

Corporate Presentation

August 2015 (Second quarter 2015 results)



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Business highlights

Ferreycorp



Mission, Vision and Corporate Values



+ MISSION

To provide the solutions that each customer needs, by supplying the capital goods and services that they require to create value in the markets where they operate

+ VISION

Strengthen our leadership by being recognized by our customers as the best choice, in a way we can achieve our growth targets

+ CORPORATE VALUES

- Integrity
- Equality
- Service oriented
- Excellence and innovation
- Respect for individuals
- Teamwork
- Commitment

+ OUR STRATEGY



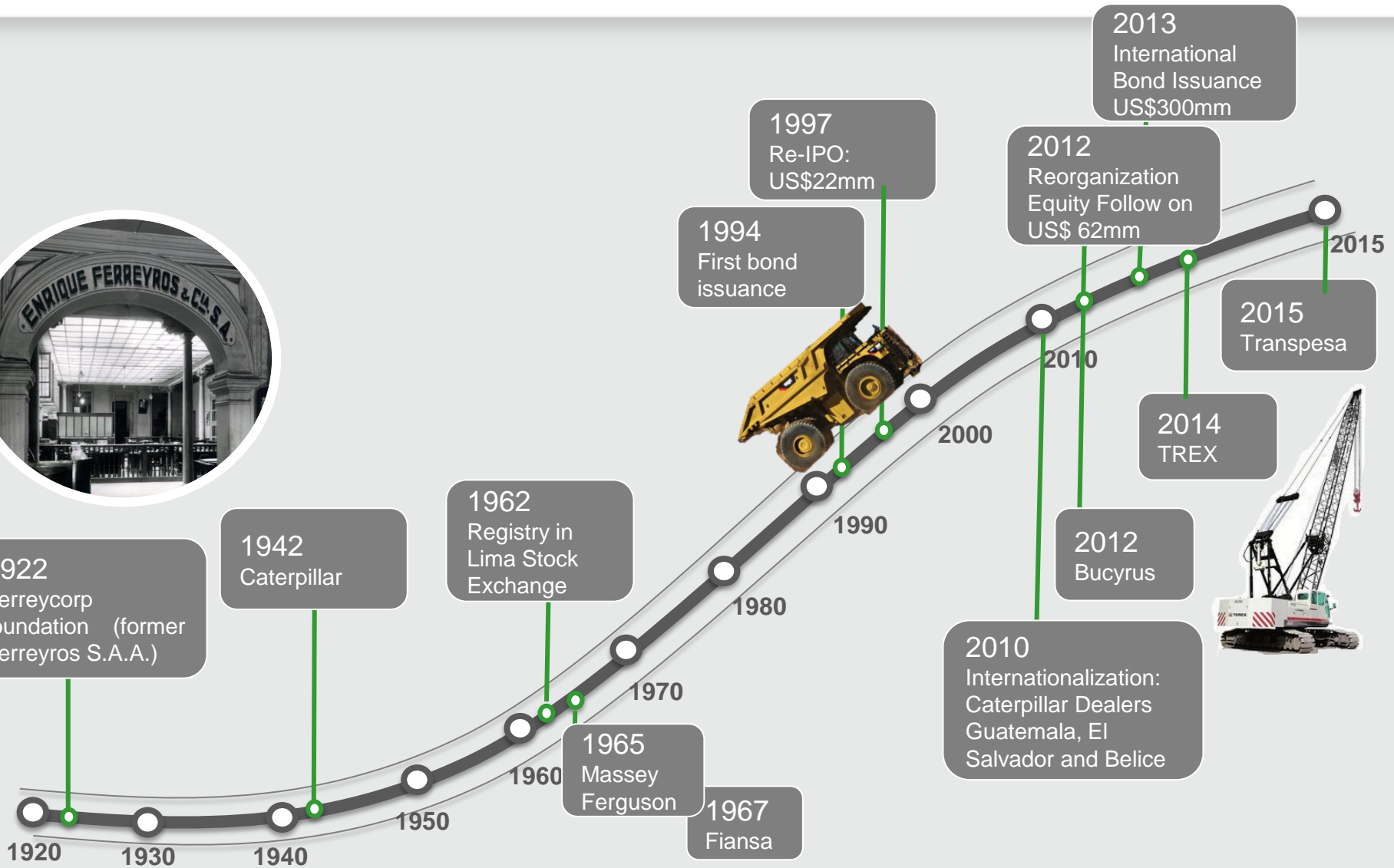
Ferreycorp at a glance



- ▶ Distribution of capital goods and provide related services. Focus in the after-market
- ▶ Unique Caterpillar distributor in Peru, Guatemala, El Salvador and Belize. Presence in Nicaragua, Chile, Colombia and Ecuador representing allied brands.
- ▶ More than 70 years of strategic alliance with Caterpillar
- ▶ 60% market share of CAT products
- ▶ Coverage of key economic sectors including mining (large open pit mining, underground mining), construction, agriculture, power, fishing, among others.
- ▶ Over 6,000 employees (~50% technicians/ mechanics)

| 1S 2014 Financial Statistics | | 1S 2015 Financial Statistics | | Capital Market Statistics | |
|------------------------------|------------|------------------------------|---------|-------------------------------|-------------|
| Revenue | US\$ 892mm | US\$ 858mm | (-3.9%) | FERREYC1 | |
| Revenue | S/.2,500mm | S/. 2,662mm | (6.5%) | Market cap | ~ US\$450mm |
| EBITDA | US\$ 98mm | US\$ 99mm | | Shareholders | +2,500 |
| Ebitda Margin | 10.9% | 11.6% | | Dividend Yield _{LTM} | 4.4% |
| Net debt/ EBITDA | 3.05x | 3.52x | | EV/ EBITDA _{LTM} | 6.1x |

Corporate History



Corporate Structure



Caterpillar dealers in Perú



1S 2015
 Revenue: US\$ 676 MM (79%)
 Ebitda: US\$ 82MM (82%)

Caterpillar dealers and businesses abroad

Caterpillar
 Dealers in
 Central
 America



Guatemala



El Salvador



Belize

Transportes Pesados S.A. de C.V.



1S 2015
 Revenue: US\$ 89 MM (10%)
 Ebitda: US\$ 10MM (10%)

Other Subsidiaries

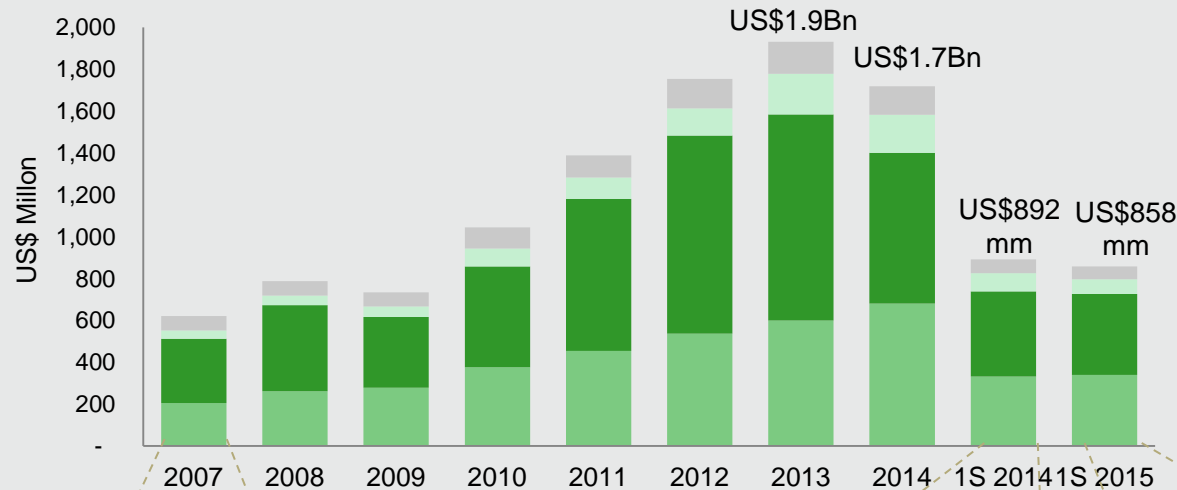


1S 2015
 Revenue: US\$ 93 MM (11%)
 Ebitda: US\$ 7MM (8%)

Sustainable Business Model

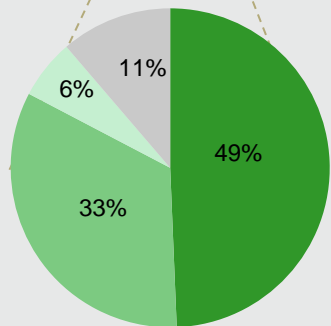


Sales by line of business

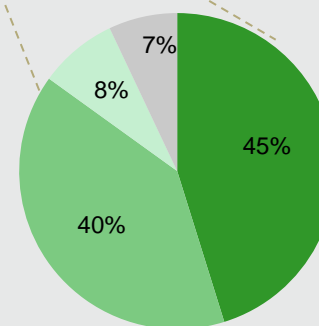
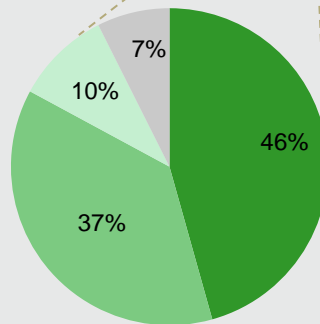


In functional currency sales grew by 6.5% 1S14 (S/. 2.5 Bn) vs 1S15 (S/. 2.6 Bn)

Product Support sales 10 Year CAGR – 14% (2004-2014)



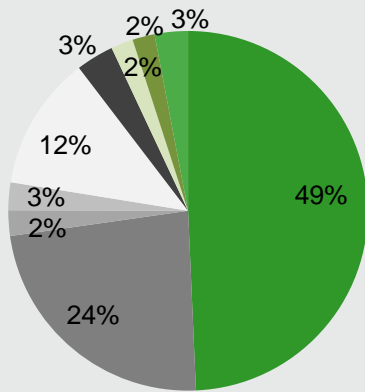
- Machinery
- Parts and Services
- Rental and used equipment
- Others



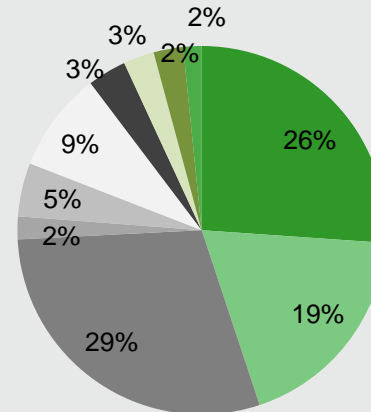
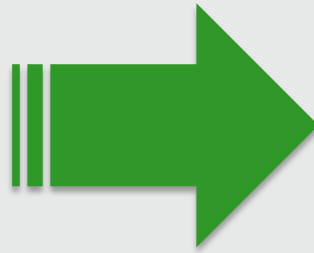
Diverse Customer Base

49% of deliveries from non-mining customers

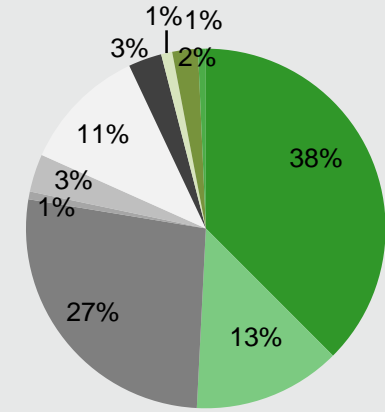
Sales by economic sectors



2010



1S 2014



1S 2015

- Open pit mining
- Government
- Agriculture and forest
- Others

- Underground mining
- Transport
- Fishing and marine

- Construction
- Industry, commerce and services
- Hydrocarbons and energy

Capabilities

Ferreycorp

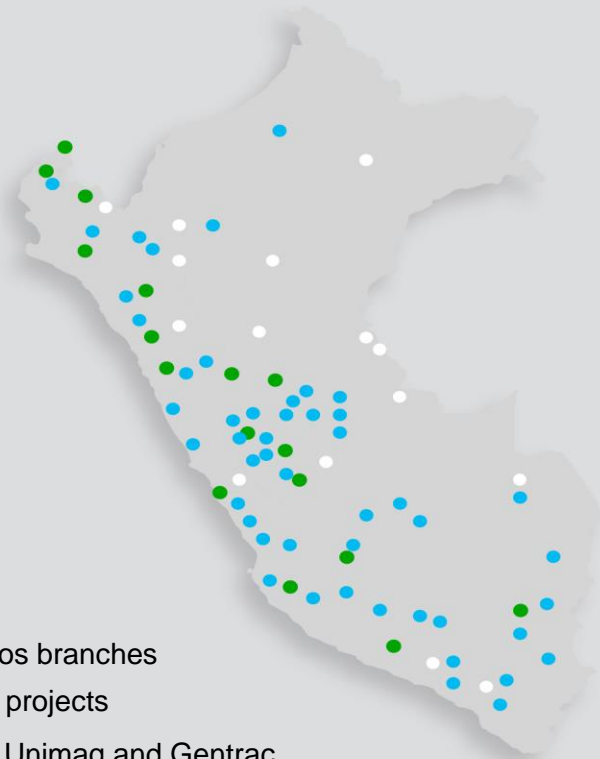


Nationwide Coverage in Peru Internationalization



Ferreyros establishment > Branches > Projects "in situ" > Branches expansion > International expansion

Local



- Ferreyros branches
- On-site projects
- Orvisa, Unimaq and Gentrac Guatemala branches

International



Lean and Efficient Logistics



Ferreycorp integrates and administrates all the key elements in the logistic chain as a value proposition

- ▶ Vertical integration through complementary businesses :
- ▶ 1)Freight Forwarder (FORBIS) y 2)Warehouses and terminals (Fargoline)
- ▶ Efficient handling: 100,000 SKU (Sales Key Unit)
- ▶ Day 1: 83% of requests, Day 5: 95%
- ▶ 365 days, 24x7 operation, including expedited process for urgent requests
- ▶ Leading importer in Perú – green channel



CAT > Freight forwarder > Transport Air/Sea > Customs expedite > CDC + Inland > Mine site operations

Complementary services >

Forbis Logistics

Fargoline

Ferreycorp is constantly improving efficiency and technology to ensure best practices
Guarantee 24–48 hours delivery from U.S. to Lima and between 48 – 72 hours to mine site

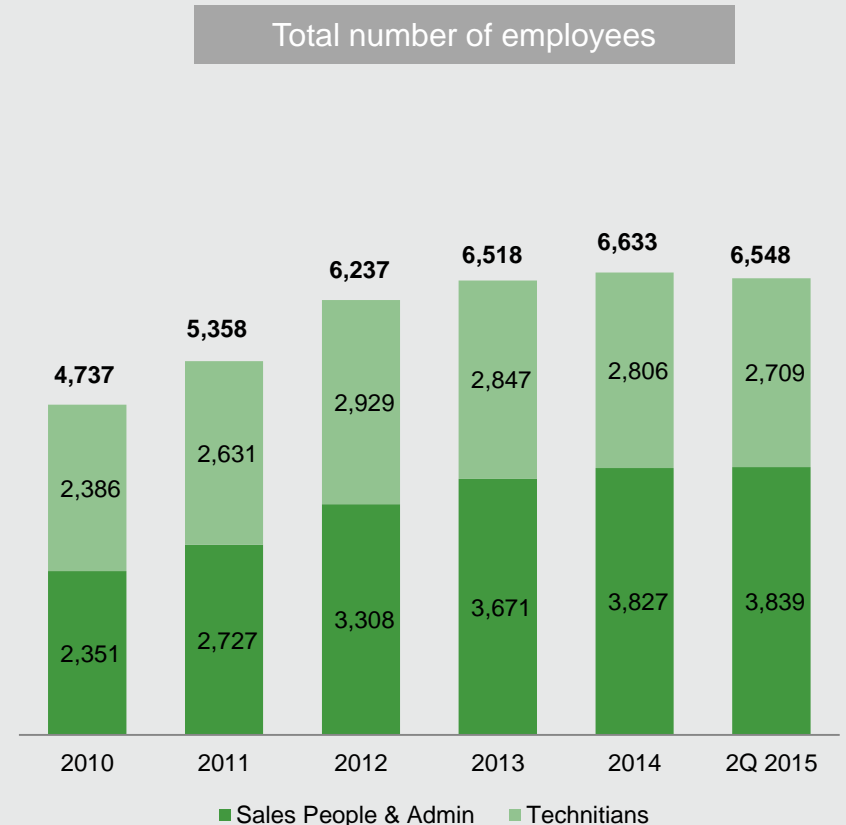
Qualified and Talented Workforce



| Ferreycorp employees | June 2015 |
|---------------------------|--------------|
| ▶ Technicians | 2,709 |
| ▶ Administratives & sales | 3,669 |
| ▶ Executives | 170 |
| Total employees | 6,548 |

Programs to retain and develop best talents:

- ▶ Leadership programs developed by Harvard Business Review and Universidad de Piura, PAD
- ▶ Master degree programs for management. Costs are 100% covered by Ferreycorp as a way to retain best talent
- ▶ Programs to develop technical crew
- ▶ Training programs according to Caterpillar's approach



Strong Corporate Governance



- Ferreycorp (FERREYC1) is listed in the Lima Stock Exchange since 1962.
- Ferreycorp is included in the Corporate Governance Index of the Lima Stock Exchange since its inception in 2008.

Board of Directors:

- The Board of Directors is composed by 10 members.
- The Board of Directors of Ferreycorp is complemented by four committees:
 - ✓ General Management and Strategy Committee
 - ✓ Nominations, Remuneration and Corporate Governance Committee
 - ✓ Audit and Risk Committee
 - ✓ Innovation and Systems Committee

Recognitions:

- Ferreycorp won the Key of the Lima Stock Exchange for 4 times: 2008, 2011, 2012 and 2013.
- Ferreycorp is a member of the Companies Circle of the Latin America Governance Roundtable launched by OECD and IFC
- **International recognitions:** World Finance Award 2011 and 2012; Latin America Investor Relations Awards 2011 (LirA'11)

Board

| Dependent Directors | Independent Directors |
|-----------------------|------------------------|
| Oscar Espinosa | Eduardo Montero |
| Carlos Ferreyros | Aldo Defilippi |
| Juan Manuel Peña | Carmen Rosa Graham |
| Andreas von Wedemeyer | Ricardo Briceño |
| Manuel Bustamante | Raúl Ortiz de Zevallos |

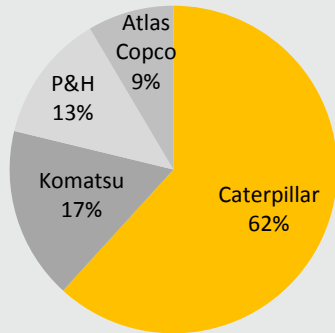


Caterpillar Market Share



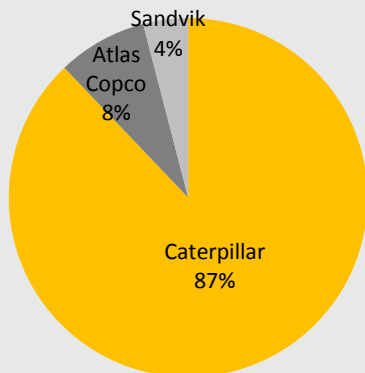
Perú

Open pit mining

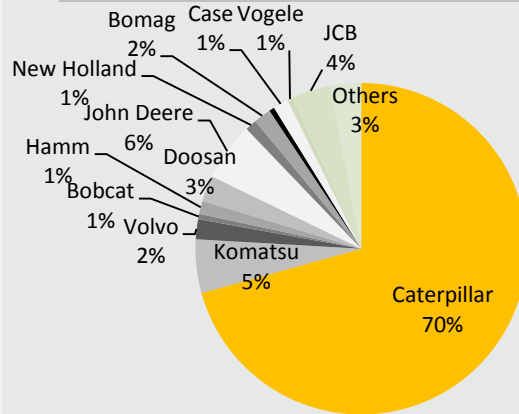


Include shovels and drills:

Underground mining

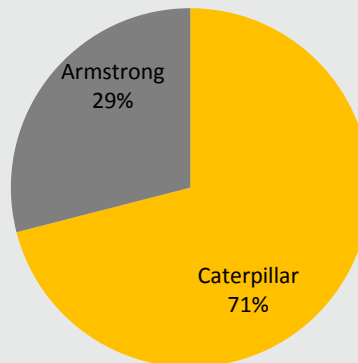


Heavy and General construction



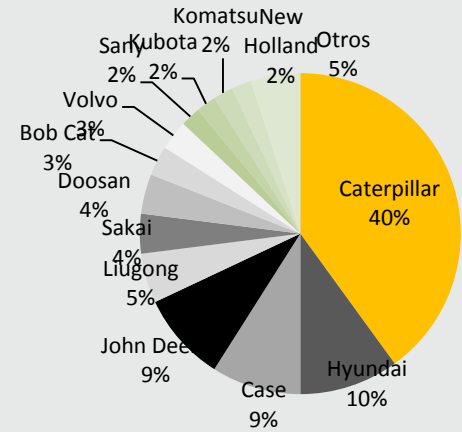
Energy

Investor/Petroleum (1801KW to 2600KW)

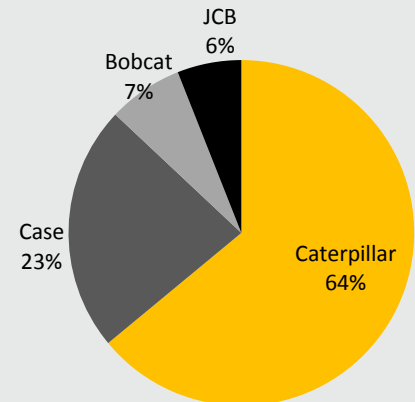


Central America

Guatemala



El Salvador



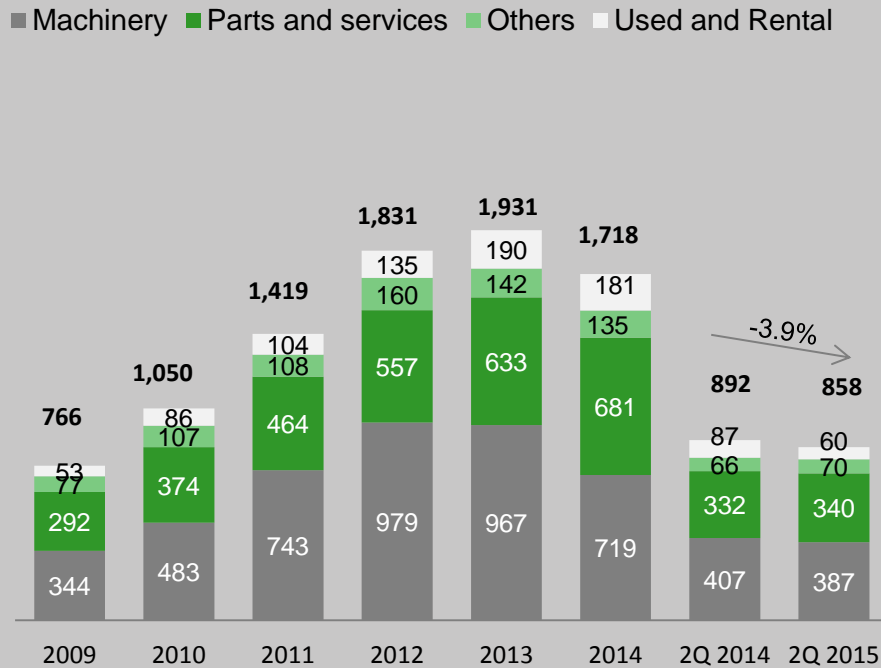
Financial Performance



Track Record of Consistent Financial Performance

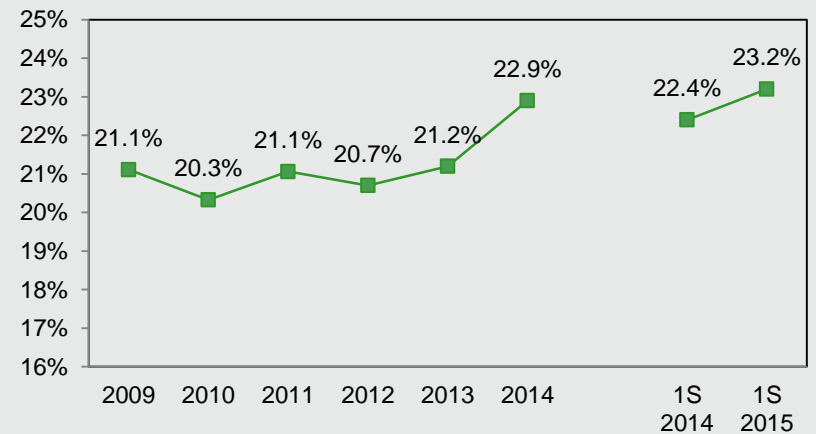


Sales (US\$mm)



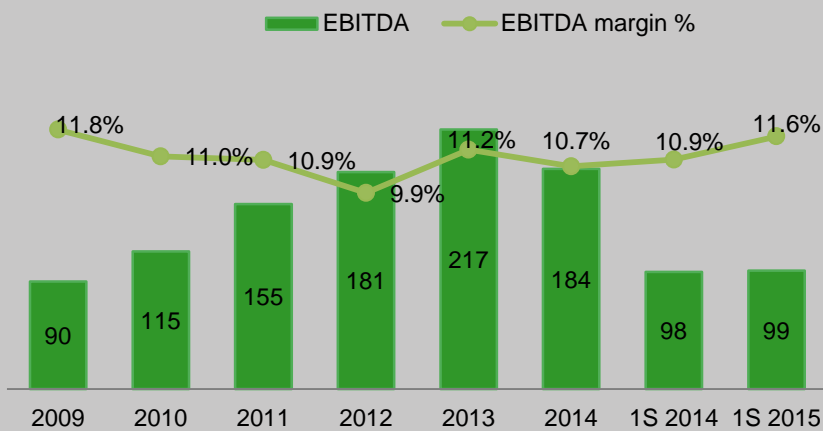
Improvement in margins due to mix of sales

Gross Margin

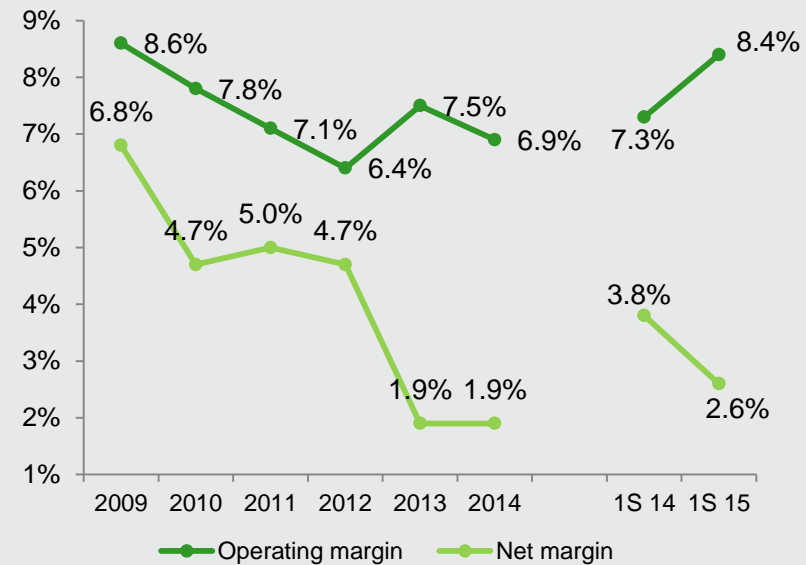


EBITDA and Profitability

EBITDA (US\$mm) and EBITDA margin (%)



Operating and Net margin

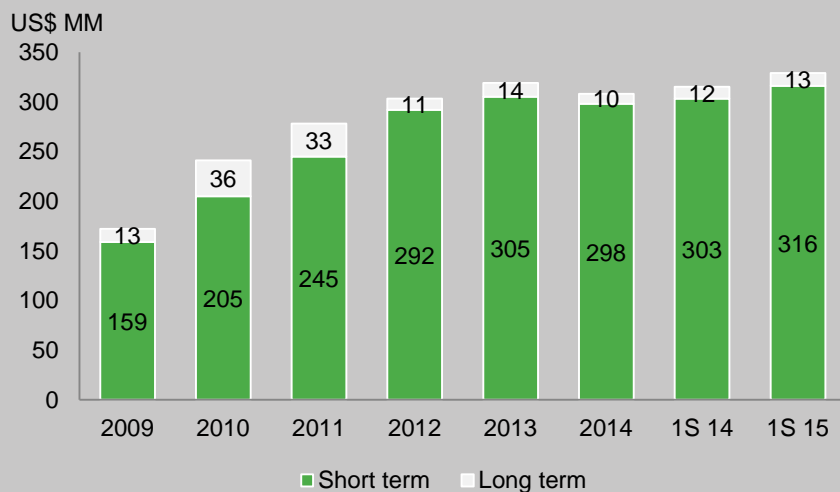


| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 1S14 | 1S15 |
|---|-------|-------|-------|-------|-------|------|-------|-------|
| Avg. Exchange rate | 3.007 | 2.827 | 2.753 | 2.635 | 2.722 | 2.84 | 2.801 | 3.103 |
| Gain (loss) to exchange rate (million US\$) | 23 | 7 | 17 | 29 | -54 | -35 | -0.5 | -25 |

Investment in Assets - Accounts Receivables



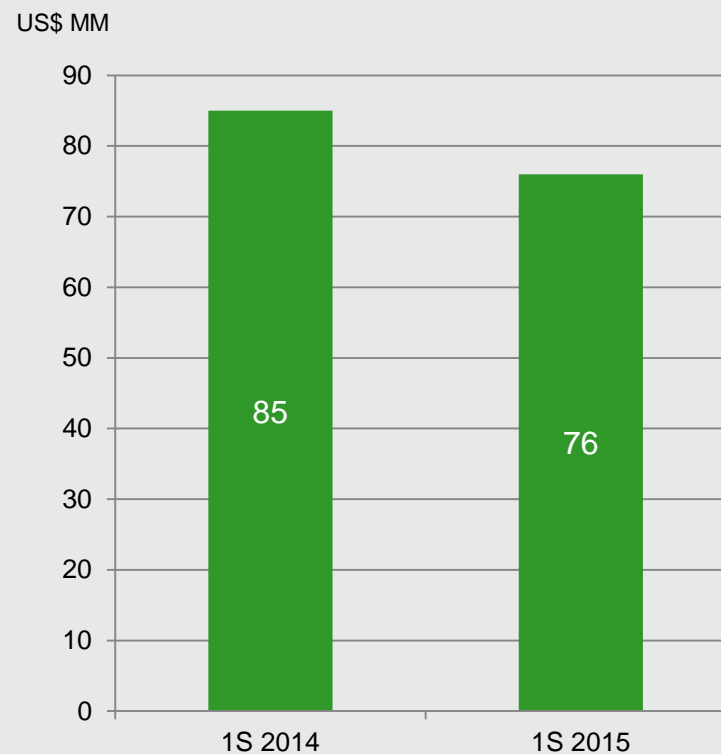
Accounts Receivable evolution by term



- 2Q 15 receivables impacted by mining equipment for US\$ 46 million that will be collected on July

Common practice, 30days for collection

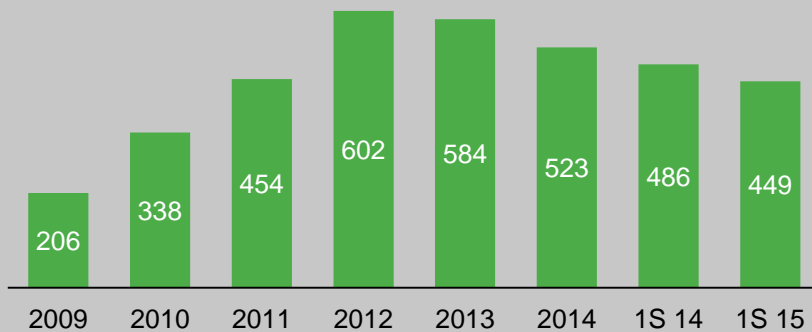
Factoring



Investment in Current and Fixed Assets

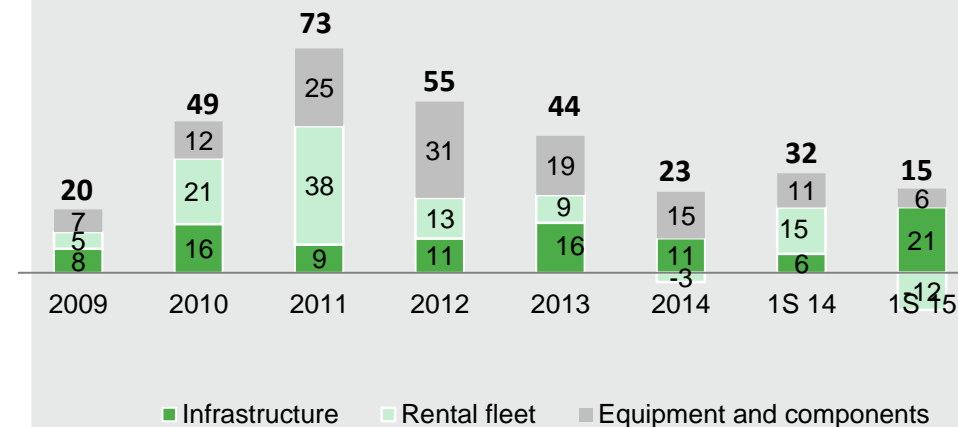


Inventory evolution (US\$mm)



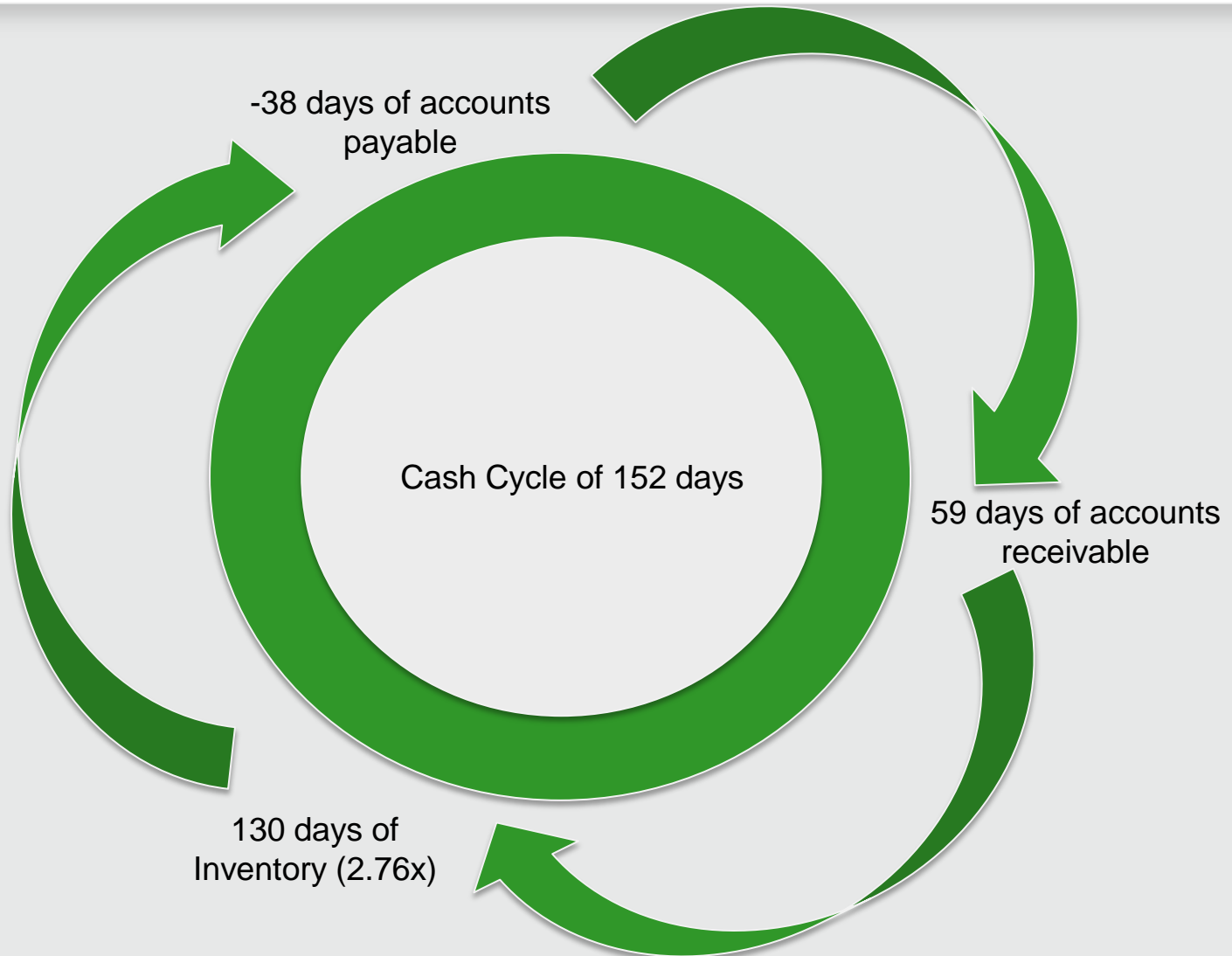
* 2014: includes \$61mm mining equipment

CAPEX evolution (US\$mm)



■ Infrastructure ■ Rental fleet ■ Equipment and components

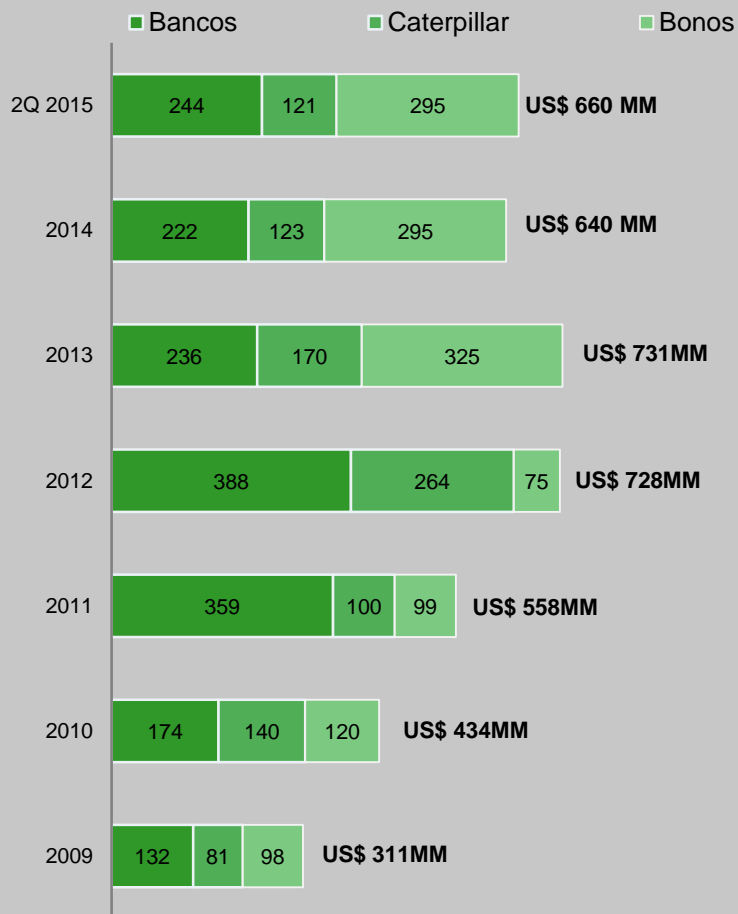
Cash Cycle



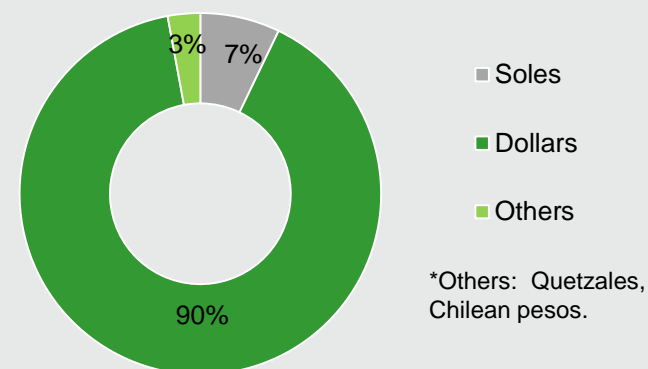
Access to Diversified Sources of Financing



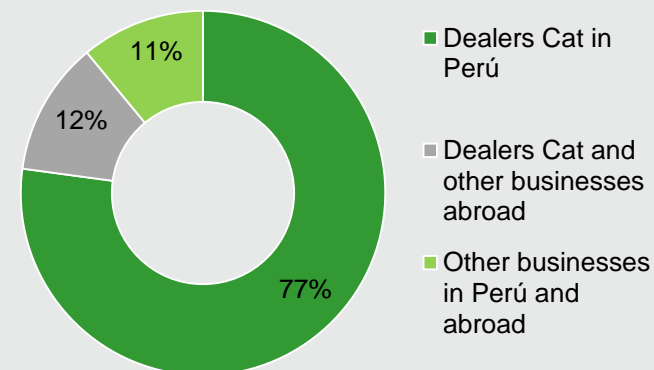
Diversified funding base (US\$mm)



Debt by currency



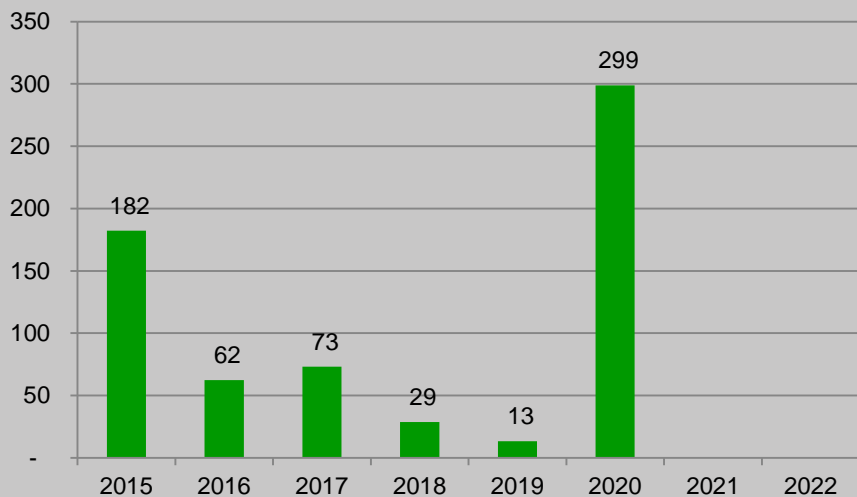
Debt by group of companies



Access to Diversified Sources of Financing



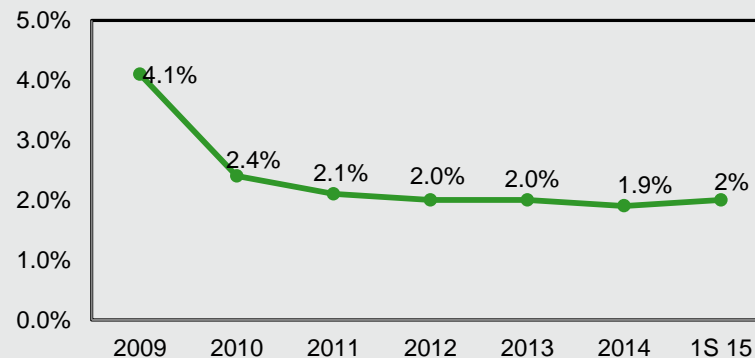
Maturity of financial debt (US\$mm)



Avg interest rate



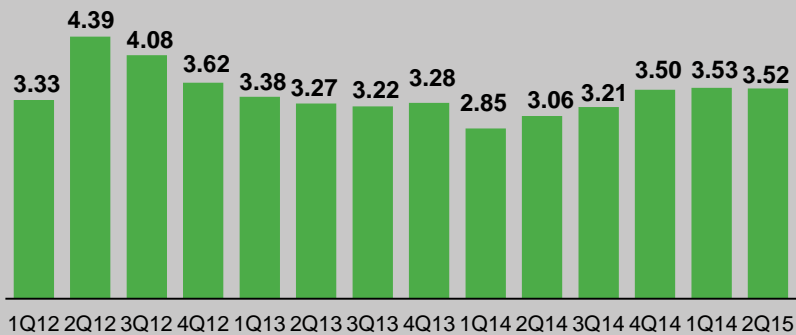
Financial expenses (as% of total sales)



Leverage Ratio / Covenant



Net debt to EBITDA ratio



Adjusted debt to EBITDA ratio

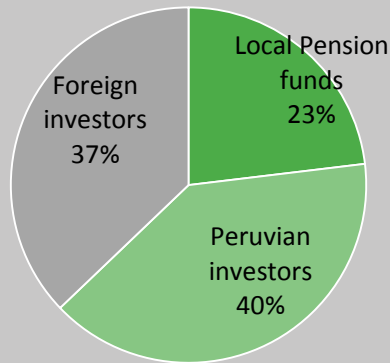


* Adjusted debt: total debt excluding short term debt related to inventories

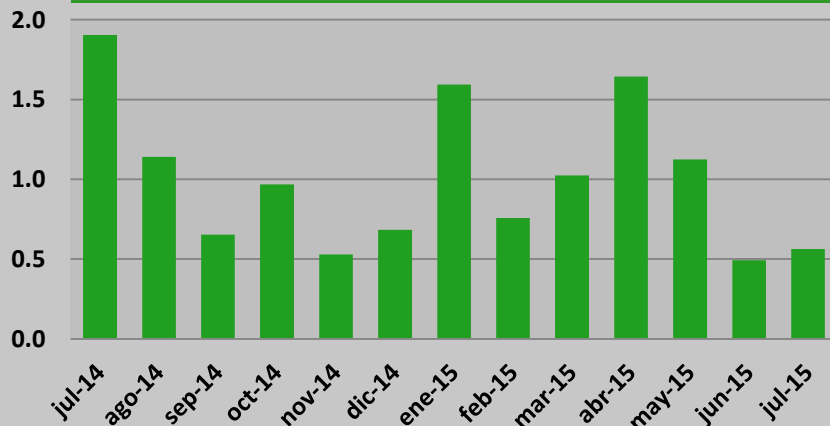
Ferreycorp in the Capital Market



Shareholders composition as of July 2015



Average Monthly Amount Traded (S/. mm)

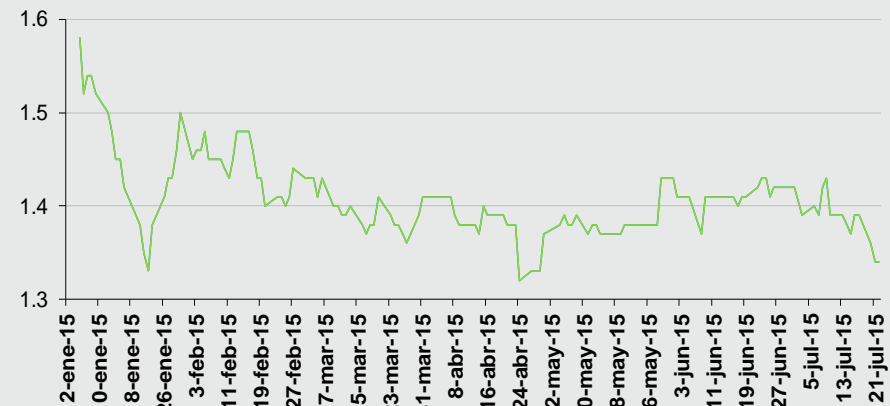


| | |
|----------------|-------------------|
| Capital | S/. 1'014,326,324 |
| Nº of stocks | 1'014,326,324 |
| Dividend Yield | 4.4% |
| EV/EBITDA 12m | 6.0x |

Main shareholders as of July 2015

| Titular | % |
|--|-------|
| La Positiva Vida Seguros y Reaseguros S.A< | 8.60% |
| Equinox Partners | 7.31% |
| RI- Fondo 2 (AFP Prima) | 7.04% |
| Onyx Latin America Equity Fund LP | 6.87% |

Stock performance (S/.)



Dividend Policy – Annual Compliance



- ❑ In 1997, the company's shareholders approved the dividend policy.
- ❑ A modification was approved to assign minimum and maximum ranges. Cash dividends will amount to 5% of the capital or a ceiling equal to 60% of freely available profits. The remainder will be capitalized and distributed as stock dividends.
- ❑ The amount to be distributed every year is approved in the Annual Shareholders Meeting.
- ❑ In the 2013 Shareholders Meeting a modification was approved to assign a new maximum range: from 50% to 60% of freely available profits.

| Year | Number of shares | Issued capital in nuevos soles | Net profit (net of reserves) | Lower limit 5% of capital | Upper limit 50% of Net profit (net of reserves) | Cash dividends | Cash dividend per share (%) | Dividend per share (\$/.) |
|------|------------------|--------------------------------|------------------------------|---------------------------|---|----------------|-----------------------------|---------------------------|
| 2003 | 205,000,000 | 225,500,000.00 | 18,268,787 | 11,275,000.00 | 9,134,393.50 | 11,275,000 | 5.00% | 0.055 |
| 2004 | 218,000,000 | 239,800,000.00 | 24,793,743 | 11,990,000.00 | 12,396,871.50 | 11,990,000 | 5.00% | 0.055 |
| 2005 | 241,980,000 | 266,178,000.00 | 27,127,826 | 13,308,900.00 | 13,563,913.00 | 13,308,900 | 5.00% | 0.055 |
| 2006 | 258,360,000 | 284,196,000.00 | 79,972,754 | 14,209,800.00 | 39,986,377.20 | 28,419,600 | 10.00% | 0.11 |
| 2007 | 305,128,115 | 335,640,926.50 | 114,345,493 | 16,782,046.30 | 57,172,746.50 | 40,289,899 | 12.00% | 0.13204 |
| 2008 | 377,680,455 | 415,448,500.50 | 72,400,381 | 20,772,425.00 | 36,200,190.50 | 20,772,425 | 5.00% | 0.055 |
| 2009 | 424,816,167 | 467,297,783.70 | 90,452,887 | 23,364,889.20 | 45,226,443.00 | 28,037,867 | 6.00% | 0.066 |
| 2010 | 482,691,963 | 530,961,159.30 | 124,528,171 | 26,548,058.00 | 62,264,085.50 | 31,857,670 | 6.00% | 0.066 |
| 2011 | 698,402,606 | 698,402,606.00 | 146,736,476 | 34,920,130.30 | 73,368,238.00 | 41,904,156 | 6.00% | 0.06 |
| 2012 | 803,234,873 | 803,234,873.00 | 158,285,552 | 40,161,743.70 | 79,142,776.00 | 48,194,092 | 6.00% | 0.06 |
| | | | | Lower limit 5% of capital | Upper limit 60% of Net profit (net of reserves) | | | |
| 2013 | 945,227,102 | 945,227,102.00 | 92,996,131 | 47,261,355.10 | 55,797,678.50 | 55,797,678 | 5.9031% | 0.059031 |
| 2014 | 1,014,326,324 | 1,014,326,324.00 | 117,973,036 | 50,716,316 | 70,783,821.7 | 60,859,579 | 6.00% | 0.06 |

Contacts

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