

POSADAS®



Operative & Financial Results: Second Quarter 2018



Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, July 27, 2018.

Information presented with respect to the same quarter of previous year under IFRS accounting standards:

- In 2Q18 revenues reached \$2,115 million.
- EBITDA for the 2Q18 of \$294 million.
- Four hotel openings during the quarter with 400 rooms (+2%).
- The pipeline considers 51 hotels (a 38% increase over current number of rooms) to be opened during the next three years.
- Cash available as of June 30, 2018 of \$3,270 million (equivalent to US\$166 million) considers US\$96 million denominated in USD.
- Net debt to EBITDA ratio of 1.9x and Net interest coverage ratio of 4.7x.

> Executive Summary

Million pesos as of June 30, 2018	2Q18	%	Var. YY %	2017	%	Var. YY %
Total Revenues	2,114.9	100	(4.5)	5,642.7	100	28.2
EBIT	201.2	10	(34.7)	1,486.6	26	117.5
EBITDA	293.8	14	(29.3)	1,662.6	29	85.3

The 2Q18 presented a slower pace in EBITDA generation than expected due to the following events:

- The travel warnings issued by the Government of the United States of America to U.S. citizens travelling to Los Cabos and Cancun, that were lifted earlier this year.
- The election period in Mexico that concluded on July 1st.
- Ongoing remodeling plan of several hotels: Live Aqua Beach Resort Cancún, Fiesta Americana Condesa Cancun (public areas) and Fiesta Americana Mérida (public areas and restaurants).

Nevertheless, the second half of 2018 is in line with the EBITDA guidance of \$1,550 million provided at the beginning of the year.

From the Net Cash Proceeds of the sale of the Fiesta Americana Condesa Cancún (FACC) hotel of \$1,983 million, \$593 million have been invested so far and the net balance plus interest earned, amounting to \$1,454 million as of 2Q, will be used in the following hotel renovations and new projects:

Resorts

- Hotel complex in the Mayan Riviera "Tulkal": Total investment of \$1,028 million. During 2018 \$495 million have been invested and the remaining \$229 million investment will occur when the construction of the hotels Live Aqua and Fiesta Americana begins.
- Hotel Live Aqua Beach Resort Cancún: Rooms and public areas remodeling of \$453 million with Posadas' commitment for \$276 million and the balance will be invested by the owners of the hotel. As of 2Q18, 50% of the room inventory is closed for remodeling and the first rooms will be finished in August 2018. The complete remodeling plan will be concluded by December 15th, fulfilling the commitments made to groups for the high winter season. As of the 2Q18, Posadas' investment has reached \$63 million.
- Live Aqua Residence Club (LARC) inventory Project in San Miguel de Allende, with 45 rooms and a future investment of \$216 million, currently under review. Estimated opening on July 2019.

- “Corredor Reforma” in Mexico City Remodeling plan for the 616 room Fiesta Americana Reforma hotel continues under review.

As mentioned in the 2017 Independent Auditors’ Report (Note 3: “*Application of new and revised International Financial Reporting Standards*”), effective January 2019, the International Financial Reporting Standards IFRS 16 enters into force, in which lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively.

The Company will adopt the modified retrospective application where the comparative period is not restated.

> 2Q18

During the 2Q18, the System-wide hotels underperformed QoQ due to the external events mentioned above. Occupancy decreased 2.7 percent points (“pp”), the Average Daily Rate (ADR) increased 2.6%, which resulted in a lower Revenue per Available Room (RevPAR) of 1.4%.

Urban hotels, which represent 84% of the total rooms operated, continue with a solid performance with an increase in RevPAR of 0.7% and our coastal hotels RevPAR decreased 5.6%.

The cash balance at the end of the quarter of \$3,270 million include an investment in US dollars’ worth US\$96 million. Our annual revenues denominated in USD of approximately 27% provide a direct hedge for the coupons of our Senior Notes due in 2022. As of the date of release of this report, the Senior Notes Due 2022 quoted at 102.5 with a yield to maturity of 6.9%.

> Hotel Development

As of June 30, 2018, the Company continued with a strong pipeline comprised of executed agreements to operate 51 new hotels with 9,924 rooms. These hotels represent a total investment of \$30,583 million (US\$1,553 million), 5.2% will be invested by Posadas (mainly in the Mayan Riviera) and 94.8% will be invested by third parties. This development plan represents an increase in capacity of 38%.

Openings are expected to begin in the third quarter of 2018, and we expect all hotels to be operational by early 2021 according to commitments made with the different property owners. The average term of these contracts is over 15 years..

New Hotels by Brand	Mexico		Caribbean		Total		%
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	
Live Aqua	3	1,091	1	119	4	1,210	12.2
Live Aqua Residence Club	1	45			1	45	0.5
Grand Fiesta Americana	2	468	1	554	3	1,022	10.3
Fiesta Americana	8	2,156	2	1,382	10	3,538	35.7
Fiesta Inn	6	839			6	839	8.5
Fiesta Inn Loft	6	805			6	805	8.1
One Hoteles	12	1,550			12	1,550	15.6
Gamma	6	653			6	653	6.6
Others	3	262			3	262	2.6
Total	47	7,869	4	2,055	51	9,924	100

The Company continues with an intense openings schedule, during the last twelve months 13 hotels with 1,607 additional rooms were opened.

Openings LTM	No. of Rooms	Type of Contract
One Puebla Serdan	126	Managed
Fiesta Inn Chihuahua Fashion Mall	156	Managed
One Chihuahua Fashion Mall	126	Managed
Fiesta Inn Ciudad de México Forum Buenavista	129	Managed
Gamma Cuernavaca Puerto Paraiso	102	Franchise
Live Aqua Residence Club Los Cabos	109	Owned
Fiesta Inn Ciudad del Carmen Laguna de Términos	133	Managed
Fiesta Inn Morelia Altozano	155	Managed
Gamma Tampico	136	Franchise
Gamma Chapala	83	Franchise
Fiesta Inn Tuxtla Fashion Mall	128	Managed
Gamma Boca del Río Oliba	63	Franchise
One Puebla Angelópolis Periférico	126	Managed
Inventario incremental Fiesta Inn Cancún las Americas	35	Managed
Total	1,607	

> Owned and Leased Hotels
(Excludes Vacation Properties)

2Q18 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	4,675	(5.2)	3,562	(5.0)	1,112	(5.9)
Average Daily Rate	1,761	2.9	1,565	4.6	2,356	0.3
Occupancy (Var. in pp)	74%	(2.3)	73%	(2.0)	77%	(3.0)
RevPAR	1,300	(0.2)	1,140	1.7	1,811	(3.5)

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	4,700	(2.5)	3,551	(4.2)	1,149	3.3
Average Daily Rate	1,836	2.0	1,574	3.3	2,573	(2.0)
Occupancy (Var. in pp)	76%	0.7	74%	0.9	82%	(0.5)
RevPAR	1,397	2.9	1,170	4.6	2,100	(2.6)

During the quarter, revenues from this segment represented 49.3% of the consolidated revenues. The EBITDA (IFRS) margin was 12.6% representing a 10.0 pp decrease over the 2Q17 (business margin was 6.7%, 9.6 pp lower). This derived from the lease payments of the Fiesta Inn Aeropuerto and Fiesta Americana Condesa Cancún hotels that were sold and leased and to the rooms being remodeled at the Live Aqua Beach Resort Cancun hotel.

Owned and leased hotels delivered a higher ADR (Average Daily Rate) of 2.9% but with a lower occupancy of 2.3 pp that resulted in a marginal decrease in RevPAR.

Results for urban hotels showed an improvement when compared with 2Q17. A 4.6% increase in ADR resulted in a RevPAR improvement of 1.7%, despite a 2.0 pp decrease in occupancy and 5.0% less average rooms available due to the shift of one owned hotel to a management contract.

On a comparable basis, the coastal hotels operated 5.9% less rooms compared to 2Q17 due to the rooms of the Live Aqua Beach Resort Cancun hotel that were being remodeled during this quarter, as well as the rooms of the Fiesta Americana Condesa Cancun hotel renovated during April of 2017. Coastal hotels recorded a marginal ADR increase, a 3.0 pp decrease in occupancy that resulted in a RevPAR decrease of 3.5%, when compared to the same period of previous year.

> Management

(Includes owned, leased, franchise and managed hotels. Excludes Vacation Properties)

2Q18 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	23,124	3.2	20,675	4.0	2,449	(3.3)
Average Daily Rate	1,369	2.6	1,234	4.3	2,446	1.3
Occupancy (Var. in pp)	66%	(2.7)	65%	(2.3)	69%	(5.0)
RevPAR	901	(1.4)	806	0.7	1,699	(5.6)

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	22,989	4.8	20,503	5.2	2,486	1.5
Average Daily Rate	1,421	1.2	1,234	3.0	2,743	(2.0)
Occupancy (Var. in pp)	67%	0.0	65%	0.1	76%	(0.7)
RevPAR	946	1.2	807	3.2	2,095	(2.9)

2Q18 (QQ) Same Hotels	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	21,450	(1.2)	19,000	0.2	2,449	(3.3)
Average Daily Rate	1,388	3.6	1,247	5.2	2,446	1.3
Occupancy (Var. in pp)	68%	(1.9)	67%	(1.5)	69%	(5.0)
RevPAR	938	0.7	839	2.9	1,699	(5.6)

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	21,468	0.5	18,982	0.3	2,486	1.5
Average Daily Rate	1,439	2.1	1,245	3.7	2,743	(2.0)
Occupancy (Var. in pp)	68%	0.9	67%	1.1	76%	(0.7)
RevPAR	983	3.5	837	5.5	2,095	(2.9)

The Management line includes hotel management, brand licensing and franchise services along with our loyalty management and call center businesses. Revenue represented 13.1% of total revenue in the quarter with a margin (IFRS) of 27.0%, similar level as in 2Q17 (business margin was 41.4%, 1.7 pp lower).

The average number of rooms operated recorded a 3.2% increase in the quarter. A 2.6% increase in ADR and a decrease in occupancy of 2.7 pp, resulted in a 1.4% lower RevPAR.

The following operating data is for all the hotels "Same hotels" we managed in Mexico:

With 1.2% less available rooms adjusted by the remodeling of rooms, system-wide hotels reported a 3.6% improvement in ADR, a 1.9 pp decrease in occupancy, and a RevPAR growth of 0.7%. System-wide urban hotels had an improvement in ADR of 5.2% and a 1.5 pp decrease in occupancy achieving a RevPAR growth of 2.9%.

Coastal hotels ADR increased 1.3%, occupancy decreased 5.0 pp and as a result RevPAR decreased 5.6%. These hotels operated with 3.3% less average number of rooms available due to the ongoing remodeling of the Live Aqua Beach Resort Cancun hotel.

> Vacation Properties

The Vacation Club business segment primarily includes our vacation properties comprised of the Fiesta Americana Vacation Club (FAVC) and Live Aqua Residence Club (LARC) programs. Revenues for the quarter amounted to 33.4% of the Posadas' consolidated revenues in 2Q18. The operating margin (IFRS) was 29.3%, 0.9 pp higher than the 2Q17 margin (business margin was 22.6%, 0.7 pp lower than previous year), mainly due to the higher cost of product from the Live Aqua Residence Club property that was recently built in Los Cabos.

For our Resort operations, in 2Q18, revenues from the food and beverages business grew 11% compared to the same period of the previous year.

As of June 30, 2018, the balance of receivables reached \$4,410 million representing an increase of 9% compared to the same period of the previous year.

> Other Businesses

For the 2Q18 the third-party operations corresponding to business units such as Konexo and Conectum are presented in this section in order to measure the performance of these businesses separately.

> EBITDA

In the 2Q18 we generated an EBITDA of \$294 million, compared to \$416 million as reported (\$349 million on a comparable basis) in 2Q17. For the last twelve months, the reported EBITDA (IFRS) was \$1,446 million (US\$77.2 million with an average exchange rate of MXN \$18.7353 per USD). LTM EBITDA including the sale of FACC was \$2,417 million.

> Capital Expenditures

For 2Q18, capital expenditures amounted to \$169 million, 80% was invested in hotels, 15% in technology and corporate and the balance for vacation properties.

> Comprehensive Financial Result

Concept	2Q18	2Q17	1H18	1H17
Interest earned	(37,436)	(11,083)	(106,215)	(32,503)
Interest expense	165,628	156,634	323,757	320,449
Fluctuations loss (gain)	364,038	(270,474)	(72,076)	(898,900)
Other expenses (products)	17,904	17,904	35,808	36,289
Financial expenses	4,092	6,974	7,307	68,817
Total	514,226	(100,045)	188,582	(505,849)

Figures in thousands of pesos

At the end of the quarter (LTM), considering the effect of IFRS, the net coverage ratio was 4.9 times.

The exchange loss in 2Q18 was \$364 million as a result of the MXN / USD depreciation of 7.8% from March 31, 2018 to June 30, 2018.

> Net Majority Income

As a result of the above, the net loss in the first quarter was \$264 million. In the 1H18 a net income of \$812 million was recorded including the profit from the sale of the FACC in 1Q18.

> Indebtedness

Concept (Figures in millions)	2Q18		2Q17	
	US\$ Notional	IFRS MXN	US\$ Notional	IFRS MXN
FX eop:		19,6912		17,8775
EBITDA LTM		2,417		1,734
Cash		3,270		1,039
Indebtedness:				
Senior Notes 2022	400	7,876	400	7,151
Subsidiarie	10	200	12	210
Issuance expenses (IFRS)		(289)		(358)
Total	410	7,788	412	7,003
Net Debt to EBITDA		1.9		3.4

The Total Debt mix under IFRS at the end of the quarter was 100% long-term, 98% U.S. dollar denominated and 100% with a fixed rate. The average life was 4.1 years and only 2% was secured debt.

As of the date of this report, the existing corporate ratings are:

- Moody's: global scale "B2" with positive outlook.
- S&P: global scale "B+" with positive outlook.
- Fitch: global Issuer Default Rating (IDR) "B" and local "BB+(mex)", both with stable outlook.

The ratings for the "7.875% Senior Notes Due 2022" were: Moody's:"B2"/ S&P:"B+"/ Fitch:"B RR4".

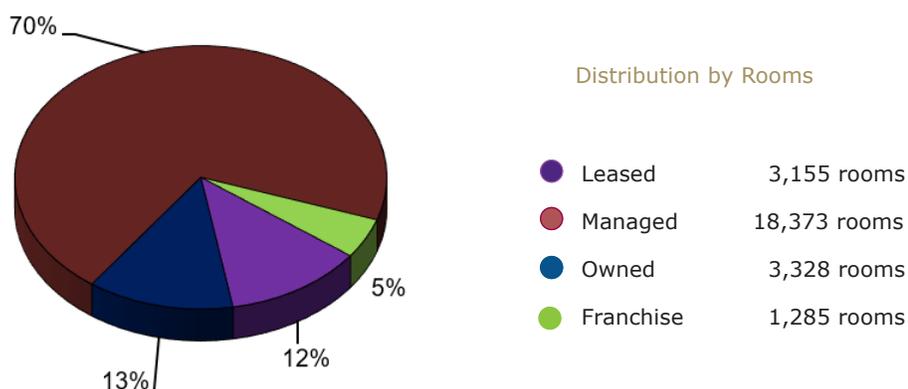
In compliance with Article 4.033.01 section VIII of the Mexican Stock Exchange rules, Grupo Posadas coverage is provided by:

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> Grupo Posadas as of June 30, 2018.

Posadas is the leading hotel operator in Mexico that owns, leases, franchises and manages 167¹ hotels and 26,141 rooms in the most important and visited urban and coastal destinations in Mexico. Urban hotels represent 84% of total rooms and coastal hotels represent 16%. Posadas operates the following brands: Live Aqua Beach Resort, Live Aqua Urban Resort, Live Aqua Boutique Resort, Grand Fiesta Americana, Fiesta Americana, The Explorean, Fiesta Americana Vacation Villas, Live Aqua Residence Club, Fiesta Inn, Fiesta Inn LOFT, Gamma and One Hotels.

Posadas trades in the Mexican Stock Exchange since 1992.



Brand	Mexico	
	Hotels	Rooms
Live Aqua	4	640
Grand Fiesta Americana	8	2,226
Fiesta Americana	12	3,530
Live Aqua Residence Club	2	125
Fiesta Inn	72	10,091
Fiesta Inn Loft	2	164
Gamma	15	1,935
Fiesta Americana Vacation Club	6	1,597
One Hoteles	45	5,620
Otros	1	213
Total	167	26,141
%		100%

¹ 167 hotels with 163 management contracts.

> Income Statement IFRS

(million pesos)

Concept	2Q18	%	2Q17	%	Var %	1H18	%	1H17	%	Var %
Total Revenues	2,115	100.0	2,213.7	100.0	(4.5)	5,642.7	100.0	4,400.0	100.0	28.2
Owned & Leased Hotels										
Revenues	1,041.6	100.0	1,105.0	100.0	(5.7)	2,251.6	100.0	2,287.8	100.0	(1.6)
Direct Cost	910.5	87.4	855.5	77.4	6.4	1,850.9	82.2	1,728.5	75.6	7.1
Contribution IFRS	131.1	12.6	249.5	22.6	(47.5)	400.8	17.8	559.3	24.4	(28.3)
Intersegment fee eliminations (1)	(61.5)		(69.2)			(155.8)		(155.0)		
Business Contribution	69.6	6.7	180.3	16.3	(61.4)	245.0	10.9	404.2	17.7	(39.4)
Managed										
Revenues	277.9	100.0	257.3	100.0	8.0	555.6	100.0	512.7	100.0	8.4
Direct Cost	202.8	73.0	186.4	72.5	8.8	385.2	69.3	368.1	71.8	4.6
Contribution IFRS	75.1	27.0	70.8	27.5	6.0	170.4	30.7	144.6	28.2	17.9
Intersegment fee eliminations (1)	74.2		112.6			179.5		235.7		
Business Contribution	149.3	41.4	183.4	43.1	(18.6)	349.9	41.4	380.2	43.1	(8.0)
Vacation Properties										
Revenues	707.3	100.0	816.0	100.0	(13.3)	1,408.7	100.0	1,534.2	100.0	(8.2)
Direct Cost	499.7	70.7	584.2	71.6	(14.5)	1,016.9	72.2	1,100.6	71.7	(7.6)
Contribution IFRS	207.6	29.3	231.8	28.4	(10.5)	391.8	27.8	433.7	28.3	(9.7)
Intersegment fee eliminations (1)	(47.9)		(41.8)			(92.1)		(79.0)		
Business Contribution	159.6	22.6	189.9	23.3	(16.0)	299.7	21.3	354.7	23.1	(15.5)
Other Businesses (2)										
Revenues	88.1	100.0	35.4	100.0	148.6	1,426.7	100.0	65.3	100.0	2,083.9
Direct Cost	135.7	154.1	52.9	149.2	156.8	210.1	14.7	98.9	151.4	112.3
Contribution IFRS	(47.6)	(54.1)	(17.4)	(49.2)	173.3	1,216.7	85.3	(33.6)	(51.4)	na
Intersegment fee eliminations (1)	40.1		3.3			78.3		7.9		
Business Contribution	(7.5)	9.3	(14.1)	1.6	(46.8)	1,295.0	9.3	(25.7)	1.6	na
Corporate Expenses	90.3	4.3	89.1	4.0	1.3	183.4	3.2	168.7	3.8	8.7
Intersegment fee eliminations (1)	(4.9)		(4.7)			9.8		0.0		
Depreciation/Amortization and asset impairment	92.6	4.4	107.7	4.9	(14.0)	176.1	3.1	213.9	4.9	(17.7)
Other expenses (revenue)	(17.9)	(0.8)	30.0	1.4	na	333.7	5.9	37.8	0.9	782.8
Other	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Operating Profit	201.2	9.5	308.0	13.9	(34.7)	1,486.6	26.3	683.5	15.5	117.5
EBITDA excludes FACC						690.9	12.2	897.4	20.4	(23.0)
EBITDA	293.8	13.9	415.6	18.8	(29.3)	1,662.6	29.5	897.4	20.4	85.3
Comprehensive financing cost	514.2	24.3	(100.0)	(4.5)	na	188.6	3.3	(505.8)	(11.5)	na
Other	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Part. in results of Associated Companies	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Profit Before Taxes	(313.0)	(14.8)	408.0	18.4	na	1,298.0	23.0	1,189.3	27.0	9.1
Discontinued Operations	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Income taxes	7.1	0.3	11.7	0.5	(39.1)	41.8	0.7	2,119.3	48.2	(98.0)
Deferred taxes	(55.2)	(2.6)	105.1	4.7	na	443.4	7.9	(833.8)	(19.0)	na
Net Income before Minority	(265.0)	(12.5)	291.2	13.2	na	812.8	14.4	(96.2)	(2.2)	na
Minority Interest	(0.6)	(0.0)	0.4	0.0	na	1.1	0.0	4.9	0.1	(77.8)
Net Majority Income	(264.4)	(12.5)	290.8	13.1	na	811.7	14.4	(101.1)	(2.3)	na

(1) Intersegment fee eliminations: Management, brand and incentive fees, among others, were eliminated from each segment.

(2) Includes the following businesses: Ampersand, Conectum, Konexo, GloboGo, Promoción y Desarrollo and Procurement. Also includes the EBITDA of the sale of the Fiesta Americana Condesa Cancún hotel, registered in the 1Q18 of \$1,332 million.

> Consolidated Balance Sheet as of June 30, 2018 and December 31st, 2017
IFRS (million pesos)

CONCEPT	JUN- 18	%	DEC - 17	%	VAR. %
ASSETS					
Current Assets					
Cash and cash equivalents	3,269.9	19.2	1,383.6	8.5	136.3
Trade and other current receivables	3,181.0	18.6	2,728.6	16.7	16.6
Current tax assets, current	-	0.0	-	0.0	-
Other current financial assets	-	0.0	-	0.0	-
Current inventories	269.6	1.6	289.5	1.8	(6.9)
Other current non-financial assets	113.0	0.7	113.0	0.7	0.0
Total	6,833.5	40.1	4,514.6	27.6	51.4
Assets held for sale	-	0.0	1,481.5	9.1	(100.0)
Total current assets	6,833.5	40.1	5,996.1	36.7	14.0
Non current assets					
Trade and other non-current receivables	2,470.5	14.5	2,649.4	16.2	(6.8)
Non-current inventories	-	0.0	104.1	0.6	(100.0)
Other non-current financial assets	32.7	0.2	119.6	0.7	(72.6)
Investments in subsidiaries, joint ventures and associates	792.7	4.6	226.1	1.4	250.6
Property, plant and equipment	4,759.3	27.9	4,601.2	28.2	3.4
Investment property	-	0.0	-	0.0	-
Intangible assets other than goodwill	734.2	4.3	725.4	4.4	1.2
Deferred tax assets	1,172.1	6.9	1,615.5	9.9	(27.4)
Other non-current non-financial assets	263.6	1.5	307.7	1.9	(14.3)
Total non-current assets	10,225.1	59.9	10,348.9	63.3	(1.2)
Total assets	17,058.5	100.0	16,345.1	100.0	4.4
LIABILITIES					
Current Liabilities					
Trade and other current payables	1,353.4	7.9	1,360.2	8.3	(0.5)
Current tax liabilities, current	318.2	1.9	321.7	2.0	(1.1)
Other current financial liabilities	5.7	0.0	11.7	0.1	(51.2)
Bank Loans	22.5	0.1	11.2	0.1	100.0
Other current non-financial liabilities	984.6	5.8	985.7	6.0	(0.1)
Current provisions for employee benefits	546.5	3.2	182.3	1.1	199.9
Total current liabilities other than liabilities included in disposal groups classified as held for sale	3,230.9	18.9	2,872.8	17.6	12.5
Liabilities included in disposal groups classified as held for sale	2.2	0.0	6.3	0.0	(65.4)
Total current liabilities	3,233.1	19.0	2,879.1	17.6	12.3
Non Current Liabilities					
Trade and other non-current payables	926.1	5.4	918.7	5.6	0.8
Other non-current financial liabilities	7,765.5	45.5	7,768.5	47.5	(0.0)
Bank loans	177.5	1.0	198.8	1.2	(10.7)
Stock market loans	7,588.0	44.5	7,569.7	46.3	0.2
Non-current provisions for employee benefits	168.9	1.0	148.1	0.9	14.0
Other non-current provisions	212.4	1.2	212.4	1.3	0.0
Total non-current provisions	381.3	2.2	360.5	2.2	5.8
Deferred tax liabilities	1,717.0	10.1	1,995.3	12.2	(13.9)
Total non-current liabilities	10,790.0	63.3	11,043.0	67.6	(2.3)
Total liabilities	14,023.1	82.2	13,922.1	85.2	0.7
EQUITY					
Total equity attributable to owners of parent	2,852.6	16.7	2,240.4	13.7	27.3
Non-controlling interests	182.9	1.1	182.6	1.1	0.1
Total equity	3,035.4	17.8	2,423.0	14.8	25.3
Total equity and liabilities	17,058.5	100.0	16,345.1	100.0	4.4

> Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1st to June 30th, 2018 & 2017)

STATEMENT OF CASH FLOWS		
	1H18	1H17
Cash flows from (used in) operating activities		
Profit (loss)	812.8	(96.2)
Adjustments to reconcile profit (loss)		
Discontinued operations	0.0	1.3
Adjustments for income tax expense	485.2	1,285.5
Adjustments for finance costs	217.5	287.9
Adjustments for depreciation and amortisation expense	176.1	213.9
Adjustments for unrealised foreign exchange losses (gains)	(17.7)	(1,115.1)
Adjustments for losses (gains) on disposal of non-current assets	(1,331.6)	(2.0)
Participation in associates and joint ventures	0.0	0.0
Adjustments for decrease (increase) in inventories	20.6	57.2
Adjustments for decrease (increase) in trade accounts receivable	(207.6)	10.8
Adjustments for decrease (increase) in other operating receivables	85.7	(211.2)
Adjustments for increase (decrease) in trade accounts payable	(108.2)	(122.9)
Adjustments for increase (decrease) in other operating payables	485.6	450.5
Other adjustments for non-cash items	(130.9)	(33.3)
Other adjustments to reconcile profit (loss)	35.8	36.3
Total adjustments to reconcile profit (loss)	(289.3)	857.7
Cash flows from (used in) operations	523.4	761.5
Income taxes paid (refund), classified as operating activities	338.7	785.7
Cash flows from (used in) operating activities	184.7	(24.2)
Other cash payments to acquire interests in joint ventures, classified as investing activities	499.6	225.0
Proceeds from sales of property, plant and equipment, classified as investing activities	2,939.4	0.0
Purchase of property, plant and equipment, classified as investing activities	281.5	370.1
Purchase of intangible assets, classified as investing activities	19.8	54.1
Interest received, classified as investing activities	106.2	32.5
Other inflows (outflows) of cash, classified as investing activities	0.0	450.0
Cash flows from (used in) investing activities	2,244.7	(166.7)
Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control		
Payments to acquire or redeem entity's shares		
Proceeds from borrowings, classified as financing activities	0.0	288.4
Repayments of borrowings, classified as financing activities	10.0	78.4
Dividends paid, classified as financing activities	198.4	0.0
Interest paid, classified as financing activities	334.8	299.1
Other inflows (outflows) of cash, classified as financing activities	0.0	(0.7)
Cash flows from (used in) financing activities	(543.1)	(89.8)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	1,886.3	(280.8)
Effect of exchange rate changes on cash and cash equivalents		
Increase (decrease) in cash and cash equivalents	1,886.3	(280.8)
Cash and cash equivalents at beginning of period	1,383.6	1,320.1
Cash and cash equivalents at end of period	3,269.9	1,039.3