

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

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

Ferreyros, the leading importer of capital goods and services of the country and its subsidiaries in Peru and Central America reached during the first quarter of 2011 sales for US\$ 302.9 million. The result is higher in 25.5% compared to first quarter 2010. Likewise, net profit during 1Q 2011 rose in 22.3% compared to 1Q 2010.

In this Management report, the factors that determined such result are explained in detail.

NOTE TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

CONSOLIDATED FINANCIAL HIGHLIGHTS

(In million of soles)

	Accumulated 03-31-2011	Accumulated 03-31-2010	Variation %
Net sales	841.5	687.6	22.4
Gross profit	189.9	137.9	37.7
Operating profit	65.7	48.8	34.6
Net profit	43.0	35.2	22.3
EBITDA	103.8	77.3	34.3

QUARTERLY RESULTS

Net sales of Ferreyros and subsidiaries during 1Q 2011, amounted to S/. 841.5 million, which represent an important growth of 22.4% compared to S/. 687.6 million obtained during the same period of 2010. If sales are considered in dollars, they reached US\$ 302.9 million in 1Q 2011, 25.5% higher than US\$ 241.4 million in 1Q 2010. The increase in soles

is lower due to an average exchange rate in sales of S/2.778, while the exchange rate during the same period of 2010 was S/ 2.849.

Gross profit of Ferreyros and subsidiaries in 1Q 2011 amounted to S/. 189.9 million, compared to S/. 137.9 million reported in the same period of 2010, which represents an important growth of 37.7%.

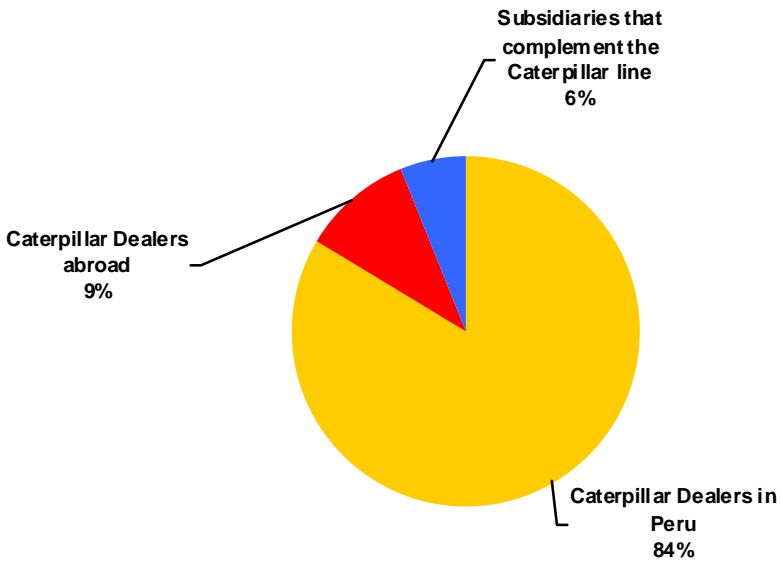
Net profit in 1Q 2011 of Ferreyros and subsidiaries amounted to S/. 43.0 million compared to S/. 35.2 million reported in the same period of 2010, an important growth of 22.3%.

Earning before interest, taxes, depreciation and amortization (EBITDA, in English) during 1Q 2011 totaled S/. 103.8 million (US\$ 37.4 million) compared to S/. 77.3 million (US\$ 27.1 million) during the same period of 2010, which represents an increase of 34.3%.

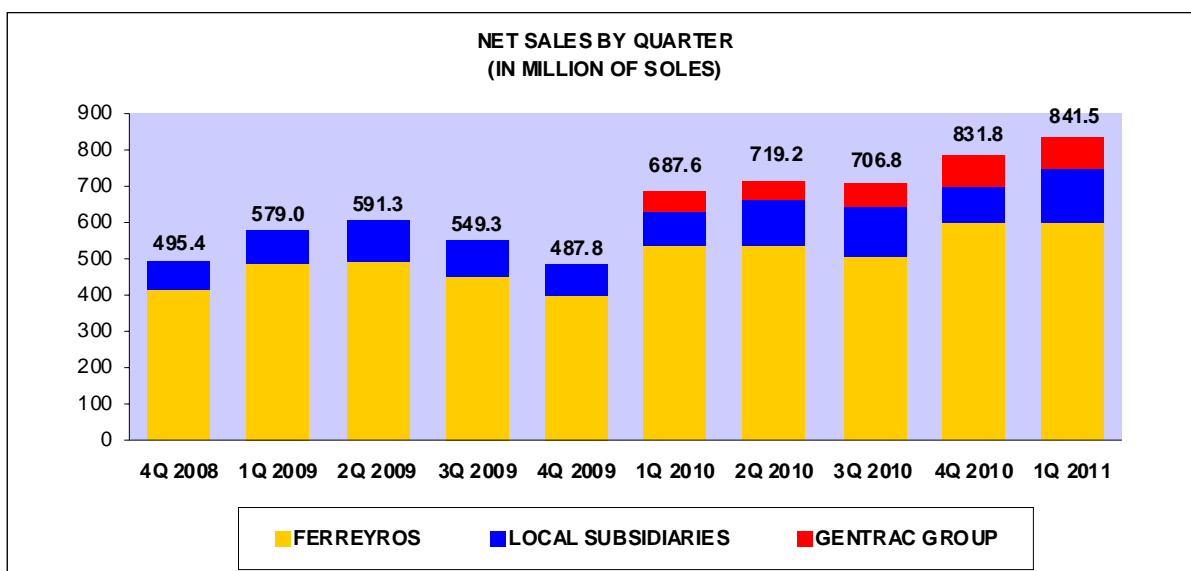
SALES - COMMERCIAL MANAGEMENT

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 that complement the Caterpillar line.

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



	Net Sales		Net Profit	
	03.31.11	03.31.10	03.31.11	03.31.10
Ferreyros	603,236	522,461	31,684	24,076
Unimaq	70,172	46,180	4,979	2,426
Orvisa	31,011	25,791	1,565	1,180
Fiansa	15,485	8,414	(4,887)	198
Mega Representaciones	18,722	15,042	973	775
Other (Fargoline, Ferrenergy, Cresko, CDR)	16,549	14,218	428	387
Local Subsidiaries	151,938	109,645	3,058	4,966
Ferreyros and local subsidiaries	755,174	632,106	34,742	29,042
Central America subsidiaries	86,306	55,512	8,246	6,109
Total	841,480	687,618	42,988	35,151

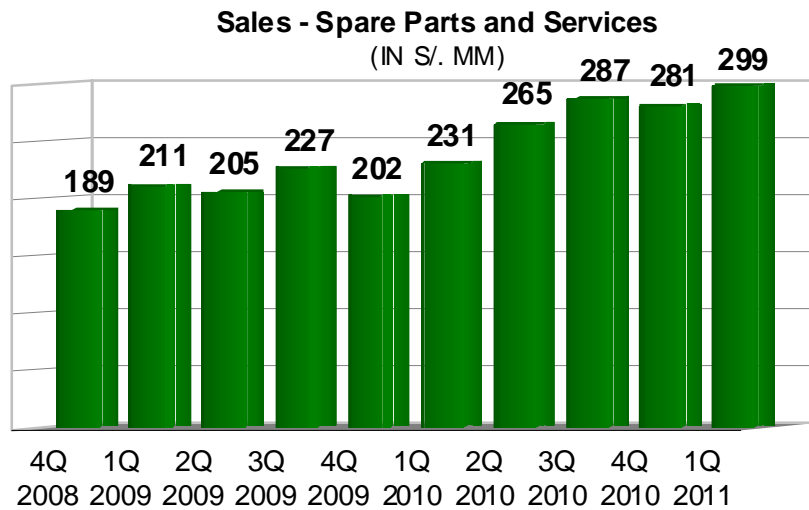


Sales in 1Q 2011 registered an important increase of 22.4% compared to the same period of 2010, as a result of higher economic development in the country and Ferreyros and subsidiaries' efficient commercial management. In general, the last five quarters have showed a better performance compared to the previous, keeping the same trend of growth in sales, as shown in the graph.

CONSOLIDATED NET SALES			
(In million of soles)			
	Accumulated	Accumulated	Variation
	as of 03-31-2011	as of 03-31-2010	%
Caterpillar:			
Big mining	72.3	132.6	-45.5
Other	<u>276.3</u>	<u>163.5</u>	69.1
	348.6	296.1	17.8
Agricultural equipment	14.4	6.2	131.0
Automotive	40.4	40.5	-0.0
Used units	<u>30.6</u>	<u>27.3</u>	11.9
	434.0	370.1	17.3
Spare parts and services	298.7	230.7	29.5
Rental	34.7	22.7	52.6
Other sales from subsidiaries	64.5	53.9	19.8
Other sales from subsidiaries abroad	9.6	10.3	-6.9
Total	<u>841.5</u>	<u>687.6</u>	22.4

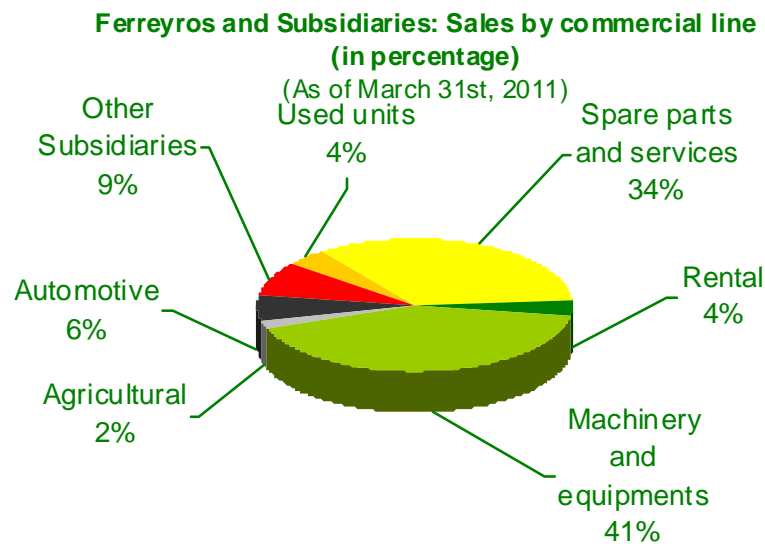
During the first quarter of 2011, among the lines of sale that showed growth we have, in the first place, the line of Caterpillar equipment sold to clients of other economic sectors different from the big mining industry, which registered an increase of 69.1% compared to the same period of 2010. Part of this increase was driven by the growth in sales of this commercial line: Ferreyros, S/. 75.4 million, Gentrac group, S/. 25.5 million and Unimaq, S/. 11.9 million.

Likewise, there was an increase of 131% in sales of agricultural equipment, due to the market recovery, which in 2009 and during the first semester of 2010 was seriously affected by the international financial crisis.

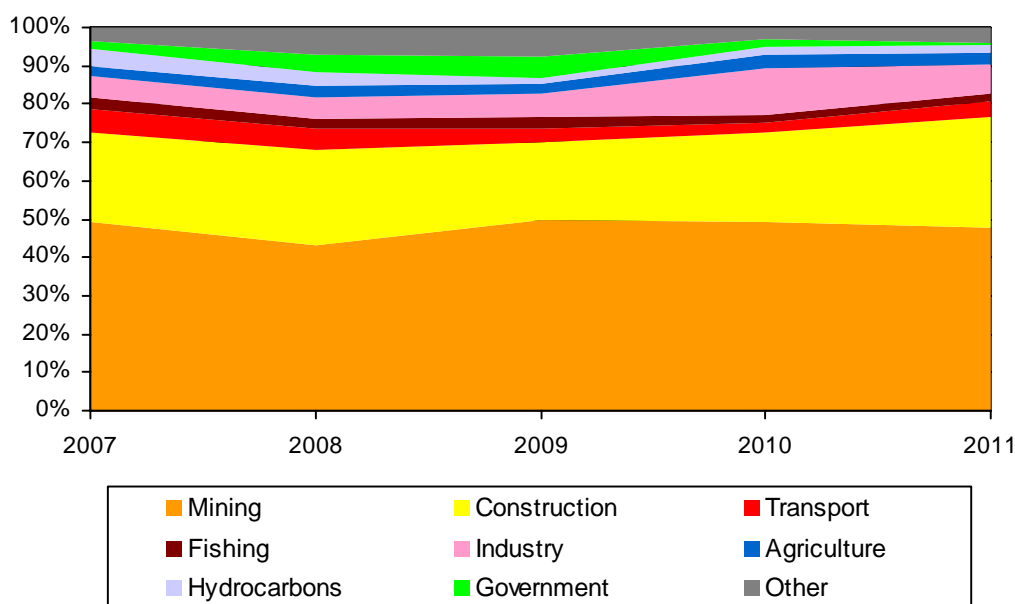


On the other hand, sales of spare parts and services showed a growth of 29.5% compared to the same period of 2010, as a result of the increase in the demand mainly of construction and mining sectors and the continuous increase in the number of machines sold by Ferreyros and subsidiaries.

Likewise, there was an increase of 52.6% in rental and 11.9% in used equipment from the commercial line Rentafer. The growth of these commercial lines is mainly explained by sales made to clients of the construction sector which registered an important growth during 2010 and the first quarter of 2011.

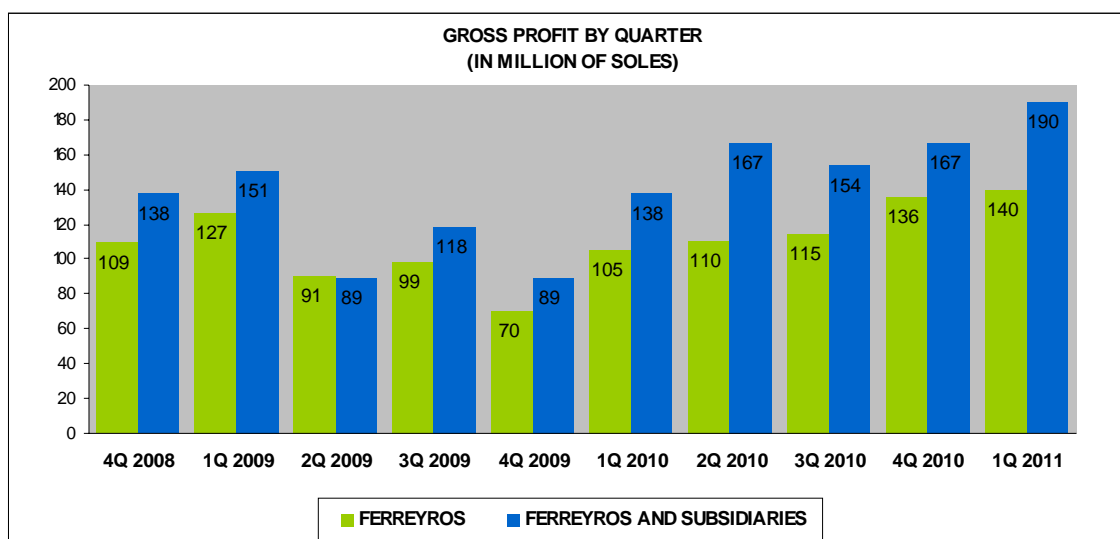


As shown above, sales from the Caterpillar line accounted 83% of the total income of Ferreyros and subsidiaries, including new and used units, rental, spare parts and services. It is important to point out that sale of spare parts and services represent 34% of the total sales of Ferreyros and subsidiaries and is the line of higher profitability and growth in the revenue stream, as a result of the large fleet of Caterpillar units operating.



Regarding sales distribution by economic sector, it should be noted sales to the mining and construction sector having a 48% and 29% share, respectively, in the total sales of the first quarter of 2011.

GROSS PROFIT



Gross profit of Ferreyros and subsidiaries in 1Q 2011 reached S/.189.9 million, 37.7% higher than S/. 137.9 million reported in the same period of 2010. In percentage terms, gross margin in 1Q 2011 is 22.6%, higher than 20.1% in 1Q 2010. Gross margin in 1Q 2011 is higher than 1Q 2010 mainly due to higher prices and better exchange rate.

SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses of Ferreyros and subsidiaries totaled S/. 119.9 million, 33.7% higher than the figure reported in the previous year. This variation is mainly explained by: i) an increase in variable expenses as a consequence of higher sales and ii) hiring of technicians and commercial personnel to satisfy future demand of post sale services and to increase coverage to serve more clients, respectively.

OTHER INCOME (EXPENSES)

In 1Q 2011, this category represents a net expense of S/. 4.3 million compared to a net income of S/. 2.0 million reported in the same period of 2010. This decrease is explained by: i) sale of fixed assets made by Ferreyros in 1Q 2010; and ii) an expense registered in previous years by the subsidiary Fiansa.

FINANCIAL INCOME

Financial income in 1Q 2011 amounted to S/. 7.3 million compared to S/. 7.8 million reported in the same period of 2010, which represents a slightly decrease of 5.8%. The decrease was driven by lower accrued interests of long term sales to clients, mainly due to the strategy adopted by the company not to grant financing aimed to avoid risks of bad loans. However, the company covers financial needs of its clients through financing programs from banks and leasing institutions, as well as Caterpillar Financial Services which has an important outstanding in long-term credits granted to clients who purchase Caterpillar machinery.

FINANCIAL EXPENSES

Financial expenses in 1Q 2011 amounted to S/. 17.5 million, 2.1% lower than S/. 17.9 million reported in 1Q 2010.

It is important to mention that Ferreyros participates in the capital market through corporate bond issuances. The interest rate of the issuances has decreased significantly in the last year. During 2010, the average interest rate of US\$ 40 million was 4.40%

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

Ferreyros has an investment in a company of the insurance sector. This category includes income from the associated company previously mentioned. The income under this category amounted to S/. 3.2 million in 1Q 2011, compared to S/. 0.9 million reported in the previous year.

FOREIGN EXCHANGE GAIN (LOSS)

During 1Q 2011, net liabilities in foreign currency showed an exchange gain of S/. 2.9 million, compared to an exchange gain of S/. 13.5 million during the same period of the previous year. Income in 1Q 2011 was generated by an exchange gain of S/. 4.5 million from Gentrac group, which compensated the exchange loss of S/. 1.6 million generated by Ferreyros and local subsidiaries, due to a devaluation of 1.15% of the Sol against the US dollar. The exchange gain of 1Q 2010 was mainly caused by Ferreyros and local subsidiaries, as a consequence of the appreciation of the Sol against the US dollar of 1.69%.

SHARES AND INCOME TAX

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

NET PROFIT

Due to variations previously mentioned, net profit in 1Q 2011 reached S/. 43.0 million compared to S/. 35.2 million reported in the same period of 2010, which represents an important growth of 22.3%.

ANALYSIS OF THE BALANCE SHEET

As shown in appendix 2, total assets as of March 31st, 2011, totaled S/. 2,707.1 million compared to S/. 2,080.4 million reported in the same period of 2010, which represents an increase of S/. 626.7 million. The main variations of the asset accounts that explain this difference are the following:

- Net inventory growth of S/. 400.2 million, due to higher purchases of prime products and spare parts of S/. 355.4 million and S/. 41.9 million, respectively. Higher purchases of inventory were made to satisfy orders and growth in sales.
- Net increase of fixed assets of S/. 183.3 million, which is explained by purchases of machinery and equipment (S/. 45.7 million) and purchases of machinery and equipment for the rental fleet (S/. 108.2 million).

LIABILITIES

As of March 31st, 2011, total liabilities of Ferreyros and subsidiaries amounted to S/. 1,928.6 million compared to S/. 1,433.0 million reported in the same period of 2010, which represents an increase of S/. 495.6 million (34.6%). The growth in assets of S/. 626.7 million was financed by an increase in liabilities of S/. 498.1 million and the increase in equity of S/. 128.6 million.

The composition of the Company's liabilities as of March 31, 2011, are shown in Appendix 4.

LIQUIDITY AND DEBT RATIOS

Current ratio as of March 31, 2011 is 1.24, lower than current ratio of 1.61 in the same period of 2010.

This ratio is higher than the objective ratio of 1.50. In 1Q 2011, the company's strategy was to take short-term funding pending the capital increase approved at the General Shareholders' meeting held March 31, 2011. Additionally, the strategy was started to decrease financial expenses due to competitive interest rates obtained from short-term credits with local and foreign banks.

Financial debt ratio as of 03-31-11 is 1.64 compared to 1.47 as of 03-31-10. For the estimation of this ratio, cash and bank balance account have been excluded as well as liabilities with suppliers that do not generate financial expenses.

Total debt ratio as of 03-31-11 is 2.52 compared to 2.24 as of 03-31-10.

As of March 31, 2011, the loan obtained by Inti Inversiones Interamericanas Corp. to acquired Gentrac group's companies has generated an increase of US\$ 38.4 million in the consolidated liabilities.

COMPANY DESCRIPTION - FERREYROS AND SUBSIDIARIES

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

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

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

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

(*) Subsidiaries of Inti Inversiones Interamericanas Corp.

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

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

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

Inti Inversiones Interamericanas Corp. is a holding company set up in late 2009. In January 2010, it bought 100% of the shares of Gentrac Corporation, 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 customers 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 first company of the organization to venture into the trading of Chinese products.

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

Fiansa S.A. is a subsidiary of the metal mechanic sector and serves costumers from mining, energy and construction sectors. Its sales in the first quarter of 2011 include incomes 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 first project undertaken by the company was the steam power plant of Guayabal, which generates electrical power of 18 MVV to be sold to a major oil company under a 5-year contract.

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

	Accumulated as of 03-31-2011	%	Accumulated as of 03-31-2010	%	Variation %
Net sales	841,480	100.0	687,618	100.0	22.4
Cost of sales	(651,537)	(77.4)	(549,718)	(79.9)	18.5
Gross profit	189,943	22.6	137,899	20.1	37.7
Selling and administrative expenses	(119,906)	(14.2)	(91,078)	(13.2)	31.7
Other income (Expenses), net	(4,340)	(0.5)	1,970	0.3	
Operating profit	65,697	7.8	48,791	7.1	34.6
Financial income	7,306	0.9	7,754	1.1	(5.8)
Gain (Loss) to exchange rate	2,906	0.3	13,494	2.0	(78.5)
Financial expenses	(17,484)	(2.1)	(17,864)	(2.6)	(2.1)
Share in the results of associated companies through the equity method	3,165	0.4	850	0.1	272.4
Profit before income tax	61,590	7.3	53,025	7.7	16.2
Income tax	(18,602)	(2.2)	(17,874)	(2.6)	4.1
Net profit	42,988	5.1	35,151	5.1	22.3
Earning per share	0.089		0.073		
EBITDA	103,769	12.3	77,260	11.2	34.3

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

Balance Sheet Statement

(In thousand of nuevos soles)

	03/31/2011	03/31/2010	Variation %
Cash and banks	75,183	118,425	-36.5
Account receivables - Trade	544,186	494,454	10.1
Account receivables - Other	75,044	58,803	27.6
Inventories	1,018,991	618,745	64.7
Prepaid expenses	16,617	10,520	58.0
Total current assets	1,730,021	1,300,947	33.0
Long-term account receivables - Trade	81,491	95,209	-14.4
Long-term account receivables - Other	9,532	0	
Rental fleet	423,934	328,255	29.1
Other fixed assets	674,562	640,674	5.3
	1,098,496	968,929	13.4
Accrued depreciation	(322,316)	(376,013)	-14.3
Property, plant and equipment, net	776,180	592,916	30.9
Investments	50,113	42,829	17.0
Other non current assets	59,751	48,475	23.3
Non current assets	977,067	779,429	25.4
Total assets	2,707,088	2,080,376	30.1
Short-term debt	367,939	232,982	57.9
Other current liabilities	1,029,965	576,983	78.5
Current liabilities	1,397,904	809,965	72.6
Long-term debt	530,648	623,006	-14.8
Total liabilities	1,928,552	1,432,971	34.6
Deferred income	14,052	11,554	21.6
Equity	764,484	635,851	20.2
Total liabilities and equity	2,707,088	2,080,376	30.1
Other financial information			
Depreciation and amortization (figures accumulated at the end of the period)	27,601	19,865	
Financial Ratios			
Current ratio	1.24	1.61	
Financial debt ratio	1.64	1.47	
Indebtedness ratio	2.52	2.25	
Book value per share	1.23	1.50	

CONSOLIDATED NET SALES (In thousand of soles)					
	Accumulated		Accumulated		Variation
	as of 03-31-2011	%	as of 03-31-2010	%	%
Caterpillar:					
Big mining	72,296	8.6	132,614	19.3	-45.5
Other	276,330	32.8	163,456	23.8	69.1
	<u>348,626</u>	41.4	<u>296,070</u>	43.1	17.8
Agricultural equipment	14,390	1.7	6,230	0.9	131.0
Automotive	40,444	4.8	40,461	5.9	-0.0
Used units	30,567	3.6	27,327	4.0	11.9
	<u>434,027</u>	51.6	<u>370,087</u>	53.8	17.3
Spare parts and services	298,690	35.5	230,657	33.5	29.5
Rental	34,673	4.1	22,724	3.3	52.6
Other sales from subsidiaries	64,529	7.7	53,879	7.8	19.8
Other sales from subsidiaries abroad	9,561	1.1	10,271	1.5	-6.9
Total	<u>841,480</u>	100.0	<u>687,618</u>	100.0	22.4

SALES BY ECONOMIC SECTOR (in percentage)		
	Accumulated	Accumulated
	as of 03-31-2011	as of 03-31-2010
Mining	47.8%	49.7%
Construction	28.7%	28.8%
Government	1.0%	4.9%
Transport	4.1%	3.3%
Industry, commerce and services	7.6%	4.9%
Agriculture	2.6%	3.0%
Fishing and marine	2.2%	1.4%
Hydrocarbons and energy	2.0%	1.4%
Others	3.8%	2.5%

Total Liabilities as of March 31st, 2011

(In thousands of US dollars)

	Total	Current Liabilities	Long-term liabilities		Financial Liabilities
			Current part	Long-term	
Local banks (short-term)	45,194	45,194			45,194
Foreign banks (short-term)	90,937	90,937			90,937
Local banks (long-term)	88,118		31,087	57,031	88,118
Foreign banks (long-term) (includes CFS)	122,605		43,889	78,716	122,605
Local banks (long-term) (Leasing)	4,627		1,195	3,432	4,627
Suppliers:					
Accounts payable to Caterpillar	51,632	51,632			
Accounts payable to Caterpillar	17,977	17,977			17,977
Other	54,009	54,009			527
Corporate bonds	105,000	-	55,000	50,000	105,000
Other liabilities	107,443	107,443			
Total (US\$)	687,541	367,191	131,171	189,179	474,985
Total (S/.)	1,928,552	1,029,965	367,939	530,648	1,332,333

(A) Generate interest payment

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

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

FINANCIAL HIGHLIGHTS

(In million of soles)

	Accumulated 03-31-2011	Accumulated 03-31-2010	Variation %
Net sales	606.6	532.8	13.8
Gross profit	139.6	105.4	32.4
Operating profit	51.1	37.6	35.9
Net profit	42.6	34.7	22.9
EBITDA	87.9	65.7	33.7

QUARTERLY RESULTS

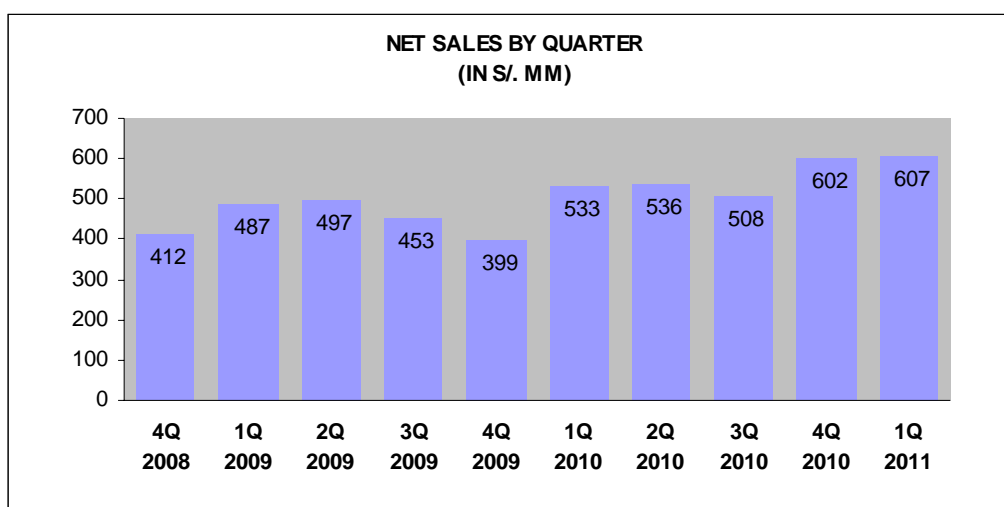
Net sales during 1Q 2011 amounted to S/. 606.6 million, which represent a growth of 13.8% compared to S/. 532.8 million reported in the same period of 2010. If sales are considered in dollars, they reached US\$ 218.3 million in 1Q 2011 and US\$ 187.0 million in 1Q 2010, an increase of 16.8%. The growth in soles is lower due to an average exchange rate in sales during 1Q 2011 of S/. 2.778, while the average exchange rate in 1Q 2010 was S/. 2.849.

Gross profit in 1Q 2011 totaled S/. 139.6 million, 32.4% higher than S/. 105.4 million reported in the same period of 2010. In percentage terms, gross margin in 1Q 2011 was 23.0%, compared to 19.8% in 1Q 2010.

Net profit in 1Q 2011 reached S/. 42.6 million, compared to S/. 34.7 million reported in the same period of 2010, which means an important increase of 22.9%.

Earning before interest, taxes, depreciation and amortization (EBITDA, in English) during 1Q 2011 amounted to S/. 87.9 million (US\$ 31.6 million), 33.7% higher than S/. 65.7 million (US\$ 23.1 million) during the same period of 2010.

SALES – COMMERCIAL MANAGEMENT



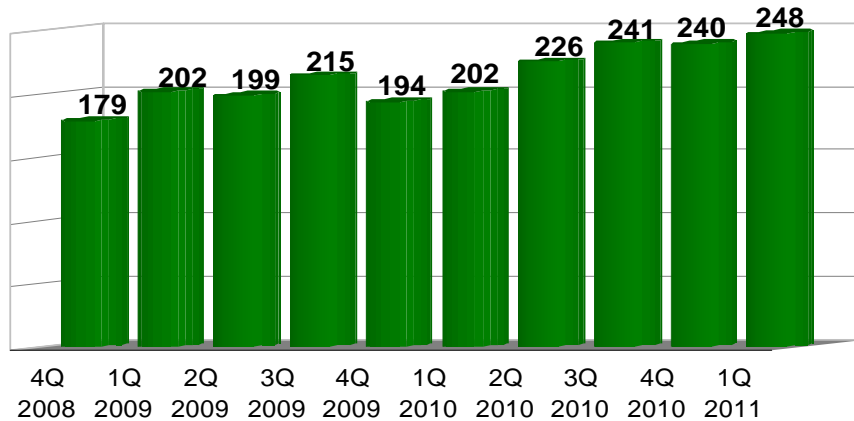
Sales in first quarter of 2011 registered an increase of 13.8% compared to the same period of 2010 as a result of a higher economic development in the country and the company's efficient commercial management. In general, sales during first quarter were higher compared to the previous quarters, as shown in the graph.

NET SALES (In million of sales)			
	Accumulated as of 03-31-2011	Accumulated as of 03-31-2010	Variation %
Caterpillar:			
Big mining	72.3	132.6	-45.5
Other	195.5	120.1	62.7
	267.8	252.7	6.0
Agricultural equipment	10.7	4.3	148.3
Automotive	38.2	40.5	-5.7
Used units	26.3	22.8	15.0
	342.9	320.3	7.0
Spare parts and services	248.2	201.8	23.0
Rental	15.5	10.7	45.3
Total	606.6	532.8	13.8

During the first quarter of 2011, there were several commercial lines that showed an important growth. In the first place, Caterpillar equipment sold to clients of other economic sectors different from the big mining industry, which registered an outstanding increase of 63% compared to the same period of 2010. Likewise, there was an increase of 45% in rental equipment and an increase of 15% in used units from the rental fleet. The growth in

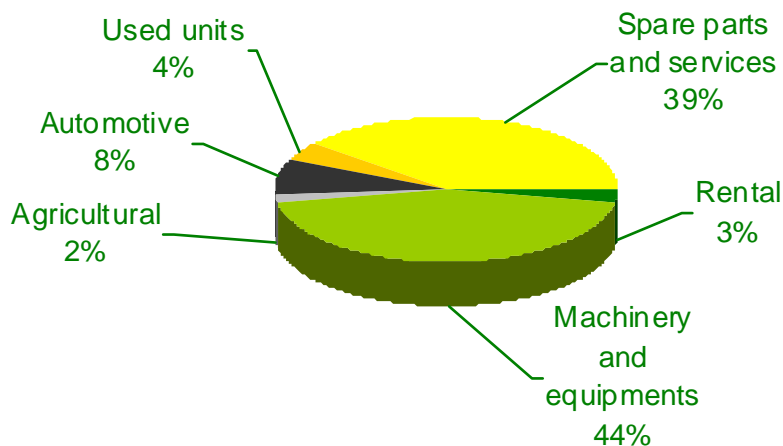
these commercial lines is mainly explained by sales made to clients from the construction sector, which registered an important growth during 2010 and the first quarter of 2011. In the same way, sales of agricultural equipment showed an increase of 148%, due to the market recovery, which in 2009 and during the first semester of 2010 was seriously affected by the international financial crisis.

Sales - Spare parts and Services
(in US/. million)



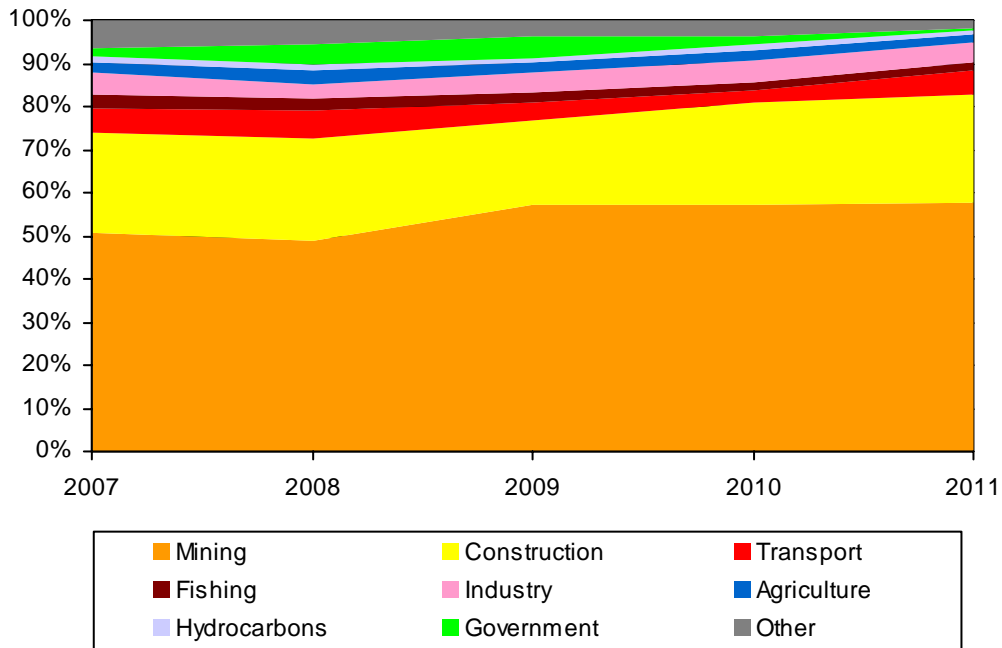
On the other hand, sales of spare parts and services in 1Q 2011 had a growth of 23% compared to the same period of 2010, due to the increase in the demand, mainly from clients of the big mining sector.

Ferreyros: Sales by commercial line
(Accumulated as of March 31, 2011)



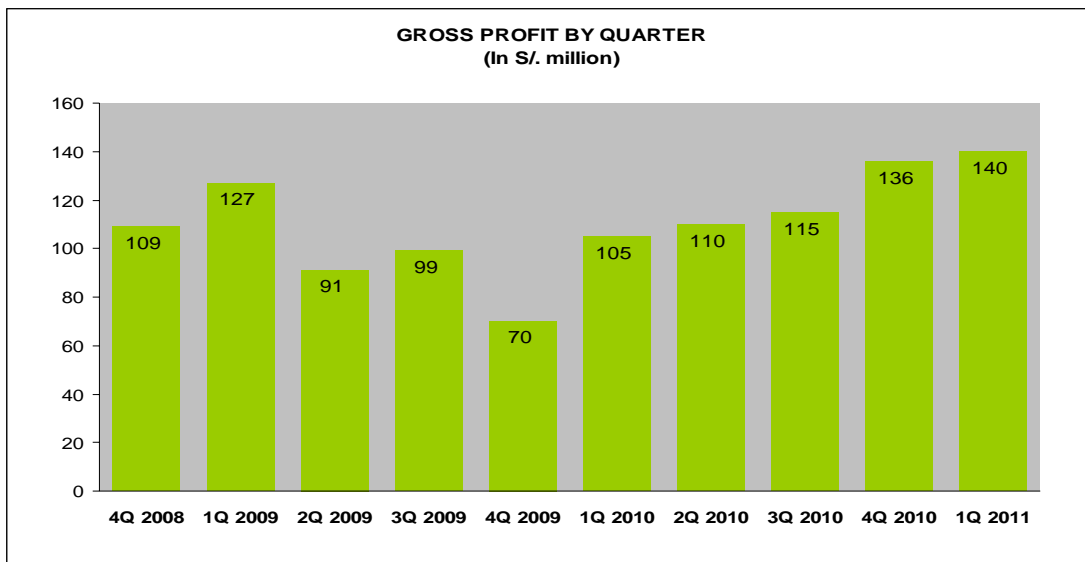
As shown above, in the first quarter of 2011, sales from the Caterpillar line accounted 90% of the total income of the Company, including machinery and equipment (new, used units and rental) as well as spare parts and services.

It is important to point out that, as well as in 2010, sales of spare parts and services continue maintaining 39% of the total sales of the Company and is the line of higher profitability and growth in the revenue stream, as a result of the large fleet of Caterpillar units sold by Ferreyros.



Regarding sales distribution by economic sector, it should be noted that sales to the mining and construction sector continue explaining the higher volume of sales, with 58% and 25% share, respectively, in the total sales of the first quarter of 2011.

GROSS PROFIT



Gross profit in 1Q 2011 amounted to S/. 139.6 million compared to S/. 105.4 million in the same period of the previous year, which represents an increase of 32.4%. In percentage terms, gross margin in 1Q 2011 is 23.0% compared to 19.8% in 1Q 2010. Gross margin in 1Q 2011 is higher than 1Q 2010 mainly due to: higher sale prices as well as better exchange rate.

SELLING AND ADMINISTRATIVE EXPENSES

Selling and administrative expenses in 1Q 2011 amounted to S/. 88.8 million, compared to S/. 70.3 million, reported on the previous year, representing an increase of 26.3%. The increase is mainly explained by: i) a growth of 20.7% in variable expenses as a consequence of higher net sales, and ii) hiring of technicians and commercial personnel to satisfy future demand of post sale services and to increase coverage to serve more clients, respectively.

OTHER INCOME (EXPENSES), NET

In 1Q 2011, this category represents a net income of S/. 0.3 million compared to a net income of S/. 2.4 million reported in the same period of 2010, a decrease of 88.5%. This decrease is explained by: i) income registered due to an important sale of fixed assets made in 1Q 2010; and ii) income from contract resolutions of long-term sales registered in 1Q 2011 which were lower than those recorded in the same period of the previous year.

FINANCIAL INCOME

Financial income in 1Q 2011 amounted to S/. 3.9 million compared to S/. 4.2 million reported in the same period of 2010, which represents a decrease of 8.7%. The decrease in financial income was driven by lower accrued interests of long-term sales to clients, mainly due to the strategy adopted by the company not to grant direct financing aimed to avoid risks from bad credits. Nevertheless, the company covers financial needs of its clients through financing programs from banks and leasing institutions, as well as Caterpillar Financial Services which has an important outstanding in long-term credits granted to clients who purchase Caterpillar machinery.

FINANCIAL EXPENSES

Financial expenses in 1Q 2011 amounted to S/. 9.9 million, 6.3% lower than S/. 10.5 million reported in 1Q 2010.

It is important to mention that Ferreyros participates in the capital market through corporate bond issuances. The interest rate of the issuances has decreased significantly in the last year. During 2010, the average interest rate of US\$ 40 million was 4.40%.

SHARE IN THE RESULTS OF ASSOCIATED COMPANIES AND BUSSINESS RECOGNIZED UNDER THE EQUITY METHOD

This category includes income from subsidiaries and associated companies recognized under the equity method. In 1Q 2011, this amounted to S/. 14.1 million, 27.6% higher than S/. 11.1 million reported in 1Q 2010. This increase is mainly explained by income reported by the local subsidiary Unimaq (1Q 2011: S/. 5.0 million; 1Q 2010: S/. 2.4 million), by Inti Inversiones Interamericanas Corp (1Q2011: S/. 8.2 million; 1Q 2010: S/. 6.1 million) and by other investments (1Q 2011: S/. 3.2 million; 1Q 2010: S/. 0.9 million).

FOREIGN EXCHANGE GAIN (LOSS)

During 1Q 2011, net liabilities in foreign currency showed an exchange loss of S/. 1.7 million, compared to an exchange gain of S/. 6.7 million during the same period of the previous year. Exchange loss in 1Q 2011 was caused by devaluation of 1.15% of the Sol against the US dollar, while the exchange gain in 1Q 2010 was caused by the appreciation of the Sol against the US dollar of 1.69%.

SHARES AND INCOME TAX

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

NET PROFIT

Due to the variations previously mentioned, net profit in 1Q 2011 reached S/. 42.6 million compared to S/. 34.7 million reported in the same period of the previous year, which represents an increase of 22.9%.

ANALYSIS OF THE BALANCE SHEET

As shown in appendix 2, total assets as of March 31st, 2011, amounted to S/. 1,939.9 million compared to S/. 1,432.1 million reported in the same period of 2010, which represents a net increase of S/. 507.8 million. The main variations of the asset accounts that explain this growth are the following:

- Net inventory growth of S/. 399.5 million, due to higher purchases of prime products and spare parts of S/. 347.9 million and S/. 44.4 million, respectively. Higher purchases were made to satisfy orders and growth in sales.
- Net increase of fixed assets of S/. 71.1 million, mainly due to purchases of machinery and equipment for workshops (S/. 31.3 million) and purchases of machinery and equipment for the rental fleet (S/. 26.6 million).
- Increase in Investments of S/. 80.8 million, which is explained by the results reported by subsidiaries recognized under the equity method, which amounted to S/. 37.9 million, and by the acquisition of Inmobiliaria CDR SAC for S/. 35.7 million.

As of March 31st, 2011, total liabilities of Ferreyros amounted to S/. 1,179.4 million compared to S/. 795.2 million in the same period of 2010, which represents an increase of S/. 384.2 million (48.3%). The growth in assets of S/. 507.8 million was financed by an increase in liabilities of S/. 381.7 million and the increase in equity of S/. 126.1 million.

The composition of the Company's liabilities as of March 31, 2011, are shown in Appendix 4.

LIQUIDITY AND DEBT RATIOS

Current ratio as of March 31, 2011 is 1.29, lower than current ratio of 1.86 in the same period of 2010.

This ratio is higher than the objective ratio of 1.50. In 1Q 2011, the company's strategy was to take short-term funding pending the capital increase approved at the General Shareholders' meeting held March 31, 2011. Additionally, the strategy was started to decrease financial expenses due to competitive interest rates obtained from short-term credits with local and foreign banks.

Financial debt ratio as of 03-31-11 is 0.91 compared to 0.72 as of 03-31-10. For the estimation of this ratio, cash and bank balance account have been excluded as well as liabilities with suppliers that do not generate financial expenses.

Total debt ratio as of 03-31-11 is 1.55 compared to 1.24 as of 03-31-10.

COMPANY DESCRIPTION - FERREYROS

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

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

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

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

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

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<u>Subsidiary</u>	<u>Participation</u>
Caterpillar dealers in Peru:	
Unimaq S.A.	99.99%
Orvisa S.A.	99.00%
Caterpillar dialers 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 that complement the offer of capital goods and services:	
Mega Representaciones S.A.	99.99%
Fiansa S.A.	99.99%
Fargoline S.A.	99.86%
Ferrenergy S.A.C.	50.00%
Cresko S.A.	99.99%
Forbis Logistics Corp (*)	100.00%
Inmobiliaria CDR S.A.C.	99.89%

(*) Subsidiaries of Inti Inversiones Interamericanas Corp.

Profit and Loss Statement

(In thousand of nuevos soles)

	Accumulated as of 03-31-2011	%	Accumulated as of 03-31-2010	%	Variation %
Net sales	606,574	100.0	532,825	100.0	13.8
Cost of sales	(467,006)	-77.0	(427,377)	-80.2	9.3
Gross profit	139,568	23.0	105,448	19.8	32.4
Selling and administrative expenses	(88,751)	-14.6	(70,276)	-13.2	26.3
Other income (Expenses), net	279	0.0	2,432	0.5	-88.5
Operating profit	51,096	8.4	37,604	7.1	35.9
Financial income	3,850	0.6	4,216	0.8	-8.7
Gain (Loss) to exchange rate	(1,689)	-0.3	6,729	1.3	-125.1
Financial expenses	(9,865)	-1.6	(10,527)	-2.0	-6.3
Share in the results of associated companies through the equity method	14,130	2.3	11,078	2.1	27.6
Profit before income tax	57,523	9.5	49,100	9.2	17.2
Income tax	(14,906)	-2.5	(14,424)	-2.7	3.3
Net profit	42,616	7.0	34,676	6.5	22.9
Earning per share	0.088		0.072		
EBITDA	87,878	14.5	65,746	12.3	33.7

Balance Sheet Statement

(In thousand of nuevos soles)

	03-31-2011	03-31-2010	Variation %
Cash and banks	50,210	80,424	-37.6
Account receivables - Trade	309,806	325,539	-4.8
Inventories	758,758	359,307	111.2
Account receivables - Affiliated companies	21,800	14,043	55.2
Account receivables - Other	19,429	26,859	-27.7
Prepaid expenses	4,128	3,940	4.8
Total current assets	1,164,131	810,113	43.7
Long-term account receivables - Trade	14,706	27,553	-46.6
Long-term account receivables - Affiliated companies	2,064		
Long-term account receivables - Other	9,531		
Rental fleet	272,952	234,765	16.3
Other fixed assets	429,349	393,066	9.2
	702,301	627,831	11.9
Accrued depreciation	(257,136)	(253,730)	1.3
Property, plant and equipment, net	445,166	374,101	19.0
Investments	287,183	206,428	39.1
Other non current assets	17,111	13,897	23.1
Non current assets	775,761	621,979	24.7
Total assets	1,939,892	1,432,091	35.5
Short-term debt	255,390	145,234	75.8
Other current liabilities	647,199	290,311	122.9
Current liabilities	902,589	435,545	107.2
Long-term debt	276,826	359,689	-23.0
Total liabilities	1,179,415	795,234	48.3
Deferred income	0	2,478	-100.0
Equity	760,477	634,379	19.9
Total liabilities and equity	1,939,892	1,432,091	35.5
Other financial information			
Depreciation and amortization (figures accumulated at the end of the period)	18,802	12,848	
Financial Ratios			
Current ratio	1.29	1.86	
Financial debt ratio	0.91	0.73	
Indebtedness ratio	1.55	1.25	
Book value per share	1.22	1.48	

NET SALES					
(In million of soles)					
	Accumulated as of 03-31-2011	%	Accumulated as of 03-31-2010	%	Variation %
Caterpillar:					
Big mining	72,296	11.9	132,614	24.9	-45.5
Other	195,480	32.2	120,119	22.5	62.7
	<u>267,776</u>	44.1	<u>252,733</u>	47.4	6.0
Agricultural equipment	10,701	1.8	4,310	0.8	148.3
Automotive	38,164	6.3	40,461	7.6	-5.7
Used units	26,253	4.3	22,834	4.3	15.0
	<u>342,894</u>	56.5	<u>320,337</u>	60.1	7.0
Spare parts and services	248,175	40.9	201,817	37.9	23.0
Rental	15,505	2.6	10,672	2.0	45.3
Total	<u><u>606,574</u></u>	100.0	<u><u>532,825</u></u>	100.0	13.8

SALES BY ECONOMIC SECTOR (in percentage)		
	Accumulated as of 03-31-2011	Accumulated as of 03-31-2010
Mining	57.7%	56.0%
Construction	25.2%	26.7%
Government	0.2%	3.2%
Transport	5.3%	3.7%
Agriculture	1.9%	2.0%
Industry, commerce and services	4.6%	2.1%
Fishing and marine	2.1%	1.2%
Hydrocarbons and energy	1.0%	2.0%
Others	2.0%	3.3%
Total	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>

Total Liabilities as of March 31st, 2011

(In thousands of US dollars)

(A)

	Total	Current	Long-term liabilities		Financial
	Liabilities	Liabilities	Current part	Long-term	
Local banks (short-term)	-	-	-	-	-
Foreign banks (short-term)	73,000	73,000	-	-	73,000
Local banks (long-term)	52,650	-	20,087	32,563	52,650
Foreign banks (long-term)	-	-	-	-	-
Local banks (long-term) (Leasing)	4,627	-	1,195	3,432	4,627
Suppliers:					
Accounts payable to Caterpillar	45,083	45,083			
Accounts payable to Caterpillar	1,510	1,510			1,510
Other	26,497	26,497			
Corporate bonds	105,000	-	55,000	50,000	105,000
Caterpillar Financial Services	27,460	-	14,765	12,695	27,460
Other liabilities	84,642	84,642			
Total (US\$)	420,469	230,732	91,047	98,690	264,247
Total (S/.)	1,179,415	647,199	255,390	276,826	741,214

(A) Generate interest payment