

## EARNINGS RELEASE

### ARCA CONTINENTAL REPORTS REVENUE GROWTH OF 22.5% WITH EBITDA UP 20.3% IN 2016

Monterrey, Mexico, February 24, 2017 – 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 2016 (“4Q16” and “2016”).

**Table 1: Financial Highlights**

	Data in millions of Mexican pesos					
	4Q16	4Q15	Variation %	Jan - Dec '16	Jan - Dec '15	Variation %
<i>Total Beverage Volume (MUC)</i>	438.4	430.1	1.9	1,740.6	1,477.7	17.8
<i>Net Sales</i>	24,894	22,441	10.9	93,666	76,454	22.5
<i>EBITDA</i>	5,163	4,742	8.9	20,092	16,707	20.3
<i>Net Income</i>	1,932	1,655	16.7	9,034	7,246	24.7

*Total Beverage Volume includes jug water*

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

#### 4Q16 HIGHLIGHTS

- Net sales grew 11% when compared to 4Q15, reaching Ps. 24,894 million.
- EBITDA was up 9% versus 4Q15 to Ps. 5,163 million, representing a margin of 20.7%.
- Net income reached Ps. 1,932 million, up 16.7%, for a net margin of 7.8%.

#### 12M16 HIGHLIGHTS

- Net sales totaled Ps. 93,666 million for an increase of 22.5%.
- EBITDA grew 20.3% to Ps. 20,092 million for a margin of 21.5%.
- Net income registered 24.7% growth to reach Ps. 9,034 million, representing a net margin of 9.6%.

#### COMMENTS FROM THE CEO

“Our results for 2016 were outstanding, having achieved annual growth of 22.5% in sales and 20.3% in EBITDA. These figures highlight the financial and operating strengths of the Company to successfully face challenging conditions and deliver positive results in a consistent manner thanks to the professionalism of our people and our leadership in the market”, commented Francisco Garza Eglhoff, Chief Executive Officer of Arca Continental.

“Continuing on the path that we set towards profitable growth, it gives me great pleasure to report that we recently signed the definitive agreement with The Coca-Cola Company to be the exclusive bottler of the franchise in the U.S. Southwest, which is comprised of Texas and parts of Oklahoma, New Mexico and Arkansas. We expect to close this transaction in the second quarter of this year, which, together with the organic growth of our current businesses, will further improve Arca Continental’s competitiveness and geographic diversification, thereby consolidating our position as one of the most important Coca-Cola bottlers in the world”, he added.

## CONSOLIDATED RESULTS

The figures presented in this report were prepared in accordance with International Financial Reporting Standards ("IFRS"). On September 10, 2015, Arca Continental announced the integration of Corporacion Lindley (CL) into its operations, beginning September 1, 2015; therefore this report contains four months of CL's results in 2015.

Table 2: Consolidated Data

	4Q16	4Q15	Variation %	Jan - Dec '16	Jan - Dec '15	Variation %
<b>Volume by category (MUC)</b>						
Colas	261.2	256.6	1.8	1,027.2	875.6	17.3
Flavors	62.5	64.7	-3.4	245.2	218.7	12.1
<b>Sparkling Total Volume</b>	<b>323.7</b>	<b>321.3</b>	0.8	<b>1,272.3</b>	<b>1,094.4</b>	16.3
Water*	41.2	39.3	4.7	164.1	120.3	36.4
Still Beverages**	25.7	22.5	14.3	99.9	75.8	31.9
<b>Volume excluding Jug</b>	<b>390.7</b>	<b>383.2</b>	2.0	<b>1,534.1</b>	<b>1,290.2</b>	18.9
Jug	47.7	46.9	1.6	206.5	187.5	10.1
<b>Total Volume</b>	<b>438.4</b>	<b>430.1</b>	1.9	<b>1,740.6</b>	<b>1,477.7</b>	17.8
<b>Income Statement (MM MXP)</b>						
Net sales	24,894	22,441	10.9	93,666	76,454	22.5
EBITDA	5,163	4,742	8.9	20,092	16,707	20.3

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

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

## FINANCIAL ANALYSIS

### INCOME STATEMENT

- Consolidated net sales for 4Q16 increased 11% (9.8% currency-neutral) to reach Ps. 24,894 million. In 2016, this figure grew by 22.5% (11% currency-neutral and excluding Peru) compared to last year, reaching Ps. 93,666 million.
- In 4Q16, volume increased by 2%, mainly driven by the positive trends in the categories of bottled water with 4.7% growth and 14.3% in still beverages. During 2016, the sparkling beverage category grew 16.3%, while still beverages grew 31.9% and bottled water 36.4%. In 2016, on a consolidated basis, volume reached 1,534 MUC excluding jug water, representing an increase of 18.9%.

- During 4Q16, cost of sales increased 14.2% mainly due to the increase in raw materials denominated in U.S. dollars as well as the higher price of sugar. Consolidated gross profit grew 7.4% to Ps. 11,590 million, reflecting a gross margin of 46.6%. During 2016, gross profit reached Ps. 44,012 million with a margin of 47% which was 150 bps below the same period last year.
- Selling and administrative expenses increased 6.1% in 4Q16 to Ps. 8,038 million, and 32.3% as a percentage of sales which was 150 bps lower than last year, thanks to effective efficiency plans in Mexico, Ecuador and Argentina to offset the pressures in raw material prices. During 2016, selling and administrative expenses reached Ps. 29,238 million for an increase of 19.3%, representing 31.2% of sales and a decrease of 80 basis points when compared to last year
- Consolidated operating income rose 14% in 4Q16 to Ps. 3,839 million, representing an operating margin of 15.4%. During 2016, operating income grew 27.8% to Ps. 16,300 million for an operating margin of 17.4%.
- Consolidated EBITDA in 4Q16 increased to Ps. 5,163 million from Ps. 4,742 million in 4Q15, for an increase of 9% and a margin of 20.7%. During 2016, consolidated EBITDA increased 20.3% to Ps. 20,092 million, for a margin of 21.5%. On a currency-neutral basis, EBITDA grew 7.7% in 4Q16 and on the year, with also excluding Peru, it was up 10.2%.
- The comprehensive financing result in 4Q16 was Ps. 603 million compared to Ps. 915 million in 4Q15, mainly due to the integration of Corporacion Lindley (CL). In 2016, this line item reached Ps. 2,466 million, 35.6% higher than 2015.
- Income tax provision for 4Q16 reflects an effective tax rate of 32% and an amount totaling Ps. 1,058 million, 48.3% above 4Q15. For 2016, the effective tax rate was 30.6%, similar to 2015.
- Arca Continental reported net income of Ps. 1,932 million in 4Q16, up 16.7%, reflecting a margin of 7.8%, and Ps. 9,034 million in 2016, for a net margin of 9.6%.

### **BALANCE SHEET & CASH FLOW STATEMENT**

- As of December 31, 2016, AC registered a cash balance of Ps. 5,546 million and debt of Ps. 31,184 million, resulting in a net debt position of Ps. 25,638 million. The Net Debt/EBITDA ratio was 1.3x.
- Net operating cash flow reached Ps. 17,076 million in 2016.
- As of December 31, 2016, Capex was Ps. 7,379 million, which was 5% above the figure announced in April 2016. These investments were mainly allocated towards the acquisition of coolers, to increase returnable packaging and strengthen our production and distribution capacities, always aligned with Arca Continental's strategy of creating value.

## AC NORTH AMERICA

Arca Continental reports its information for AC North America and AC South America. AC North America includes results for the beverage and snack businesses in Mexico as well as snacks in the U.S., while AC South America include results for the beverage business in Argentina and Peru, and beverages and snacks in Ecuador.

**Table 3: North America Data**

	4Q16	4Q15	Variation %	Jan - Dec '16	Jan - Dec '15	Variation %
<b>Volume by Category (MUC)</b>						
Colas	172.5	165.2	4.4	696.3	652.1	6.8
Flavors	35.1	32.3	8.5	139.9	121.6	15.0
<b>Sparkling Total Volume</b>	<b>207.6</b>	<b>197.5</b>	5.1	<b>836.2</b>	<b>773.7</b>	8.1
Water*	19.4	17.4	11.7	84.6	74.3	13.9
Still Beverages**	13.4	11.8	13.6	55.6	47.7	16.6
<b>Volume excluding jug</b>	<b>240.4</b>	<b>226.7</b>	6.0	<b>976.4</b>	<b>895.7</b>	9.0
Jug	44.0	43.2	1.8	191.7	182.8	4.9
<b>Total Volume</b>	<b>284.4</b>	<b>270.0</b>	5.4	<b>1,168.1</b>	<b>1,078.5</b>	8.3
<b>Mix (%)</b>						
Returnable	32.1	35.3	-3.2	33.9	37.0	-3.1
Non Returnable	67.9	64.7	3.2	66.1	63.0	3.1
Multi-serve	53.2	53.1	0.1	52.3	51.7	0.6
Single-serve	46.8	46.9	-0.1	47.7	48.3	-0.6
<b>Income Statement (MM MXP)</b>						
Net Sales	14,304	12,715	12.5	57,158	50,248	13.8
EBITDA	2,854	2,689	6.2	13,124	11,752	11.7

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

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

## OPERATING RESULTS FOR NORTH AMERICA

- During 4Q16 Mexico Beverages posted net sales of Ps. 12,912 million, up 13.1% compared to the same period last year. Sales volume reached 284 MUC, an increase of 5.4% compared to 4Q15. The average price per unit case, excluding jug water, increased 6.8% to Ps. 52.48 as a result of pricing initiatives implemented during the year, as well as an adequate price-pack architecture developed for our portfolio.
- In 4Q16, EBITDA for North America increased 6.2% to Ps. 2,854 million, representing a margin of 20%. During 2016, this line item reached Ps. 13,124 million, up 11.7% for a margin of 23.0%.

- During the quarter we continued rolling out our ACT model in all areas of the organization, focusing on five fundamental pillars: dynamic segmentation, RGM initiatives, development of market tools, innovation and fundamentals, which enabled us to achieve record results in all indicators during 2016.
- Powerade continued its positive trend with 31.1% growth in 4Q16, closing the full year with 31.9%, expanding its market leadership as a result of implementing a coverage expansion plan.
- Juices and Nectars grew 14.1% in 4Q16, notably with the launch of Del Valle Mixed Nectars focused on new consumers and allowing us to consolidate our leadership in the traditional channel with 66.4% coverage. The accumulated growth for 2016 was 15.6%.
- With the launch of Monster, the energy drink category registered 83% growth in the year, due to an aggressive distribution strategy that obtained the highest growth rate at the national level.
- The bottled water category grew 11.7% in 4Q16 and 13.9% in 2016 as a result of strengthening the availability of our basic packages and the implementation of segmented promotions for our customers.
- We continued increasing the coverage of chilled Santa Clara products with the installation of over 4,815 coolers in the last 2 years, reaching a record 40% coverage in the traditional channel. This has enabled us to grow our dairy category by an average quarterly rate of 10.8%.
- In the Direct to Home (DTH) sales channel we continue innovating with additional services that reinforce our relationship with clients with features such as credit card payments and the implementation of the mobile app "Coca-Cola en tu hogar". We have also strengthened our product offering by adding Keurig brand products in Mexico, to achieve 5.8% growth in 4Q16 and 11.7% in 2016.
- Our Vending business reported 12.7% sales growth in 4Q16 driven by the increase in our machine base and productivity improvements in units sold per machine. Accumulated growth for 2016 was 13.8%.
- Exports closed the year with positive trends; Topo Chico volume rose 22% in 4Q16 driven by new product launches such as Topo Chico Twist and new distribution contracts with important retailers including Aldi, Tom Thumb and Randalls.
- Posting positive trends, Bokados closed the year with high single-digit sales growth. In order to meet our strategic plans for geographic expansion and strengthen our production capacity, we began construction of a third plant in Queretaro, which will have seven production lines.
- In the U.S., as part of our plan to consolidate distribution and improve efficiency, Wise acquired a distributor in New Jersey with 1 warehouse and 35 routes. In 2016, Wise and Si Señor increased distribution by adding more than 1,900 new points of sale. Wise Popcorn had a successful year with 6% annual growth and winning the Women's Choice Award for popcorn preferred by 9 out of 10 women.

## AC SOUTH AMERICA

On September 10, 2015 Arca Continental announced the integration of Corporacion Lindley (CL) to its operations, starting from September 1, 2015; therefore, this report contains four months of CL's results in 2015.

Table 4: South America Data

	4Q16	4Q15	Variation %	Jan - Dec '16	Jan - Dec '15	Variation %
<b>Volume by Category (MUC)</b>						
Colas	88.7	91.4	-2.9	328.5	223.2	47.1
Flavors	27.4	32.4	-15.2	105.3	97.1	8.4
<b>Sparkling Total Volume</b>	<b>116.2</b>	<b>123.8</b>	<b>-6.2</b>	<b>433.8</b>	<b>320.3</b>	<b>35.4</b>
Water*	21.8	22.0	-0.8	79.5	46.0	72.7
Still Beverages**	12.4	10.7	15.0	44.3	28.1	57.8
<b>Volume excluding jug</b>	<b>150.3</b>	<b>156.5</b>	<b>-3.9</b>	<b>557.6</b>	<b>394.5</b>	<b>41.4</b>
Jug	3.7	3.7	-0.8	14.8	4.8	210.9
<b>Total Volume</b>	<b>153.9</b>	<b>160.2</b>	<b>-3.9</b>	<b>572.5</b>	<b>399.2</b>	<b>43.4</b>
<b>Mix (%)</b>						
Returnable	28.0	28.4	-0.4	29.6	29.6	0.0
Non Returnable	72.0	71.6	0.4	70.4	70.4	0.0
Multi-serve	71.3	71.4	-0.2	70.3	70.6	-0.3
Single-serve	28.7	28.6	0.2	29.7	29.4	0.3
<b>Income Statement (MM MXP)</b>						
Net Sales	10,589	9,726	8.9	36,508	26,206	39.3
EBITDA	2,308	2,053	12.4	6,968	4,955	40.6

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

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

### OPERATING RESULTS FOR SOUTH AMERICA

- Net sales for South America increased 9% to Ps. 10,589 million in 4Q16. During 2016 sales reached Ps. 36,508 million representing an increase of 39.3%.
- In 4Q16 total sales volume reported a decline of -3.9%, mainly affected by the economic situation in Argentina as well as the addition of taxes on sweetened beverages in Ecuador. For the accumulated 2016 period, sales volume in this region grew 43.4%.
- EBITDA for South America increased 12.4% to Ps. 2,308 million in 4Q16, reflecting a margin of 21.8%, 70 basis points higher than in 4Q15. In 2016, EBITDA reached Ps. 6,968 million, up 40.6% at a margin of 19.1%, which was 20 basis points higher.

- During 4Q16, Net Income reached Ps. 1,075 million, an increase of 207%, while for 2016 it reached Ps. 2,229 million, up 41.5%, representing net margins of 10.2% and 6.1%, respectively.

### Argentina

- In 4Q16, sales volume declined 6.4%, mainly due to the still beverage category and water with a 17% decrease. In 2016, sales volume registered a decline of 8.8%.
- We continued our strategy of investing in the market by increasing our coverage of chilled product to reach coverage of 58%. We also expanded availability of returnable packages to secure the affordability of our products and achieve a higher share of returnable in our product mix.
- During the quarter we continued to roll out our ACT model focused on expanding our execution capabilities, which helped to maintain balance among our distribution channels, which allowed us to sustain adequate price-pack architecture to offset the high inflation rates registered in the year.

### Ecuador

- Ecuador's sales volume was down 12.7% in 4Q16, mainly due to declines in sparkling and single serve water of 18.6% and 16.6%, respectively, partially offset by a 41.2% increase in the still beverage category. In 2016, sales volume declined 8.8% when compared to 2015.
- During the quarter, we continued our strategy of strengthening our product portfolio by adding new packages and expanding the availability of returnable products. Furthermore, we kept investing in cooler coverage to reach 46%.
- In the midst of a challenging economic climate we were able to achieve efficiencies in our beverage and dairy businesses in Ecuador through the development of shared distribution centers, the implementation of a joint execution model for the modern trade and the centralization of several administrative areas.
- During the year, at Tonicorp we completed the construction of the high-tech dairy plant named "La Aurora" which enables us to generate savings from the centralization of our production capabilities. In addition, this plant will help accelerate innovation processes with the launching of new products within the market this year.
- Inalecsa remained the market share leader in the sweet snacks category. In 4Q16, we entered the Bakery segment with the launch of our "Pan de Pascua" in the modern and traditional channels, gaining 600 bps of market share in our first year.

### Peru

- In our first full year of operation in Peru our sales volume rose 2.6% when compared to the previous year, driven by continuous investment in the market, the development of our product portfolio and the implementation of our ACT execution model. During the quarter our volume grew 2%, driven mainly by the single serve water category which was up 9.3% and still beverages up 3.8%.
- In terms of highlights during the year, we had the implementation of over 25 initiatives focused on increasing productivity and generating cost efficiencies, such as: the development of our low-calorie product portfolio, the optimization of production lines, as well as the implementation of best practices in all areas of the organization which led to a 230 bps expansion in EBITDA margin.

## RECENT EVENTS

- For the sixth consecutive year the Mexican Stock Exchange announced that AC will continue to be part of the BMV Sustainability and Social Responsibility Index (ISRS) upon having incorporated the best international practices in the areas of Social and Environmental Responsibility and Corporate Governance.
- On January 31, 2017, Arca Continental was officially selected as a member of the FTSE4Good Emerging Index, which consists of publicly-traded companies that demonstrate a strong commitment to the best environmental, social and corporate governance practices from over 20 emerging economies.
- On February 8, 2017, Arca Continental announced that it signed a definitive agreement with The Coca-Cola Company to be the exclusive bottler in the franchise located in the Southwest U.S., which includes Texas and parts of Oklahoma, New Mexico and Arkansas and has nine production plants.
- AC announced that its growth expectation for consolidated volume in 2017 is approximately 2.5%, excluding jug water and the U.S. operations.

## CONFERENCE CALL INFORMATION

Arca Continental will host a conference call on February 24, 2017 to discuss these results at 8:30 am Mexico/Monterrey time / 9:30 am New York time. A live webcast of this event is available at [www.arcacontal.com](http://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)

Passcode: 36151

## About Arca Continental

Arca Continental produces, distributes and sells non-alcoholic beverages under The Coca-Cola Company brand, as well as snacks under the brands of Bokados in Mexico, Inalecsa in Ecuador and Wise in the U.S. with an outstanding history spanning more than 90 years. Arca Continental is the second-largest Coca-Cola bottler in Latin America and one of the largest in the world. Within its Coca-Cola franchise territory, the Company serves over 83 million consumers in Northern and Western Mexico, Ecuador, Peru and Northern Argentina. The Company's shares trade on the Mexican Stock Exchange under the ticker symbol "AC". For more information on Arca Continental, please visit [www.arcacontal.com](http://www.arcacontal.com)

This material may contain forward-looking statements regarding Arca Continental and its subsidiaries based on management's expectations. This information as well as statements regarding future events and expectations is subject to risks and uncertainties, as well as factors that could cause the results, performance and achievements of the Company to differ at any time. Such factors include changes in the general economic, political, governmental and commercial conditions both domestically and globally, as well as variations in interest rates, inflation rates, exchange rate volatility, tax rates, the demand for and the price of carbonated beverages, water, and the price of sugar and other raw materials used in the production of sparkling beverages, weather conditions and various others. As a result of these risks and factors, actual results could be materially different from the estimates provided; therefore, Arca Continental does not accept responsibility for any variations or for the information provided by official sources.

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

			Variation		Jan - Dec '16		Jan - Dec '15		Variation	
	4Q16	4Q15	MM MXP	%	Jan - Dec '16	Jan - Dec '15	MM MXP	%	MM MXP	%
Net sales	24,894	22,441	2,453	10.9	93,666	76,454	17,212	22.5		
Cost of Sales	13,304	11,648	1,656	14.2	49,654	39,363	10,291	26.1		
<b>Gross Profit</b>	<b>11,590</b>	<b>10,793</b>	<b>797</b>	<b>7.4</b>	<b>44,012</b>	<b>37,090</b>	<b>6,921</b>	<b>18.7</b>		
	46.6%	48.1%			47.0%	48.5%				
Selling Expenses	6,639	6,200	439	7.1	24,143	20,218	3,925	19.4		
Administrative Expenses	1,399	1,374	25	1.8	5,095	4,281	814	19.0		
Total Costs	8,038	7,574	464	6.1	29,238	24,499	4,739	19.3		
	32.3%	33.8%			31.2%	32.0%				
Non Recurring Expenses	73	205	-132	(64.6)	-855	417	-1,271	(305.0)		
<b>Operating Income before other income</b>	<b>3,480</b>	<b>3,014</b>	<b>466</b>	<b>15.4</b>	<b>15,629</b>	<b>12,175</b>	<b>3,454</b>	<b>28.4</b>		
Other Income (Expenses) <sup>1</sup>	359	353	6	1.7	671	579	92	15.9		
<b>Operating Income</b>	<b>3,839</b>	<b>3,367</b>	<b>472</b>	<b>14.0</b>	<b>16,300</b>	<b>12,754</b>	<b>3,546</b>	<b>27.8</b>		
	15.4%	15.0%			17.4%	16.7%				
Interest Expense Net	-452	-329	-123	37.5	-2,137	-1,041	-1,096	105.3		
Exchange Gain (Loss)	-150	-586	436	(74.4)	-329	-777	449	(57.7)		
Comprehensive Financial Results	-603	-915	313	(34.2)	-2,466	-1,818	-648	35.6		
Share of net income of associates <sup>2</sup>	69	21	48	233.8	165	157	8	5.1		
<b>Earnings Before Taxes</b>	<b>3,305</b>	<b>2,472</b>	<b>832</b>	<b>33.7</b>	<b>13,999</b>	<b>11,093</b>	<b>2,906</b>	<b>26.2</b>		
Profit Taxes	1,058	713	344	48.3	4,288	3,434	855	24.9		
Non-controlling interest	-316	-104	-212	204.1	-677	-413	-264	64.0		
<b>Net Profit</b>	<b>1,932</b>	<b>1,655</b>	<b>276</b>	<b>16.7</b>	<b>9,034</b>	<b>7,246</b>	<b>1,787</b>	<b>24.7</b>		
	7.8%	7.4%			9.6%	9.5%				
Depreciation and amortization	1,251	1,170	82	7.0	4,646	3,536	1,110	31.4		
<b>EBITDA</b>	<b>5,163</b>	<b>4,742</b>	<b>421</b>	<b>8.9</b>	<b>20,092</b>	<b>16,707</b>	<b>3,385</b>	<b>20.3</b>		
	20.7%	21.1%			21.5%	21.9%				

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

<sup>1</sup> Includes equity method from our participation in operational companies like Jugos del Valle, IEQSA and Bebidas Refrescantes de Nogales

<sup>2</sup> 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)

	December 31		Variation	
	2016	2015	MM MXP	%
<b>ASSETS</b>				
Cash and cash equivalents	5,546	8,295	-2,749	-33.1
Accounts receivable; Net	7,070	6,386	684	10.7
Inventories	5,126	4,337	789	18.2
Prepayments	338	367	-29	-8.0
<b>Total Current Assets</b>	<b>18,080</b>	<b>19,386</b>	-1,306	-6.7
Investments in shares and other investments	5,211	4,491	720	16.0
Property, plant and other equipment	49,233	42,913	6,321	14.7
Other non current assets	67,280	64,148	3,132	4.9
<b>Total Assets</b>	<b>139,805</b>	<b>130,938</b>	8,867	6.8
<b>LIABILITIES</b>				
Short term bank loans	4,332	6,998	-2,666	-38.1
Suppliers	10,984	9,060	1,923	21.2
Accounts payable and taxes	3,441	3,026	415	13.7
<b>Total Current Liabilities</b>	<b>18,757</b>	<b>19,084</b>	-327	-1.7
Bank Loans and long term liabilities	26,852	32,246	-5,394	-16.7
Deferred income tax and others	13,425	11,658	1,767	15.2
<b>Total Liabilities</b>	<b>59,034</b>	<b>62,988</b>	-3,954	-6.3
<b>SHAREHOLDER'S EQUITY</b>				
Non controlled participation	8,896	16,907	-8,010	-47.4
Capital Stock	35,531	28,769	6,763	23.5
Retained Earnings	27,310	15,030	12,281	81.7
Net Profit	9,034	7,246	1,788	24.7
<b>Total Shareholders' Equity</b>	<b>80,772</b>	<b>67,950</b>	12,821	18.9
<b>Total Liabilities and Shareholders' Equity</b>	<b>139,805</b>	<b>130,938</b>	8,867	6.8

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

	as of december 31	
	2016	2015
<b>Earnings Before Taxes</b>	<b>13,999</b>	<b>11,093</b>
Depreciation and amortization	4,646	3,536
Gain on sale and fixed assets impairment	428	306
Foreign exchange	329	777
Accrued interests	2,137	1,041
<b>Operating cash flow before taxes</b>	<b>21,540</b>	<b>16,753</b>
Cashflow generated/used in the operation	-4,464	-5,227
<b>Operating cashflow after working capital</b>	<b>17,076</b>	<b>11,527</b>
Investment Activities:		
Capital Expenditures and Investments (Net)	-8,877	-20,149
Financing Activities:		
Dividends paid	-3,147	-2,964
Share repurchase program	-92	28
Debt amortization	-13,668	12,059
Paid interests	-1,918	-1,310
Capital increase	7,371	0
Other	99	120
<b>Net cash flow</b>	<b>-11,355</b>	<b>7,932</b>
Net increase of cash and equivalents	-3,156	-690
Change in Cash	407	-54
<b>Initial cash and equivalents balance</b>	<b>8,295</b>	<b>9,039</b>
<b>Final cash and equivalents balance</b>	<b>5,546</b>	<b>8,295</b>