

# POSADAS®



## Operative & Financial Results: Third Quarter 2017



## Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, October 26<sup>th</sup>, 2017.

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

- In 3Q17 total adjusted revenues for asset sold reached \$2,016 million and grew 9%.
- 3Q17 and LTM EBITDA of \$314 million and \$1,606 million, respectively.
- RevPAR grew 5.3% in the 3Q17 and 9.2% in the 9M17.
- Six hotel openings during the 9M17 with 784 rooms (+3%) and six additional openings are scheduled for the 4Q17.
- The pipeline considers 52 hotels (a 36% increase over current number of rooms) to be opened during the next three years.
- Sale and lease of the Fiesta Americana Condesa Cancun hotel to FibraHotel for \$2,892 million.
- Cash available as of September 30<sup>th</sup>, 2017 of \$1.3 billion (equivalent to US\$73 million).

### > Executive Summary

Million pesos as of September 30 <sup>th</sup> , 2017	3Q17	%	Var. YY %	2017	%	Var. YY %
<b>Total Revenues</b>	2,451.4	100	16.8	6,851.4	100	13.3
<b>EBIT</b>	222.7	9	(32.0)	906.1	13	1.8
<b>EBITDA</b>	314.1	13	(28.9)	1,211.5	18	(3.5)
<b>EBITDA Adjusted by hotel sales</b>	314.1	13	(5.8)	1,211.5	18	5.6

We had a quarter with mixed results since the months of July and August performed as planned but September was affected by the following external events:

(i) In the Caribbean, hurricane "Harvey" affected mainly the cities of Houston and Miami and caused southbound travelers to Mexico to defer trips for future dates. In Mexico, hurricanes and tropical storms Irma, Katia and Lidia impacted Cancun, Los Cabos and Veracruz.

(ii) The travel warning issued by the Government of the United States of America to U.S. citizens travelling to several cities of Mexico affected mainly Los Cabos and Cancun.

(iii) The earthquakes of September 7<sup>th</sup> and 19<sup>th</sup> in the states of Chiapas, Oaxaca, Morelos, Puebla and Mexico City affected occupancies and the Available Daily Rate (ADR) during the second half of September.

In spite of these events that caused a reduction of Posadas EBITDA in the 3Q17 of approximately \$50 million, we maintain our EBITDA guidance for the full year with a fourth quarter in line with expectations.

During the 3Q17, the performance of System-wide hotels "Same hotels" improved QoQ. Our Average Daily Rate (ADR) and occupancy increased 3.8% and 1.0 percent points ("pp") respectively, which resulted in a Revenue per Available Room (RevPAR) growth of 5.2%.

Urban hotels, which represent 84% of the total rooms operated, continue with a solid performance with an increase in RevPAR of 13.8% and our coastal hotels performed with a RevPAR increase of 5.7%.

The cash balance at the end of the quarter of \$1,305.8 million considers a position in US dollars' worth US\$39.1 million. The proceeds of \$435 million from the sale of the Fiesta Inn Aeropuerto hotel in Mexico City that were collected in August 2017 are included.

Our annual revenues denominated in USD of approximately 25% provide a hedge of the coupons of our Senior Notes due in 2022. At the end of the 3Q17, the Senior Notes Due 2022 quoted at 107.8 with a yield to maturity of 6%.

As announced on August 15<sup>th</sup>, 2017, Posadas signed an agreement subject to term and certain conditions, to sale and lease to FibraHotel ("FIHO") the land, buildings, equipment, furniture, rights and concessions related to the Fiesta Americana Condesa Cancun Hotel. The total purchase price for the assets will amount to \$2,892 million. Grupo Posadas and FIHO will each invest approximately \$60 million in the refurbishment of public areas during 2017 and 2018, without affecting the hotel's inventory.

Additionally, as an obligation under the sale and purchase agreement, Grupo Posadas, as lessee, and FIHO, as lessor, will enter into a long-term lease agreement of the Hotel, by virtue of which Grupo Posadas will continue to operate the Hotel. The lease shall come into effect at the same time at which the purchase and sale of the Hotel takes effect, that is expected to occur in 1Q18.

In reference to this asset sale; \$1,485 million have been recorded as current assets held for sale.

On September 29<sup>th</sup>, 2017, Posadas signed a 15 year term management contract to operate the new Grand Fiesta Americana All Inclusive Los Corales hotel in Punta Cana, Dominican Republic. The hotel with 558 rooms owned by local investors is estimated to open by mid-2020.

This agreement represents the first of a series of projects of Posadas in the Caribbean.

On October 31<sup>st</sup>, 2017, the shareholders of the Company agreed the following:

- (i) The merger of several subsidiaries into Grupo Posadas.
- (ii) The change of the fifth clause of its by-laws, so the Company can expand its activities as travel agent or travel intermediary, these activities were carried out through one of the merged subsidiaries. After giving effect to the merger, Inversora Inmobiliaria Club S.A. de C.V. and Operadora del Golfo de Mexico, S.A. de C.V. remain as the outstanding guarantors of the Indenture dated June 30<sup>th</sup>, 2015.

## > Hotel Development

As of September 30<sup>th</sup>, 2017, the Company continued with a strong pipeline comprised of executed agreements to operate 52 new hotels with 9,036 rooms. These hotels represent a total investment of \$18,556 million (US\$1,034 million), 10% will be invested by Posadas (mainly in Los Cabos and Riviera Maya) and 90% will be invested by third parties. This development plan represents an increase in capacity of 36%.

Openings are expected to begin in the fourth quarter of 2017, and we expect all hotels to be operational by December-2020 according to commitments made with the different property owners. The average term of these contracts is over 15 years.

New Hotels by Brand	Hotels	Rooms	%
<b>Live Aqua</b>	3	741	8.2
<b>Live Aqua Residence Club</b>	1	100	1.1
<b>Grand Fiesta Americana</b>	3	1,026	11.4
<b>Fiesta Americana</b>	9	2,468	27.3
<b>Fiesta Inn</b>	11	1,547	17.1
<b>Fiesta Inn Loft</b>	6	801	8.9
<b>One Hoteles</b>	14	1,838	20.3
<b>Gamma</b>	4	425	4.7
<b>Other</b>	1	90	1.0
<b>Total</b>	<b>52</b>	<b>9,036</b>	<b>100</b>

The Company continues with an intense openings schedule, during the last twelve months 10 hotels with 1,424 additional rooms were opened.

Openings LTM	No. of Rooms	Type of Contract
<b>Fiesta Americana México Toreo</b>	252	Leased
<b>Fiesta Inn Los Mochis</b>	125	Managed
<b>One Cuautitlan</b>	156	Managed
<b>Gamma Torreon</b>	102	Managed
<b>Fiesta Inn Puerto Vallarta La Isla</b>	144	Managed
<b>One Mexicali</b>	120	Managed
<b>One Guadalajara Expo</b>	126	Managed
<b>Fiesta Inn Silao Aeropuerto del Bajío</b>	142	Managed
<b>One León Antares</b>	126	Managed
<b>One Puebla Serdán</b>	126	Managed
<b>Room Incremental Fiesta Americana Condesa Cancún</b>	5	
<b>Total</b>	<b>1,424</b>	

> Owned and Leased Hotels  
(Excludes Vacation Properties)

3Q17 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	4,725	2.8	3,539	(3.9)	1,186	29.6
<b>Average Daily Rate</b>	1,590	7.0	1,444	7.8	2,036	(4.1)
<b>Occupancy (Var. in pp)</b>	76%	(1.3)	77%	(2.0)	75%	2.3
<b>RevPAR</b>	1,211	5.2	1,107	5.0	1,521	(1.1)

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	4,787	(4.3)	3,650	(7.2)	1,137	6.3
<b>Average Daily Rate</b>	1,730	11.8	1,497	11.9	2,431	5.3
<b>Occupancy (Var. in pp)</b>	76%	(0.9)	74%	(1.9)	79%	2.4
<b>RevPAR</b>	1,309	10.5	1,115	9.0	1,932	8.5

During the quarter, revenues from this segment represented 38.4% of the consolidated revenues. The EBITDA (IFRS) margin was 15.4% representing a 1.9 pp decrease over the 3Q16 (business margin was 10.1%, 1.7 pp lower). The margin was also affected by the lease payment concerning the sale of the Fiesta Inn Aeropuerto hotel that has been leased since August 2017.

A higher ADR (Average Daily Rate) of 7.0% resulted in a RevPAR increase of 5.2%.

Results for urban hotels show an improvement when compared with 3Q16; a 7.8% increase in ADR and a 1.0 pp decrease in occupancy, resulted in a RevPAR improvement of 5.0%, despite having 3.9% less average rooms available due to the sale of two hotels and not renewing two leased hotels.

On comparable basis, the coastal hotels operated 29.6% more rooms compared to 3Q16 due to the FA Condesa Cancun hotel that was being remodeled during the same period of the previous year. Coastal hotels recorded a 2.3% increase in occupancy with an ADR and RevPAR decrease of 4.1% and 1.1%, respectively when compared to the same period of previous year.

## > Management

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

3Q17 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	22,352	7.6	19,829	7.1	2,523	12.0
<b>Average Daily Rate</b>	1,248	3.7	1,135	4.3	2,124	(5.3)
<b>Occupancy (Var. in pp)</b>	69%	1.1	69%	0.3	70%	7.3
<b>RevPAR</b>	862	5.3	783	4.8	1,486	5.7

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	22,082	6.8	19,608	7.3	2,474	2.8
<b>Average Daily Rate</b>	1,350	8.6	1,175	8.4	2,581	6.9
<b>Occupancy (Var. in pp)</b>	67%	0.4	67%	(0.3)	75%	6.1
<b>RevPAR</b>	910	9.2	782	7.9	1,926	16.4

3Q17 (QQ) Same Hotels	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	19,293	1.9	16,770	0.5	2,523	12.0
<b>Average Daily Rate</b>	1,239	3.8	1,108	3.6	2,124	(5.3)
<b>Occupancy (Var. in pp)</b>	71%	1.0	71%	0.1	70%	7.3
<b>RevPAR</b>	876	5.2	784	3.8	1,486	5.7

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	19,244	1.0	16,770	0.7	2,474	2.8
<b>Average Daily Rate</b>	1,343	8.2	1,144	6.8	2,581	6.9
<b>Occupancy (Var. in pp)</b>	69%	1.1	68%	0.4	75%	6.1
<b>RevPAR</b>	929	10.0	782	7.5	1,926	16.4

The Management line includes hotel management, brand licensing and franchise services along with our loyalty management and call center businesses. Revenue represented 9.7% of total revenue in the quarter with a margin (IFRS) of 23.5%, 1.0 pp lower than in 3Q16 (business margin was 44.5%, 1.5 pp higher).

The average number of rooms operated recorded a 7.6% increase in the quarter. An improvement in ADR and occupancy of 3.7% and 1.1%, respectively, achieved a 5.3% RevPAR increase.

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

With 1.9% more available rooms adjusted by the remodeling of rooms, system-wide hotels reported a 3.8% improvement in ADR, a 1.0 pp increase in occupancy, and a RevPAR growth of 5.2%.

System-wide urban hotels had an improvement in ADR of 3.6% and a marginal 0.1 pp increase in occupancy achieving a RevPAR growth of 5.2%.

Coastal hotels increased 7.3% in occupancy, ADR decreased 5.3% while RevPAR increased 5.7%, with 12.0% more average number of rooms available of the FA Condesa Cancun hotel that were under the remodeling plan in 3Q16.

## > Vacation Properties

The Vacation Club business segment primarily includes our vacation properties comprised of the Fiesta Americana Vacation Club (FAVC), Live Aqua Residence Club (LARC) programs. Revenue for the quarter amounted to 32.9% of the Posadas' consolidated revenues in 3Q17. The operating margin (IFRS) was 29.6%, 4.0 pp lower than the 3Q16 margin (business margin was 24.3%, 4.6 pp lower than previous year), due to a decrease in Resorts occupancies during September.

In 3Q17, on a QoQ comparison, the food and beverages profit increased 8%.

As of September 30<sup>th</sup>, 2017, total receivables reached \$4,213 million representing a 7% increase with respect to the same period of previous year.

## > Other Businesses

For the 3Q17 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.

The sale of the Fiesta Inn Aeropuerto hotel for \$435 million recorded in 3Q17 as well as the sale of the Fiesta Inn Monterrey Valle hotel for \$245 million recorded in 3Q16, were also included in this section.

## > EBITDA

In the 3Q17 an EBITDA of \$314.1 million was recorded (excluding the \$115 million EBITDA from the sale of the Fiesta Inn Aeropuerto hotel), that compared with the \$333 million (excluding the \$108 million EBITDA from the sale of the Fiesta Inn Monterrey Valle hotel) recorded in 3Q16 represented a decrease of 5.8%.

It's important to emphasize that in 3Q17, we reserved \$127 million concerning Payrolls and Benefits for 2017. The final number for these will be determined at the end of the year.

For the last twelve months, EBITDA (IFRS) was \$1,606 million (US\$84.5 million with an average exchange rate of \$19.0170 MXN/USD), that represents a 1.2% improvement versus the \$1,587 million in 3Q16 LTM.

## > Capital Expenditures

The total consolidated CAPEX for 3Q17 was \$202 million, 24% for hotels, 51% for vacation properties and 25% for corporate purposes.

Total capital expenditures for the 9M17 amount to \$627 million.

## > Comprehensive Financial Result

Concept	3Q17	3Q16	9M17	9M16
<b>Interest earned</b>	(12,483)	(12,804)	(44,986)	(28,112)
<b>Interest expense</b>	153,029	171,688	473,478	467,514
<b>Fluctuations loss (gain)</b>	22,180	314,977	(876,720)	623,053
<b>Other expenses (products)</b>	(4,299)	53,215	54,193	53,215
<b>Financial expenses</b>	25,547	(28,844)	72,162	13,269
<b>Total</b>	<b>183,975</b>	<b>498,232</b>	<b>(321,873)</b>	<b>1,128,939</b>

Figures in thousands of pesos

At the end of the quarter, considering the effect of IFRS, the net coverage ratio was 2.7 times, similar level as same quarter of the previous year.

In 3Q17 the foreign exchange unrealized gain of \$22 million was recorded as a consequence to a 0.4% appreciation of the MXN against the USD, from June 30<sup>th</sup>, 2017 to September 30<sup>th</sup>, 2017.

## > Net Majority Income

As a result of the aforementioned, a \$65.2 million net income for the second quarter was recorded and a \$35.9 million net loss for the 9M17.

## > Indebtedness

Concept (Figures in millions)	3Q17		3Q16	
	US\$ Notional	IFRS MXN	US\$ Notional	IFRS MXN
<b>FX eop:</b>		17,9500		19,3776
<b>EBITDA LTM</b>		1,606		1,587
<b>Cash</b>		1,306		2,445
<b>Indebtedness:</b>				
<b>Senior Notes 2022</b>	400	7,180	400	7,751
<b>Senior Notes 2017</b>			38	743
<b>Subsidiarie</b>	12	210		
<b>Issuance expenses (IFRS)</b>		(342)		(413)
<b>Total</b>	412	7,048	438	8,081
<b>Net Debt to EBITDA</b>		3.6		3.6

The Total Debt mix under IFRS at the end of the quarter was 100% long-term, 97% U.S. dollar denominated and 100% with a fixed rate. The average life was 4.8 years and only 3% 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 stable 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+ RR3”.

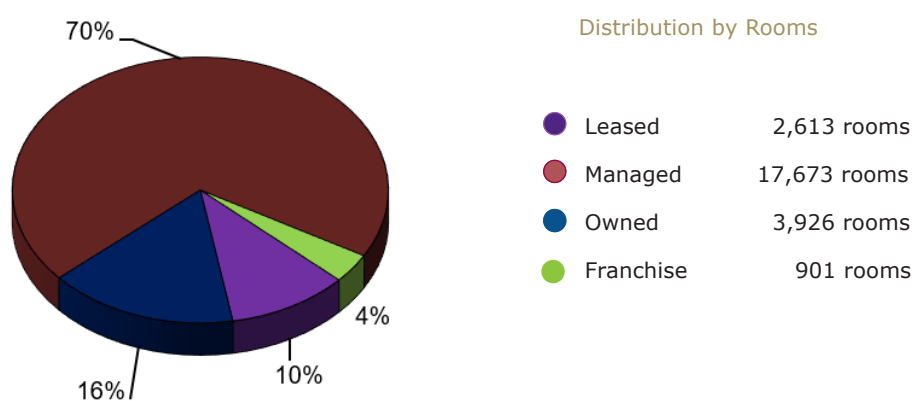
In compliance with Article 4.033.01 section VIII of the Mexican Stock Exchange rules, Grupo Posadas coverage is provided by:

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> Grupo Posadas as of September 30<sup>th</sup>, 2017.

Posadas is the leading hotel operator in Mexico that owns, leases and manages 158<sup>1</sup> hotels and 25,513 rooms in the most important and visited urban and coastal destinations in Mexico (99% of total rooms) and owns one hotel in the United States (1%). 84% of rooms are in urban destinations and 16% in coastal. Posadas operates under the following brands: Live Aqua, Live Aqua Boutique Resort, Grand Fiesta Americana, Fiesta Americana, The Exploreat, Fiesta Americana Vacation Villas, Live Aqua Residence Club, Fiesta Inn, Fiesta Inn LOFT, Gamma and One Hotels. Posadas trades in the MSE since 1992.

Posadas trades in the Mexican Stock Exchange since 1992.



Brand	Mexico		USA		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
<b>Live Aqua</b>	4	640			4	640
<b>Grand Fiesta Americana</b>	8	2,226			8	2,226
<b>Fiesta Americana</b>	12	3,530			12	3,530
<b>Fiesta Inn</b>	68	9,482			68	9,482
<b>Fiesta Inn Loft</b>	2	164			2	164
<b>Gamma</b>	11	1,551			11	1,551
<b>FA Vacation Villas</b>	7	1,613			7	1,613
<b>One Hoteles</b>	44	5,494			44	5,494
<b>Others</b>	1	213	1	200	2	413
<b>Total</b>	<b>157</b>	<b>24,913</b>	<b>1</b>	<b>200</b>	<b>158</b>	<b>25,113</b>
<b>%</b>		<b>99%</b>		<b>1%</b>		<b>100%</b>

<sup>1</sup> 158 hotels with 154 management contracts.

## > Income Statement IFRS

(million pesos)

Concept	3Q17	%	3Q16	%	Var %	9M17	%	9M16	%	Var %
Total Revenues	2,451.4	100.0	2,099.1	100.0	16.8	6,851.4	100.0	6,048.3	100.0	13.3
<b>Owned &amp; Leased Hotels</b>										
Revenues	941.5	100.0	873.3	100.0	7.8	3,229.3	100.0	3,025.9	100.0	6.7
Direct Cost	796.2	84.6	721.7	82.6	10.3	2,524.7	78.2	2,363.7	78.1	6.8
Contribution IFRS	145.3	15.4	151.7	17.4	(4.2)	704.6	21.8	662.3	21.9	6.4
Intersegment fee eliminations (1)	(50.0)		(48.5)			(205.0)		(194.9)		
Business Contribution	95.4	10.1	103.2	11.8	(7.5)	499.6	15.5	467.4	15.4	6.9
<b>Managed</b>										
Revenues	238.8	100.0	229.2	100.0	4.2	751.4	100.0	679.1	100.0	10.7
Direct Cost	182.7	76.5	173.0	75.5	5.6	550.7	73.3	484.9	71.4	13.6
Contribution IFRS	56.1	23.5	56.2	24.5	(0.1)	200.7	26.7	194.2	28.6	3.3
Intersegment fee eliminations (1)	85.9		82.0			321.5		295.3		
Business Contribution	142.0	44.5	138.2	43.1	2.8	522.2	44.5	489.5	43.1	6.7
<b>Vacation Properties</b>										
Revenues	806.1	100.0	728.2	100.0	10.7	2,340.4	100.0	1,990.3	100.0	17.6
Direct Cost	567.4	70.4	483.4	66.4	17.4	1,668.0	71.3	1,386.0	69.6	20.3
Contribution IFRS	238.7	29.6	244.8	33.6	(2.5)	672.4	28.7	604.4	30.4	11.3
Intersegment fee eliminations (1)	(42.9)		(34.7)			(121.9)		(85.2)		
Business Contribution	195.8	24.3	210.1	28.8	(6.8)	550.5	23.5	519.1	26.1	6.0
<b>Other Businesses (2)</b>										
Revenues	465.0	100.0	268.3	100.0	73.3	530.3	100.0	352.9	100.0	50.3
Direct Cost	364.2	78.3	170.3	63.5	113.8	463.1	87.3	263.2	74.6	76.0
Contribution IFRS	100.8	21.7	98.0	36.5	2.9	67.2	12.7	89.7	25.4	(25.1)
Intersegment fee eliminations (1)	11.8		5.9			19.7		(1.3)		
Business Contribution	112.6	10.9	103.9	1.6	8.4	87.0	10.9	88.4	1.6	(1.6)
<b>Corporate Expenses</b>										
Corporate Expenses	216.3	8.8	75.9	3.6	185.0	385.0	5.6	230.5	3.8	67.0
Intersegment fee eliminations (1)	(4.7)		(4.6)			(14.2)		(13.8)		
Depreciation/Amortization and asset impairment	91.4	3.7	114.1	5.4	(19.9)	305.3	4.5	364.9	6.0	(16.3)
Other expenses (revenue)	10.6	0.4	33.2	1.6	(67.9)	48.4	0.7	65.0	1.1	(25.4)
Other	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Operating Profit	222.7	9.1	327.5	15.6	(32.0)	906.1	13.2	890.3	14.7	1.8
<b>EBITDA</b>	<b>314.1</b>	<b>12.8</b>	<b>441.6</b>	<b>21.0</b>	<b>(28.9)</b>	<b>1,211.5</b>	<b>17.7</b>	<b>1,255.1</b>	<b>20.8</b>	<b>(3.5)</b>
Comprehensive financing cost	184.0	7.5	498.2	23.7	(63.1)	(321.9)	(4.7)	1,128.9	18.7	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
<b>Profit Before Taxes</b>	<b>38.7</b>	<b>1.6</b>	<b>(170.7)</b>	<b>(8.1)</b>	<b>na</b>	<b>1,228.0</b>	<b>17.9</b>	<b>(238.7)</b>	<b>(3.9)</b>	<b>na</b>
Discontinued Operations	0.0	0.0	0.0	0.0	na	0.0	0.0	1.3	0.0	na
Income taxes	24.0	1.0	(3.1)	(0.1)	na	2,143.3	31.3	43.3	0.7	4,855.6
Deferred taxes	(51.7)	(2.1)	(41.5)	(2.0)	24.7	(885.5)	(12.9)	(104.1)	(1.7)	750.9
<b>Net Income before Minority</b>	<b>66.4</b>	<b>2.7</b>	<b>(126.2)</b>	<b>(6.0)</b>	<b>na</b>	<b>(29.8)</b>	<b>(0.4)</b>	<b>(179.1)</b>	<b>(3.0)</b>	<b>(83.4)</b>
<b>Minority Interest</b>	<b>1.2</b>	<b>0.0</b>	<b>1.4</b>	<b>0.1</b>	<b>(18.2)</b>	<b>6.1</b>	<b>0.1</b>	<b>6.4</b>	<b>0.1</b>	<b>(4.2)</b>
<b>Net Majority Income</b>	<b>65.2</b>	<b>2.7</b>	<b>(127.6)</b>	<b>(6.1)</b>	<b>na</b>	<b>(35.9)</b>	<b>(0.5)</b>	<b>(185.5)</b>	<b>(3.1)</b>	<b>(80.6)</b>

(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, Summas. Also includes the sale of the hotel Fiesta Inn Aeropuerto in 3Q17 for \$435 million and the sale of the Fiesta Inn Monterrey Valle Hotel in the 3Q16 for \$245 million.

> Consolidated Balance Sheet as of September 30<sup>th</sup>, 2017 and December 31, 2016 IFRS (million pesos)

CONCEPT	SEP 17	%	DEC - 16	%	VAR. %
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	1,305.8	8.1	1,320.1	8.8	(1.1)
Trade and other current receivables	2,959.5	18.3	2,827.6	18.8	4.7
Current tax assets, current	-	0.0	-	0.0	-
Other current financial assets	-	0.0	450.0	3.0	(100.0)
Current inventories	76.5	0.5	177.8	1.2	(57.0)
Other current non-financial assets	63.7	0.4	63.7	0.4	0.0
Total	4,405.5	27.2	4,839.1	32.1	(9.0)
Assets held for sale	1,537.1	9.5	64.5	0.4	2,282.0
<b>Total current assets</b>	<b>5,942.6</b>	<b>36.8</b>	<b>4,903.7</b>	<b>32.5</b>	<b>21.2</b>
<b>Non current assets</b>					
Trade and other non-current receivables	2,474.0	15.3	2,231.3	14.8	10.9
Non-current inventories	371.9	2.3	151.5	1.0	145.5
Investments in subsidiaries, joint ventures and associates	226.1	1.4	1.1	0.0	19,929.1
Property, plant and equipment	4,452.6	27.5	6,483.1	43.0	(31.3)
Investment property	-	0.0	-	0.0	-
Intangible assets other than goodwill	900.4	5.6	641.2	4.3	40.4
Deferred tax assets	1,544.0	9.6	658.5	4.4	134.5
Other non-current non-financial assets	255.4	1.6	-	0.0	-
Total non-current assets	10,224.4	63.2	10,166.7	67.5	0.6
<b>Total assets</b>	<b>16,167.1</b>	<b>100.0</b>	<b>15,070.4</b>	<b>100.0</b>	<b>7.3</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other current payables	910.6	5.6	942.5	6.3	(3.4)
Current tax liabilities, current	267.4	1.7	362.5	2.4	(26.2)
Other current financial liabilities	1,554.5	9.6	969.1	6.4	60.4
Bank loans	5.7	0.0	-	0.0	-
Total current liabilities other than liabilities included in disposal groups classified as held for sale	2,732.5	16.9	2,274.1	15.1	20.2
Liabilities included in disposal groups classified as held for sale	6.3	0.0	7.2	0.0	(12.2)
<b>Total current liabilities</b>	<b>2,738.8</b>	<b>16.9</b>	<b>2,281.3</b>	<b>15.1</b>	<b>20.1</b>
<b>Non Current Liabilities</b>					
Trade and other non-current payables	938.0	5.8	850.8	5.6	10.3
Other non-current financial liabilities	7,042.0	43.6	7,871.8	52.2	(10.5)
Bank loans	204.3	1.3	-	0.0	-
Stock market loans	6,832.0	42.3	7,871.8	52.2	(13.2)
Non-current provisions for employee benefits	126.7	0.8	137.5	0.9	(7.8)
Other non-current provisions	424.2	2.6	395.8	2.6	7.2
Total non-current provisions	550.9	3.4	533.3	3.5	3.3
Deferred tax liabilities	2,026.5	12.5	605.0	4.0	234.9
Total non-current liabilities	10,557.4	65.3	9,860.8	65.4	7.1
<b>Total liabilities</b>	<b>13,296.2</b>	<b>82.2</b>	<b>12,142.1</b>	<b>80.6</b>	<b>9.5</b>
<b>EQUITY</b>					
Total equity attributable to owners of parent	2,686.9	16.6	2,736.3	18.2	(1.8)
Non-controlling interests	183.9	1.1	191.9	1.3	(4.2)
<b>Total equity</b>	<b>2,870.9</b>	<b>17.8</b>	<b>2,928.3</b>	<b>19.4</b>	<b>(2.0)</b>
<b>Total equity and liabilities</b>	<b>16,167.1</b>	<b>100.0</b>	<b>15,070.4</b>	<b>100.0</b>	<b>7.3</b>

## > Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1<sup>st</sup> to September 30<sup>th</sup>, 2017 & 2016)

STATEMENT OF CASH FLOWS		
	9M17	9M16
Cash flows from (used in) operating activities		
Profit (loss)	(29.8)	(179.1)
Adjustments to reconcile profit (loss)		
Discontinued operations	0.0	1.3
Adjustments for income tax expense	1,257.8	(60.8)
Adjustments for finance costs	428.5	439.4
Adjustments for depreciation and amortisation expense	359.5	364.9
Adjustments for unrealised foreign exchange losses (gains)	(1,086.1)	888.7
Adjustments for losses (gains) on disposal of non-current assets	(116.7)	(110.6)
Participation in associates and joint ventures	0.0	(8.9)
Adjustments for decrease (increase) in inventories	101.4	79.7
Adjustments for decrease (increase) in trade accounts receivable	(86.1)	(396.0)
Adjustments for decrease (increase) in other operating receivables	(98.6)	29.2
Adjustments for increase (decrease) in trade accounts payable	(163.6)	(109.7)
Adjustments for increase (decrease) in other operating payables	403.1	48.9
Other adjustments to reconcile profit (loss)	0.0	130.2
Total adjustments to reconcile profit (loss)	999.2	1,296.2
Cash flows from (used in) operations	969.3	1,117.1
Income taxes paid (refund), classified as operating activities	812.0	198.4
Cash flows from (used in) operating activities	157.4	918.7
Other cash payments to acquire interests in joint ventures, classified as investing activities	225.0	0.0
Proceeds from sales of property, plant and equipment, classified as investing activities	435.0	245.0
Purchase of property, plant and equipment, classified as investing activities	539.9	401.1
Purchase of intangible assets, classified as investing activities	212.9	75.2
Interest received, classified as investing activities	45.0	28.1
Other inflows (outflows) of cash, classified as investing activities	450.0	(56.6)
Cash flows from (used in) investing activities	(47.8)	(259.7)
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	288.4	922.6
Repayments of borrowings, classified as financing activities	78.4	0.0
Dividends paid, classified as financing activities	12.1	0.0
Interest paid, classified as financing activities	318.4	329.3
Other inflows (outflows) of cash, classified as financing activities	(3.4)	(26.1)
Cash flows from (used in) financing activities	(123.9)	567.2
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(14.3)	1,226.2
Effect of exchange rate changes on cash and cash equivalents	0.0	5.1
Increase (decrease) in cash and cash equivalents	(14.3)	1,231.3
Cash and cash equivalents at beginning of period	1,320.1	763.8
Cash and cash equivalents at end of period	1,305.8	1,995.1