

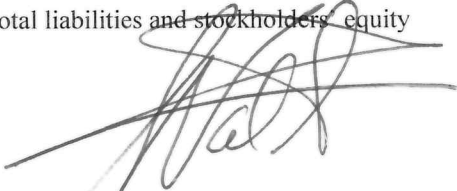
Alpek, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Financial Position

As of March 31, 2018 and December 31, 2017

In millions of Mexican pesos

	As of March 31, 2018 <u>(Unaudited)</u>	As of December 31, 2017 <u>(Audited)</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,354	\$ 8,795
Restricted cash	710	763
Trade and other accounts receivable, net	17,444	15,817
Inventories	16,374	16,364
Derivative financial instruments	99	148
Prepayments	242	305
Total current assets	<u>42,223</u>	<u>42,192</u>
Non-current assets:		
Property, plant and equipment, net	38,670	41,535
Goodwill and intangible assets, net	3,719	4,065
Deferred income taxes	2,418	2,424
Prepayments	29	31
Other non-current assets	4,455	3,531
Total non-current assets	<u>49,291</u>	<u>51,586</u>
Total assets	<u>\$ 91,514</u>	<u>\$ 93,778</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Debt	\$ 6,621	\$ 7,408
Trade and other accounts payable	20,706	19,783
Income taxes payable	1,104	573
Derivative financial instruments	319	230
Provisions	44	25
Total current liabilities	<u>28,794</u>	<u>28,019</u>
Non-current liabilities:		
Debt	24,639	26,958
Derivative financial instruments	386	473
Provisions	143	155
Deferred income taxes	4,142	4,403
Income taxes payable	399	623
Employee benefits	992	1,061
Other non-current liabilities	382	422
Total non-current liabilities	<u>31,083</u>	<u>34,095</u>
Total liabilities	<u>59,877</u>	<u>62,114</u>
Stockholders' equity		
Controlling interest:		
Capital stock	6,050	6,048
Share premium	9,071	9,071
Retained earnings	4,822	3,271
Other reserves	6,897	8,526
Total controlling interest	<u>26,840</u>	<u>26,916</u>
Non-controlling interest	4,797	4,748
Total stockholders' equity	<u>31,637</u>	<u>31,664</u>
Total liabilities and stockholders' equity	<u>\$ 91,514</u>	<u>\$ 93,778</u>


 José de Jesús Valdez Simancas
 Chief Executive Officer


 Eduardo Alberto Escalante Castillo
 Chief Financial Officer

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

Consolidated Statements of Profit

For the three months ended March 31, 2018 and 2017

In millions of Mexican pesos, except for earnings per share amounts

	<u>Unaudited</u>	
	2018	2017
Revenues	\$ 28,746	\$ 26,339
Cost of sales	<u>(24,943)</u>	<u>(22,826)</u>
Gross profit	3,803	3,513
Selling expenses	(458)	(452)
Administrative expenses	(680)	(549)
Other income, net	<u>30</u>	<u>23</u>
Operating income	2,695	2,535
Financial income	110	77
Financial expenses	(436)	(366)
Gain due to exchange fluctuation, net	<u>242</u>	<u>606</u>
Financial result, net	(84)	317
Equity in income of associates and joint ventures recognized using the equity method	<u>(9)</u>	<u>(2)</u>
Income before taxes	2,602	2,850
Income taxes	<u>(664)</u>	<u>(693)</u>
Net consolidated income	<u>\$ 1,938</u>	<u>\$ 2,157</u>
Income attributable to:		
Controlling interest	\$ 1,550	\$ 1,769
Non-controlling interest	<u>388</u>	<u>388</u>
	<u>\$ 1,938</u>	<u>\$ 2,157</u>
Earnings per basic and diluted share, in Mexican pesos	<u>\$ 0.73</u>	<u>\$ 0.84</u>
Weighted average outstanding shares (millions of shares)	<u>2,117</u>	<u>2,117</u>



José de Jesús Valdez Simancas
Chief Executive Officer



Eduardo Alberto Escalante Castillo
Chief Financial Officer

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

Consolidated Statements of Cash Flows

For the three months ended March 31, 2018 and 2017

In millions of Mexican pesos

	<u>Unaudited</u>	
	2018	2017
Cash flows from operating activities		
Income before income taxes	\$ 2,602	\$ 2,850
Depreciation and amortization	695	700
Impairment of long-lived assets	1	5
Allowance for doubtful accounts	8	2
Financial result, net	(4)	(407)
Statutory employee profit sharing, provisions and other items	16	(34)
Subtotal	3,318	3,116
Movements in working capital		
Increase in trade receivables and other assets	(3,407)	(1,589)
Increase in inventories	(672)	(1,005)
Increase in trade and other accounts payable	2,576	1,429
Income taxes paid	(139)	(535)
Net cash flows generated from operating activities	1,676	1,416
Cash flows from investing activities		
Interest collected	91	44
Cash flows in acquisition of property, plant and equipment	(388)	(1,524)
Cash flows in acquisition of intangible assets	(9)	(7)
Investment in joint ventures and associates	(650)	(19)
Derivative financial instruments	-	(16)
Loans collected from related parties	1	1
Notes receivable	(553)	(599)
Collection of notes	17	15
Net cash flows used in investing activities	(1,491)	(2,105)
Cash flows from financing activities		
Proceeds from debt	193	4,143
Payments of debt	(943)	(1,834)
Interest paid	(369)	(245)
Dividends paid by Alpek, S. A. B. de C. V.	-	(1,395)
Dividends paid to non-controlling interest	-	(319)
Sale of shares	17	-
Net cash flows (used in) generated from financing activities	(1,102)	350
Net decrease in cash and cash equivalents	(917)	(339)
Effect of changes in exchange rates	(524)	(234)
Cash and cash equivalents at the beginning of the year	8,795	2,935
Cash and cash equivalents at the end of the period	\$ 7,354	\$ 2,362



José de Jesús Valdez Simancas
Chief Executive Officer



Eduardo Alberto Escalante Castillo
Chief Financial Officer