



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

Unaudited Consolidated Financial Statements

June 30, 2018

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

Unaudited Consolidated Statements of Financial Position

As of June 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	\$ 22,943	19,598	Current portion of long-term debt	\$ 2,795	1,113
Customers	38,593	29,435	Current debt	12,635	9,889
Provision for impairment of customers	(5,408)	(2,669)	Suppliers	62,412	50,675
Other receivables	14,400	15,021	Derivative financial instruments	611	346
Derivative financial instruments	753	68	Other current liabilities	<u>23,631</u>	<u>20,148</u>
Inventories	50,526	39,714	Total current liabilities	<u>102,084</u>	<u>82,172</u>
Other assets	<u>2,718</u>	<u>3,770</u>			
Total current asstes	<u>124,525</u>	<u>104,938</u>	NON-CURRENT LIABILITIES:		
			Non-current debt	147,131	124,011
DERIVATIVE FINANCIAL INSTRUMENTS	730	0	Derivative financial instruments	351	508
INVESTMENTS ACCOUNTED USING EQUITY METHOD	2,545	2,072	Other liabilities	11,222	6,060
OTHER INVESTMENTS	428	368	Deferred income tax	13,009	14,194
PROPERTY, PLANT AND EQUIPMENT, NET	160,145	139,570	Employees' benefits	<u>5,133</u>	<u>4,433</u>
GOODWILL AND INTANGIBLE ASSTES, NET	55,075	56,420	Total non-currents liabilities	<u>176,845</u>	<u>149,207</u>
OTHER NON-CURRENT ASSETS	<u>27,195</u>	<u>21,046</u>	Total liabilities	<u>278,929</u>	<u>231,379</u>
			STOCKHOLDERS' EQUITY		
TOTAL ASSETS	<u>\$ 370,644</u>	<u>324,414</u>	Controlling interest:		
			Capital stock	211	212
			Retained earnings	<u>68,434</u>	<u>69,281</u>
			Total controlling interest	68,645	69,493
			Non-controlling interest	<u>23,069</u>	<u>23,544</u>
			Total stockholders' equity	<u>91,713</u>	<u>93,037</u>
			TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 370,643</u>	<u>324,414</u>

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

Unaudited Consolidated Statements of Income

For the six months ended June 30, 2018 and 2017

(In millions of Mexican pesos)

	2018	2017
Revenue	\$ 179,588	\$ 160,047
Cost of sales	(141,786)	(128,098)
Gross profit	37,802	31,949
General expenses	(22,851)	(21,171)
Other expenses	627	336
Operating profit	15,578	11,114
Financial income, net	(3,492)	133
Share of income of investments accounted using the equity method	103	71
Profit before income tax	12,189	11,318
Income tax:		
Caused Income tax	(3,744)	(4,581)
Deferred income tax	665	102
Net Consolidated profit	\$ 9,111	6,839
Controlling interest	7,141	4,477
Non-controlling interest	1,970	2,362

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

Unaudited Consolidated Statements of Cash Flows

For the six months ended June 30, 2018 and 2017

(In millions of Mexican pesos)

	2018	2017
<u>Cash flow from operating activities:</u>		
Profit before tax	\$ 12,189	\$ 11,318
Depreciation and Amortization	9,338	9,313
Profit on sale of property, plant and equipment	(551)	(347)
Interest collectible	4,636	4,021
Effect of changes in fair value of derivative financial instruments	7	50
Foreing exchange, net	0	0
Other, net	(1,529)	(5,271)
Total	24,090	19,083
Decrease in customers and other accounts receivable	(5,993)	(1,850)
Increase (decrease) in inventory	(5,134)	(1,866)
Decrease in suppliers	439	1,285
Decrease in other accounts payable	(1,618)	(5,099)
Net cash generated from operating activities	11,784	11,552
<u>Cash flows from investing activities</u>		
Interest received	409	209
Acquisition of property, plant and equipment	(7,881)	(10,967)
Investments in shares	(7,127)	(19)
Business acquisitions	0	0
Other assets	(696)	(1,261)
Net cash received (used) in investing activities	(15,294)	(12,038)
<u>Cash flows from financig activities</u>		
Proceeds from borrowings or debt	30,116	25,120
Payments of borrowings or debt	(26,825)	(17,578)
Increase of borrowings or debt	3,291	7,542
Dividends paid by Alfa, S.A.B. de C.V.	(3,835)	(4,423)
Interest paid	(5,104)	(4,383)
Other	(220)	(878)
Cash received (used) in financig activities	(5,868)	(2,142)
Increase (decrease) in cash and cash equivalents	(9,379)	(2,628)
Exchange gains on cash and cash equivalents	(492)	(2,407)
Cash and cash equivalents at beginning of year	32,813	24,633
Cash and cash equivalents at end of the period	22,943	19,598