

POSADAS®



Operating & Financial Results: Second Quarter 2019



Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, July 18, 2019.

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

- In 2Q19 revenues reached \$2,125 million, 12% increase QoQ.
- 2Q19 EBITDA of \$437 million excluding \$176 million of lease payments according to IFRS 16 standard that went into effect on January 1st, 2019. Comparable EBITDA of \$261 million.
- Net income of \$32 million in 2Q19.
- Four hotel openings in the 2Q19 with 450 rooms.
- 16 hotel openings with 3,344 rooms (11% of total room inventory) in the trailing twelve months.
- The pipeline considers 45 hotels (27% increase over current number of rooms) to be opened over the next 3.5 years.
- Sixteen hotel openings scheduled in 2H19.
- Cash available as of June 30, 2019 of \$1,783 million (equivalent to US\$93 million) considers US\$59 million denominated in USD.

> Executive Summary

Million pesos as of June 30, 2019	2Q19				Var. YY %
	IFRS 16	Leases	BAU	%	
Total Revenues	2,124.8	0.0	2,124.8	100	11.8
EBIT	245.5	(80.9)	164.6	8	22.0
EBITDA	437.4	(176.3)	261.1	12	(11.1)
Majority Net Income	32.4	23.4	55.8	3	na

Sequentially, the second quarter of 2019 operating results improved over 1Q19:

- For coastal hotels the Easter holiday occurred during the month of April that brought about a slight decrease in revenue per available rooms (RevPAR), versus an 8.8% decrease in 1H19 over the same period of previous year.
- On the other hand, we continue seeing lower spending by the federal government and large corporations, mainly affecting urban hotels performance; RevPAR decreased 0.7% and 2.8% in the 1H19, respectively.

On July 12, 2019, Posadas stopped operating the Fiesta Inn Celaya and One Celaya hotels.

>2Q19

During the 2Q19, the System-wide hotels performance was marginally lower QoQ, which resulted in a decrease in RevPAR of 0.5%.

Urban hotels, which represent 80% of the total rooms operated, recorded a similar RevPAR as in 2Q18. During the quarter we ended the managing contract for the One Reynosa Valle Alto hotel with 135 rooms.

On the other hand, our coastal hotels recorded a RevPAR in line with the same quarter of previous year.

The cash balance at the end of the quarter of \$1,783 million, after paying deferred taxes, statutory employee profit sharing of 2018 and the coupon on the Senior Notes due 2022, included an investment in US dollars' worth US\$59 million, representing 63% of total cash.

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 101.5 with a yield to maturity of 7.2%.

> Hotel Development

As of June 30, 2019, the Company continued with a strong pipeline of agreements with different levels of commitment, to operate 45 new hotels with 7,854 rooms. These hotels represent a total investment of \$22,727 million (US\$1,187 million), 1% will be invested by Posadas and 99% will be invested by third parties. This development plan represents an increase in capacity of 27%.

Openings are expected to begin in the third quarter of 2019, and we expect all hotels to be operational by year-end 2022 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	4	839			4	839	10.7
Live Aqua Residence Club	1	45			1	45	0.6
Grand Fiesta Americana	2	436	1	554	3	990	12.6
Fiesta Americana	8	2,173			8	2,173	27.7
Fiesta Inn	5	655			5	655	8.3
Fiesta Inn Loft	3	411			3	411	5.2
One Hoteles	7	488			7	488	6.2
Gamma	10	1,288			10	1,288	16.4
Others	4	965			4	965	12.3
Total	44	7,300	1	554	45	7,854	100

The Company continues with an intense openings schedule, during the last twelve months 16 hotels with 3,344 additional rooms were opened.

Openings LTM	No. of Rooms	Type of Contract
Gamma Guadalajara Centro Histórico	197	Managed
One Monterrey Tecnológico	126	Managed
One Ciudad de México la Raza	123	Managed
One Acapulco Diamante	126	Managed
Fiesta Inn Express Querétaro Constituyentes	117	Managed
Fiesta Americana México Satélite	223	Managed
Gamma Ciudad Juárez	160	Franchised
Live Aqua San Miguel de Allende	153	Managed
Fiesta Inn Aguascalientes Patio	126	Managed
One Tijuana Otay	126	Managed
Inventario incremental Fiesta Inn Cancún las Américas	35	Managed
FAAI Varadero	633	Managed
FAAI Holguín	749	Managed
Fiesta Inn Express Monterrey Centro	117	Managed
Fiesta Inn Parque Puebla	160	Leased
Gamma Mazatlán The Inn Centro Histórico	63	Franchised
Gamma Cancún Centro	110	Managed
Total	3,344	

> Owned and Leased Hotels
(Excludes Vacation Properties)

2Q19 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	5,193	11.1	3,709	4.1	1,484	33.4
Average Daily Rate	1,737	(1.4)	1,525	(2.6)	2,245	(4.7)
Occupancy (Var. in pp)	72%	(2.2)	71%	(2.1)	74%	(3.2)
RevPAR	1,243	(4.3)	1,079	(5.4)	1,655	(8.6)

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	4,962	5.6	3,642	2.6	1,320	14.9
Average Daily Rate	1,796	(2.2)	1,546	(1.8)	2,422	(5.9)
Occupancy (Var. in pp)	73%	(3.4)	71%	(3.4)	78%	(3.9)
RevPAR	1,306	(6.6)	1,096	(6.3)	1,883	(10.4)

In the quarter, revenues from this segment represented 44.1% of the Company's total revenues. The contribution margin based on the International Financial Reporting Standards (IFRS) represented 8.3%, 5.2 pp lower than in 2Q18 (business contribution margin: 3.4%, 4.9 pp lower). This was mainly derived from two new leased hotels.

This quarter, Owned and Leased hotels delivered a lower ADR (Average Daily Rate) of 1.4% and lower occupancy of 2.2 pp that resulted in an 4.3% decrease in RevPAR.

Urban hotels underperformed when compared with 2Q18. A decrease of 2.6% in ADR and 2.1 pp in occupancy resulted in a RevPAR decrease of 5.4%. With 4.1% more average rooms available due to the incremental room inventory in the Fiesta Inn Cancun Las Americas hotel and the Fiesta Inn Parque Puebla leased hotel.

On a comparable basis, the coastal hotels operated 33.4% more rooms compared to 2Q18 due to the Grand Fiesta Americana Puerto Vallarta leased hotel that was previously under a management contract. Coastal hotels recorded a 4.7% ADR decrease, a 3.2 pp decrease in occupancy that resulted in a RevPAR decrease of 8.6%, when compared to the same period of previous year.

> Management

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

2Q19 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	24,661	6.6	22,138	7.1	2,523	3.0
Average Daily Rate	1,368	(0.1)	1,237	0.3	2,445	(0.0)
Occupancy (Var. in pp)	65%	(0.6)	65%	(0.6)	69%	(0.2)
RevPAR	892	(1.0)	801	(0.7)	1,693	(0.4)

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	24,530	6.7	22,023	7.4	2,507	0.9
Average Daily Rate	1,398	(1.6)	1,240	0.5	2,589	(5.6)
Occupancy (Var. in pp)	64%	(2.3)	63%	(2.2)	74%	(2.6)
RevPAR	899	(5.0)	784	(2.8)	1,910	(8.8)

2Q19 (QQ) Same Hotels	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	22,154	0.4	20,075	0.1	2,079	3.7
Average Daily Rate	1,374	(0.0)	1,233	(0.6)	2,624	(0.4)
Occupancy (Var. in pp)	67%	0.6	67%	0.4	73%	2.2
RevPAR	923	0.8	821	(0.0)	1,905	2.8

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
Average Rooms	22,132	0.3	20,069	0.3	2,063	1.0
Average Daily Rate	1,405	(1.1)	1,239	(0.0)	2,786	(5.4)
Occupancy (Var. in pp)	66%	(1.0)	65%	(1.0)	76%	(0.9)
RevPAR	930	(2.5)	807	(1.5)	2,124	(6.5)

The Management business line includes hotel management, brand licensing and franchise services along with our loyalty management and call center businesses. Revenue represented 13.5% of total revenue in the quarter with a margin (IFRS) of 26.4%, 5.0 pp lower than in 2Q18 (business margin was 49.9%, 0.5 pp lower). This was mainly due to the follow-up events mentioned in the executive summary.

The average number of rooms operated recorded a 6.6% increase in the quarter. Unchanged ADR and a slight decrease in occupancy resulted in a 1.0% decrease in RevPAR.

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

System-wide hotels reported the same ADR, with a 0.6pp increase in occupancy and in RevPAR of 0.8%.

System-wide urban hotels had a marginal decrease in ADR of 0.6% but a marginal increase in occupancy delivering the same RevPAR as same quarter of previous year.

Coastal hotels ADR remained unchanged, occupancy increased 2.2 pp and as a result RevPAR increased 2.8%. These hotels operated with 3.7% more average number of rooms available.

> Vacation Properties

The Vacation Properties business segment includes our vacation properties comprised of the Fiesta Americana Vacation Club (FAVC), Live Aqua Residence Club (LARC), Kivac and Re_Set programs. Revenues for the quarter amounted to 40.4% of the Posadas' consolidated revenues in 2Q19. The operating margin (IFRS) was 30.2%, 0.9 pp higher than the 2Q18 margin (business margin was 23.6%, 1.0 pp higher than previous year).

As of June 30, 2019, the balance of receivables reached \$5,418 million representing an increase of 23% compared to the same period of the previous year.

> Other Businesses

For the 2Q19 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 2Q19 we generated an EBITDA of \$261 million, compared to \$294 million reported in 2Q18. For the last twelve months, the reported EBITDA (IFRS) was \$1,039 million (US\$54 million with an average exchange rate of MXN \$19.2377 per USD).

> Capital Expenditures

For 2Q19, capital expenditures amounted to \$139 million, of which 73% was invested in hotels, 18% for vacation properties and 9% for corporate. Capex for the 1H19 was \$212 million.

> Comprehensive Financial Result

At the end of the quarter (LTM), the net coverage ratio was 2.0 times, considering the effect of IFRS 16 was 2.2x.

The exchange gain in 2Q19 was \$63 million (including leases) as a result of the MXN / USD appreciation of 0.9% from March 31, 2019 to June 30, 2019.

Concept	2Q19	2Q18	1H19	1H18
Interest Income	(25,898)	(37,436)	(60,756)	(106,215)
Accrued interest	159,500	165,628	322,174	323,757
Exchange (gain) loss, net	(48,087)	364,038	(135,895)	(72,076)
Accrued interest from lease payments	119,669	0	205,792	0
Exchange (gain) loss, from lease payments	(15,405)	0	(78,793)	0
Other financial costs (products)	22,202	17,904	40,106	35,808
Other financial expenses	4,379	4,092	7,678	7,307
Total	216,361	514,226	300,306	188,582

Figures in thousands of pesos

> Net Majority Income

As a result of the above, the net income in the second quarter was \$32 million and \$45 million in the 1H19.

> Indebtedness

Concept (Figures in millions)	2Q19		2Q18	
	US\$ Notional	IFRS MXN	US\$ Notional	IFRS MXN
FX eop:		19.1442		19.6912
EBITDA LTM		1,039		2,417
Cash		1,783		3,270
Indebtedness:				
Senior Notes 2022	393	7,516	400	7,876
Subsidiarie	9	178	10	200
Issuance expenses (IFRS)		(213)		(289)
Total	402	7,480	410	7,787
Net Debt to EBITDA		5.5		1.9

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 3.0 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 negative outlook.

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

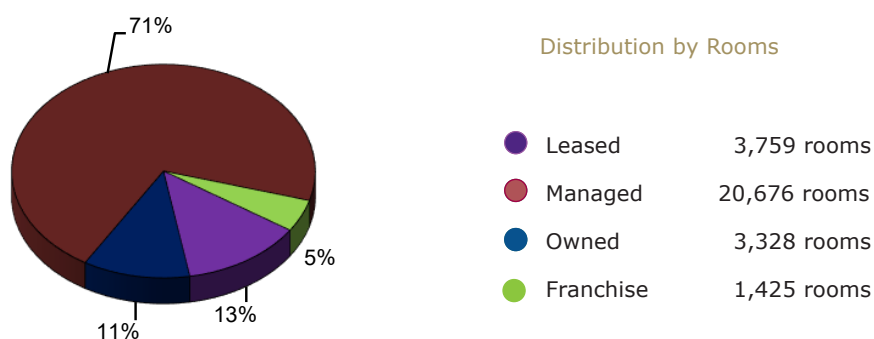
In compliance with Article 4.033.01 section VIII of the Mexican Stock Exchange rules, Grupo Posadas coverage is provided by:

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> Grupo Posadas as of June 30, 2019.

Posadas is the leading hotel operator in Mexico that owns, leases, franchises and manages 180 hotels and 29,188 rooms in the most important and visited urban and coastal destinations in Mexico. Urban hotels represent 80% of total rooms and coastal hotels represent 20%. 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		Caribbean		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
Live Aqua	5	793			5	793
Live Aqua Residence Club	2	125			2	125
Grand Fiesta Americana	9	2,459			9	2,459
Fiesta Americana	12	3,520	2	1,382	14	4,902
FAVC	6	1,597			6	1,597
Fiesta Inn	71	10,242			71	10,242
Fiesta Inn Loft	4	255			4	255
Fiesta Inn Express	2	234			2	234
Gamma	18	2,382			18	2,382
One	48	5,986			48	5,986
Otros	1	213			1	213
Total	178	27,806	2	1,382	180	29,188

> Income Statement IFRS

(million pesos)

Concept	2Q19				2Q18		Var %
	IFRS 16\$	Leases	BAU	%	\$	%	
Total Revenues	2,124.8		2,124.8	100.0	1,900.3	100.0	11.8
Owned & Leased Hotels							
Revenues	937.1		937.1	100.0	841.9	100.0	11.3
Direct Cost	690.1	169.6	859.8	91.7	728.6	86.5	18.0
Contribution IFRS	247.0		77.4	8.3	113.3	13.5	(31.7)
Intersegment fee eliminations (1)	(45.4)		(45.4)		(43.7)		
Business Contribution	201.6		32.0	3.4	69.6	8.3	(54.1)
Managed							
Revenues	287.7		287.7	100.0	295.7	100.0	(2.7)
Direct Cost	211.7		211.7	73.6	202.8	68.6	4.4
Contribution IFRS	76.0		76.0	26.4	92.9	31.4	(18.2)
Intersegment fee eliminations (1)	67.7		67.7		56.4		
Business Contribution	143.7		143.7	49.9	149.3	50.5	(3.8)
Vacation Properties							
Revenues	857.7		857.7	100.0	707.3	100.0	21.3
Direct Cost	598.3		598.3	69.8	499.7	70.7	19.7
Contribution IFRS	259.4		259.4	30.2	207.6	29.3	25.0
Intersegment fee eliminations (1)	(57.4)		(57.4)		(47.9)		
Business Contribution	202.0		202.0	23.6	159.6	22.6	26.5
Other Businesses (2)							
Revenues	42.4		42.4	100.0	55.4	100.0	(23.6)
Direct Cost	108.5		108.5	256.3	102.2	184.4	6.2
Contribution IFRS	(66.2)		(66.2)	(156.3)	(46.8)	(84.4)	41.6
Intersegment fee eliminations (1)	40.2		40.2		40.1		
Business Contribution	(26.0)		(26.0)	(61.4)	(6.6)	(12.0)	291.0
Corporate Expenses	96.7	6.7	103.4	4.9	89.7	4.7	15.3
Intersegment fee eliminations (1)	(5.2)		(5.2)		(53.7)		
Depreciation/Amortization and asset impairment	192.0	95.4	96.6	9.0	92.6	4.9	4.3
Other expenses (revenue) (3)	(18.0)		(18.0)	(0.8)	(16.5)	(0.9)	9.2
Other	0.0		0.0	0.0	0.0	0.0	na
Operating Profit	245.5	(80.9)	164.6	11.6	201.2	10.6	(18.2)
EBITDA excludes FACC							
EBITDA	437.4	(176.3)	261.1	12.3	293.8	15.5	(11.1)
Comprehensive financing cost	216.4	(104.3)	112.1	10.2	514.2	27.1	(78.2)
Other	0.0	0.0	0.0	na	0.0	0.0	na
Part. in results of Associated Companies	0.0		0.0	0.0	0.0	0.0	na
Profit Before Taxes	29.1	23.4	52.5	1.4	(313.0)	(16.5)	na
Discontinued Operations	0.0		0.0	0.0	0.0	0.0	na
Income taxes	3.6		3.6	0.2	7.1	0.4	(48.9)
Deferred taxes	(6.4)		(6.4)	(0.3)	(55.2)	(2.9)	(88.4)
Net Income before Minority	31.9	23.4	55.2	1.5	(265.0)	(13.9)	na
Minority Interest	(0.6)		(0.6)	(0.0)	(0.6)	(0.0)	(8.8)
Net Majority Income	32.4	23.4	55.8	1.5	(264.4)	(13.9)	na

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

(2) Includes the following businesses: GloboGo, Promoción y Desarrollo, Summas. Also includes third parties operations for Conectum, Konexo.

> Income Statement IFRS accumulated

(million pesos)

Concept	2019				2018		Var %
	IFRS 16\$	Leases	BAU	%	\$	%	
Total Revenues	4,044.2		4,044.2	100.0	3,909.5	100.0	3.4
Owned & Leased Hotels							
Revenues	1,830.3		1,830.3	100.0	1,803.3	100.0	1.5
Direct Cost	1,322.7	310.5	1,633.2	89.2	1,448.7	80.3	12.7
Contribution IFRS	507.6		197.1	10.8	354.6	19.7	(44.4)
<i>Intersegment fee eliminations (1)</i>	(45.4)		(45.4)		(109.7)		
<i>Business Contribution</i>	462.3		151.7	8.3	245.0	13.6	(38.1)
Managed							
Revenues	564.6		564.6	100.0	601.8	100.0	(6.2)
Direct Cost	415.9		415.9	73.7	385.2	64.0	8.0
Contribution IFRS	148.8		148.8	26.3	216.6	36.0	(31.3)
<i>Intersegment fee eliminations (1)</i>	(5.1)		(5.1)		133.3		
<i>Business Contribution</i>	143.7		143.7	25.4	349.9	58.1	(58.9)
Vacation Properties							
Revenues	1,565.8		1,565.8	100.0	1,408.7	100.0	11.2
Direct Cost	1,136.1		1,136.1	72.6	1,016.9	72.2	11.7
Contribution IFRS	429.7		429.7	27.4	391.8	27.8	9.7
<i>Intersegment fee eliminations (1)</i>	(227.7)		(227.7)		(92.1)		
<i>Business Contribution</i>	202.0		202.0	12.9	299.7	21.3	(32.6)
Other Businesses (2)							
Revenues	83.4		83.4	100.0	95.8	100.0	(12.9)
Direct Cost	215.5		215.5	258.4	209.4	218.7	2.9
Contribution IFRS	(132.1)		(132.1)	(158.4)	(113.7)	(118.7)	16.2
<i>Intersegment fee eliminations (1)</i>	106.1		106.1		78.3		
<i>Business Contribution</i>	(26.0)		(26.0)	(31.2)	(35.4)	(37.0)	(26.6)
Corporate Expenses	191.4	13.3	204.7	5.1	183.4	4.7	11.6
<i>Intersegment fee eliminations (1)</i>	10.3				58.7		
Depreciation/Amortization and asset impairment	382.9	193.4	576.3	14.3	176.1	4.5	227.3
Other expenses (revenue) (3)	(19.3)		(19.3)	(0.5)	(996.7)	(25.5)	(98.1)
Other	0.0			0.0	0.0	0.0	na
Operating Profit	398.9	(130.5)	268.5	6.6	1,486.6	38.0	(81.9)
EBITDA excludes FACC	457.9		457.9	11.3	690.9	17.7	(33.7)
EBITDA	781.8	(323.9)	458.0	11.3	1,662.6	42.5	(72.5)
Comprehensive financing cost	300.3	(127.0)	173.3	4.3	188.6	4.8	(8.1)
Other	0.0	0.0	0.0	na	0.0	0.0	na
Part. in results of Associated Companies	0.0			0.0	0.0	0.0	na
Profit Before Taxes	98.6	(3.5)	95.1	2.4	1,298.0	33.2	(92.7)
Discontinued Operations	0.0			0.0	0.0	0.0	na
Income taxes	12.7		12.7	0.3	41.8	1.1	(69.6)
Deferred taxes	41.4		41.4	1.0	443.4	11.3	(90.7)
Net Income before Minority	44.5	(3.5)	41.1	1.0	812.8	20.8	(94.9)
Minority Interest	(0.9)			0.0	1.1	0.0	na
Net Majority Income	45.4	(3.5)	41.1	1.0	811.7	20.8	(94.9)

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

(2) Includes the following businesses: GloboGo, Promoción y Desarrollo, Summas. Also includes third parties operations for Conectum, Konexo.

> Consolidated Balance Sheet as of June 30, 2019 and December 31st, 2018 IFRS (million pesos)

CONCEPT	JUN-19	%	DEC - 18	%	VAR. %
ASSETS					
Current Assets					
Cash and cash equivalents	1,783.3	8.4	2,733.9	15.9	(34.8)
Trade and other current receivables	3,080.7	14.5	2,836.6	16.5	8.6
Current tax assets, current	-	0.0	-	0.0	-
Other current financial assets	-	0.0	-	0.0	-
Current inventories	76.3	0.4	168.0	1.0	(54.6)
Other current non-financial assets	107.6	0.5	107.6	0.6	0.0
Total	5,047.8	23.8	5,846.0	34.0	(13.7)
Assets held for sale	220.2	1.0	-	0.0	-
Total current assets	5,268.1	24.8	5,846.0	34.0	(9.9)
Non current assets					
Trade and other non-current receivables	3,347.6	15.8	3,219.2	18.7	4.0
Non-current inventories	-	0.0	-	0.0	-
Other non-current financial assets	28.2	0.1	24.1	0.1	17.1
Investments in subsidiaries, joint ventures and associates	1,072.4	5.0	1,054.6	6.1	1.7
Property, plant and equipment	4,931.2	23.2	4,936.2	28.7	(0.1)
Right-of-use assets that do not meet definition of investment property	4,737.1	22.3	-	0.0	-
Intangible assets other than goodwill	747.9	3.5	721.5	4.2	3.7
Deferred tax assets	1,104.2	5.2	1,145.6	6.7	(3.6)
Other non-current non-financial assets	-	0.0	223.1	1.3	-
Total non-current assets	15,968.5	75.2	11,324.3	66.0	41.0
Total assets	21,236.6	100.0	17,170.3	100.0	23.7
LIABILITIES					
Current Liabilities					
Trade and other current payables	1,627.1	7.7	1,563.2	9.1	4.1
Current tax liabilities, current	335.3	1.6	329.3	1.9	1.8
Other current financial liabilities	24.6	0.1	23.5	0.1	4.5
Current lease liabilities	276.9	1.3	-	0.0	-
Other current non-financial liabilities	857.5	4.0	855.0	5.0	0.3
Current provisions for employee benefits	157.2	0.7	309.0	1.8	(49.1)
Total current liabilities other than liabilities included in disposal groups classified as held for sale	3,278.5	15.4	3,080.0	17.9	6.4
Liabilities included in disposal groups classified as held for sale	-	0.0	-	0.0	-
Total current liabilities	3,278.5	15.4	3,080.0	17.9	6.4
Non Current Liabilities					
Trade and other non-current payables	932.1	4.4	932.9	5.4	(0.1)
Other non-current financial liabilities					
Non-current lease liabilities	4,450.4	-	-	-	-
Bank loans	150.7	0.7	165.2	1.0	(8.8)
Stock market loans	7,305.0	34.4	7,620.6	44.4	(4.1)
Non-current provisions for employee benefits	159.6	0.8	146.6	0.9	8.8
Other non-current provisions	212.4	1.0	212.4	1.2	0.0
Total non-current provisions	372.0	1.8	359.1	2.1	3.6
Deferred tax liabilities	1,517.0	7.1	1,824.7	10.6	(16.9)
Total non-current liabilities	14,727.2	69.3	10,902.5	63.5	35.1
Total liabilities	18,005.8	84.8	13,982.5	81.4	28.8
EQUITY					
Total equity attributable to owners of parent	3,046.6	14.3	3,002.7	17.5	1.5
Non-controlling interests	184.3	0.9	185.1	1.1	(0.5)
Total equity	3,230.8	15.2	3,187.8	18.6	1.3
Total equity and liabilities	21,236.6	100.0	17,170.3	100.0	23.7

> Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1st to June 30th, 2019 & 2018)

STATEMENT OF CASH FLOWS		
	2Q19	2Q18
Cash flows from (used in) operating activities		
Profit (loss)	44.5	812.8
Adjustments to reconcile profit (loss)		
Discontinued operations	0.0	0.0
Adjustments for income tax expense	54.1	485.2
Adjustments for finance costs	261.4	217.5
Adjustments for depreciation and amortisation expense	382.9	176.1
Adjustments for unrealised foreign exchange losses (gains)	(295.9)	(17.7)
Adjustments for losses (gains) on disposal of non-current assets	(1.1)	(1,331.6)
Participation in associates and joint ventures	0.0	0.0
Adjustments for decrease (increase) in inventories	91.7	20.6
Adjustments for decrease (increase) in trade accounts receivable	(320.2)	(207.6)
Adjustments for decrease (increase) in other operating receivables	(79.1)	(45.2)
Adjustments for increase (decrease) in trade accounts payable	(82.0)	(108.2)
Adjustments for increase (decrease) in other operating payables	(0.7)	485.6
Other adjustments for non-cash items	0.0	0.0
Other adjustments to reconcile profit (loss)	244.9	35.8
Total adjustments to reconcile profit (loss)	256.1	(289.3)
Cash flows from (used in) operations	300.6	523.4
Income taxes paid (refund), classified as operating activities	338.8	338.7
Cash flows from (used in) operating activities	(38.2)	184.7
Other cash payments to acquire interests in joint ventures, classified as investing activities	17.8	499.6
Proceeds from sales of property, plant and equipment, classified as investing activities	0.0	2,939.4
Purchase of property, plant and equipment, classified as investing activities	195.7	281.5
Purchase of intangible assets, classified as investing activities	16.6	19.8
Interest received, classified as investing activities	60.8	106.2
Other inflows (outflows) of cash, classified as investing activities	0.0	0.0
Cash flows from (used in) investing activities	(169.3)	2,244.7
Proceeds from borrowings, classified as financing activities	0.0	0.0
Repayments of borrowings, classified as financing activities	151.1	10.0
Payments of finance lease liabilities, classified as financing activities	269.4	0.0
Dividends paid, classified as financing activities	0.0	198.4
Interest paid, classified as financing activities	322.6	334.8
Income taxes paid (refund), classified as financing activities	0.0	0.0
Other inflows (outflows) of cash, classified as financing activities	0.0	0.0
Cash flows from (used in) financing activities	(743.1)	(543.1)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(950.6)	1,886.3
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0
Increase (decrease) in cash and cash equivalents	(950.6)	1,886.3
Cash and cash equivalents at beginning of period	2,733.9	1,383.6
Cash and cash equivalents at end of period	1,783.3	3,269.9