This document should be read together with the management report on the financial statements of Ferreycorp S.A.A.

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 (former-Ferreyros S.A.A), the leading importer of capital goods and services in the country, and its subsidiaries in Peru and Central America, reached during the first six month period of 2012 sales of US$ 791.0 million, 24.3% higher than the same period of 2011 (US$ 636.3 million).
The core business of Ferreycorp, which has been transferred to the subsidiary Ferreyros S.A., became effective on July 1st, 2012, as explained below in the quarter main highlights.

MAIN HIGHLIGHTS

1. Simple Reorganization

The Ferreyros S.A.A. Shareholders Meeting, held on March 28, 2012, approved the simple reorganization of the company. This will allow a better organization of the different business of the organization through the segregation of two economic blocks to two subsidiaries.
The first economic block, derived from the automotive division business, was assigned to the subsidiary Motored S.A.; and the other economic block, derived from the sale of Caterpillar and allies machinery, equipment, and post - sale services was assigned to the subsidiary Ferreyros S.A. Also, it is important to point out that alter the spin-off of these economic blocks the corporate name of Ferreyros S.A.A. changed to Ferreycorp S.A.A.

The new organizational structure will allow each of the subsidiaries of the group to focus on their value proposition to clients, achieve better coverage, attend business opportunities and improve operational capabilities. Ferreycorp, as the holding company, will consolidate the subsidiaries financial results and will give the policy guidelines.

The transference of the economic block allocated to Motored S.A. became effective on April 1st, 2012 and the transference of the economic block that allocated to Ferreyros S.A went into effect on July 1, 2012.

This reorganization will not generate greater impact on the consolidated results of the corporation, as companies remain the same but with new names.

2. Agreement with Caterpillar to acquire Bucyrus

On April 13, 2012, the company signed an agreement of US$70 million with CAT Global Mining LLC to acquire the new commercial line of machinery and equipment, previously marketed under the brand Bucyrus. This amount differs from the US$ 75 million originally announced due to the adjustments after the due diligence process.
The new commercial line, which includes a complete portfolio of mining products, went into effect on June 1st, 2012.
The equipment that is mostly required in the country are the electric rope shovels and the hydraulic shovels with a load capacity up to 110 tones and prices ranging from US$ 1 million to U$ 20 million.

Due to the size and value of this equipment, the sales show a significant variation from one year to another. The next 5 years annual sales are estimated within an average range of US$ 50 million to US$ 60 million.
It is important to mention that these products are intensive in their use (as well as the Caterpillar equipment) and therefore, generate significant parts and services requirements. It is expected to reach in the 5 year period mentioned above, annual revenues between US$ 40 million and US$ 70 million.

Likewise, this acquisition represents a unique opportunity to bring together the best products, specialists and infrastructure that will provide broader solutions to mining clients throughout Peru and to increase efficiencies in their operations through a unique point of contact with the support of Caterpillar's global network.

The funding for this acquisition was provided by Caterpillar Financial with favorable conditions for the company, estimating a 20% repayment in 5 years and a renewable principal financing in 20 years.

3.- Adoption of IFRS

In order to comply with the Peruvian legislation, the company adopted IFRS at the end of 2011. During 2011 the quarterly financial information was reported in accordance with the Peruvian GAAP and only the 2011 year ended financial information was reported in accordance with IFRS. The 2012 first semester financial information was reported according to IFRS.
For comparative purposes, the 2011 second quarter financial statements and the 2011 first semester financial statements have been retroactively adjusted in accordance with IFRS, as it was done in the first quarter press release.

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

Otherwise, the consolidated financial statements include the results of all the organization subsidiaries, that's why the consolidated financial statements reported under GAAP or under IFRS should be similar in this respect. The individual financial statements should be read together with the consolidated financial statements.

FINANCIAL RESULTS - SUMMARY
(In million of soles)

Financial results for both periods are explained below:

	2Q 2012	%	1Q 2012	%	Var %	2Q 2011	%	Var %	Accumulated as of 30-06-12	%	Accumulated as of 30-06-11	%	Var %
Net sales US$	413.5		377.6		9.5	335.0		23.4	791.0		636.3		24.3
Net sales	1,102.4	100.0	1,013.0	100.0	8.8	933.2	100.0	18.1	2,115.5	100.0	1,770.3	100.0	19.5
Gross profit	245.5	22.3	209.6	20.7	17.2	215.7	23.1	13.8	455.1	21.5	402.8	22.8	13.0
Operating profit	77.1	7.0	64.3	6.3	19.9	91.5	9.8	-15.7	141.4	6.7	158.2	8.9	-10.6
Foreign exchange	-3.2	-0.3	12.8	1.3		19.0	2.0		9.6	0.5	21.9	1.2	
Net income	37.0	3.4	44.9	4.4	-17.6	68.5	7.3	-45.9	81.9	3.9	112.4	6.3	-27.1
EBITDA	109.5	9.9	103.3	10.2	6.1	125.0	13.4	-12.4	212.8	10.1	228.4	12.9	-6.8

RESULTS FOR THE FIRST SEMESTER

Sales made in US dollars reported an increase of 24.3%, and during the first six month period of 2012 amounted to $ 791.0 million compared to $ 636.3 million reported during the same period of the previous year (the increase in soles is lower (19.5%) due to an average exchange rate of S/. 2.674 as of 06-30-12, compared to the average exchange rate of S/. 2.782 as of 06-30-11).

Gross profit for the first six month period of 2012 amounted to S/. 455.1 million, 13.0% higher than S/. 402.8 million reported during the same period of the previous year.

In percentage terms, gross margin for the first six month period of 2012 was 21.5%, lower than 22.8% reported in the comparable period of 2011.
It is important to point out that revaluation of the sol during 2012 (exchange rate during the first months of the year was S/. 2.700 and at the end of June was S/. 2.671) causes an impact in gross profit registered in soles, without having an impact in gross profit registered in US dollars.
This situation is a result of the sales registered in soles at an exchange rate lower than exchange rate used to register inventories. This lower gross margin has been recovered in previous months due to a foreign exchange gain.

On the other hand, lower gross margin is explained mainly due to the participation of the different commercial lines in the total sales, each one providing different margins. During the first six month period of 2011, post-sale commercial lines (spare parts and services) accounted for the 35.3% of total sales and 31.6% of total sales during the same period of 2012. The spare parts and services provide a higher margin because they generate higher operating expenses due to the effort of maintaining inventories and distribution center across the country.
However, it should be noted that despite their relative weight in the total sales decreased, the sale of this lines continued growing in absolute terms.

Operating profit during the first six month period of 2012 amounted to S/. 141.4 million, compared to S/. 158.2 million reported during the same period the previous year. Gross profit has not showed the same increase as sales and gross profit, due to expenses realized to prepare capabilities that will be require for future projects. It is important to mention that during the first semester of 2012 the company hired additional technicians (377 persons) in order to meet the needs of future projects described below and that require a two year training period. Likewise, other expenses account showed significant increase, like those related to computer systems which should translate into greater competitiveness and be absorbed by future growth. (A detailed explanation is showed in the "Selling and administrative expenses" section)

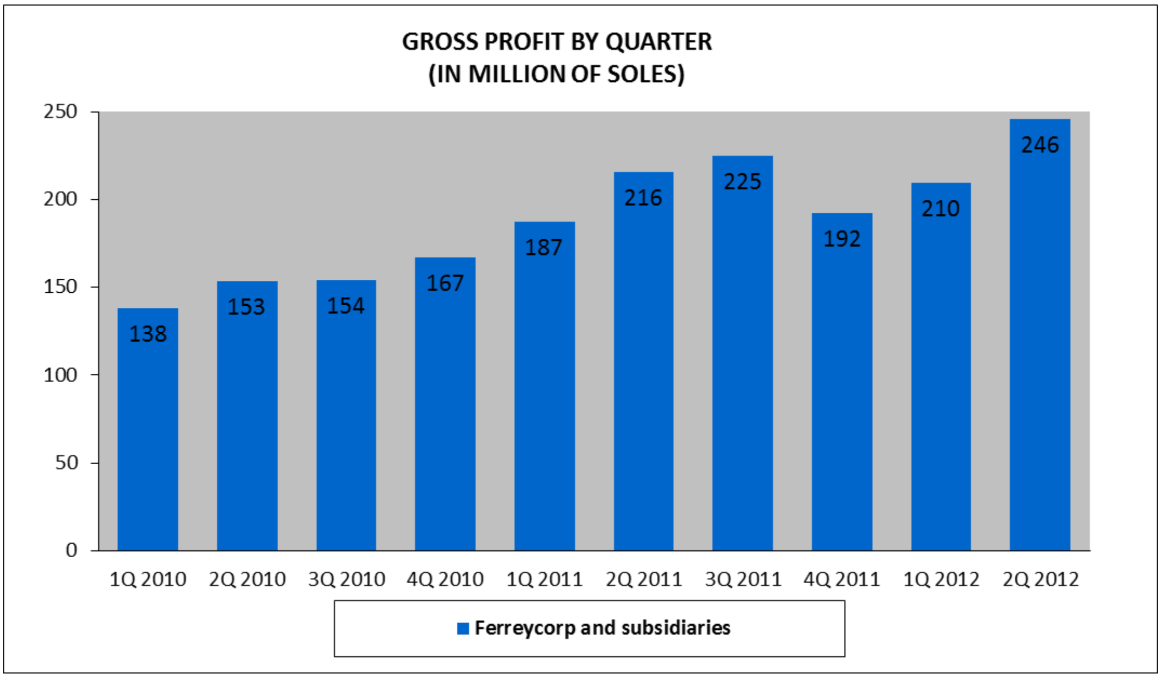
Net profit during the first semester of 2012 reached S/. 81.9 million compared to S/. 112.4 million during the same period of 2011, a decrease of 27.1%. Lower net profit is caused by lower operating profit previously mentioned, and by variations in the exchange rate account, due to a foreign exchange gain during the first semester of 2012 of S/. 9.6 million, compared to a foreign exchange gain of S/. 21.9 million reported in the same period of 2011. During the first six month period of 2012, an appreciation of the sol against the US dollar of 0.96% was registered, compared to the appreciation of the sol against the US dollar of 2.10% reported in the same comparable period of 2011.

During the first semester of 2012, Earning before interest, taxes, depreciation and amortization (EBITDA, in English) reached S/. 212.8 million (US$ 79.6 million) compared to S/. 228.4 million (US$ 82.1 million) reported in the same period of 2011, which represents a decrease of 6.8% due to a decrease in operating profit, as a result of the higher expenses previously explained which benefits will be receive in the future years.

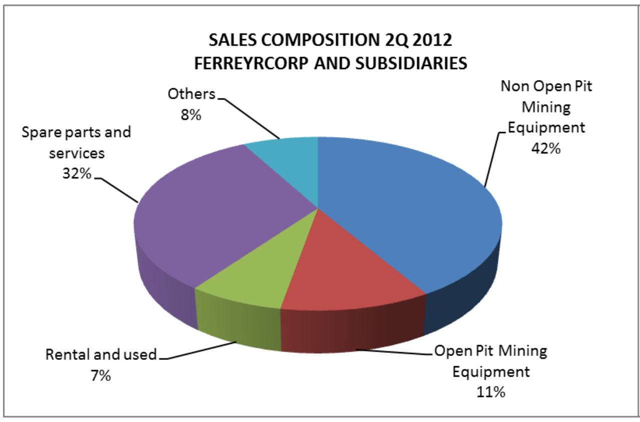
QUARTERLY RESULTS

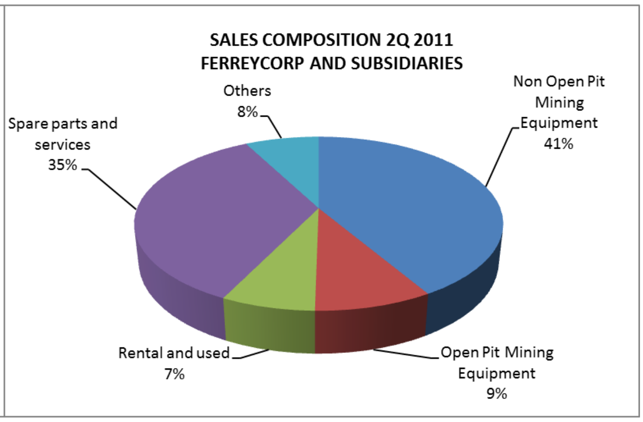
Net sales during 2Q 2012 amounted to US$ 413.5 million compared to US$ 335.0 million during the same period of the previous year, which represents a growth of 23.4%.
The increase in soles is lower (18.1%) due to an average exchange rate of S/. 2.666 during 2Q 2012, compared to the average exchange rate of S/. 2.786 reported during 2Q 2011. The company uses American currency to invoice sales.

Gross profit during 2Q 2012 amounted to S/. 245.5 million, 13.8% higher compared to S/. 215.7 million during the same period of 2011.
In percentage terms, the increase in gross profit is lower than sales. Gross margin during the second quarter of 2012 was 22.3% lower than 23.1%, reported in the same period of the previous year.



The decrease in gross margin during 2Q 2012 is mainly due to the same reasons explained for the semester. On the one hand, the revaluation of the sol during 2012 (exchange rate during the first months of the year was S/. 2.700 and at the end of June was S/. 2.671) causes an impact in gross profit registered in soles, without having an impact in gross profit registered in US dollars. On the other hand, the margin was affected due to the participation of the different commercial lines in the total sales, each one providing different margins. During 2Q 2012, there has been an increase in sales of Caterpillar equipment to clients from the Big Mining, compared to the same period of 2011. These sales were made with lower margins than sales made to clients from other economic sectors. Also, there was a reduction in the spare parts and services share in the total sales which generate higher margins in order to cover the higher costs generated by logistics and distribution efforts. However, it should be noted that despite their relative weight in the total sales decreased, the sale of this lines continued growing in absolute terms.





Operating expenses show an increase of 29.9% (see discussion of the results to 06-30-2012 - first paragraph on page 4 and section selling and administrative expenses from page 10).

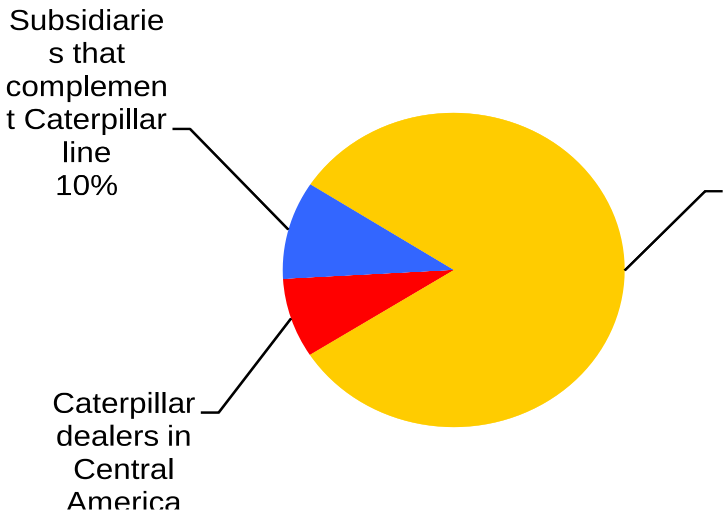
Lower gross margin during the second quarter, as well as higher operating expenses, had an impact in the operating profit during the same period, which amounted to S/. 77.1 million when compared to S/. 91.5 million reported in 2Q 2011, a decrease of 15.7%. However, operating profit in 2Q 2012 was 19.9% higher when compared to 1Q 2012 (S/. 64.3 million); the increase was achieved due to higher profit in sales of S/. 35.9 million.

On the other hand, EBITDA during 2Q 2012 affected by a decrease in operating profit amounted to S/. 109.5 million (US$ 41.1 million), 12.4% lower compared to S/. 125.0 million (US$ 44.9 million) reported in the same period of 2011.

COMMERCIAL MANAGEMENT

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

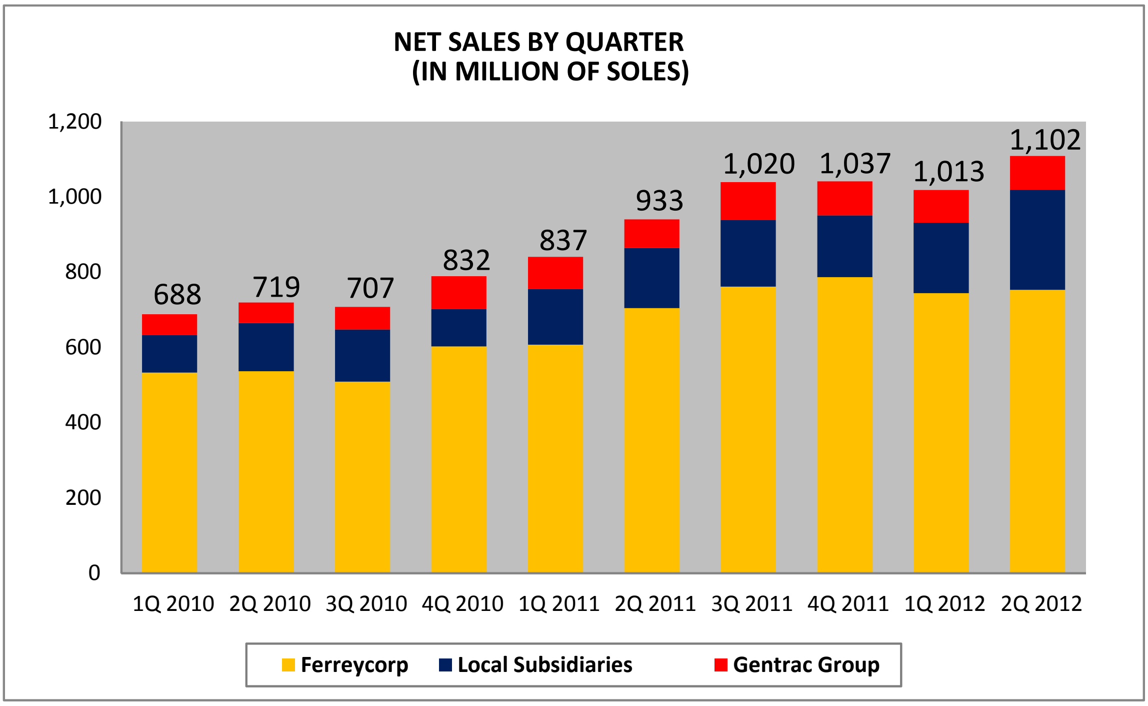
The following graph shows the composition of sales according to the above mentioned divisions.



(in thousand soles)	Net Sales									
	2Q 2012	**%**	**2Q 2011**	**%**	**VAR %**	**as of 30.06.12**	**%**	**as of 30.06.11**	**%**	**VAR %**
Ferreyros	746,333	67.7%	697,074	74.7%	7.1%	1,485,416	70.2%	1,300,310	73.5%	14.2%
Unimaq	109,823	10.0%	83,994	9.0%	30.8%	204,007	9.6%	154,166	8.7%	32.3%
Orvisa	45,202	4.1%	31,263	3.4%	44.6%	81,005	3.8%	57,856	3.3%	40.0%
Motored	55,418	5.0%	-			55,418	2.6%	-		
Mega Representaciones	29,383	2.7%	22,102	2.4%	32.9%	59,636	2.8%	40,824	2.3%	46.1%
Otras (Cresko, Fargoline, Fiansa,Ferrenergy)	25,807	2.3%	22,157	2.4%	16.5%	52,801	2.5%	54,190	3.1%	-2.6%
Local Subsidiaries	265,633	24.1%	159,516	17.1%	66.5%	452,866	21.4%	307,037	17.3%	47.5%
Ferreyros and local subsidiaries	1,011,966	91.8%	856,590	91.8%	18.1%	1,938,283	91.6%	1,607,347	90.8%	20.6%
Subsidiaries abroad	90,480	8.2%	76,569	8.2%	18.2%	177,187	8.4%	162,952	9.2%	8.7%
Total	**1,102,446**	**100.0%**	**933,159**	**100.0%**	**18.1%**	**2,115,469**	**100.0%**	**1,770,299**	**100.0%**	**19.5%**

The strong growth shown by certain subsidiaries is given essentially by greater coverage and dynamism in the sectors in which they work: construction, oil and marine.

Sales in the last quarters continue to show a growth trend as they are shown in the graph below:



During the second quarter of 2012, almost all commercial lines showed an important growth compared to similar period of 2011. It should be noted the increase of 50.4% in sales of Caterpillar equipment to clients from the big mining sector that Ferreycorp serves. During the second quarter of 2012, 17 off highway trucks were delivered to companies from this economic sector. In the same manner, the construction sector remained strong and demanded new equipment as well as rental and used units which meant an increase of 20.3% in this commercial line.

Although the automotive commercial line and agricultural equipment has lower impact in total sales, it reported an increase of 44.2% and 40.3% respectively, which is mainly explained by the increase in demand of transport, agricultural and construction economic sectors.

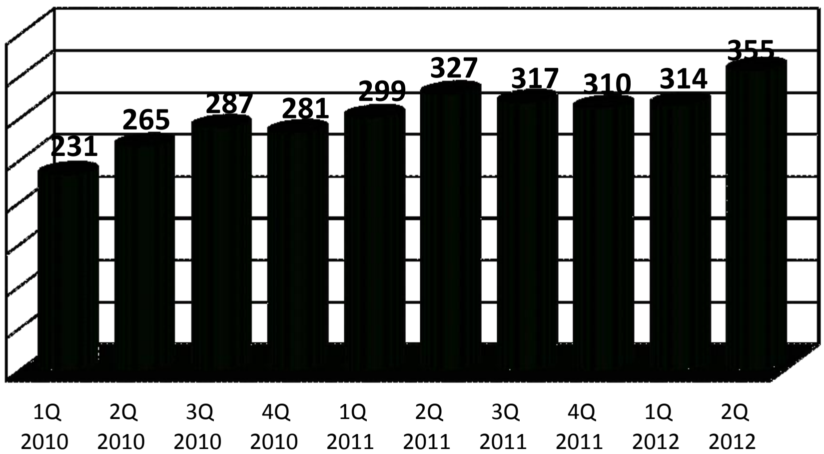
NET SALES BY COMMERCIAL LINE
(In million of soles)

	2Q 2012	%	2Q 2011	%	Variation %
Equipos Caterpillar					
Open pit Mining	123.4	11.2	82.0	8.8	50.4
Other	379.5	34.4	332.0	35.6	14.3
	502.9	**45.6**	**414.1**	**44.4**	**21.4**
Agricultural Equipment	25.8	2.3	18.4	2.0	40.3
Automotive	52.8	4.8	36.6	3.9	44.2
Rental and Used	78.7	7.1	65.4	7.0	20.3
	660.2	**59.9**	**534.5**	**57.3**	**23.5**
Spare parts and services	355.3	32.2	327.0	35.0	8.7
Other sales from local subsidiariess	78.0	7.1	61.9	6.6	26.0
Other sales from subsidiaries in Central America	9.0	0.8	9.8	1.0	-8.0
Total	**1,102.4**	**100.0**	**933.2**	**100.0**	**18.1**

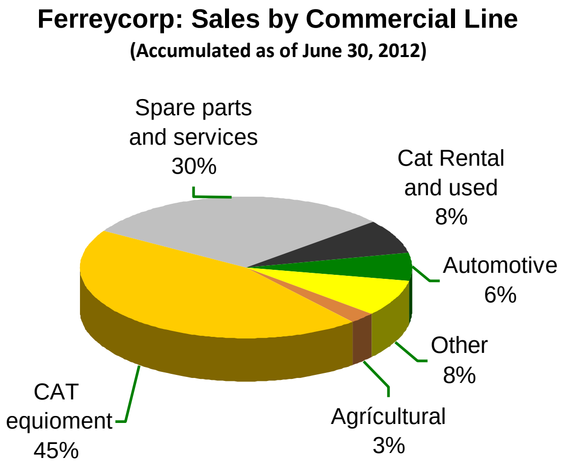
One of the main qualities of the company is its important post-sale service to its clients, for which it has developed large workshops throughout the country and service contracts. Thus, sales of spare parts and services continued their growth trend, showing an increase of 8.7% compared to the same period of 2011. This increase is mainly due to the number of units sold by Ferreycorp during the last years and to the maintenance and post sale services requirements.

Sales - Spare parts and services

(in S/. million)

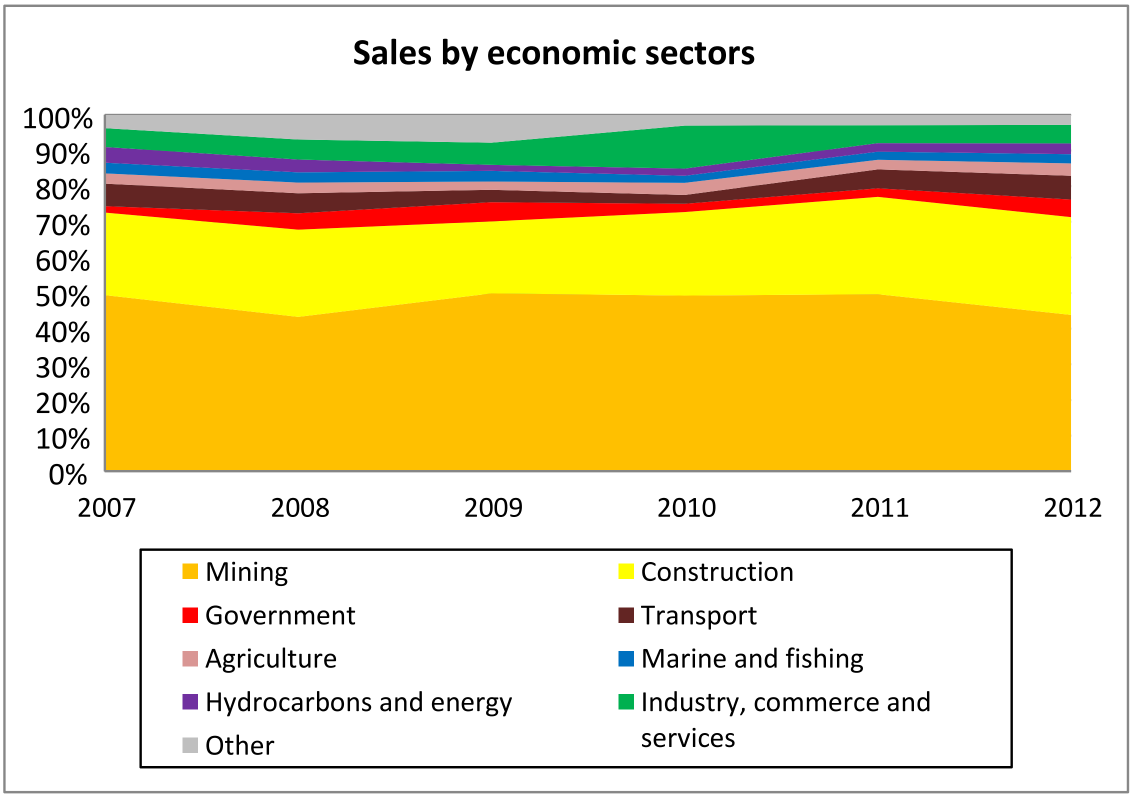


During the first six month period of 2012, sales from Caterpillar line accounted 83% of the total income of the Company, including machinery and equipment (new, used units and rental) as well as, spare parts and services. It is important to point out that sale of spare parts and services represent 30% of the total sales of the Company, is the line of higher profitability to cover infrastructure expenses and higher operating expenses to grant post-sale services. In addition, is the line of higher growth in the revenue stream, as a result of the large fleet of units sold by Ferreycorp and subsidiaries.



Regarding sales distribution by economic sector, it should be noted sales to the mining and construction sector having a 44% and 27%, respectively, in the total sales of the first six month period of 2012.

It is important to point out that the mining sector includes open pit as well as traditional underground mining in the country.



SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses in 2Q 2012 totaled S/. 169.5 million, compared to S/. 130.5 million reported in the previous year, which represents an increase of 29.9%. 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 worth noting that due to the needs of the services we provide, technicians must be hired with two years in advance to undergo a training process.
ii) increase in salaries of key personnel and qualified technicians according to market levels
iii) hiring of commercial personnel to support the increase in operations.

c) An increase in information systems' expenses, mainly:

i) To improve response time nationwide
ii) Expenses related to Human Resources and CRM (Customer Relationship Management) SAP modules, and,
iii) Acquisition of software licenses
These higher computer costs involve a quantum leap that will benefit current and future operations of the corporation.

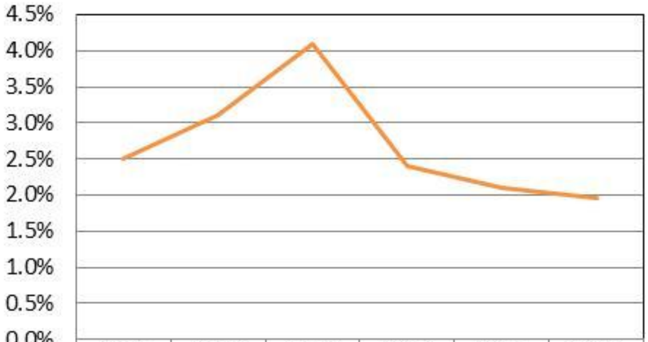
d) An increase in provision for doubtful account receivable, basically related to a credit granted to a client. This is a timely topic that will affect only the results of this year.

OTHER INCOME (EXPENSES), NET

In 2Q 2012, this category represents a net income of S/. 1.1 million compared to a net income of S/. 6.3 million reported in the same period of 2011. This variation is mainly explained by recovery of a provision for inventory write-offs of S/. 4.7 million and payments of dividends in other investments of S/. 1.4 million.

FINANCIAL EXPENSES

Financial expenses in 2Q 2012 amounted to S/. 21.7 million, 17.8% higher than S/. 18.4 million reported in the same period of the previous year, due to an increase of 18.2% in the average liabilities subject to interest rates (S/. 1,722.1 million in 2Q 2012; S/. 1,456.4 million in 2Q 2011), which is basically explained by higher purchases of inventories to possess the units in the country to assure immediate delivery to clients, as well as major purchases of rental fleet to satisfy higher demand of this modality of contracting by some clients and to the acquisition of Bucyrus line (see Highlight n°2).
However, the interest expense as a percentage of total sales is 2%, which is within the goals of the company.



	2007	2008	2009	2010	2011	2012
gastos financieros	2.5%	3.1%	4.1%	2.4%	2.1%	2.0%

FOREIGN EXCHANGE GAIN (LOSS)

During 2Q 2012, net liabilities in foreign currency showed an exchange loss of S/. 3.2 million, compared to an exchange gain of S/. 19.0 million during the same period of the previous year.
In Peru, almost no variation of the sol against the US dollar was registered during 2Q 2012, compared to the appreciation of the sol of 2.0% during 2Q 2011, while in Guatemala, country where one of the subsidiaries abroad is located, during the 2Q 2012, an appreciation of the US dollar against the local currency of 2.0% was registered compared to an appreciation of the US dollar of 1.06% reported in 2Q 2011.

Operations in foreign currency are registered at free market exchange rates.
Exchange rates as of June 30, 2012 reported by the Superintendencia de Banca, Seguros y AFP registered in the assets and liabilities accounts are S/. 2.670 per US dollar at exchange rate buy and S/. 2.671 per US dollar at exchange rate sell (S/. 2.748 per US dollar at exchange rate buy and S/. 2.750 per US dollar at exchange rate sell as of June 30, 2011).

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

	06-30-2012 US$ (000)	06-30-2011 US$ (000)
Assets		
Cash and equivalent	38,597	23,178
Accounts receivable – trade (Net)	285,805	239,285
Accounts receivable - Other (Net)	20,257	25,355
	344,659	287,818
Liabilities		
Other financial liabilities	(716,349)	(544,197)
Accounts payable - Trade	(157,253)	(130,987)
Salaries, taxes and other accounts payable	(110,800)	(32,551)
	(984,401)	(707,735)
Net	(639,743)	(419,917)

It is important to mention that while this is the position exchange from an accounting perspective, the corporation invoices most of its sales in dollars, so the net liability position exchange is widely covered by the stock and the rental fleet.

NET PROFIT

Due to variations previously mentioned, net profit during 2Q 2012 amounted to S/.37.0 million compared to S/. 68.5 million reported during the same period of the previous year, which represents a decrease of 45.9%.

FINANCIAL INFORMATION - ANALYSIS

As shown in appendix 2, total assets as of June 30, 2012, totaled S/. 4,128.2 million compared to S/. 3,128.4 million reported in the same period of 2011, a net increase of S/. 999.9 million (32%).
The main variations in the asset accounts which explained the increase are: i) an increase of S/. 420.9 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, as well as the acquisition of the brand Bucyrus to the inventory account (see Highlight N° 2); ii) a net increase of S/. 156.2 million in fixed assets, which is explained by higher purchases of rental equipment of S/. 120.6 million, to satisfy future demand of clients mainly from the construction sector, and; iii) an important increase in other non current assets of S/. 150.7 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.

The composition of the Company's liabilities as of June 30, 2012, is reported 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 registered a slightly decrease turning from 1.33 as of 06-30-11, to 1.26 as of 06-30-12; due to the strategy of taking short term financing.
The funding strategy was to take over short-term credits this semester in order to have greater flexibility in the transfer of the equity block from Ferreycorp to Ferreyros S.A.

Likewise, composition of liabilities, which include as of 06-30-12 higher non financial liabilities compared to the same period of 2011. Financial debt ratio registered a decrease from 1.58 as of 06-30-11 to 1.47 as of 06-30-12.
Total debt ratio as of 06-30-12 is 2.23 compared to 2.26 as of 06-30-11.

The total debt ratio as of June 2012 is the result of some significant changes in the company equity. In first place it incorporates the US$ 62 million capital increase realized on February 2012, and, also was affected by the profit distribution agreed last year according to the company's dividend policy.
Finally the Ferreycorp and subsidiaries equity as of June 2012 collected the profits generated by all the 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 net distributable income.
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."

The Annual Shareholder's Meeting held on March 28, 2012, approved to distribute dividends from the net distributable income in the amount of S/. 41,194,156, paid out in June 2012. The Annual Shareholder's Meeting held on March 31st, 2011, approved to distribute dividends from the net distributable income in the amount of S/. 31,857,670, paid out in May 2011.

COMPANY DESCRIPTION - FERREYCORP AND SUBSIDIARIES

As of June 30, 2012 Ferreycorp's S.A.A. (former Ferreyros S.A.A.) had a double mission.
On one side was had a series of investments in subsidiaries, and on the other side had its own operating business. Since July 1st this last role has been transferred to the new subsidiary Ferreyros, which has the mission to provide its clients with the solutions they require by offering them the capital goods and services they need to create value in the markets where they operate.
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 important post-sale service to its clients, for which it has developed large workshops and warehouses throughout the country. The company permanently executes important investments in training to its technician, as well as in infrastructure of its branches and workshops. Additionally, adapts investments in working capital according to the market conditions.

Ferreyros represents leading brands in the market, such as: Caterpillar, Massey Ferguson, Oldenburg, Paus, Metso and Zaccaría, among others, which are addressed to different economic sectors.

The Organization is composed by the subsidiaries, which are listed below, which contribute with higher sales and profits, extend the coverage of market and provide a portfolio of products and services that enrich the offer of Ferreycorp's solutions.
It should be noted that up to June 30 the corporation included in the same company the business that today is in the hands of its new subsidiary Ferreyros.

The Organization distributes its business in three big divisions: Caterpillar dealers in Peru, Caterpillar dealers abroad and the ones aimed to offer capital goods and services other than Caterpillar.

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

Subsidiary	Participation
- Caterpillar dealers in Peru:	
Ferreyros S.A. (since July 1st, 2012)	99.99%
Unimaq S.A	99.99%
Orvisa S.A.	99.00%
Ferrenergy S.A.C.	50.00%
- Caterpillar dealers in Central America**:**	
Corporation General de Tractores S.A. – Guatemala (*)	100.00%
Compañía General de Equipos S.A. - El Salvador (*)	100.00%
General Equipment Company Ltd. – Belice (*)	100.00%
- Subsidiaries aimed to complement the offer of Caterpillar line:	
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 (*)	100.00%
Inmobiliaria CDR S.A.C.	99.99%

(*)Subsidiaries of Inti Inversiones Interamericanas Corp.

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

Ferreyros S.A. has the mission to provide its clients with the solutions they require by offering them the capital goods and services they need to create value in the markets where they operate.
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. Ferreycorp, as the holding company, will consolidate the subsidiaries financial results and will give the policy guidelines

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

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

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

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

Cresko S.A. 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.

FERREYCORP S.A.A. Y SUBSIDIARIAS **APPENDIX 1**

Income Statement (NOTE)
(In thousand of nuevos soles)

	2Q 2012	%	2Q 2011	%	Var %	Accumulated as of 30-06-12	%	Accumulated as of 30-06-11	%	Var %
Net sales	1,102,446	100.0	933,159	100.0	18.1	2,115,469	100.0	1,770,299	100.0	19.5
Cost of sales	-856,925	(77.7)	-717,432	(76.9)	19.4	-1,660,389	(78.5)	-1,367,513	(77.2)	21.4
Gross profit	**245,521**	**22.3**	**215,727**	**23.1**	**13.8**	**455,080**	**21.5**	**402,785**	**22.8**	**13.0**
Selling and administrative expenses	-169,526	(15.4)	-130,507	(14.0)	29.9	-316,113	(14.9)	-251,330	(14.2)	25.8
Other income (expenses), net	1,129	0.1	6,316	0.7	(82.1)	2,464	0.1	6,783	0.4	(63.7)
Operating profit	**77,124**	**7.0**	**91,536**	**9.8**	**(15.7)**	**141,432**	**6.7**	**158,238**	**8.9**	**(10.6)**
Financial income	4,302	0.4	6,663	0.7	(35.4)	10,454	0.5	13,970	0.8	(25.2)
Gain (loss) to exchange rate	-3,172	(0.3)	19,043	2.0	(116.7)	9,590	0.5	21,948	1.2	(56.3)
Financial expenses	-21,665	(2.0)	-18,387	(2.0)	17.8	-40,547	(1.9)	-35,872	(2.0)	13.0
Share in the results of associated companies through the equity method	-419	(0.0)	1,269	0.1	(133.0)	950	0.0	4,434	0.3	(78.6)
Profit before income tax	**56,171**	**5.1**	**100,124**	**10.7**	**(43.9)**	**121,880**	**5.8**	**162,719**	**9.2**	**(25.1)**
Income tax	-19,160	(1.7)	-31,663	(3.4)	(39.5)	-39,975	(1.9)	-50,360	(2.8)	(20.6)
Net profit	**37,011**	**3.4**	**68,461**	**7.3**	**(45.9)**	**81,905**	**3.9**	**112,359**	**6.3**	**(27.1)**
Earning per share	0.049		0.091			0.109		0.150		
EBITDA	**109,549**	**9.9**	**125,011**	**13.4**	**(12.4)**	**212,817**	**10.1**	**228,401**	**12.9**	**(6.8)**

NOTE: Some figures have been reclassified in this document in order to include directly ordered sales and its cost of sales. The income statement presented to the SMV shows the gross profit obtained in these operations in the account other operational income.

FERREYCORP S.A.A. AND SUBSIDIARIES **APPENDIX 2**

Financial Situation Statement

(In thousand of nuevos soles)

	As of 30-06-2012	As of 30-06-2011	Variation %
Cash and banks	120,573	67,934	77.5
Account receivables - Trade	758,799	603,604	25.7
Inventories	1,554,792	1,133,936	37.1
Account receivables - Others	152,414	84,974	79.4
Prepaid expenses	20,115	16,578	21.3
Total current assets	**2,606,694**	**1,907,026**	**36.7**
Long-term account receivables - Trade	66,516	76,098	-12.6
Long-term account receivables - Others	7,763	9,031	-14.0
Rental fleet	556,295	431,603	28.9
Other fixed assets	1,038,616	956,817	8.5
	1,594,911	1,388,420	14.9
Accrued depreciation	-418,901	-368,589	13.6
Property, plant and equipment, net	1,176,010	1,019,831	15.3
Investments	78,703	74,483	5.7
Other non current assets	192,544	41,883	359.7
Non current assets	**1,521,536**	**1,221,325**	**24.6**
Total assets	**4,128,229**	**3,128,351**	**32.0**
Short-term debt	343,236	348,126	-1.4
Other current liabilities	1,730,681	1,089,093	58.9
Current liabilities	**2,073,917**	**1,437,219**	**44.3**
Long-term debt	743,497	648,989	14.6
Liabilities due to taxes to deferred income	29,638	75,421	-60.7
Total Liabilities	**2,847,052**	**2,161,629**	**31.7**
Deferred income	**7,299**	**10,318**	**-29.3**
Equity	**1,273,878**	**956,404**	**33.2**
Total Liabilities and Equity	**4,128,229**	**3,128,351**	**32.0**
Other financial information			
Depreciation and amortization (figures accumulated at the end of the period)	59,981	51,758	
Financial Ratios			
Current ratio	1.26	1.33	
Financial debt ratio	1.47	1.58	
Indebtedness ratio	2.23	2.26	
Book value per share	1.59	1.53	

NET SALES

(In thousand of nuevos soles)

	2Q 2012	%	2Q 2011	%	Variation %	Accumulated as of 30.06.2012	%	Accumulated as of 30.06.2011	%	Variation %
Caterpillar Equipment										
Big mining (GM)	123,376	11.2	82,045	8.8	50.4	185,122	8.8	154,341	8.7	19.9
Others (NGM)	379,483	34.4	332,029	35.6	14.3	761,284	36.0	606,045	34.2	25.6
	502,860	45.6	414,075	44.4	21.4	946,406	44.7	760,386	43.0	24.5
Agricultural equipment	25,827	2.3	18,408	2.0	40.3	48,546	2.3	32,798	1.9	48.0
Automotive	52,772	4.8	36,608	3.9	44.2	113,856	5.4	74,993	4.2	51.8
Rental and used	78,727	7.1	65,449	7.0	20.3	164,577	7.8	130,689	7.4	25.9
	660,186	**59.9**	**534,540**	**57.3**	**23.5**	**1,273,386**	**60.2**	**998,866**	**56.4**	**27.5**
Spare parts and services	355,274	32.2	326,960	35.0	8.7	669,454	31.6	625,684	35.3	7.0
Other sales from local subsidiaries	78,016	7.1	61,908	6.6	26.0	153,686	7.3	126,438	7.1	21.6
Other sales from subsidiaries abroad	8,971	0.8	9,750	1.0	-8.0	18,944	0.9	19,311	1.1	-1.9
Total	**1,102,446**	**100.0**	**933,159**	**100.0**	**18.1**	**2,115,469**	**100.0**	**1,770,299**	**100.0**	**19.5**

SALES BY ECONOMIC SECTOR (In percentage)

	2Q 2012	2Q 2011	Accumulated as of 30.06.2012	Accumulated as of 30.06.2011
Mining	46.4%	46.0%	43.9%	45.5%
Construction	26.4%	30.3%	27.4%	30.3%
Government	4.2%	0.7%	4.9%	0.9%
Transport	6.2%	4.5%	6.7%	5.4%
Industry, commerce and services	5.5%	4.3%	5.2%	6.2%
Agriculture and forest	3.6%	2.8%	3.5%	2.7%
Fishing and marine	2.7%	2.9%	2.6%	2.5%
Hydrocarbons and energy	2.7%	3.1%	3.0%	2.6%
Others	2.3%	5.3%	2.8%	3.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

FERREYCORP S.A.A. AND SUBSIDIARIES **APPENDIX 4**

Total Liabilities as of June 30, 2012

(In thousand of US dólares)

	Total Liabilities	Current Liabilities	Long-term Liabilities Current part	Long-term	(A) Financial Liabilities
Local banks (short-term)	172,316	172,316	-	-	172,316
Foreign banks (short-term)	82,583	82,583	-	-	82,583
Local banks (long-term)	94,032	-	35,782	58,250	94,032
Foreign banks (long-term)	27,805	-	13,539	14,266	27,805
Local banks (long-term) (Leasing)	16,424	-	9,805	6,619	16,424
Suppliers:					
Accounts payable to Caterpillar (Invoices)	62,390	62,390	-	-	
Accounts payable to Caterpillar (Payable Notes)	81,627	81,627	-	-	81,627
Others	75,151	75,151	-	-	654
Corporate Bonds	87,023	-	41,985	45,038	87,023
Caterpillar Financial	181,579	-	27,393	154,185	181,579
Other liabilities	182,493	182,493	-	-	-
Total (US$)	**1,063,423**	**656,560**	**128,505**	**278,359**	**744,042**
Total (S/.)	**2,846,813**	**1,753,670**	**343,236**	**743,497**	**1,987,337**

(A) Generate interest payment

This document should be read together with the management report of the financial consolidated statements of Ferreycorp S.A.A.

MANAGEMENT REPORT OF THE FINANCIAL STATEMENTS OF FERREYCORP S.A.A. (FORMER – FERREYROS S.A.A.)

Ferreycorp S.A.A. (former Ferreyros S.A.A.), the leading importer of capital goods and services in the country until June 30, 2012, reached during the first semester of 2012 sales of US$ 537.0 million, 21.4% higher than the same period of 2011 (US$ 442.4 million).
The core business of Ferreycorp, which has been transferred to the subsidiary Ferreyros S.A., became effective on July 1st, 2012, as explained below in the quarter main highlights.

MAIN HIGHLIGHTS

1. Simple Reorganization

The Ferreyros S.A.A. Shareholders Meeting, held on March 28, 2012, approved the simple reorganization of the company. This will allow a better organization of the different business of the organization through the segregation of two economic blocks to two subsidiaries.

The first economic block, derived from the automotive division business, was assigned to the subsidiary Motored S.A.; and the other economic block, derived from the sale of Caterpillar and allies machinery, equipment, and post - sale services was assigned to the subsidiary Ferreyros S.A. Also, it is important to point out that alter the spin-off of these economic blocks; the corporate name of Ferreyros S.A.A. changed to Ferreycorp S.A.A.

The new organizational structure will allow each of the subsidiaries of the group to focus on their value proposition to clients, achieve better coverage, attend business opportunities and improve operational capabilities. Ferreycorp, as the holding company, will consolidate the subsidiaries financial results and will give the policy guidelines.

The transference of the economic block allocated to Motored S.A. became effective on April 1st, 2012 and the transference of the economic block that allocated to Ferreyros S.A went into effect on July 1, 2012.

Therefore, during the second quarter of 2012, the sales from the automotive line realized by the subsidiary Motored, have been excluded from the Ferreycorp individual financial statements.
Until March 2012 the total sales of the automotive division were included in Ferreycorp sales, that's why those sales, costs and expenses are presented in the individual statements reclassified in the account "gain in discontinued operations".

This reorganization will not generate greater impact on the consolidated results of the corporation, as companies remain the same but with new names.

2. Agreement with Caterpillar to acquire Bucyrus

On April 13, 2012, the company signed an agreement of US$70 million with CAT Global Mining LLC to acquire the new commercial line of machinery and equipment, previously marketed

under the brand Bucyrus. This amount differs from the US$ 75 million originally announced due to the adjustments after the due diligence process.
The new commercial line, which includes a complete portfolio of mining products, went into effect on June 1st, 2012.
The equipment that is mostly required in the country are the electric rope shovels and the hydraulic shovels with a load capacity up to 110 tones and prices ranging from US$ 1 million to U$ 20 million.
Due to the size and value of this equipment, the sales show a significant variation from one year to another. The next 5 years annual sales are estimated within an average range of US$ 50 million to US$ 60 million.
It is important to mention that these products are intensive in their use (as well as the Caterpillar equipment) and therefore, generate significant parts and services requirements. It is expected to reach in the 5 year period mentioned above, annual revenues between US$ 40 million and US$ 70 million.

Likewise, this acquisition represents a unique opportunity to bring together the best products, specialists and infrastructure that will provide broader solutions to mining clients throughout Peru and to increase efficiencies in their operations through a unique point of contact with the support of Caterpillar's global network.

The funding for this acquisition was provided by Caterpillar Financial with favorable conditions for the company, estimating a 20% repayment in 5 years and a renewable principal financing in 20 years.

3.- Adoption of IFRS

In order to comply with the Peruvian legislation, the company adopted IFRS at the end of 2011. During 2011 the quarterly financial information was reported in accordance with the Peruvian GAAP and only the 2011 year ended financial information was reported in accordance with IFRS. The 2012 first semester financial information was reported according to IFRS.
For comparative purposes, the 2011 second quarter financial statements and the 2011 first semester financial statements have been retroactively adjusted in accordance with IFRS, as it was done in the first quarter press release.

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

Otherwise, the consolidated financial statements include the results of all the organization subsidiaries, that's why the consolidated financial statements reported under GAAP or under IFRS should be similar in this respect. The individual financial statements should be read together with the consolidated financial statements.

FINANCIAL RESULTS
(In million of soles)

	2Q 2012	%	1Q 2012	%	Var %	2Q 2011	%	Var %	Accumulated As of 06-30-12	%	Accumulated As of 06-30-11	%	Var %
Net sales US$	282.3		254.7		10.8	238.4		18.4	537.0		442.4		21.4
Net Sales	752.6	100.0	683.6	100.0	10.1	664.2	100.0	13.3	1,436.2	100.0	1,230.8	100.0	16.7
Gross profit	161.7	21.5	142.1	20.8	13.8	150.6	22.7	7.4	303.8	21.2	283.0	23.0	7.3
Operating profit	51.7	6.9	39.8	5.8	29.8	67.4	10.1	-23.2	91.6	6.4	115.3	9.4	-20.6
Foreign exchange	(0.1)	(0.0)	7.5	1.1		15.4	2.3		7.4	0.5	13.7	1.1	-46.0
Net income from continuing operations	28.3	3.8	27.5	4.0	3.0	52.6	7.9	-46.2	55.7	3.9	79.0	6.4	-29.4
Net income	28.3	3.8	30.0	4.4	-5.9	54.7	8.2	-48.3	58.3	4.1	82.9	6.7	-29.7
EBITDA	74.5	9.9	64.2	9.4	16.1	85.0	12.8	-12.3	138.7	9.7	155.9	12.7	-11.0

The financial results for both periods are shown below:

RESULTS FOR THE FIRST SEMESTER

Net sales in dollars amounted to US$ 537.0 million as of 06-30-12, compared to US$ 442.4 million during the same period of the previous year, which represent an increase of 21.4% (the increase in soles is lower (16.7%) due to an average exchange rate of S/. 2.674 as of 06-30-12, compared to the average exchange rate of S/. 2.782 as of 06-30-11).

Gross profit as of 06-30-12 amounted to S/. 303.8 million, 7.3% higher than S/. 283.0 million reported during the same period of the previous year

In percentage terms, gross profit as of 06-30-12 was 21.2%, lower than 23.0% as of 06-30-11. It is important to notice the sol revaluation trend during 2012 (the year started with an exchange rate of S/.2.700 and june ended with an exchange rate of S/. 2.671). This situation is the result of recording the sales in soles at a lower exchange rate than the one that was used to record inventory in the stock account. This lower gross profit has recovered in recent months through the exchange gain.

On the other hand, the decrease in the gross margin during the 2Q 2012 is mainly due to the participation of the different commercial lines in the total sales, each one providing different margins. During the 1Q 2011 the sale of spare parts and services was 41.7% of the total sales while in 2012 was 37.8%. The spare parts and services provide a higher margin because they generate higher operating expenses due to the effort of maintaining inventories and distribution center across the country. However, it should be noted that despite their relative weight in the total sales decreased, the sale of this lines continued growing in absolute terms.

The operating profit as of 06-30-12 amounted to S/. 91.6 million compared to S/. 115.3 million the previous year. The operating profit has not shown the growth experienced by the sales or the gross profit due to the expenses incurred to prepare the capabilities to attend the projects in the coming months. It is important to notice that during this semester the company hired additional technical staff (313 people) in order to meet the needs of future projects described below and that require a two year training period. Likewise, other expenses account showed significant increase, like those related to computer systems which should translate into greater competitiveness and be absorbed by future growth. (A detailed explanation is showed in the "Selling and administrative expenses" section)

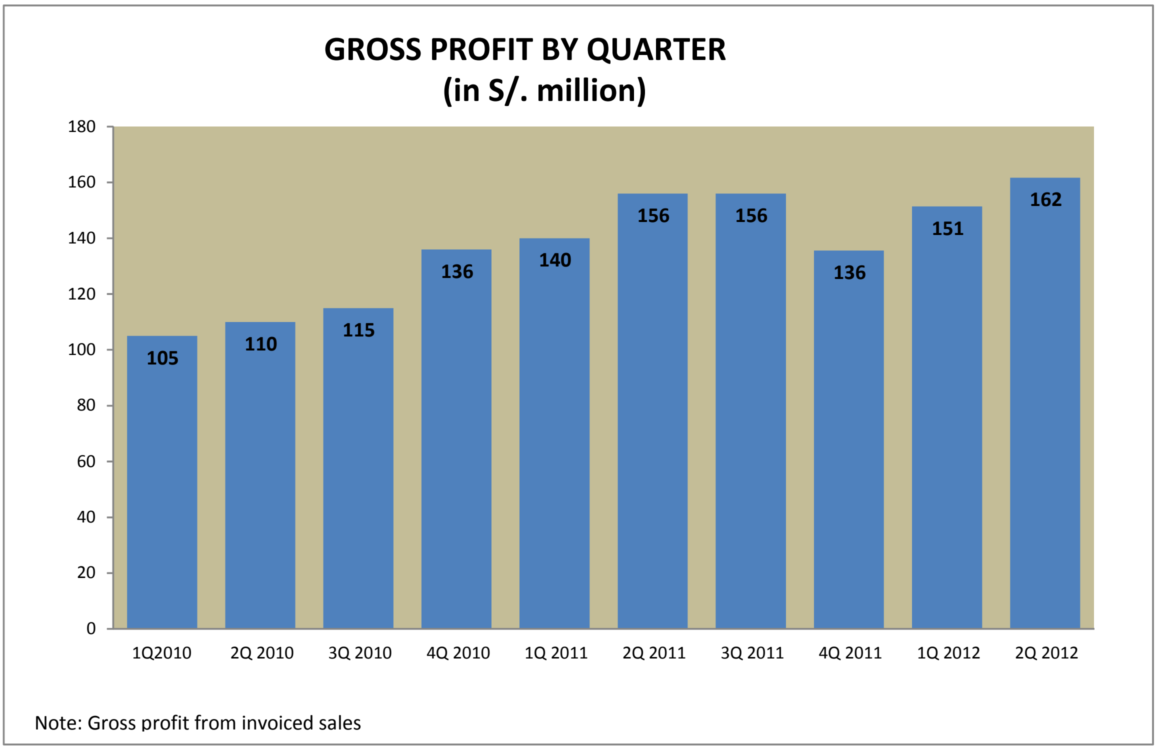
Net profit as of 06-30-12 reached S/. 58.3 million compared to S/. 82.9 million during the same period of 2011, a decrease of 29.7%.
The lower net income is the result of the before mentioned lower operating profit and an important variation of the foreign exchange account, which in the first semester 2012 generated a S/. 7.4 million foreign exchange gain while in the 2011 first semester a S/. 13.7 million gain.
During the first half of 2012 the sol appreciated in 0.96% against the dollar, while in the first half of 2011 the appreciation was 2.10%.

The EBITDA as of 06-30-12 reached S/. 138.7 million (US$ 51.9 million) compared to S/. 155.9 million (US$ 56.0 million) reported in the same period of 2011, which represents a decrease of 11% due to a decrease in the operating profit, basically explained by higher costs that will bring future benefits.

SECOND QUARTER RESULTS

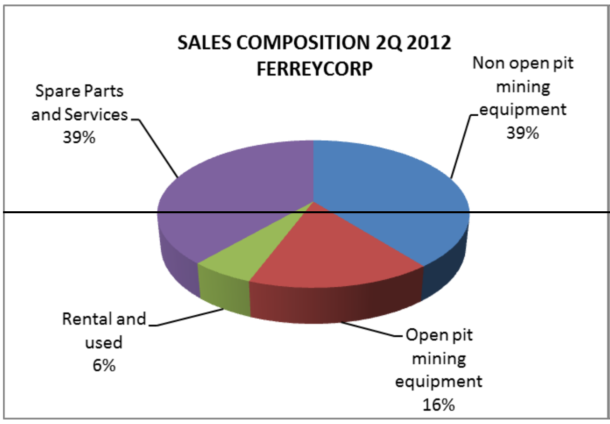
Net sales during the 2Q 2012 amounted to US$ 282.3 million compared to US$ 238.4 million during the same period of the previous year, which represents a growth of 18.4%.
The sales increase in soles is lower (13.3%) due to an average exchange rate of S/. 2.666 during 2Q 2012, compared to the average exchange rate of S/. 2.786 reported during 2Q 2011. The company uses American currency to invoice sales.

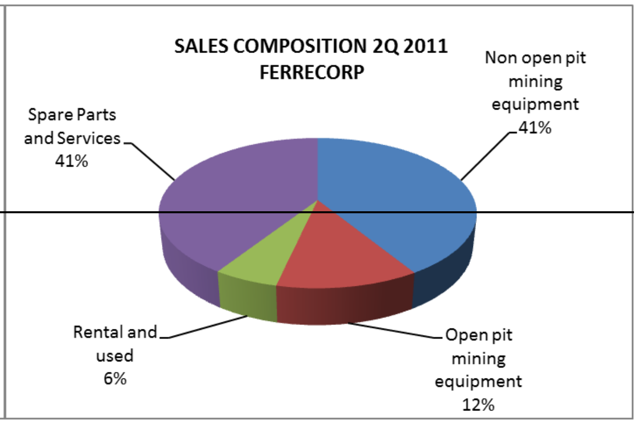
Gross profit during 2Q 2012 amounted to S/. 161.7 million, 7.4% higher compared to S/. 150.6 million during the same period of 2011. The increase in gross profit is lower than sales due to percentage terms. Gross margin during the second quarter of 2012 is 21.5% lower than 22.7%, reported in the same period of the previous year.



Note: Gross profit from invoiced sales

The decrease in gross margin during 2Q 2012 is mainly due to the same reasons explained for the semester. On the one hand, the revaluation of the sol during 2012 (exchange rate during the first months of the year was S/. 2.700 and at the end of June was S/. 2.671) causes an impact in gross profit registered in soles, without having an impact in gross profit registered in US dollars. On the other hand, the margin was affected due to the participation of the different commercial lines in the total sales, each one providing different margins. During 2Q 2012, there has been an increase in sales of Caterpillar equipment to clients from the Big Mining, compared to the same period of 2011. These sales were made with lower margins than sales made to clients from other economic sectors. Also, there was a reduction in the spare parts and services share in the total sales which generate higher margins in order to cover the higher costs generated by logistics and distribution efforts. However, it should be noted that despite their relative weight in the total sales decreased, the sale of this lines continued growing in absolute terms.





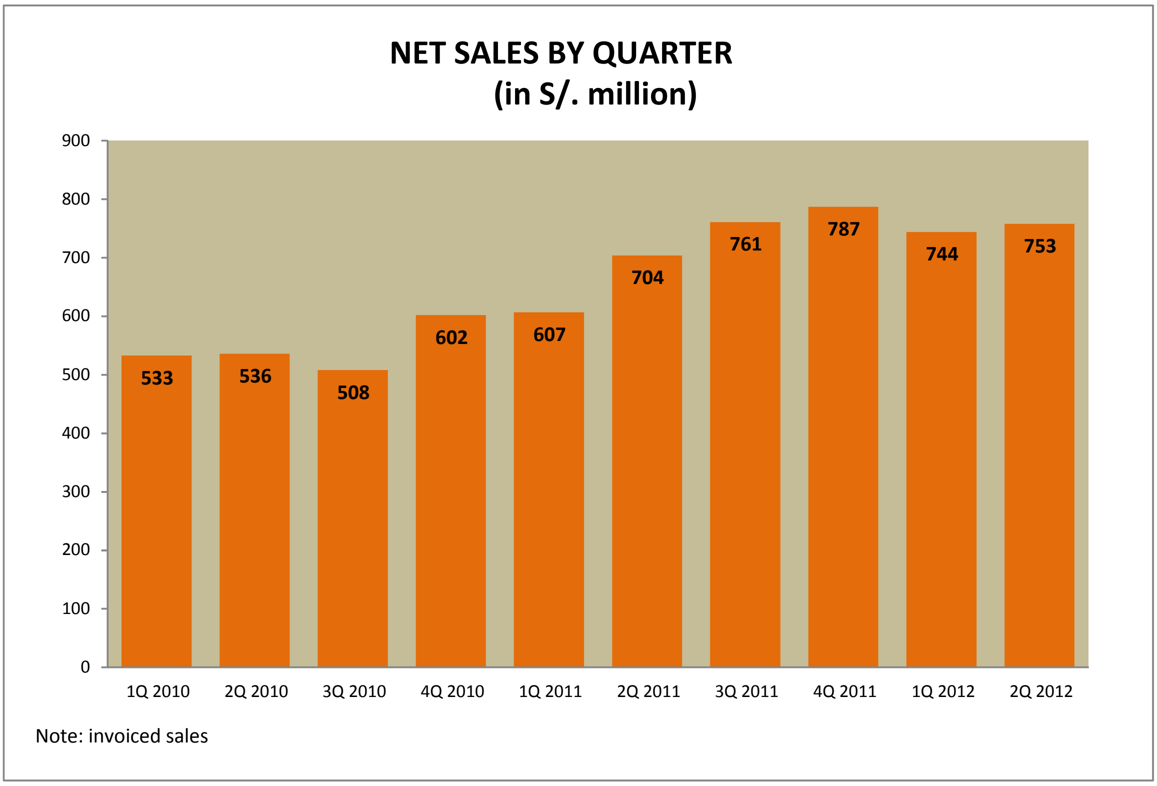
A lower gross margin during the second quarter, as well as higher operating expenses had an impact in the operating profit during the same period, which amounted to S/. 51.7 million compared to S/. 67.4 million reported in 2Q 2011, a decrease of 23.2%. However, operating profit in 2Q 2012 was 29.9% higher when compared to 1Q 2012 (S/. 39.8 million); the increase was achieved due to a higher profit in sales of S/. 19.6 million.

On the other hand, EBITDA during 2Q 2012 was affected due to a decrease in operating profit which amounted to S/. 74.5 million (US$ 27.9 million), 12.3% lower compared to S/. 85.0 million (US$ 30.5 million) reported in the same period of 2011

COMMERCIAL MANAGEMENT

The previously mentioned 13.3% sales increase was caused by the efficient commercial management of the company, the higher economic development of the country, and the preference of the clients for the products that the Company sells.

Net sales by quarter are shown in the graph below: sales during the first half of the year amounted on average S/. 750 million, lower than the second semester 2011 but higher than the first.



During 2Q 2012, almost all the commercial lines showed an important growth compared to the same period last year. It should be noted that Caterpillar equipment sold to clients from the large mining, registered an increase of 50.4%. During the second quarter 17 mining trucks were delivered to different companies. Similarly, the construction sector remained strong, which demanded not only new equipment but also rental and used (showed an increase of 13.9%).

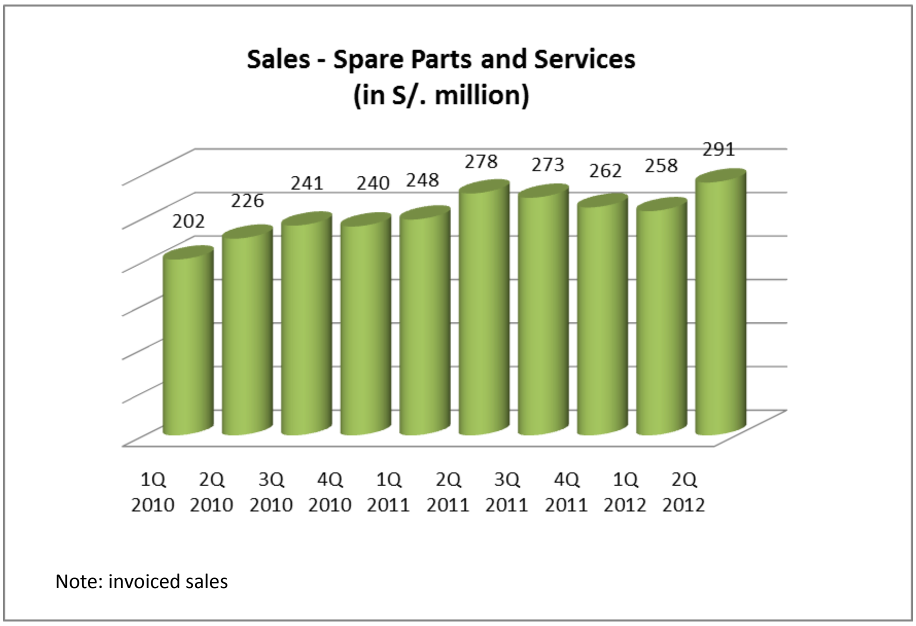
Although the income from the agricultural equipment has a lower participation in the company sales, it showed an increase of 42.3% which is mainly explained by an increase in demand.

NET SALES BY COMMERCIAL LINE

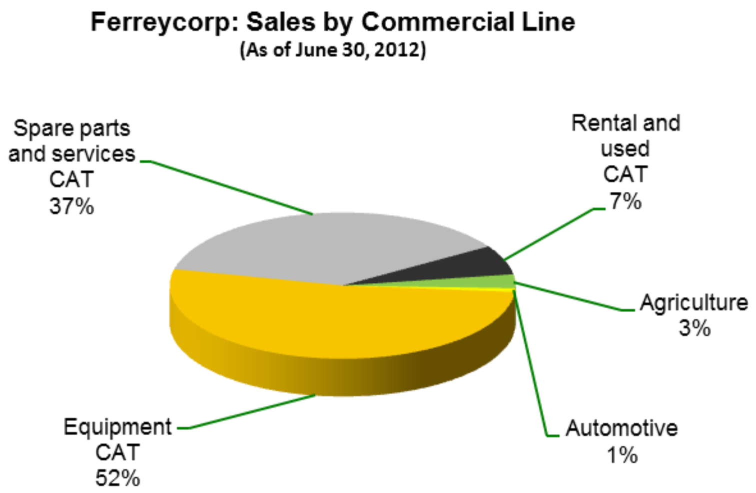
(In million of soles)

	2Q 2012	%	2Q 2011	%	Var %
Caterpillar Equipment					
Large Mining (GM)	123.4	16.4	82.0	12.4	50.4
Others (NGM)	269.1	35.7	254.7	38.3	5.6
	392.4	**52.1**	**336.7**	**50.7**	**16.5**
Agricultural Equipment	21.2	2.8	14.9	2.2	42.3
Automotive	5.8	0.8	3.9	0.6	47.0
Rental and used	42.7	5.7	37.5	5.6	13.9
	462.1	**61.4**	**393.1**	**59.2**	**17.6**
Spare parts and Services	290.5	38.6	271.1	40.8	7.2
Total	**752.6**	**100.0**	**664.2**	**100.0**	**13.3**

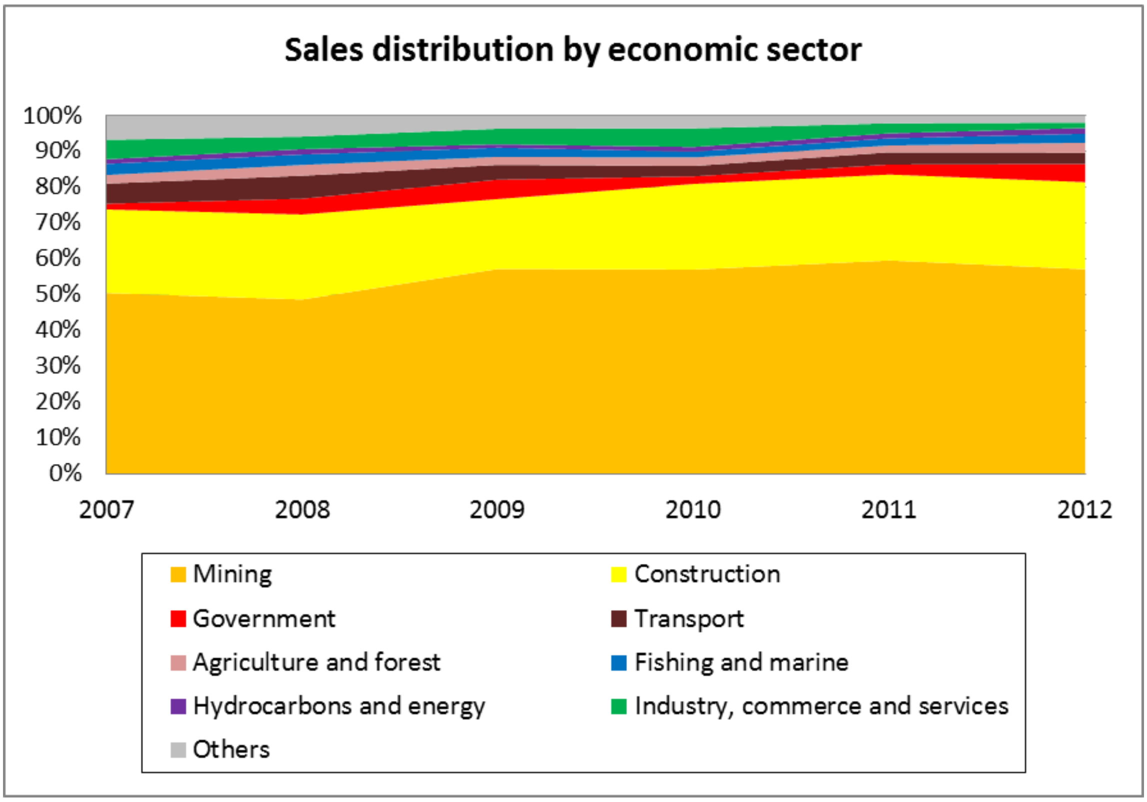
One of the main qualities of the company is its important after sale service to its clients, for which it has developed large workshops throughout the country and service contracts. Thus, sales of spare parts and services continued their growth trend, showing an increase of 7.2% compared to the same period of 2011. This increase is mainly due to the number of units sold by Ferreycorp during the last years and to the maintenance and after sales services requirements.



During the first semester of 2012, sales from Caterpillar line accounted 96% 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 Caterpillar spare parts and services represent 37% of the total sales of the Company and is the commercial line of higher profitability in order to be able to cover infrastructure expenses and higher operating expenses to grant after-sales services. 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.



Regarding sales distribution by economic sector, it should be noted the sales to the mining and construction sector continue explaining the higher volume of sales, with 57% and 24% share, respectively, in the total sales of the first semester of 2012. It should be noted that the mining sector comprises the large open pit mining and the underground mining.



SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses in 2Q 2012 totaled S/. 109.8 million, compared to S/. 88.4 million reported in the previous year, which represents an increase of 24.2%. 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 worth noting that due to the needs of the services we provide, technicians must be hired with two years in advance to undergo a training process.

ii) increase in salaries of key personnel and qualified technicians according to market levels

iii) hiring of commercial personnel to support the increase in operations.

c) An increase in information systems' expenses, mainly:

i) To improve response time nationwide

ii) Expenses related to Human Resources and CRM (Customer Relationship Management) SAP modules, and,

iii) Acquisition of software licenses

These higher computer costs involve a quantum leap that will benefit current and future operations of the corporation.

d) An increase in provision for doubtful account receivable, basically related to a credit granted to a client. This is a timely topic that will affect only the results of this year.

OTHER INCOME (EXPENSE) NET

In 2Q 2012 this account represents a net outflow of S/. 0.1 million compared to a net income of S/. 5.3 million the same period last year. This variation is mainly explained by recovery of a provision for inventory write-offs of S/. 4.7 million.

FINANCIAL EXPENSES

Financial expenses in 2Q 2012, amounted to S/. 12.8 million, 29.7% higher than S/. 9.9 million reported in 2Q 2011, due to an increase of 19.1% in average liabilities subject to interest payment (S/. 1,021.8 million in 2Q 2012; S/. 858.0 million in 2Q 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 of this modality of contracting by some clients, and the acquisition of Bucyrus (see Highlight n°2).

Also, in 2Q 2012 the average interest rate has been higher than 2Q 2011, because in 2011 the financing strategy was to take short term loans to be able to prepay taking into consideration the future capital increase that took place in 1Q 2012.
During 2012 the company has taken medium and long term credits. The short term interest rates are lower than the long term.

FOREIGN EXCHANGE GAIN (LOSS)

During 2Q 2012, net liabilities in foreign currency showed an exchange loss of S/. 0.1 million, compared to an exchange gain of S/. 15.4 million during the same period of the previous year. Almost no variation of the sol against the US dollar was registered during 2Q 2012, compared to the appreciation of the sol of 2.0% during 2Q 2011.

Foreign currency transactions are made at free market exchange rates. The valid exchange rates as of June 30, 2012 are published by the Banking, Insurance and Pension Funds Superintendence and are used for the asset and liabilities accounts. The exchange rate as of 06-30-12 is S/. 2.670 per US$ 1 for purchase and S/. 2.671 per US$ 1 for sale (S/. 2.748 per US$ 1 for purchase y S/. 2.750 per US$ 1 for sale as of June 30, 2011).

As of June 30, 2012 and June 30, 2011, the Company had the following assets and liabilities in US$ dollars:

	06-30-2012 US$ (000)	06-30-2012 US$ (000)
Assets		
Cash and cash equivalents	24,278	11,465
Account receivables - Trade, net	168,978	135,969
Account receivables - Other, net	30,031	21,198
Account receivables - Related	1,945	1,295
	225,231	169,927
Liabilities		
Other financial liabilities	(467,369)	(337,020)
Account payable - Trade	(88,915)	(83,512)
Salaries, taxes and other payables	(91,273)	(12,289)
Account payable - Related	(4,485)	(355)
	(652,042)	(433,177)
Net position	(426,811)	(263,250)

It is important to mention that while this is the position exchange from an accounting perspective, the corporation invoices most of its sales in dollars, so the net liability position exchange is widely covered by the stock and the rental fleet.

NET PROFIT

Due to the variations previously mentioned, net profit in 2Q 2012 reached S/.28.3 million, compared to S/. 54.7 million reported in the same period the previous year, which represents a decrease of 48.3%.

FINANCIAL SITUATION STATEMENT - ANALYSIS

As shown in appendix 2, total assets as of June 30, 2012, totaled S/. 3,027.6 million compared to S/. 2,225.4 million reported in the same period of 2011, a net increase of S/. 802.2 million (36%).

The main variations in the asset accounts which explain the increase are: i) an increase of S/. 239.8 million in inventories, due to higher purchases of prime products and spare parts, as a consequence of the important growth in sales and, in some cases, due to the increase replacement time of some commercial lines, due to higher worldwide demand; also, new inventory for the new commercial line Bucyrus has been added (see highlight N°2) ii) an net increase of S/. 65.4 million in fixed assets, which is explained by higher purchases of rental equipment of S/. 100.9 million, to satisfy future demand of clients mainly from the construction sector, and a S/. 30.3 million decrease due to the transfer of properties within the economic block granted to the new subsidiary Motored; and iii) an important increase of S/. 257.9 million in investments, basically caused by the goodwill recorded as a result of the acquisition of the brand Bucyrus in the amount of S/. 145.8 million and the capital contribution to some subsidiaries of S/. 112.7 million, within the economic block granted to Motored of S/. 53.0 million. However, the Motored economic block does not mean an increase in the company´s assets, but reorganization since the block was previously formed by inventories, receivables and fixed assets.

The composition of the Company's liabilities as of June 30, 2012, is shown in Appendix 4. From this chart we can deduce that the company keeps its policy of diversifying its funding sources by using local financial institucions, abroad (mainly Caterpillar Financial) and the capital market, which appreciates the values issued by the Company.

LIQUIDITY AND DEBT RATIOS

As of June 30, 2012 the current ratio reached 1.31, slightly lower than the current ratio of 1.35 the same period the previous year due to the strategy of financing its obligations mostly in short term (see explanation of "financial expenses").
The funding strategy was to take over short-term credits this semester in order to have greater flexibility in the transfer of the equity block from Ferreycorp to Ferreyros S.A.

Also, as a result of the liabilities composition, which include as of June 30, 2012 a higher proportion of nonfinancial liabilities if compared with the balances as of June 30, 2011 the financial debt ratio reduced to 1.03 compared to 1.10 as of 06-30-11.

Total debt ratio as of 06-30-12 is 1.67 compared to 1.61 as of 06-30-11.
The total debt ratio as of June 2012 is the result of some significant changes in the company equity. In first place it incorporates the US$ 62 million capital increase realized on February 2012, and, also was affected by the profit distribution agreed last year according to the company's dividend policy.

Finally the Ferreycorp and subsidiaries equity as of June 2012 collected the profits generated by all the subsidiaries of the corporation.

DIVIDEND POLICY

The profit distribution policy is as follows: cash dividends will amount to 5% of the nominal value of the shares issued at the time the shareholders meeting is called, with a ceiling equal to 50% of freely available profits.

If the 5% of the nominal value of the shares issued at the time the shareholders meeting is called is lower tan the 50% of the freely available profits, the shareholders meeting may distribute higher cash dividends with a ceiling equal to 50% of freely available profits.

In the Shareholders meeting held on March 28, 2012 it was agreed to distribute dividends for S/. 41,194,156 charged to the free available profits, which were paid on June 2012.

In the Shareholders meeting held on March 31, 2011 it was agreed to distribute dividends for S/. 31,857,670 charged to the free available profits, which were paid on May 2011.

COMPANY DESCRIPTION

As of June 30, 2012 Ferreycorp's S.A.A. (former Ferreyros S.A.A.) had a double mission.
On one side was had a series of investments in subsidiaries, and on the other side had its own operating business. Since July 1st this last role has been transferred to the new subsidiary Ferreyros, which has the mission to provide its clients with the solutions they require by offering them the capital goods and services they need to create value in the markets where they operate.
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 important post-sale service to its clients, for which it has developed large workshops and warehouses throughout the country. The company permanently executes important investments in training to its technician, as well as in infrastructure of its branches and workshops. Additionally, adapts investments in working capital according to the market conditions.

Ferreyros represents leading brands in the market, such as: Caterpillar, Massey Ferguson, Oldenburg, Paus, Metso and Zaccaría, among others, which are addressed to different economic sectors.

Ferreycorp is composed by its subsidiaries which are listed below, which contribute with higher sales and profits, extend the coverage of market and provide a portfolio of products and services that enriches the offer of Ferreycorp's solutions.
It should be noted that up to June 30 the corporation included in the same company the business that today is in the hands of its new subsidiary Ferreyros.

The Organization distributes its businesses 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 an economic group with the following companies:

Subsidiary	Participation
- Caterpillar dealers in Perú:	
Ferreyros S.A. (since July 1, 2012)	99.99%
Unimaq S.A.	99.99%
Ferrenergy S.A.C.	50.00%
Orvisa S.A.	99.00%
- Caterpillar dealers abroad**:**	
Corporation General de Tractores S.A. – Guatemala (*)	100.00%
Compañía General de Equipos S.A. - El Salvador (*)	100.00%
General Equipment Company Ltd. – Belice (*)	100.00%
- Subsidiaries aimed to complement the offer of Caterpillar capital goods and services:	
Mega Representaciones S.A.	99.99%
Fiansa S.A.	99.50%
Fargoline S.A.	99.86%
Cresko S.A.	99.99%
Motored S.A.	98.00%
Inti Inversiones Interamericanas Corp.	100.00%
Forbis Logistics Corp (*)	100.00%
Inmobiliaria CDR S.A.C.	99.99%

(*)Subsidiaries of Inti Inversiones Interamericanas Corp.

FERREYCORP S.A.A **APPENDIX 1**

Income Statement (NOTE)

(In thousand of nuevos soles)

	2Q 2012	%	2Q 2011	%	Var %	Accumulated As of 06-30-12	%	Accumulated As of 06-30-11	%	Var %
Net sales	752,616	100.0	664,180	100.0	13.3	1,436,182	100.0	1,230,797	100.0	16.7
Cost of sales	-590,928	-78.5	-513,622	-77.3	15.1	-1,132,393	-78.8	-947,772	-77.0	19.5
Gross profit	**161,688**	**21.5**	**150,558**	**22.7**	**7.4**	**303,789**	**21.2**	**283,025**	**23.0**	**7.3**
Selling and administrative expenses	-109,815	-14.6	-88,434	-13.3	24.2	-211,967	-14.8	-173,122	-14.1	22.4
Other income (expenses), net	-143	(0.0)	5,254	0.8	-102.7	-244	-0.0	5,402	0.4	-104.5
Operating profit	**51,730**	**6.9**	**67,378**	**10.1**	**-23.2**	**91,578**	**6.4**	**115,305**	**9.4**	**-20.6**
Financial income	2,192	0.3	3,533	0.5	-37.9	6,205	0.4	7,171	0.6	-13.5
Gain (loss) to exchange rate	-71	(0.0)	15,399	2.3	-100.5	7,398	0.5	13,711	1.1	-46.0
Financial expenses	-12,834	-1.7	-9,896	-1.5	29.7	-23,730	-1.7	-19,761	-1.6	20.1
Profit before income taex	**41,018**	**5.5**	**76,414**	**11.5**	**-46.3**	**81,451**	**5.7**	**116,426**	**9.5**	**-30.0**
Income tax	-12,739	-1.7	-23,834	-3.6	-46.6	-25,719	-1.8	-37,456	-3.0	-31.3
Net income from continuind operations	**28,279**	**3.8**	**52,580**	**7.9**	**-46.2**	**55,732**	**3.9**	**78,970**	**6.4**	**-29.4**
Profit form discontinued operations	-		2,077	0.3		2,595	0.2	3,974	0.3	-34.7
Net profit	**28,279**	**3.8**	**54,657**	**8.2**	**-48.3**	**58,327**	**4.1**	**82,944**	**6.7**	**-29.7**
Earning per share	0.041		0.083			0.084		0.120		
EBITDA	**74,510**	**9.9**	**84,951**	**12.8**	**-12.3**	**138,714**	**9.7**	**155,863**	**12.7**	**-11.0**

NOTE: Some figures have been reclassified in this document in order to include directly ordered sales and its cost of sales. The income statement presented to the SMV shows the gross profit obtained in these operations in the account other operational income.

FERREYCORP S.A.A **APPENDIX 2**

Financial Situation Statement

(In thousand of nuevos soles)

	As of 30-06-2012	As of 30-06-2011	Variation %
Cash and banks	78,024	35,037	122.7
Account receivables - Trade	462,791	370,088	25.0
Inventories	1,079,781	839,937	28.6
Account receivables - Affiliated companies	29,715	28,727	3.4
Account receivables - Others	91,738	25,495	259.8
Prepaid expenses	9,282	6,402	45.0
Total current assets	**1,751,331**	**1,305,686**	34.1
Long-term account receivables - Trade	20,255	12,852	57.6
Long-term account receivables - Affiliated companies	36,373	10,294	253.3
Long-term account receivables - Other	5,046	9,031	-44.1
Rental fleet	375,882	275,011	36.7
Other fixed assets	608,021	610,070	-0.3
	983,903	885,081	11.2
Accrued depreciation	-287,671	-254,260	13.1
Property, plant and equipment, net	696,232	630,821	10.4
Investments	507,398	249,493	103.4
Other non current assets	10,952	7,235	51.4
Non current assets	**1,276,256**	**919,726**	38.8
Total assets	**3,027,587**	**2,225,412**	36.0
Short-term debt	234,845	255,203	-8.0
Other current liabilities	1,102,866	713,027	54.7
Current liabilities	**1,337,711**	**968,230**	38.2
Long.term debt	549,672	372,506	47.6
Liabilities due to taxes to diferred income	7,150	32,374	-77.9
Total liabilities	**1,894,533**	**1,373,110**	38.0
Equity	**1,133,054**	**852,302**	32.9
Total liabilities and equity	**3,027,587**	**2,225,412**	36.0
Other financial information			
Depreciation and amortization (figures accumulated at the end of the period)	40,931	33,387	
Financial Ratios			
Current ratio	1.31	1.35	
Financial debt ratio	1.03	1.10	
Indebtedness ratio	1.67	1.61	
Book value per share	1.41	1.37	

FERREYCORP S.A.A **APPENDIX 3**

NET SALES
(In thousand of nuevos soles)

	2Q 2012	%	2Q 2011	%	Var %	Accumulated as of 30-06-12	%	Accumulated as of 30-06-11	%	Var %
Caterpillar Equipment										
Big mining (GM)	123,376	16.4	82,045	12.4	50.4	185,122	12.9	154,341	12.5	19.9
Others (NGM)	269,052	35.7	254,703	38.3	5.6	564,742	39.3	450,183	36.6	25.4
	392,429	52.1	336,748	50.7	16.5	749,864	52.2	604,524	49.1	24.0
Agricultural equipment	21,175	2.8	14,878	2.2	42.3	38,197	2.7	25,579	2.1	49.3
Automotive	5,769	0.8	3,925	0.6	47.0	11,539	0.8	7,848	0.6	47.0
Rental and used	42,712	5.7	37,509	5.6	13.9	93,773	6.5	79,267	6.4	18.3
	462,085	**61.4**	**393,060**	**59.2**	**17.6**	**893,373**	**62.2**	**717,218**	**58.3**	**24.6**
Spare parts and services	290,531	38.6	271,120	40.8	7.2	542,809	37.8	513,580	41.7	5.7
Total	**752,616**	**100.0**	**664,180**	**100.0**	**13.3**	**1,436,182**	**100.0**	**1,230,797**	**100.0**	**16.7**

SALES BY ECONOMIC SECTOR (in percentage)

	2Q 2012	2Q 2011	Accumulated as of 30-06-12	Accumulated as of 30-06-11
Mining	63.0%	56.3%	57.2%	56.9%
Construction	23.0%	26.8%	24.3%	26.1%
Government	3.9%	1.2%	5.1%	0.8%
Transport	1.0%	2.8%	3.1%	3.9%
Agriculture and forest	2.8%	0.1%	2.8%	2.1%
Fishing and marine	2.8%	2.9%	2.5%	2.5%
Hydrocarbons and energy	1.3%	3.0%	1.6%	0.9%
Industry, commerce and services	1.3%	2.4%	1.5%	3.4%
Others	0.8%	4.6%	1.8%	3.4%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

FERREYCORP S.A.A. **APPENDIX 4**

Total Liabilities as of June 30, 2012
(In thousand of US$ dollars)

	Total Liabilities	Current Liabilities	Long-term liabilities Current part	Long-term liabilities Long-term	(A) Financial Liabilities
Local banks (short-term)	53,027	53,027	-	-	53,027
Foreign banks (short-term)	67,500	67,500	-	-	67,500
Local banks (long-term)	70,794	-	25,935	44,859	70,794
Foreign banks (long-term)	-	-	-	-	-
Local banks (long-term) (Leasing)	3,706	-	1,942	1,764	3,706
Suppliers:					
Accounts payable to Caterpillar (Invoices)	55,186	55,186	-	-	-
Accounts payable to Caterpillar (Notes payable)	53,177	53,177	-	-	53,177
Others	40,629	40,629	-	-	-
Corporate bonds	87,023	-	41,985	45,038	87,023
Caterpillar Financial	132,194	-	18,062	114,132	132,194
Other liabilities	146,061	146,061	-	-	-
Total (US$)	**709,297**	**415,581**	**87,924**	**205,792**	**467,420**
Total (S/.)	**1,894,533**	**1,110,016**	**234,845**	**549,672**	**1,248,480**

(A) Generate interest payment