

ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.

FINANCIAL STATEMENTS

2013

ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.

ESTADOS FINANCIEROS AUDITADOS AL 31 DE DICIEMBRE DE 2013 AUDITED FINANCIAL STATEMENTS TO THE DECEMBER 31, 2013

INDEPENDENT AUDITOR'S REPORT

To the Shareholders
ESM Mantenimiento Integral, S. A. de C.V.

Report on the Financial Statements

We have audited the accompanying financial statements of ESM MANTENIMIENTO INTEGRAL, S.A. de C.V. which comprise the statements of financial position as of December 31, 2013 and 2012, the income statements, statements of changes in stockholders' equity and statement of cash flow for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Mexican Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.


An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of ESM MANTENIMIENTO INTEGRAL, S. A. de C.V. as of December 31, 2013 and 2012 and its financial performance and its cash flows for the year then ended, in accordance with Mexican Financial Reporting Standards.



Jaime Campos Jr.

Certified Public Accountant

Numer Registration in AGAFF 13152

February 10, 2014

GRUPO KMC CAMPOS Y CAMPOS, S.C.

ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.

BALANCES GENERALES/ Balance Sheets

AL 31 DE DICIEMBRE DE 2013 y 2012/As of December 31, 2013 and 2012

(Cifras en Pesos) (Mexican Pesos)

ACTIVO	Assets	2013	2012
<i>ACTIVO CIRCULANTE</i>	<i>Current Assets</i>		
Efectivo	Cash	2,178,004	954,692
Cuentas por cobrar	Accounts Receivable	3,832,659	4,883,984
Impuestos por Recuperar (Nota 4)	Refundable Taxes (note 4)	183,275	122,748
Pagos Anticipados	Prepayments		
Total del Activo Circulante	Total for Current Assets	\$ 6,193,938	5,961,424
<i>ACTIVO FIJO NETO (Nota 3.3)</i>	<i>Net Fixed Assets (Note 3.3)</i>		
Eqpo. De Transporte	Vehicles	506,144	506,144
Depreciación Acum.	Accumulated Depreciation	-231,982	-105,447
Total Activo Fijo Neto	Total Assets Net Fixed	\$ 274,162	400,697
IETU Diferido (Nota 3.4)	Flat rate corporate tax (Note 3.4)	-	31,284
ACTIVO TOTAL	Total Assets	\$ 6,468,100	6,393,405
PASIVO Y CAPITAL CONTABLE	Liabilities and Members Contribution		
<i>PASIVO A CORTO PLAZO</i>	<i>Current Liabilities</i>		
Cuentas por Pagar y pasivos acumulados	Accounts Payable		
Otros Pasivos	Other Accounts Payable	15,800	1,440
Impuestos Por Pagar	Accrued Taxes	75,363	114,899
PASIVO TOTAL	Total Liabilities	\$ 91,163	116,339
<i>CAPITAL CONTABLE (Nota 5)</i>	<i>Members Contribution (Note 5)</i>		
Capital Social	Members Contribution	5,550,000	5,550,000
Resultado de Ejercicios Anteriores	Accumulated Results	727,066	478,424
Resultado del Ejercicio	Current Net Loss	99,871	248,642
CAPITAL CONTABLE TOTAL	Total for Members Contribution	\$ 6,376,937	6,277,066
PASIVO Y CAPITAL CONTABLE TOTAL	Total for Liabilities and Members Contribution	\$ 6,468,100	6,393,405

Las notas adjuntas son parte integrante de los Estados Financieros

The attached notes are part of these financial statements

ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.

ESTADOS DE RESULTADOS/Profit and Loss Statements

POR LOS AÑOS QUE TERMINARON EL 31 DE DICIEMBRE DE 2013 Y 2012/ for the years ended December 31, 2013 and 2012

(Cifras en Pesos)/ (Mexican Pesos)

		2013	2012
INGRESOS:	Revenue:		
Ingresos por servicios	Revenues for rendered services	4,795,963	5,850,713
		\$ 4,795,963	5,850,713
GASTOS GENERALES:	Generals Expenses:		
Gastos Generales	Generals expenses	4,642,857	5,570,181
<i>Total Gastos generales</i>	<i>Total Generals Expenses</i>	\$ 4,642,857	5,570,181
UTILIDAD (PERDIDA) DE OPERACIÓN	Profit (Loss) on operation	\$ 153,106	280,532
OTROS INGRESOS (GASTOS)	Other Income (expenses)		
Otros ingresos	Other Income	-	-
Otros gastos	Other expenses	31,284	
<i>Otros ingresos y Gastos Netos</i>	<i>Net Other Income and Expenses</i>	\$ (31,284)	
RESULTADO INTEGRAL DE FINANCIAMIENTO:	Financial Cost		
Intereses Ganados	Interest cattles	35,679	6,403
Ganancia (Perdida) Cambiaria	Exchange Gain or (loss)	18,978	8,883
Ganancia (Perdida) Cambiaria	Exchange Gain or (loss)	(8,029)	(45,799)
RESULTADO ANTES DE IMPUESTOS	NET PROFIT BEFORE TAXES	\$ 168,450	250,019
Impuesto Sobre la Renta	Income Tax		2,952
Impuesto Sobre la Renta Diferido	Deferrend Income Tax	15,800	
Impuesto Empresarial a Tasa Única (Nota 7)	Flat rate corporate Tax	52,779	
Impuesto Empresarial a Tasa Única Diferido	Flat rate corporate Tax		(1,575)
UTILIDAD (PERDIDA) NETA	Net profit (loss)	\$ 99,871	248,642

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ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.

ESTADOS DE VARIACIONES EN EL CAPITAL CONTABLE/Variations in Members Contribution Statements
 POR LOS AÑOS QUE TERMINARON EL 31 DE DICIEMBRE DE 2013 Y 2012/ For the years ended December 31, 2013 and 2012
 (Cifras en Pesos)/(Mexican Pesos)

	CAPITAL SOCIAL	RESULTADO DEL EJERCICIO	RESULTADO DE EJERCICIOS ANTERIORES	CAPITAL CONTABLE
	Members Contribution (Note 5)	Current Net Loss	Accumulated Results	Total for Members Contribution
SALDOS AL 31 DE DICIEMBRE DE 2011/ Balance as of December 31, 2011	\$ 5,550,000	214,819	263,605	6,028,424
Aplicación del Resultado del Ejercicio Anterior / Appliance last year result		(214,819)	214,819	-
Resultado del Ejercicio 2012/ Current Net Loss 2012		248,642		248,642
SALDOS AL 31 DE DICIEMBRE DE 2012/ Balance as of December 31, 2012	\$ 5,550,000	248,642	478,424	6,277,066
Aplicación del Resultado del Ejercicio Anterior / Appliance last year result		(248,642)	248,642	-
Resultado del Ejercicio 2013/ Current Net Loss 2013		99,871		99,871
SALDOS AL 31 DE DICIEMBRE DE 2013/ Balance as of December 31, 2013	\$ 5,550,000	99,871	727,066	6,376,937

Las notas adjuntas son parte integrante de los Estados Financieros
 The attached notes are part of these financial statements

ESM MANTENIMIENTO INTEGRAL, S.A. DE C.V.

ESTADOS DE FLUJOS DE DE EFECTIVO EN LA SITUACION FINANCIERA/ Statements of Cash Flowa (Note 3.2)

POR LOS AÑOS QUE TERMINARON EL 31 DE DICIEMBRE DE 2013 Y 2012/ For the years ended December 31, 2013 and 2012

(Cifras en Pesos)/ (Mexican Pesos)

		2013	2012
Utilidad (Pérdida) Neta	Net profit (loss)	99,871	248,642
Partidas relacionadas con actividades de inversión	Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciación	Depreciation	126,536	105,447
		\$ 226,407	354,089
Aumento de Cuentas por Cobrar	Increase in accounts receivable	1,051,324	(10,440)
Aumento Impuestos y Pagos Anticipados	Increase in Taxes	(60,527)	33,559
Aumento de Proveedores	Increase in accounts payable	(25,176)	(9,556)
Aumento de Activo no Circulante	Increase in non current assets	31,284	(1,575)
Flujos netos de efectivo de actividades de operación	Net cash (used in) generated by operating activities	\$ 1,223,312	366,077
Actividades de inversión	Cash flows from investing activities		
Adquisiciones de Activo Fijo	Fixed Assets acquisition	0	(506,144)
Flujos netos de efectivo de actividades de inversión	Net cash generated by investing activities	\$ 0	(506,144)
Aumento de efectivo	Increase in cash flow	\$ 1,223,312	(140,067)
Efectivo al principio del periodo	Cash flow at the begginig of the period	954,692	1,094,759
Efectivo al final del periodo	Cash flow at the end of the period	\$ 2,178,004	954,692

Las notas adjuntas son parte integrante de los Estados Financieros

The attached notes are part of these financial statements

ESM Mantenimiento Integral, S.A. de C.V.

Notes to The Financial Statements for the years
Ending on December 31st, 2013 and 2012.

1. CONSTITUTION AND PURPOSE OF THE CORPORATION.

ESM Mantenimiento Integral, S.A. de C.V. was constituted on 17th february 2006, and its corporate purpose, among others, is purchase, sale, import, export, manufacture, maintenance, contract manufacturing ,and general commerce of all kinds of legally commercial items.

The company has no employees and all administrative technical services are provided by Elsamex International, S. L. company affiliated with.

2. BASIS FOR PRODUCTION.

Financial Information Standards (NIF) Mexican.

The financial statements to the December 31, 2013, fully comply with the Financial Information Norm (NIF), to display a fair presentation of the financial situation of the company.

Currency of record, functional and report.

In accordance with the provisions of the Financial Information Norm B-15 to the December 31, 2013, the company has identified the Mexican peso as currency of record, functional and report, so that was not necessary to make any conversion process.

3. MAIN ACCOUNTING POLICIES.

The Financial Statements and their notes have been authorized for publication on January 27, 2014 by Mrs. Veronica Valdez Lopez, C.E.O. with legal power to authorize financial statements and notes thereof.

3.1 Historical Value.

Financial Statements are produced based on historical costs, therefore, the effects of inflation are not incorporated in to the financial information, according to the guidelines established in NIF B-10 "Effects of inflation" of the financial information norms, issued by "Consejo Mexicano para la Investigacion y Desarrollo de Normas de Informacion Financiera, A.C." (Mexican Council for research and development of financial information regulations), which have no taxation effects whatsoever.

3.2. As of January 1st 2008, The Company adopted the NIF B-2 Financial Information Norm "Cash Flow Condition" – which replaces bulletin B-12 "Financial Position Statement", it requires, among other things , to show the main concepts for receivables and payables in gross terms, in very specific cases net operations are allowed, likewise, the makeup of the cash balance must be shown.



3.3. Fixed Assets and Depreciation.

The Furniture and equipment are valued at their acquisition cost, depreciation is calculated by the method of straight line at the following annual rates:

Vehicles 25 %

3.4 Deferred Taxes.

Society at December 31, 2013, has determined on its financial statements, the Tax Deferred Income from differences between the tax bases of assets and liabilities that are expected to reinvest in future accounting and, according to NIF D -4, "Income Taxes " of the Mexican Financial Reporting Standards issued by the Mexican Board for Research and Development of Financial Reporting Standards, A.C.

As a result of the adoption of the standards contained in the NIF D -4, "Income Taxes", the Company recorded a deferred income tax in the amount of \$ 15,800.00, which was generated by the effect of the tax loss generated in the same year, a concept that in the future hopes to obtain a tax benefit in the income tax. As result, the accumulated balance to be had registered an asset account is canceled deferred flat tax because this tax has been repealed under the tax provisions for the year 2014.

4. REFUNDABLE TAXES.

The line of refundable taxes is made up as follows.

	<u>2013</u>
VAT	913
Recoverable income tax 2010	702
Recoverable income tax 2011	379
Recoverable income tax 2013	17,606
Flat rate corporate tax 2012	631
Flat rate corporate Tax 2013	163,044
TOTAL	<u>183,275</u>

5. MEMBERS CONTRIBUTION

Corporate Capital is variable, with a fixed minimum with no allowance for fifty thousand pesos, Mexican currency, fully subscribed and paid-in.

As of November of 30th 2006 a general extraordinary stockholder meeting was held, where it was agreed to raise the corporate capital , in its variable part, for, five million five hundred thousand pesos, Mexican pesos, which will be endorsed by eleven thousand registered shares with a par value of five hundred pesos, Mexican peso, each.



As of January 10th 2008, an ordinary stockholder meeting was held where the sale of one share was authorized to Elsamex, S.A.

Day 16 of May of the 2011, an action transaction was realised where, Elsamex International, S.L. sell to him to Grusamar Ingenieria and Consulting, S.L., 70 actions in the part determinies and 7,700 actions to the variable part giving a total of 7,770 actions.

As of December 2012, Corporate Capital is \$ 5,550,000 (Five Million five hundred fifty thousand Mexican pesos) and is made up as follows:

Stockholders	No. of Fixed	Shares Variable	Capital Fixed	Variable	Total Capital
Grusamar Ingenieria y Consulting, S.L.	70	7,700	35,000	3,850,000	3,885,000
Elsamex Internacional, S. L.	29	3,300	14,500	1,650,000	1,664,500
Elsamex, S.A.	1		500		500
Totales	100	11,000	50,000	5,500,000	5,550,000

6. ACCRUED EARNINGS.

6.1 According to the income tax law, (Ley del Impuesto Sobre la Renta) Corporations may decree dividends from the "Net Fiscal Earnings Account". The amount distributed as dividends must not exceed distributable financial earnings, as established in the general law of mercantile corporations (Ley General de Sociedades Mercantiles).

Dividends paid to stockholders from an account other than the one mentioned in the paragraph above, must pay 30% income tax, over the resulting amount of multiplying the dividend paid, times 1.4286, if paid during 2014.

7. FLAT RATE CORPORATE TAX (IETU):

The corporation is subjected, as of January 1st 2008, to the flat rate corporate tax (IETU), its purpose is to become a minimum tax for all those individuals or corporations that conduct the activities regulated by the IETU law. As general explanation, this tax is calculated subtracting effectively paid deductions from effectively received revenue, as well as subtracting taxes caused by various tax liabilities that this law deems could be applicable to the corporation. The law establishes the obligation to present monthly returns, which are then subtracted from the fy tax, as of January 2008. Note that this tax has been repealed under the tax provisions for the year 2014.

The company as each year will be at the close of the present year, the study of transfer prices for the operations carried out, with its related parties, issued by a specialist in the field, which prevents a contingency in fiscal matters.

8. RELATED COMPANIES.

Payable balances and transactions during de year, with related companies:

At December 31, 2013, the company does not have balances payable with related companies.

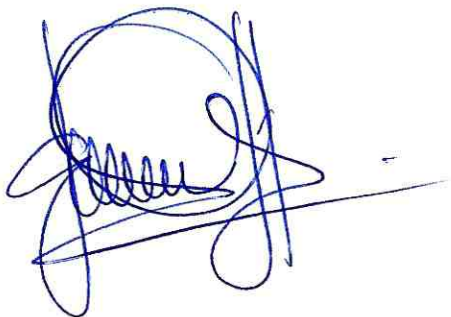
During the period under review, there were transactions with related parties as follows:

	2013	2012
Ingresos-Income	2,760,000	2,476,800
Total of Income with Affiliates	<u>2,760,000</u>	<u>2,476,800</u>
Egresos-Debits	4,370,085	5,253,524
Total of Debits with Affiliates	<u>4,370,085</u>	<u>5,253,524</u>

9. The Financial Statement Comparability.

The Financial Statements completed as of December 31st. 2013, must be presented in tandem with the ones completed as of December 2012, in order to comply with the comparability norm.

These notes constitute an integral part of the financial statements.

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