



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

Unaudited Consolidated Financial Statements

June 30, 2017

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

## Unaudited Consolidated Statements of Financial Position

As of June 30, 2017 and 2016

(In millions of Mexican pesos)

	<u>2017</u>	<u>2016</u>		<u>2017</u>	<u>2016</u>
<b>Assets</b>			<b>Liabilities and Stockholders' equity</b>		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and Cash equivalents	\$ 19,598	21,097	Current portion of long-term debt	\$ 1,113	1,498
Customers	29,435	35,266	Current debt	9,889	5,693
Provision for impairment of customers	(2,669)	(3,653)	Suppliers	50,675	43,186
Other receivables	15,021	12,336	Derivative financial instruments	346	408
Derivative financial instruments	68	18	Other current liabilities	<u>20,148</u>	<u>21,626</u>
Inventories	39,714	38,174	<b>Total current liabilities</b>	<u>82,172</u>	<u>72,411</u>
Other assets	<u>3,770</u>	<u>3,343</u>			
<b>Total current assets</b>	<u>104,938</u>	<u>106,580</u>	NON-CURRENT LIABILITIES:		
			Non-current debt	124,011	127,808
DERIVATIVE FINANCIAL INSTRUMENTS	0	2	Derivative financial instruments	508	611
INVESTMENTS ACCOUNTED USING EQUITY METHOD	2,072	1,983	Other liabilities	6,060	6,383
OTHER INVESTMENTS	368	465	Deferred income tax	14,194	13,493
PROPERTY, PLANT AND EQUIPMENT, NET	139,570	132,155	Employees' benefits	<u>4,433</u>	<u>4,118</u>
GOODWILL AND INTANGIBLE ASSETS, NET	56,420	52,143	<b>Total non-current liabilities</b>	<u>149,207</u>	<u>152,414</u>
OTHER NON-CURRENT ASSETS	<u>21,046</u>	<u>20,965</u>	<b>Total liabilities</b>	<u>231,379</u>	<u>224,824</u>
<b>TOTAL ASSETS</b>	<u>\$ 324,414</u>	<u>314,293</u>	STOCKHOLDERS' EQUITY		
			Controlling interest:		
			Capital stock	212	213
			Retained earnings	<u>69,281</u>	<u>67,701</u>
			Total controlling interest	69,493	67,915
			Non-controlling interest	<u>23,544</u>	<u>21,554</u>
			<b>Total stockholders' equity</b>	<u>93,037</u>	<u>89,469</u>
			<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 324,414</u>	<u>314,293</u>

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

For the six months ended June 30, 2017 and 2016  
 (In millions of Mexican pesos)

	<u>2017</u>	<u>2016</u>
Revenue	\$ 160,047	\$ 141,746
Cost of sales	(128,098)	(107,812)
Gross profit	31,949	33,935
General expenses	(21,171)	(19,465)
Other expenses	336	(266)
Operating profit	11,114	14,204
Financial income, net	133	(7,780)
Share of income of investments accounted using the equity method	71	11
Profit before income tax	11,318	6,435
Income tax:		
Caused Income tax	(4,581)	(3,428)
Deferred income tax	102	1,981
<b>Net Consolidated profit</b>	<b>\$ 6,839</b>	<b>4,988</b>
<b>Controlling interest</b>	<b>4,477</b>	<b>3,355</b>
<b>Non-controlling interest</b>	<b>2,362</b>	<b>1,633</b>

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

## Unaudited Consolidated Statements of Cash Flows

For the six months ended June 30, 2017 and 2016

(In millions of Mexican pesos)

	2017	2016
<u>Cash flow from operating activities:</u>		
Profit before tax	\$ 11,318	\$ 6,435
Depreciation and Amortization	9,313	7,838
Profit on sale of property, plant and equipment	(347)	0
Interest collectible	4,021	3,373
Effect of changes in fair value of derivative financial instruments	50	(33)
Foreing exchange, net	0	0
Other, net	(5,271)	3,546
Total	19,083	21,161
Decrease in customers and other accounts receivable	(1,850)	(839)
Increase (decrease) in inventory	(1,866)	(1,663)
Decrease in suppliers	1,285	(1,387)
Decrease in other accounts payable	(5,099)	(4,697)
<b>Net cash generated from operating activities</b>	<b>11,552</b>	<b>12,574</b>
<u>Cash flows from investing activities</u>		
Interest received	209	229
Acquisition of property, plant and equipment	(10,967)	(11,773)
Investments in shares	(19)	(250)
Business acquisitions	0	0
Other assets	(1,261)	(1,212)
<b>Net cash received (used) in investing activities</b>	<b>(12,038)</b>	<b>(13,006)</b>
<u>Cash flows from financig activities</u>		
Proceeds from borrowings or debt	25,120	30,002
Payments of borrowings or debt	(17,578)	(26,908)
Increase of borrowings or debt	7,542	3,094
Dividends paid by Alfa, S.A.B. de C.V.	(4,423)	(5,261)
Interest paid	(4,383)	(4,147)
Other	(878)	2,159
<b>Cash received (used) in financig activities</b>	<b>(2,142)</b>	<b>(4,156)</b>
Increase (decrease) in cash and cash equivalents	(2,628)	(4,589)
Exchange gains on cash and cash equivalents	(2,407)	834
Cash and cash equivalents at beginning of year	24,633	24,852
<b>Cash and cash equivalents at end of the period</b>	<b>19,598</b>	<b>21,097</b>