



Alfa, S.A.B. de C.V. and subsidiaries

Unaudited Consolidated Financial Statements

September 30, 2016

Alfa, S.A.B. de C.V. and subsidiaries

Unaudited Consolidated Statements of Financial Position

As of September 30, 2016 and 2015

(In millions of Mexican pesos)

	<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2014</u>
Assets			Liabilities and Stockholders' equity		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and Cash equivalents	\$ 22,655	23,791	Current portion of long-term debt	\$ 1,090	5,099
Customers	33,782	26,886	Current debt	6,187	5,842
Provision for impairment of customers	(3,712)	(1,063)	Suppliers	47,906	39,082
Other receivables	16,502	11,244	Derivative financial instruments	341	581
Derivative financial instruments	86	109	Other current liabilities	<u>22,463</u>	<u>18,009</u>
Inventories	39,466	34,672	Total current liabilities	<u>77,988</u>	<u>68,613</u>
Other assets	<u>2,888</u>	<u>4,104</u>			
Total current assets	<u>111,667</u>	<u>99,743</u>	NON-CURRENT LIABILITIES:		
			Non-current debt	131,038	95,576
DERIVATIVE FINANCIAL INSTRUMENTS	15	(0)	Derivative financial instruments	711	2,708
INVESTMENTS ACCOUNTED USING EQUITY METHOD	2,001	1,791	Other liabilities	6,506	5,042
OTHER INVESTMENTS	749	310	Deferred income tax	14,204	11,701
PROPERTY, PLANT AND EQUIPMENT, NET	138,070	104,009	Employees' benefits	<u>4,304</u>	<u>3,480</u>
GOODWILL AND INTANGIBLE ASSETS, NET	54,934	44,492	Total non-current liabilities	<u>156,762</u>	<u>118,507</u>
OTHER NON-CURRENT ASSETS	<u>20,347</u>	<u>15,643</u>	Total liabilities	<u>234,750</u>	<u>187,120</u>
TOTAL ASSETS	<u>\$ 327,783</u>	<u>265,987</u>	STOCKHOLDERS' EQUITY		
			Controlling interest:		
			Capital stock	213	206
			Retained earnings	<u>69,657</u>	<u>61,772</u>
			Total controlling interest	69,871	61,978
			Non-controlling interest	<u>23,162</u>	<u>16,889</u>
			Total stockholders' equity	<u>93,033</u>	<u>78,867</u>
			TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 327,783</u>	<u>265,987</u>

Alfa, S.A.B. de C.V. and subsidiaries
 Unaudited Consolidated Statements of Income

For the nine months ended September 30, 2016 and 2015
 (In millions of Mexican pesos)

	<u>2016</u>	<u>2015</u>
Revenue	\$ 217,069	\$ 193,069
Cost of sales	(166,649)	(152,579)
Gross profit	50,420	40,489
General expenses	(29,805)	(23,746)
Other expenses	(136)	1,383
Operating profit	20,479	18,126
Financial costs, net	(11,346)	(11,572)
Share of losses of investments accounted using the equity method	38	(291)
Profit before income tax	9,171	6,264
Income tax:		
Caused Income tax	(4,940)	(4,509)
Deferred income tax	1,678	3,287
Net Consolidated profit	\$ <u>5,908</u>	\$ <u>5,041</u>
Controlling interest	<u>3,590</u>	<u>3,616</u>
Non-controlling interest	<u>2,319</u>	<u>1,424</u>

Alfa, S.A.B. de C.V. and subsidiaries

Unaudited Consolidated Statements of Cash Flows

For the nine months ended September 30, 2016 and 2015

(In millions of Mexican pesos)

	2016	2015
<u>Cash flow from operating activities:</u>		
Profit before tax	\$ 9,171	\$ 6,264
Depreciation and Amortization	12,066	9,506
Profit on sale of property, plant and equipment	(2)	(382)
Interest collectible	5,058	3,506
Effect of changes in fair value of derivative financial instruments	(23)	633
Foreing exchange, net	0	0
Other, net	5,355	6,696
Total	31,625	26,223
Decrease in customers and other accounts receivable	(2,087)	(1,492)
Increase (decrease) in inventory	(2,132)	(1,946)
Decrease in suppliers	1,943	927
Decrease in other accounts payable	(6,023)	(4,485)
Net cash generated from operating activities	23,325	19,227
<u>Cash flows from investing activities</u>		
Interest received	311	279
Acquisition of property, plant and equipment	(18,455)	(10,433)
Investments in shares	(506)	(1,897)
Business acquisitions	0	0
Other assets	(2,225)	8,320
Net cash received (used) in investing activities	(20,875)	(3,731)
<u>Cash flows from financig activities</u>		
Proceeds from borrowings or debt	33,742	19,566
Payments of borrowings or debt	(31,418)	(18,317)
Increase of borrowings or debt	2,324	1,249
Dividends paid by Alfa, S.A.B. de C.V.	(5,373)	(3,510)
Interest paid	(5,955)	(3,977)
Other	3,012	(3,458)
Cash received (used) in financig activities	(5,992)	(9,697)
Increase (decrease) in cash and cash equivalents	(3,542)	5,799
Exchange gains on cash and cash equivalents	1,345	1,322
Cash and cash equivalents at beginning of year	24,852	16,669
Cash and cash equivalents at end of the period	22,655	23,791