

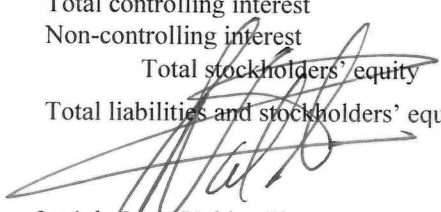
Alpek, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Financial Position

As of June 30, 2018 and December 31, 2017

In millions of Mexican pesos

	As of June 30, 2018 <u>(Unaudited)</u>	As of December 31, 2017 <u>(Audited)</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,426	\$ 8,795
Restricted cash	3	763
Trade and other accounts receivable, net	20,251	15,817
Inventories	20,570	16,364
Derivative financial instruments	119	148
Prepayments	528	305
Total current assets	<u>45,897</u>	<u>42,192</u>
Non-current assets:		
Property, plant and equipment, net	49,254	41,535
Goodwill and intangible assets, net	3,933	4,065
Deferred income taxes	2,689	2,424
Prepayments	37	31
Other non-current assets	7,880	3,531
Total non-current assets	<u>63,793</u>	<u>51,586</u>
Total assets	<u>\$ 109,690</u>	<u>\$ 93,778</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Debt	\$ 6,058	\$ 7,408
Trade and other accounts payable	24,025	19,783
Income taxes payable	1,059	573
Derivative financial instruments	449	230
Provisions	51	25
Total current liabilities	<u>31,642</u>	<u>28,019</u>
Non-current liabilities:		
Debt	30,788	26,958
Derivative financial instruments	351	473
Provisions	6,834	155
Deferred income taxes	4,639	4,403
Income taxes payable	386	623
Employee benefits	1,069	1,061
Other non-current liabilities	398	422
Total non-current liabilities	<u>44,465</u>	<u>34,095</u>
Total liabilities	<u>76,107</u>	<u>62,114</u>
Stockholders' equity		
Controlling interest:		
Capital stock	6,052	6,048
Share premium	9,071	9,071
Retained earnings	7,593	3,271
Other reserves	5,915	8,526
Total controlling interest	<u>28,631</u>	<u>26,916</u>
Non-controlling interest	4,952	4,748
Total stockholders' equity	<u>33,583</u>	<u>31,664</u>
Total liabilities and stockholders' equity	<u>\$ 109,690</u>	<u>\$ 93,778</u>


 José de Jesús Valdez Simancas
 Chief Executive Officer

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

Consolidated Statements of Profit

For the six and three months ended June 30, 2018 and 2017

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

	<u>Unaudited</u>			
	Six months ended June 30, 2018	Six months ended June 30, 2017	Three months ended June 30, 2018	Three months ended June 30, 2017
Revenues	\$ 62,888	\$ 50,614	\$ 34,143	\$ 24,275
Cost of sales	(53,909)	(45,524)	(28,966)	(22,698)
Gross profit	8,979	5,090	5,177	1,577
Selling expenses	(1,027)	(886)	(569)	(434)
Administrative expenses	(1,501)	(1,060)	(821)	(511)
Other income, net	177	295	146	272
Operating income	6,628	3,439	3,933	904
Financial income	190	133	81	56
Financial expenses	(989)	(711)	(554)	(345)
Gain due to exchange fluctuation, net	499	776	256	170
Financial result, net	(300)	198	(217)	(119)
Equity in income of associates and joint ventures recognized using the equity method	(9)	(5)	-	(3)
Income before taxes	6,319	3,632	3,716	782
Income taxes	(1,305)	(782)	(640)	(89)
Net consolidated income	<u>\$ 5,014</u>	<u>\$ 2,850</u>	<u>\$ 3,076</u>	<u>\$ 693</u>
Income attributable to:				
Controlling interest	\$ 4,302	\$ 2,221	\$ 2,752	\$ 451
Non-controlling interest	712	629	324	242
	<u>\$ 5,014</u>	<u>\$ 2,850</u>	<u>\$ 3,076</u>	<u>\$ 693</u>
Earnings per basic and diluted share, in Mexican pesos	<u>\$ 2.03</u>	<u>\$ 1.05</u>	<u>\$ 1.30</u>	<u>\$ 0.21</u>
Weighted average outstanding shares (millions of shares)	<u>2,117</u>	<u>2,117</u>	<u>2,118</u>	<u>2,117</u>



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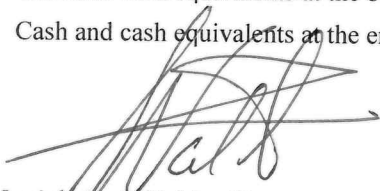
Alpek, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows

For the six months ended June 30, 2018 and 2017

In millions of Mexican pesos

	<u>Unaudited</u>	
	2018	2017
Cash flows from operating activities		
Income before income taxes	\$ 6,319	\$ 3,632
Depreciation and amortization	1,411	1,320
Impairment of long-lived assets	14	5
Allowance for doubtful accounts	54	6
Gain on sale of property, plant and equipment	(62)	-
Financial result, net	103	(372)
Statutory employee profit sharing, provisions and other items	15	(304)
Subtotal	<u>7,854</u>	<u>4,287</u>
Movements in working capital		
Increase in trade receivables and other assets	(3,093)	(1,587)
(Increase) decrease in inventories	(2,808)	691
Increase in trade and other accounts payable	3,255	2,959
Income taxes paid	(772)	(1,146)
Net cash flows generated from operating activities	<u>4,436</u>	<u>5,204</u>
Cash flows from investing activities		
Interest collected	175	55
Cash flows in acquisition of property, plant and equipment	(878)	(2,730)
Cash flows in acquisition of intangible assets	(12)	(7)
Cash flows in business acquisition, net of cash acquired	(7,127)	-
Investment in joint ventures and associates	(942)	(19)
Derivative financial instruments	-	(17)
Loans collected from related parties	193	15
Notes receivable	(688)	(613)
Collection of notes	17	15
Restricted cash	-	(738)
Net cash flows used in investing activities	<u>(9,262)</u>	<u>(4,039)</u>
Cash flows from financing activities		
Proceeds from debt	6,203	4,094
Payments of debt	(4,079)	(2,708)
Interest paid	(896)	(618)
Dividends paid by Alpek, S. A. B. de C. V.	-	(1,395)
Dividends paid to non-controlling interest	(521)	(484)
Sale of shares	39	-
Loan payments to related parties	(1)	-
Net cash flows generated from (used in) financing activities	<u>745</u>	<u>(1,111)</u>
Net (decrease) increase in cash and cash equivalents	(4,081)	54
Effect of changes in exchange rates	(288)	(314)
Cash and cash equivalents at the beginning of the year	<u>8,795</u>	<u>2,935</u>
Cash and cash equivalents at the end of the period	<u>\$ 4,426</u>	<u>\$ 2,675</u>


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 Chief Executive Officer