EARNINGS RELEASE 3Q18

Monterrey, Mexico, October 25th, 2018. – Grupo Famsa, S.A.B. de C.V. (BMV: GFAMSA), a leading Mexican commercial conglomerate in the retail, consumer and savings sector, announced today its earnings results for the third quarter 2018. The preliminary, unaudited financial statements presented in this report have been prepared in accordance with IFRS and the interpretations in effect as of September 30, 2018. Figures are expressed in millions of current, nominal Mexican pesos, unless otherwise stated.

Highlights

- **Solid operating performance in Famsa MX.** The evolution of consumer credit, alongside the revitalization of the commercial strategy, led to register annual growth rates in Mexico, of 13.0% and 9.4% in Net Sales and EBITDA, respectively.
- **Sustained growth in bank deposits.** As of quarter-end, bank deposits maintained their upward trend (+19.8% YoY), hand in hand with an effective displace of the investment products portfolio.
- **Progress in Famsa USA's operational consolidation.** In 3Q18, SSS in USD increased (+2.0% YoY) for the second consecutive quarter, outstanding the contribution of Personal Loans, Appliances and Computing.
- **Execution of the asset monetization plan**. In 2017, assets for Ps.1,127 million were monetized. For 2018, a monetizing goal of Ps.800 million was established, achieving an 86.8% completion as of quarter-end (Ps.694 million). For 4Q18, the sale of other properties is expected to be completed, with an estimated value of Ps.150 million.
- **Strengthening of the debt profile.** As of September 30, 2018, the consolidated balance of short-term gross debt (excluding bank deposits) represents 24.4% of total debt, vs. 40.3% as of December 31, 2016. This improvement is attributed to the efforts carried out to settle short-term liabilities and refinance existing debt with credit facilities under more favorable conditions (interest rate and maturity).
- **Upgrade of Grupo Famsa's debt outlook.** Fitch Ratings affirmed Grupo Famsa's credit ratings and revised its rating outlook to "Positive", from "Stable"; reflecting the results achieved through the execution of the Company's liquidity, profitability and operational initiatives.

Consolidated Financial Results

	3Q18	3Q17	Δ%	YTD 18	YTD 17	Δ%
Net Sales	4,775	4,255	12.2%	14,109	12,503	12.8%
Cost of Sales	(2,652)	(2,379)	(11.5%)	(7,826)	(6,840)	(14.4%)
Gross Profit	2,123	1,876	13.2%	6,283	5,663	10.9%
Operating Expenses	(1,872)	(1,815)	(3.1%)	(5,452)	(5,116)	(6.6%)
Other Income, net	45	204	(77.8%)	168	294	(42.8%)
Operating Profit	297	265	11.7%	1,000	842	18.8%
EBITDA	395	366	7.9%	1,308	1,157	13.0%
Net Income	1	15	(92.0%)	156	721	(78.4%)
Gross Margin	44.5%	44.1%	-	44.5%	45.3%	-
EBITDA Margin	8.3%	8.6%	-	9.3%	9.3%	-
Net Margin	0.0%	0.3%	-	1.1%	5.8%	-

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MESSAGE FROM THE CEO

In the third quarter of 2018 Grupo Famsa consolidated the operating performance achieved during the first half of the year. At a consolidated level, the Company posted annual growth rates of 12.2% and 7.9% in Net Sales and EBITDA, respectively. When considering the extraordinary gain of Ps.51 million recorded in 3Q17, and then excluding it from the EBITDA comparison, consolidated EBITDA would have grown 25.2% YoY.

In Mexico, the commercial activity directed to the target market of each region and the effective operation of the canvass channel contributed to a broad-based increase in the main categories of durable goods, as well as to a solid origination of personal loans during this quarter. As a result, Net Sales and SSS in this segment boosted 13.0% and 12.7% YoY, respectively. Furthermore, EBITDA grew 9.4% YoY in 3Q18. Similarly, adjusting for the extraordinary gain recorded in 2017, the rise in EBITDA would have been 25.6% YoY.

As for Banco Famsa, the enhancement of the investment products portfolio was essential for attaining a larger base of deposits, as reflected in the 19.8% annual growth rate recorded as of September 30, 2018, reaching Ps.29,343 million (~76.9% of Grupo Famsa’s source of funding). Banco Famsa is currently outlining the initiative to venture into electronic platforms aimed at promoting saving products, seeking to boost the participation of demand deposits and soften the average funding cost.

In the United States, derived from the marketing campaigns conducted in digital and traditional media, as well as the introduction of new value-added services, SSS in USD increased (+2.0% YoY) for the second consecutive quarter, posting a revitalization in the demand of certain categories of durable goods.

At the same time, the Company has strengthened its financial position due to its asset monetization plan and refinancing operations performed as of today. On the one hand, for 2018, Grupo Famsa set a monetization target of Ps.800 million, achieving 86.8% completion at quarter-end, equivalent to Ps.694 million. For the 4Q18, the Company expects to complete the sale of other properties, with an estimated value of Ps.150 million. The obtained proceeds as of this day have been deployed to rise Banco Famsa´s equity and amortize short-term debt.

On the other hand, Grupo Famsa has successfully subscribed credit facilities with diverse banks, notably Bancomext, allowing the Company to extend significantly the duration of its financial liabilities, thus improving the mix of short and long-term maturities. As of September 30, 2018, the consolidated balance of short-term debt (excluding banks deposits) represents 24.4% of the total consolidated debt, vs. 40.3% as of December 31, 2016 and 32.3% as of December 31, 2017.

Having achieved a solid operating performance through the first three quarters of 2018, the Company´s results are in line with the consolidated 2018 Guidance established for the year, in both Net Sales and EBITDA. Towards 4Q18, the Company anticipates a successful execution of its commercial initiatives aimed to tap into the end of the year season (“Buen Fin” and Christmas) boosting the fourth quarter results, while strengthening its financial position.

Humberto Garza Valdez,
Chief Executive Officer

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Business Segments

Famsa Mexico

In 3Q18, Net Sales increased 13.0% YoY, following the 12.7% annual growth in Same-Store Sales (SSS), driven by: i) the strong dynamism in credit sales; ii) the execution of strategic advertising campaigns such as “El Famsometro de Ofertas” and “Fiebre del Ahorro”; and, iii) the effective deployment of the canvass channel activity, which provides us a greater commercial outreach than our current sales floor.

The foregoing led to record in the quarter, annual growth rates of 20.6%, 13.0%, 6.8% and 3.7% in core categories such as Computers, Electronics, Mobile Phones and Appliances, respectively. Year-to-date, Net Sales increase 15.2% when compared to that registered in the same period 2017, totaling Ps.12,778 million.

Additionally, in pursuit of a better performance of our core categories for 4Q18 and subsequent periods, we will strive to consolidate a greater market penetration, by enhancing our offer and boosting the volume sold of our own brands in Electronics and Motorcycles. Furthermore, the offer of banking and credit solutions will be widened, pursuing the maximization of synergies between our retail and banking activities, circumscribed into an adequate framework for the incorporation of high-quality assets.

Banco Famsa

The commercial loan portfolio rose 10.2% YoY at the end of this period, expecting for the next quarters a better reflection of the benefits attached to the partnership with the fintech platform “Pitchbull”, carried out last quarter; providing Banco Famsa with access to more efficient credit granting processes, as well as presence in cities not covered by our existing branch network. Similarly, the bank made progress in the development of technological platforms oriented to both credit origination and investment account openings among the general public, with expected startup by mid-2019.

Regarding the Non-Performing Loans (NPL) ratio of Banco Famsa’s total loan portfolio, including payroll collection rights, it stood at 9.7% at the end of 3Q18. As of September 30, 2018, the participation of clients from the formal sector of the economy in our customer base reached a 64.7% share.

Banco Famsa continues to strengthen its collection processes, through the operation of specialized call centers and in-site collections, significantly contributing to contain the levels of past-due accounts in the credit portfolio, which, during 2018 posted greater effectiveness than those of 2016 and 2017. Therefore, we expect the current delinquency rise to be temporary, and bounce back towards December 2018.

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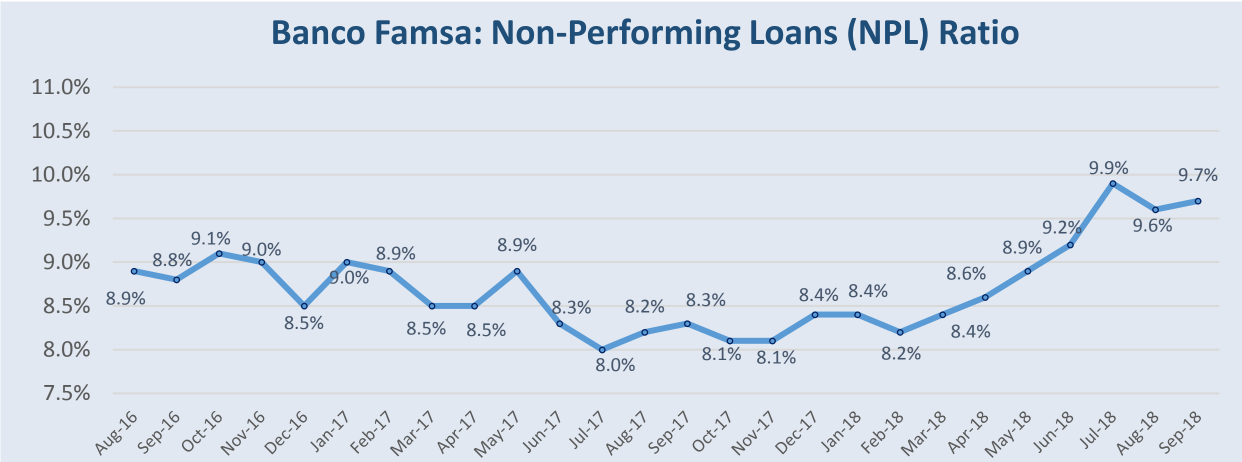
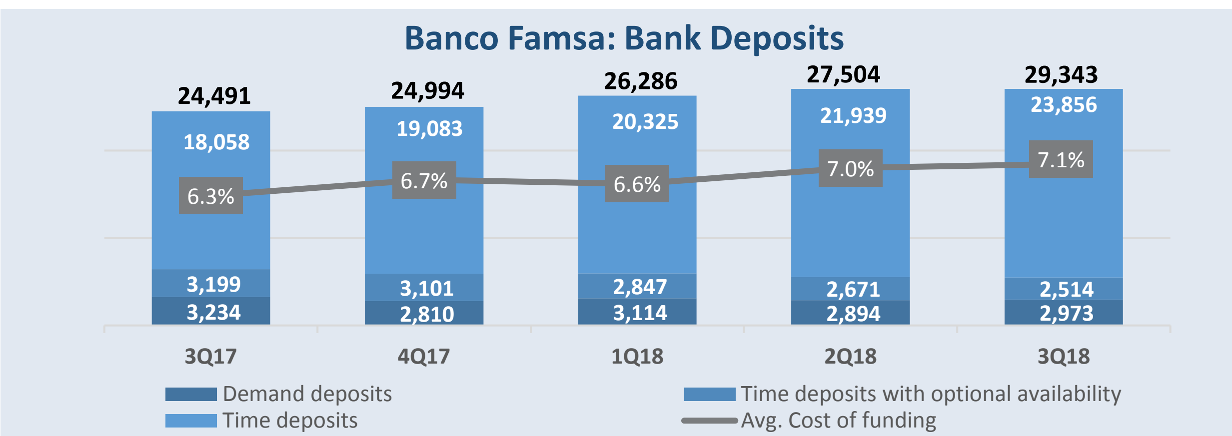


Source: Banco Famsa

In 3Q18, diverse campaigns were deployed seeking to enhance the opening of new investment accounts. As a result, Bank Deposits increased 19.8% vs. 3Q17, amounting to Ps.29,343 million. As of September 30, 2018, 76.9% of Grupo Famsa's funding was comprised of Bank Deposits, favorably compared to the 73.2% registered in 3Q17.

Interest on Bank Deposits totaled Ps.499 million, an annual increase of 33.9%, due to the combined effect of a larger bank deposits base and the last twelve months increase in the reference rate in Mexico (+75 bps.). Consequently, the average cost of funding rose to 7.1%, 80 bps. above the 6.3% recorded in 3Q17. In this sense, efforts are under way to drive the rebalancing of the bank deposits mix towards a greater participation of demand deposits, in order to mitigate the average cost of funding, despite the rising reference interest rate in Mexico.



Source: Banco Famsa

Among the set of initiatives to stimulate a healthy growth of banking operations, we pursue the expansion of our customer base through: i) the implementation of a referral program with attractive rewards for the promoter and the referral; ii) a further deployment of campaigns on digital platforms; and, iii) the introduction of new saving products.

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Famsa USA

During 3Q18, Net Sales in USD registered an annual decrease of 0.9%. Although, as a result of a higher USD/MXN exchange rate, Net Sales in Mexican pesos for this business unit increased 2.7% YoY.

On the other hand, in 3Q18, SSS in USD, for the second consecutive quarter, posted a growth rate (2.0% YoY) following the improved performance in core categories such as Personal Loans (+40.7% YoY), Appliances (+5.7% YoY) and Computers (+4.6% YoY). This result derived from: i) the launching of intensive marketing campaigns and the strengthening of our institutional image in digital and traditional media; and, ii) the broadening of the portfolio of services and brands in core categories of durable goods (standing out the inclusion of Samsung into the sales floor).

Likewise, with the objective of consolidating the recovery of Famsa USA's sales volume, in 4Q18 we will initiate a gradual opening program of kiosks in strategic points and implement the "Famsa app", seeking to provide a more agile service and maximize inventory turnover.

Business Units

The table below shows the breakdown of our network of retail stores and banking branches, which comprises the business units of Grupo Famsa.

Retail Stores & Banking Branches	Business Units						Floor Space (m²)		
	3Q18	Openings	Closures	2Q18	3Q17	Δ% YoY	3Q18	3Q17	Δ% YoY
Total	**812**	**4**	**8**	**816**	**857**	**(5.3%)**	**551,686**	**548,914**	**0.5%**
Stores	422	1	-	421	424	(0.5%)	513,511	507,811	1.1%
Famsa Mexico	379	1	-	378	376	0.8%	449,801	446,459	0.7%
Famsa USA	22	-	-	22	22	0.0%	60,287	57,810	4.3%
PL USA Branches	21	-	-	21	26	(19.2%)	3,423	3,542	(3.4%)
Banking Branches[1]	390	3	8	395	433	(9.9%)	38,175	41,103	(7.1%)

(1) Most banking branches are located within Famsa Mexico stores.

In 3Q18, the closure of all pawnshop branches was completed, ending the initiative to optimize the Company's branch network started in 2017. Quarterly CAPEX was used solely for maintenance of the current store network.

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Consolidated Financial Results

Net Sales

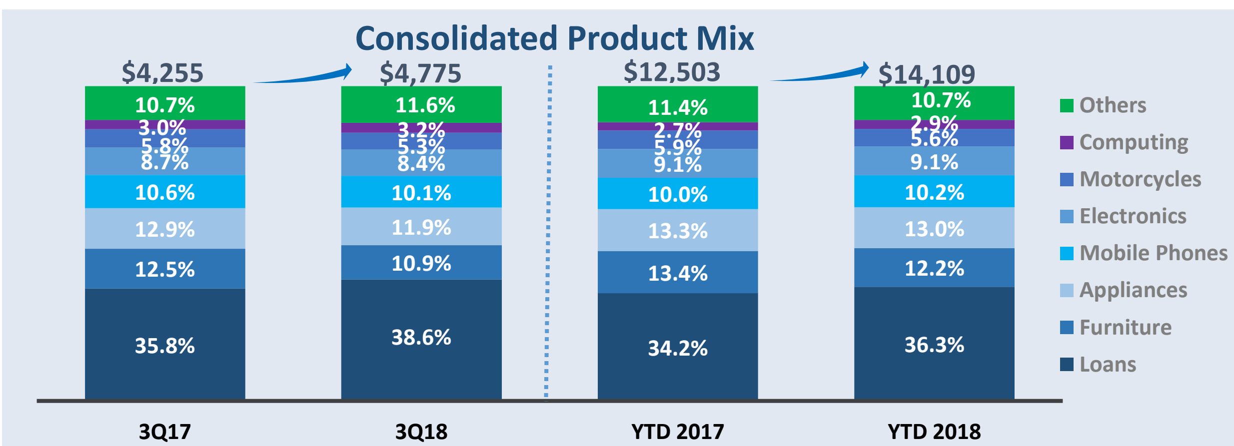
Segment	Net Sales						Same-Store Sales (SSS)			
	3Q18	3Q17	Δ%	YTD 2018	YTD 2017	Δ%	3Q18	3Q17	YTD 2018	YTD 2017
Grupo Famsa[1]	4,775	4,255	12.2%	14,109	12,503	12.8%	12.3%	2.8%	13.3%	1.5%
Famsa Mexico[2]	4,336	3,837	13.0%	12,778	11,089	15.2%	12.7%	7.2%	14.5%	5.2%
Famsa USA[3]	406	395	2.7%	1,241	1,328	(6.6%)	2.0%	(28.7%)	0.7%	(26.0%)
Other	220	223	(1.3%)	729	727	0.2%	-	-	-	-
Intercompany	(187)	(199)	(6.2%)	(638)	(642)	(0.6%)	-	-	-	-

(1) Includes sales of non-retail business
(2) Includes Banco Famsa
(3) SSS calculated in US dollars, excluding foreign exchange rate effects

3Q18 consolidated Net Sales totaled Ps.4,775 million, an increase of 12.2%, from Ps.4,255 million in 3Q17, driven by the strong performance of our operations in Mexico, which were in turn supported by a solid origination of consumer loans for both the acquisition of durable goods and cash (discretional spending outside Famsa stores). 3Q18 SSS rose 12.3%, 9.5 pp. more than the 2.8% increase in 3Q17.

As of September 30, 2018, accumulated consolidated Net Sales posted a YoY growth of 12.8%, totaling Ps.14,109 million, despite the weak consumption environment in Mexico during the first half of 2018, which has started to perform clear signs of improvement after the 2018 presidential elections, conducted in early July (reflected in the latest measurements of the consumer confidence index).

For 4Q18, extensive promotional plans will be implemented for our core categories of durable goods, which will be complemented by a broader offer of own-branded products; seeking to fully tap into “el Buen Fin” and Christmas, while preserve the sales volume displaced during the first nine months of the year.



Cost of Sales

In 3Q18, consolidated Cost of Sales reached Ps.2,652 million, up 11.5% YoY vs. the Ps.2,379 million in 3Q17, in line with the double-digit growth rate registered in Net Sales and Bank Deposits.

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Notwithstanding, the proportion of Cost of Sales to Net Sales decreased 40 bps., from 55.9% in 3Q17 to 55.5% this quarter, reflecting more efficient negotiations with suppliers, as well as an adequate inventory management.

As of September 30, 2018, accumulated consolidated Cost of Sales amounted to Ps.7,826 million, increasing 14.4% vs. the Ps.6,840 million registered in the same period 2017, aligned with the quarter result.

Gross Profit

3Q18 consolidated Gross Profit totaled Ps.2,123 million, 13.2% higher than that of 3Q17, mainly driven from higher volume of merchandise displaced. As a result, consolidated Gross Margin expanded 40 bps., from 44.1% in 3Q17 to 44.5% in this period.

YTD, consolidated Gross Profit was Ps.6,283 million, growing 10.9% YoY, while Gross Margin, so far this year, decreased 80 bps. vs. the 45.3% registered in the same period last year, standing at 44.5%; explained mainly by the rising interest on bank deposits (representing 9.7% of Net Sales in 3Q18 when compared to 7.8% in 3Q17).

Operating Expenses

Consolidated Operating Expenses (selling and administrative expenses) totaled Ps.1,872 million in 3Q18, registering a 3.1% increase when compared to 3Q17, mainly due to the reinforcement of staff carried out in different areas of the Company, such as Operations and Collection.

In contrast, the proportion of consolidated Operating Expenses to Net Sales decreased by 350 bps., shifting from 42.7% in 3Q17 to 39.2% in 3Q18, following the deployment of a tighter strategic control of the operating expenses.

Accumulated consolidated Operating Expenses for the nine-month period ended September 30, 2018, increased 6.6%, in a lower proportion than the growth rate of sales, to reach Ps.5,452 million, vs. Ps.5,116 million recorded in the same period 2017. In a year-to-date basis, the proportion of Operating Expenses to Net Sales decreased to 38.6%from 40.9%, a reduction of 230 bps.

EBITDA

Segment	EBITDA						% EBITDA			
	3Q18	3Q17	Δ%	YTD 2018	YTD 2017	Δ%	3Q18	3Q17	YTD 2018	YTD 2017
Grupo Famsa[1]	395	366	7.9%	1,308	1,157	13.0%	8.3%	8.6%	9.3%	9.3%
Famsa Mexico[2]	428	391	9.4%	1,383	1,205	14.8%	9.9%	10.2%	10.8%	10.9%
Famsa USA	(15)	(21)	29.0%	(33)	(40)	18.0%	(3.7%)	(5.1%)	(2.7%)	(3.0%)
Other	(19)	(5)	(>100%)	(44)	(5)	(>100%)	(8.7%)	(2.0%)	(6.0%)	(0.7%)
Intercompany	1	0	(>100%)	1	(2)	(>100%)	(0.6%)	0.2%	(0.1%)	0.4%

(1) Includes EBITDA from non-retail business
(2) Includes Banco Famsa

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3Q18 consolidated EBITDA reached Ps.395 million, a 7.9% growth when compared to the Ps.366 million in 3Q17, attributed to the implementation of the strategic initiatives started in 2017, aimed at boosting sales and achieving an increasingly efficient operation. It is important to note that 3Q17 EBITDA represents a high-base of comparison, due to an extraordinary gain associated to the sale transaction of Banco Famsa's corporate building oriented to enhance the capital level of the bank, amounting Ps.51 million. When isolating this effect, EBITDA's annual growth rate reached 25.2% YoY.

On the other hand, consolidated EBITDA margin for the quarter stood at 8.3%, vs. 8.6% in 3Q17 (also affected by the base of comparison).

As of September 30, 2018, the accumulated consolidated EBITDA amounted to Ps.1,308 million, 13.0% more than that recorded in the same period last year. Adjusting for the non-recurrent gain in 2017, 2018 year-to-date EBITDA posted a 18.2% annual growth.

Financial Expenses, net

	3Q18	3Q17	Δ%	YTD 18	YTD 17	Δ%
Interest income	128	95	35.3%	228	283	(19.5%)
Interest expenses	(327)	(293)	(11.7%)	(890)	(805)	(10.5%)
Exchange gain & losses, net	138	13	>100%	114	364	(68.6%)
Total	**(61)**	**(185)**	**67.0%**	**(548)**	**(158)**	**(>100%)**

In 3Q18, Net Financial Result was Ps.61 million, compared to Ps.185 million in 3Q17, favored by a net FX gain of Ps.138 million. Likewise, 2018 year-to-date Net Financial Result amounted to Ps.548 million, an increase of 2.5 times when compared to the Ps.158 million recorded in the same period last year, following a lower FX gain.

Net Income

3Q18 consolidated Net Income totaled Ps.1 million, compared to Ps.15 million in 3Q17. This variation is attributed to the recognition of Ps.221 million in deferred taxes in 3Q18, in contrast to the Ps.41 million recorded in 3Q17, effect that was partially offset by a Ps.138 million FX gain recorded this period.

As of September 30, 2018, accumulated consolidated Net Income reached Ps.156 million, compared to the Ps.721 million registered in the same period last year, as a result of: i) a lower foreign exchange gain (Ps.114 million in 3Q18 vs. Ps.364 million in 3Q17); and, ii) tax effects, reflected in a high basis of comparison in the deferred taxes line (Ps.261 million in 3Q18 vs. Ps.106 million in 3Q17). It is important to note that both items do not imply any cash outflow. Regarding tax effects, in 3Q18 we recorded a minor fiscal loss amortization compared to 3Q17 (unfavorable) and an increase in deferred liabilities associated to advance payments carried out and non-significant FX fluctuations (unfavorable) vs. 3Q17.

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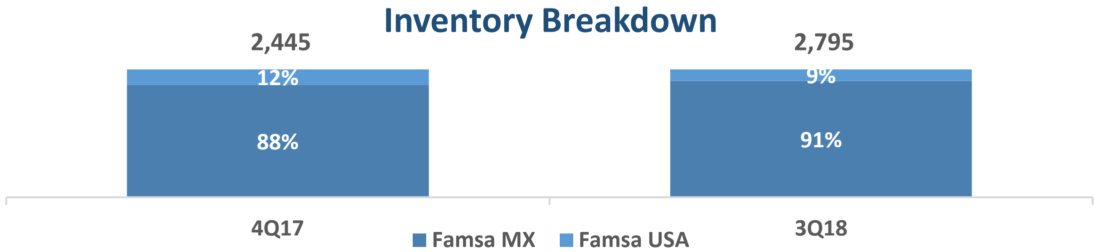
Financial Position Summary

Key Items	3Q18	4Q17	Δ%
Trade Receivables, net	27,843	25,200	10.5%
Mexico Consumer	21,260	18,517	14.8%
Mexico Commercial	4,528	4,360	3.8%
USA Consumer	2,056	2,323	(11.5%)
Inventory	2,795	2,445	14.3%



Trade Receivables

At the end of September 2018, consolidated trade receivables balance, net of allowances for doubtful accounts, was Ps.27,843 million, up 10.5% when compared to Ps.25,200 million in 4Q17.

Separately, the Consumer Portfolio in Mexico rose 14.8% in 3Q18 vs. 4Q17, totaling Ps.21,260 million, as a result of the solid origination of consumer loans both for the acquisition of durable goods and cash (discretional spending outside Famsa stores). Furthermore, the Commercial Portfolio in Mexico increased 3.8% when compared to the figure recorded as of December 31, 2017, amounting to Ps.4,528 million.

On the other hand, the Consumer Portfolio in the US reached Ps.2,056 million in 3Q18, compared to Ps.2,323 million in 4Q17, due to a lower credit origination recorded during the nine months of the year.

Inventory

It is important to highlight that we continue working to achieve greater efficiencies in the inventory turnover; reaching stable levels at the end of this quarter, despite the increase in sales and inflationary and exchange rate pressures; contributing to the maximization of the working capital.

Debt

	3Q18	4Q17	Δ%
Net Debt	7,202	7,383	(2.4%)
Gross Debt	8,796	9,026	(2.5%)
Interest Coverage Ratio	1.7	1.5	-

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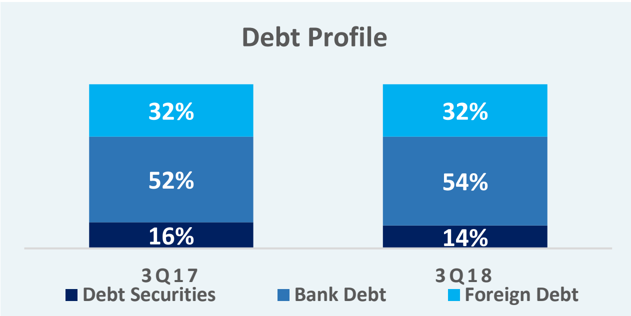
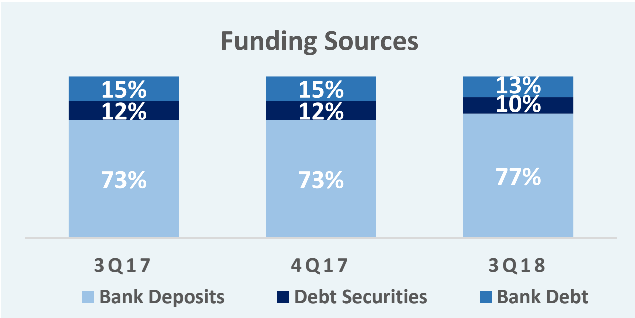
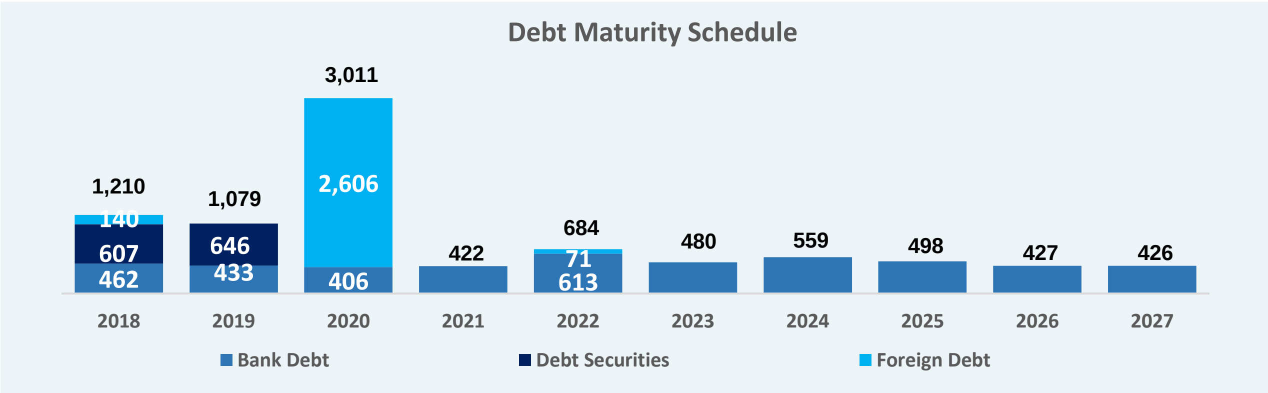
Leverage Ratios	3Q18	4Q17	Δ
Total Debt (ex. Bank Deposits) / EBITDA (LTM)	4.5x	4.9x	(0.4x)
Net Debt (ex. Bank Deposits) / EBITDA (LTM)	3.6x	4.0x	(0.4x)
Total Debt (ex. Bank Deposits) / Shareholders' Equity	1.2x	1.2x	-

As of September 30, 2018, Gross Debt, excluding Banking Deposits, decreased 2.5% from Ps.9,026 million in 4Q17 to Ps.8,796 million this quarter, in line with our strategy oriented to settle the amortizations of our financial liabilities and to reduce the Company's leverage level. Similarly, 3Q18 Net Debt was Ps.7,202 million, vs. Ps.7,383 million in 4Q17.







At quarter-end, Grupo Famsa's Gross Debt was composed as follows:

Debt Composition	Short-term	%	Long-term	%	Total	%
Bank Debt	949	44.1%	3,988	60.0%	4,937	56.1%
Debt Securities	1,201	55.9%	2,658	40.0%	3,859	43.9%
	2,150	**100.0%**	**6,646**	**100.0%**	**8,796**	**100.0%**

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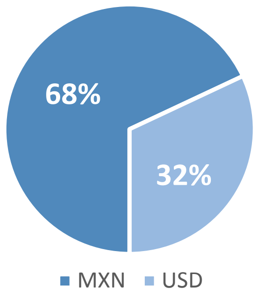
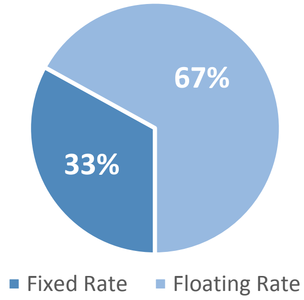
By Currency



By Rate



Shareholders’ Equity

At the end of 3Q18, shareholders’ equity totaled Ps.7,255 million, constant vs. the Ps.7,255 million registered as of December 31, 2017.

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Recent Developments

- On September 18th, Fitch Ratings affirmed Grupo Famsa's long-term national and international rates at 'BB(mex)' and 'B-', respectively. Additionally, the credit rating agency upgraded the Company's outlook to "Positive", from "Stable". Regarding the national short-term rating, it was affirmed at 'B(mex)'.

Forward-looking Statements

This report contains, or may be deemed to contain, forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The future results of Grupo Famsa, S.A.B. de C.V. and its subsidiaries may differ from the results expressed in, or implied by, the forward-looking statements set out herein, possibly to a material degree.

Analyst Coverage

Since Grupo Famsa, S.A.B. de C.V. ("Famsa") securities are subject to the rules and regulations included in the Reglamento Interior de la Bolsa Mexicana de Valores (Interior Rules and Regulations of the Mexican Stock Market), the Company would like to inform that, in compliance with that stated in Disposition 4.033.10 of said Rules and Regulations, the following financial institutions provide formal coverage over its stock: GBM, Vector and BBVA Bancomer. For further information on institutional coverage, please visit www.grupofamsa.com .

Technical Notes and Bases for Consolidation and Presentation

Non-performing Loans Ratio (NPL): The calculation of NPL in this Quarterly Report includes "Collection Rights" in Banco Famsa's total Credit Portfolio. These rights correspond to loans that are discounted via payroll. Due to an accounting reclassification that came into effect in July 2013, they are excluded from the Credit Portfolio used for the calculation of the NPL indicator for the Mexican National Banking and Securities Commission (CNBV).

Credit Portfolio: Banco Famsa's business model focuses largely on Consumer Credit, therefore the weight of such credits in the bank's portfolio mix differs from that of standard financial institutions in the Mexican-banking sector. Consequently, Banco Famsa's results and figures are not directly comparable with those of the aforementioned.

Net Financial Expenses: They are primarily comprised of the Financial Expenses corresponding to financing instruments and foreign exchange rate effect.

Percentage rates of change: Percentage rates of change presented in this Report are calculated according to the consolidated financial statements contained herein.

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Consolidated Financial Statements

Grupo Famsa, S.A.B. de C.V. and subsidiaries

Consolidated Statements of Financial Position

Thousands of Mexican Pesos

	30-Sep-18	31-Dec-17	Δ$	Δ%
Assets				
CURRENT ASSETS:				
Cash and equivalents	1,594,249	1,643,117	(48,868)	(3.0%)
Trade receivables, net	18,706,840	16,768,429	1,938,411	11.6%
Rights to collect from related parties	227,153	800,000	(572,847)	(71.6%)
Recoverable taxes	477,145	324,763	152,382	46.9%
Other accounts receivable	2,883,379	2,140,876	742,503	34.7%
Inventories	2,794,695	2,445,183	349,512	14.3%
Advance payments	755,768	454,534	301,234	66.3%
Total current assets	**$27,439,229**	**$24,576,902**	**$2,862,327**	**11.6%**
NON-CURRENT ASSETS:				
Restricted cash	311,785	311,785	-	-
Trade receivables, net	9,136,213	8,431,555	704,658	8.4%
Rights to collect from related parties	3,004,702	3,304,702	(300,000)	(9.1%)
Property, leasehold improvements, and furniture & equipment, net	1,169,135	1,378,676	(209,541)	(15.2%)
Goodwill and intangible assets, net	451,307	473,228	(21,921)	(4.6%)
Guarantee deposits	150,045	136,373	13,672	10.0%
Other assets	1,787,068	1,368,764	418,304	30.6%
Deferred income tax	4,529,354	4,814,057	(284,703)	(5.9%)
Total non-current assets	**$20,539,609**	**$20,219,140**	**$320,469**	**1.6%**
Total assets	**$47,978,838**	**$44,796,042**	**$3,182,796**	**7.1%**
Liabilities and Stockholders' equity				
CURRENT LIABILITIES:				
Demand deposits	27,483,143	22,623,205	4,859,938	21.5%
Short-term debt	2,150,004	2,911,207	(761,203)	(26.15%)
Suppliers	1,062,647	1,579,182	(516,535)	(32.7%)
Accounts payable and accrued expenses	905,552	1,300,450	(394,898)	(30.4%)
Deferred income from guarantee sales	247,045	255,513	(8,468)	(3.3%)
Income tax payable	19,306	74,099	(54,793)	(73.9%)
Total current liabilities	**$31,867,697**	**$28,743,656**	**$3,124,041**	**10.8%**
NON-CURRENT LIABILITIES:				
Time-deposits	1,860,055	2,370,959	(510,904)	(21.5%)
Long-term debt	6,646,214	6,114,730	531,484	8.6%
Deferred income for guarantee sales	169,939	135,339	34,600	25.6%
Employee benefits	180,248	176,454	3,794	2.2%
Total non-current liabilities	**$8,856,456**	**$8,797,482**	**$58,974**	**0.7%**
Total liabilities	**$40,724,153**	**$37,541,138**	**$3,183,015**	**8.5%**
Stockholders' equity				
Capital stock	1,703,362	1,706,089	(2,727)	(0.2%)
Additional paid-in capital	3,804,224	3,836,949	(32,725)	(0.9%)
Retained earnings	778,656	468,796	309,860	66.1%
Net income	150,499	305,496	(154,997)	(50.7%)
Reserve for repurchase of shares	234,957	216,119	18,838	8.7%
Foreign currency translation adjustment	487,220	630,984	(143,764)	(22.8%)
Total stockholders' equity attributable to shareholders	**7,158,918**	**7,164,433**	**(5,515)**	**(0.1%)**
Non-controlling interest	95,767	90,471	5,296	5.9%
Total stockholders' equity	**$7,254,685**	**$7,254,904**	**($219)**	**0.0%**
Total liabilities and stockholders' equity	**$47,978,838**	**$44,796,042**	**$3,182,796**	**7.1%**

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Consolidated Statement of Income

Thousands of Mexican Pesos

	3Q18	3Q17	Δ$	Δ%	YTD 18	YTD 17	Δ$	Δ%
Total revenues	4,775,038	4,255,331	519,707	12.2%	14,108,939	12,502,813	1,606,126	12.8%
Cost of sales	(2,652,033)	(2,379,100)	(272,933)	(11.5%)	(7,825,660)	(6,839,532)	(986,128)	(14.4%)
Gross profit	**$2,123,005**	**$1,876,231**	**$246,774**	**13.2%**	**$6,283,279**	**$5,663,281**	**$619,997**	**10.9%**
Operating expenses	(1,871,675)	(1,815,027)	(56,648)	(3.1%)	(5,452,129)	(5,116,073)	(336,056)	(6.6%)
Other Income, net	45,277	204,261	(158,984)	(77.8%)	168,429	294,420	(125,991)	(42.8%)
Operating profit	**$296,607**	**$265,465**	**$31,142**	**11.7%**	**$999,579**	**$841,628**	**$157,951**	**18.8%**
Financial income	128,451	94,951	33,500	35.3%	227,672	282,881	(55,209)	(19.5%)
Financial expenses	(327,719)	(293,458)	(34,261)	(11.7%)	(889,619)	(805,262)	(84,357)	(10.5%)
FX gain & losses, net	138,102	13,313	124,789	937.3%	114,440	364,620	(250,180)	(68.6%)
Financial expenses, net	(61,166)	(185,194)	124,028	67.0%	(547,507)	(157,761)	(389,746)	(247.0%)
Profit before income tax	**$235,441**	**$80,271**	**$155,170**	**193.3%**	**$452,072**	**$683,867**	**($231,795)**	**(33.9%)**
Income tax	(234,252)	(65,381)	(168,872)	(258.3%)	(296,285)	37,402	(333,687)	(892.2%)
Consolidated net income	**$1,189**	**$14,891**	**($13,702)**	**(92.0%)**	**$155,786**	**$721,268**	**($565,482)**	**(78.4%)**
Controlling interest	($2,051)	$14,595	($16,646)	(114.1%)	$150,490	$719,497	($569,007)	(79.1%)
Non-controlling interest	$3,240	$296	$2,944	994.6%	$5,296	$1,771	$3,525	199.0%
Consolidated net income	**$1,189**	**$14,891**	**($13,702)**	**(92.0%)**	**$155,786**	**$721,268**	**($565,482)**	**(78.4%)**

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Grupo Famsa, S.A.B. de C.V. and subsidiaries

Consolidated Statement of Cash Flows
Thousands of Mexican Pesos

	YTD 18	YTD 17
Operating activities		
Profit before income tax	452,080	683,875
Depreciation and amortization	308,000	315,528
Allowance for doubtful receivables	1,095,514	1,034,482
Income on sale of property, leasehold improvements, furniture & equipment	(17,186)	(200,701)
Estimated liabilities for labor benefits	35,649	52,468
Interest Income	(29,197)	(11,398)
Interest accrued on collection rights with related parties	(198,475)	(271,483)
Interest expenses	889,619	805,262
Interest paid on bank deposits	1,368,474	975,417
Exchange gain and losses, net	(255,635)	(625,390)
Net cash flows from operating activities before variations in working capital	**$3,648,843**	**$2,758,060**
Clients	(2,667,261)	(2,940,753)
Inventories	(349,512)	77,676
Trade receivables	(1,627,527)	(635,528)
Suppliers	(504,812)	(248,610)
Other accounts payable	(391,099)	(101,817)
Income tax paid	(89,629)	(51,869)
Demand deposits and time deposits	4,320,989	3,385,799
Interest on bank deposits	(1,340,429)	(932,928)
Net cash flows from operating activities	**$999,563**	**$1,310,030**
Investing activities		
Acquisition of property, leasehold improvements, furniture and equipment	(97,740)	(75,516)
Acquisition of intangible assets	(8,436)	(9,975)
Proceeds from sale of property, furniture and equipment	23,247	244,784
Interest received	29,197	11,399
Net cash flow used in investing activities	**($53,732)**	**$170,692**
Financing activities		
Interest paid	(892,687)	(724,488)
Proceeds from current and non-current debt and bank loans	2,087,525	4,367,716
Payments of current and non-current debt and bank loans	(2,173,214)	(4,811,922)
Stock repurchase, net	(16,615)	5,441
Net cash flow from financing activities	**($994,991)**	**($1,163,253)**
(Decrease) increase in net cash and cash equivalents	(49,160)	317,469
Adjustments to cash flow as a result of changes in exchange rates	292	744
Cash and cash equivalents at the beginning of the period	1,643,117	1,503,578
Cash and cash equivalents at the end of the period	**$1,594,249**	**$1,821,791**

Notes to the Financial Statements: For a greater depth of analysis, we recommend referring to the Notes of our Financial Statements at www.grupofamsa.com .

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