

# POSADAS®



## Operative & Financial Results: Third Quarter 2018



## Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, October 25, 2018.

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

- In 3Q18 revenues reached \$2,091 million.
- EBITDA for the 3Q18 of \$276 million.
- Six hotel openings during the quarter with 912 rooms (+3.5%). Including the Fiesta Americana Satellite and the first Fiesta Inn Express hotels.
- 18 hotel openings with 2,393 rooms (9% of total room inventory) in the trailing twelve months.
- The pipeline considers 48 hotels (a 34% increase over current number of rooms) to be opened during the next four years.
- Cash available as of September 30, 2018 of \$2,702 million (equivalent to US\$144 million) considers US\$94 million denominated in USD.
- Net debt to EBITDA ratio of 2.0x and Net interest coverage ratio of 4.8x.

### > Executive Summary

Million pesos as of Sep 30, 2018	3Q18	%	Var. YY %	2018	%	Var. YY %
<b>Total Revenues</b>	2,091.1	100	(14.7)	7,733.8	100	18.4
<b>EBIT</b>	181.1	9	(18.7)	1,667.6	22	84.0
<b>EBITDA</b>	275.5	13	(12.3)	1,938.1	25	60.0

At the EBITDA level, it was a soft quarter mainly due to the decrease in arrivals from international groups to hotel Resorts, which represented a challenge in room rates optimization at coastal hotels (Resorts).

Additionally, one of our main Resorts; the Live Aqua Beach Resort Cancun, is undergoing remodeling, influencing occupancy factors and average daily rate (ADR), triggering losses greater than expected at the beginning of 2018. The hotel is in the last stage of remodeling of rooms, common areas and restaurants, which will generate an incremental flow in 2019. Isolating this hotel, the revenue per available room (RevPAR) would be higher by 2pp.

On the other hand, in urban hotels we are going according to plan keeping a higher available daily rate by 5% compared to the same period of the previous

year, including the six hotel openings. Likewise, the vacation programs continue with a good performance by improving the margin by 1.5 pp during this quarter. Continuing with our projects, derived from the sale of the Fiesta Americana Condesa Cancun Hotel (FACC) for a net amount of \$1,983 million, we have invested \$878 million, with a balance including interest earned of \$1,175 million. The balance aforementioned is being invested mainly in the following renovations and new projects:

#### Resorts

- Hotel complex in the Mayan Riviera "Tulkal": Total investment of \$1,028 million has been executed for a 12.5% ownership in the trust. The construction has begun to open the hotel complex in 2021. During 2018, \$730 million have been invested.

- Hotel Live Aqua Beach Resort Cancun: Rooms and public areas remodeling of \$453 million with Posadas' commitment of \$276 million and the balance will be invested by the lessors of the hotel. The remodeling is in the last stage, the entire inventory will be available in the second half of December 2018, in compliance with the commitments agreed for the winter high season.

- 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 during 2019.

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

**Capital Expenditures**

For 3Q18, capital expenditures amounted to \$190 million. For 9M18, capex amounted to \$492 million, of which 54% was invested in hotels, 24% for vacation properties and 22% for corporate including technology.

> 3Q18

During the 3Q18, the System-wide hotels performance was softer than expected QoQ as mentioned above. Occupancy decreased 2.4 percent points ("pp"), the Average Daily Rate (ADR) increased 3.8%, which resulted in a slight increase in Revenue per Available Room (RevPAR) of 0.2%.

Urban hotels, which represent 84% of the total rooms operated, continue with a positive performance with an increase in RevPAR of 1.6% and our coastal hotels RevPAR was the same as reported previous year.

The cash balance at the end of the quarter of \$2,702 million include an investment in US dollars' worth US\$94 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 103.5 with a yield to maturity of 6.5%.

## > Hotel Development

As of September 30, 2018, the Company continued with a strong pipeline of agreements with different levels of commitment, to operate 48 new hotels with 9,320 rooms. These hotels represent a total investment of \$30,177 million (US\$1,612 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 34%.

Openings are expected to begin in the fourth quarter of 2018, and we expect all hotels to be operational by the second half of 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	
<b>Live Aqua</b>	4	1,121	1	119	5	1,240	13.3
<b>Live Aqua Residence Club</b>	1	45			1	45	0.5
<b>Grand Fiesta Americana</b>	2	468	1	554	3	1,022	11.0
<b>Fiesta Americana</b>	8	2,173	2	1,382	10	3,555	38.1
<b>Fiesta Inn</b>	7	959			7	959	10.3
<b>Fiesta Inn Loft</b>	5	685			5	685	7.3
<b>One Hoteles</b>	9	1,142			9	1,142	12.3
<b>Gamma</b>	6	550			6	550	5.9
<b>Others</b>	2	122			2	122	1.3
<b>Total</b>	<b>44</b>	<b>7,265</b>	<b>4</b>	<b>2,055</b>	<b>48</b>	<b>9,320</b>	<b>100</b>

The Company continues with an intense openings schedule, during the last twelve months 18 hotels with 2,393 additional rooms were opened.

Openings LTM	No. of Rooms	Type of Contract
<b>Fiesta Inn Chihuahua Fashion Mall</b>	156	Managed
<b>One Chihuahua Fashion Mall</b>	126	Managed
<b>Fiesta Inn Ciudad de México Forum Buenavista</b>	129	Managed
<b>Gamma Cuernavaca Puerto Paraiso</b>	102	Franchise
<b>LARC Los Cabos</b>	109	Owned
<b>Fiesta Inn Ciudad del Carmen Laguna de Términos</b>	133	Managed
<b>Fiesta Inn Morelia Altozano</b>	155	Managed
<b>Gamma Tampico</b>	136	Franchise
<b>Gamma Chapala</b>	83	Franchise
<b>Fiesta Inn Tuxtla Fashion Mall</b>	128	Managed
<b>Gamma Boca del Rio Oliba</b>	63	Franchise
<b>One Puebla Angelópolis Periférico</b>	126	Managed
<b>Gamma Guadalajara Centro Histórico</b>	197	Managed
<b>One Monterrey Tecnológico</b>	126	Managed
<b>One Ciudad de México la Raza</b>	123	Managed
<b>One Acapulco Diamante</b>	126	Managed
<b>Fiesta Inn Express Querétaro constituyentes</b>	117	Managed
<b>Fiesta Americana México Satelite</b>	223	Managed
<b>Inventario incremental Fiesta Inn Cancún las Americas</b>	35	Managed
<b>Total</b>	<b>2,393</b>	

> Owned and Leased Hotels  
(Excludes Vacation Properties)

3Q18 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	4,574	(3.2)	3,574	1.0	1,000	(15.7)
<b>Average Daily Rate</b>	1,637	3.0	1,504	4.2	2,160	6.1
<b>Occupancy (Var. in pp)</b>	75%	(0.9)	77%	0.1	70%	(4.9)
<b>RevPAR</b>	1,232	1.7	1,155	4.3	1,508	(0.9)

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	4,657	(0.4)	3,559	0.6	1,099	(3.4)
<b>Average Daily Rate</b>	1,771	2.1	1,550	3.5	2,460	1.2
<b>Occupancy (Var. in pp)</b>	76%	(0.5)	75%	(0.1)	78%	(1.5)
<b>RevPAR</b>	1,343	1.5	1,165	3.3	1,918	(0.7)

In the quarter, revenues from this segment represented 44.2% of the Company's total revenues. The contribution margin based on the International Financial Reporting Standards (IFRS) represented 6.1%, 9.3 pp lower than in 3Q17 (business contribution margin: 1.7%, 8.4 pp lower).

This is mainly derived from the new hotel leases, as a result of the sale and subsequent lease of the Fiesta Inn Aeropuerto and Fiesta Americana Condesa Cancún hotels, as well as the ongoing remodeling of the rooms of the Live Aqua Beach Resort Cancun hotel and a decrease in groups arrivals to Resorts.

When adding the lease payments for these two hotels back to the contribution, the PROFORMA business margin would be 8.7%, 2.4 pp lower than that of 3Q17.

This quarter, owned and leased hotels delivered a higher ADR (Average Daily Rate) of 3.0% but with a lower occupancy of 0.9 pp that resulted in a 1.7% increase in RevPAR.

Results for urban hotels showed an improvement when compared with 3Q17. A 4.2% increase in ADR resulted in a RevPAR improvement of 4.3%. With 1.0% more average rooms available due to the incremental room inventory in the Fiesta Inn Cancun Las Americas hotel.

On a comparable basis, the coastal hotels operated 15.7% less rooms compared to 3Q17 due to the rooms of the Live Aqua Beach Resort Cancun hotel that were being remodeled during this quarter. Coastal hotels recorded a 6.1% ADR increase, a 4.9 pp decrease in occupancy that resulted in a RevPAR decrease of 0.9%, when compared to the same period of previous year.

## > Management

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

3Q18 (QQ)	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	23,453	4.9	21,116	6.5	2,337	(7.4)
<b>Average Daily Rate</b>	1,296	3.8	1,189	4.8	2,285	7.6
<b>Occupancy (Var. in pp)</b>	67%	(2.4)	67%	(2.1)	65%	(4.9)
<b>RevPAR</b>	864	0.2	795	1.6	1,487	0.1

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	23,145	4.8	20,709	5.6	2,436	(1.5)
<b>Average Daily Rate</b>	1,378	2.1	1,218	3.6	2,610	1.1
<b>Occupancy (Var. in pp)</b>	67%	(0.8)	66%	(0.6)	73%	(1.9)
<b>RevPAR</b>	918	0.9	803	2.7	1,898	(1.4)

3Q18 (QQ) Same Hotels	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	21,397	(0.6)	19,060	0.3	2,337	(7.4)
<b>Average Daily Rate</b>	1,321	5.0	1,209	5.8	2,285	7.6
<b>Occupancy (Var. in pp)</b>	69%	(1.5)	69%	(1.1)	65%	(4.9)
<b>RevPAR</b>	906	2.7	835	4.1	1,487	0.1

Accumulated	Total	% Var.	Urban	% Var.	Coastal	% Var.
<b>Average Rooms</b>	21,473	0.1	19,038	0.3	2,436	(1.5)
<b>Average Daily Rate</b>	1,401	3.1	1,235	4.5	2,610	1.1
<b>Occupancy (Var. in pp)</b>	68%	0.1	68%	0.4	73%	(1.9)
<b>RevPAR</b>	959	3.3	838	5.0	1,898	(1.4)

The Management line includes hotel management, brand licensing and franchise services along with our loyalty management and call center businesses. Revenue represented 12.4% of total revenue in the quarter with a margin (IFRS) of 27.5%, 4.0 pp higher than in 3Q17 (business margin was 50.7%, 8.7 pp lower).

The average number of rooms operated recorded a 4.9% increase in the quarter. A 3.8% increase in ADR and a decrease in occupancy of 2.4 pp, resulted in a marginal decrease in RevPAR.

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

System-wide hotels reported a 5.0% improvement in ADR, a 1.5 pp decrease in occupancy, and a RevPAR growth of 2.7%.

System-wide urban hotels had an improvement in ADR of 5.8% and a 1.1 pp decrease in occupancy achieving a RevPAR growth of 4.1%.

Coastal hotels ADR increased 7.6%, occupancy decreased 4.9 pp and as a result RevPAR unchanged. These hotels operated with 7.4% less average number of rooms available due to the ongoing remodeling of the Live Aqua Beach Resort Cancun hotel.

## > Vacation Properties

The Vacation Properties 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 29.2% of the Posadas' consolidated revenues in 3Q18. The operating margin (IFRS) was 32.1%, 2.5 pp higher than the 3Q17 margin (business margin was 25.8%, 1.5 pp higher than previous year).

For our Resort operations, in 3Q18, revenues from the food and beverages business grew 16% compared to the same period of the previous year.

As of September 30, 2018, the balance of receivables reached \$4,697 million representing an increase of 12% compared to the same period of the previous year.

## > Other Businesses

For the 3Q18 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 3Q18 we generated an EBITDA of \$276 million, compared to \$314 million reported (\$281 million on a comparable basis) in 3Q17. For the last twelve months, the reported EBITDA (IFRS) was \$1,392 million (US\$73 million with an average exchange rate of MXN \$19.1052 per USD). LTM EBITDA including the sale of FACC was \$2,379 million.

## > Comprehensive Financial Result

At the end of the quarter (LTM), considering the effect of IFRS, the net coverage ratio was 4.8 times.

The exchange gain in 3Q18 was \$252 million as a result of the MXN / USD appreciation of 4.9% from June 30, 2018 to September 30, 2018.

Concept	3Q18	3Q17	2018	2017
<b>Interest income</b>	(32,192)	(12,483)	(138,407)	(44,986)
<b>Accrued interest</b>	160,452	153,029	484,210	473,478
<b>Exchange (gain) loss, net</b>	(252,168)	22,180	(324,244)	(876,720)
<b>Other financial costs (products)</b>	17,904	17,904	53,712	54,193
<b>Other financial expenses</b>	1,728	3,345	9,035	72,162
<b>Total Financing Cost</b>	<b>(104,275)</b>	<b>183,976</b>	<b>84,307</b>	<b>(321,873)</b>

Figures in thousands of pesos

## > 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)	3Q18		3Q17	
	US\$ Notional	IFRS MXN	US\$ Notional	IFRS MXN
<b>FX eop:</b>		18,7231		17,9500
<b>EBITDA LTM</b>		2,379		1,606
<b>Cash</b>		2,702		1,306
<b>Indebtedness:</b>				
<b>Senior Notes 2022</b>	400	7,489	400	7,180
<b>Subsidiarie</b>	10	194	12	210
<b>Issuance expenses (IFRS)</b>		(271)		(342)
<b>Total</b>	410	7,413	412	7,048
<b>Net Debt to EBITDA</b>		<b>2.0</b>		<b>3.6</b>

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 3.8 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 “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”.

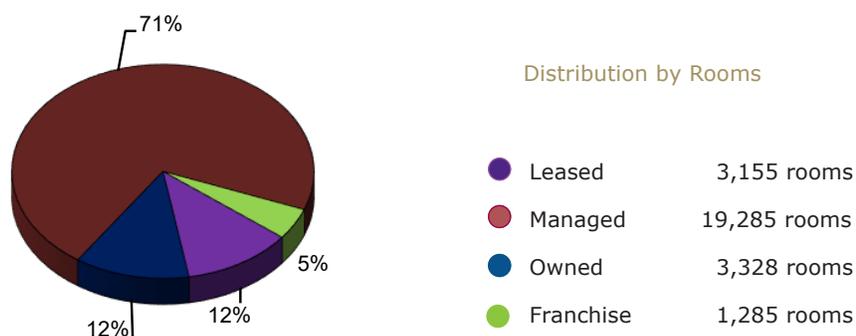
In compliance with Article 4.033.02 Section VIII of the Mexican Stock Exchange rules, Grupo Posadas coverage is provided by:

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> Grupo Posadas as of September 30, 2018.

Posadas is the leading hotel operator in Mexico that owns, leases, franchises and manages 173<sup>1</sup> hotels and 27,053 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 Exploreal, Fiesta Americana Vacation Villas, Live Aqua Residence Club, Fiesta Inn, Fiesta Inn LOFT, Fiesta Inn Express, Gamma and One Hotels.

Posadas trades in the Mexican Stock Exchange since 1992.



Brand	Mexico	
	Hotels	Rooms
<b>Live Aqua</b>	4	640
<b>Grand Fiesta Americana</b>	8	2,226
<b>Fiesta Americana</b>	13	3,753
<b>Live Aqua Residence Club</b>	2	125
<b>Fiesta Inn</b>	72	10,091
<b>Fiesta Inn Loft</b>	2	164
<b>Fiesta Inn Express</b>	1	117
<b>Gamma</b>	16	2,132
<b>Fiesta Americana Vacation Villas</b>	6	1,597
<b>One Hoteles</b>	48	5,995
<b>Otros</b>	1	213
<b>Total</b>	<b>173</b>	<b>27,053</b>

<sup>1</sup> 173 hotels with 169 management contracts.

> Income Statement IFRS (million pesos)

Concept	3Q18	%	3Q17	%	Var %	2018	%	2017	%	Var %
Total Revenues	2,091	100.0	2,131.5	100.0	(1.9)	7,733.8	100.0	6,531.5	100.0	18.4
<b>Owned &amp; Leased Hotels</b>										
Revenues	924.9	100.0	941.5	100.0	(1.8)	3,176.5	100.0	3,229.3	100.0	(1.6)
Direct Cost	868.4	93.9	796.2	84.6	9.1	2,719.2	85.6	2,524.7	78.2	7.7
Contribution IFRS	56.6	6.1	145.3	15.4	(61.1)	457.3	14.4	704.6	21.8	(35.1)
Intersegment fee eliminations (1)	(40.9)		(50.0)			(196.8)		(205.0)		
Business Contribution	15.6	1.7	95.4	10.1	(83.6)	260.6	8.2	499.6	15.5	(47.8)
Business Contribution PROFORMA (2)	80.5	8.7	111.7	11.9	(28.0)	514.6	16.2	515.9	16.0	(0.3)
<b>Managed</b>										
Revenues	259.7	100.0	238.8	100.0	8.7	815.3	100.0	751.4	100.0	8.5
Direct Cost	188.3	72.5	182.7	76.5	3.1	573.5	70.3	550.7	73.3	4.1
Contribution IFRS	71.3	27.5	56.1	23.5	27.1	241.8	29.7	200.7	26.7	20.5
Intersegment fee eliminations (1)	60.4		85.9			239.9		321.5		
Business Contribution	131.8	50.7	142.0	59.5	(7.2)	481.7	59.1	522.2	69.5	(7.8)
<b>Vacation Properties</b>										
Revenues	850.2	100.0	806.1	100.0	5.5	2,258.9	100.0	2,340.4	100.0	(3.5)
Direct Cost	577.1	67.9	567.4	70.4	1.7	1,594.0	70.6	1,668.0	71.3	(4.4)
Contribution IFRS	273.1	32.1	238.7	29.6	14.4	664.9	29.4	672.4	28.7	(1.1)
Intersegment fee eliminations (1)	(53.6)		(42.9)			(145.7)		(121.9)		
Business Contribution	219.5	25.8	195.8	24.3	12.1	519.2	23.0	550.5	23.5	(5.7)
<b>Other Businesses (3)</b>										
Revenues	56.3	100.0	145.0	100.0	(61.2)	1,483.1	100.0	210.4	100.0	605.0
Direct Cost	97.4	172.9	44.2	30.5	120.3	307.5	20.7	143.1	68.0	114.8
Contribution IFRS	(41.1)	(72.9)	100.8	69.5	na	1,175.6	79.3	67.2	32.0	1,648.6
Intersegment fee eliminations (1)	39.1		11.8			117.3		19.7		
Business Contribution	(2.0)	(3.6)	112.6	77.7	na	1,292.9	87.2	87.0	41.3	1,386.8
Corporate Expenses	93.6	4.5	216.3	10.1	(56.7)	276.9	3.6	385.0	5.9	(28.1)
Intersegment fee eliminations (1)	(4.9)		(4.7)			14.8		0.0		
Depreciation/Amortization and asset impairment	94.5	4.5	91.4	4.3	3.3	270.5	3.5	305.3	4.7	(11.4)
Other expenses (revenue)	(9.1)	(0.4)	10.6	0.5	na	324.5	4.2	48.4	0.7	570.0
Other	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Operating Profit	181.1	8.7	222.7	10.4	(18.7)	1,667.6	21.6	906.1	13.9	84.0
<b>EBITDA excludes FACC</b>						<b>951.6</b>	<b>12.3</b>	<b>1,211.5</b>	<b>18.5</b>	<b>(21.5)</b>
<b>EBITDA</b>	<b>275.5</b>	<b>13.2</b>	<b>314.1</b>	<b>14.7</b>	<b>(12.3)</b>	<b>1,938.1</b>	<b>25.1</b>	<b>1,211.5</b>	<b>18.5</b>	<b>60.0</b>
Comprehensive financing cost	(104.3)	(5.0)	184.0	8.6	na	84.3	1.1	(321.9)	(4.9)	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>285.3</b>	<b>13.6</b>	<b>38.7</b>	<b>1.8</b>	<b>637.7</b>	<b>1,583.3</b>	<b>20.5</b>	<b>1,228.0</b>	<b>18.8</b>	<b>28.9</b>
Discontinued Operations	0.0	0.0	0.0	0.0	na	0.0	0.0	0.0	0.0	na
Income taxes	25.5	1.2	24.0	1.1	6.1	67.3	0.9	2,143.3	32.8	(96.9)
Deferred taxes	64.4	3.1	(51.7)	(2.4)	na	507.8	6.6	(885.5)	(13.6)	na
<b>Net Income before Minority</b>	<b>195.4</b>	<b>9.3</b>	<b>66.4</b>	<b>3.1</b>	<b>194.4</b>	<b>1,008.2</b>	<b>13.0</b>	<b>(29.8)</b>	<b>(0.5)</b>	<b>na</b>
<b>Minority Interest</b>	<b>0.0</b>	<b>0.0</b>	<b>1.2</b>	<b>0.1</b>	<b>na</b>	<b>1.1</b>	<b>0.0</b>	<b>6.1</b>	<b>0.1</b>	<b>(81.6)</b>
<b>Net Majority Income</b>	<b>195.4</b>	<b>9.3</b>	<b>65.2</b>	<b>3.1</b>	<b>199.6</b>	<b>1,007.1</b>	<b>13.0</b>	<b>(35.9)</b>	<b>(0.5)</b>	<b>na</b>

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

(2) Includes lease payments of Fiesta Inn Aeropuerto hotel (FIAPT) and Fiesta Americana Condesa Cancún hotel (FACC) of \$65 million for 3Q18, \$16 millones for 3Q17, \$254 million for 9M18 and \$16 million for 9M17.

(3) Includes: (i) EBITDA of the sale of FACC booked in 1Q18 of \$1,346 million and EBITDA of the sale of FIAPT booked in 1Q17 of \$115 million. (ii) IT corporate expenses (iii) the following businesses: Ampersand, Conectum, Konexo, GloboGo, Hotel Promotion & Development and Procurement.

> Consolidated Balance Sheet as of September 30, 2018 and December 31<sup>st</sup>, 2017  
IFRS (million pesos)

CONCEPT	SEP- 18	%	DEC - 17	%	VAR. %
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	2,701.5	16.0	1,383.6	8.5	95.3
Trade and other current receivables	2,911.9	17.2	2,728.6	16.7	6.7
Current tax assets, current	-	0.0	-	0.0	-
Other current financial assets	-	0.0	-	0.0	-
Current inventories	207.8	1.2	289.5	1.8	(28.2)
Other current non-financial assets	113.0	0.7	113.0	0.7	0.0
<b>Total</b>	<b>5,934.2</b>	<b>35.1</b>	<b>4,514.6</b>	<b>27.6</b>	<b>31.4</b>
Assets held for sale	-	0.0	1,481.5	9.1	(100.0)
<b>Total current assets</b>	<b>5,934.2</b>	<b>35.1</b>	<b>5,996.1</b>	<b>36.7</b>	<b>(1.0)</b>
<b>Non current assets</b>					
Trade and other non-current receivables	2,930.6	17.3	2,649.4	16.2	10.6
Non-current inventories	-	0.0	104.1	0.6	(100.0)
Other non-current financial assets	49.3	0.3	119.6	0.7	(58.8)
Investments in subsidiaries, joint ventures and associates	1,027.0	6.1	226.1	1.4	354.1
Property, plant and equipment	4,885.7	28.9	4,601.2	28.2	6.2
Investment property	-	0.0	-	0.0	-
Intangible assets other than goodwill	705.1	4.2	725.4	4.4	(2.8)
Deferred tax assets	1,107.6	6.6	1,615.5	9.9	(31.4)
Other non-current non-financial assets	259.4	1.5	307.7	1.9	(15.7)
<b>Total non-current assets</b>	<b>10,964.8</b>	<b>64.9</b>	<b>10,348.9</b>	<b>63.3</b>	<b>6.0</b>
<b>Total assets</b>	<b>16,899.0</b>	<b>100.0</b>	<b>16,345.1</b>	<b>100.0</b>	<b>3.4</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other current payables	1,278.9	7.6	1,360.2	8.3	(6.0)
Current tax liabilities, current	332.9	2.0	321.7	2.0	3.5
Other current financial liabilities	155.9	0.9	11.7	0.1	1,227.8
Bank Loans	23.0	0.1	11.2	0.1	104.8
Other current non-financial liabilities	937.1	5.5	985.7	6.0	(4.9)
Current provisions for employee benefits	536.8	3.2	182.3	1.1	194.6
<b>Total current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>3,264.6</b>	<b>19.3</b>	<b>2,872.8</b>	<b>17.6</b>	<b>13.6</b>
Liabilities included in disposal groups classified as held for sale	0.2	0.0	6.3	0.0	(97.5)
<b>Total current liabilities</b>	<b>3,264.8</b>	<b>19.3</b>	<b>2,879.1</b>	<b>17.6</b>	<b>13.4</b>
<b>Non Current Liabilities</b>					
Trade and other non-current payables	985.1	5.8	918.7	5.6	7.2
<b>Other non-current financial liabilities</b>	<b>7,390.1</b>	<b>43.7</b>	<b>7,768.5</b>	<b>47.5</b>	<b>(4.9)</b>
Bank loans	171.4	1.0	198.8	1.2	(13.8)
Stock market loans	7,218.7	42.7	7,569.7	46.3	(4.6)
Non-current provisions for employee benefits	173.8	1.0	148.1	0.9	17.3
Other non-current provisions	212.4	1.3	212.4	1.3	0.0
<b>Total non-current provisions</b>	<b>386.2</b>	<b>2.3</b>	<b>360.5</b>	<b>2.2</b>	<b>7.1</b>
Deferred tax liabilities	1,646.5	9.7	1,995.3	12.2	(17.5)
<b>Total non-current liabilities</b>	<b>10,407.8</b>	<b>61.6</b>	<b>11,043.0</b>	<b>67.6</b>	<b>(5.8)</b>
<b>Total liabilities</b>	<b>13,672.6</b>	<b>80.9</b>	<b>13,922.1</b>	<b>85.2</b>	<b>(1.8)</b>
<b>EQUITY</b>					
Total equity attributable to owners of parent	3,043.5	18.0	2,240.4	13.7	35.8
Non-controlling interests	182.9	1.1	182.6	1.1	0.2
<b>Total equity</b>	<b>3,226.4</b>	<b>19.1</b>	<b>2,423.0</b>	<b>14.8</b>	<b>33.2</b>
<b>Total equity and liabilities</b>	<b>16,899.0</b>	<b>100.0</b>	<b>16,345.1</b>	<b>100.0</b>	<b>3.4</b>

## > Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1<sup>st</sup> to September 30<sup>th</sup>, 2018 & 2017)

STATEMENT OF CASH FLOWS		
	2018	2017
Cash flows from (used in) operating activities		
Profit (loss)	1,008.2	(29.8)
Adjustments to reconcile profit (loss)		
Discontinued operations	0.0	0.0
Adjustments for income tax expense	575.1	1,257.8
Adjustments for finance costs	345.8	428.5
Adjustments for depreciation and amortisation expense	270.5	305.3
Adjustments for unrealised foreign exchange losses (gains)	(404.9)	(1,086.1)
Adjustments for losses (gains) on disposal of non-current assets	(1,344.8)	(116.7)
Participation in associates and joint ventures	0.0	0.0
Adjustments for decrease (increase) in inventories	82.4	101.4
Adjustments for decrease (increase) in trade accounts receivable	(371.4)	(86.1)
Adjustments for decrease (increase) in other operating receivables	72.8	(63.1)
Adjustments for increase (decrease) in trade accounts payable	(124.5)	(163.6)
Adjustments for increase (decrease) in other operating payables	326.4	403.1
Other adjustments for non-cash items	(131.7)	(35.5)
Other adjustments to reconcile profit (loss)	53.7	54.2
Total adjustments to reconcile profit (loss)	(650.5)	999.2
Cash flows from (used in) operations	357.6	969.3
Income taxes paid (refund), classified as operating activities	324.4	812.0
Cash flows from (used in) operating activities	33.2	157.4
Other cash payments to acquire interests in joint ventures, classified as investing activities	733.8	225.0
Proceeds from sales of property, plant and equipment, classified as investing activities	2,940.5	435.0
Purchase of property, plant and equipment, classified as investing activities	482.0	539.9
Purchase of intangible assets, classified as investing activities	9.7	212.9
Interest received, classified as investing activities	138.4	45.0
Other inflows (outflows) of cash, classified as investing activities	0.0	450.0
Cash flows from (used in) investing activities	1,853.4	(47.8)
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	15.6	78.4
Dividends paid, classified as financing activities	198.4	12.1
Interest paid, classified as financing activities	354.7	318.4
Other inflows (outflows) of cash, classified as financing activities	0.0	(3.4)
Cash flows from (used in) financing activities	(568.7)	(123.9)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	1,317.9	(14.3)
Effect of exchange rate changes on cash and cash equivalents		
Increase (decrease) in cash and cash equivalents	1,317.9	(14.3)
Cash and cash equivalents at beginning of period	1,383.6	1,320.1
Cash and cash equivalents at end of period	2,701.5	1,305.8