Results and Important Events for the Third Quarter 2018

- **Total Sales growth of 5.8% in the third quarter**
- **Rise of 3.8% in Same-Store Sales in the quarter**
- **Increase of 7.7% in EBITDA in the third quarter, achieving a 20-basis points expansion in EBITDA margin**
- **Net income growth of 35.9% in the third quarter**
- **3,588 total units in the portfolio, including 235 additional units compared with the third quarter of the prior year**

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Renzo Casillo, Chief Executive Officer of Alsea, said: *"During the third quarter we had a total sales growth of 5.8% mainly due to the 14.2% growth in Spain and 8.5% in Mexico, coupled with the openings of this year and the good performance of those opened last year (run- rate), despite the challenges we have faced in countries like Argentina that impacted in 6.4pp on the consolidated sales growth. Given the slowdown shown in some of the countries and brands, mainly due to external factors, starting in September we began to implement an intense commercial plan in all countries, through which we have seen a positive reaction from the consumer, seeking to win market share and boost growth in same store sales for the last quarter of the year.*

In Mexico, this week marked the third anniversary since the launch of our multi-brand loyalty program "Wow Rewards", already surpassing 3 million members; In this last quarter, we will include Domino's Pizza in all its digital platforms, having the entire brand portfolio of Alsea Mexico in the program. In Domino's Pizza, we will continue to promote our successful digital platform in all countries, which keeps on driving our same store sales and currently represents more than 20% of total orders. Also, we plan to close the fourth quarter with more than 35 additional openings in Mexico, between corporate and sub-franchises.

At Starbucks Mexico, we continue to promote the mobile application, which has grown its active member base by 28% compared to the previous year, resulting in one out of every four transactions to be done through the Starbucks Rewards program; in Chile we have already reached 180,000 users and during the month of November we will be launching the mobile application for the first time, which will accelerate the growth in active members. During this quarter, we managed to reach more than 1,000 Starbucks stores among the 5 countries where we operate this brand, strengthening the relationship as a key strategic partner in the region; This is the second brand, together with Domino's Pizza, with more than a thousand units in Alsea's portfolio. Our Archie's operation in Colombia presented positive same stores sales figures for second consecutive quarter, consolidating the better positioning achieved by the brand since its re-launch.

Finally, we will generate incremental orders through the delivery channel in all our brands and countries, this through our own delivery personnel and through alliances with third party aggregators. With this effort we hope to close the *year with more than 670 units offering delivery service, this being more than double the units that had this capability last year (excluding Domino's Pizza).*

On September 13, Alsea was included for the first time as part of the Dow Jones Sustainability Index (DJSI) in its regional index MILA (Integrated Latin American Market) Pacific Alliance 2018. This recognition confirms the company's leadership in terms of sustainability by being the first company in the sector "Restaurants and Entertainment Centers" to qualify for the MILA index in which Chile, Colombia, Mexico and Peru participate. This is an acknowledgment of the social, environmental and corporate governance efforts that our company has carried out over the years, placing us as one of the proudly leading Mexican companies in terms of sustainability not only nationally, but also internationally."

And finally, he added: "We recently announced that we have entered into advanced negotiations with Starbucks Coffee Company to obtain full license and acquire the brand's operations in France and the Benelux countries, which means increasing the number of Starbucks stores in Alsea's portfolio around 25%. We believe that the knowledge we have developed on how to operate this brand since more than 16 years in 5 countries, combined with the best practices and potential synergies, will help us develop the brand successfully in these countries. This is a clear example of our expansion strategy, where we are continuously looking for new opportunities regarding inorganic growth, in order to strengthen our portfolio."

October, 2018

3Q18 Quarterly Report

Mexico City, October 24, 2018. 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 2018. This information is presented in nominal terms pursuant to International Financial Reporting Standards (IFRS).*

CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2018

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, 2018, in comparison with the same period of 2017:

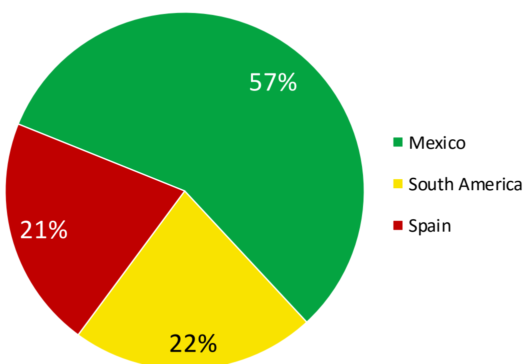
	3Q 18	*% Margin*	*3Q 17*	*% Margin*	*% Change*
Net Sales	$11,086	100.0%	$10,475	100.0%	5.8%
Gross Income	7,651	69.0%	7,307	69.8%	4.7%
EBITDA(1)	1,523	13.7%	1,415	13.5%	7.7%
Operating Income	812	7.3%	752	7.2%	8.0%
Net Income	$311	2.8%	$229	2.2%	35.9%
EPS(2)	1.70	N.A.	1.23	N.A.	38.2%

(1) EBITDA is defined as operating income before depreciation and amortization.

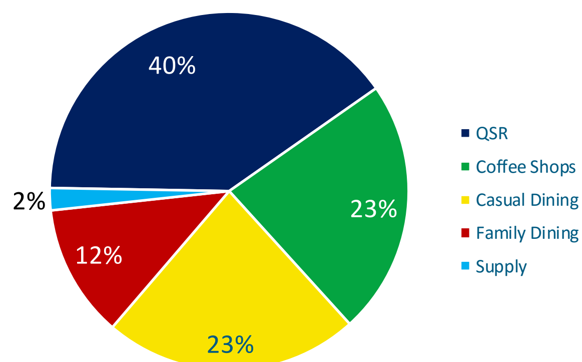
(2) EPS is earnings per share for the last 12 months.

* Figures in million pesos, except EPS

SALES BY GEOGRAPHIC LOCATION*



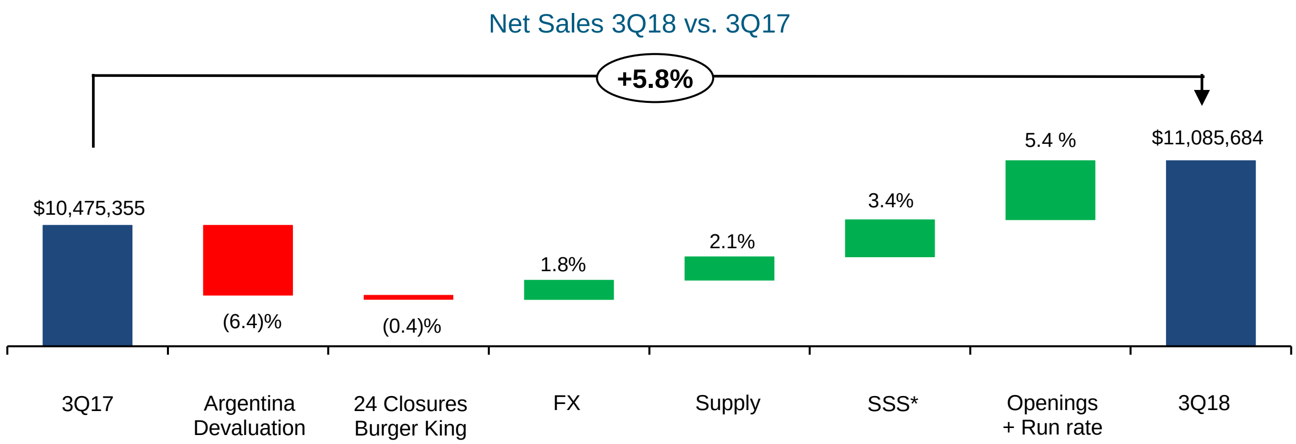
SALES BY SEGMENT*



** 3Q18 figures*

SALES

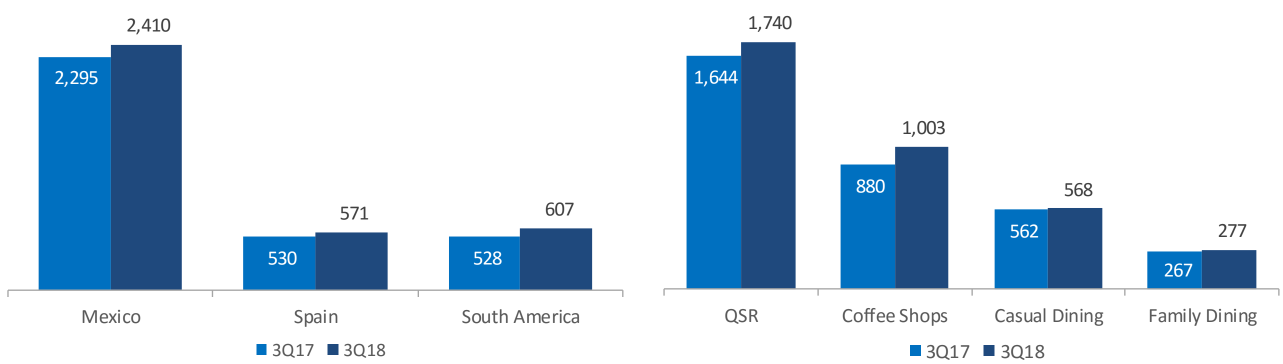
Net sales increased 5.8% to 11,086 million pesos in the third quarter of 2018, in comparison with 10,475 million pesos in the prior year. This increase was due mainly to the 3.8% growth in same-store sales and the addition of 205 units, for a total of 2,856 corporate units at the end of September 2018, 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 Argentinean peso against the Mexican peso, which impacted consolidated sales growth in 6.4 percentage points, coupled with a slowdown in consumption in South America and Spain.



** The percentage of same-store sales contribution is the effect on the total revenue base*

The business portfolio in Mexico recorded growth of 2.8% in same-store sales, our brands in South America presented growth of 10.1% in same-store sales and our brands in Spain reported a (0.8)% decrease in same-store sales.

NUMBER OF UNITS*



** Total Units (corporate + sub-franchises)*

EBITDA

As a result of good control in operating expenses, efficiencies were obtained that resulted in a 100-basis points improvement, going from 56.3% to 55.3%, which implies a growth of 4.0%, thus EBITDA rose 7.7% to 1,523 million pesos at the end of the third quarter of 2018, compared to 1,415 million pesos in the same period of the prior year. The increase in EBITDA of 108 million pesos is mainly attributable to a strict control of expenses that show a lower growth than the increase reported in sales, as well as to the growth in same store sales and unit openings. These benefits were partially offset by:

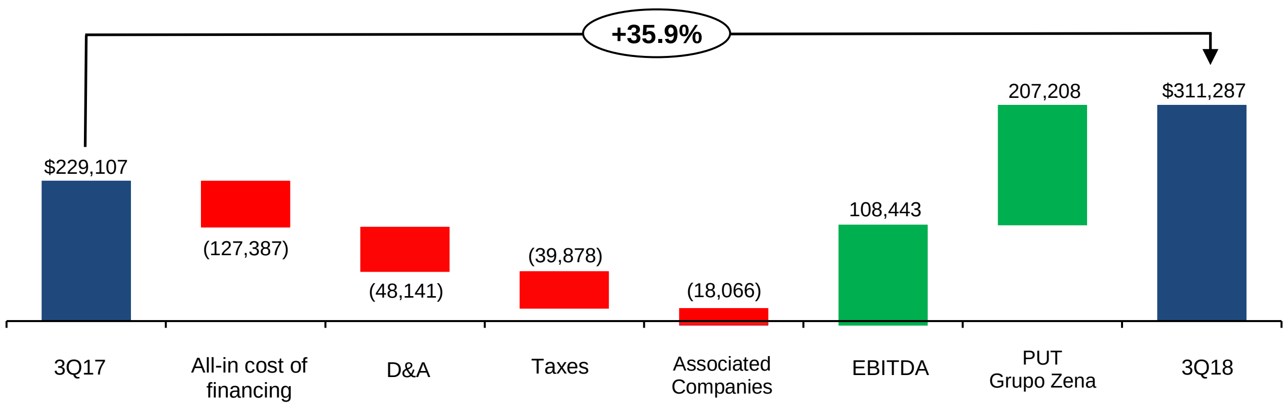
- the increase related to tariff rates for certain products imported from the US,
- the strategy of reducing personnel turnover implemented in several countries,
- the extraordinary expenses related to the integration into our new operations center (COA),
- the increase in energy fees, mainly in Argentina and Mexico, in the latter being partially offset by the benefit of managing clean energy (wind farms) in most of the units in the country.
- and the negative effect of the devaluation of the Argentinean peso against the Mexican peso.

EBITDA margin increased 20 basis points as a percentage of sales, rising from 13.5% in the third quarter of 2017, to 13.7% in the same period of 2018.

NET INCOME

Net income in the quarter increased 82 million pesos over the same period in the prior year, closing at 311 million pesos, compared with 229 million pesos in the third quarter of 2017. This increase is mainly attributable to the growth of 60 million pesos in operating income, as well as the 20.5% decrease in the all-in cost of financing. This reduction is mainly due to the positive variation resulting from the revaluation of the liability related to the call and put options of the remaining 28.2% of Grupo Zena, the 170 basis points decrease in the tax rate, which was partially offset by the 82-million pesos increase in interest paid-net, coupled with a higher exchange rate loss in the quarter.

Net Income 3Q18 vs. 3Q17



RESULTS BY SEGMENT FOR THE THIRD QUARTER 2018

MEXICO

Alsea México	*3Q 18*	*3Q 17*	*Var.*	*% Var.*
Same-Store Sales	2.8%	1.7%	110 bps	-
Number of Units	2,410	2,295	115	5%
Sales	6,290	5,799	$491	9%
Adjusted EBITDA*	1,425	1,294	$131	10%
Adjusted EBITDA Margin*	22.6%	22.3%	30 bps	-

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

In the third quarter of 2018, Alsea Mexico's sales represent 57% of Alsea's consolidated sales. Sales increased 8.5% to 6,290 million pesos, compared with 5,799 million pesos in the same period in 2017. This increase of 491 million pesos is mainly attributable to the opening of 86 corporate units and 29 subfranchises of the different brands over the last twelve months, reaching a total of 1,863 corporate units and 547 subfranchisees, the 2.8% growth in same store sales, which was mainly driven by the positive performance of our quick service restaurant brands, where Domino's Pizza continues presenting positive results and increased participation in the mobile application, as well as in the Casual Dining portfolio, which was benefitted by a growth in the number of transactions reported compared to the same period of the previous year and by the launch of the digital coupon strategy. The aforementioned increase was partially offset by the closure of 39 units with negative results during the first nine months of the year, in line with our objective to improve business profitability, as well as by the inefficiencies resulting from the transition process to the new operations center (COA), which caused distractions in the operation, affecting mainly Starbucks and Vips, these being the brands more dependent on the products manufactured in the production lines migrated to this new facility. Excluding the impact on these two brands, the growth in same-store sales of Alsea Mexico would have shown an expansion of 270 additional basis points to the 2.8% reported in the third quarter of the year. At the end of the third quarter, it was possible to restore service levels to stores from the operations center (COA), normalizing the supply of inputs to optimum levels.

Adjusted EBITDA at Alsea Mexico increased 10.1% during the third quarter of 2018, closing at 1,425 million pesos, compared with the 1,294 million pesos reported in the same period of the prior year. This increase is mainly attributable to the growth in same-store sales, coupled with the marginality generated by the opening of 86 corporate units during the last twelve months, expense management control at stores, decrease in cost of the Casual Dining portfolio, efficiencies due to lower turnover, reduction in corporate expenses and finally to the business mix. The foregoing was partially offset by the increase in costs related to tariffs on products imported from the US and to a lesser extent by extraordinary expenses inherent to the new operations center (COA).

SPAIN

Alsea Spain	*3Q 18*	*3Q 17*	*Var.*	*% Var.*
Same-Store Sales	(0.8%)	3.5%	(430) bps	-
Number of Units	571	530	41	8%
Sales	2,333	2,043	$290	14%
Adjusted EBITDA*	418	372	$46	13%
Adjusted EBITDA Margin*	17.9%	18.2%	(30) bps	-

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

Sales at Alsea Spain represented 21% of Alsea’s consolidated sales and at the end of the third quarter of 2018 included the operations of Foster’s Hollywood, Domino’s Pizza, Burger King, LAVACA and Cañas y Tapas. Sales in this segment increased 14.2% to 2,333 million pesos, in comparison with 2,043 million pesos in the third quarter of 2017. This positive variation of 290 million pesos was mainly driven by various marketing strategies such as "Megaweek" at Domino's Pizza and "dinners at 2x1" at Foster's Hollywood, also by the implementation of digital kiosks at some Burger King stores, as well as by the continuous innovation of products and the positive exchange rate effect. This increase was partially offset by the impact on tourism in Spain during summer season and, to a lesser extent, the sociopolitical situation in Catalonia. At the end of the period there were a total of 404 corporate units and 167 sub-franchised units, which implies an increase of 41 units in the last twelve months.

Adjusted EBITDA at Alsea Spain at the end of the third quarter of 2018 presented an 12.5% increase, reaching 418 million pesos, in comparison with 372 million pesos in the same period in 2017. EBITDA margin at the end of the third quarter 2018 presented a negative variation of 30 basis points compared to the same period of the previous year. This decrease was mainly due to a loss of marginality as a result of negative same store sales in the quarter, impacted mainly by the decrease in tourism registered in the region, coupled with a higher cost for promotional strategies to encourage store traffic, as well as increases related to initiatives for personnel retention.

SOUTH AMERICA

Alsea South America	*3Q 18*	*3Q 17*	*Var.*	*% Var.*
Same-Store Sales	10.1%	21.6%	(1,150) bps	-
Number of Units	607	528	79	15%
Sales	2,463	2,634	($171)	(6%)
Adjusted EBITDA*	371	423	($52)	(12%)
Adjusted EBITDA Margin*	15.1%	16.1%	(100) bps	-

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

Sales at Alsea South America represented 22% of Alsea's consolidated sales and at the end of the third quarter there were a total of 589 corporate units and 18 sub-franchised units. Sales in this segment decreased 6.4% to 2,463 million pesos, in comparison with 2,634 million pesos in the third quarter of 2017. This variation of 171 million pesos was mainly due to political and economic instability in Argentina, registering a devaluation higher than 100% in the year, which caused a decrease in same store sales in Argentina of 1,150 base points compared to the same period of the previous year. Likewise, the adverse environment in that country led to a reduction of more than 50% of the Argentinean tourism in Chile, which impacts the traffic registered in our formats in the Andean country during the third quarter. This effect was partially offset by the increase of 81 corporate units and to the 10.1% increase in same store sales.

Adjusted EBITDA at Alsea South America at the end of the third quarter of 2018, decreased by 12.4%, closing at 371 million pesos, in comparison with 423 million pesos in the same period of 2017. EBITDA margin at the end of the third quarter 2018 decreased 100 basis points over the same period of the prior year. This reduction is mainly attributable to the devaluation of the Argentinean peso, coupled with a loss of marginality due to the inflation increase in the country and above inflation increases in energy fees which were higher than the increase in prices achieved through our aggressive promotional strategies and campaigns.

NON-OPERATING RESULTS

All-In Cost of Financing

The all-in cost of financing in the third quarter of 2018 decreased to 310 million pesos, compared with 390 million pesos in the prior year. This variation is mainly attributable to the positive effect from the revaluation of the liability related to the call and put options of the remaining 28.2% of Grupo Zena, as a consequence of the variation in the exchange rate of the Mexican peso against the euro in the third quarter of the year, which was partially offset by the 81-million increase in interest paid-net, as a result of the rise in the Mexican Interbank rate and higher leverage.

BALANCE SHEET

During the nine months ended September 30, 2018, Alsea made capital investments of 3,186 million pesos, of which 2,262 million pesos, equal to 71% of total investments, were earmarked for store openings, equipment refurbishing and remodeling existing stores for the different brands that the Company operates. The remaining 924 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.

Bank Debt and Fixed-Rate Bonds

As of September 30, 2018, Alsea's total bank debt increased by 684 million pesos, closing at 16,783 million pesos, in comparison with 16,099 million pesos on the same date of the previous year. The Company's consolidated net debt in comparison with the third quarter of 2017 decreased 770 million pesos, closing on September 30, 2018 at 14,308 million pesos, in comparison with 15,079 million pesos at the end of the same period of the prior year.

As of September 30, 2018, 76% of the debt was long term, and on that same date 85% of the debt was denominated in Mexican pesos, 13% was in euros, and the remaining 2% was in Argentinean and Chilean pesos.

The following table shows the balance of total debt in millions of pesos at September 30, 2018, as well as the maturity dates for the subsequent years:

	Balance	Maturities																	
	3Q 18	2018	%	2019	%	2020	%	2021	%	2022	%	2023	%	2024	%	2025	%	2027	%
Total Debt	**$16,783**	$1,545	9	$2,639	16	$4,262	25	$1,274	8	$1,928	11	$837	5	$650	4	$1,649	10	$2,000	12

* Figures in million pesos.

Financial Ratios

At September 30, 2018, 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 2.4x; (ii) Net Debt to EBITDA (last 12 months) was 2.1x; and (iii) EBITDA (last 12 months) to interest paid over the last 12 months was 4.7x.

The Return on Net Invested Capital ("ROIC")(2) increased from 11.9% to 12.0% during the 12 months ended September 30, 2018. The Return on Equity ("ROE")(3) for the 12 months ended September 30, 2018 was 15.2%, in comparison with 12.2% in the same period of the prior year.

KEY INFORMATION

Financial Indicators	3Q 18	3Q 17	Variation
EBITDA(1) / Interest Paid	4.7 x	4.6 x	N.A
Total Debt / EBITDA(1)	2.4 x	2.8 x	N.A
Net Debt / EBITDA(1)	2.1 x	2.7 x	N.A
ROIC (2)	12.0%	11.9%	10 bps
ROE (3)	15.2%	12.2%	300 bps
Stock Market Indicators	**3Q 18**	**3Q 17**	**Variation**
Book Value per Share	$11.11	$10.49	5.9%
EPS (12 months) (4)	1.70	1.23	38.2%
Shares in circulation at the close of the period (millions)	838.5	834.1	0.5%
Price per share at close	$63.76	$66.97	(4.8)%

(1) EBITDA last twelve 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 3Q18		
	Corporate	Subfranchises	Total
Domino's Pizza	749	326	1075
México	*446*	*278*	*724*
Spain	*232*	*30*	*262*
Colombia	*71*	*18*	*89*
Burger King	417	248	665
Mexico	*181*	*248*	*429*
Argentina	*117*		*117*
Spain	*60*		*60*
Chile	*43*		*43*
Colombia	*16*		*16*
Quick Service Restaurants	**1,166**	**574**	**1,740**
Starbucks	1003		1003
Mexico	*707*		*707*
Argentina	*143*		*143*
Chile	*119*		*119*
Colombia	*31*		*31*
Uruguay	*3*		*3*
Coffee Shops	**1,003**		**1,003**
Foster's Hollywood	98	129	227
Italianni's	81	14	95
El Portón	64		64
Chili's Grill & Bar	75		75
Mexico	*71*		*71*
Chile	*4*		*4*
Archie's	32		32
P.F. Chang's China Bistro	34		34
Mexico	*24*		*24*
Brazil	*4*		*4*
Colombia	*2*		*2*
Chile	*3*		*3*
Argentina	*1*		*1*
California Pizza Kitchen	14	2	16
Cañas y Tapas	10	8	18
LAVACA	4		4
The Cheesecake Factory	3		3
Casual Dining	**415**	**153**	**568**
Vips	272	5	277
Family Dining	**272**	**5**	**277**
TOTAL ALSEA UNITS			**3,588**
Corporate	**2,856**		
Subfranchises		**732**	

MEXICO	**2,410**	**SPAIN**	**571**
CHILE	**169**	**BRAZIL**	**4**
ARGENTINA	**261**	**COLOMBIA**	**170**
URUGUAY	**3**		

This press release contains certain forward-looking information regarding the Company's results and outlook. However, actual results may vary materially from these estimates. Information on future events contained in this release should be read jointly with the risk summary in the Annual Report. That information, as well as future reports made by the Company or any of its representatives, whether verbally or in writing, may vary significantly from actual results. These projections and estimates, which are prepared in reference to a determined date, should not be taken as fact. The Company is in no way liable for updating or revising any of these projections and estimates, whether as a result of new information, future events or other associated events.

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

Rafael Contreras Grosskelwing
Chief Financial Officer
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A replay of the earnings conference call 2Q18 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, 2018 AND 2017
(In thousands of nominal pesos)

	September 30, 2018	September 30, 2017
ASSETS		
Current assets:		
Cash and short-term investments	$ 2,474,469	$ 1,020,539
Clients	572,761	671,059
Other accounts and documents receivable	220,398	278,284
Inventory	1,747,806	1,874,762
Taxes recoverable	451,734	457,875
Other current assets	991,612	924,959
Assets held for sale	81,809	1,094,426
Current assets	6,540,589	6,321,904
Investments in shares of associated companies	-	-
Store equipment, improvements to leased locales, and property, net	15,604,516	14,695,460
Brand use rights, goodwill and pre-operations, net	15,048,837	15,254,996
Deferred Income Tax	2,235,833	2,473,884
Total Assets	**$ 39,429,775**	**$ 38,746,244**
LIABILITIES		
Short term:		
Providers	$ 3,347,267	$ 3,534,144
Taxes payable	150,926	137,855
Other accounts payable	3,111,951	3,631,988
Other short-term liabilities	3,060,008	-
Bank loans	4,062,190	1,638,116
Short-term liabilities	13,732,342	8,942,103
Long term:		
Bank loans	5,739,047	10,468,618
Commercial papers	6,981,580	3,992,483
Deferred taxes - net	1,826,428	1,928,462
Other long-term liabilities	676,919	3,652,072
Long-term liabilities	15,223,974	20,041,635
Total Liabilities	**28,956,316**	**28,983,738**
SHAREHOLDERS' EQUITY		
Minority interest	1,159,084	1,010,657
Majority interest:		
Capital	478,724	476,533
Net premium in share placement	8,625,720	8,625,720
Accumulated income	726,212	(48,620)
Income during the year	771,143	437,821
Exchange rate effects from foreign entities	(1,287,424)	(739,605)
Majority interest	9,314,375	8,751,849
Total Shareholders' Equity	10,473,459	9,762,506
Total Liabilities and Shareholders' Equity	**$ 39,429,775**	**$ 38,746,244**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017
(In thousands of nominal pesos)

	Three months ended September 30				Nine months ended September 30			
	2018		2017		2018		2017	
Net sales	$ 11,085,684	100%	$ 10,475,355	100%	$ 33,292,078	100%	$ 30,912,997	100%
Cost of sales	3,434,652	31.0%	3,168,072	30.2%	10,164,526	30.5%	9,407,450	30.4%
Gross Income	**7,651,032**	**69.0%**	**7,307,283**	**69.8%**	**23,127,552**	**69.5%**	**21,505,547**	**69.6%**
Operating expenses	6,127,728	55.3%	5,892,422	56.3%	18,607,497	55.9%	17,397,111	56.3%
Depreciation and amortization	711,265	6.4%	663,125	6.3%	2,207,230	6.6%	1,996,488	6.5%
Operating Income	**812,039**	**7.3%**	**751,736**	**7.2%**	**2,312,825**	**6.9%**	**2,111,948**	**6.8%**
All-in cost of financing:								
Interest paid – net	415,496	3.7%	334,047	3.2%	1,097,000	3.3%	946,478	3.1%
Changes in reasonable value Financial Liabilities	(182,505)	(1.6%)	24,703	0.2%	(220,056)	(0.7%)	(118,787)	(0.4%)
Exchange rate loss / (income)	76,959	0.7%	31,021	0.3%	17,411	0.1%	393,208	1.3%
	309,950	2.8%	389,771	3.7%	894,355	2.7%	1,220,899	3.9%
Share in the results of associated companies	-	-	18,066	0.2%	-	0.0%	11,494	0.0%
Income before Taxes	**502,089**	**4.5%**	**380,031**	**3.6%**	**1,418,470**	**4.3%**	**902,543**	**2.9%**
Tax on earnings	190,802	1.7%	150,924	1.4%	539,019	1.6%	360,974	1.2%
Consolidated Net Income	**311,287**	**2.8%**	**229,107**	**2.2%**	**879,451**	**2.6%**	**541,569**	**1.8%**
Non-controlling stake	24,229	0.2%	22,803	0.2%	108,308	0.3%	103,747	0.3%
Controlling Stake	$ **287,058**	**2.6%**	**$ 206,304**	**2.0%**	**$ 771,143**	**2.3%**	**$ 437,822**	**1.4%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED JUNE 30, 2018 AND 2017
(In thousands of nominal pesos)

	September 30 2018	September 30 2017
Operating activities:		
Consolidated result before income taxes	**$ 1,418,470**	**$ 902,542**
Income from investments:		
Depreciation and amortization of brands	2,207,230	1,996,488
Write-down of fixed assets	639,998	91,063
Other entries	(220,056)	(130,281)
Total	**4,045,642**	**2,859,812**
Clients	238,473	(2,447)
Inventory	38,989	(345,324)
Providers	(855,063)	(284,854)
Taxes payable	(632,576)	(990,485)
Other assets and other liabilities	(275,911)	62,137
Total	**(1,486,088)**	**(1,560,973)**
Net cash flow from operations	**2,559,554**	**1,298,839**
Investment activities		
Store equipment, improvements to leased locales, and property	(2,941,080)	(3,036,466)
Brand use rights, goodwill and pre-operations, net	(244,429)	(418,288)
Acquisition of subsidiary	-	-
Sale of participation in associates	-	-
Net cash flow from investment activities	**(3,185,509)**	**(3,454,754)**
Cash receivable from financing activities	**(625,955)**	**(2,155,915)**
Financing activities		
Bank credits and loan payments, net	2,217,545	1,288,824
Commercial papers, net	-	-
Dividend declaration	(720,144)	(719,398)
Sale (repurchase) of shares	370,190	14,089
Net cash flow from financing activities	**1,867,591**	**583,515**
Increase (decrease) net of cash	**1,241,636**	**(1,572,400)**
Adjustments to cash flow due to exchange rate variations	(307,570)	45,097
Cash at the beginning of the period	1,540,403	2,547,842
Cash at the end of the period	**$ 2,474,469**	**$ 1,020,539**