

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Financial Position
At March 31, 2017 and December 31, 2016

In millions of Mexican pesos

<u>Asset</u>	<u>At March 31,</u> <u>2017</u> <u>(Unaudited)</u>	<u>At December 31,</u> <u>2016</u> <u>(Audited)</u>
CURRENT ASSET:		
Cash and cash equivalents	Ps 2,362	Ps 2,935
Restricted cash and cash equivalents	2	2
Trade and other receivables, net	15,570	15,918
Inventories	15,187	14,853
Derivative financial instruments	74	56
Prepayments	395	457
Total current asset	<u>33,590</u>	<u>34,221</u>
NON-CURRENT ASSET:		
Property, plant and equipment, net	38,136	40,699
Goodwill and intangible assets, net	10,738	11,875
Deferred income taxes	348	433
Prepayments	1,427	1,570
Other assets	3,041	2,702
Total non-current asset	<u>53,690</u>	<u>57,279</u>
Total asset	<u>Ps 87,280</u>	<u>Ps 91,500</u>
<u>Liability and Stockholders' equity</u>		
CURRENT LIABILITY:		
Debt	Ps 5,228	Ps 2,787
Suppliers and other accounts payable	15,211	15,492
Derivative financial instruments	106	71
Income tax payable	598	694
Provisions	310	363
Total current liability	<u>21,453</u>	<u>19,407</u>
NON-CURRENT LIABILITY:		
Debt	19,134	21,551
Derivative financial instruments	586	646
Provisions	7	7
Deferred income taxes	5,410	5,883
Income tax payable	554	553
Employee benefits	1,127	1,227
Other liabilities	445	504
Total non-current liability	<u>27,263</u>	<u>30,371</u>
Total liability	<u>48,716</u>	<u>49,778</u>
STOCKHOLDERS' EQUITY		
Controlling interest:		
Capital stock	6,048	6,048
Share premium	9,071	9,071
Retained earnings	11,666	11,292
Other reserves	7,489	10,662
Total controlling interest	<u>34,274</u>	<u>37,073</u>
Non-controlling interest	4,290	4,649
Total stockholders' equity	<u>38,564</u>	<u>41,722</u>
Total liability and stockholders' equity	<u>Ps 87,280</u>	<u>Ps 91,500</u>

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Income
For the three months ended March 31, 2017 and 2016

In millions of Mexican pesos

	<u>Unaudited</u>	
	<u>2017</u>	<u>2016</u>
Revenue	Ps 26,339	Ps 21,292
Cost of sales	<u>(22,826)</u>	<u>(17,957)</u>
Gross profit	3,513	3,335
Selling expenses	(452)	(378)
Administrative expenses	(549)	(513)
Other income, net	<u>23</u>	<u>40</u>
Operating profit	<u>2,535</u>	<u>2,484</u>
Finance income	683	135
Finance cost	<u>(366)</u>	<u>(425)</u>
Finance cost, net	<u>317</u>	<u>(290)</u>
Share of losses of associates accounted for by the equity method	<u>(2)</u>	<u>(5)</u>
Profit before income taxes	2,850	2,189
Income taxes	<u>(693)</u>	<u>(317)</u>
Net consolidated profit	<u>Ps 2,157</u>	<u>Ps 1,872</u>
Profit attributable to:		
Controlling interest	Ps 1,769	Ps 1,282
Non-controlling interest	<u>388</u>	<u>590</u>
	<u>Ps 2,157</u>	<u>Ps 1,872</u>
Basic and diluted earnings per share in pesos	<u>Ps 0.84</u>	<u>Ps 0.61</u>
Weighted average of outstanding shares (in millions of shares)	<u>2,117</u>	<u>2,118</u>

Alpek, S. A. B. de C. V. and subsidiaries
Consolidated Statements of Cash Flows
For the three months ended March 31, 2017 and 2016

In millions of Mexican pesos

	Unaudited	
	2017	2016
<u>Cash flows from operating activities</u>		
Profit before income taxes	Ps 2,850	Ps 2,189
Depreciation and amortization	700	604
Impairment of property, plant and equipment	5	1
Allowance for doubtful receivables	2	2
Loss on sale of property, plant and equipment	1	-
Share of losses of associates accounted for by the equity method	2	5
Finance cost, net	(413)	282
Loss (gain) on changes in the fair value of derivative financial instruments	6	(49)
Employees' profit sharing and provisions	(37)	(81)
Subtotal	3,116	2,953
Increase in trade receivables	(817)	(741)
(Increase) decrease in accounts receivable from related parties	(742)	5
Increase in other accounts receivable	(30)	(325)
(Increase) decrease in inventories	(1,005)	523
Increase (decrease) in accounts payable	864	(1,423)
Increase in accounts payable to related parties	567	29
Employees' profit sharing paid	(2)	(2)
Income tax paid	(535)	(1,323)
Net cash flows generated from (used in) operating activities	1,416	(304)
<u>Cash flows from investing activities</u>		
Interest received	44	70
Acquisition of property, plant and equipment	(1,524)	(444)
Acquisition of intangible assets	(7)	-
Business acquisitions, net of cash acquired	-	(63)
Investment in associates	(19)	(72)
Derivative financial instruments	(16)	190
Proceeds from loans to related parties	1	221
Notes receivables	(584)	(2)
Net cash flows used in investing activities	(2,105)	(100)
<u>Cash flows from financing activities</u>		
Proceeds from debt	4,143	1,294
Payments of debt	(1,834)	(700)
Interest paid	(245)	(219)
Dividends paid by Alpek, S. A. B. de C. V.	(1,395)	(1,959)
Dividends paid to the non-controlling interest	(319)	(451)
Repurchase of shares	-	(29)
Net cash flows generated from (used in) financing activities	350	(2,064)
Decrease in cash and cash equivalents	(339)	(2,468)
Exchange rate fluctuations on cash and cash equivalents	(234)	40
Cash and cash equivalents at beginning of year	2,935	6,650
Cash and cash equivalents at end of year	Ps 2,362	Ps 4,222

