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ARCACONTINENTAL

AC

EARNINGS RELEASE

REVENUE GREW 46.4% WITH NET INCOME UP 44.9% IN 2017

Monterrey, Mexico, February 23, 2018 – Arca Continental, S.A.B. de C.V. (BMV: AC*) ("Arca Continental" or "AC"), the second-largest Coca-Cola bottler in Latin America, announced today its results for the fourth quarter and full year of 2017 ("4Q17" and "2017").

Table 1: Financial Highlights

Data in millions of Mexican pesos

	4Q17	4Q16	Variation %	Jan - Dec '17	Jan - Dec '16	Variation %
Total Beverage Volume (MUC)	**550.7**	**438.4**	*25.6*	**2,084.7**	**1,740.6**	*19.8*
Net Sales	**38,078**	**24,894**	*53.0*	**137,156**	**93,666**	*46.4*
EBITDA	**6,792**	**5,163**	*31.6*	**25,993**	**20,092**	*29.4*
Net Income	**4,261**	**1,932**	*120.6*	**13,090**	**9,034**	*44.9*

Total Beverage Volume includes jug water

EBITDA = Operating income + Depreciation + Amortization + Non Recurring Expenses

4Q17 HIGHLIGHTS

- Net sales increased 53.0% when compared to 4Q16, reaching Ps. 38,078 million.
- EBITDA was Ps. 6,792 million, representing a margin of 17.8%, 31.6% higher than 4Q16.
- Net Income rose 120.6% to Ps. 4,261 million for a net margin of 11.2%.

2017 HIGHLIGHTS

- Net sales reached Ps. 137,156 million for an increase of 46.4% compared to 2016.
- EBITDA grew 29.4% to Ps. 25,993 million for a margin of 19.0%.
- Net Income registered 44.9% growth to reach Ps. 13,090 million, representing a net margin of 9.5%.

COMMENTS FROM THE CHIEF EXECUTIVE OFFICER

"Thanks to our discipline and innovation in market execution, as well as the passion of every member of the Arca Continental team to better serve every day, our customers and consumers, we were able to once again, double our revenues in 5 years in a profitable and sustainable manner. This result does not include the effects of the new operations acquired in the U.S.; their addition brings us to a level of over Ps. 137 billion in total revenues for 2017, an increase of 46.4% when compared to the previous year", stated Francisco Garza Egloff, Chief Executive Officer of Arca Continental.

"In 2018 we will focus on integrating and strengthening the solid growth achieved by our Company, thus reinforcing our commitment to creating value for our shareholders. At the same time, we will seek to continue increasing our competitiveness and market leadership in all the countries in which we operate", he added.

CONSOLIDATED RESULTS

The figures presented in this report were prepared in accordance with International Financial Reporting Standards ("IFRS"). On April 1 and August 25, 2017 we announced the integration of Coca-Cola Southwest Beverages ("CCSWB") and Great Plains Coca-Cola Bottling Company, respectively, into our operations and began consolidating their results the same day, therefore, this report contains nine and four months of results from these operations.

Table 2: Consolidated Data

	4Q17	4Q16	Variation %	Jan - Dec '17	Jan - Dec '16	Variation %
Volume by category (MUC)						
Colas	316.3	261.2	21.1	1,182.7	1,024.8	15.4
Flavors	91.6	62.5	46.6	325.1	245.2	32.6
Sparkling Total Volume	**407.9**	**323.7**	26.0	**1,507.8**	**1,270.0**	18.7
*Water**	55.7	41.2	35.1	217.3	164.1	32.4
*Still Beverages***	38.9	25.7	51.1	147.8	99.9	47.8
Volume excluding Jug	**502.5**	**390.7**	28.6	**1,872.9**	**1,534.1**	22.1
Jug	48.2	47.7	0.9	211.8	206.5	2.6
Total Volume	**550.7**	**438.4**	25.6	**2,084.7**	**1,740.6**	19.8
***Income Statement** (MM MXP)*						
Net sales	38,078	24,894	53.0	137,156	93,666	46.4
EBITDA	6,792	5,163	31.6	25,993	20,092	29.4

**** Includes all single-serve presentations of purified, flavored, and mineral water.***
***** Includes teas, isotonics, energy drinks, juices, nectars, and fruit beverages.***

FINANCIAL ANALYSIS

INCOME STATEMENT

- Consolidated net sales for 4Q17 increased 53% (6.7% currency neutral and excluding CCSWB) to reach Ps. 38,078 million. In 2017, this figure grew by 46.4% (9.1% currency neutral and excluding CCSWB) compared to last year, reaching Ps. 137,156 million, thereby reaching the target set forth in 2012 of doubling in sales within 5 years.

- In 4Q17, sales volume increased by 25.6%, mainly driven by positive trends in the categories of stills with 51.1% growth, 35.1% in single-serve water, and 26.0% in sparkling, reflecting the integration of the U.S operations. During the year, stills grew 47.8% while sparkling increased 18.7% and single-serve water 32.4%. Consolidated volume excluding jug water for 2017 reached 1,873 MUC, up 22.1% from the previous year.
- During 4Q17, cost of sales increased 57%, mainly due to the integration of the U.S operations and the increase in prices of some key raw materials. Consolidated gross profit grew 48.3% to Ps. 17,193 million, reflecting a gross margin of 45.2%. During 2017, gross profit reached Ps. 62,185 million for a gross margin of 45.3%, down 170 basis points when compared to 2016.
- Selling and administrative expenses increased in 4Q17 to Ps. 13,032 million, 34.2% as a percentage of sales reflecting the integration of CCSWB and Great Plains, as well as an increase in fuel prices in Mexico and a higher depreciation expense. In 2017, selling and administrative expenses increased 50.9% to PS. 44,127 million, representing 32.2% of sales, up 100 basis points when compared to last year.
- Consolidated operating income rose 26.7% in 4Q17 to Ps. 4,863 million, representing an operating margin of 12.8%. During 2017, operating income grew 37.5% to Ps. 22,406 million for an operating margin of 16.3%.
- Consolidated EBITDA in 4Q17 increased 31.6% to Ps. 6,792 million, representing a margin of 17.8%. In 2017, EBITDA increased 29.4% to Ps. 25,993 million for a margin of 19%. Currency neutral and excluding the effects of CCSWB and Great Plains, EBITDA for 4Q17 declined 1.4% when compared to the previous year and rose 4.2% for full year 2017 versus 2016.
- The comprehensive financing result for 4Q17 was a gain of Ps. 237 million mainly due to exchange rate gains generated from a significant cash position in dollars and temporary investments. In 2017 this reached a cost of Ps. 2,537 million, which was 3% above the previous year.
- Income tax provision for 4Q17 reflects an effective tax rate of -10.5% and a positive balance of Ps. 551.2 million from the adjustment made to reflect the change in U.S. tax rate, which had no effect on cash flow. In 2017 the effective tax rate was 16.3% for an amount of Ps. 3,259 million.
- Net income reached of Ps. 4,261 million in 4Q17, up 120.6%, reflecting a margin of 11.2%; and Ps. 13,090 million in 2017, for a net margin of 9.5%

BALANCE SHEET & CASH FLOW STATEMENT

- As of December 31, 2017, AC registered a cash balance of Ps. 23,842 million and debt of Ps. 55,123 million, resulting in a net debt position of Ps. 31,281 million. The Net Debt/EBITDA ratio was 1.2x.
- Net operating cash flow reached Ps. 21,687 million in 2017.
- Capex reached Ps. 11,249 million in 2017 mainly allocated towards investments as part of the synergy plan for CCSWB, such as improvements at production plants and execution at the point of sale. We also continue investing in the logistics and production networks in the various countries to meet the needs of our customers and consumers.

Mexico

Arca Continental reports its information for three regions: Mexico, United States and South America, (which includes Peru, Argentina and Ecuador). Each region includes results for the beverage and complementary businesses.

Table 3: Mexico Data

	4Q17	4Q16	Variation %	Jan - Dec '17	Jan -Dec '16	Variation %
Volume by Category (MUC)						
Colas	172.7	172.5	0.1	702.5	696.3	0.9
Flavors	34.7	35.1	-1.1	143.8	139.9	2.8
Sparkling Total Volume	**207.4**	**207.6**	-0.1	**846.3**	**836.2**	1.2
*Water**	21.3	19.4	9.8	93.6	84.6	10.6
*Still Beverages***	14.2	13.4	6.3	59.9	55.6	7.7
Volume excluding jug	**242.9**	**240.4**	1.1	**999.8**	**976.4**	2.4
Jug	44.8	44.0	1.8	199.0	191.7	3.8
Total Volume	**287.8**	**284.4**	1.2	**1,198.8**	**1,168.1**	2.6
Mix (%)						
Returnable	30.6	32.1	-1.5	31.6	33.9	-2.3
Non Returnable	69.4	67.9	1.5	68.4	66.1	2.3
Multi-serve	53.8	53.2	0.6	52.4	52.3	0.0
Single-serve	46.2	46.8	-0.6	47.6	47.7	0.0
***Income Statement** (MM MXP)*						
Net Sales	14,089	13,358	5.5	58,469	53,329	9.6
EBITDA	2,663	2,782	-4.3	13,120	12,848	2.1

** Includes all single-serve presentations of purified, flavored, and mineral water.*

*** Includes teas, isotonics, energy drinks, juices, nectars, and fruit beverages.*

OPERATING RESULTS FOR MEXICO

- During 4Q17, Mexico reported net sales of Ps. 14,089 million, up 5.5% compared to the same period last year. Sales volume reached 288 MUC, an increase of 1.2% compared to 4Q16. The average price per unit case increased 4.4% to Ps. 54.8 thanks to selective price adjustments, which was partially offset by the higher price increase recorded in 4Q16. For 2017, net sales increased 9.6% to Ps. 58,469 million, while sales volume grew to 1,199 MUC, 2.6% higher than last year.
- In 4Q17, EBITDA for Mexico reached Ps. 2,663 million, a dilution of 190 bps representing a margin of 18.9% mainly due to the increase in incidence and sugar prices. During 2017, this line item reached Ps. 13,120 million, up 2.1%, for a margin of 22.4%.

- During 4Q17, 12 new territories were added to the new version of “Route to Market” 4.0, announced in 2Q17, with the aim of reaching the distributions centers that serve approximately 60% of the customers in Mexico. This will be the first time since the launch of RTM 4.0 that the salesforce has a standardized and specialized system.
- The single-serve water and stills categories posted combined significant growth of 8.2% during 2017, above the national growth rate. In addition, both categories contributed 58% of AC’s sales growth in Mexico, with AC contributing 61% of the growth in Mexico for these categories.
- Powerade grew 5.9% in 4Q17 and 9.7% in 2017, maintaining stable growth, and increasing coverage in the traditional channel by +1.0 p.p. to reach 52.3%.
- The Juices & Nectars category grew 1.1% in 4Q17 and 3.7% in 2017. We continued working on increasing coverage and gained +1.0 p.p. in the final three months of the year to reach 67.3% in AC’s territory.
- In 4Q17, single-serve water grew 4.2% in all channels. The commercial strategy has focused on increasing coverage in three regions (Pacific North, Pacific South and the North) of the new Eco Blue bottle, which is made of 100% recycled material. Ciel’s availability has grown over 10% in the traditional channel in these regions thanks to this strategy.
- During the last three months of the year, we launched AdeS in the traditional channel with an initial coverage of 27%, representing +19 p.p. of additional coverage when compared to the former distributor.
- In 2017, Santa Clara maintained a CAGR of 28%. Furthermore, it reached coverage of 44% in the traditional channel and 31% in all channels in the region in which we operate.
- One of the biggest launches of the last decade was Coca-Cola without sugar, giving consumers the option of enjoying Coca-Cola with or without sugar. In our franchise, we reached 5% of the consumer base and a mix of nearly 2% of the Cola category in 2017.
- Vending reported sales growth of 4.8% in 4Q17 and also improved productivity per machine by 5.2%. Furthermore, over 9% of units with the lowest sales were relocated in an effort to improve their profitability.
- At Bokados, strategies were carried out during 2017 to grow the client base and strengthen the brand’s national presence; this was done through the investment in a new plant in Queretaro, innovating throughout the year with new products, and improving execution via fundamental execution indicators in every point of sale.

UNITED STATES

On April 1 and August 25, 2017 we announced the integration of Coca-Cola Southwest Beverages ("CCSWB") and Great Plains Coca-Cola Bottling Company, respectively, into our operations and began consolidating their results the same day, therefore, this report contains nine and four months of results from these operations, respectively. The U.S. includes the beverage businesses of CCSWB and Great Plains and the snacks businesses of Wise and Deep River.

Table 4: United States Data

	4Q17	Jan - Dec '17
Volume by Category (MUC)		
Colas	52.2	143.9
Flavors	30.3	85.1
Sparkling Total Volume	**82.5**	**229.0**
*Water**	13.2	43.4
*Still Beverages***	15.3	50.6
Volume excluding jug	**111.0**	**323.0**
Jug	0.0	0.0
Total Volume	**111.0**	**323.0**
Mix (%)		
Multi-serve	66.8	63.7
Single-serve	33.2	37.5

*** Includes all single-serve presentations of purified, flavored, and mineral water.***

***** Includes teas, isotonics, energy drinks, juices, nectars, and fruit beverages.***

OPERATING RESULTS FOR THE U.S.

- In 4Q17, net sales in the U.S. reached Ps. 13,341 million. On a comparable and currency neutral basis, sales growth in the beverages business was 4.3%. Sales volume reached 111 MUC.
- During the fourth quarter, EBITDA for the region reached Ps. 1,872 million for a margin of 14.0%.
- In 4Q17, we completed the full integration of Oklahoma into the CCSWB business unit. We also continued deployment of our global commercial model ACT, incorporating the fundamental metrics into the CCSWB operation.

- In the fourth quarter, the commercial strategy was reinforced at every channel. We achieved volume growth of 4.3% in Large Stores by introducing key SKUs in this channel. This strategy enabled us to increase sales during the holiday season and capture additional benefits. Within the FSOP channel, during the fourth quarter we redefined Route-to-Market (RTM) processes to implement segmentation practices that guarantee more frequent client visits. Lastly, in Small Stores, volume rose 0.4% driven mainly by energy drink category.
- During 2017, we stimulated the tea and isotonic categories reaching volume growth of 23% and 8%, respectively.
- We strengthened the snacks business in the U.S. with the acquisition of the Deep River brand, which aims to meet the needs of younger generations seeking healthier products. In addition, Wise Snacks was able to position within the modern channel the 12-count variety pack of popcorn, available at Wal-Mart since January.

SOUTH AMERICA

South America includes beverage operations in Peru, Argentina, Ecuador and the snacks business Inalecsa.

Table 5: South America Data

	4Q17	4Q16	Variation %	Jan - Dec '17	Jan - Dec '16	Variation %
Volume by Category (MUC)						
Colas	91.4	88.7	3.0	336.4	328.5	2.4
Flavors	26.7	27.4	-2.8	96.2	105.3	-8.7
Sparkling Total Volume	**118.1**	**116.2**	1.7	**432.5**	**433.8**	-0.3
*Water**	21.1	21.8	-3.0	80.3	79.5	1.0
*Still Beverages***	9.4	12.4	-24.3	37.3	44.3	-15.9
Volume excluding jug	**148.6**	**150.3**	-1.2	**550.1**	**557.6**	-1.3
Jug	3.3	3.7	-9.8	12.8	14.8	-13.6
Total Volume	**151.9**	**153.9**	-1.4	**563.0**	**572.5**	-1.7
Mix (%)						
Returnable	27.6	28.0	-0.4	28.5	29.6	-1.1
Non Returnable	72.4	72.0	0.4	71.5	70.4	1.1
Multi-serve	70.0	71.3	-1.3	68.7	70.3	-1.5
Single-serve	30.0	28.7	1.3	31.3	29.7	1.5
***Income Statement** (MM MXP)*						
Net Sales	10,648	10,589	0.5	39,562	36,508	8.4
EBITDA	2,257	2,308	-2.2	7,694	6,968	10.4

**** Includes all single-serve presentations of purified, flavored, and mineral water.***

***** Includes teas, isotonics, energy drinks, juices, nectars, and fruit beverages.***

OPERATING RESULTS FOR SOUTH AMERICA

- Revenues for South America reached Ps. 10,648 million in 4Q17, maintaining the same level as last year, driven by our price-pack strategies which were offset by lower volumes in Peru. During 2017, revenues were Ps. 39,562 million for an increase of 8.4% when compared to 2016.
- In 4Q17, sales volume declined 1.2% to 149 MUC excluding jug water, mainly affected by a 24.3% decrease in stils, 3.0% in single-serve water and 2.8% in flavors, which was partially offset by a 3.0% increase in colas. In 2017, total volume in this region declined by 1.7%.
- EBITDA for South America decreased 2.2% to Ps. 2,257 million in 4Q17, reflecting a margin of 21.2%, a dilution of 60 basis points when compared to 4Q16. EBITDA reached Ps. 7,694 million in 2017 for an increase of 10.4% and a margin of 19.4%, 30 basis points higher than 2016.

Argentina

- In 4Q17, sales volume increased 2.7%, mainly due to an increase of 6.5% in colas and 8.3% in stills. In 2017, sales volume registered a decline of 1.1%.
- During 4Q17, the context of macroeconomic growth and slowdown in inflation allowed us to maintain our price-pack strategy, which resulted in volume growth this period.
- The introduction of no-calorie Sprite in one-way packaging improved our mix of low-calorie products to reach a level of 12.8% in 2017, +7.9 p.p. above last year.

Ecuador

- Sales volume for Ecuador grew 3.6% during 4Q17, mainly due to the growth in sparkling of 9.3% and single-serve water up 37.2%, which was partially offset by a 45.5% decline in stills. For 2017, volume decreased by 3.7% when compared t0 2016.
- Arca Continental Ecuador, seeking to adapt to the new trends of selective and healthier consumers, has become the first bottler to reach a 50% mix of low- or no-calorie products. With this, it positions itself as a global leader within the Coca-Cola system.
- In 4Q17, Tonicorp posted a low-single-digit sales decline. Commercial execution continues to be a priority along with an increase in coverage of "unforgivables", which has improved throughout the year. In addition, we continued innovating with the launch of new products such as drinkable yogurt, yogurt with cereal and new Topsy flavors, banana chocolate and strawberry chocolate.
- Inalecsa reported, once again, mid-single-digit sales growth in 4Q17, mainly driven by the launching of new products such as Prispas, a Bokados brand product, and new cookie flavors; this was combined with a direct distribution strategy to the traditional channel that has generated favorable results during the quarter.

Peru

- In 4Q17 volume declined 5.5% when compared to 4Q16, mainly impacted by an unfavorable economic climate that affected domestic consumption. There was a 10.4% decrease in stills volume, which was partially offset by a 4.1% increase in flavors. In 2017, volume declined by approximately 1.0% when compared to 2016.
- During the fourth quarter, we carried out different commercial strategies to face the economic situation in the country; we launched promotions on returnable multi-serve products, generating positive results in terms of execution and communication with points of sale. We also continued developing the platform of no-calorie products with greater communication, promotions at the point of sale and an increase in coverage.
- In 4Q17, Peru posted an improvement in the fundamentals, with higher coverage of "unforgivables" as well as the placement of over 5 thousand coolers in the market, strengthening the value programs for our "Siglo XXI" clients.
- As part of the strategic plan for Peru and our commitment to improving the commercial system, we continued increasing our percentage of direct distribution, reaching 46% of sales for the period.

RECENT EVENTS

- On November 27, 2017, AC announced the acquisition of Deep River Snacks, a premium snacks company based in the state of Connecticut in the United States. This acquisition complements and diversifies the snacks portfolio for the US consumer.
- On December 28, 2017, AC Bebidas announced CCSWB first private placement debt offering for USD $800 million, of this amount, USD $600 million were issued that day and the remaining USD $200 million will be issued on March 1, 2018. Half of the total offering matures in December 2029 at a fixed rate of 3.49%, while the rest matures in December 2032 at a fixed rate of 3.64%.
- In 2018, AC will remain part of the FTSE4Good Emerging Index, which it was incorporated to in 2017 and includes the publicly-traded companies that demonstrate a strong commitment to having the best environmental, social responsibility and corporate governance practices among emerging economies.
- For the seventh consecutive year, the Mexican Stock Exchange announced that AC will continue to be part of the Sustainability and Social Responsibility Index (ISRS) upon having the best international practices in the areas of social and environmental responsibility and corporate governance.
- AC's guidance for consolidated volume growth in 2018 is approximately 2%, excluding jug water.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on February 23, 2018 to discuss these results at 09:00 am Mexico/Monterrey time / 10:00 am New York time. A live webcast of this event is available at www.arcacontal.com or connect via telephone by dialing:

To participate, please dial:
+1-877-712-5080 (U.S. participants)
+1-334-245-3009 (International participants)
0-1-800-062-2650 (Mexico participants)
Passcode: 36151

About Arca Continental

Arca Continental is a company dedicated to the production, distribution, and sale of non-alcoholic beverages which are brand names of The Coca-Cola Company as well as salty snacks under the brands of Bokados in Mexico, Inalecsa in Ecuador, and Wise in the United States. With an outstanding track record of more than 91 years, Arca Continental is the second largest Coca-Cola bottling company in Latin America and one of the most important in the world. Within its Coca-Cola franchise, the company serves a population of more than 118 million in the northern and western parts of Mexico as well as Ecuador, Peru, the northern region of Argentina and the Southwestern U.S. Arca Continental is listed on the Mexican Stock Market under the ticker symbol "AC". For further information about Arca Continental, please visit www.arcacontal.com

Arca Continental, S.A.B. de C.V. and Subsidiaries
Consolidated Income Statement
(millions of Mexican pesos)

	4Q17	4Q16	Variation MM MXP	Variation %	Jan - Dic '17	Jan- Dic '16	Variation MM MXP	Variation %
Net sales	38,078	24,894	13,185	*53.0*	137,156	93,666	43,490	*46.4*
Cost of Sales	20,885	13,304	7,581	*57.0*	74,971	49,654	25,317	*51.0*
Gross Profit	**17,193**	**11,590**	5,603	*48.3*	**62,185**	**44,012**	18,173	*41.3*
	45.2%	*46.6%*			*45.3%*	*47.0%*		
Selling Expenses	10,887	6,639	4,248	*64.0*	36,825	24,143	12,682	*52.5*
Administrative Expenses	2,144	1,399	745	*53.3*	7,302	5,095	2,207	*43.3*
Total Costs	13,032	8,038	4,994	*62.1*	44,127	29,238	14,889	*50.9*
	34.2%	*32.3%*			*32.2%*	*31.2%*		
Non Recurring Expenses	45	73	-28	*(38.1)*	-3,065	-855	-2,210	*258.7*
Operating Income before other income	**4,117**	**3,480**	637	*18.3*	**21,123**	**15,629**	5,494	*35.2*
Other Income (Expenses) [1]	746	359	387	*107.8*	1,283	671	612	*91.2*
Operating Income	4,863	3,839	1,024	*26.7*	22,406	16,300	6,106	*37.5*
	12.8%	*15.4%*			*16.3%*	*17.4%*		
Interest Expense Net	-731	-452	-279	*61.8*	-3,037	-2,137	-900	*42.1*
Exchange Gain (Loss)	968	-151	1,119	*(743.5)*	500	-329	829	*(251.9)*
Comprehensive Financial Results	237	-603	840	*(139.3)*	-2,537	-2,466	-71	*2.9*
Share of net income of associates [2]	146	69	77	*112.8*	178	165	13	*8.1*
Earnings Before Taxes	**5,246**	**3,305**	1,941	*58.7*	**20,048**	**13,999**	6,049	*43.2*
Profit Taxes	-551	1,058	-1,609	*(152.1)*	3,259	4,288	-1,029	*(24.0)*
Non-controlling interest	-1,536	-316	-1,220	*386.8*	-3,698	-677	-3,021	*446.2*
Net Profit	**4,261**	**1,932**	2,329	*120.6*	**13,090**	**9,034**	4,057	*44.9*
	11.2%	*7.8%*			*9.5%*	*9.6%*		
Depreciation and amortization	1,885	1,251	633	*50.6*	6,651	4,646	2,005	*43.2*
EBITDA	**6,792**	**5,163**	1,630	*31.6*	**25,993**	**20,092**	5,901	*29.4*
	17.8%	*20.7%*			*19.0%*	*21.5%*		

EBITDA = Operating Income + Depreciation and Amortization + Non Recurring Expenses

[1] Includes equity method from our participation in operational companies like Jugos del Valle, IEQSA and Bebidas Refrescantes de Nogales

[2] Includes equity method from our participation in non-operational companies like PIASA, PetStar, Beta San Miguel, among others

[3] Includes net effect from CCSWB operations with other bottlers

Arca Continental, S.A.B. de C.V. and Subsidiaries

Consolidated Balance Sheet

(millions of Mexican pesos)

	December 31 2017	December 31 2016	Variation MM MXP	Variation %
ASSETS				
Cash and cash equivalents	23,842	5,546	18,295	*329.9*
Accounts receivable; Net	13,805	6,640	7,166	*107.9*
Inventories	7,718	5,126	2,592	*50.6*
Prepayments	709	338	371	*109.8*
Total Current Assets	**46,074**	**17,650**	28,424	*161.0*
Investments in shares and other investments	6,769	5,211	1,559	*29.9*
Property, plant and other equipment	71,664	49,233	22,431	*45.6*
Other non current assets	120,366	66,830	53,536	*80.1*
Total Assets	**244,874**	**138,924**	105,950	*76.3*
LIABILITIES				
Short term bank loans	1,785	4,368	-2,583	*-59.1*
Suppliers	17,159	10,550	6,609	*62.6*
Accounts payable and taxes	6,610	3,441	3,169	*92.1*
Total Current Liabilities	**25,555**	**18,359**	7,195	*39.2*
Bank Loans and long term liabilities	53,338	26,816	26,522	*98.9*
Deferred income tax and others	17,700	13,428	4,272	*31.8*
Total Liabilities	**96,592**	**58,603**	37,989	*64.8*
SHAREHOLDER´S EQUITY				
Non controlled participation	66,283	8,896	57,386	*645.1*
Capital Stock	41,982	35,531	6,451	*18.2*
Retained Earnings	26,927	26,860	67	*0.2*
Net Profit	13,090	9,034	4,057	*44.9*
Total Shareholders' Equity	**148,282**	**80,321**	67,961	*84.6*
Total Liabilities and Shareholders' Equity	**244,874**	**138,924**	105,950	*76.3*

Arca Continental, S.A.B. de C.V. and Subsidiaries
Cash Flow Statement
(millions of Mexican pesos)

	as of december 31	
	2017	**2016**
Earnings Before Taxes	**20,048**	**13,999**
Depreciation and amortization	6,651	4,646
Gain on sale and fixed assets impairment	313	409
Foreign exchange	-500	329
Accrued interests	3,037	2,060
Operating cash flow before taxes	**29,549**	**21,444**
Cashflow generated/used in the operation	-7,863	-4,198
Operating cashflow after working capital	**21,687**	**17,246**
Investment Activities:		
Inversión en activos Fijos (Neta)	-17,447	-8,877
Financing Activities:		
Dividends paid	-3,529	-3,268
Share repurchase program	137	-92
Debt amortization	12,464	-13,668
Paid interests	-3,132	-2,259
Capital increase	0	7,371
Other	7,987	108
Net cash flow	**13,928**	**-11,807**
Net increase of cash and equivalents	18,168	-3,439
Change in Cash	128	690
Initial cash and equivalents balance	**5,546**	**8,295**
Final cash and equivalents balance	**23,842**	**5,546**