Results and Important Events for the Fourth Quarter and Full Year 2016

- **Increase of 8.9% in Same-Store Sales in the full year and 7.3% in the fourth quarter**
- **Increase of 19.8% in EBITDA for the full year and 14.8% in the fourth quarter**
- **Margin expansion of 40 basis points in 2016**
- **3,195 total units in the portfolio, which includes 241 additional units compared with the prior year**

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Alberto Torrado, Executive Chairman of Alsea, said: *"2016 was another very good year for Alsea, as we managed to exceed our proposed 5 billion pesos target in EBITDA and achieve a margin of 13.7%, thanks to the positive performance of almost all brands in our portfolio, reaching an 8.9% growth in same-store sales and to the increase of 219 corporate stores, a record year in the opening of corporate units. In 2016, we continued to consolidate our presence in the markets where we operate, a clear example was the acquisition of Archie's in Colombia, which is the largest chain of Italian food restaurants in the country, reaffirming our continuous growth strategy. In November, we announced the appointment of Renzo Casillo as Chief Executive Officer of Alsea, who with his strong track record of value creation in highly competitive consumer industries and diverse environments, is undoubtedly the right executive to lead our Company in the next chapter of growth and consolidation."*

And finally, he added: "We are convinced that thanks to our strong business model, the significant geographical diversification and that of the segments in our portfolio, the consistent execution of our growth strategy, as well as the effort and commitment of the more than 67,000 employees that are part of Alsea, will once again successfully fulfill the established projects and goals, focused on the continuous operative improvement of our units and always seeking to add profitability to our consolidated results, responding to the trust of our investors and strategic partners."

February, 2016

4Q16 Quarterly Report

Mexico City, February 15, 2017. Alsea, S.A.B. de C.V. (BMV: ALSEA), the leading Quick Service Restaurant (QSR), Coffee Shop, Casual Dining and Family Restaurant operator in Latin America and Spain, released its results for the fourth quarter and full year 2016. This information is presented in nominal terms pursuant to International Financial Reporting Standards (IFRS).*

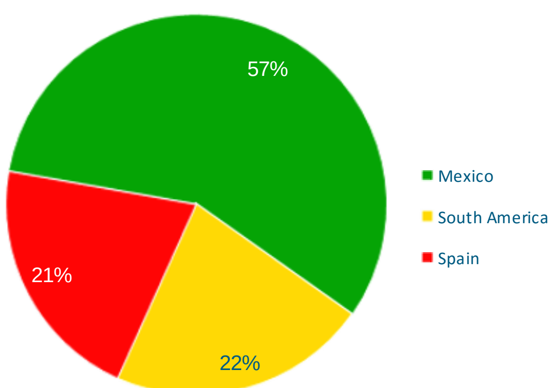
CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2016

The following table shows a condensed Income Statement in millions of pesos (except EPS). The margin for each item represents net sales and the percentage change for the quarter ended December 31, 2016, in comparison with the same period of 2015:

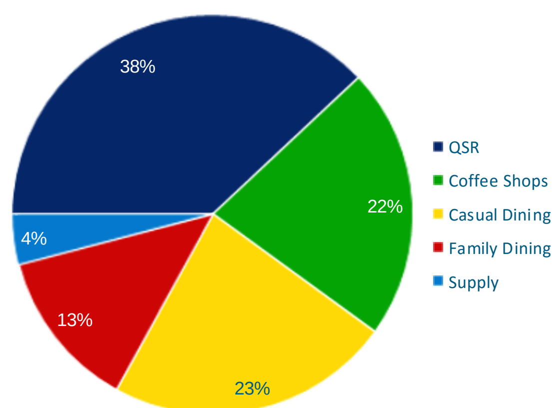
	4Q 16	*% Margin*	*4Q 15*	*% Margin*	*% Change*
Net Sales	$10,500	100.0%	$8,958	100.0%	17.2%
Gross Income	7,249	69.0%	6,174	68.9%	17.4%
EBITDA(1)	1,569	14.9%	1,367	15.3%	14.8%
Operating Income	894	8.5%	793	8.9%	12.8%
Net Income	$654	6.2%	$497	5.5%	31.6%
EPS(2)	1.19	N.A.	1.17	N.A.	1.7%

(1) EBITDA is defined as operating income before depreciation and amortization.
(2) EPS is earnings per share for the last 12 months.

SALES BY GEOGRAPHIC LOCATION*



SALES BY SEGMENT*

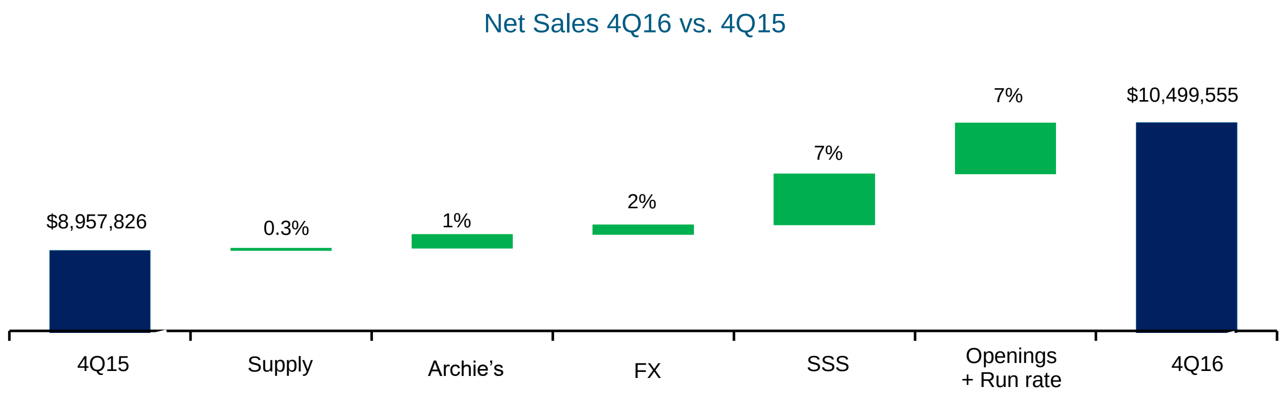


**Information for 4Q16*

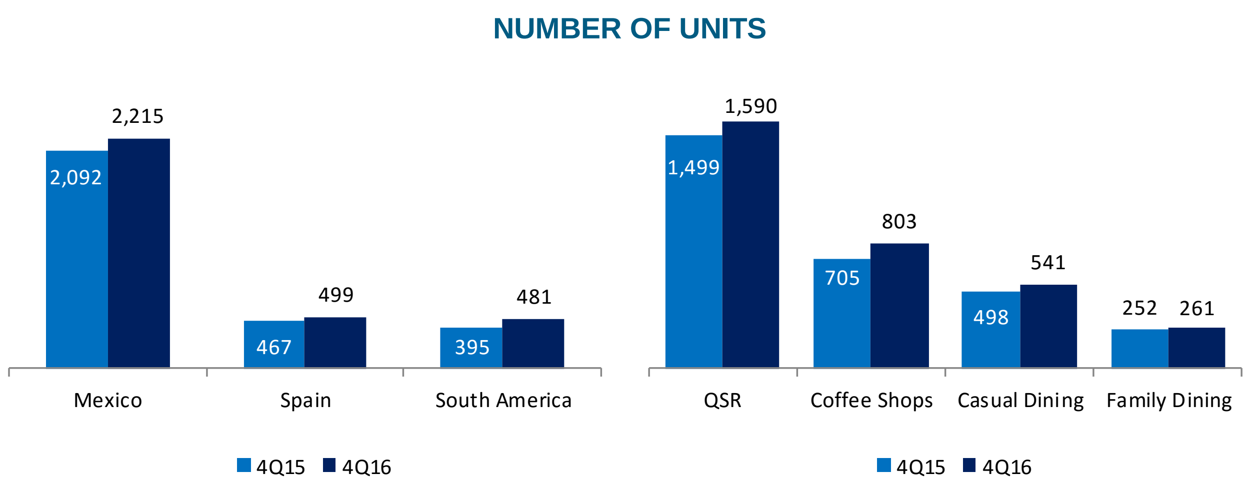
SALES

Net sales increased 17.2% to 10,500 million pesos in the fourth quarter of 2016, in comparison with 8,958 million pesos in the prior year. This increase was due mainly to the 7.3% growth in same-store sales, revenues from the distribution and production segment, and the addition of 219 corporate units, for a total of 2,502 corporate units at the end of December 2016, which represents a growth of 9.6% over the same period of the prior year. The increase in sales was partially offset by the negative effect of the devaluation of the Argentinean peso which was offset by the appreciation of the euro against the Mexican peso.

4Q16 Quarterly Report



The business portfolio in Mexico recorded growth of 4.9% in same-store sales, and our brands in South America presented growth of 22.0% in same-store sales. Likewise, the brands in Spain also posted positive results in the quarter, with growth of 0.3% in same-store sales, in comparison with the same period of the prior year.



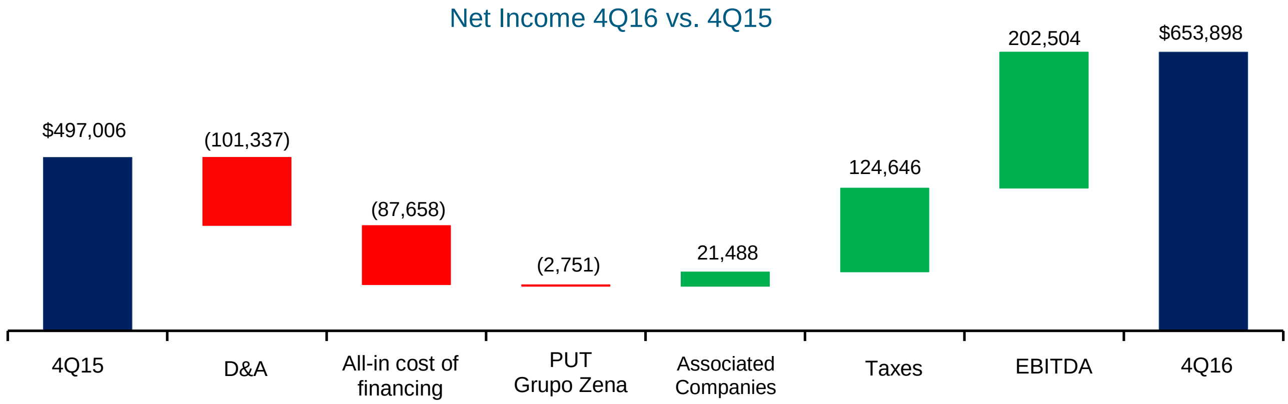
EBITDA

As a result of the 17.4% growth in gross income and the 18.2% increase in operating expenses (excluding depreciation and amortization), EBITDA rose 14.8% to 1,569 million pesos at the close of the fourth quarter of 2016, compared with the 1,367 million pesos in the same period of the prior year. The increase in EBITDA of 203 million pesos is mainly attributable to the growth in same-store sales, operating efficiencies, as well as to an increase in the number of units. This increase was partially offset by the impact on results arising from depreciation of the Mexican peso against the dollar and to a lesser degree to the devaluation of some currencies in Latin America. EBITDA margin decreased 40 basis points as a percentage of sales, falling from 15.3% in the fourth quarter of 2015, to 14.9% in the same period of 2016, mainly due to the exchange rate impact, as well as to the increase in expenses related to the strategy of improving the compensation of store personnel, with the objective of reducing rotation, and to the increase in tariffs for energy services.

NET INCOME

Net income in the quarter increased 157 million pesos over the same period in the prior year, closing at 654 million pesos, compared with 497 million pesos in the fourth quarter of 2015. This increase is mainly due to the rise of 101 million pesos in operating income, the decrease of 125 million pesos in income taxes derived from the immediate deduction of expenses and capitalized fixed assets, coupled with the recognition of the deferred tax benefit arising from tax losses pending amortization. Likewise, the increase is attributed to a lesser extent to the increase of 21 million pesos from the share in the results of associated companies. This variation was partially offset by the increase of 90 million pesos in the all-in cost of financing as consequence of the 90 million pesos increase in interest paid – net.

Earnings per share ("EPS")(2) for the 12 months ended December 31, 2016, increased to 1.19 pesos, compared with 1.17 pesos for the 12 months ended December 31, 2015.



RESULTS BY SEGMENT FOR THE FOURTH QUARTER 2016

MEXICO

Alsea México	*Food and Beverages*				*Distribution and Production*				*Total*			
	4Q 16	*4Q 15*	*Var.*	*% Var.*	*4Q 16*	*4Q 15*	*Var.*	*% Var.*	*4Q 16*	*4Q 15*	*Var.*	*% Var.*
Same-Store Sales	4.9%	6.1%	(120) bps	-	-	-	-	-	4.9%	6.1%	(120) bps	-
Number of Units	2,215	2,092	123	6%	-	-	-	-	2,215	2,092	123	6%
Sales	5,594	5,088	$507	10%	2,047	1,763	$285	16%	5,967	5,404	$564	10%
Adjusted EBITDA*	1,285	1,262	$23	2%	148	148	-	-	1,433	1,410	$23	2%
Adjusted EBITDA Margin*	23.0%	24.8%	(180) bps	-	7.3%	8.4%	(110) bps	-	24.0%	26.1%	(210) bps	-

*Adjusted EBITDA does not include administrative expenses, thus it represents the "Store EBITDA."

In the fourth quarter of 2016, Alsea Mexico's sales increased 10% to 5,967 million pesos, compared with 5,404 million pesos in the same period in 2015. This increase of 564 million pesos is mainly attributable to the increase of 104 corporate units among the different brands over the last 12 months, the 4.9% growth in same-store sales, as well as to the 18.0% increase in sales to third parties in the Distribution and Production segment, in comparison with the same quarter of 2015. This can be attributed to the growth in the number of units served over the last 12 months: a total of 2,136 units were being served as of December 31, 2016, in comparison with 2,097 units for the same period in the previous year, which was a 1.9% increase.

Adjusted EBITDA at Alsea Mexico increased 1.6% during the fourth quarter of 2016, closing at 1,433 million pesos, compared with the 1,410 million pesos reported in the same period of the prior year. This increase is attributable to the 4.9% growth in same-store sales, in addition to the margin created by the higher number of units in operation and to the business mix. The foregoing was partially offset by the impact from the devaluation of the peso against the dollar, to the increase in expenses related to the strategy of improving the compensation of store personnel, with the objective of reducing rotation, and to the increase in tariffs for energy services in Mexico.

SPAIN

Alsea Spain	*4Q 16*	*4Q 15*	*Var.*	*% Var.*
Same-Store Sales	0.3%	7.2%	(690) bps	-
Number of Units	499	467	32	7%
Sales	$2,172	$1,647	$524	32%
Adjusted EBITDA*	$476	$338	$137	41%
Adjusted EBITDA Margin*	21.9%	20.5%	140 bps	-

*Adjusted EBITDA does not include administrative expenses, thus it represents the “Store EBITDA.”

Sales at Alsea Spain represented 21% of Alsea’s consolidated sales, and at the end of the fourth quarter of 2016 included the operations of Foster’s Hollywood, Domino’s Pizza, Burger King, LAVACA, Cañas y Tapas and Il Tempietto. Sales in this segment increased 31.8% to 2,172 million pesos, in comparison with 1,647 million pesos in the fourth quarter of 2015. This positive variation of 524 million pesos was mainly due to the 0.3% growth in same-store sales, driven principally by product innovation at Domino’s Pizza and by the solid performance of Foster’s Hollywood in Spain. At the end of the period there were a total of 344 corporate units and 155 sub-franchised units.

Adjusted EBITDA at Alsea Spain at the end of the fourth quarter of 2016 was 476 million pesos, in comparison with 338 million pesos in the same period in 2015. EBITDA margin at the end of the fourth quarter 2016 showed a positive variation of 140 basis points over the same period of the prior year. This increase is attributable to the growth in same-store sales, as well as to a drop in the price of some inputs in comparison with the fourth quarter of 2015.

SOUTH AMERICA

Alsea South America	*4Q 16*	*4Q 15*	*Var.*	*% Var.*
Same-Store Sales	22.0%	28.4%	(640) bps	-
Number of Units	481	395	86	22%
Sales	$2,360	$1,907	$454	24%
Adjusted EBITDA*	$415	$311	$104	33%
Adjusted EBITDA Margin*	17.6%	16.3%	130 bps	-

*Adjusted EBITDA does not include administrative expenses, thus it represents the “Store EBITDA.”

Sales at Alsea South America represented 22% of Alsea’s consolidated sales, and at the end of the fourth quarter of 2016 included Burger King operations in Argentina, Chile and Colombia, Domino's Pizza Colombia, Starbucks Argentina, Chile and Colombia, Archie’s in Colombia and P.F. Chang’s in Chile, Argentina, Colombia and Brazil. At the end of the period there were a total of 460 corporate units and 21 sub-franchised units. Sales in this segment increased 23.8% to 2,360 million pesos, in comparison with 1,907 million pesos in the fourth quarter of 2015. This positive variation of 454 million pesos was mainly due to the increase of 84 corporate units; this variation was partially offset by the devaluation of the Argentinean currency.

Adjusted EBITDA at Alsea South America at the end of the fourth quarter of 2016, increased by 33.4%, closing at 415 million pesos, in comparison with 311 million pesos in the same period in 2015. EBITDA margin at the end of the fourth quarter 2016 increased 130 basis points over the same period of the prior year. This positive variation is partially attributable to the economies of scale arising from the aforementioned increase in corporate units. This change was partially offset by the effect of the increase in rates of energy, water and gas services in Argentina.

CONSOLIDATED RESULTS FOR FULL-YEAR 2016

The following table shows a condensed Income Statement in millions of pesos (except EPS). The margin for each item represents net sales, as well as the percentage change for the year ended December 31, 2016, in comparison with the same period of 2015:

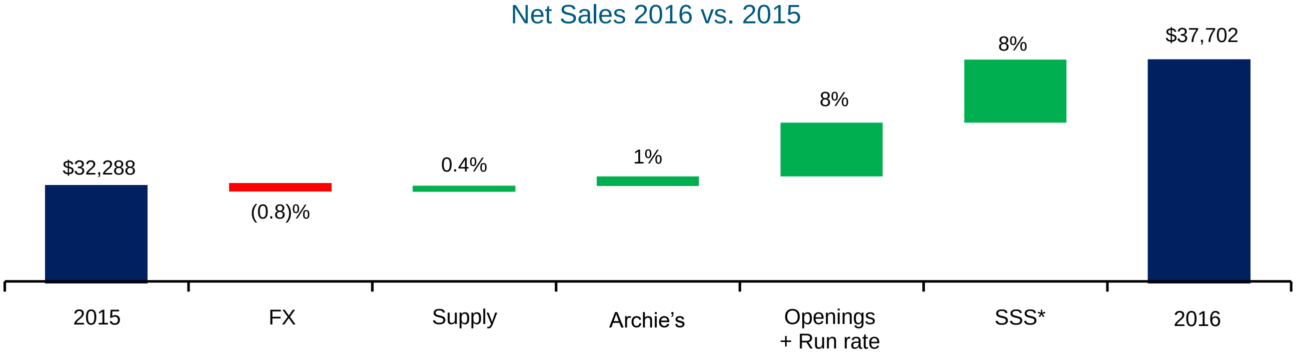
	2016	*% Margin*	*2015*	*% Margin*	*% Change*
Net Sales	$37,702	100.0%	$32,288	100.0%	16.8%
Gross Income	25,922	68.8%	22,139	68.6%	17.1%
EBITDA(1)	5,155	13.7%	4,302	13.3%	19.8%
Operating Income	2,767	7.3%	2,354	7.3%	17.6%
Net Income	$1,126	3.0%	$1,033	3.2%	9.1%
EPS(2)	1.19	N.A.	1.17	N.A.	1.7%

(1) EBITDA is defined as operating income before depreciation and amortization.
(2) EPS is earnings per share for the last 12 months.

SALES

Net sales increased 16.8% to 37,702 million pesos in 2016, compared to 32,288 million pesos during the prior year. This increase was mainly due to the growth of 8.9% in same-store sales, revenues from the distribution and production segment, and to the increase of 219 corporate units, for a total of 2,502 corporate stores at the end of December 2016, which is growth of 9.6% over the same period of the prior year. This increase in sales was partially offset by the negative effect of the devaluation of the Argentinean peso which was offset by the appreciation of the euro against the Mexican peso.

Net Sales 2016 vs. 2015



**The percentage of SSS contribution is the effect on the total revenue base.*

The business portfolio in Mexico reported a growth of 5.9% in same-store sales at the end of 2016, and our brands in South America presented growth of 23.5% in same-store sales, achieving a slightly below mid-single digit growth in transactions. Likewise, our brands in Spain posted positive results in the year, with growth of 4.3% in same-store sales, in comparison with the same period of the prior year.

EBITDA

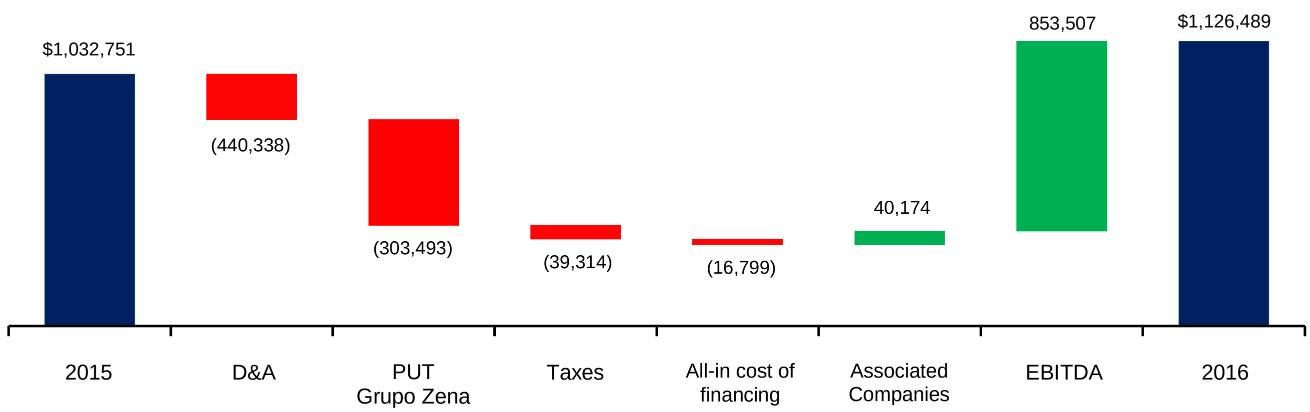
As a result of the 17.1% growth in gross income and the 16.4% increase in operating expenses (excluding depreciation and amortization), EBITDA rose 19.8% to 5,155 million pesos at the close of 2016, compared to 4,302 million pesos in the same period of the prior year. The 854 million-peso increase in EBITDA is mainly attributable to same-store sales growth, operating efficiencies, and the increase in the number of units and the positive contribution from incorporating Archie's in Colombia into our portfolio. That increase was partially offset by the impact on results due to depreciation of the Mexican peso against the dollar, as well as to the increase in expenses related to the strategy of improving the compensation of store personnel and to the increase in tariffs for energy services. EBITDA margin increased 40 basis points as a percentage of sales, rising from 13.3% in 2015, to 13.7% in 2016.

NET INCOME

Net income in the year increased 94 million pesos over the same period in the prior year, closing at 1,126 million pesos, compared with 1,033 million pesos in the prior year, mainly due to the 413 million-peso increase in operating income. This variation was partially offset by the increase of 320 million pesos in the all-in cost of financing, as a consequence of the negative variation caused by revaluation of the liability related to the call and put options of the remaining 28.24% of Grupo Zena, due to depreciation of the Mexican peso against the euro, as well as to the increase of 164 million pesos in interest paid – net and to a lesser extent to the increase of 39 million pesos in income tax.

Earnings per share ("EPS")(2) for the 12 months ended December 31, 2016, increased to 1.19 pesos, compared with 1.17 pesos for the 12 months ended December 31, 2015.

Net Income 2016 vs. 2015



RESULTS BY SEGMENT FOR FULL YEAR 2016

MEXICO

Alsea México	Food and Beverages				Distribution and Production				Total			
	2016	2015	Var.	% Var.	2016	2015	Var.	% Var.	2016	2015	Var.	% Var.
Same-Store Sales	5.9%	4.4%	150 bps	-	-	-	-	-	5.9%	4.4%	150 bps	-
Number of Units	2,215	2,092	123	6%	-	-	-	-	2,215	2,092	123	6%
Sales	20,628	18,672	$1,956	10%	7,258	6,375	$883	14%	21,986	19,896	$2,090	10%
Adjusted EBITDA*	4,545	4,091	$453	11%	660	582	$78	13%	5,205	4,674	$531	11%
Adjusted EBITDA Margin*	22.0%	21.9%	10 bps	-	9.1%	9.1%	-	-	23.7%	23.5%	20 bps	-

*Adjusted EBITDA does not include administrative expenses, thus it represents the "Store EBITDA."

Sales at Alsea Mexico during the year ended December 31, 2016, increased 10% to 21,986 million pesos, compared to 19,896 million pesos in the same period of 2015. This favorable variation of 2,090 million pesos is mainly attributable to the incorporation of 104 corporate units of the different brands over the last 12 months, the 5.9% growth in same-store sales, as well as the increase of 13.2% in sales to third parties in the distribution and production segment in comparison with 2015. This can be attributed to the growth in the number of units served over the last 12 months, supplying a total of 2,136 units at December 31, 2016, in comparison with 2,097 units for the same period in the previous year, which was a 1.9% increase.

Adjusted EBITDA increased 11.4% during the 12 months ended December 31, 2016, closing at 5,205 million pesos, compared with 4,674 million pesos reported in the same period of the prior year. This increase is attributable to the 5.9% growth in same-store sales, in addition to the margin created by the higher number of units in operation and to the business mix. The foregoing was partially offset by the impact from the devaluation of the peso against the dollar, to the increase in expenses related to the strategy of improving the compensation of store personnel, with the objective of reducing rotation, and to the increase in tariffs for energy services in Mexico.

SPAIN

Alsea Spain	2016	2015	Var.	% Var.
Same-Store Sales	4.3%	7.2%	(290) bps	-
Number of Units	499	467	32	7%
Sales	$7,591	$5,674	$1,917	34%
Adjusted EBITDA*	$1,500	$1,082	$418	39%
Adjusted EBITDA Margin*	19.8%	19.1%	70 bps	-

*Adjusted EBITDA does not include administrative expenses, thus it represents the "Store EBITDA."

Sales at Alsea Spain represented 20% of Alsea's consolidated sales and at the end of 2016 included the operations of Foster's Hollywood, Domino's Pizza, Burger King, LAVACA, Cañas y Tapas and Il Tempietto. Sales in this segment increased 33.8% to 7,591 million pesos, in comparison with 5,674 million pesos in 2015. This positive variation of 1,917 million pesos was mainly due to the 4.3% growth in same-store sales, driven principally by product innovation at Domino's Pizza and by the solid performance of Foster's Hollywood in Spain. At the end of the period there were a total of 344 corporate units and 155 sub-franchised units.

Adjusted EBITDA at Alsea Spain at the end of 2016 was 1,500 million pesos, in comparison with 1,082 million pesos in 2015. EBITDA margin at year end 2016 showed a positive variation of 70 basis points over the same period of the prior year. This increase is attributable to the growth in same-store sales, as well as to a drop in the price of some inputs in comparison with 2015.

SOUTH AMERICA

Alsea South America	*2016*	*2015*	*Var.*	*% Var.*
Same-Store Sales	23.5%	25.5%	(200) bps	-
Number of Units	481	395	86	22%
Sales	$8,124	$6,718	$1,406	21%
Adjusted EBITDA*	$1,228	$1,021	$207	20%
Adjusted EBITDA Margin*	15.1%	15.2%	(10) bps	-

*Adjusted EBITDA does not include administrative expenses, thus it represents the "Store EBITDA."

Sales at Alsea South America represented 22% of Alsea's consolidated sales, and at year end 2016 included Burger King operations in Argentina, Chile and Colombia, Domino's Pizza Colombia, Starbucks Argentina, Chile and Colombia, Archie's in Colombia and P.F. Chang's in Chile, Argentina, Colombia and Brazil. At the end of the period there were a total of 460 corporate units and 21 sub-franchised units. Sales in this segment increased 20.9% to 8,124 million pesos, in comparison with 6,718 million pesos in 2015. This positive variation of 1,406 million pesos was mainly due to the increase of 84 corporate units and 2 sub-franchised units, which variation was partially offset by the devaluation of the Argentinean peso.

Adjusted EBITDA at Alsea South America at the end of full year 2016 increased by 20.2%, closing at 1,228 million pesos, in comparison with 1,021 million pesos in the same period in 2015. EBITDA margin at the close of the year ended December 31, 2016 decreased 10 basis points over the same period of the prior year. This reduction is partially attributable to the effect of the devaluation of the Argentinean currency, as well as to the increase in rates of energy, water and gas services in Argentina. This variation was partially offset by the economies of scale arising from the aforementioned increase in number of corporate units.

NON-OPERATING RESULTS

All-In Cost of Financing

The all-in cost of financing of 2016 increased to 1,179 million pesos, compared with 859 million pesos in the prior year. This variation is mainly attributable to the negative effect from the revaluation of the liability related to the call and put options of the remaining 28.24% of Grupo Zena, due to depreciation of the Mexican peso against the euro during the year, coupled with the increase interest paid net, which was partially offset by the exchange rate gains reported in 2016.

BALANCE SHEET

During the twelve months ended December 31, 2016, Alsea made capital investments of 4,341 million pesos, excluding the acquisition of Archie's in Colombia and the 22 units of Domino's Pizza in Mexico, of which 2,793 million pesos, equal to 64% of total investments, were earmarked for store openings, equipment refurbishing and remodeling existing stores for the different brands that the Company operates. The remaining 1,548 million pesos were mainly earmarked for the acquisition of new corporate offices, replacement of equipment (maintenance capex), improvement projects and the new Alsea's Operations Center ("COA"), as well as to software licenses, among other items.

Other Long-Term Liabilities

The Other Long-Term Liabilities account increased 396 million pesos, due to recognition of the liability related to the call and put options that were agreed with Britania Investments, S.A.R.L. ("Alia"), the local partner of Grupo Zena, for its entire stake in the company of 28.24%.

Bank Debt and Fixed-Rate Bonds

As of December 31, 2016, Alsea's total bank debt had increased by 2,607 million pesos, closing at 14,840 million pesos, in comparison with 12,233 million pesos on the same date of the previous year. The Company's consolidated net debt in comparison with the fourth quarter of 2015 increased 1,255 million pesos, closing on December 31, 2016 at 12,292 million pesos, in comparison with 11,038 million pesos.

As of December 31, 2016, 93% of the debt was long term, and on that same date 81% of the debt was denominated in Mexican pesos, 15% was in euros, and the remaining 4% was in Argentinean and Chilean pesos.

The following table shows the balance of total debt in millions of pesos at December 31, 2016, as well as the maturity dates for the subsequent years:

	Balance	Maturities																	
	4Q 16	2017	%	2018	%	2019	%	2020	%	2021	%	2022	%	2023	%	2024	%	2025	%
Total Debt	**$14,840**	$1,107	7	$1,690	11	$2,774	19	$4,979	34	$2,769	19	$130	1	$174	1	$217	1	$1,000	7

Financial Ratios

At December 31, 2016, the financial restrictions established in the Company's credit contracts were as follows: The ratio of: (i) Total Debt to EBITDA (last 12 months) was 2.9x; (ii) Net Debt to EBITDA (last 12 months) was 2.4x; and (iii) EBITDA (last 12 months) to interest paid over the last 12 months was 5.8x.

The Return on Net Invested Capital ("ROIC")(2) increased from 9.3% to 10.9% during the 12 months ended December 31, 2016. The Return on Equity ("ROE")(3) for the 12 months ended December 31, 2016 was 11.7%, in comparison with 10.4% in the same period of the prior year.

KEY INFORMATION

Financial Indicators	4Q 16	4Q 15	Variation
EBITDA(1) / Interest Paid	5.8 x	6.1 x	N.A.
Total Debt / EBITDA(1)	2.9 x	2.8 x	N.A.
Net Debt / EBITDA(1)	2.4 x	2.6 x	N.A.
ROIC (2)	10.9%	9.3%	160 bps
ROE (3)	11.7%	10.4%	130 bps
Adjusted ROE (4)	16.0%	11.6%	439 bps
Stock Market Indicators	**4Q 16**	**4Q 15**	**Variation**
Book Value per Share	$10.68	$10.68	-
EPS (12 months) (5)	1.19	1.17	1.7%
Shares in circulation at the close of the period (millions)	834.3	837.5	(0.4)%
Price per share at close	$59.33	$59.85	(0.9)%

(1) EBITDA pro forma for the last 12 months
(2) ROIC is defined as operating income after taxes (last 12 months) by net operating investment (total assets – cash and short-term investments – no-cost liabilities). (Total assets – cash and temporary investments – non-interest-bearing liabilities)
(3) ROE is defined as net earnings (last 12 months) over shareholders' equity.
(4) Adjusted ROE excludes the effect of the liability related to the call and put options of the remaining 28.24% of Grupo Zena.
(5) EPS is earnings per share for the last 12 months.

BRAND	UNITS 4Q16
Domino's Pizza	924
Mexico	*654*
Spain	*197*
Colombia	*73*
Burger King	666
Mexico	*458*
Argentina	*97*
Spain	*61*
Chile	*34*
Colombia	*16*
Quick Service	**1,590**
Starbucks	803
Mexico	*589*
Argentina	*106*
Chile	*95*
Colombia	*13*
Coffee Shops	**803**
Foster's Hollywood	216
Italianni's	81
El Portón	67
Chili's Grill & Bar	57
Archie's	39
P.F. Chang's China Bistro	31
Mexico	*23*
Brazil	*3*
Colombia	*2*
Chile	*2*
Argentina	*1*
California Pizza Kitchen	22
Cañas y Tapas	15
LAVACA	9
The Cheesecake Factory	3
Il Tempietto	1
Casual Dining	**541**
Vips	261
Family Dining	**261**
TOTAL ALSEA UNITS	**3,195**
Corporate	**2,502**
Sub-Franchises (1)	**693**

(1) 285 Domino's Pizza (247 Mexico, 21 Colombia, 17 Spain), 250 Burger King, 129 Foster's Hollywood, 13 Italianni's, 9 Cañas y Tapas, 5 Vips y 2 California Pizza Kitchen

MEXICO	**2,215**	**SPAIN**	**499**	**ARGENTINA**	**204**	**COLOMBIA**	**143**
CHILE	**131**	**BRAZIL**	**3**				

The Company's shares are traded on the Mexican Stock Exchange under the ticker ALSEA*.

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A replay of the earnings conference call 4Q16 will be available on our web site www.alsea.com.mx on the "investors" section.

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT
AT DECEMBER 31, 2016 AND 2015
(In thousands of nominal pesos)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash and short-term investments	$ 2,547,842	$ 1,195,814
Clients	708,380	639,943
Other accounts and documents receivable	245,258	264,910
Inventory	1,575,363	1,377,981
Taxes recoverable	363,120	205,453
Other current assets	764,808	706,714
Current assets	6,204,771	4,390,815
Investments in shares of associated companies	1,001,398	922,962
Store equipment, improvements to leased locales, and property, net	13,673,445	11,137,776
Brand use rights, goodwill and pre-operations, net	15,215,336	14,691,002
Deferred Income Tax	1,900,191	1,710,943
Total Assets	**$ 37,995,141**	**$ 32,853,498**
LIABILITIES		
Short term:		
Providers	$ 3,901,972	$ 3,013,091
Taxes payable	331,276	210,766
Other accounts payable	3,447,838	2,356,488
Bank loans	1,107,238	734,824
Short-term liabilities	8,788,324	6,315,169
Long term:		
Bank loans	9,743,806	5,018,722
Commercial papers	3,988,845	6,479,795
Deferred taxes - net	1,887,473	1,925,337
Other long-term liabilities	3,662,622	3,266,325
Long-term liabilities	19,282,746	16,690,179
Total Liabilities	**28,071,070**	**23,005,348**
SHAREHOLDERS' EQUITY		
Minority interest	1,013,448	899,919
Majority interest:		
Capital	476,599	478,203
Net premium in share placement	8,625,720	8,613,587
Accumulated income	(587,831)	(475,872)
Income during the year	996,471	981,215
Exchange rate effects from foreign entities	(600,336)	(648,902)
Majority interest	8,910,623	8,948,231
Total Shareholders' Equity	9,924,071	9,848,150
Total Liabilities and Shareholders' Equity	**$ 37,995,141**	**$ 32,853,498**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of nominal pesos)

	Three months ended December 31				Twelve months ended December 31			
	2016		2015		2016		2015	
Net sales	$ 10,499,555	100%	$ 8,957,826	100%	$ 37,701,867	100%	$ 32,288,376	100%
Cost of sales	3,250,189	31.0%	2,784,180	31.1%	11,779,630	31.2%	10,149,276	31.4%
Gross Income	**7,249,366**	**69.0%**	**6,173,646**	**68.9%**	**25,922,237**	**68.8%**	**22,139,100**	**68.6%**
Operating expenses	5,680,021	54.1%	4,806,806	53.7%	20,766,999	55.1%	17,837,370	55.2%
Depreciation and amortization	675,237	6.4%	573,900	6.4%	2,388,235	6.3%	1,947,897	6.0%
Operating Income	**894,108**	**8.5%**	**792,940**	**8.9%**	**2,767,003**	**7.3%**	**2,353,833**	**7.3%**
All-in cost of financing:								
Interest paid – net	252,612	2.4%	162,938	1.8%	844,583	2.2%	680,389	2.1%
Changes in reasonable value Financial Liabilities	17,813	0.1%	15,062	0.2%	407,768	1.1%	104,275	0.3%
Exchange rate loss / (income)	6,657	0.1%	8,673	0.1%	(73,193)	(0.2)%	74,202	0.2%
	277,082	2.6%	186,673	2.1%	1,179,158	3.1%	858,866	2.7%
Share in the results of associated companies	41,224	0.4%	19,736	0.2%	67,877	0.2%	27,703	0.1%
Income before Taxes	**658,250**	**6.3%**	**626,003**	**7.0%**	**1,655,722**	**4.4%**	**1,522,670**	**4.7%**
Tax on earnings	4,351	-	128,997	1.4%	529,233	1.4%	489,919	1.5%
Consolidated Net Income	**653,898**	**6.2%**	**497,006**	**5.5%**	**1,126,489**	**3.0%**	**1,032,751**	**3.2%**
Non-controlling stake	66,647	0.6%	27,469	0.3%	130,019	0.3%	51,536	0.2%
Controlling Stake	$ **587,251**	**5.6%**	**$ 469,537**	**5.2%**	**$ 996,471**	**2.6%**	**$ 981,215**	**3.0%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2016 AND 2015
(In thousands of nominal pesos)

	December 31 2016	December 31 2015
Operating activities:		
Consolidated result before income taxes	$ 1,655,722	$ 1,522,670
Income from investments:		
Depreciation and amortization of brands	2,388,235	1,947,897
Write-down of fixed assets	95,502	162,734
Other entries	339,891	76,572
Total	**4,479,350**	**3,709,873**
Clients	(36,570)	18,847
Inventory	(151,658)	(352,815)
Providers	744,446	344,836
Taxes payable	(722,269)	(818,934)
Other assets and other liabilities	681,014	154,237
Total	**514,963**	**(653,829)**
Net cash flow from operations	**4,994,313**	**3,056,044**
Investment activities		
Store equipment, improvements to leased locales, and property	(4,094,914)	(2,984,818)
Brand use rights, goodwill and pre-operations, net	(453,409)	(411,472)
Acquisition of subsidiary	(490,266)	-
Net cash flow from investment activities	**(5,038,589)**	**(3,396,290)**
Cash receivable from financing activities	**(44,276)**	**(340,246)**
Financing activities		
Bank credits and loan payments, net	4,856,909	(3,117,420)
Commercial papers, net	(2,500,000)	4,000,000
Dividend declaration	(644,771)	(419,173)
Minority interest, net	-	(35,155)
Sale (repurchase) of shares	(199,002)	(13,845)
Net cash flow from financing activities	**1,513,136**	**414,407**
Increase (decrease) net of cash	**1,468,860**	**74,161**
Adjustments to cash flow due to exchange rate variations	(116,832)	8,803
Cash at the beginning of the period	1,195,814	1,112,850
Cash at the end of the period	**$ 2,547,842**	**$ 1,195,814**