CORPORATE SPEAKERS

José de Jesús Valdez, *Chief Executive Officer*

José Carlos Pons, *Chief Financial Officer*

Antón Fernández, *Investor Relations Officer*

WEBCAST PARTICIPANTS

Alejandro Zamacona, *Credit Suisse*

Luiz Carvalho, *UBS*

Nikolaj Lippmann, *Morgan Stanley*

Andrés Cardona, *Citi*

Barbara Halberstadt, *JP Morgan*

Leonardo Marcondes, *Bank of America*

Jean-Baptiste Bruny, BBVA

Jacob Kim*, Scotiabank*

Regina Carrillo*, GBM*

[TRANSCRIPT BASED ON CLOSED CAPTIONING / PLEASE REFER TO AUDIO FOR OFFICIAL RECORD]

Antón Fernández:
[Slide 2] Good morning, and welcome to Alpek's Third Quarter 2022 Earnings Webcast.

[Slide 3] I'm Antón Fernández, Alpek's IRO, and today I have the pleasure of being joined by our CEO, Pepe Valdez, and our CFO, José Carlos Pons.

This presentation is divided into two parts. First, Pepe and José Carlos will comment on Alpek's third quarter performance, recent events, and our outlook for the remaining months of the year. Afterwards, we will move on to Q&A.

Please note that the information discussed today may include forward-looking statements regarding the Company's future financial performance and prospects, which are subject to certain risks and uncertainties. Actual results may differ materially, and the Company cautions the market not to rely unduly on these forward-looking statements. Alpek undertakes no obligation to publicly update or revise any forward-looking statements, whether it is as a result of new information, future events, or otherwise.

I'd like to remind everyone that today's Webcast is being recorded and will be available on our website, at alpek.com. I will now turn the call over to Pepe.

José de Jesús Valdez:
Thank you, Antón. Good morning, everyone, and thank you for joining us today.

I am very pleased to mention that, in these last few months, Alpek had yet another successful quarter. 3Q22 was the first quarter in which the new PET Sheet and Resin business, located in the Middle East, was fully consolidated and we are very pleased with the seamless transition thus far. We have already seen synergies between this and our existing business, and we look forward to continuing to integrate best practices towards the future. From a financial perspective, this new business has experienced strong results, leading Alpek towards the highest quarterly Comparable EBITDA in its history.

[Slide 4]
Let's start off by reviewing the main topics we will cover today:

- First, Alpek's financial performance was slightly above our expectations for the third quarter which José Carlos will review in greater detail later in this presentation
- And then, we will discuss Alpek's progress towards product circularity and Outlook for the rest of the year

[Slide 5]
Let me provide some context for the results. The quarter was marked by a tighter macroeconomic environment and elevated energy prices which primarily affected conversion costs in the United States, Mexico, and the United Kingdom. At the same time, Asian integrated Polyester reference margins averaged $400 dollars per ton for the quarter, higher than expected, and only 2% lower than in the previous quarter, with the spread between Chinese and Asian margins narrowing to $77 dollars per ton. However, it is worth noting that reference margins have begun to normalize, reaching an average of $356 dollars per ton in September.

[Slide 6]
Meanwhile, Polypropylene reference margins declined to an average of 34 cents per pound, 13% lower quarter-on-quarter, mainly due to the following:

- Weaking demand towards the end of the quarter leading to higher inventory levels in the industry
- And second, and addition of polypropylene capacity in North America

Also in North America, EPS average reference margins remained strong during the third quarter.

At this point, José Carlos will take over and delve into more detail regarding the specific impact these changes had on the financial results.

José Carlos Pons:

Thanks Pepe, and thank you all for being here with us today.

[Slide 7]
I would like to highlight some of Alpek's main achievements during the quarter:

- Overall volume increased to 1.36 million tons
- We reached highest ever quarterly Comparable EBITDA of $424 million dollars, with both Polyester and Plastics & Chemicals segments posting their best figures ever as well
- Leverage remained at 1.2 times

[Slide 8]
Delving deeper into Volume, Alpek reached 1.36 million tons this period, 8% higher than in the previous quarter largely due to the recently incorporated PET Sheet and Resin business.

In the polyester segment, volume was 1.1 million tons, 10% higher quarter-on-quarter.

In Plastics and Chemicals, volume was 2% lower quarter-on quarter, due to the fact that:

- There was a slight decline in Polypropylene demand and maintenance at one of our EPS facilities

[Slide 9]

Moving on to raw material price dynamics:

- Average spot Brent Crude Oil price decreased to $99 dollars per barrel, 12% lower than in the previous quarter, largely due to a tighter macroeconomic environment
- U.S. reference paraxylene prices decreased by 18%, in line with crude oil
- In Plastics and Chemicals, Propylene prices declined, averaging 47 cents per pound, a 23% decrease when compared to the second quarter

[Slide 10]

Switching over to the EBITDA breakdown for the quarter, we can see that overall Comparable EBITDA reached a new high of $424 million dollars; this was 15% higher than in the previous quarter. This was primarily due to better-than-expected margins for PET and EPS and the newly incorporated volume from the PET business.

Meanwhile, Reported EBITDA was $306 million dollars, 40% lower, quarter-on-quarter. This result also included:

- A non-cash inventory loss of $70 million dollars
- A negative carry-forward effect of $46 million dollars

If we look at results by the key segments, Polyester Comparable EBITDA reached $261 million dollars, 20% higher quarter-on-quarter and 144% higher year-on-year, making this the strongest quarter ever for this segment quarter ever for the segment.

- This was due to solid volume demand and the resiliency of the Asian Polyester reference margins, which remained higher than expected, averaging $400 dollars per ton, 26% higher year-on-year

In Plastics & Chemicals Comparable EBITDA set a new quarterly record of $158 million dollars, an 8% increase quarter-on-quarter and 28% year-on-year. This was mainly due to:

- Improvement in EPS business

[Slide 11]

With regards to Free Cash Flow generation:

- Net Working Capital investment increased by $111 million dollars, yet at lower levels than the previous quarter, largely due to declining raw material prices during the quarter
- CAPEX totaled $93 million dollars and was mainly allocated towards scheduled maintenance, as well as a portion for CCP's construction
- This all resulted in a negative Free Cash Flow of $6 million dollars

[Slide 12]

Finally, during the third quarter:

- Alpek's Net Debt increased to $1.8 billion dollars and
- Last-twelve-months EBITDA increased to $1.54 billion dollars, resulting in a Leverage ratio of 1.2 times Net Debt to EBITDA

That concludes my comments. Thanks for your attention. I will now turn the call back to Pepe.

José de Jesús Valdez:

Thank you, José Carlos. Let us review some recent events:

[Slide 13]
Per the press release distributed this past August, Alpek announced that its Expandable Styrenics subsidiary joined Cyclyx International, a consortium-based company that focuses on establishing a circular pathway for plastic recycling. Through predictive algorithms and artificial intelligence, Alpek gains access to custom feedstock batches from waste with the necessary chemical and physical properties to ensure their recyclability. Having more feedstock available will significantly support Alpek's EPS projected recycling capacity to achieve its circularity target of increasing its recycling content in select products to at least 30% by 2030.

It is worth noting that Alpek's EPS production is primarily consumed for long-term usage such as in the construction industry due to its thermal insulation properties, which seek to reduce the carbon footprint for homes and buildings. However, for its short-term usage products, which represent approximately 35% of sales volume, the Company continues to establish its role as a leading recycler (as with PET), now through growth in Expandable Styrenics recycling.

[Slide 14]
Finally, regarding the outlook for the remaining months of the year, the Company expects continued normalization for PET margins as well as Polypropylene, with EPS reference margins.

Volume for both segments is expected to remain stable, only affected by the usual demand seasonality, which is characteristic, during the fourth quarter. Additionally for PET, we expect industry reduction from some of our customers.

Meanwhile, ocean freight prices are expected to continue normalizing towards the end of the year.

Given the aforementioned, as well as the incorporation of our new PET business, and the results we have witnessed thus far, Alpek expects to be in-line with its revised Guidance figures.

As always, I would like to thank our team, our customers, and our suppliers for supporting Alpek in reaching new heights. I would also like to thank you, our audience, for your attention here today.

I'll now turn the call back to Antón to open the Webcast for Q&A.

[Slide 15]

Questions and Answers

Antón Fernández:
Thank you, Pepe. At this time, we will now take your questions. To ask your question live, we ask that you raise your hand virtually. We will call on participants in the order that hands are raised. Alternatively, you may also type your question through the Q&A function. We will attempt to cover as many questions as time allows.

Our first question comes from Alejandro Zamacona from Credit Suisse. Hi Alejandro, how are you? Please proceed with your question.

Alejandro Zamacona, Credit Suisse:
Hi Antón, thank you. Hi Pepe, José Carlos. Thank you for the call. Just a quick question. During the PET contract negotiations amid the latest trends in freight rates and the recent slight decline in PET margins for the quarter. What are you expecting for the next year negotiations and if you can remind us of the timing of these negotiations, it will be helpful? Thank you.

José de Jesús Valdez:
I would say that certainly some of the markets that we serve, freight rates have an important impact or consideration. This is you know for us mostly I guess in UK and in South America, those are the regions where the freight rates have a more immediate impact in our prices, but basically however we do have some formulas that take that into account so we don't probably have to change many things, but yeah the reduction in freights will have some impact in our margins in those regions at the end of the day. In the case of North America, as you know most of our business is contracted on the basis of cost-plus and that cost-plus has nothing to do with freights rates from Asia, so in the case of North America we are not expecting any major change as a result of this freight, ocean freight rate reductions.

Alejandro Zamacona, Credit Suisse:
Okay thank you, and then my second question if I may, in terms of the dividends can you share any color on the potential extraordinary dividend, the timing, amount, and rational behind this potential extraordinary dividend?

José de Jesús Valdez:
I think Alejandro what I can share is that the management will propose to the Board a sort of an extraordinary dividend in the next board meeting, which is early next week, and of course the Board will have the final decision at the end, but I would say, I think it should be an important dividend, and it will most likely be paid in November this year.

Alejandro Zamacona, Credit Suisse:
Okay, thank you, Pepe.

Antón Fernández:
Thank you, Alejandro. Our next question come from Jacob from Scotia, hi Jacob please proceed with your question.

Okay. Our next question come from Luiz Carvalho, from UBS. Hi Luiz, please proceed with your question.

Luiz Carvalho, UBS:
Hi Pepe, José Carlos, Antón, Alejandra, thanks for taking the question and congrats on the results. If I may, I have three questions here that I would like to come back on the capital allocation which is kind of a recurring question from our end. You have been able to generate you know a good amount of cash, net leverage is somehow you know pretty much under control, you were able to announce dividends recently, but also perform one acquisition or some acquisitions, right, so just trying to understand mid to long-term part of the strategy on the capital location, that would be interesting.

The second question if I may, you made some comments in the last slide talking about the margins or the volumes that you were expecting for the remaining you know months of the year, but if you can share some thoughts on 2023 Outlook, mainly with the Chinese demand and what you're seeing also from Europe with the high natural gas prices. I know that your operations are more concentrated in Americas but how this is impacting overall I would say demand slash margins and volumes in the end of the day. Thank you very much.

José de Jesús Valdez:
Okay, I will try to answer your question this way: looking at a volume first, we see volume for next year strong, I mean we see very stable, we see similar volume next year than what we are experiencing this year, we don't see a lot of change in that. In terms of margins well I think we have been discussing over the last quarters that yes, we do expect that there will be some margin normalization, I would say particularly in polypropylene and EPS businesses we will see some margin normalization going forward. And you know based on the different demand / supply dynamics in the markets and also, in some cases, particularly in the EPS business also taking into consideration the reduction of the ocean freight rates. Polypropylene or polypropylene prices do not really correlate with the ocean freights, but in EPS ocean freights do have some impact, so we see normalization in both of those businesses. In PET as I mentioned, we do see some margin reduction and particularly in South America and Europe as a result of the reduction of the reference margins of PET in Asia that I mentioned before. And also, in both cases there is going to be an impact on the ocean freight rates from China or from Asia to these countries are also coming down or becoming more normal. So yes, I do expect, we do expect some margin normalization in those two businesses. In PET I already mentioned I think that North America we see margins stable next year versus this year and mind you, that's our largest business in terms of volume, and that will be, that would be the answer to your question.

So, in terms of capital allocation, we are assuming, let's say for next year, a continuation of the Corpus Christi project that that will require investment. We are also, at this point in time, we're not considering any new M&A, but as you do know a lot of times, or most of the times, the M&A are not planned a long time in advance, it really depends on what opportunities come about so that's something that it doesn't mean we will not do any M&A, it just means that at this point we're not looking at any specific, there might be a couple of ones that will come to fruition, but we're not including in our budget any of those at this time. And yes, in terms of dividends we do hope that we will continue to pay an attractive dividend yield, I mean given that we do have a very strong balance sheet and as long as we do have that, I think it will be an efficient way of using our capital. And again, at the end of the day you have to Luiz, you have to remember that we do have a balance sheet that has a lot of room for new investment so even as we pay dividends, and we continue with existing projects, we do still have capability to continue to grow in new opportunities.

Luiz Carvalho, UBS:
Okay yeah, that makes sense, thank you very much.

Antón Fernández:
Thank you, Luiz. Our next question comes from Nikolaj Lippmann from Morgan Stanley. Hi Nik, you may proceed with your question.

Nikolaj Lippmann, Morgan Stanley:
Thanks a lot, and wow congratulations again on phenomenal numbers and to the team and your M&A track record. I just have two questions: one if you could give us a little bit more of an update in terms of Corpus, how that's moving along you know the kind of debates related to that, when you expect to be up and running, also maybe the CAPEX number in an updated manner, one. Two, the second question I have is more broad in terms of what's delayed of the potential for developing a PET, a recycled PET standard, like percentages. What is it that would be required for brand owners to call the product, or you to call the product recycled? Is that something that you think the industry is pushing for, because it could create barriers to entry from imports or is it something that you think has a lower point on the agenda? Again, congrats and thanks for taking my question.

José de Jesús Valdez:
Okay Nik, I think in terms of Corpus Christi, the project really started last August so we've been there only a couple of months. Everything is looking fine, and the idea would be to finish construction end of ‘24, start commercial operation beginning of ‘25. Those are the numbers we have; we have not changed those numbers for the last three months. I'll be paying a visit to the site next Monday, so perhaps if I have more information, we will be able to share with you. So far, the investment there is relatively small, and I don't know the exact number, but I think we're talking about 300 million, in the 300 million range, our part of the investment, perhaps a little bit more than that 300-330, but that's the number we have for our share of the project.

Okay and in terms of you know a recycling standard product, I don't think that we are yet at that point. I think there's a lot of flexibility from the brand owners and most of our customers in terms of recycled content, I think all of them have a goal, let's say a medium-term goal, but at this moment it really depends now in what region or what country you're talking about. And I think the biggest concern of all of the participants in this recycling effort, the biggest concern we have now I would say is number one the collection of used bottles, of bales, that's the number one concern. and then there’s a lot of work going on in different technologies as you know the mechanical recycling is pretty well established at this time, but there's also a lot of different routes for the advanced recycling or chemical recycling that are being you know you've got many different companies working on those, so at this point I don't think we have yet a standard. Also if another way of producing or recycling which is and this is pretty much open only for the PET producers which is what we call the SPT, which is single-pellet technology which means that you can feed into our existing polymer lines, you know recycled pellets up to a certain percentage so you produce one pellet that has both virgin and recycled, that's another way of moving forward.

So there are many ways and as I say we're now with a lot of flexibility, eventually I think you're right there's going to be a preferred method, but right now I think the biggest issue is how do we increase the collection, and not only increase in terms of volume, another very important issue is not only increasing volume, but improving the quality of the feedstock, of the bottles, because that has a lot of implications on the yields that you're going to have. If the product quality is not very good, you're going to have yields in the range of 50 percent or a little bit higher, when you have good yields like deposit material you can move to much higher yields 75 and 80 percent. So, a lot of that is very fluid at the moment, but yeah there is a lot of effort from a lot of people in that field, I think we all take that very very seriously.

Nikolaj Lippmann, Morgan Stanley:
Thank you very much and again congrats.

Antón Fernández:
Thanks for the question, Nik. Our next question comes from Andrés Cardona from Citi. Hi Andrés, how are you? Please proceed with your question.

Andrés Cardona, Citi:
Hi Antón, Pepe, José Carlos, I have two questions, the first is can you please help me to understand how much are you being able to capture as of today from the reliability premium and the transport cost at your margins and if you expect to still see some of these, let's say, unusual premiums in your 2023 contracts?

And the second question has to do with Working Capital, it was surprising to me to see this negative flow given the fact that raw materials were declining, can you please help me to understand what happened there, if there is something that is untypical? Thanks, and congratulations for the results.

José de Jesús Valdez:
Thank you for your question, Andrés. Let me start with the premium and the ocean freight margin, certainly as I mentioned, depending on which market we're talking about, let’s say the ocean freight, as I mentioned, normally in South America and in Europe, you know, the ocean freight is important in determining our prices although it's not necessarily automatic, it's not that every shipment you're adjusting the price, but it's taken into consideration in the negotiation of the prices, so again that's true. And in terms of the premium, you are right, when you have a lot of supply issues sometimes premium can be better than in other cases, however, again in our South American and European operations I don't think we've been changing the premiums, I think mostly the impact has been coming from the ocean freight, so yes, as the ocean freight comes down, we do believe that we're going to see some, as we call, a normalization of margins in particular in those markets.

With regards to your second question of Working Capital, I have to say you are right, when raw materials come down, obviously working capital has to come down, the only issue Andrés is that there is a lag in that process, it doesn't happen immediately, so normally we say it takes a couple of months for this reduction to materialize and I do believe that we're going to see an important Net Working Capital reduction during fourth quarter this year.

José Carlos Pons:
If I may Pepe, in September we already saw a decrease in Working Capital, so we're starting to see that that effect.

José de Jesús Valdez:
Yeah, we had a negative, well, we had a reduction of Working Capital in September, but we have a positive in the first, in the other two months and we should see the impact more clearly in the fourth quarter.

Antón Fernández:
Thank you for your question. Our next question comes from Barbara Halberstadt from JP Morgan. Hi Barbara, please proceed with your question.

Barbara Halberstadt, JP Morgan:
Hi, thank you for the opportunity and congratulations on the results, some of my questions have been answered, so I wanted to shift a little bit and maybe focus on something else. I wanted to understand a little better in terms of your funding strategy for the next year, for the 2023 bonds. You have discussed already your capital allocation strategy, but just to understand what you're thinking in terms of refinancing options for that maturity? So that would be number one.

Then the second one, is more specific on the debt collection from the M&G in Mexico and just to confirm if the funds have already been received and so if you could point out where do we see that in the cash flow statement, if not, when do you plan to receive them, and also how much is left to receive from them? Thank you.

José de Jesús Valdez:
I'm going to ask Jose Carlos to actually help me in answering both of your questions.

José Carlos Pons:
Thank you, Pepe, Barbara thank you for your question. As you know we have an outstanding bond, well first of all, we have outstanding bond that will mature now in November of around 94 million dollars remaining, we've basically paid out of cash on hand, we've been fortunate enough to have a sufficient cash with us, so we will pay that with cash. '23 we'll be able to pay that, well we're thinking of a financing strategy that will allow us to have some time to refinance that with the long-term debt, we don't believe that the market is ready or it's attractive right now to issue a bond so we'll probably use some temporary financing, probably two, three-year loans that will allow us to, kind of have an opportunistic approach towards refinancing the 2023 maturity and we already have those in place, so we're ready to bridge that maturity and we'll do refinance with a more attractive rate later on.

Regarding debt collection, yes, we did collect twenty-two million dollars, you should see that in maturities, no in the maturities, in our balance sheet it should be seen in debt from third parties. We have been able to recover the entire second lien that we had with M&G, so they've also been fortunate to be good with margins and the total collection that we have had so far from them it's 108 million dollars. Sorry, my correction, the 108 million are coming outstanding.

Barbara Halberstadt, JP Morgan:
Perfect, understood, thank you.

Antón Fernández:
Thank you, Barbara. The next question come from Leonardo Marcondes from Bank of America. Hi Leonardo, please proceed you with your question.

Leonardo Marcondes, Bank of America:
Hi guys, can you hear me?

Antón Fernández:
A little bit, yes thank you.

Leonardo Marcondes, Bank of America:
Okay, thank you for taking my question. We saw a huge hike in EPS margins this quarter, right? In your view here EPS spreads increased more or less 90 percent quarter over quarter and that's why the P&C business was able to post such strong results in spite of the drop in PP margins, right? So, could you share what are your expectations on EPS spreads? I mean here, we do not expect those to remain as high as they were in this quarter, but we are also not seeing them going back to the previous levels in 2023, so I would like to know if you guys agree with that and if so, could you share with us what your view has been driving, I would say, these higher EPS spreads in the short to mid-term? Thank you.

José de Jesús Valdez:
I think in terms of the question for this last quarter, I think the fact is that what happened was that the prices of raw material fell faster than our sales prices so we were able to increase the spread temporarily, but you're right, these margins will tend to normalize as time goes by, and we do believe that we're going to be able to improve the margin somewhat versus the previous pre-pandemic levels going forward, but certainly at a lower level than what we are experiencing today. So, I don't know Leonardo if that sort of answers your question.

Leonardo Marcondes, Bank of America:
Yeah, I mean, at least...

José de Jesús Valdez:
We cannot hear you.

Antón Fernández:
Can you speak a little bit louder Leonardo please?

Leonardo Marcondes, Bank of America:
Sure, can you hear me better now?

José de Jesús Valdez:
Not great, but better.

Leonardo Marcondes, Bank of America:
Okay, I can follow up later, thank you.

Antón Fernández:
Thank you, Leonardo. Our next question comes from Jean-Baptiste from BBVA. Hi Jean, how are you? Please proceed with your question.

Jean-Baptiste Bruny, BBVA
All right, thanks Antón, hi Pepe, José Carlos, Alejandra, just two quick questions on my side, the first one on Octal. Can you give us some colors on the contribution of Octal during the quarter in terms of EBITDA, and when you closed the acquisition, you also mentioned that you were seeing some opportunities to do some synergies on the operational side, if you can give some comments on this.

The second one is in term of the Outlook, thank you very much for sharing your view, a very preliminary view on 2023, just to make sure, you mentioned that the margins for PET will be stable year on year next year in 2023 from 2022 levels. The last one, in the last call Pepe you mentioned at the bottom of the cycle EBITDA you are seeing it around 1 billion dollars, can you just also confirm that number, thank you very much.

José de Jesús Valdez:
Relative to Octal contribution, as you know, we don't disclose specific numbers for the different business units. I do hope Jean that it will be enough for you to say that Octal margins or the Octal results were very strong, stronger than we had anticipated in our project book. A lot of reasons for that among others is the situation of the freight rates. Octal has a contract for some of its volume or an important portion of this volume, the ocean freight was contracted before the spikes, so they do have that advantage that eventually at some point next year that's going to finish, so that has contributed somewhat to the very strong results. But as I said, they’ve certainly been better than we anticipated.

In terms of the synergies, I think the most important synergy for us so far has been that we are integrating all of the PET commercial operation with our existing organization, so I think that's an important opportunity for both of us, for Octal and for Alpek Polyester, so that has been an important and in particular I do believe that we will be able to better serve our customers and also in fact I think we were short on PET most of last year in North America and I think the Octal opportunity of acquisition will allow us to supply more or better supply our existing customers, so that's probably the most important synergy. Going forward there's going to be, I think, a lot of synergies. We mentioned before they do have a leading technology to the production of sheet that also allows us to produce, even at the same time, Sheet and Resin, so I think we're going to be able to also take advantage of that technology in new projects that we have in in our different regions, so that's the situation.

With respect to PET margin, I do want to sort of be more specific about your question, what I did say about PET margins for 2023 is that we do expect North American margins being similar to last year, North American margins, but I did mention that in our UK and South American operations, those margins are going to be lower as a result of lower ocean freight rates and also lower margins in Asia. A big chunk of our business is going to be stable; some other part is not going to be perhaps similar to this year, it´s going to be lower than this year, hopefully it's still going to be at a very healthy level.

And the bottom of the cycle EBITDA, we still believe that the one billion dollar is a good number, but as you know that's only an estimate that can change depending on so many factors. Hopefully also as we are investing in more projects, we should be doing better than that number, you know Corpus Christi and some other projects that we're working on starting.

Jean-Baptiste Bruny, BBVA
That's very clear, thank you very much.

Antón Fernández:
We have one question from Jacob Kim from Scotia that came through the Q&A function. The specific question is, last quarter we were expecting second half to be 330 dollars per metric ton for the Asia PET reference margin, as first half came in at 400 dollars per metric ton, what part of the margin was different and what views do you now hold for the fourth quarter?

José de Jesús Valdez:
Good question, okay, I think what happened was basically the fact that margins in Asia got stronger for at least for the July - August period, but we do believe we did see, and I mentioned that in my presentation earlier, in September the margins from Asia were already 356. The average for the quarter was 400, but the average for the end of the quarter was 356 and again, I do believe the 330 is still a good number for the remainder of the year, that's still a good number. We do believe that it was just a delay in the acceptation. I mean it could be 330, 320, 310, I mean that range I think is realistic.

Antón Fernández:
Thank you. We have another question to the Q&A function from Regina Carrillo from GBM and the specific question is: Besides the decline in raw material prices, could you give us more color on the components of this quarter's inventory adjustment and also networking capital?

José de Jesús Valdez:
Well, look, inventory adjustment mostly was a result of our three main raw materials coming down significantly in some cases the propylene price you saw the last number in September the contract propylene price in the U.S. was 44 cents per pound and it's coming from a much higher number I don't remember right now what was the price at the end of the second quarter. but it was significantly higher. And in the case of styrene, the reduction was even bigger, I think in starting at some point was at the 80 - 90 cent per pound range and right now it's around 50, so those two raw materials had a significant

reduction in price during the last quarter and even for paraxylene, it also had an important impact in price reduction. So I would say a big reduction in those three created this inventory adjustment and going forward again, propylene believe it or not it's also, we believe, it's also going to come down in October from 44 cents we estimate it´s going to be like in the 34 Cent per pound which is unusually or sustainably low, so we're going to have at least in October another reduction, it might last until November or December I don't really know, but it's going to be there. And in case of styrene, we see that price more stable around the 50 cent per pound, I don't see a big reduction there, and in paraxylene actually we don't have a very good visibility of what paraxylene prices are going to be in in the fourth quarter relative to the third quarter. And so, all in all what I can tell you is that we don't expect an inventory adjustment in the fourth quarter. We think most of that is already done. We might actually have a slightly positive, most likely we'll have a positive inventory gain in this next quarter.

Antón Fernández:
Thank you for the question. I believe that was our last question in the Q&A.

As always, I'd like to remind you that you can find a video recording of today's webcast as well a transcript, at our website at www.alpek.com. Thank you all for participating in Alpek's webcast.

Have a great day!