

ALFA Reports 46% Gain in Revenues and 40% Increase in EBITDA Year-on-Year.

Monterrey, N.L., Mexico. October 20, 2011.-ALFA, S.A.B. de C.V. (ALFA), one of Mexico's leading industrial companies, announced today unaudited results for the third quarter of 2011 ("3Q11"). Consolidated revenues were U.S. \$3,912 million and represented a 46% year-on-year increase and a 3% gain on a sequential basis. EBITDA totaled to U.S. \$446 million, up 40% year-on-year and slightly above 2Q11.

"ALFA reported a good performance in 3Q11. Revenue and EBITDA increased year-on-year across all businesses, reflecting their leading market positions and the careful execution of their strategies," said Alvaro Fernandez, ALFA's President.

Commenting on the sequential performance, Mr. Fernandez noted that: *"Alpek continued to enjoy strong demand and healthy margins, which*

contributed to an 11% increase in EBITDA generation. Nematik's quarterly output was nine million units, but expenses related to new product launches negatively impacted profitability. While Sigma's volumes rose, the depreciation of the peso reduced EBITDA by 10%. Alestra launched new cloud IT services and EBITDA generation remained high. Newpek connected to sales 32 new liquid-rich wells and grew EBITDA by 47%. In addition, we closed two acquisitions in the third quarter: the purchase of AT&T's stake in Alestra, and the acquisition of Wellman's U.S. PET business," he concluded.

On the financial side, ALFA refinanced U.S. \$ 1 billion of debt at Nematik, which allowed it to strengthen its financial condition and extend the average maturity of the debt. Net debt to EBITDA ratio improved to 2.2 times from 2.4 times despite capital expenditures and acquisitions made during the quarter.

3Q11 majority net loss totaled U.S. \$39 million. The main reason behind this loss was a negative comprehensive financial expense in the amount of U.S. \$ 283 million, which reflected non-cash exchange losses produced by the 13% depreciation of the peso during the quarter, and other non-cash financial losses. The 3Q11 loss compares to net income of U.S. \$61 million in 3Q10, when the peso appreciated vis-à-vis the U.S. Dollar.

Selected Financial Information

(U.S. \$ Millions)

	3Q11	2Q11	3Q10	Q/Q % Chg.	Y/Y % Chg.	YTD '11	YTD '10	YTD % Chg.
Consolidated Revenues	3,912	3,786	2,679	3	46	11,184	7,860	42
Alpek	2,020	1,887	1,196	7	69	5,584	3,578	56
Nematik	896	941	704	(5)	27	2,731	2,107	30
Sigma	843	862	664	(2)	27	2,494	1,837	36
Alestra	99	98	90	1	9	292	266	10
Newpek	12	8.8	2.4	36	384	26.6	9.4	182
Consolidated EBITDA	446	445	318	0	40	1,297	920	41
Alpek	227	205	130	11	75	608	359	69
Nematik	90	102	84	(11)	8	292	281	4
Sigma	99	110	75	(10)	33	311	208	50
Alestra	34	34	30	0	12	100	86	17
Newpek	8.4	5.7	1.4	47	473	18	5.8	210
Majority Net Income	(39)	182	61	(121)	(164)	346	210	65
Capex & Acquisitions	343	94	681	339	(47)	1,168	755	55
Net Debt	3,573	3,544	3,006	1	19	3,573	3,006	19
Net Debt to EBITDA*	2.2	2.4	2.5					
Interest Coverage*	5.4	6.4	2.5					
*LTM								

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This release contains forward-looking information based on numerous variables and assumptions that are inherently uncertain. They involve judgments with respect to, among other things, future economic, competitive and financial market conditions and future business decisions, all of which are difficult or impossible to predict accurately. Accordingly, results could vary from those set forth in this release. Unaudited financial information. Figures are stated in nominal Mexican pesos (\$) and in current U.S. Dollars (U.S. \$), as indicated. Where applicable, peso amounts were translated into dollars using the average exchange rate of the months during which operations were transacted. Financial ratios are calculated in dollars. Due to the rounding up to millions of pesos or millions of dollars, small differences may occur when calculating percent changes from one period to the other.

CONSOLIDATED SECTION

Operations

Comments on the performance during 3Q11 of each one of ALFA's companies:

Alpek reported EBITDA of U.S. \$227 million in 3Q11, representing a 75% year-on-year and an 11% sequential gain. Strong industry dynamics drove this performance, as well as the integration of the Columbia assets, in addition to one month of results from the Wellman Pearl River plant acquired on September 1, 2011. Alpek's plants in the polyester chain continued to operate near capacity, while tight supply-demand balance for plastics and specialty chemicals produced a sequential increase in operating profits for such products.

Capital expenditures of U.S. \$ 174 million included the acquisition of the Pearl River plant and fixed asset replacement. Net debt increased on a sequential basis by U.S. \$146 million to U.S. \$1,208 million at the end of the quarter. Net debt to LTM EBITDA was 1.6 times, while interest coverage was 9.5 times, both of them similar to last quarter.

Nemak's results reflected strong U.S. demand driven by inventory replenishment and the strong performance of its customers. Nemak sold 9 million equivalent heads, the third highest quarter in its history. EBITDA in 3Q11 was U.S. \$90 million, up 8% year-on-year, but down 11% on a sequential basis. The decline reflects launching expenses resulting from rapid volume recovery and a larger proportion of sales of newly launched products within the total (50% in 3Q11 in some plants compared with a historical average of 20%).

During the quarter, capital expenditures of U.S. \$89 million were made to expand capacity to accommodate new programs awarded to Nemak. Net debt at the close of the quarter was U.S. \$1,169 million, down U.S. \$37 million from 2Q11. Net debt to LTM EBITDA was 3.1 times and interest coverage 3.8 times, an improvement from 3.3 times and 3.6 times in 2Q11, respectively.

Sigma's EBITDA for the quarter totaled U.S. \$99 million, up 33% year-on-year reflecting the acquisition of Bar-S and higher sales volumes. On a sequential basis, EBITDA declined 10% impacted by high raw material prices, which were aggravated by the peso depreciation. Capital expenditures for the quarter totaled U.S. \$18 million mainly for fixed asset replacement. Net debt declined by U.S. \$84 million on a sequential basis to U.S. \$986 million. Net debt to LTM EBITDA improved from 2.8 in 2Q11 to 2.4 times. Interest coverage increased to 5.5 from 5.2 times.

Alestra continued to report year-on-year EBITDA growth driven by higher sales of Value Added Services (VAS). 3Q11 EBITDA was U.S. \$34 million, 12% higher than 3Q10 and flat vis-à-vis 2Q11, despite the peso depreciation. Resources in the amount of U.S. \$17 million were invested to deploy new IT services, provide last mile access to connect customers and to expand the network. At the end of 3Q11, net debt amounted to U.S. \$ 168 million, down U.S. \$10 million on a sequential basis. Net debt to LTM EBITDA was 1.3 times and interest coverage was 4.6 times, similar to last quarter.

Newpek, the natural gas and condensates venture, showed progress with 74 wells in production in the Eagle Ford Shale formation by the end of the quarter, compared with 42 in 2Q11. The company expects to drill a total of 105 wells by year end. During the quarter, Newpek generated revenues of U.S. \$12 million and EBITDA of U.S. \$8 million. This represented year-on-year increases of 384% and 473%, respectively. On a sequential basis, revenues rose 36% and EBITDA 47%.

Consolidated Financial Results

3Q11 consolidated revenues totaled U.S. \$3,912 million, a 46% year-on-year increase. All companies contributed to this performance driven by a 20% growth in sales volumes and a 17% increase in selling prices measured in U.S. Dollars. On a sequential basis, consolidated revenues increased 3%, with volume growth of 2% and sales prices up 1%. ALFA reported revenues in the amount of U.S. \$ 11,184 million for the first nine months of 2011 ("9M11"), a 42% increase over the same period of 2010 ("9M10"). Foreign sales represented 60% of the total during 3Q11, up from 53% in 3Q10 and unchanged from 2Q11.

Operating income increased 49% year-on-year to U.S. \$322 million, primarily reflecting the strong performance of the petrochemical businesses, particularly PTA, PET and caprolactam. The acquisitions of Bar-S in September 2010, the Columbia assets in February 2011 and the Wellman Pearl River plant in September 2011 also contributed to this performance. On a sequential basis, operating income remained unchanged. Operating income for 9M11 was U.S. \$ 933 million, 51% higher than in 9M10.

3Q11 EBITDA totaled U.S. \$446 million, up 40% compared to 3Q10 and relatively unchanged from the U.S. \$445 million reported in 2Q11. ALFA reported 9M11 EBITDA of U.S. \$1,297 million, up 41% from that reported in 9M10.

ALFA reported a comprehensive financing expense (CFE) of U.S. \$283 million during 3Q11, compared to a negative CFE of U.S. \$95 million in 3Q10 and U.S. \$ 37 million (negative) in 2Q11. Several factors impacted CFE in the quarter, including non-cash exchange losses resulting from the 13% peso depreciation relative to the U.S. Dollar, and non-cash losses in the valuation of equity swaps on ALFA shares.

During 3Q11, ALFA reported a U.S. \$39 million majority net loss, compared with majority net income of U.S. \$61 million in 3Q10, and U.S. \$182 million in 2Q11. The reasons for this quarter's loss were explained in the discussion of CFE above.

Capital Expenditures and Net Debt

3Q11 consolidated capital expenditures totaled U.S. \$343 million. Resources were used for the acquisition of the Pearl River plant, continued investments at Nemark to expand capacity, the purchase of AT&T's 49% ownership stake in Alestra and the normal replacement of assets and minor investment projects.

Net debt at the end of the quarter was U.S. \$ 3,573 million, a U.S. \$29 million sequential increase mainly driven by capex and other disbursements. Net debt to LTM EBITDA was 2.2 times and interest coverage was 5.9 times, an improvement from 2.4 and 5.5 times in the previous quarter, respectively.

(See Tables 1 to 7 in the Appendix for more detailed information on ALFA's consolidated results.)

Alpek

Petrochemicals (52% and 51% of ALFA's Revenues and EBITDA in 3Q11)

Industry Developments

Strong demand for polyester products in North America continued during the quarter, despite the lower economic activity, demonstrating the resilience of the PTA-PET market. Raw material prices continued to rise at the beginning of the quarter but then stabilized. The strength of demand and the improved structure of the industry supported margin levels. Caprolactam sales and margins remained strong as worldwide capacity for this product has not been enough to meet demand.

Operations by Business Segment

- a) Polyester value-chain products (PTA, PET, polyester fibers – 78% of Alpek's total revenues in 3Q11)

Sales volumes in this segment rose 35% year-on-year and 5% on a sequential basis mainly reflecting continued strong dynamics in the markets the company serves. The acquisitions of the Columbia assets and the Pearl River plant contributed to increase sales since February and September, respectively, and explained a substantial part of the growth in sales volumes. The Columbia site integration was completed this quarter, and synergies have exceeded expectations. The integration of the Pearl River plant into Alpek's system commenced immediately after its acquisition and synergies are expected to kick-in soon.

As explained in past reports, strong demand has allowed Alpek to keep plants operating near full capacity. The price of raw materials, such as paraxylene and additives, has remained high but the company has been able to adjust prices accordingly. As a result, average selling prices rose 43% year-on-year and 5% on a sequential basis.

EBITDA increased 94% year-on-year and 9% on a sequential basis. Strong volumes, higher industry margins, cost efficiencies and the successful integration of the acquired assets, contributed to this performance.

- b) Specialty Chemicals and Plastics (Expandable Polystyrene (EPS), Polypropylene (PP), Caprolactam (CPL), other products – 22% of Alpek's total revenues in 3Q11)

Sales volumes declined 11% year-on-year but grew 1% on a sequential basis. The year-on-year decline was mainly due to the lack of raw materials for PP production, as Pemex had operating problems in most of the refineries from where propylene is supplied. However, some relief was obtained in 3Q11, which explains the sequential growth.

3Q11 CPL sales volumes were up 5% year-on-year, but down 2% on a sequential basis. However, profitability of the product remained very high. Thus, CPL's 3Q11 EBITDA was up 196% year-on-year and 6% sequentially. As can be noticed from these figures, producers have been gaining much higher margins than in the past due to the very tight supply-demand balance for this product, which resulted from the scarcity of production on a worldwide basis. China is the main export market for Alpek's CPL.

Average prices rose 29% year-on-year, but declined 2% on a sequential basis. Margins were strong during the quarter, particularly CPL as discussed above. As a result, the business segment reported EBITDA increases of 44% year-on-year and 14% sequentially.

Financial Results

Revenues in 3Q11 amounted to U.S. \$2,020 million, up 69% from 3Q10 reflecting higher sales across all segments, particularly in the polyester chain. On a sequential basis, revenue rose 7%. Revenue grew 56% in 9M11 when compared with 9M10.

Operating income for the quarter rose to U.S. \$192 million, representing year-on-year and sequential increases of 85% and 12%, respectively. As explained in the Operations section of this report, resilience of the PTA-PET market to lower economic activity, successful integration of acquired assets and high utilization rates on most of the plants due to strong industry dynamics have resulted in healthy margins. For 9M11, operating income was 81% above the same period in 2010. EBITDA increased 75% year-on-year to U.S. \$227 million, and was up 11% and 69% on a sequential and cumulative basis, respectively.

Capital Expenditures and Net Debt

On September 1, 2011, Alpek announced the completion of the acquisition of Wellman's U.S. PET business. It consisted of a PET resin plant in Pearl River, Mississippi, U.S.A., which has a capacity to produce approximately 430,000 tons/year. The acquisition is expected to increase efficiency, gain additional product flexibility and broaden the product range. During 3Q11, Alpek invested U.S. \$174 million in the Pearl River Plant, plus fixed asset replacements and other minor projects. During 9M11, Alpek invested U.S. \$ 798 million in acquisitions and fixed assets.

Net debt at the end of the quarter was U.S. \$1,208 million, up U.S.\$146 million from U.S. \$1,062 million in 2Q11 reflecting capital expenditures and other disbursements, which more than offset the strong cash generation during the period. As a result, net debt to LTM EBITDA was 1.6 times and interest coverage was 9.5 times, similar to 1.6 and 9.2 times in 2Q11.

(See Tables 8 to 11 in the Appendix for more detailed financial information on Alpek.)

Nemak

High-Tech Aluminum Auto Parts (23% and 20% of ALFA's Revenues and EBITDA in 3Q11)

Industry Developments

The auto industry continued to recover during 3Q11. In North America, the seasonally adjusted annual rate (SAAR) of U.S. light vehicles for 3Q11 was 12.4 million units, 3% higher than the 12.1 million units reported during 2Q11. Growth was mainly driven by pent-up demand and inventory replenishment. U.S. auto makers maintained market share while Japanese OEMs continued to solve problems originated by the tsunami and earthquake in March. In Europe, vehicle sales were stable year-on-year but exports to America and Asia continued at a strong pace, which gave auto makers some leeway. In Brazil, car sales rose 2% year on year, as the country continues to grow as a hub for OEM operations in South America.

Operations

Nemak sold 9 million equivalent heads in 3Q11, up 7% year-on-year as a result of the industry fundamentals explained above. On a sequential basis, however, sales volume was down 4% reflecting summer seasonality as OEM plants usually take time off for model changes and maintenance during summer. For 9M11, Nemak has sold 27.7 million units, 11% more than in the same year-ago period.

Nemak's plants operated at a high utilization level during 3Q11 driven by continued demand from all regions. Nemak also benefitted from the launch of new programs and the strong performance of its customers. In the quarter, recently launched products represented 50% of total production at some plants, well above the 20% historic average.

Orders remained solid globally and a new Volkswagen program of 300,000 engine heads for its European operations was awarded to Nemak during the quarter. Progress continued with the expansion of the Chinese facilities and the construction of a new plant in India, expected to come on stream by the beginning of 2012.

Financial Results

3Q11 revenues totaled U.S. \$896 million, up 27% year-on-year, but down 5% on a sequential basis. The year-on-year increase in revenues reflected the higher sales volumes already explained, plus higher aluminum prices. The sequential decline in revenues reflects the seasonal factors discussed above. For 9M11, Nemak's revenues were 30% higher than in 9M10, for the same reasons: higher sales volumes and aluminum prices, which were passed on to customers as per contracts.

Operating income for the quarter was U.S. \$52 million, up 5% year-on-year and a 19% sequential decline. The year-on-year increase is mainly the result of higher sales volume. The sequential decline is explained by the seasonal slowdown in production already discussed, and launching expenses resulting from the high number of new product launches and rapid volume recovery. The depreciation of the peso and the Euro against the U.S. Dollar during the quarter had a slightly favorable effect on profitability. Nemak's 9M11 operating income was 2% higher than in 9M10. EBITDA for the quarter totaled U.S. \$90 million, up 8% from 3Q10, but down 11% on a sequential basis. Per-unit EBITDA declined sequentially to U.S. \$10.00 from U.S. \$10.70, for the reasons discussed above that negatively impacted operating income. For 9M11, EBITDA was 4% higher than in 9M10.

Capital Expenditures and Net Debt

During the quarter, Nemak invested U.S. \$89 million in capital expenditures. Resources were used to expand production facilities to support growth. Net debt totaled U.S. \$1,169 million at the close of 3Q11, a U.S. \$37 million decline from the previous quarter as EBITDA more than offset the significant investments made during the quarter. Net debt to LTM EBITDA was 3.1 times and interest coverage was 3.8 times, which compares with 3.3 and 3.6 times in 2Q11. During the quarter, Nemak refinanced U.S. \$1 billion in debt improving maturity and lowering costs. It also obtained a U.S. \$ 145 million mid-term revolving committed line of credit for working capital needs.

(See Tables 12 to 14 in the Appendix for more detailed financial information on Nemak.)

Sigma

Refrigerated Food Products (22% and 22% of ALFA's Revenues and EBITDA in 3Q11)

Industry Developments

The Mexican food industry experienced a moderate pick-up in demand this quarter, compared with stable patterns in past periods. Consumption in the U.S. followed a similar trend.

Raw material prices, such as meat and milk, remained high. This factor, together with the 13% depreciation of the peso, put additional pressure on Mexican food companies required to source their needs from abroad. As a result, many of these companies had to raise prices to recover some of the margin lost to higher input costs.

Operations

Sales volumes reached 288,000 tons in 3Q11, up 27% year-on-year and 3% sequentially. The year-on-year increase was the result of the Bar-S acquisition, which in 2010 was only consolidated for the month of September. A 6% organic growth also contributed to the increase. On a sequential basis, growth was mainly driven by a strong performance in processed meats and yogurt. Operations in Central and South America continued to show positive growth trends. Sigma sold 831,000 tons of food products in 9M11, which is 31% more than in 9M10.

During the year, food companies have faced high raw material prices. The depreciation of the Mexican peso during 3Q11 worsened the situation, particularly for importers of raw materials. In this environment, Sigma had to raise prices of some products to recover margins. Recently, price increases were passed to the mom-and-pop channel in September and to the supermarket channel in October. In the quarter, average peso prices decreased 4% year on year, but remained flat sequentially. The year-on-year decrease resulted from lower prices at Bar-S. Most of the effect of recent price increases is expected to be reflected in fourth quarter results.

Financial Results

3Q11 revenues totaled U.S. \$843 million, 27% higher year-on-year but 2% lower on a sequential basis reflecting the sales volume and pricing trends discussed above. 9M11 Revenues were 36% higher than 9M10. Foreign sales represented 32% of total sales during the quarter, up from 24% in 3Q10 as a result of the BAR-S acquisition, but slightly below the 34% posted in 2Q11.

Operating income for the quarter reached U.S. \$71 million, up 30% year-on-year mainly as a result of the Bar-S acquisition. On a sequential basis, operating income decreased 12% reflecting higher raw material costs and the negative impact of the depreciation of the peso. Operating income during 9M11 was 50% higher than in 9M10. 3Q11 EBITDA was U.S. \$99 million, up 33% from 3Q10, but down 10% on a sequential basis, following the trends reported in operating income. Sigma's 9M11 EBITDA was 50% higher than in 9M10.

Capital Expenditures and Net Debt

During 3Q11, Sigma made capital expenditures of U.S. \$18 million, for a cumulative figure of U.S. \$ 49 million in 2011. Resources were used for modular expansions, replacement of assets and distribution capabilities. At the close of the quarter, net debt was U.S. \$986 million, a U.S. \$84 million reduction from the balance at the end of 2Q11. Net debt to LTM EBITDA was 2.4 times and interest coverage 5.5 times, which compares with 2.8 and 5.2 times in 2Q11, respectively.

(See Tables 15 to 18 in the Appendix for more detailed financial information regarding Sigma.)

Alestra

Telecommunications (3% and 8% of ALFA's Revenues and EBITDA in 3Q11)

Industry Developments

The Comisión Federal de Telecomunicaciones ("Cofetel" – the Mexican Telecommunications Commission) resolved different disputes between the carriers, ruling in favor of i) the reduction of the mobile interconnection rates from \$1.00 peso to \$0.39 pesos per minute in 2011, applicable to Alestra's traffic terminated in Iusacell and Telefonica; ii) the elimination of the rounding scheme in mobile interconnection rates for all the concessionaries; although legal disputes against this resolution are in progress, Alestra is in good position to benefit from it, as it could lead to lower interconnection costs.

Operations

During 3Q11, Alestra launched two new IT services for the enterprise market: the first ERP in the cloud in Latin America in collaboration with SAP; and a cloud solution known as Infrastructure as a Service, which provides hardware (servers and storage) capacity on demand. IT related services have played a very important role in expanding Alestra's value added services (VAS) to the enterprise market in Mexico. During 3Q11, VAS volume totaled 887,000 EOs (equivalent of customer-access circuits providing services), 20% higher than 3Q10 and 9% more on a sequential basis. . Alestra's long distance (LD) network handled 353 millions of minutes of traffic during 3Q11, 15% less than 3Q10 due to a decrease of low-margin international LD traffic. On a sequential basis, however, the number of minutes of use of traffic at Alestra's LD network increased by 5%.

Financial Results

In 3Q11, Alestra's revenues totaled U.S. \$99 million, 9% higher when compared to 3Q10 and 1% higher than the previous quarter. The main reason behind revenue growth was the ability of the company to expand VAS, so that they more than offset declining LD revenues. Alestra's 9M11 revenue totaled U.S. \$292 million, up 10% from 9M10.

VAS 3Q11 revenue grew 15% when compared to 3Q10, and 3% sequentially. This increase was mainly due to higher revenues from virtual private network (VPN), managed services and other IT related services. VAS represented 81% of total quarterly revenues, compared with 76% in 3Q10.

Operating income amounted to U.S. \$17 million in 3Q11, 32% higher when compared with 3Q10, and 8% higher than the previous quarter. The increase is the result of higher revenues and a greater proportion of VAS in the total revenue mix. 9M11 operating income was U.S. \$48 million, 37% higher than 9M10. 3Q11 EBITDA totaled U.S. \$34 million, 12% higher when compared to 3Q10 and unchanged from 2Q11 despite of depreciation of the Mexican peso. 9M11 EBITDA was U.S. \$100 million, up 17% from that of 9M10.

Capital Expenditures and Net Debt

3Q11 capital expenditures totaled U.S. \$17 million, for a cumulative figure of U.S. \$43 million in 2011. Funds were used mainly to deploy new IT services, provide last mile access to connect customers and to expand Alestra's network. At the end of 3Q11, net debt amounted to U.S. \$ 168 million, a sequential increase of U.S. \$ 10 million. Financial ratios remained strong with net debt to EBITDA of 1.3 times and interest coverage of 4.6 times, similar to 1.2 and 4.5 times, respectively, in 2Q11.

(See Tables 19 to 21 in the Appendix for more detailed financial information on Alestra.)

Newpek

Natural Gas and Condensates

During 3Q11, Newpek connected to sales 32 new liquids-rich wells from the Eagle Ford Shale play (EFS). As a result, at the end of 3Q11 there were 74 wells in production at EFS, plus 40 more at the Edwards Trend. These figures represent a significant increase over the 42 and 40 wells in production at the end of 2Q11, respectively. As explained in past reports, Newpek is accelerating the development of new wells to take advantage of a liquids-rich natural gas area in Southern Texas.

During the quarter, three new rigs started operations, which brought the total to 14. The constant development of ground infrastructure to connect wells to gathering facilities has been another key for the success of the company.

Newpek's 3Q11 revenues totaled U.S. \$12 million and EBITDA was U.S. \$8 million. These figures are 384% and 473% higher than those reported a year ago and reflect the progress the company has had in developing its investment and growth plans. On a sequential basis, revenues increased 36% and EBITDA 47%. For 9M11, revenues and EBITDA were up 182% and 210% from the same figures in 9M10, respectively.

(See Tables 22 and 23 in the Appendix for more detailed financial information on Newpek.)

Financial Information

- Consolidated and Group Tables
- Consolidated Balance Sheet
- Consolidated Statement of Income

For more information and the Spanish version of this report, visit ALFA's webpage at www.alfa.com.mx



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Table 1

Volume and Price Changes (%)

	3Q11 vs.		YTD'11 vs.
	2Q11	3Q10	YTD'10
Total Volume	1.9	19.9	20.0
Domestic Volume	5.4	3.5	3.3
Foreign Volume	(0.7)	36.2	36.3
Avg. Ps. Prices	6.3	16.9	11.8
Avg. U.S. \$ Prices	1.4	21.8	18.6

Table 2

Revenues

	3Q11	2Q11	3Q10	(% 3Q11 vs.)		YTD'11	YTD'10	Ch.%
				2Q11	3Q10			
Total Revenues								
P.s. Millions	47,923	44,257	34,208	8	40	134,413	100,151	34
U.S. \$ Millions	3,912	3,786	2,679	3	46	11,184	7,860	42
Domestic Revenues								
P.s. Millions	19,373	17,538	16,071	10	21	54,126	46,222	17
U.S. \$ Millions	1,583	1,501	1,259	5	26	4,504	3,627	24
Foreign Revenues								
P.s. Millions	28,550	26,720	18,137	7	57	80,288	53,929	49
U.S. \$ Millions	2,329	2,286	1,420	2	64	6,680	4,232	58
Foreign / Total (%)	60	60	53			59.7	53.8	

ALFA

Table 3

Operating Income and EBITDA

	3Q11	2Q11	3Q10	(% 3Q11 vs.)		YTD'11	YTD'10	Ch.%
				2Q11	3Q10			
Operating Income								
Ps. Millions	3,951	3,772	2,764	5	43	11,223	7,892	42
U.S. \$ Millions	322	323	216	0	49	933	620	51
EBITDA								
Ps. Millions	5,479	5,201	4,063	5	35	15,594	11,724	33
U.S. \$ Millions	446	445	318	0	40	1,297	920	41

Table 4

Comprehensive Financing (Expense) / Income (CFI) (U.S. \$ Millions)

	3Q11	2Q11	3Q10	(% 3Q11 vs.)		YTD'11	YTD'10	Ch.%
				2Q11	3Q10			
Financial Expenses	(86)	(73)	(84)	(18)	(2)	(223)	(232)	4
Financial Income	3	3	5	0	(40)	9	17	(47)
Net Financial Expenses	(83)	(70)	(79)	(19)	(5)	(214)	(215)	0
Fx Gains (Losses)	(122)	14	8	(971)	(1,625)	(80)	19	(521)
Equity Swaps	(66)	27	1	(344)	(6,700)	(1)	19	(105)
Interest Rate Swaps	(1)	(2)	(10)	50	90	(4)	(33)	88
Gas & Comm. Hedges	(11)	(6)	(16)	(83)	31	(1)	(23)	96
Capitalized CFE	0	0	0			0	1	(100)
CFE	(283)	(37)	(95)	(665)	(198)	(300)	(232)	(29)
Avg. Cost of Borrowed Funds (%)	5.9	5.5	7.8			5.6	6.6	

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Table 5

Majority Net Income (U.S. \$ Millions)

	3Q11	2Q11	3Q10	(% 3Q11 vs.)		YTD'11	YTD'10	Ch.%
				2Q11	3Q10			
Consolidated Net Income (Loss)	(25)	198	77	(113)	(132)	394	257	53
Minority Interest	14	16	16	(13)	(13)	49	47	4
Majority Net Income (Loss)	(39)	182	61	(121)	(164)	346	210	65
Per Share (U.S. Dollars)	(0.07)	0.34	0.11	(121)	(166)	0.65	0.39	66
Avg. Outstanding Shares (Millions)	534	534	539			534	542	

Table 6

Cash Flow (U.S. \$ Millions)

	3Q11	2Q11	3Q10	(% 3Q11 vs.)		YTD'11	YTD'10	Ch.%
				2Q11	3Q10			
EBITDA	446	445	318	0	40	1297	920	41
Net Working Capital & Others	(1)	(9)	(91)	89	99	(106)	(259)	59
Capital Expenditures & Acq.	(343)	(94)	(681)	(265)	50	(1,168)	(755)	(55)
Net Financial Expenses	(79)	(68)	(77)	(16)	(3)	(207)	(211)	2
Taxes, Profit Sharing	(88)	(221)	(1)	60	(8,700)	(352)	(52)	(577)
Dividends	(15)	(118)		87		(138)	(88)	(57)
Other Sources / Uses	51	(41)	(37)	224	238	(31)	(153)	80
Decrease (Increase) in Net Debt	(29)	(106)	(569)	73	95	(705)	(598)	(18)

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Table 7

Selected Balance Sheet Information & Financial Ratios (U.S. \$ Millions)

	3Q11	2Q11	3Q10	YTD'11	YTD'10
Assets	10,420	10,564	9,050	10,420	9,050
Liabilities	7,397	7,243	6,246	7,397	6,246
Stockholders' Equity	3,023	3,320	2,804	3,023	2,804
Majority Equity	2,739	2,909	2,414	2,739	2,414
Net Debt	3,573	3,544	3,006	3,573	3,006
Net Debt/EBITDA*	2.18	2.35	2.48	2.18	2.48
Interest Coverage*	5.9	5.5	4.8	5.9	4.8

* Times. Last 12 months

Alpek

Table 8

Volume and Price Changes (%)

	3Q11 vs.		YTD'11 vs.
	2Q11	3Q10	YTD'10
Total Volume	4.0	23.0	19.0
Avg. Ps. Prices	7.5	32.1	24.0
Avg. U.S. \$ Prices	3.0	38.0	31.0

Table 9

Revenues

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Total Revenues								
P.s. Millions	24,748	22,057	15,257	12	62	67,118	45,604	47
U.S. \$ Millions	2,020	1,887	1,196	7	69	5,584	3,578	56
Domestic Revenues								
P.s. Millions	9,429	8,853	7,158	7	32	26,583	21,158	26
U.S. \$ Millions	770	757	561	2	37	2,213	1,661	33
Foreign Revenues								
P.s. Millions	15,319	13,204	8,100	16	89	40,535	24,446	66
U.S. \$ Millions	1,250	1,130	635	11	97	3,371	1,918	76
Foreign / Total (%)	60	59	54			60	54	

Table 10

Operating Income and EBITDA

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Operating Income								
P.s. Millions	2,352	2,016	1,321	17	78	6,127	3,567	72
U.S. \$ Millions	192	172	104	12	85	509	281	81
EBITDA								
P.s. Millions	2,786	2,396	1,659	16	68	7,313	4,571	60
U.S. \$ Millions	227	205	130	11	75	608	359	69

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Table 11

Selected Balance Sheet Information & Financial Ratios (U.S. \$ Millions)

	3Q11	2Q11	3Q10	YTD'11	YTD'10
Assets	4,306	4,129	3,091	4,306	3,091
Liabilities	3,229	3,090	1,948	3,229	1,948
Stockholders' Equity	1,077	1,039	1,144	1,077	1,144
Net Debt	1,208	1,062	502	1,208	502
Net Debt/EBITDA*	1.63	1.64	1.11	1.63	1.11
Interest Coverage*	9.5	9.2	7.5	9.5	7.5

* Times. Last 12 months

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Table 12

Revenues

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Total Revenues								
P.s. Millions	10,989	10,995	8,985	0	22	32,820	26,846	22
U.S. \$ Millions	896	941	704	(5)	27	2,731	2,107	30
Domestic Revenues								
P.s. Millions	1,294	1,112	1,185	16	9	3,567	2,772	29
U.S. \$ Millions	105	95	93	11	14	296	217	36
Foreign Revenues								
P.s. Millions	9,694	9,883	7,801	(2)	24	29,253	24,073	22
U.S. \$ Millions	791	845	611	(6)	29	2,435	1,890	29
Foreign / Total (%)	88	90	87			89	90	0
Total Volume (Million Eq. Heads)	9.0	9.4	8.4	(4)	7	27.7	24.8	11.3

Table 13

Operating Income and EBITDA

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Operating Income								
P.s. Millions	651	748	634	(13)	3	2,161	2,232	(3)
U.S. \$ Millions	52	64	50	(19)	5	179	175	2
EBITDA								
P.s. Millions	1,121	1,190	1,075	(6)	4	3,513	3,574	(2)
U.S. \$ Millions	90	102	84	(11)	8	292	281	4

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Table 14

Selected Balance Sheet Information & Financial Ratios (U.S. \$ Millions)

	3Q11	2Q11	3Q10	YTD'11	YTD'10
Assets	3,320	3,402	3,079	3,320	3,079
Liabilities	2,476	2,502	2,288	2,476	2,288
Stockholders' Equity	844	900	791	844	791
Majority Equity	844	900	791	844	791
Net Debt	1,169	1,206	1,274	1,169	1,274
Net Debt/EBITDA*	3.12	3.27	3.40	3.12	3.40
Interest Coverage*	3.8	3.6	3.1	3.8	3.1

* Times. Last 12 months

Sigma

Table 15

Volume and Price Changes (%)

	3Q11 vs.		YTD'11 vs.
	2Q11	3Q10	YTD'10
Total Volume	2.6	26.6	31.0
Avg. Ps. Prices	(0.1)	(3.8)	(2.3)
Avg. U.S. \$ Prices	(4.6)	0.4	3.6

Table 16

Revenues

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Total Revenues								
P.s. Millions	10,321	10,074	8,475	2	22	29,954	23,413	28
U.S. \$ Millions	843	862	664	(2)	27	2,494	1,837	36
Domestic Revenues								
P.s. Millions	7,007	6,669	6,435	5	9	20,076	18,517	8
U.S. \$ Millions	573	570	504		14	1,672	1,453	15
Foreign Revenues								
P.s. Millions	3,314	3,405	2,040	(3)	62	9,878	4,896	102
U.S. \$ Millions	270	291	160	(7)	69	822	384	114
Foreign / Total (%)	32	34	24			33	21	

Table 17

Operating Income and EBITDA

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Operating Income								
P.s. Millions	865	946	698	(9)	24	2,698	1,910	41
US\$ Millions	71	81	55	(12)	30	225	150	50
EBITDA								
P.s. Millions	1,214	1,288	955	(6)	27	3,730	2,646	41
US\$ Millions	99	110	75	(10)	33	311	208	50

Sigma

Table 18

Selected Balance Sheet Information & Financial Ratios (U.S. \$ Millions)

	3Q11	2Q11	3Q10	YTD'11	YTD'10
Assets	2,185	2,241	2,171	2,185	2,171
Liabilities	1,618	1,587	1,620	1,618	1,620
Stockholders' Equity	567	654	551	567	551
Majority Equity	567	654	551	567	551
Net Debt	986	1,070	1,119	986	1,119
Net Debt/EBITDA*	2.39	2.76	4.09	2.39	4.09
Interest Coverage*	5.5	5.2	4.8	5.5	4.8

* Times. Last 12 months

Alestra

Table 19

Revenues

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Total Revenues								
P.s. Millions	1,209	1,142	1,154	6	5	3,511	3,396	3
U.S. \$ Millions	99	98	90	1	9	292	266	10
Data, Internet and Local Services (VAS)								
P.s. Millions	974	904	881	8	3	2,793	2,567	9
U.S. \$ Millions	79	77	69	3	15	232	201	15
Long Distance Services								
P.s. Millions	234	238	273	(2)	(14)	719	830	(13)
U.S. \$ Millions	19	20	21	(6)	(11)	60	65	(8)
Data, Internet and Local Services / Total (%)	81	79	76			80	76	

Table 20

Operating Income and EBITDA

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Operating Income								
P.s. Millions	209	185	164	13	27	574	445	29
U.S. \$ Millions	17	16	13	8	32	48	35	37
EBITDA								
P.s. Millions	412	395	384	4	7	1,200	1,090	10
U.S. \$ Millions	34	34	30	(0)	12	100	86	17

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Table 21

Selected Balance Sheet Information & Financial Ratios (U.S. Million)

	3Q11	2Q11	3Q10	YTD'11	YTD'10
Assets	526	596	576	526	576
Liabilities	331	351	369	331	369
Stockholders' Equity	195	244	207	195	207
Net Debt	168	158	185	168	185
Net Debt/EBITDA*	1.29	1.24	1.64	1.29	1.64
Interest Coverage*	4.6	4.5	4.3	4.6	4.3

* Times. Last 12 months

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Table 22

Revenues and EBITDA

	3Q11	2Q11	3Q10	(%) 3Q11 vs.		YTD'11	YTD'10	Ch. %
				2Q11	3Q10			
Revenues								
U.S. \$ Millions	12.0	8.8	2.5	36	384	26.6	9.4	182
EBITDA								
U.S. \$ Millions	8	6	2	47	473	18	6	210

Table 23

Wells and Rigs

	3Q11	2Q11	3Q10	YTD'11	YTD'10
Producing Wells					
Edwards	40	40	38	40	38
Eagle Ford Shale	74	42	5	74	5
Rigs running	14	11	5	14	5