



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

Unaudited Consolidated Financial Statements

September 30, 2018

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

Unaudited Consolidated Statements of Financial Position

As of September 30, 2018 and 2017

(In millions of Mexican pesos)

	<u>2018</u>	<u>2017</u>		<u>2018</u>	<u>2017</u>
Assets			Liabilities and Stockholders' equity		
CURRENT ASSETS:			CURRENT LIABILITIES:		
Cash and Cash equivalents	\$ 21,494	23,646	Current portion of long-term debt	\$ 841	2,591
Customers	39,308	30,965	Current debt	10,520	11,149
Provision for impairment of customers	(5,306)	(4,785)	Suppliers	59,759	51,131
Other receivables	13,397	14,913	Derivative financial instruments	403	192
Derivative financial instruments	294	94	Other current liabilities	<u>23,828</u>	<u>19,984</u>
Inventories	48,092	40,515	Total current liabilities	<u>95,351</u>	<u>85,048</u>
Other assets	<u>3,000</u>	<u>3,442</u>			
Total current asstes	<u>120,279</u>	<u>108,790</u>	NON-CURRENT LIABILITIES:		
			Non-current debt	140,929	130,865
DERIVATIVE FINANCIAL INSTRUMENTS	157	1	Derivative financial instruments	350	443
INVESTMENTS ACCOUNTED USING EQUITY METHOD	2,774	1,299	Other liabilities	10,473	5,317
OTHER INVESTMENTS	410	358	Deferred income tax	12,245	13,577
PROPERTY, PLANT AND EQUIPMENT, NET	151,881	143,556	Employees' benefits	<u>5,100</u>	<u>4,626</u>
GOODWILL AND INTANGIBLE ASSTES, NET	52,741	53,433	Total non-currents liabilities	<u>169,096</u>	<u>154,828</u>
OTHER NON-CURRENT ASSETS	<u>26,418</u>	<u>20,170</u>	Total liabilities	<u>264,447</u>	<u>239,876</u>
			STOCKHOLDERS' EQUITY		
TOTAL ASSETS	<u>\$ 354,660</u>	<u>327,607</u>	Controlling interest:		
			Capital stock	211	212
			Retained earnings	<u>67,509</u>	<u>65,445</u>
			Total controlling interest	67,720	65,657
			Non-controlling interest	<u>22,494</u>	<u>22,073</u>
			Total stockholders' equity	<u>90,214</u>	<u>87,731</u>
			TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 354,660</u>	<u>327,607</u>

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

Unaudited Consolidated Statements of Income

For the nine months ended September 30, 2018 and 2017

(In millions of Mexican pesos)

	<u>2018</u>	<u>2017</u>
Revenue	\$ 273,528	\$ 236,282
Cost of sales	<u>(216,979)</u>	<u>(189,467)</u>
Gross profit	56,549	46,815
General expenses	(34,489)	(31,853)
Other expenses	<u>1,145</u>	<u>(9,215)</u>
Operating profit	23,205	5,748
Financial income, net	(6,019)	(4,690)
Share of income of investments accounted using the equity method	136	76
Profit before income tax	17,322	1,133
Income tax:		
Caused Income tax	(6,557)	(4,911)
Deferred income tax	291	3,191
Net Consolidated profit	\$ <u><u>11,056</u></u>	\$ <u><u>(587)</u></u>
Controlling interest	<u>8,499</u>	<u>(1,462)</u>
Non-controlling interest	<u>2,557</u>	<u>875</u>

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

Unaudited Consolidated Statements of Cash Flows

For the nine months ended September 30, 2018 and 2017

(In millions of Mexican pesos)

	2018	2017
<u>Cash flow from operating activities:</u>		
Profit before tax	\$ 17,322	\$ 1,133
Depreciation and Amortization	14,350	21,814
Profit on sale of property, plant and equipment	(670)	(484)
Interest collectible	6,697	5,792
Effect of changes in fair value of derivative financial instruments	6	57
Foreing exchange, net	0	0
Other, net	(998)	(533)
Total	36,707	27,779
Decrease in customers and other accounts receivable	(9,930)	(1,447)
Increase (decrease) in inventory	(4,919)	(1,531)
Decrease in suppliers	670	(0)
Decrease in other accounts payable	(2,330)	(6,172)
Net cash generated from operating activities	20,198	18,628
<u>Cash flows from investing activities</u>		
Interest received	570	308
Acquisition of property, plant and equipment	(11,577)	(15,482)
Investments in shares	(7,121)	(1,913)
Business acquisitions	0	0
Other assets	(1,131)	(500)
Net cash received (used) in investing activities	(19,259)	(17,586)
<u>Cash flows from financig activities</u>		
Proceeds from borrowings or debt	30,536	33,970
Payments of borrowings or debt	(29,959)	(21,805)
Increase of borrowings or debt	577	12,165
Dividends paid by Alfa, S.A.B. de C.V.	(4,028)	(4,821)
Interest paid	(7,310)	(6,342)
Other	49	(1,132)
Cash received (used) in financig activities	(10,712)	(130)
Increase (decrease) in cash and cash equivalents	(9,773)	912
Exchange gains on cash and cash equivalents	(1,545)	(1,899)
Cash and cash equivalents at beginning of year	32,813	24,633
Cash and cash equivalents at end of the period	21,494	23,646