

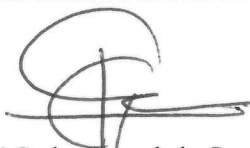
Alpek, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Financial Position

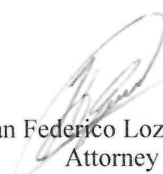
As of September 30, 2018 and December 31, 2017

In millions of Mexican pesos

	As of September 30, 2018 <u>(Unaudited)</u>	As of December 31, 2017 <u>(Audited)</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,299	\$ 8,795
Restricted cash	3	763
Trade and other accounts receivable, net	21,728	15,817
Inventories	19,602	16,364
Derivative financial instruments	294	148
Prepayments	783	305
Total current assets	<u>46,709</u>	<u>42,192</u>
Non-current assets:		
Property, plant and equipment, net	46,150	41,535
Goodwill and intangible assets, net	3,922	4,065
Deferred income taxes	2,466	2,424
Prepayments	34	31
Derivative financial instruments	55	-
Other non-current assets	8,456	3,531
Total non-current assets	<u>61,083</u>	<u>51,586</u>
Total assets	<u>\$ 107,792</u>	<u>\$ 93,778</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Debt	\$ 5,263	\$ 7,408
Trade and other accounts payable	24,325	19,783
Income taxes payable	1,259	573
Derivative financial instruments	307	230
Provisions	49	25
Total current liabilities	<u>31,203</u>	<u>28,019</u>
Non-current liabilities:		
Debt	29,106	26,958
Derivative financial instruments	265	473
Provisions	6,466	155
Deferred income taxes	4,382	4,403
Income taxes payable	393	623
Employee benefits	1,012	1,061
Other non-current liabilities	362	422
Total non-current liabilities	<u>41,986</u>	<u>34,095</u>
Total liabilities	<u>73,189</u>	<u>62,114</u>
Stockholders' equity		
Controlling interest:		
Capital stock	6,052	6,048
Share premium	9,071	9,071
Retained earnings	9,103	3,271
Other reserves	5,288	8,526
Total controlling interest	<u>29,514</u>	<u>26,916</u>
Non-controlling interest	5,089	4,748
Total stockholders' equity	<u>34,603</u>	<u>31,664</u>
Total liabilities and stockholders' equity	<u>\$ 107,792</u>	<u>\$ 93,778</u>



José Carlos Pons de la Garza
Chief Financial Officer



Hernan Federico Lozano García Corral
Attorney in fact

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

Consolidated Statements of Profit (Loss)

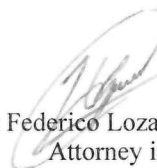
For the nine and three months ended September 30, 2018 and 2017

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

	<u>Unaudited</u>			
	Nine months ended September 30, <u>2018</u>	Nine months ended September 30, <u>2017</u>	Three months ended September 30, <u>2018</u>	Three months ended September 30, <u>2017</u>
Revenues	\$ 99,721	\$ 73,988	\$ 36,833	\$ 23,374
Cost of sales	<u>(85,273)</u>	<u>(66,657)</u>	<u>(31,365)</u>	<u>(21,133)</u>
Gross profit	14,448	7,331	5,468	2,241
Selling expenses	(1,600)	(1,320)	(572)	(434)
Administrative expenses	(2,239)	(1,511)	(738)	(452)
Other income, net	<u>426</u>	<u>324</u>	<u>249</u>	<u>30</u>
Income before impairment of intangible assets and trade receivables	11,035	4,824	4,407	1,385
Impairment of intangible assets and trade receivables	<u>-</u>	<u>(9,762)</u>	<u>-</u>	<u>(9,762)</u>
Operating income (loss)	11,035	(4,938)	4,407	(8,377)
Financial income	284	163	94	29
Financial expenses	(1,612)	(1,043)	(622)	(331)
(Loss) gain due to exchange fluctuation, net	(521)	459	(1,020)	(316)
Impairment of financial assets	<u>-</u>	<u>(1,694)</u>	<u>-</u>	<u>(1,694)</u>
Financial result, net	(1,849)	(2,115)	(1,548)	(2,312)
Equity in (loss) income of associates and joint ventures recognized using the equity method	<u>(7)</u>	<u>(4)</u>	<u>2</u>	<u>1</u>
Income (loss) before taxes	9,179	(7,057)	2,861	(10,688)
Income taxes	<u>(2,255)</u>	<u>2,887</u>	<u>(950)</u>	<u>3,668</u>
Net consolidated income (loss)	<u>\$ 6,924</u>	<u>\$ (4,170)</u>	<u>\$ 1,911</u>	<u>\$ (7,020)</u>
Income (loss) attributable to:				
Controlling interest	\$ 5,818	\$ (4,910)	\$ 1,516	\$ (7,130)
Non-controlling interest	<u>1,106</u>	<u>740</u>	<u>395</u>	<u>110</u>
	<u>\$ 6,924</u>	<u>\$ (4,170)</u>	<u>\$ 1,911</u>	<u>\$ (7,020)</u>
Earnings (losses) per basic and diluted share, in Mexican pesos	<u>\$ 2.75</u>	<u>\$ (2.32)</u>	<u>\$ 0.72</u>	<u>\$ (3.37)</u>
Weighted average outstanding shares (millions of shares)	<u>2,118</u>	<u>2,117</u>	<u>2,118</u>	<u>2,117</u>



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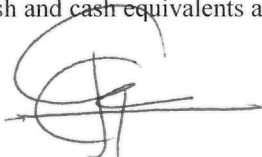
Alpek, S. A. B. de C. V. and Subsidiaries

Consolidated Statements of Cash Flows

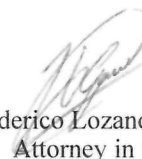
For the nine months ended September 30, 2018 and 2017

In millions of Mexican pesos

	<u>Unaudited</u>	
	2018	2017
Cash flows from operating activities		
Income (loss) before income taxes	\$ 9,179	\$ (7,057)
Depreciation and amortization	2,203	1,994
Impairment of long-lived assets	14	7,768
Allowance for doubtful accounts	67	2,007
Gain on sale of property, plant and equipment	(219)	-
Financial result, net	1,527	1,862
Statutory employee profit sharing, provisions and other items	250	(401)
Subtotal	13,021	6,173
Movements in working capital		
Increase in trade receivables and other assets	(7,744)	(2,583)
(Increase) decrease in inventories	(2,865)	763
Increase in trade and other accounts payable	5,604	2,570
Income taxes paid	(1,425)	(1,478)
Net cash flows generated from operating activities	6,591	5,445
Cash flows from investing activities		
Interest collected	265	72
Cash flows in acquisition of property, plant and equipment	(1,304)	(3,873)
Cash flows in acquisition of intangible assets	(19)	(11)
Cash flows in business acquisition, net of cash acquired	(7,120)	-
Investment in joint ventures and associates	(1,210)	(19)
Derivative financial instruments	-	(17)
Loans collected from related parties	194	15
Notes receivable	(1,124)	(600)
Collection of notes	17	15
Restricted cash	-	(739)
Net cash flows used in investing activities	(10,301)	(5,157)
Cash flows from financing activities		
Proceeds from debt	6,220	11,644
Payments of debt	(4,600)	(3,324)
Interest paid	(1,420)	(851)
Dividends paid by Alpek, S. A. B. de C. V.	-	(2,667)
Dividends paid to non-controlling interest	(521)	(485)
Sale of shares	39	1
Loan payments to related parties	(1)	(1)
Net cash flows (used in) generated from financing activities	(283)	4,317
Net (decrease) increase in cash and cash equivalents	(3,993)	4,605
Effect of changes in exchange rates	(503)	(113)
Cash and cash equivalents at the beginning of the year	8,795	2,935
Cash and cash equivalents at the end of the period	<u>\$ 4,299</u>	<u>\$ 7,427</u>



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