alicorp

Earnings Report

Second Quarter 2020 Consolidated Financial Statements

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Lima - Peru, August 12th, 2020. Alicorp S.A.A. ("the Company" or "Alicorp") (BVL: ALICORC1 and ALICORI1) announced today its unaudited financial results corresponding to the Second Quarter 2020 (Q2 '20). Financial figures are reported on a consolidated basis and are in accordance with International Financial Reporting Standards ("IFRS") in nominal Peruvian Soles, based on the following statements, which should be read in conjunction with the Financial Statements and Notes to the Financial Statements published at the Peruvian Securities and Exchange Commission (*Superintendencia del Mercado de Valores* - SMV).

FINANCIAL HIGHLIGHTS

- **Consolidated Revenue decreased 7.6% YoY in Q2 '20, while Volume decreased 6.6% YoY**, as a result of i) an 8.7% YoY decrease in the Consumer Goods Peru business, due to restrictions in production capacity, ii) B2B (-22.9% YoY), as a result of the closing of restaurants, and iii) Aquafeed (-12.8% YoY), explained by an aggressive competitive environment as lower shrimp prices put pressure on our clients' cost structures. These effects were paritially offset by growth in i) Consumer Goods International (+8.6% YoY) and ii) Crushing (+3.4% YoY).
- **Gross Profit decreased 9.3% YoY, while Gross Margin decreased 0.4 p.p. compared to Q2 '19** mainly explained by the impacts of COVID-19 on the top line, as well as i) a change in product mix in our B2B unit, ii) higher COGS related to COVID-19, and iii) higher prices of soybean and palm oil in our Consumer Goods Peru and B2B units.
- **EBITDA decreased 5.3% YoY,** mainly explained by the impacts of COVID-19 on the top line, as well as in COGS and SG&A expenses, which resulted in a YoY reduction in EBITDA in our CGP, B2B and Aquafeed business units. These effects were partially offset by a solid performance in our CGI unit, as a result of volume growth across all geographies, in addition to a strong YoY recovery of the Crushing business.
- **Net Income totaled S/ 84 million in Q2 '20 (-20.3% YoY),** explained by i) lower consolidated operating profit, and ii) foreign exchange losses due to higher FX volatility.
- Earnings per Share (EPS) decreased from S/ 0.122 in Q2 '19 to S/ 0.096 in Q2 '20.
- As of June 2020, Net Debt[1] reached S/ 3,190 million, a S/ 161 million decrease from December 2019, mainly explained by an improvement in our operating cash flows (led by working capital efficiencies).

[1] Net Debt is Financial Debt less cash and cash equivalents as of June 2020 and includes the effect of IFRS 16.

This allowed us to improve our leverage indicators measured by the **Net Debt-to-EBITDA ratio, which showed a decrease from 2.41x**[1][2] **as of December 2019 to 2.21x**[3] **as of June 2020**.

RECENT EVENTS

- **The Company launched/revamped 27 products or lines**, 10 in Consumer Goods International, 8 in Consumer Goods Peru, 8 in B2B and 1 in Aquafeed.
- In the Q2 '20, **Alicorp was recognized by "Consultora Arellano" in its "Marcas 2020" report as one of the Top 10 Top-of-mind brands for peruvian consumers**. Moreover, our brands "Don Vittorio", "Primor", "AlaCena" and "Nicolini" stood out among the Top 10 most consumed and preferred brands by Peruvians. In addition, our brands "Sapolio", "Bolivar", "Opal" and "Patito" stood out among the most consumed and preferred brands in the Home Care platform.

[1] Net Debt-to-EBITDA ratio as of December 2019 excludes the effect of LTM impairments for S/ 37 million.
[2] Net Debt-to EBITDA ratio as of December 2019 includes Intradevco in the last 12 months.
[4] Net Debt-to-EBITDA ratio as of June 2020 excludes the effect of LTM impairments for S/ 85 million.

UPDATE ON ALICORP'S AGILE RESPONSE TO THE COVID-19 CRISIS

- Under very challenging and changing circumstances, we continue to work within the framework of our Business Continuity Plan on its 4 fronts: Our People & Community, Clients & Consumers, Supply & Logistics, and Liquidity and Strong Balance Sheet.

i) **Our People and Community:** We have continued with strict safety protocols for our plant workers, while also providing them with private transportation in order to ensure their safety getting to and from our production plants. In addition, we continuously perform COVID-19 tests to monitor the health of our plant workers. As for our administrative staff, they continue to work from home.

ii) **Clients and Consumers:** We still observe high demand for certain food staples, as well as cleaning and hygiene products, while at-home consumption remains at high levels. In the B2B and Aquafeed business, which are the most impacted by the COVID-19 crisis, we have been working closely with our clients to understand their needs and challenges, not only offering extended credit terms on a case-by-case basis, but also providing advice regarding the reactivation protocols of their operations and adapting our product portfolios.

iii) **Supply & Logistics:** Ensuring the supply of Food, Home and Personal Care products for our communities remains a top priority. However, maintaining production capacity has been a challenge during April and May, especially in Peru, where we experienced significant disruptions in production capacity in our plants. From June onwards, we have been able to restore production capacity to levels very close to those we had pre-COVID.

Production capacity in our other geographies has remained stable, with no major disruptions. However, we remain vigilant of the COVID-19 situation in those countries.

iv) **Liquidity & Strong Balance Sheet:** As of June 2020, our Net-Debt-to-EBITDA ratio showed resilience, increasing slightly to 2.21x from 2.15x by the end of Q1 '20. This result reflects our excellent levels of solvency, despite two consecutive quarters of operating results being impacted by the effect of the COVID-19 pandemic.

Regarding liquidity levels, as of June 2020 we maintained higher levels of cash as a safeguard against any potential disruption in the markets where we operate. Most of these resources were secured in the early stage of the COVID-19 crisis, and since liquidity remained solid throughout the crisis, we have not had to use these proceeds. Morevover, our active working capital management continued delivering improvements; our last twelve months cash conversion cycle average was 23 days, a 5 days decrease from the previous quarter and a 15 days reduction from the previous year. As a result of both the organic cash flow generation and the additional financial

resources, we had S/ 1.7 billion in cash, which covers 1.23x principal of debt maturing over the next twelve months.

IMPACTS OF COVID-19 ON OUR RESULTS

COVID-19 impacted our business units in different ways, most importantly in terms of revenue. Below, we summarize the most important effects the COVID-19 crisis has had on our results.

Impacts on revenue

- **B2B:** The business was mainly affected by the closure of restaurants, which in turn impacted the profitability of the business, since our Food Service platform is the most profitable platform in our B2B business.
- **Consumer Goods Peru:** Although demand was solid, production disruptions resulted in lower volume sold. Additionally, higher commissions in our distribution network also affected our top line. Regarding margins, we had mixed impacts, since a higher demand for hygiene and cleaning products was offset by tiering down and higher sales through the modern channel.
- **Aquafeed:** The closure of restaurants around the world resulted in a lower global demand and lower prices of shrimp and salmon. In this context, our clients in our Aquafeed business unit reduced their consumption of shrimp and salmon feed and opted for more economic formulas.
- **Consumer Goods International:** The business benefitted from higher demand for certain categories, while maintaining production capacity. However, government restrictions, such as price controls in Argentina, had some impact on our revenue.
- **Crushing:** The business presented no material impacts.

Quantifiable impacts on COGS and SG&A

Higher costs and SG&A expenses related to COVID-19 amounted to 52 million soles in the Q2 '20. A portion of these expenses could continue for the next few quarters, such as expenses on safety protocols, transportation of plant workers and COVID-19 tests.

(PEN million)	Q1	Q2	YTD
Brazil impairment	48		48
Bad-debt provisions	35		35
Fixed production overheads[1]		19	19
Donations	15		15
Headcount		12	12
Provision for obsolete inventory	5		5
Safety protocols	2	6	8
Transportation and food[2]		6	6
COVID-19 tests		4	4
Other[3]		4	4
Total	**105**	**52**	**157**

[1] Fixed production overheads recorded as expenses due to lower production.
[2] Safe private transportation and food provided for our plant workers.
[3] Includes brand management expenses.

FINANCIAL INFORMATION

I. INCOME STATEMENT

CONSOLIDATED RESULTS

(In PEN millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	730	781	-6.6%	1,494	1,467	1.9%
Revenue	2,274	2,461	-7.6%	4,722	4,687	0.7%
Gross Profit	551	607	-9.3%	1,177	1,151	2.2%
Gross Margin	*24.2%*	*24.7%*	*-0.4 p.p.*	*24.9%*	*24.6%*	*0.4 p.p*
SG&A	-358	-384	-7.0%	-792	-738	7.4%
Operating Income	197	220	-10.0%	325	403	-19.3%
Operating Margin	*8.7%*	*8.9%*	*-0.2 p.p.*	*6.9%*	*8.6%*	*-1.7 p.p.*
EBITDA	277	293	-5.3%	488	537	-9.0%
EBITDA Margin	*12.2%*	*11.9%*	*0.3 p.p.*	*10.3%*	*11.4%*	*-1.1 p.p.*
Net Financial Expense	-65	-67	-2.5%	-118	-101	17.5%
Income before taxes	120	151	-20.4%	181	298	-39.0%
Income tax	-36	-45	-20.5%	-88	-98	-10.7%
Effective tax rate	*30.0%*	*30.0%*	*0.0 p.p.*	*48.3%*	*33.0%*	*15.3 p.p.*
Net Income	84	106	-20.3%	94	199	-52.9%
Net Margin	*3.7%*	*4.3%*	*-0.6 p.p.*	*2.0%*	*4.3%*	*-2.3 p.p.*

Revenue Growth Q2 2020 vs. Q2 2019

- Although results for the quarter are negative, the monthly progression of revenue hit a low point in May, where we experienced the majority of the impacts from capacity disruptions. In June, we have been able to restore production capacity and sales were close to 2019 levels, and we expect them to continue to recover during the following quarters.

Monthly Revenue and Volume Growth Q2 '20

- **Consolidated Volume** reached 730 thousand tons in Q2 '20, a 6.6% decrease YoY, mainly due to reductions of 12.4% YoY in the Consumer Goods Peru unit, as a consequence of the capacity constraints mentioned before, 11.2% YoY in the B2B business, 11.1% YoY in the Aquafeed unit and 3.1% YoY in the Crushing business, partially offset by an increase of 12.3% YoY in the Consumer Goods International unit.
- **Consolidated Revenue** reached S/ 2,274 million, a 7.6% decrease YoY, as a result of reductions of 22.9% YoY in our B2B unit, 12.8% YoY in our Aquafeed business, and 8.7% YoY in our Consumer Goods Peru unit, partially offset by growths of 8.6% YoY in our Consumer Goods International unit and 3.4% YoY in our Crushing business.
- **YTD Revenue** grew 0.7% YoY, as a result of a solid first quarter where we grew 10.0% YoY in terms of revenue, offset by the impacts of COVID-19 on the second quarter of the year.

EBITDA Growth Q2 2020 vs. Q2 2019

- **Gross Profit** reached S/ 551 million (-9.3% YoY) while Gross Margin was 24.2%, a 0.4 p.p. decrease compared to Q2 '19, mainly explained by i) a change in product mix in our B2B unit, ii) higher COGS related to COVID-19, and iii) higher prices of soybean and palm oil in our Consumer Goods Peru and B2B units.
- **SG&A expenses** amounted to S/ 358 million, a 7.0% decrease YoY, mainly explained by lower marketing and advertising expenses, as a result of the postponement of certain campaigns due to COVID-19, as well as lower sales and administrative expenses, partially offset by higher expenses related to COVID-19 as mentioned before.
- **Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)** amounted to S/ 277 million (-5.3% YoY) with an EBITDA Margin of 12.2%, explained by i) supply restrictions due to production disruptions in our CGP unit, despite a higher demand in certain categories, ii) the closure of restaurants due to COVID-19, which impacted our Food Service platform, as well as limited activity

from our clients in April and May in our B2B business, and iii) an aggressive competitive environment in our Aquafeed unit with lower prices in Shrimp feed, in addition to price reductions in the Fish Feed unit due to lower commodity prices, coupled with changes in mix. These effects were partially offset by a solid performance in our CGI unit, as a result of volume growth across all geographies, in addition to a strong YoY recovery of the Crushing business.

- **YTD EBITDA** decreased 9.0% YoY, as a result of the aforementioned impacts of COVID-19, in addition to those reported in the first quarter of 2020, such as the impairment attributable to our operations in Brazil. Excluding such impairment, YTD EBITDA remained stable YoY.

Net Income Growth Q2 2020 vs. Q2 2019

- **Operating Income** reached S/ 197 million in Q2 '20 (-10.0% YoY), while Operating Margin was 8.7% (-0.2 p.p. YoY), as a result of lower gross profit in our CGP, B2B and Aquafeed businesses.

- In Q2 '20, **Net Financial Expenses** registered a decrease of 2.5% YoY. Although net financial expenses remained relatively stable YoY, they increased S/ 12 million QoQ mainly due to lower interest earned and non-cash losses from hyperinflation exposure.
- **Income tax** decreased 20.5% YoY due to lower earnings before taxes
- **Effective Tax Rate** remained stable at 30.0%.
- **Net Income** reached S/ 84 million in Q2 '20 (-20.3% YoY), while Net Margin was 3.7% (-0.6 p.p. YoY) explained by i) lower Consolidated operating profit and ii) foreign exchange losses. Earnings per Share (EPS) for Q2 '20 were S/ 0.096.
- **YTD net income** was S/ 94 million, a 52.9% YoY decrease, explained by lower EBITDA due to COVID-19 impacts, higher financial expenses in Q1 '20 and foreign exchange losses during the first half of the year. Excluding the impairment of our Brazilian operations, YTD net income decreased 28.9% YoY.

RESULTS BY BUSINESS SEGMENT

CONSUMER GOODS PERU

(In PEN millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	158	181	-12.4%	343	338	1.5%
Revenue	756	828	-8.7%	1,603	1,581	1.4%
Gross Profit	255	289	-11.5%	540	544	-0.6%
Gross Margin	*33.8%*	*34.9%*	*-1.1 p.p.*	*33.7%*	*34.4%*	*-0.7 p.p.*
EBITDA	146	157	-6.6%	302	297	1.6%
EBITDA Margin	*19.4%*	*18.9%*	*0.4 p.p.*	*18.8%*	*18.8%*	*0.0 p.p.*

- **Volume and Revenue** for the Consumer Goods Peru business decreased 12.4% YoY and 8.7% YoY, respectively, reaching 158 thousand tons and S/ 756 million, mainly due to i) restricted production capacity in our plants, ii) higher sales through the modern channel, which is a less profitable channel, iii) some tiering-down in certain categories such as edible oils, detergents and pasta, and iv) delays in price increases in a crisis context despite increased costs.
- **Gross Profit** decreased 11.5% YoY while Gross Margin decreased 1.1 p.p. YoY, reaching 33.8%, mainly due to i) higher soybean and palm oil costs, ii) an increase in conversion and logistical costs and iii) higher production plant costs related to COVID-19.
- **EBITDA** reached S/ 146 million, a 6.6% reduction compared to the S/ 157 million reported in Q2 '19, while EBITDA Margin was 19.4% (+0.4 p.p. YoY), explained by i) a prioritization of core categories, and ii) the postponement of marketing and advertising expenses, partially offset by higher SG&A expenses related to COVID-19.
- **YTD Revenue** increased 1.4% YoY, while **YTD EBITDA** increased 1.6% YoY because of i) increased volume in certain food staples and homecare and personal care categories, and ii) de-prioritization of marketing and advertising expenses.

CONSUMER GOODS INTERNATIONAL

(In PEN millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	111	99	12.3%	208	188	10.6%
Revenue	477	439	8.6%	901	833	8.1%
Gross Profit	140	119	17.8%	260	228	14.3%
Gross Margin	*29.3%*	*27.0%*	*2.3 p.p.*	*28.9%*	*27.3%*	*1.5 p.p.*
EBITDA	57	23	2.5x	35	40	-11.4%
EBITDA Margin	*11.9%*	*5.2%*	*6.7 p.p.*	*3.9%*	*4.8%*	*-0.9 p.p.*

- Our CGI business had strong results across geographies in the second quarter of 2020, with **Revenue** increasing 8.6% YoY, while **Volume** reached 111 thousand tons (+12.3% YoY). This result was explained by an increase in our growth-focused Andean operations with Bolivia up 20% and Ecuador

up 16% in terms of Volume. Both businesses delivered solid growth in both the Food and Home Care platforms behind successful innovation and market share growth. Brazil and Argentina also saw positive volume growth, increasing 11% and 8%, respectively, on the back of market share growth in pasta in Brazil and innovation in Hair Care, Bar Soaps and Laundry Detergents in Argentina.

- Regarding profitability, **Gross Profit** amounted to S/ 140 million (+17.8% YoY) with a Gross Margin of 29.3% (+2.3 p.p. YoY). This result is mainly explained by a better product mix in Bolivia and higher prices in Argentina.
- **EBITDA** grew 2.5x YoY, while EBITDA margin increased 6.7 p.p. YoY as a result of gross margin growth and significant SG&A savings on the back of our transformational initiatives in Brazil, Argentina and Bolivia, partially offset by COVID-19-related expenses.
- **YTD Revenue** increased 8.1% YoY, while **YTD EBITDA** decreased 11.4% YoY mainly explained by the impairment of our Brazil operations in the Q1 '20. Excluding this effect, YTD EBITDA increased 2.1x YoY.

Bolivia

(In PEN millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	25	21	20.1%	48	40	19.1%
Revenue	174	139	25.6%	325	275	18.1%
Gross Profit	50	39	29.0%	90	81	11.5%
Gross Margin	*28.7%*	*28.0%*	*0.8 p.p.*	*27.8%*	*29.5%*	*-1.6 p.p.*
EBITDA	28	13	2.1x	47	34	37.6%
EBITDA Margin	*16.3%*	*9.7%*	*6.6 p.p.*	*14.4%*	*12.4%*	*2.1 p.p.*

- **Revenue and Volume** reached S/ 174 million (+25.6% YoY) and 25 thousand tons (+20.1% YoY) in Q2 '20, respectively, mainly due to solid growth in both the Food and Home Care platforms behind successful innovation, market share growth and lower competition entering from neighboring countries due to border closures because of COVID-19, especially in the edible oils, margarines, pasta and detergents categories.
- **Gross Profit** amounted to S/ 50 million with a Gross Margin of 28.7%, mainly explained by better product mix and higher production efficiencies.
- **EBITDA** reached S/ 28 million (+2.1x YoY), with an EBITDA Margin of 16.3%, mainly as a result of higher gross profit, efficiencies on our operational expenses on the back of our transformational and integration initiatives, and to a lesser extent lower marketing and advertising spending as a result of COVID-19.
- **YTD Revenue** increased 18.1% YoY, while **YTD EBITDA** increased 37.6% YoY, mainly explained by strong top line growth during the first half of the year on the back of our successful innovation and market share growth strategies, in addition to lower SG&A expenses during the Q2 '20.

Ecuador

(In PEN millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	8	7	16.2%	17	13	28.5%
Revenue	35	30	14.1%	74	59	24.8%
Gross Profit	12	11	14.6%	26	21	23.3%
Gross Margin	*35.8%*	*35.7%*	*0.2 p.p.*	*35.7%*	*36.1%*	*-0.4 p.p.*
EBITDA	4	3	54.0%	10	6	70.7%
EBITDA Margin	*12.3%*	*9.1%*	*3.2 p.p.*	*13.1%*	*9.5%*	*3.5 p.p.*

- **Revenue and Volume** were S/ 35 million (+14.1% YoY) and 8 thousand tons (+16.2% YoY), respectively, mainly explained by volume growth in pasta, which continued to gain market share, as well as detergents and sauces.
- **Gross Margin** was 35.8% (+0.2 p.p YoY) mainly due to product mix with a lower proportion of our growth coming from lower-margin Intradevco products.
- **EBITDA** increased 54.0% YoY, while EBITDA Margin reached 12.3% (+3.2 p.p. YoY), mainly as a result of a higher gross profit and lower marketing and advertising expenses due to COVID-19.
- **YTD Revenue** increased 24.8% YoY, while **YTD EBITDA** increased 70.7% YoY, explained by solid top line growth during the first half of the year, as well as lower marketing and export expenses.

Argentina

(In PEN millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	34	31	8.2%	64	60	7.6%
Revenue	126	120	5.2%	234	208	12.5%
Gross Profit	38	26	48.0%	68	44	54.1%
Gross Margin	*30.1%*	*21.4%*	*8.7 p.p.*	*29.1%*	*21.2%*	*7.8 p.p.*
EBITDA	18	2	12.1x	32	-1	33
EBITDA Margin	*14.6%*	*1.3%*	*13.3 p.p.*	*13.8%*	*-0.3%*	*14.1 p.p.*

- **Revenue** amounted to S/ 126 million, an increase of 5.2% YoY, while **Volume** reached 34 thousand tons, an 8.2% increase YoY, as a result of innovation in our hair care, bar soaps and laundry detergents categories.
- **Gross Margin** was 30.1% (+8.7 p.p. YoY), mainly due to higher average price due to pricing actions ahead of inflation and positive mix impact from higher value innovation.
- **EBITDA** was S/ 18 million (+12.1x YoY) with an EBITDA Margin of 14.6% (+13.3 p.p. YoY). These remarkable results have been achieved on the back of the third year of our successful turnaround and transformational initiative, which started in late 2017, through the positioning of our value brands, "Plusbelle" and "Zorro", as good "value for money" propositions for consumers, as well as a disciplined SG&A approach.
- **YTD Revenue** increased 12.5% YoY, while **YTD EBITDA** increased S/ 33 million YoY, mainly explained by price increases ahead of inflation and devaluation during the first quarter of the year, as

well as strong market share gains in our Home and Personal Care platforms, in addition to lower SG&A expenses.

Brazil

(In PEN millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	29	26	11.2%	52	48	8.2%
Revenue	83	98	-15.0%	165	187	-12.1%
Gross Profit	25	30	-15.5%	50	56	-10.8%
Gross Margin	*30.2%*	*30.3%*	*-0.2 p.p.*	*30.5%*	*30.0%*	*0.4 p.p.*
EBITDA	4	-1	5	-55	-8	-47
EBITDA Margin	*4.4%*	*-1.5%*	*5.8 p.p.*	*-33.5%*	*-4.4%*	*-29.1 p.p.*

- **Revenue** decreased 15.0% YoY, amounting to S/ 83 million while **Volume** increased 11.2% YoY, reaching 29 thousand tons. Despite the increase in Volume, the Revenue decrease was explained entirely by the depreciation of the Brazilian Reai against the Peruvian Sol, with Revenue in Reais increasing 13.0% YoY, on the back of market share growth in our pasta category.
- **Gross Margin** remained relatively stable YoY, reaching 30.2%, given that higher raw materials costs were offset by successful price increases.
- **EBITDA** increased S/ 5 million with an EBITDA Margin of 4.4% (+5.8 p.p. YoY), on the back of the successful implementation of our restructuring program, which allows us to continue to improve profitability quarter-on-quarter.
- **YTD Revenue** decreased 12.1% YoY, mainly as a result of the devaluation of the BRL, while **YTD EBITDA** increased S/ 1 million excluding the Brazil impairment on the back of our successful restructuring program.

B2B

(In PEN millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	142	160	-11.2%	297	307	-3.0%
Revenue	308	399	-22.9%	697	774	-9.9%
Gross Profit	45	85	-47.1%	126	165	-23.7%
Gross Margin	*14.6%*	*21.3%*	*-6.7 p.p.*	*18.1%*	*21.4%*	*-3.3 p.p.*
EBITDA	10	52	-80.6%	26	93	-71.6%
EBITDA Margin	*3.3%*	*13.1%*	*-9.8 p.p.*	*3.8%*	*12.0%*	*-8.2 p.p.*

- **Revenue and Volume** reached S/ 308 million (-22.9% YoY) and 142 thousand tons (-11.2% YoY) in Q2 '20, respectively.
  - i) Food Service fell 50% YoY, mainly due to the closure of restaurants, impacting mainly the edible oils and sauces categories.
  - ii) Industrial Clients decreased 13% YoY, mainly explained by a reduction in Industrial Flours and Bulk Oils.

iii) Bakery fell by 5% YoY, as a result of a decrease in Industrial Shortenings and Industrial Margarines.

- **Gross Profit** decreased 47.1% YoY with Gross Margin falling by 6.7 p.p. due to changes in product mix, since edible oils and sauces are some of the most profitable categories, in addition to higher prices of soybean and palm oil.
- **EBITDA** reached S/ 10 million, an 80.6% decrease YoY, while EBITDA Margin totaled 3.3%, down 9.8 p.p. YoY, mainly explained by lower Gross Margin and COVID-related expenses.
- **YTD Revenue** decreased 9.9% YoY, while **YTD EBITDA** decreased 71.6% YoY, mainly due to i) decline in sales, ii) expenses related to COVID-19 incurred in the Q1 '20 and iii) lower gross margin due mainly to product mix.

AQUAFEED

(In USD millions)	Q2 '20	Q2 '19	YoY Var.	YTD '20	YTD '19	YoY Var.
Volume (MT thousands)	139	156	-11.1%	290	294	-1.3%
Revenue	139	165	-15.5%	295	312	-5.7%
Gross Profit	30	35	-15.6%	62	66	-5.1%
Gross Margin	*21.2%*	*21.2%*	*0.0 p.p.*	*21.1%*	*21.0%*	*0.1 p.p.*
EBITDA	18	25	-30.9%	33	43	-23.6%
EBITDA Margin	*12.6%*	*15.4%*	*-2.8 p.p.*	*11.1%*	*13.6%*	*-2.6 p.p.*

- **Revenue and Volume** reached USD 139 million (-15.7% YoY) and 139 thousand tons (-11.1% YoY), respectively, mainly explained by a reduction in Volume in the Shrimp Feed unit explained by an aggressive competitive environment as lower shrimp prices put pressure on our clients' cost structure, in addition to price reductions in the Fish Feed unit due to lower commodity prices, coupled with changes in mix.
- **Gross Profit** amounted to USD 30 million (-15.8% YoY), while Gross Margin remained flat at 21.2%, as a result of an increase in Shrimp feed gross margin due to lower commodity prices, offset by a reduction in the Fish feed margins.
- **EBITDA** amounted to USD 18 million (-30.9% YoY) with an EBITDA Margin of 12.6% (-2.8 p.p. YoY), mainly due to the decline in sales in the Shrimp and Fish feed units, in addition to COVID-19-related expenses.
- **YTD Revenue** decreased 5.7% YoY, while **YTD EBITDA** decreased 23.6% YoY, mainly due to COVID-related expenses incurred in the first half of the year and to lower gross profits in Q2.

CRUSHING

(En milliones de dólares)	2T20	2T19	Var. AaA	YTD '20	YTD '19	Var. AaA
Volumen (miles de TM)	180	186	-3.1%	355	340	4.6%
Ventas netas	75	74	0.2%	150	139	8.0%
EBITDA	2	-7	9	5	-10	16

- **Revenue** remained stable YoY reaching USD 75 million while **Volume** decreased 3.1% YoY, mainly due to lower production at the beginning of the lockdown period and a lower demand from the Peruvian poultry industry.
- **EBITDA** was USD 2 million, an increase of USD 9 million YoY, mainly due to a higher gross profit, explained by an improvement in crush margins for the soybean summer and sunflower campaigns.
- **YTD Revenue** grew 8.0% YoY, while **Volume** increased 4.6% YoY. **YTD EBITDA** increased USD 15 million.

II. BALANCE SHEET

(In PEN millions)	Q2 '20	Q4 '19	YoY Var.
Cash and Cash Equivalents	1,662	840	2.0x
Current Assets	5,481	4,491	22.0%
Total Assets	12,265	11,242	9.1%
Current Debt	1,345	774	73.8%
Current Liabilities	4,282	3,463	23.7%
Non-Current Debt	3,507	3,417	2.6%
Total Liabilities	8,671	7,784	11.4%
Shareholders' Equity	3,594	3,459	3.9%
Working Capital[1]	1,199	1,028	16.6%
Total Financial Net Debt	3,190	3,351	-4.8%
RATIOS			
Current Ratio	1.3x	1.3x	-1.3%
Net Debt-to-EBITDA[2]	2.21x	2.41x	
Leverage Ratio[3]	2.4x	2.3x	7.2%

ASSETS

As of June 2020, Total Assets increased S/ 1,023 million compared to year-end 2019. The increase was mainly driven by Cash and Cash Equivalents which grew by S/ 822 million, from S/ 840 million as of December 2019 to S/ 1,662 million as of June 2020, mainly due to operating cash flow generation (led by working capital efficiencies) and short term debt incurred in order to secure liquidity for our operations.

LIABILITIES

As of June 2020, Total Liabilities increased S/ 887 million compared to year-end 2019.

[1] Working Capital defined as Current Assets minus Current Liabilities.
[2] Net Debt to EBITDA defined as Total Financial Debt minus Cash and Cash Equivalents divided by EBITDA for the last twelve months. Net Debt-to-EBITDA ratio as of June 2020 excludes the effect of LTM impairments for S/ 85 million.
[3] Leverage Ratio defined as Total Liabilities divided by Shareholders' Equity.

Total Current Financial Debt as of June 2020 was S/ 1,345 million, S/ 571 million higher than as of December 2019, while total Non-Current Financial Debt as of June 2020 was S/ 3,507 million, S/ 90 million higher than by year-end 2019. The increase in Total Financial Debt is mainly explained by short term debt incurred in order to secure liquidity amid the COVID-19 emergency. As liquidity has remained solid throughout the crisis, we have not used these proceeds, which we have maintained in cash. As of June 2020, Non-Current Financial Debt represented 72.3% of the Total Financial Debt, compared to 81.5% by the end of 2019.

December 2019: Total Debt: S/ 4,191 million

June 2020: Total Debt: S/ 4,852 million

As of June 2020, currency breakdown of our Financial Debt after hedging operations was: i) 73.3% in Peruvian Soles, ii) 13.2% in U.S. Dollars, iii) 12.8% in Bolivianos, and iv) 0.7% in other currencies. However, Financial Debt with true FX exposure (unhedged financial liabilities in a currency other than the functional currency) was only 6.5%. Total Debt duration decreased to 3.33 years as of June 2020, from 3.88 years by year-end 2019. Currently, almost all of our liabilities are fixed rate, either directly or through derivative transactions.

EQUITY

Shareholders' Equity increased S/ 135 million to S/ 3,594 million by June 2020, from S/ 3,459 million by the end of 2019. This increase was mainly explained by Results for the period and Foreign Exchange Conversion Differences.

III. CASH FLOW STATEMENT

OPERATING ACTIVITIES

For the six months ending June 30st 2020, Cash Flow from Operations was S/ 567 million, S/ 229 million higher than the figure in the same period in 2019. This result was mainly due to a higher collection from sales in the amount of S/ 538 million. The aforementioned increase was partially offset by: i) higher payments to suppliers for S/ 139 million, ii) higher tax payments for S/ 62 million and iii) higher payment of salaries to employees for S/ 53 million compared to the same period during 2019.

INVESTING ACTIVITIES

Net Cash Flow used in Investing Activities for the six months ending June 30st 2020 amounted to S/ 149 million, S/ 1,540 million lower compared to the same period in 2019. The decrease was mainly due to the absence of acquisitions. Within those S/ 149 million, the amount disbursed for PP&E related CAPEX was S/ 101 million, S/ 28 million higher than the one for the same period in 2019. Main fixed investments were allocated towards: i) improving our production capabilities in the Aquafeed business and the edible oils facilities, and ii) our corporate headquarters located in the Miraflores district in Lima, Peru. The amount disbursed for intangible assets was S/ 39 million, most of it for the development of our new SAP S/4HANA platform.

FINANCING ACTIVITIES

Cash flow from Financing Activities for the six months ending June 30st 2020, totaled S/ 378 million, S/ 605 million lower, compared to the S/ 982 million in the same period of 2019, mainly due to a lower disbursement of loans as a consequence of the absence of acquisitions in this year.

LIQUIDITY AND SOLVENCY RATIOS

Net debt[1] decreased S/ 161 million to S/ 3,190 million by June 2020, from S/ 3,351 million by the end of 2019. This decrease was mainly due to higher Cash and Cash Equivalents. Excluding raw material inventory from our Crushing business, Net Debt-to-EBITDA ratio decreased from 2.41x[2,3] as of December 2019 to 2.21x[4] as of June 2020.

Current ratio: Total Current Assets/ Total Current Liabilities
Leverage ratio (Total Liabilities/Total Shareholder's Equity)
[1] Net Debt is Financial Debt less cash and cash equivalents as of Q2 20' (includes the effect of IFRS 16).
[2] Net debt-to-EBITDA ratio excludes the effect of impairments for S/ 37 million (Dec-19).
[3] As of December 2019, Net Debt-to-EBITDA ratio includes Intradevco results over the previous 12 months.
[4] Net debt-to-EBITDA ratio excludes the effect of impairments LTM for S/ 85 million (Jun-20).

IV. RECENT EVENTS

PRODUCT RESEARCH & DEVELOPMENT

In the **Consumer Goods Peru division**, Alicorp launched/revamped 8 products during this quarter. In the **Detergents category**, the brand "Patito" launched powder detergent in big formats, seeking to capture market share in the modern channel.

Likewise, the brand "Bolivar" revamped its detergents with a change of brand image, to differentiate the brand and maintain market share.

In the same category, a new detergent was launched under the brand "Trome" in a 15-kilogram format, aiming to capture clients specialized in the sale of bulk products, and thus gain market share in this segment.

In the same category, the brand "Opal" revamped the product "Opal Ultra" with a new technology, aiming to reinforce the brand's positioning and to capture market share.

In the **Cookies & Crackers category**, new additional vanilla and coconut flavors were launched in the "Tentación Mini" line under the brand "Victoria", in order to strengthen our portfolio in the mini cookies segment.

In the **Pasta category**, the brand "Don Vittorio" relaunched its products with new packaging for its various presentations, aiming to refresh the brand's image by highlighting its attributes as a premium brand, such as quality and elegance.

In the **Cereals category**, we launched a new line of healthy cereals under the brand "Angel", aiming to promote consumption of the category by providing healthier foods to families.

In the **Powdered Juices category**, we launched powdered juice in different flavors under the brand "Negrita", in order to differentiate the brand on the market as natural juice.

In the **Consumer Goods "Other geographies" division**, 2 products were launched/relaunched during this quarter. In the **Cookies & Crackers category**, the cookies were launched in Costa Rica under the brands "Casino", "Integrackers" and "Glacitas". Likewise, **in the Pastas category**, the brand "Don Vittorio" launched its products also in this country. Hence, these initiatives aim to consolidate Alicorp's portfolio in Costa Rica, and thus be competitive against local brands.

In the **Consumer Goods Bolivia division**, 2 products were launched/relaunched during this quarter. In the **Pastas category**, a new variety of products were launched under a new brand named "Nutregal", aiming to increase our market share and to become market leader in this category in Bolivia.

In the **Hair Care category**, a shampoo for kids with fruit scents was launched under the brand "Plusbelle", in order to strengthen the brand's portfolio in Bolivia.

In the **Consumer Goods Brazil division**, one product was revamped during this quarter. In the **Premixes category**, premixes of the brand "Santa Amalia" were revamped in 17 flavors with a new formula and brand image, aiming to highlight its attributes of high quality and good flavor, and thus be able to gain market share.

In the **Consumer Goods Argentina division**, 5 products were launched/revamped during this quarter. In the **Hair Care category**, two new varieties of shampoo and conditioner were launched under the brand "Plusbelle", in order to keep up with new market trends.

Likewise, the brand "Plusbelle" launched a new variety of 1L shampoo and conditioner under its "Esencia" line, aiming to provide an attribute of innovation and to increase the brand's value.

In the same category, the brand "Plusbelle" renewed its conditioners from its "Regular" line with a new label, in order to convey about improvements in the line's formula and highlight its main characteristics.

In the **Dishwasher category**, the brand "Zorro" launched its products with a new image and formula, aiming to innovate the brand providing new benefits in its formula and adapting to new market trends.

In the **sanitizer category**, gel alcohol in 200ml and 350ml formats were launched under the Brand "Aval", aiming to supply local demand and to enter this new category.

In the **B2B division**, Alicorp launched 8 products. In the **Food Service category**, an ad hoc shortening was launched under the brand "Sabropan", aiming to differentiate ourselves from the competition in this segment.

Pamolsa
Empaques de alta calidad

Likewise, different disposable containers were launched under a commercial partnership with "Pamolsa", in order to position ourselves as strategic allies for restaurant growth through delivery and take out.

In the same category, masks, gloves and hairnets were launched, aiming to promote compliance with safety protocols through a comprehensive portfolio.

In the **Bakery category**, four varieties of frozen bagged breads were launched under the brand "Masterbread", in order to adapt to changes in consumption habits towards frozen products at home and to a greater stocking-up effect.

Likewise, cooked bread was launched as a donation to the government, trying to help the population affected by COVID-19 by delivering bread, providing a source of energy, in line with our company purpose of "feeding a better tomorrow".

In the **Industrial Clients category**, an ad hoc panettone flour was launched for a specific client, aiming to capture its demand, and thus increase our market share.

Additionally, a combination of crude oil and derivatives was launched in Bolivia, aiming to replace crude oil that is currently produced in Bolivia to serve our clients in the Southern part of Peru and to capture synergies between these two companies.

In the **Aquafeed division**, a product was launched/revamped. In the **Shrimp Feed platform**, "Nicovita Qualis B" was launched under the brand "Nicovita", aiming to serve customers looking for a low-cost alternative.

AWARDS AND SOCIAL RESPONSIBILITY

Alicorp was recognized by **Consultora Arellano** in its **"Marcas 2020" report as one of the Top 10 Top-of-mind brands for Peruvian consumers**. Moreover, our brands "Don Vittorio", "Primor", "AlaCena", and "Nicolini" stood out among the Top 10 most consumed and preferred brands by Peruvians.

About Alicorp

Alicorp is a leading Consumer Goods company headquartered in Peru, with operations in other Latin American countries, such as Argentina, Brazil, Bolivia, Chile, Ecuador, and exports to other countries. The Company focuses on four core businesses: (1) Consumer Products (food, personal and home care products), in Peru, Brazil, Bolivia, Argentina, Ecuador, Colombia and Chile, among other countries, (2) B2B Products (industrial flour, industrial lard, pre-mix and food service products), (3) Aquafeed (fish and shrimp feed) and (4) Oilseeds crushing (soybean and sunflower) which is part of the vertically-integrated consumer business in Bolivia. Alicorp has over 7,600 employees in its operations in Peru and international subsidiaries. The Company´s common and investment shares are listed on the Lima Stock Exchange under the ticker symbols ALICORC1 and ALICORI1, respectively.

DISCLAIMER

This Earnings Report may contain forward-looking statements concerning recent acquisitions, its financial and business impact, management's beliefs and objectives with respect thereto, and management's current expectations for future operating and financial performance, based on assumptions currently believed to be valid. Forward-looking statements are all statements other than statements of historical facts. The words "anticipate," "may," "can," "plans," "believes," "estimates," "expects," "projects," "intends," "likely," "will," "should," "to be," and any similar expressions or other words of similar meaning are intended to identify those assertions as forward-looking statements. It is uncertain whether the events anticipated will transpire, or if they do occur what impact they will have on the results of operations and financial condition of Alicorp or the Consolidated Company. Alicorp does not undertake any obligation to update the forward-looking statements included in this press release to reflect subsequent events or circumstances.

ALICORP S.A.A.

Consolidated Statement of Financial Position
As of June 30, 2020, and December 31, 2019
(in thousands of Peruvian Soles)

	Notes	June 30 2020	December 31 2019
Assets			
Current Assets			
Cash and Cash Equivalents	3	1,662,326	840,021
Other Financial Assets	4	161,468	75,713
Trade Account Receivables, Net	5	1,039,109	1,364,877
Other Account Receivables, Net	6	332,943	287,848
Account Receivables from Related Parties		0	0
Advances to Suppliers		150,041	216,915
Inventories	7	1,992,839	1,622,919
Biological Assets		0	0
Current Income Tax - Asset		67,406	37,482
Other non financial assets		47,504	18,403
Assets classified as held for sale		27,713	26,639
Total Current Assets		**5,481,349**	**4,490,817**
Non-Current Assets			
Other Financial Assets	4	24,406	19,167
Investments in associates	8	16,376	17,323
Accounts Receivable		10,308	0
Other Account Receivables	6	173,421	140,994
Biological Assets		225	286
Investment properties		7,349	7,492
Property, Plant and Equipments, Net	9	3,652,141	3,649,211
Intangible Assets, Net	10	1,367,364	1,318,649
Deferred Tax		200,169	201,586
Non - Current, Current Tax Asset		131	3,492
Goodwill	11	1,331,906	1,393,264
Total Non-Current Assets		**6,783,796**	**6,751,464**
TOTAL ASSETS		**12,265,145**	**11,242,281**

	Notes	June 30 2020	December 31 2019
Liabilities and Shareholders´ Equity			
Current Liabilities			
Other Financial Liabilities	12	1,362,206	803,799
Trade Account Payables	13	2,277,469	2,143,411
Other Account Payables	14	369,312	182,894
Account Payables to Related Parties		75	0
Deferred Income Liabilities		5,027	3,043
Provisions		78,404	48,662
Current Income Tax		23,732	54,013
Provision for Employee Benefits	15	165,802	226,731
Total Current Liabilities		**4,282,027**	**3,462,553**
Non-Current Liabilities			
Other Financial Liabilities	12	3,512,000	3,422,911
Other Account Payables		0	0
Account Payables to Related Parties		0	0
Deferred Income Liabilities		1,833	2,958
Deferred Income Tax Liabilities		746,606	774,113
Provisions		100,210	96,230
Provision for Employee Benefits	15	28,076	25,010
Total Non-Current Liabilities		**4,388,725**	**4,321,222**
Total Liabilities		**8,670,752**	**7,783,775**
Sharedholders' Equity			
Share Capital	16	847,192	847,192
Investment Shares	16	7,388	7,388
Reserves	16	163,379	165,368
Retained Earnings		2,505,634	2,415,276
Other Shareholders' Equity Reserves		35,291	-8,719
Equity Attributable to Owners of the Company		**3,558,884**	**3,426,505**
Non-Controlling Interests		35,509	32,001
Total Shareholders' Equity		**3,594,393**	**3,458,506**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12,265,145**	**11,242,281**

ALICORP S.A.

Consolidated Statement of Comprehensive Income

For the Quaters Ended June 30, 2020, 2019

(in thousands of Peruvian Soles)

	Notes	For the Quarter Ended June 30, 2020	For the Quarter Ended June 30, 2019	For the cumulative period Starting on January 1 and Ending June 30, 2020	For the cumulative period Starting on January 1 and Ending June 30, 2019
Revenue		0	0	0	0
Other Revenues		0	0	0	0
Net Sales	17	2,273,663	2,461,428	4,721,767	4,687,216
Cost of Sales	17	-1,723,160	-1,854,614	-3,544,887	-3,535,736
Gross Profit (Loss)		**550,503**	**606,814**	**1,176,880**	**1,151,480**
Selling and Distribution Expenses		-189,897	-217,208	-424,661	-414,626
Administrative Expenses		-167,609	-167,273	-367,826	-322,974
Profit (loss) on the disposal of financial assets measured at amortized cost		0	0	0	0
Other Operating Income		13,425	6,112	24,412	13,537
Other Operating Expenses		-8,673	-4,066	-78,728	-9,429
Other income (Expenses)		-264	-4,857	-4,756	-14,940
Operating Profit (Loss)		**197,485**	**219,522**	**325,321**	**403,048**
Financial Income	18	9,865	25,345	29,457	53,134
Financial Expenses	19	-83,269	-103,923	-163,838	-171,198
Exchange differences on translating foreign operations.	20	-2,781	10,187	-8,546	12,572
Share in Profits from Associates		-932	0	-932	0
Profit (Loss) arising from the Difference between the Book Value and Fair Value of the Financial Assets Reclassified measured at Fair Value		0	0	0	0
Profit (Loss) before Income Tax		**120,368**	**151,131**	**181,462**	**297,556**
Income Tax Expense		-36,077	-45,363	-87,596	-98,063
Profit for the Year from Continuing Operations		**84,291**	**105,768**	**93,866**	**199,493**
Profit (Loss) for the Year from Discontinued Operations		0	0	0	0
Profit (Loss) for the Period/Year (Net Value)		**84,291**	**105,768**	**93,866**	**199,493**
Net Profit (Loss) attributable to:					
Owners of the Company		82,034	104,304	90,358	195,213
Non-Controlling Interests		2,257	1,464	3,508	4,280
Net Earnings (Loss) for the Period/Year		**84,291**	**105,768**	**93,866**	**199,493**
Basic (cents per share):					
Earnings per Share Capital in Continuing Operations	21	0.096	0.122	0.106	0.228
Earnings per Share Premium in Continuing Operations		0.000	0.000	0.000	0.000
Earnings per Share Capital in Discontinued Operations		0.000	0.000	0.000	0.000
Earnings per Share Premium in Discontinued Operations		0.000	0.000	0.000	0.000
Earnings per Share	21	**0.096**	**0.122**	**0.106**	**0.228**
Earnings per Share Premium		0.000	0.000	0.000	0.000
Diluted (cents per share):					
Earnings per Share Capital in Continuing Operations	21	0.096	0.122	0.106	0.228
Earnings per Share Premium in Continuing Operations		0.000	0.000	0.000	0.000
Earnings per Share Capital in Discounted Operations		0.000	0.000	0.000	0.000
Earnings per Share Premium in Discounted Operations		0.000	0.000	0.000	0.000
Earnings per Share Capital	21	**0.096**	**0.122**	**0.106**	**0.228**
Earnings per Share Premium		0.000	0.000	0.000	0.000

ALICORP S.A.A.
Consolidated Statement of Cash Flows
Direct Method
For the Periods Ended June 30, 2020 and 2019
(in thousands of Peruvian Soles)

	Notes	For the cumulative period Starting on January 1 and Ending June 30, 2020	For the cumulative period Starting on January 1 and Ending June 30, 2019
CASH FLOW FROM OPERATING ACTIVITIES			
Collections from (due to):			
Sales of Goods and Services Offered		5,159,430	4,621,747
Fees		0	0
Royalties, commissions, and other income from ordinary activities		0	0
Interests and Returns Received (not included under Investment Activities)		0	0
Income Tax Reinbursement		0	0
Dividends Received (not incluided under Investment Activities)		0	0
Other Operating Collections		94,804	85,422
Payments to (due to):			
Suppliers of Goods and Services		-3,776,903	-3,638,093
Salaries		-546,941	-494,424
Income Taxes Paid		-129,553	-95,506
Interests and Returns (not incluided under Financing Activities)		0	0
Dividends (not included under Financing Activities)		0	0
Royalties		0	0
Other Operating Payments		-159,867	-98,058
Other Payments		-73,560	-42,507
Net Cash Generated by Operating Activities		**567,410**	**338,581**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Collections to (due to):			
Reinbursement from Advanced Loans and Loans to Third Parties		0	0
Repayments by Related Parties		0	0
Sale of Financial Instruments (Debt or Equity) to other Entities		0	0
Derivative Contracts (futures, options)		0	0
Net Cash Inflow on Disposal of Associate		0	0
Sale of Participation in Joint Venture, Net of Cash Disbursement		0	0
Sale of Investment Properties		0	0
Sale of Properties, Plant and Equipment		1,239	6,169
Sale of Intangible Assets		0	0
Proceeds from Disposal of Other Long Term Assets		0	0
Interests and Returns Received		25,372	19,403
Dividends Received		0	10,257
Income Tax Reinbursement		0	0
Other Cash Collected from Investment Activities		0	0
Payments to (due to):			
Advanced Payments and Loans to Third Parties		0	0
Loans to Related Parties		0	0
Purchase of Financial Instruments (Debt or Equity) from Other Entities		0	0
Derivative Contracts (futures, options)		0	0
Net Cash Outflow on Acquisition of Subsidiaries		0	0
Purchase of Participation in Joint Ventures, Net of cash acquired		0	-1,601,277
Purchase of Participation in Non-Controlling Interests		0	0
Purchase of Investment Properties		0	0
Purchase of Properties, Plant and Equipment		-100,647	-72,230
Advance Payments for Work in Progress for Property, Plant and Equipment		0	0
Purchase of Intangible Assets		-39,637	-48,153
Purchase of Other Long Term Assets		0	0
Income Tax Paid		0	0
Other Cash Payments from Investment Activities		-35,362	-3,298
Net Cash (Used in) Generated by Investment Activities		**-149,035**	**-1,689,129**
CASH FLOWS FROM FINANCING ACTIVITIES			
Collections to (due to):			
Short Term and Long Term Loans		2,687,531	5,176,670
Loans to Related Parties		0	0
Issue of Ordinary Shares and Other Instruments of Equity		0	0
Sale of Treasury Shares		0	0
Income Tax Reimbursement		0	0
Other Cash Collected from Financing Activities		0	0
Payments to (due to):			
Short Term & Long Term Loan Amortizations		-2,140,232	-3,835,474
Loans from Related Entities		0	0
Liabilities from Leasing Operations		-24,633	-17,014
Repurchase of Shares (Treasury Shares)		0	0
Adquisition of other Participations under Share Capital		0	0
Interests and Returns		-147,452	-132,772
Dividends		-64	-205,099
Income Tax Paid		0	0
Other Cash Payments from Financing Activities		2,538	-3,931
Net Cash Used in Financing Activities		**377,688**	**982,380**
Increase (Decrease) Net Cash Flow, before Exchange Rate Changes		**796,063**	**-368,168**
Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currerncies		26,242	-8,131
Increase (Decrease) Net Cash Flow, after exchange rate changes		**822,305**	**-376,299**
Cash and cash equivalents at the beginning of the year		840,021	1,037,185
Cash and cash equivalents at the end of the period		**1,662,326**	**660,886**