and subsidiaries liabilities as of September 30, 2012 are showed in Appendix 4 and shows the strategy of the Company to diversify financing sources, through local and foreign financial institutions, (including Caterpillar Financial) and issuances in the capital market which have great demand from investors.

LIQUIDITY AND DEBT RATIOS

Current ratio as of 09-30-12 is 1.28, slightly higher than current ratio of 1.25 registered as of 09-30-11.

Likewise, due to the composition of liabilities, which include as of 09-30-12 higher non financing liabilities compared to the same period of 2011, the financial debt ratio as of 09-30-12 registered a decrease from 1.57 as of 09-30-11 to 1.41 as of 09-30-12.

Total debt ratio as of 09-30-12 is 2.25 compared to 2.40 as of 09-30-11.

Total debt ratio as of September 2012 is the result from changes in the Stockholders' Equity, which has shown some significant variations. First of all, it includes the increase in capital made in February of US\$ 62 million. In second place, it was affected by the distribution of dividends of the previous year according to the dividend policy of the company.

Finally, equity of Ferreycorp and subsidiaries as of September 2012 includes profit from all subsidiaries of the Corporation.

DIVIDEND POLICY

The dividend policy is the following: to distribute cash dividends equivalent to 5% of nominal value of shares issued at the time the annual shareholders' meeting is call, and up to 50% of freely available profits.

If that 5% of nominal value of shares issued at the time the annual shareholders' meeting is call, is lower than 50% of net distributable income of each year, the shareholders' meeting will approve to distribute higher cash dividends up to 50% of net distributable income."

As a consequence, The Annual Shareholder's Meeting held on March 28, 2012, approved to distribute dividends of freely available profits in the amount of S/. 41,194,156, paid out in September 2012 while The Annual Shareholder's Meeting held on 2011 approved to distribute dividends of freely available profits in the amount of S/. 31,857,670, paid out in May 2011.

COMPANY DESCRIPTION - FERREYCORP AND SUBSIDIARIES

As of September 30, 2012 Ferreycorp S.A.A., (former Ferreyros S.A.A.,) had two missions. On one hand, had investments in some subsidiaries and on the other hand had its own operating business. The last one has been transferred on July 1st, 2012, to the new subsidiary Ferreyros S.A.

Ferreyros S.A. is the subsidiary with major sales volume and has the mission to provide its clients with solutions they require by offering them the capital goods and services they need to create value in the markets where they serve. For this purpose, it imports and sells machinery, engines, vehicles and spare parts; leases machinery and equipment, and provides post-sale services including maintenance and repair services. One of the main qualities of the company is its value proposal, having important post-sale service to its clients, for which it has developed large workshops and warehouses as well as personnel throughout the country. The Company permanently executes important investments in training to its technician, as well as in infrastructure for its branches and workshops. Additionally, adapts investments in working capital according to the market conditions. This subsidiary represents leading brands in the market, such as: Caterpillar, Massey Ferguson, Oldenburg, Paus, Metso and Zaccara, among others, which are addressed to different economic sectors.

Ferreycorp S.A.A., as the holding company, consolidate the results of all the subsidiaries, local and abroad, and design the corporate policies to be accomplished by all the subsidiaries.

Ferreycorp S.A.A. is composed by its subsidiaries, which are listed below and contribute with higher sales and profits, extend the coverage of market and provide a portfolio of products and services aimed to have broader market coverage and satisfy the clients.

The corporation 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.

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

<u>Subsidiary</u>	<u>Participation</u>
- Caterpillar dealers in Peru:	
Ferreyros S.A. (from July 1st, 2012)	99.99%
Unimaq S.A.	99.99%
Orvisa S.A.	99.00%
Ferrenergy S.A.C.	50.00%
- 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 Caterpillar business:	
Mega Representaciones S.A.	99.99%
Fiansa S.A.	99.50%
Fargoline S.A.	99.86%
Cresko S.A.	99.99%
Motored S.A.	98.00%
Inti Inversiones Interamericanas Corp.	100.00%
Forbis Logistics Corp (1)	100.00%
Forbis Logistics S.A.	99.99%
Inmobiliaria CDR S.A.C.	99.99%

(1)Subsidiaries of Inti Inversiones Interamericanas Corp.

(2) All the subsidiaries, except Ferrenergy, have 100% equity among the same subsidiaries.

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

Ferreyros S.A. company that will handle imports and selling of machinery, engines, vehicles and spare parts; leases machinery and equipment, and post-sale services including maintenance and repair services. Until September 30, 2012, this company was the parent company which corporate name change from Ferreyros S.A.A. to Ferreycorp S.A.A. From July 1st, 2012, Ferreycorp, as holding of the Corporation, will consolidate subsidiaries' financial results and will give the policy guidelines.

Unimaq S.A. is a company that mainly 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.

Motored S.A. started to operate in April 2012 to serve clients from the automotive sector with dynamism and agility demanded by this sector.

Represents brands such as Iveco, Kenworth, DAF among other spare parts' brands.

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 second company of the organization to venture into the trading of Chinese products.

Fargoline S.A. is a subsidiary that provides storage services as a temporary warehouse, point of arrival as well as customs warehouse's services, 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 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 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.

Income Statement (NOTE)

(In thousands of nuevos soles)

	3Q 2012	%	3Q 2011	%	Var %	Accumulated as of 09.30.2012	%	Accumulated as of 09.30.2011	%	Var %
Net Sales	1,321,234	100.0	1,020,287	100.0	29.5	3,436,703	100.0	2,790,586	100.0	23.2
Cost of sales	-1,067,852	(80.8)	-805,996	(79.0)	32.5	-2,728,241	(79.4)	-2,173,509	(77.9)	25.5
Gross profit	253,382	19.2	214,291	21.0	18.2	708,462	20.6	617,076	22.1	14.8
Selling and administrative expenses	-160,439	(12.1)	-126,325	(12.4)	27.0	-476,550	(13.9)	-377,654	(13.5)	26.2
Other income (expenses), net	236	0.0	-440	(0.0)	(153.7)	2,700	0.1	6,343	0.2	(57.4)
Operating profit	93,179	7.1	87,526	8.6	6.5	234,612	6.8	245,765	8.8	(4.5)
Financial income	5,532	0.4	6,898	0.7	(19.8)	15,986	0.5	20,869	0.7	(23.4)
Gain (loss) to exchange rate	44,421	3.4	-10,272	(1.0)	(532.4)	54,011	1.6	11,676	0.4	362.6
Financial expenses	-24,696	(1.9)	-21,737	(2.1)	13.6	-65,243	(1.9)	-57,609	(2.1)	13.3
Share in the net result of associated through the equity method	452	0.0	1,908	0.2	(76.3)	1,402	0.0	6,342	0.2	(77.9)
Profit before income tax	118,888	9.0	64,324	6.3	84.8	240,768	7.0	227,043	8.1	6.0
Income tax	-37,573	(2.8)	-18,934	(1.9)	98.4	-77,548	(2.3)	-69,294	(2.5)	11.9
Net profit	81,315	6.2	45,390	4.4	79.1	163,220	4.7	157,750	5.7	3.5
Earning per share	0.108		0.073			0.216		0.253		
EBITDA	137,775	10.4	128,269	12.6	7.4	350,593	10.2	356,669	12.8	(1.7)

State of Financial Position

(In thousand of nuevos soles)

	09.30.2012	09.30.2011	Variation %
Cash and banks	97,642	60,243	62.1
Account receivables - Trade	953,355	668,973	42.5
Inventories	1,647,310	1,296,516	27.1
Accoun receivables - Other	143,806	101,530	41.6
Prepaid Expenses	19,344	17,998	7.5
Current Assets	2,861,457	2,145,260	33.4
Long-term account receivables - Trade	52,542	77,416	-32.1
Long-term account receivables - Other	7,685	6,448	19.2
Rental Fleet	579,158	513,859	12.7
Other fixed assets	1,057,906	950,580	11.3
	1,637,064	1,464,439	11.8
Accrued depreciation	-436,536	-380,182	14.8
Property, plant and equipment, net	1,200,528	1,084,256	10.7
Investments	78,234	77,077	1.5
Other non current assets	193,099	42,322	356.3
Non current Assets	1,532,088	1,287,519	19.0
total Assets	4,393,545	3,432,779	28.0
Short-term debt	389,626	545,531	-28.6
Other current liabilities	1,839,422	1,166,796	57.6
Current Liabilities	2,229,048	1,712,327	30.2
Long-term debt	778,697	663,754	17.3
Liabilities due to taxes to deferred earnings	27,288	40,958	-33.4
Total Liabilities	3,035,033	2,417,039	25.6
Deferred Income	6,710	9,970	-32.7
Equity	1,351,802	1,005,771	34.4
Total Liabilities and Equity	4,393,545	3,432,780	28.0
Other financial information			
Depreciation and amortization (figures accumulated at the end of the period)	98,593	83,693	
Financial Ratios			
Current ratio	1.28	1.25	
Financial debt ratio	1.41	1.57	
Indebtedness ratio	2.25	2.40	
Book value per share	1.68	1.61	

NET SALES

(In thousand of nuevos soles)

	3Q 2012	%	3Q 2011	%	Variation %	Accumulated as of 09.30.2012	%	Accumulated as of 09.30.2011	%	Variation %
Caterpillar										
Big Mining	330,492	25.0	102,970	10.1	221.0	515,615	15.0	257,311	9.2	100.4
Other	361,250	27.3	411,317	40.4	-12.2	1,122,534	32.7	1,017,362	36.5	10.3
	691,743	52.4	514,287	50.5	34.5	1,638,149	47.7	1,274,673	45.7	28.5
Agricultural equipment	18,659	1.4	17,668	1.7	5.6	67,205	2.0	50,466	1.8	33.2
Automotive	61,881	4.7	27,852	2.7	122.2	175,737	5.1	102,844	3.7	70.9
Rental and used	78,438	5.9	73,702	7.2	6.4	243,016	7.1	204,392	7.3	18.9
	850,721	64.4	633,509	62.2	34.3	2,124,107	61.8	1,632,375	58.5	30.1
Spare parts and services	372,802	28.2	317,031	31.1	17.6	1,042,256	30.3	942,715	33.8	10.6
Other sales from local subsidiaries	90,244	6.8	59,261	5.8	52.3	243,929	7.1	185,699	6.7	31.4
Other sales from subsidiaries abroad	7,466	0.6	8,657	0.9	-13.8	26,410	0.8	27,968	1.0	-5.6
Total	1,321,234	100.0	1,018,459	100.0	29.7	3,436,703	100.0	2,788,757	100.0	23.2

SALES BY ECONOMIC SECTOR (In percentage)

	3Q 2012	3Q 2011	Accumulated as of 09.30.2012	Accumulated as of 09.30.2011
Mining	54.2%	49.4%	48.1%	47.0%
Construction	24.6%	29.4%	26.3%	29.9%
Government	2.3%	1.2%	3.9%	1.0%
Transport	5.5%	4.9%	6.2%	5.2%
Industry, commerce and services	5.7%	5.0%	5.4%	5.8%
Agricultural and forestry	2.6%	1.8%	3.1%	2.3%
Fishing and marine	2.1%	2.3%	2.4%	2.4%
Hydrocarbons and energy	1.4%	4.1%	2.4%	3.1%
Other	1.6%	2.0%	2.3%	3.2%
Total	100.0%	100.0%	100.0%	100.0%

Total Liabilities as of September 30, 2012

(In thousand of US Dollars)

	Total Liabilities	Current Liabilities	Long-term liabilities		Financial Liabilities
			Current part	Long term	
Local banks (short term)	157,178	157,178	-	-	157,178
Foreign banks (short term)	52,742	52,742	-	-	52,742
Local banks (long term)	117,110	-	40,201	76,909	117,110
Foreign banks (long term)	38,467	-	15,419	23,048	38,467
Local banks (long term) (Leasing)	17,924	-	10,298	7,626	17,924
Suppliers:					
Accounts payable to Caterpillar	37,598	37,598	-	-	
Accounts payable to Caterpillar	110,434	110,434	-	-	110,434
Other	171,677	171,677	-	-	1,639
Corporate bonds	89,702	-	60,219	29,483	89,702
Caterpillar Financial	186,497	-	23,834	162,663	186,497
Other liabilities	190,660	190,660	-	-	-
Total (US\$)	1,169,989	720,289	149,971	299,729	771,692
Total (S/.)	3,039,633	1,871,310	389,626	778,697	2,004,857

(A) Generate interest payment