



Alfa, S.A.B. de C.V. y subsidiarias

Unaudited Consolidated Financial Statements

March 31, 2017

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

Unaudited Consolidated Statements of Financial Position

As of March 31, 2017 and 2016

(In millions of Mexican pesos)

	<u>2017</u>	<u>2016</u>		<u>2017</u>	<u>2016</u>
Assets			Liabilities and Stockholders' equity		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and Cash equivalents	\$ 20,286	18,995	Current portion of long-term debt	\$ 479	3,928
Customers	30,602	31,712	Current debt	11,297	5,502
Provision for impairment of customers	(2,543)	(3,572)	Suppliers	50,421	38,749
Other receivables	13,900	12,846	Derivative financial instruments	128	502
Derivative financial instruments	110	36	Other current liabilities	<u>20,089</u>	<u>19,723</u>
Inventories	41,186	35,062	Total current liabilities	<u>82,414</u>	<u>68,404</u>
Other assets	<u>2,049</u>	<u>3,381</u>			
Total current asstes	<u>105,590</u>	<u>98,461</u>	NON-CURRENT LIABILITIES:		
			Non-current debt	127,861	116,445
DERIVATIVE FINANCIAL INSTRUMENTS	0	0	Derivative financial instruments	590	719
INVESTMENTS ACCOUNTED USING EQUITY METHOD	2,075	2,399	Other liabilities	6,391	6,003
OTHER INVESTMENTS	353	(0)	Deferred income tax	14,998	12,282
PROPERTY, PLANT AND EQUIPMENT, NET	141,775	124,047	Employees' benefits	<u>4,392</u>	<u>3,875</u>
GOODWILL AND INTANGIBLE ASSTES, NET	57,655	47,638	Total non-currents liabilities	<u>154,231</u>	<u>139,324</u>
OTHER NON-CURRENT ASSETS	<u>21,750</u>	<u>19,694</u>	Total liabilities	<u>236,645</u>	<u>207,728</u>
			STOCKHOLDERS' EQUITY		
TOTAL ASSETS	<u>\$ 329,198</u>	<u>292,239</u>	Controlling interest:		
			Capital stock	212	205
			Retained earnings	<u>68,607</u>	<u>63,215</u>
			Total controlling interest	68,819	63,421
			Non-controlling interest	<u>23,734</u>	<u>21,090</u>
			Total stockholders' equity	<u>92,553</u>	<u>84,512</u>
			TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 329,198</u>	<u>292,239</u>

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

For the three months ended March 31, 2017 and 2016
 (In millions of Mexican pesos)

	<u>2017</u>	<u>2016</u>
Revenue	\$ 81,381	\$ 68,628
Cost of sales	<u>(64,555)</u>	<u>(52,584)</u>
Gross profit	16,826	16,044
General expenses	(10,649)	(9,219)
Other expenses	<u>(200)</u>	<u>(63)</u>
Operating profit	5,977	6,761
Financial costs, net	2,269	(1,946)
Share of losses of investments accounted using the equity method	45	(12)
Profit before income tax	8,292	4,803
Income tax:		
Caused Income tax	(3,519)	(1,681)
Deferred income tax	(121)	662
Net Consolidated profit	\$ <u>4,652</u>	\$ <u><u>3,784</u></u>
Controlling interest	<u>3,106</u>	<u>2,538</u>
Non-controlling interest	<u>1,546</u>	<u>1,247</u>

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

Unaudited Consolidated Statements of Cash Flows

For the three months ended March 31, 2017 and 2016

(In millions of Mexican pesos)

	2017	2016
<u>Cash flow from operating activities:</u>		
Profit before tax	\$ 8,292	\$ 4,803
Depreciation and Amortization	4,771	3,683
Profit on sale of property, plant and equipment	10	(2)
Interest collectible	2,305	1,709
Effect of changes in fair value of derivative financial instruments	28	(49)
Foreing exchange, net	0	(9)
Other, net	(5,025)	(252)
Total	10,381	9,884
Decrease in customers and other accounts receivable	(611)	(2,587)
Increase (decrease) in inventory	(2,415)	(221)
Decrease in suppliers	196	(3,888)
Decrease in other accounts payable	(3,751)	(2,052)
Net cash generated from operating activities	3,800	1,135
<u>Cash flows from investing activities</u>		
Interest received	125	145
Acquisition of property, plant and equipment	(6,037)	(5,470)
Investments in shares	(0)	(178)
Business acquisitions	0	0
Other assets	(629)	234
Net cash received (used) in investing activities	(6,540)	(5,270)
<u>Cash flows from financig activities</u>		
Proceeds from borrowings or debt	11,856	26,065
Payments of borrowings or debt	(3,791)	(21,308)
Increase of borrowings or debt	8,065	4,758
Dividends paid by Alfa, S.A.B. de C.V.	(4,066)	(3,935)
Interest paid	(2,791)	(2,732)
Other	(903)	734
Cash received (used) in financig activities	306	(1,176)
Increase (decrease) in cash and cash equivalents	(2,434)	(5,311)
Exchange gains on cash and cash equivalents	(1,913)	(545)
Cash and cash equivalents at beginning of year	24,633	24,852
Cash and cash equivalents at end of the period	20,286	18,995