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ARCACONTINENTAL

AC

EARNINGS RELEASE

REVENUE GREW 66.6% WITH EBITDA UP 39% IN 2Q17

Monterrey, Mexico, July 19, 2017 – Arca Continental, S.A.B. de C.V. (BMV: AC*) ("Arca Continental" or "AC"), the second-largest Coca-Cola bottler in Latin America and third-largest in the world, announced today its results for the second quarter and first half of 2017 ("2Q17" and "6M17").

Table 1: Financial Highlights

Data in millions of Mexican pesos

	2Q17	2Q16	Variation %	Jan - Jun '17	Jan - Jun '16	Variation %
Total Beverage Volume (MUC)	556.5	443.5	*25.5*	973.9	852.0	*14.3*
Net Sales	38,445	23,071	*66.6*	63,247	44,345	*42.6*
EBITDA	7,387	5,317	*38.9*	12,389	9,598	*29.1*
Net Income	2,051	2,001	*2.5*	3,780	3,872	*-2.4*

Total Beverage Volume includes jug water
EBITDA = Operating income + Depreciation + Amortization + Non Recurring Expenses

2Q17 HIGHLIGHTS

- Net sales increased 66.6% when compared to 2Q16 to reach Ps. 38,445 million.
- EBITDA was Ps. 7,387 million, for a margin of 19.2%, which was 38.9% higher than 2Q16.
- Net income rose 2.5% to Ps. 2,051 million, for a net margin of 5.3%.

6M17 HIGHLIGHTS

- Net sales grew 42.6% to Ps. 63,247 million.
- EBITDA reached Ps. 12,389 million, or 29.1% above 6M16, for a margin of 19.6%
- Net income declined by 2.4% to Ps. 3,780 million, representing a net margin of 6%.

COMMENTS FROM THE CEO

"The combination of the first three months of operation in the United States and the solid results from Mexico and South America drove 66.6% growth in our sales for the second quarter of 2017, supported by effective price-pack strategies, innovative commercial execution and a committed team of professionals, clearly aimed at exceeding the expectations of our clients and consumers", stated Francisco Garza Egloff, Chief Executive Officer of Arca Continental.

"Under a volatile environment in some of the markets in which we operate, we were able to increase our EBITDA by 39%, accumulating 25 consecutive quarters of growth in this indicator. Furthermore, we continue advancing on our synergy plan and exchange of best practices at Coca-Cola Southwest Beverages, with the goal of capitalizing on the experience and capabilities of both teams to strengthen our leadership and advance along the value creation route that characterizes us," he added.

CONSOLIDATED RESULTS

The figures presented in this report were prepared in accordance with International Financial Reporting Standards ("IFRS"). On April 1, 2017 we announced the integration of Coca-Cola Southwest Beverages ("CCSWB") into our operations and began consolidating their results the same day, therefore, this report contains three months of results for CCSWB.

Table 2: Consolidated Data

	2Q17	2Q16	Variation %	Jan - Jun '17	Jan - Jun '16	Variation %
Volume by category (MUC)						
Colas	310.3	259.8	19.4	552.4	497.3	11.1
Flavors	87.5	60.7	44.1	144.4	119.8	20.5
Sparkling Total Volume	**397.7**	**320.5**	24.1	**696.9**	**617.1**	12.9
*Water**	57.9	40.7	42.2	101.5	80.5	26.1
*Still Beverages***	41.5	25.0	66.3	66.0	49.3	33.9
Volume excluding Jug	**497.1**	**386.2**	28.7	**864.3**	**746.9**	15.7
Jug	59.3	57.3	3.5	109.6	105.2	4.2
Total Volume	**556.5**	**443.5**	25.5	**973.9**	**852.0**	14.3
***Income Statement** (MM MXP)*						
Net sales	38,445	23,071	66.6	63,247	44,345	42.6
EBITDA	7,387	5,317	38.9	12,389	9,598	29.1

**** 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 2Q17 increased 66.6% (11% currency-neutral and excluding CCSWB) reaching Ps. 38,445 million compared to 2Q16. This figure reached Ps. 63,247 million in the first half of 2017, up 42.6% (11% currency-neutral and excluding CCSWB) compared to last year.
- In 2Q17, the positive trend in volume continued, reaching 2.3% organic growth, excluding CCSWB (25.5% real growth), driven by increases of 8.1% and 1.4% in single serve water and sparkling beverages, respectively. In the first six months of 2016, the still beverages category remained flat, while sparkling beverages and single serve water increased 2.4% and 8.8%, respectively. Consolidated sales volume was up 1.9%, excluding CCSWB and jug, in the first half of 2017 (14.3% real).

- During 2Q17, cost of sales continued under pressure due to higher sugar prices, FX effects of the Peruvian sol and U.S. dollar, as well as the integration of the U.S. operations, thus resulting in an increase of 80%. Consolidated gross profit grew to Ps. 16,662 million, 52% higher than 2Q16 and reflecting a gross margin of 43.3%. Gross profit for 6M17 reached Ps. 28,248 million for a margin of 44.7%, 240 basis points lower than in 6M16.
- Selling and administrative expenses rose 63.4%, from Ps. 6,924 million to Ps. 11,317 million in 2Q17; this line item reflects the incorporation of CCSWB, higher maintenance and fuel expenses, as well as the appreciation of the Peruvian sol and the U.S. dollar. For the first six months of 2017, selling and administrative expenses reached Ps. 19,248 million, up 40.8%, and 30.4% over sales.
- In 2Q17 consolidated operating income reached Ps. 5,285 million, up 31.5% when compared to 2Q16, representing an operating margin of 13.7%. In the first half of 2017, operating income grew 21.8% to Ps. 8,748 million for an operating margin of 13.8%.
- During 2Q17, consolidated EBITDA increased 38.9% to Ps. 7,387 million, for a margin of 19.2%. In the first half of 2017, EBITDA reached Ps. 12,389 million, 29.1% higher and at a margin of 19.6%. Excluding FX effects and CCSWB, EBITDA grew 5.3% in 2Q17 and 8% in 6M17.
- The comprehensive financing result was Ps. 1,308 million in 2Q17, up 18.3% compared to Ps. 1,106 million in 2Q16. In the first half of 2017, this line reached Ps. 1,942 million, a decline of 57.2% compared to last year.
- Income tax provision for 2Q17 reflects an effective tax rate of 30.6% and an amount totaling Ps. 1,201 million, 35.4% higher compared to the same period of last year. Year-to-date, the effective tax rate was 30.8%, 60 basis points higher than last year.
- Net income was Ps. 2,051 million in 2Q17, up 2.5% and reflecting a margin of 5.3%, and Ps. 3,780 million in 6M17, for a net margin of approximately 6%. The Company's bottom line was mainly affected by non-recurring expenses related to the U.S. transaction, FX losses and the increase in tax provisions.

BALANCE SHEET & CASH FLOW STATEMENT

- As of June 30, 2017, AC registered a cash balance of Ps. 21,099 million and debt of Ps. 53,148 million, resulting in a net debt position of Ps. 32,049 million. The Net Debt/EBITDA ratio was 1.2x.
- Net operating cash flow reached Ps. 8,383 million in 2Q17.
- Capex reached Ps. 5,772 million in 6M17, mainly allocated towards the expansion of production and distribution capabilities, as well as, equipment and technology for innovative initiatives in sales points.

MEXICO

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

Table 3: Mexico Data

	2Q17	2Q16	Variation %	Jan - Jun '17	Jan - Jun '16	Variation %
Volume by Category (MUC)						
Colas	185.5	182.9	1.4	340.7	333.1	2.3
Flavors	38.8	37.2	4.4	69.9	66.2	5.6
Sparkling Total Volume	**224.3**	**220.1**	1.9	**410.6**	**399.3**	2.8
*Water**	26.8	23.5	13.9	45.6	40.3	13.0
*Still Beverages***	16.2	15.0	8.4	29.9	27.3	9.7
Volume excluding jug	**267.3**	**258.6**	3.4	**486.1**	**466.9**	4.1
Jug	56.5	53.9	4.7	102.1	96.8	5.4
Total Volume	**323.8**	**312.5**	3.6	**588.2**	**563.7**	4.4
Mix (%)						
Returnable	31.6	35.6	-4.0	31.9	35.4	-3.5
Non Returnable	68.4	64.4	4.0	68.1	64.6	3.5
Multi-serve	51.5	51.4	0.1	51.5	51.8	-0.3
Single-serve	48.5	48.6	-0.1	48.9	48.6	0.3
Income Statement *(MM MXP)*						
Net Sales	15,717	14,074	11.7	28,537	25,277	12.9
EBITDA	3,989	3,943	1.1	6,664	6,374	4.6

**** 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

- Net sales for Mexico reached Ps. 15,717 million in 2Q17, up 11.7%. Sales volume maintained its positive trend, increasing 3.6% to 323.8 MUC. The average price per unit case, excluding jug water, reached Ps. 55.87 in 2Q17, up 8.8% as a result of the price adjustments implemented at the beginning of the year, in line with the Company's 2017 strategy. For the first half of 2017, sales increased 12.9% to Ps. 28,537 million, while sales volume grew 4.4% to 588.2 MUC compared to 2Q16.
- EBITDA for Mexico increased 1.1% in 2Q17 to Ps. 3,989 million, representing a margin of 25.4%. This dilution was mainly due to higher sugar prices and the U.S. dollar appreciation compared to last year.

For the first half of 2017, this line item reached Ps. 6,664 million, up 4.6% and representing a margin of 23.4%.

- As part of the evolution of our ACT model, the Company launched the “Route to Market” 4.0 initiative (RTM), seeking to redefine our Service Models in order to develop a more specialized pre-sale process through the identification of important customers groups by distribution channel to take and deliver orders more efficiently.
- Since its official launch four months ago in Mexico, Coca-Cola without sugar has doubled the coverage and mix that Coca-Cola Zero had last year, with 80% coverage in the traditional channel.
- Powerade continued its positive double digit growth trend, with 14% growth in 2Q17, reaching coverage of 51.8%, up +0.8 p.p. in the traditional channel.
- During 2Q17, Monster reached a coverage of 23% in the traditional channel. Arca Continental continues to be the leading bottler in Mexico with the best performance since its launch.
- Single serve water grew 13.9% in 2Q17, reaching a coverage of 68% in basic packages (1.5 L, 1 L and 600 ml) among our largest industrial customers. In addition, key sku’s achieved 79% coverage among our main clients for this category.
- In 2Q17 the Company launched Ciel Exprim “Fresa Entera” to complement its portfolio of flavored water. Arca Continental reached 57% coverage among its main clients and 14.5% growth in all channels in the second quarter.
- Santa Clara continued its solid growth and expansion trend; in 2Q17 white milk reached 51% coverage within all of Arca Continental. Additionally, 3,500 coolers were installed year-to-date, which helped maintain a CAGR of 8.1% for the brand.
- Direct to Home sales (DTH) volume reached 1.8 MUC, excluding jug water, representing an increase of 10.3% compared to 2Q16. Net sales increased 17.4%, out of which the still beverage category represented 39% of additional sales.
- In 2Q17, Vending sales grew 8.6% while EBITDA was up 25.4%, mainly due to a 13.1% increase in the average price per transaction and 3.5% additional machines installed.
- Exports of Topo Chico grew 27.1% in volume and 22.2% in net sales. This result was largely due to a 49.1% increase in convenient stores, mainly 7-Eleven and Racetrac.
- At Bokados during 2Q17, as part of the innovation initiatives seeking to satisfy the needs of our consumers, we carried out various launches such as the new design of the brand Topitos and the Topito Grill flavor, as well as “Rizada Queso” which is the new member of the Wise family in Mexico.

UNITED STATES

On April 1, 2017 we announced the integration of Coca-Cola Southwest Beverages ("CCSWB") into our operations and began consolidating their results the same day, therefore, this report contains three months of results for CCSWB. The U.S. includes the beverage business of CCSWB and the snacks business of Wise.

Table 4: United States

	2Q17
Volume by Category (MUC)	
Colas	45.6
Flavors	27.0
Sparkling Total Volume	**72.6**
*Water**	13.9
*Still Beverages***	16.5
Volume excluding jug	**103.0**
Mix (%)	
Multi-serve	63.5
Single-serve	36.5
Income Statement ***(MM MXP)***	
Net Sales	12,791
EBITDA	1,768

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

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

****Does not includes CCSWB sales to other bottlers***

OPERATING RESULTS FOR U.S.

- Net sales in the U.S. reached Ps. 12,791 million in 2Q17. In a comparable and currency-neutral basis the sales growth was 4.7%. While the volume reached 103 MUC, the same level as 2Q16.
- During 2Q17, EBITDA for the U.S. reached Ps. 1,768 million.
- The sparklings and still categories have gained value share, namely energy drinks, isotonics, tea and juices. The water category, however, has been declining in this same indicator.
- The CCSWB business is divided into three main channels: Large Store, which represents 53% of volume, Small Store, which represents 30%; and Eat and Drink with 17%.

- During 2017, we have been implementing a series of key commercial initiatives for each of our three major channels. For Large Stores, we are accelerating sparkling transaction packs to promote immediate consumption. In Convenience Stores, we are growing the Energy portfolio with increased points of Interaction and market execution. In the On Premise channel, we are increasing sparkling bottle availability to drive profitability.
- The chilled product coverage for CCSWB is 49% with over 150,000 coolers installed.
- During 2Q17, Wise became the new sponsor of MLB Atlanta Braves as the exclusive brand sold in their new stadium. We also developed a tortilla snack with the team's name.
- Wise continues working towards increasing coverage in the Southeast region, supported by the plant in Fort Worth, with the introduction of the "Food Truck Favorites" brand in 40 HEB stores, as well as the opening of new points of distribution with Walmart in Texas. We also initiated the expansion of the brand to other states in the South such as Arizona and Nevada, with important clients like Walmart and Basha's.

SOUTH AMERICA

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

Table 5: South America Data

	2Q17	2Q16	Variation %	Jan - Jun '17	Jan - Jun '16	Variation %
Volume by Category (MUC)						
Colas	79.2	76.9	3.0	166.1	164.2	1.2
Flavors	21.7	23.5	-8.0	47.5	53.6	-11.4
Sparkling Total Volume	**100.8**	**100.4**	0.4	**100.8**	**100.4**	0.4
*Water**	17.2	17.1	0.0	42.0	40.2	4.6
*Still Beverages***	8.9	10.0	-11.7	19.6	22.0	-11.1
Volume excluding jug	**126.8**	**127.6**	-0.6	**275.2**	**280.0**	-1.7
Jug	2.9	3.4	-16.1	7.5	8.4	-10.4
Total Volume	**129.7**	**131.0**	-1.0	**282.7**	**288.4**	-2.0
Mix (%)						
Returnable	28.7	30.2	-1.5	29.1	30.5	-1.5
Non Returnable	71.3	69.8	1.5	70.9	69.5	1.5
Multi-serve	67.5	69.9	-2.4	68.1	70.3	-2.2
Single-serve	32.5	30.1	2.4	31.9	29.7	2.2
***Income Statement** (MM MXP)*						
Net Sales	9,148	8,031	13.9	20,078	17,172	16.9
EBITDA	1,630	1,298	25.6	3,918	3,086	26.9

***** 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

- South America grew its net sales by 13.9% to Ps. 9,148 million in 2Q17, driven mainly by the price-pack strategy and the devaluation of the Mexican peso versus the U.S. dollar and Peruvian sol. In the first half of 2017, sales reached Ps. 20,078 million, up 17% when compared to last year.
- In 2Q17, total volume for South America declined 1.8% to 129.7 MUC, as a result of the 11.7% decrease in stills which was partially offset by a 3% increase in colas. In the first half of 2017, volume in this region declined by 2%.
- EBITDA for South America increased 25.6% in 2Q17 to Ps. 1,630 million, reflecting a margin of 17.8%, up 170 basis points when compared to 2Q16. In the first half of 2017, EBITDA reached Ps. 3,918 million, up 27% and representing a margin of 19.5% for 150 additional bps when compared to the same period in 2016.

Argentina

- During 2Q17 sales volume declined 1.8%, primarily in the still beverage category, although in the last two months it reported low single digit volume growths. During the first half of 2017, sales volume declined 2.2%.
- Argentina increased its coverage of chilled product during the quarter to reach 59%, while also increasing the availability of returnable products as part of our plan to continue offering an adequate price-pack structure that will ensure affordability for our consumers.
- In 2Q17, seeking to trigger the still beverage category, we created specialized pre-sale routes, combined with the launching of new products such as Cepita 1L and Aquarius lightly sparkling.

Ecuador

- Ecuador's volume declined 2.8% in 2Q17, explained by the lower volume in stills, flavors and single-serve water, while the colas category grew 12.1%. In the first half of 2017, sales volume declined 8% when compared to last year.
- In 2Q17, Ecuador continues working to improve the performance of various categories and protect the profitability of the operation with different initiatives such as increasing chilled product coverage to 48%, driving growth in the low calorie category with 44% mix and increasing the mix of returnable products.
- Tonicorp posted double-digit sales growth in 2Q17 thanks to an increase in purchasing frequency, better affordability and greater product coverage; this has also helped increase the value share of our main categories: yogurt +2 p.p., flavored milk +3.2 p.p. and ice cream +3.5 p.p.
- Inalecsa reported high single-digit sales growth in 2Q17 due to the volume increase in the plantain, cookie, potato and corn chip categories. In addition, new products were launched in the salty snacks category such as mixes and Tortolines al Ajillo.

Peru

- In 2Q17 volume remained flat when compared to the previous year, mainly due to the 1.3% growth in sparkling driven by the low calorie categories, which were offset by the water and still beverage categories. In the first half of the year, volume increased 1.6% when compared to 6M16.
- In Peru during 2Q17, the focus on the Zero platform yielded the second consecutive quarter of growth above 30%. In stills, we launched a new pack architecture for Powerade with 300ml and 600ml formats, which had strong acceptance among consumers. Lastly, we relaunched the Fanta brand with a new design, turning around the negative trend seen during 1Q17 in the flavors category.
- In terms of execution at the point of sale, Peru continues strengthening the traditional channel with greater coverage of key sku's, introducing 10,000 additional coolers and developing its costumer through the "Siglo XXI" program.

RECENT EVENTS

- On June 29, 2017, we inaugurated the new Tonicorp plant in Ecuador, making it one of the most modern in Latin America, with an investment of US$ 100 million, doubling the production capacity of the Company to reach up to 150 million dairy liters per year. The ceremony was chaired by the President of Ecuador, Lenín Moreno, together with directors of Arca Continental and The Coca-Cola Company, who have jointly operated Tonicorp since 2014.

CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on July 19, 2017 to discuss these results at 10:00 am Mexico/Monterrey time / 11:00 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)

	2Q17	2Q16	Variation MM MXP	Variation %	Jan - Jun '17	Jan- Jun '16	Variation MM MXP	Variation %
Net sales	38,445	23,071	15,374	*66.6*	63,247	44,345	18,902	*42.6*
Cost of Sales	21,783	12,104	9,678	*80.0*	34,999	23,464	11,535	*49.2*
Gross Profit	**16,662**	**10,967**	5,695	*51.9*	**28,248**	**20,881**	7,367	*35.3*
	43.3%	*47.5%*			*44.7%*	*47.1%*		
Selling Expenses	9,466	5,700	3,767	*66.1*	15,992	11,286	4,706	*41.7*
Administrative Expenses	1,850	1,225	626	*51.1*	3,256	2,386	870	*36.5*
Total Costs	11,317	6,924	4,392	*63.4*	19,248	13,672	5,576	*40.8*
	29.4%	*30.0%*			*30.4%*	*30.8%*		
Non Recurring Expenses	251	166	85	*51.0*	500	202	298	*147.8*
Operating Income before other income	**5,094**	**3,876**	1,218	*31.4*	**8,500**	**7,007**	1,493	*21.3*
Other Income (Expenses) [1]	191	142	49	*34.5*	248	173	75	*43.4*
Operating Income	5,285	4,018	1,267	*31.5*	8,748	7,180	1,568	*21.8*
	13.7%	*17.4%*			*13.8%*	*16.2%*		
Interest Expense Net	-866	-923	56	*(6.1)*	-1,492	-1,330	-161	*12.1*
Exchange Gain (Loss)	-442	-183	-259	*141.4*	-451	95	-545	*(575.4)*
Comprehensive Financial Results	-1,308	-1,106	-202	*18.3*	-1,942	-1,235	-707	*57.2*
Share of net income of associates [2]	-49	55	-104	*(188.9)*	-28	105	-133	*(126.3)*
Earnings Before Taxes	**3,929**	**2,967**	961	*32.4*	**6,778**	**6,050**	728	*12.0*
Profit Taxes	1,201	887	314	*35.4*	2,086	1,829	257	*14.0*
Non-controlling interest	-677	-79	-598	*755.7*	-912	-349	-564	*161.7*
Net Profit	**2,051**	**2,001**	50	*2.5*	**3,780**	**3,872**	-93	*(2.4)*
	5.3%	*8.7%*			*6.0%*	*8.7%*		
Depreciation and amortization	1,851	1,133	717	*63.3*	3,141	2,217	925	*41.7*
EBITDA	**7,387**	**5,317**	2,069	*38.9*	**12,389**	**9,598**	2,791	*29.1*
	19.2%	*23.0%*			*19.6%*	*21.6%*		

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

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

	June 30 2017	December 31 2016	Variation MM MXP	Variation %
ASSETS				
Cash and cash equivalents	21,099	5,546	15,553	*280.4*
Accounts receivable; Net	10,853	6,640	4,213	*63.5*
Inventories	6,908	5,126	1,781	*34.8*
Prepayments	914	338	576	*170.4*
Total Current Assets	**39,774**	**17,650**	22,123	*125.3*
Investments in shares and other investments	6,249	5,211	1,038	*19.9*
Property, plant and other equipment	60,804	49,233	11,570	*23.5*
Other non current assets	93,095	66,830	26,265	*39.3*
Total Assets	**199,921**	**138,924**	60,997	*43.9*
LIABILITIES				
Short term bank loans	8,534	4,368	4,165	*95.4*
Suppliers	15,851	10,550	5,301	*50.2*
Accounts payable and taxes	3,460	3,441	19	*0.6*
Total Current Liabilities	**27,845**	**18,359**	9,485	*51.7*
Bank Loans and long term liabilities	44,615	26,816	17,799	*66.4*
Deferred income tax and others	12,955	13,428	-473	*-3.5*
Total Liabilities	**85,414**	**58,603**	26,811	*45.8*
SHAREHOLDER´S EQUITY				
Non controlled participation	31,081	8,896	22,184	*249.4*
Capital Stock	41,969	35,531	6,438	*18.1*
Retained Earnings	37,677	26,860	10,817	*40.3*
Net Profit	3,780	9,034	-5,254	*-58.2*
Total Shareholders' Equity	**114,507**	**80,321**	34,186	*42.6*
Total Liabilities and Shareholders' Equity	**199,921**	**138,924**	60,997	*43.9*

ARCACONTINENTAL

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

Cash Flow Statement

(millions of Mexican pesos)

	as of june 30	
	2017	2016
Earnings Before Taxes	**6,778**	**6,050**
Depreciation and amortization	3,141	2,217
Gain on sale and fixed assets impairment	280	185
Foreign exchange	451	-95
Accrued interests	1,492	1,330
Operating cash flow before taxes	**12,141**	**9,687**
Cashflow generated/used in the operation	-3,758	-2,227
Operating cashflow after working capital	**8,383**	**7,461**
Investment Activities:		
Capital Expenditures and Investments (Net)	-8,032	-5,090
Financing Activities:		
Dividends paid	-3,529	-3,101
Share repurchase program	231	102
Debt amortization	12,719	-8,912
Paid interests	-1,907	-1,328
Capital increase	0	7,371
Other	7,987	0
Net cash flow	**15,501**	**-5,868**
Net increase of cash and equivalents	15,852	-3,497
Change in Cash	-299	114
Initial cash and equivalents balance	**5,546**	**8,295**
Final cash and equivalents balance	**21,099**	**4,912**