Results and Important Events for the Third Quarter 2016

- **Increase of 9.0% in Same-Store Sales in the third quarter**
- **Increase of 22.2% in EBITDA in the third quarter, achieving a 13.8% margin**
- **3,093 total units in the portfolio, which includes 188 additional units compared with the prior year**
- **Net income growth of 41.0% in the third quarter**

MESSAGE FROM THE EXECUTIVE CHAIRMAN

Alberto Torrado, Executive Chairman of Alsea, said: *"In the third quarter of 2016, we continue to see a positive trend in the consumer environment, which combined with the leadership and positioning of our brands together with our business strategies, enabled us to achieve significant growth in sales and consolidated EBITDA of the quarter. Same-store sales in the different markets where we operate continue to show increases despite the strong comparison base presented in the second half of 2015. A clear example is the good performance that continues in Domino's Pizza in Mexico, mainly driven by incremental transactions related to the mobile application, as well as the strong comparable sales growth registered in Burger King Mexico, which reached a mid-teens figure as a result of the efforts and strategies implemented in the architecture of the menu, pricing strategies, reduced turnover, remodeled units, among others. On the other hand, during the third quarter we successfully paid off the total amount of the unsecured local bond "ALSEA 13" with the resources obtained through two bank loans, both for a term of 5 years, which allowed us to improve the debt maturity profile of the Company, giving us greater flexibility to continue with our growth plan."*

And finally, he added: "Two years after having acquired Grupo Zena in Spain, we are very proud of the good performance that this business segment has presented until today, with an accumulated growth higher than 50% compared to the EBITDA considered at the time of the acquisition. It is also important to highlight the strong positive trend in the number of transactions we observed with Starbucks in Colombia, reason why we have reactivated our growth plan for the brand in this market, which allows us to provide the Starbucks brand experience to many more Colombians. We remain focused on meeting the results and goals we set for 2016, which will lead to not only ensure our future growth, but also to the constant improvement in the profitability of the Company."

October 2016

3Q16 Quarterly Report

Mexico, D.F., October 27, 2016. 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 third quarter of 2016. This information is presented in nominal terms pursuant to International Financial Reporting Standards (IFRS).*

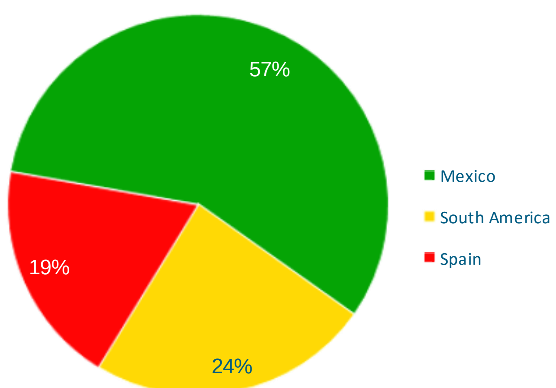
CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2016

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 September 30, 2016, in comparison with the same period of 2015:

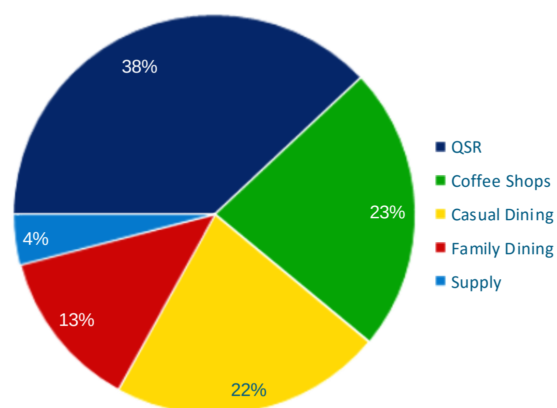
	3Q 16	***% Margin***	***3Q 15***	***% Margin***	***% Change***
Net Sales	$9,602	100.0%	$8,224	100.0%	16.8%
Gross Income	6,613	68.9%	5,619	68.3%	17.7%
EBITDA(1)	1,328	13.8%	1,087	13.2%	22.2%
Operating Income	744	7.7%	595	7.2%	25.1%
Net Income	$186	1.9%	$132	1.6%	41.0%
EPS(2)	1.05	N.A.	0.97	N.A.	8.7%

(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*



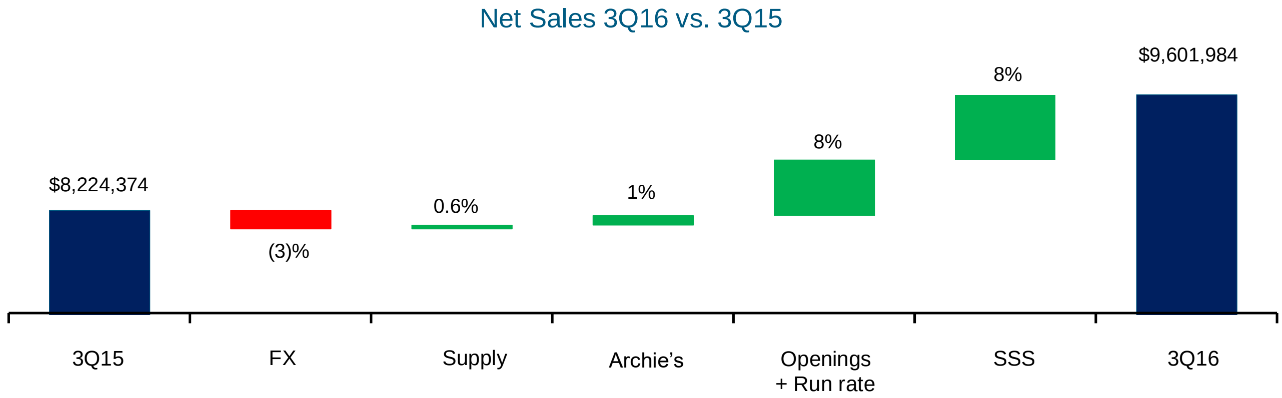
SALES BY SEGMENT*



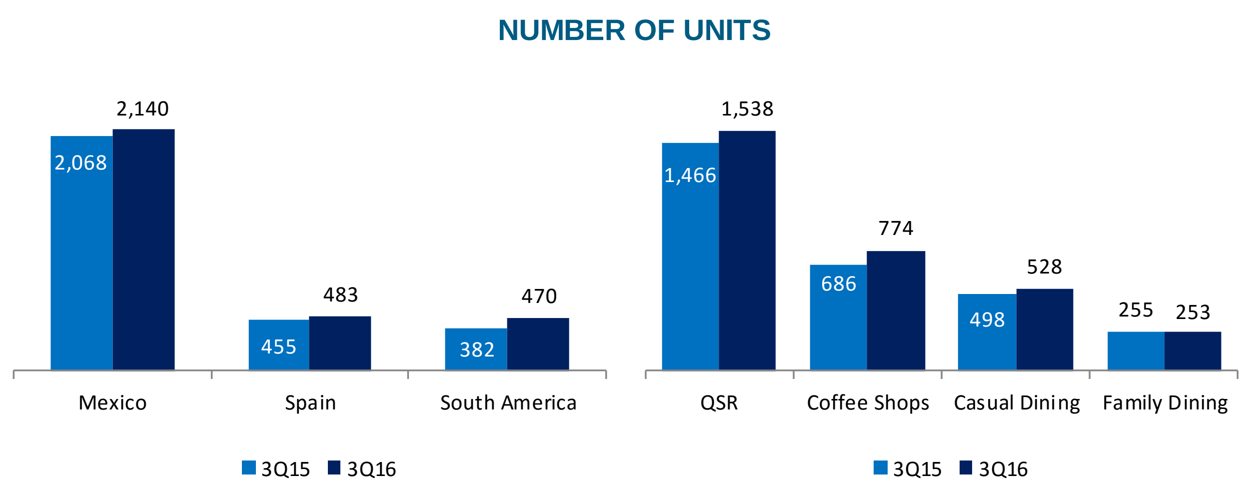
**Information for 3Q16*

SALES

Net sales increased 16.8% to 9,602 million pesos in the third quarter of 2016, in comparison with 8,224 million pesos in the prior year. This increase was due mainly to the 9.0% increase in same-store sales, revenues from the distribution and production segment, and the addition of 173 corporate units, for a total of 2,425 corporate units at the end of September 2016, which represents a growth of 7.7% over the same period of the prior year. The increase in sales was partially offset by the negative effect of the devaluation of the Argentine peso which was offset by the appreciation of the euro against the Mexican peso.



The business portfolio in Mexico recorded growth of 6.4% in same-store sales, and our brands in South America presented growth of 23.6% in same-store sales, reporting a slightly below a mid-single digit growth in transactions. Likewise, the brands in Spain also posted positive results in the quarter, with growth of 1.9% in same-store sales, in comparison with the same period of the prior year.



EBITDA

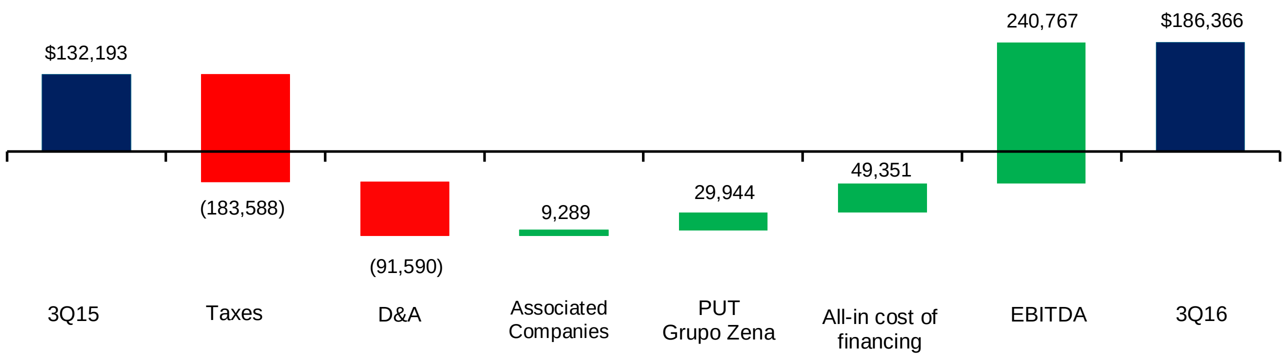
As a result of the 17.7% growth in gross income and the 16.6% increase in operating expenses (excluding depreciation and amortization), EBITDA rose 22.2% to 1,328 million pesos at the close of the third quarter of 2016, compared with the 1,087 million pesos in the same period of the prior year. The increase in EBITDA of 241 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 increased 60 basis points as a percentage of sales, rising from 13.2% in the third quarter of 2015, to 13.8% in the same period of 2016.

NET INCOME

Net income in the quarter increased 54 million pesos over the same period in the prior year, closing at 186 million pesos, compared with 132 million pesos in the third quarter of 2015. This increase is mainly due to the growth of 149 million pesos in operating income and the decrease of 79 million pesos in the all-in cost of financing as consequence of the positive variation in the exchange gains during the quarter, as well as to a less negative effect of 30 million pesos, as a result of a negative impact of 90 million pesos in the third quarter of 2016, compared to the impact of 120 million pesos reported in the same period of 2015. This variation was partially offset by the increase of 184 million pesos in taxes on earnings, as well as by the 29 million pesos increase in interest paid – net.

Earnings per share ("EPS")(2) for the 12 months ended September 30, 2016, increased to 1.05 pesos, compared with 0.97 pesos for the 12 months ended September 30, 2015.

Net Income 3Q16 vs. 3Q15



RESULTS BY SEGMENT FOR THE THIRD QUARTER 2016

MEXICO

Alsea México	*Food and Beverages*				*Distribution and Production*				*Total*			
	3Q 16	*3Q 15*	*Var.*	*% Var.*	*3Q 16*	*3Q 15*	*Var.*	*% Var.*	*3Q 16*	*3Q 15*	*Var.*	*% Var.*
Same-Store Sales	6.4%	5.8%	60 bps	-	-	-	-	-	6.4%	5.8%	60 bps	-
Number of Units	2,140	2,068	72	3%	-	-	-	-	2,140	2,068	72	3%
Sales	5,176	4,676	$500	11%	1,862	1,505	$357	24%	5,516	4,982	$534	11%
Adjusted EBITDA*	1,148	1,016	$133	13%	191	135	$56	41%	1,339	1,151	$189	16%
Adjusted EBITDA Margin*	22.2%	21.7%	50 bps	-	10.3%	9.0%	130 bps	-	24.3%	23.1%	120 bps	-

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

In the third quarter of 2016, Alsea Mexico's sales increased 10.7% to 5,516 million pesos, compared with 4,982 million pesos in the same period in 2015. This increase of 534 million pesos is mainly attributable to the increase of 59 corporate units among the different brands over the last 12 months, the 6.4% growth in same-store sales, as well as to the 13.0% 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 2,165 units were being served as of September 30, 2016, in comparison with 2,073 units for the same period in the previous year, which was a 4.4% increase.

Adjusted EBITDA at Alsea Mexico increased 16.4% during the third quarter of 2016, closing at 1,339 million pesos, compared with the 1,151 million pesos reported in the same period of the prior year. This increase is attributable to the 6.4% 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.

SPAIN

Alsea Spain	*3Q 16*	*3Q 15*	*Var.*	*% Var.*
Same-Store Sales	1.9%	7.1%	(520) bps	-
Number of Units	483	455	28	6%
Sales	$1,832	$1,392	$440	32%
Adjusted EBITDA*	$334	$246	$88	36%
Adjusted EBITDA Margin*	18.2%	17.6%	60 bps	-

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

Sales at Alsea Spain represented 19% of Alsea’s consolidated sales, and at the end of the third quarter of 2016 included the operations of Foster’s Hollywood, Domino’s Pizza, Burger King, La Vaca Argentina, Cañas y Tapas and Il Tempietto. Sales in this segment increased 31.6% to 1,832 million pesos, in comparison with 1,392 million pesos in the third quarter of 2015. This positive variation of 440 million pesos was mainly due to the 1.9% 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 331 corporate units and 152 sub-franchised units.

Adjusted EBITDA at Alsea Spain at the end of the third quarter of 2016 was 334 million pesos, in comparison with 246 million pesos in the same period in 2015. EBITDA margin at the end of the third quarter 2016 showed a positive variation of 60 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 third quarter of 2015.

SOUTH AMERICA

Alsea South America	*3Q 16*	*3Q 15*	*Var.*	*% Var.*
Same-Store Sales	23.6%	29.3%	(570) bps	-
Number of Units	470	382	88	23%
Sales	$2,253	$1,849	$404	22%
Adjusted EBITDA*	$357	$314	$43	14%
Adjusted EBITDA Margin*	15.8%	17.0%	(120) bps	-

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

Sales at Alsea South America represented 24% of Alsea’s consolidated sales, and at the end of the third 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 450 corporate units and 20 sub-franchised units. Sales in this segment increased 21.8% to 2,253 million pesos, in comparison with 1,849 million pesos in the third quarter of 2015. This positive variation of 404 million pesos was mainly due to the increase of 88 corporate units; this variation was partially offset by the devaluation of the Argentinean currency, which depreciated 28% against the Mexican peso.

Adjusted EBITDA at Alsea South America at the end of the third quarter of 2016, increased by 13.7%, closing at 357 million pesos, in comparison with 314 million pesos in the same period in 2015. EBITDA margin at the end of the third quarter 2016 dropped 120 basis points over the same period of the prior year. The decrease is partially attributable to the effect of the increase in rates of energy, water and gas services in Argentina. This change was partially offset by the economies of scale arising from the aforementioned increase in corporate sales.

NON-OPERATING RESULTS

All-In Cost of Financing

The all-in cost of financing in the third quarter of 2016 dropped to 263 million pesos, compared with 343 million pesos in the same period of the prior year. This variation is mainly attributable to exchange rate gains during the period, as well as to a less 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 in the third quarter of the year, which was offset by higher interest paid.

BALANCE SHEET

During the nine months ended September 30, 2016, Alsea made capital investments of 2,895 million pesos, excluding the acquisition of Archie's in Colombia and the 22 units of Domino's Pizza in Mexico, of which 2,128 million pesos, equal to 73.5% of total investments, were earmarked for store openings, equipment refurbishing and remodeling existing stores for the different brands that the Company operates. The remaining 767 million pesos were mainly earmarked for the acquisition of new corporate offices, replacement of equipment (maintenance capex), improvement and logistics projects, and to software licenses, among other items.

Other Long-Term Liabilities

The Other Long-Term Liabilities account increased 409 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 September 30, 2016, Alsea's total bank debt had increased by 1,157 million pesos, closing at 13,536 million pesos, in comparison with 12,379 million pesos on the same date of the previous year. The Company's consolidated net debt in comparison with the third quarter of 2015 increased 462 million pesos, closing on September 30, 2016 at 12,217 million pesos, in comparison with 11,754 million pesos.

As of September 30, 2016, 96% of the debt was long term, and on that same date 82% of the debt was denominated in Mexican pesos, 17% was in euros, and the remaining 1% was in Argentine and Chilean pesos.

The following table shows the balance of total debt in millions of pesos at September 30, 2016, as well as the maturity dates for the subsequent years:

	Balance	Maturities													
	3Q 16	2016	%	2017	%	2018	%	2019	%	2020	%	2021	%	2025	%
Total Debt	**$13,536**	$464	4%	$852	6%	$982	7%	$2,687	20%	$4,912	36%	$2,639	20%	$1000	7%

Financial Ratios

At September 30, 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 2.7x; (ii) Net Debt to EBITDA (last 12 months) was 2.5x; and (iii) EBITDA (last 12 months) to interest paid over the last 12 months was 6.3x.

The Return on Net Invested Capital ("ROIC")[(2)] increased from 8.3% to 9.9% during the 12 months ended September 30, 2016. The Return on Equity ("ROE")[(3)] for the 12 months ended September 30, 2016 was 10.1%, in comparison with 8.1% in the same period of the prior year.

KEY INFORMATION

Financial Indicators	3Q 16	3Q 15	Variation
EBITDA[(1)] / Interest Paid	6.3 x	5.8 x	N.A
Total Debt / EBITDA[(1)]	2.7 x	3.1 x	N.A
Net Debt / EBITDA[(1)]	2.5 x	2.9 x	N.A
ROIC [(2)]	9.9%	8.3%	160 pbs
ROE [(3)]	10.1%	8.1%	200 pbs
Stock Market Indicators	**3Q 16**	**3Q 15**	**Variation**
Book Value per Share	$10.01	$10.46	(4.4)%
EPS (12 months) [(4)]	1.05	0.97	8.7%
Shares in circulation at the close of the period (millions)	835.9	837.8	(0.2)%
Price per share at close	$65.78	$50.22	31.0%

(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) EPS is earnings per share for the last 12 months.

BRAND	UNITS 3Q16
Domino's Pizza	888
Mexico	*632*
Spain	*186*
Colombia	*70*
Burger King	650
Mexico	*448*
Argentina	*91*
Spain	*61*
Chile	*34*
Colombia	*16*
Quick Service	**1,538**
Starbucks	774
Mexico	*565*
Argentina	*105*
Chile	*93*
Colombia	*11*
Coffee Shops	**774**
Foster's Hollywood	211
Italianni's	75
El Portón	67
Chili's Grill & Bar	54
Archie's	41
P.F. Chang's China Bistro	31
Mexico	*22*
Brazil	*4*
Colombia	*2*
Chile	*2*
Argentina	*1*
California Pizza Kitchen	22
Cañas y Tapas	15
La Vaca Argentina	9
The Cheesecake Factory	2
Il Tempietto	1
Casual Dining	**528**
Vips	253
Family Dining	**253**
TOTAL ALSEA UNITS	**3,093**
Corporate	**2,425**
Sub-Franchises [1]	**668**

(1) 270 Domino's Pizza (234 Mexico, 20 Colombia, 16 Spain), 243 Burger King, 126 Foster's Hollywood, 12 Italianni's, 10 Cañas y Tapas, 5 Vips y 2 California Pizza Kitchen

MEXICO	**2,140**	**SPAIN**	**483**	**ARGENTINA**	**197**	**COLOMBIA**	**140**
CHILE	**129**	**BRAZIL**	**4**				

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 3Q16 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 SEPTEMBER 30, 2016 AND 2015
(In thousands of nominal pesos)

	September 30, 2016	September 30, 2015
ASSETS		
Current assets:		
Cash and short-term investments	$ 1,319,844	$ 624,967
Clients	630,802	513,419
Other accounts and documents receivable	259,730	257,965
Inventory	1,520,452	1,365,311
Taxes recoverable	412,320	364,174
Other current assets	820,955	785,664
Current assets	4,964,103	3,911,500
Investments in shares of associated companies	958,956	882,966
Store equipment, improvements to leased locales, and property, net	12,822,541	10,684,641
Brand use rights, goodwill and pre-operations, net	15,059,200	13,637,831
Deferred Income Tax	1,780,196	1,700,417
Total Assets	**$ 35,584,996**	**$ 30,817,355**
LIABILITIES		
Short term:		
Providers	$ 3,482,985	$ 2,468,520
Taxes payable	269,646	130,235
Other accounts payable	3,298,929	2,457,003
Bank loans	562,630	738,662
Short-term liabilities	7,614,190	5,794,420
Long term:		
Bank loans	8,986,200	5,162,332
Commercial papers	3,987,632	6,478,425
Deferred taxes - net	2,017,246	400,006
Other long-term liabilities	3,654,617	3,245,760
Long-term liabilities	18,645,695	15,286,523
Total Liabilities	**26,259,885**	**21,080,943**
SHAREHOLDERS' EQUITY		
Minority interest	961,311	972,828
Majority interest:		
Capital	477,420	478,345
Net premium in share placement	8,625,720	8,613,587
Accumulated income	(578,871)	(456,162)
Income during the year	409,219	511,678
Exchange rate effects from foreign entities	(569,688)	(383,864)
Majority interest	8,363,800	8,763,584
Total Shareholders' Equity	**9,325,111**	**9,736,412**
Total Liabilities and Shareholders' Equity	**$ 35,584,996**	**$ 30,817,355**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015
(In thousands of nominal pesos)

	Three months ended September 30				Nine months ended September 30			
	2016		2015		2016		2015	
Net sales	$ 9,601,984	100%	$ 8,224,374	100%	$ 27,202,312	100%	$ 23,330,550	100%
Cost of sales	2,989,353	31.1%	2,605,603	31.7%	8,529,442	31.4%	7,365,096	31.6%
Gross Income	**6,612,631**	**68.9%**	**5,618,772**	**68.3%**	**18,672,870**	**68.6%**	**15,965,454**	**68.4%**
Operating expenses	5,284,908	55.0%	4,531,816	55.1%	15,086,978	55.5%	13,030,565	55.9%
Depreciation and amortization	584,044	6.1%	492,454	6.0%	1,712,998	6.3%	1,373,996	5.9%
Operating Income	**743,679**	**7.7%**	**594,502**	**7.2%**	**1,872,894**	**6.9%**	**1,560,893**	**6.7%**
All-in cost of financing:								
Interest paid – net	221,274	2.3%	192,329	2.3%	591,971	2.2%	517,451	2.2%
Changes in reasonable value Financial Liabilities	90,169	0.9%	120,113	1.5%	389,954	1.4%	89,213	0.4%
Exchange rate loss / (income)	(47,975)	(0.5)%	30,322	0.4%	(79,849)	(0.3)%	65,529	0.3%
	263,468	2.7%	342,764	4.2%	902,075	3.3%	672,193	2.9%
Share in the results of associated companies	16,403	0.2%	7,114	0.1%	26,653	0.1%	7,967	-
Income before Taxes	**496,614**	**5.2%**	**258,852**	**3.1%**	**997,472**	**3.7%**	**896,667**	**3.8%**
Tax on earnings	310,247	3.2%	126,659	1.5%	524,881	1.9%	360,922	1.5%
Consolidated Net Income	**186,366**	**1.9%**	**132,193**	**1.6%**	**472,591**	**1.7%**	**535,745**	**2.3%**
Non-controlling stake	21,559	0.2%	11,930	0.1%	63,372	0.2%	24,067	0.1%
Controlling Stake	$ **164,807**	**1.7%**	**$ 120,263**	**1.5%**	**$ 409,219**	**1.5%**	**$ 511,678**	**2.2%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015
(In thousands of nominal pesos)

	September 30 2016	September 30 2015
Operating activities:		
Consolidated result before income taxes	**$ 997,472**	**$ 896,667**
Income from investments:		
Depreciation and amortization of brands	1,712,998	1,373,996
Write-down of fixed assets	71,114	100,844
Other entries	363,301	81,246
Total	**3,144,885**	**2,452,753**
Clients	36,027	167,310
Inventory	(106,748)	(301,414)
Providers	338,846	(284,315)
Taxes payable	(590,582)	(995,179)
Other assets and other liabilities	404,612	324,499
Total	**82,155**	**(1,089,099)**
Net cash flow from operations	**3,227,040**	**1,363,654**
Investment activities		
Store equipment, improvements to leased locales, and property	(2,539,872)	(2,079,933)
Brand use rights, goodwill and pre-operations, net	(355,250)	(350,319)
Acquisition of subsidiary	(501,827)	-
Net cash flow from investment activities	**(3,396,949)**	**(2,430,252)**
Cash receivable from financing activities	**(169,909)**	**(1,066,598)**
Financing activities		
Bank credits and loan payments, net	3,557,035	(2,987,869)
Commercial papers, net	(2,500,000)	4,000,000
Dividend declaration	(644,771)	(419,173)
Minority interest, net	-	(27,265)
Sale (repurchase) of shares	(102,125)	3,456
Net cash flow from financing activities	**310,139**	**569,149**
Increase (decrease) net of cash	**140,230**	**(497,449)**
Adjustments to cash flow due to exchange rate variations	(16,200)	9,566
Cash at the beginning of the period	1,195,814	1,112,850
Cash at the end of the period	**$ 1,319,844**	**$ 624,967**