

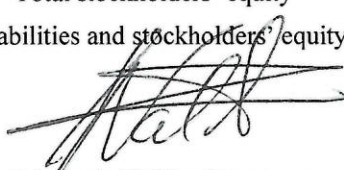
**Alpek, S. A. B. de C. V. and Subsidiaries**  
**(Subsidiary of Alfa, S. A. B. de C. V.)**

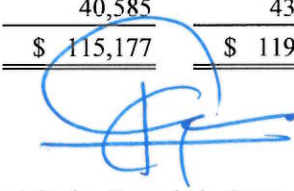
**Consolidated Statements of Financial Position**

As of June 30, 2019 and December 31, 2018

In millions of Mexican pesos

	As of June 30, 2019 (Unaudited)	As of December 31, 2018 (Audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 5,493	\$ 4,168
Restricted cash	3	3
Trade and other accounts receivable, net	19,521	21,934
Inventories	18,923	24,511
Derivative financial instruments	9	30
Prepayments	577	469
Total current assets	<u>44,526</u>	<u>51,115</u>
Non-current assets:		
Property, plant and equipment, net	46,824	47,033
Goodwill and intangible assets, net	4,166	4,368
Right of use asset, net	3,243	-
Deferred income taxes	1,411	1,384
Prepayments	16	38
Other non-current assets	14,991	15,959
Total non-current assets	<u>70,651</u>	<u>68,782</u>
Total assets	<u>\$ 115,177</u>	<u>\$ 119,897</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Debt	\$ 11,341	\$ 10,118
Lease liability	927	-
Trade and other accounts payable	19,258	26,051
Income taxes payable	654	1,279
Derivative financial instruments	1,450	1,047
Provisions	49	81
Total current liabilities	<u>33,679</u>	<u>38,576</u>
Non-current liabilities:		
Debt	30,733	30,012
Lease liability	2,359	-
Derivative financial instruments	244	283
Provisions	1,100	1,107
Deferred income taxes	4,562	4,752
Income taxes payable	403	469
Employee benefits	1,121	1,099
Other non-current liabilities	391	436
Total non-current liabilities	<u>40,913</u>	<u>38,158</u>
Total liabilities	<u>74,592</u>	<u>76,734</u>
Stockholders' equity		
Controlling interest:		
Capital stock	6,050	6,052
Share premium	9,098	9,106
Retained earnings	15,846	17,235
Other reserves	4,883	5,734
Total controlling interest	<u>35,877</u>	<u>38,127</u>
Non-controlling interest	4,708	5,036
Total stockholders' equity	<u>40,585</u>	<u>43,163</u>
Total liabilities and stockholders' equity	<u>\$ 115,177</u>	<u>\$ 119,897</u>

  
 José de Jesús Valdez Simancas  
 Chief Executive Officer

  
 José Carlos Pons de la Garza  
 Chief Financial Officer

**Alpek, S. A. B. de C. V. and Subsidiaries**  
**(Subsidiary of Alfa, S. A. B. de C. V.)**

**Consolidated Statements of Profit**


**For the six and three months ended June 30, 2019 and 2018**

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

	<u>Unaudited</u>			
	Six months ended June 30, 2019	Six months ended June 30, 2018	Three months ended June 30, 2019	Three months ended June 30, 2018
Revenues	\$ 62,992	\$ 62,888	\$ 31,425	\$ 34,143
Cost of sales	(57,370)	(53,909)	(28,460)	(28,966)
Gross profit	5,622	8,979	2,965	5,177
Selling expenses	(1,013)	(1,027)	(495)	(569)
Administrative expenses	(1,413)	(1,501)	(732)	(821)
Other income, net	625	177	361	146
Operating income	3,821	6,628	2,099	3,933
Financial income	360	190	181	81
Financial expenses	(1,329)	(989)	(666)	(554)
Gain due to exchange fluctuation, net	185	499	131	256
Financial result, net	(784)	(300)	(354)	(217)
Equity in loss of associates and joint ventures recognized using the equity method	(4)	(9)	(1)	-
Income before taxes	3,033	6,319	1,744	3,716
Income taxes	(944)	(1,305)	(420)	(640)
Net consolidated income	<u>\$ 2,089</u>	<u>\$ 5,014</u>	<u>\$ 1,324</u>	<u>\$ 3,076</u>
Income attributable to:				
Controlling interest	\$ 1,581	\$ 4,302	\$ 1,064	\$ 2,752
Non-controlling interest	508	712	260	324
	<u>\$ 2,089</u>	<u>\$ 5,014</u>	<u>\$ 1,324</u>	<u>\$ 3,076</u>
Earnings per basic and diluted share, in Mexican pesos	<u>\$ 0.75</u>	<u>\$ 2.03</u>	<u>\$ 0.50</u>	<u>\$ 1.30</u>
Weighted average outstanding shares (millions of shares)	<u>2,118</u>	<u>2,117</u>	<u>2,118</u>	<u>2,118</u>



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Chief Financial Officer

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**Consolidated Statements of Cash Flows**

For the six months ended June 30, 2019 and 2018

In millions of Mexican pesos

	<u>Unaudited</u>	
	2019	2018
Cash flows from operating activities		
Income before income taxes	\$ 3,033	\$ 6,319
Depreciation and amortization	1,939	1,411
Impairment of long-lived assets	1	14
Allowance for doubtful accounts	53	54
Financial result, net	548	103
Statutory employee profit sharing, provisions and other items	(77)	(47)
Subtotal	5,497	7,854
Movements in working capital		
Decrease (increase) in trade receivables and other assets	2,221	(3,093)
Decrease (increase) in inventories	5,476	(2,808)
(Decrease) increase in trade and other accounts payable	(6,151)	3,255
Income taxes paid	(1,719)	(772)
Net cash flows generated from operating activities	5,324	4,436
Cash flows from investing activities		
Interest collected	119	175
Cash flows in acquisition of property, plant and equipment	(1,313)	(878)
Cash flows in acquisition of intangible assets	(21)	(12)
Cash flows in business acquisition, net of cash acquired	(672)	(7,127)
Investment in joint ventures and associates	(33)	(942)
Loans collected from related parties	158	193
Notes receivable	-	(688)
Collection of notes	19	17
Net cash flows used in investing activities	(1,743)	(9,262)
Cash flows from financing activities		
Proceeds from debt	10,663	6,203
Payments of debt	(7,607)	(4,079)
Payments of leases	(447)	-
Interest paid	(1,140)	(896)
Dividends paid by Alpek, S. A. B. de C. V.	(2,778)	-
Dividends paid to non-controlling interest	(697)	(521)
Reissuance of shares	116	39
Repurchase of shares	(126)	-
Loan payments to related parties	-	(1)
Acquisition of non-controlling interest	(194)	-
Net cash flows (used in) generated from financing activities	(2,210)	745
Net increase (decrease) in cash and cash equivalents	1,371	(4,081)
Effect of changes in exchange rates	(46)	(288)
Cash and cash equivalents at the beginning of the year	4,168	8,795
Cash and cash equivalents at the end of the period	\$ 5,493	\$ 4,426

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