



GRUPO LALA REPORTS SECOND QUARTER 2020 RESULTS

Mexico City, July 20, 2020 – Grupo LALA, S.A.B. de C.V., a Mexican Company focused on healthy and nutritious foods, (“LALA”) (BMV: LALAB), today reported results for the second quarter 2020. The following information has been presented based on International Financial Reporting Standards (IFRS) and in nominal terms.

Quarter Highlights:

- Proven consumer staples business resilience, brand loyalty and extensive portfolio targeting all consumer segments, socioeconomic demographics and “consumption moments” protect margins and preserve liquidity
- +5.2% YOY constant currency Branded Sales driven by volume
- 10.1% EBITDA margin; -8.2% YOY due to margin contraction in Mexico and Brazil
- +90 bps sequential EBITDA margin recovery in Mexico
- -22.0% YOY in Net Income due to lower Operating Profit in Mexico and Brazil
- -220 bps Working Capital improvement to 0.5% of sales, driven by negative Working Capital in Mexico
- Leverage ratio: 3.4x

The following chart provides an abridged Income Statement, in millions of pesos. The margin for each figure represents its ratio to net sales for the second quarter ended June 30, 2020 as compared to the same period in 2019.

MXN\$ in millions	Q2'19	% Sales	Q2'20	% Sales	Var. %	Var. bps
Branded Sales ⁽¹⁾	18,491		19,502		5.5%	
Raw Materials and Others Sales	384		546		42.1%	
Net Sales	18,876	100%	20,048	100%	6.2%	
Gross Profit	6,839	36.2%	6,854	34.2%	0.2%	(200 bps)
Operating Income	1,452	7.7%	1,228	6.1%	(15.5%)	(160 bps)
EBITDA ⁽²⁾	2,210	11.7%	2,028	10.1%	(8.2%)	(160 bps)
Net Income	536	2.8%	418	2.1%	(22.0%)	(70 bps)

(1) Branded Sales exclude raw materials sales

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

MESSAGE FROM MANAGEMENT

Arquímedes Celis, Grupo LALA's CEO, commented:

“The current pandemic has underscored the unique resilience and adaptability of LALA’s business model, with robust demand for LALA products- particularly our high-quality staples. As our second quarter performance demonstrates, LALA’s healthy supply chain, broad portfolio reach, channel access and our ability to quickly adapt to capture the changing consumer trends and purchasing habits have enabled strong results in an exceptionally challenging environment.”

He continued, “During the quarter we successfully executed on our strategic priorities as defined prior to the crisis; streamlining and rationalizing operations while increasing shareholder value. We are committed to our principles and remain focused on the safety of our employees, suppliers, clients and consumers- with increased support to vulnerable communities affected by COVID-19. While we know the balance of the year will be impacted by uncertain circumstances and ongoing challenges, we're confident in the strength of our underlying foundation and performance, the dedication of our team and the response from customers as they recognize our commitment to serving them. I have great confidence in the future of our business and in our ability to deliver the changes needed to drive sustainable growth.”

COVID-19 RESPONSE

Grupo LALA remains focused on the four priorities defined in March 2020 to ensure safe conditions for employees, consumers, clients and suppliers and product food safety, as well as uninterrupted operations, risk mitigation and compliance with regulatory measures of each respective country in which the Company operates. LALA has institutionalized additional protocols and policies enacted in Q2'20 as part of its standard operating procedures moving forward. These four priorities are:

1. **Employee, supplier and client safety**
2. **Guaranteed food safety**
3. **Supply chain continuity and risk mitigation**
4. **Financial liquidity**

CONSOLIDATED RESULTS FOR

THE SECOND QUARTER 2020

Net Sales: Second quarter 2020 total net sales increased 6.2% year-on-year to reach \$20,048 million pesos; a 6.0% increase on a constant currency basis. This was due to: 1) topline growth driven by strengthened volumes in Mexico, Brazil and Central America mainly due to increased at-home consumption; 2) a negative translation effect resulting from a 10.8% depreciation of the BRL and a 22.3% appreciation of the USD relative to the Mexican peso; as well as 3) a 42.1% increase in Mexico raw milk sales due to a seasonal surplus of raw milk purchased from suppliers.

Sales by Region:

Second quarter 2020 branded sales in **Mexico** increased by 6.7% YOY, to \$15,027 million pesos, with increased sales in all segments and particularly strong performance in UHT Milk, Cream, Cheese, Butter, LALA 100 and Cold Cuts coupled with near-to-mid digit volume growth. COVID-19 driven shifts in consumer behavior negatively affected Drinkable Yogurt and Desserts.

Grupo LALA's **Brazil** operations reported second quarter net sales of \$2,676 million pesos; a 5.6% year-on-year increase in BRL and a 5.7% decrease in MXN. This increase was due to strong UHT Milk, *Requeijão*, Cheese, Butter and Value Yogurt volume growth, offsetting a COVID-19 driven decline in Food Service sales, to achieve low-single digit volume growth. The price increase executed at first quarter's end partially offset the negative price mix effect from increased demand of value categories.

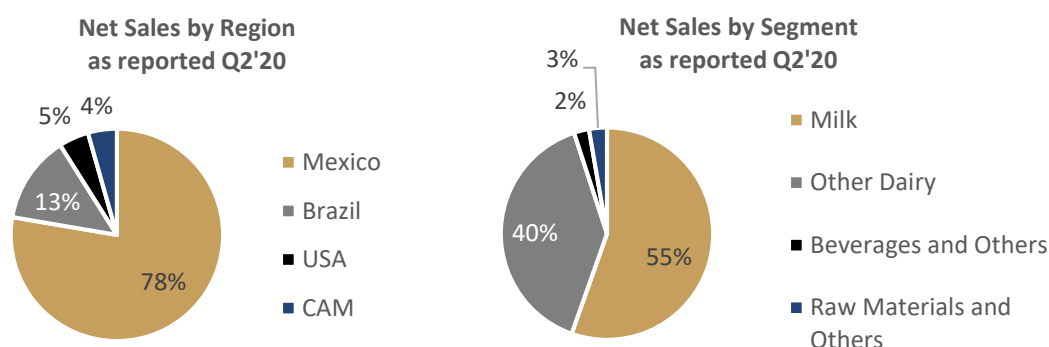
The Company's **U.S.** operations reported \$915 million pesos in net sales for second quarter 2020; a 13.1% decrease in constant currency and a 6.3% increase in Mexican pesos. Volumes reflected a double-digit contraction due to a reduced on-the-go consumption that affected Drinkable Yogurt as well as decreased co-packing sales that were adversely impacted by the effect of COVID-19 on the Food Service channel.

LALA's **Central America** operations reported a 1.7% sales increase in USD and 24.4% in MXN, to reach \$883 million pesos in second quarter 2020 sales. This increase was due to strong Milk performance in all countries in which LALA has a presence, offsetting a decline in value-added Dairy categories such as Yogurt, Cream and Ice-cream, affecting mix. These led to a low-single digit volume growth in the region.

Net Sales by Region				Vs constant currency ⁽¹⁾
MXN\$ in millions	Q2'19	Q2'20	Var. %	Var. %
Mexico	14,082	15,027	6.7%	6.7%
Brazil	2,839	2,676	(5.7%)	5.6%
USA	860	915	6.3%	(13.1%)
CAM	710	883	24.4%	1.7%
Total Branded Sales ⁽²⁾	18,491	19,502	5.5%	5.2%
Raw Materials and Others	384	546	42.1%	42.1%
Total Sales	18,876	20,048	6.2%	6.0%

(1) Constant currency uses constant BRL for Brazil and USD for the United States and Central America

(2) Branded Sales exclude raw materials sales



Sales by Segment:

Milk sales growth was driven by increased volume in value, mainstream and premium Milk sales across all regions.

Other Dairy growth in Brazil and Mexico offset a decline in US and CAM sales. Cream, Cheese and Butter performed well, while Yogurt was affected by a COVID-19 related decreased in Drinkable Yogurt consumption across all regions.

Beverages and Others: Cold Cuts drove segment growth in Mexico; however, this did not offset decreased Juice consumption in Brazil and Mexico.

Net Sales by Segment				Vs constant currency ⁽¹⁾
MXN\$ in millions	Q2'19	Q2'20	Var. %	Var. %
Milk	10,017	11,108	10.9%	9.6%
Other Dairy	7,987	7,932	(0.7%)	0.2%
Beverages and Others	487	462	(5.3%)	(4.3%)
Total Branded Sales ⁽²⁾	18,491	19,502	5.5%	5.2%
Raw Materials and Others	384	546	42.1%	42.1%
Total Sales	18,876	20,048	6.2%	6.0%

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Market share by Region:

May 2020 **Mexico** rolling year Nielsen Retail market share figures for value sales reflected that LALA's market share within the Milk, Yogurt and Cream categories remained stable, with gradual market share recovery within the Pre-packaged Cheese value sales market share category, due to significant improvements to the LALA's supply chain performance since the first quarter 2020.

In **Brazil**, May 2020 rolling year Nielsen market share for value sales reflected a positive trend within the Refrigerated Dairy (Yogurts, Fermented Milk, Petite Suisse and Desserts) and Cheese (*Requeijão*, Cream Cheese, Fresh Cheese and Processed Cheese) categories in which LALA participates.

Costs and Gross Profit: Second quarter 2020 cost of goods sold increased by 9.6%, resulting in gross profit of \$6,854 million pesos with a 200 bps decrease in gross margin, to 34.2%. Sequentially, this represents a 130 bps gross margin expansion due to an improved operations production planning cycle in Mexico. The year-on-year gross margin decrease was attributed to: 1) raw materials price inflation and FX impact; 2) deferred price increases in light of the current economic environment; and 3) pressure on mix in Brazil, US and CAM due to increased demand for lower margin products, such as Milk and Value Yogurt.

Expenses and Operating Income: Second quarter operating expenses increased slightly by 1.6%, to \$5,603 million pesos. As a percentage of sales, expenses have decreased 130 bps to 27.9%. This improvement comes from having normalized prior overinvestments in Mexico to appropriate levels, demand planning improvements, and overhead savings which offset incremental COVID-19 related expenses.

Reported operating income reached \$1,228 million pesos during the second quarter 2020; a 15.5% year-on-year decrease impacted by Mexico and Brazil gross margin contraction, resulting in a 6.1% operating margin. This represents a 160 bps year-on-year decrease in operating margin and a 70 bps sequential improvement.

EBITDA: Second quarter 2020 EBITDA reached \$2,028 million pesos; a 8.2% year-on-year decrease with a 160 bps margin contraction. This is primarily due to decreased operating performance in Mexico and Brazil and pressure on dollarized input costs. However, it's important to note that second quarter 2020 margin expanded by 70 bps on a sequential basis.

EBITDA by Region

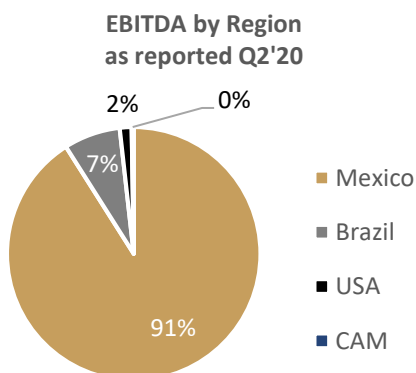
EBITDA by Region					
MXN\$ in millions	Q2'19	% NS	Q2'20	% NS	Var. bps
Mexico	1,962	13.6%	1,846	11.9%	(170 bps)
Brazil	220	7.8%	146	5.5%	(230 bps)
USA	24	2.8%	31	3.4%	60 bps
CAM	3	0.5%	5	0.6%	10 bps
Total EBITDA	2,210	11.7%	2,028	10.1%	(160 bps)

In **Mexico**, second quarter 2020 EBITDA was \$1,846 million pesos with an 11.9% margin; a 170 bps year-on-year contraction. This is due to 1) raw materials price inflation, 2) deferred price increases in light of the current economic environment, and 3) residual operating and production inefficiencies related to prior investments that increased complexity as well as to prior inaccuracies in demand planning. Sequentially, Mexico operations achieved a 90 bps margin expansion due to supply chain performance improvements and expense reduction. These included: waste, overhead and freight reductions, and marketing expenses which are now more appropriately aligned to sales, among others.

In **Brazil**, LALA closed the second quarter 2020 with \$146 million pesos in EBITDA and a 5.5% margin; a 230 bps year-on-year reduction. This is due to 1) raw materials price-related cost pressure, primarily raw milk and soybean oil; 2) a lower margin product mix due to increased demand for UHT Milk and Value Yogurt; and 3) COVID-19 sales decline within the Food Service channel, a business that represents over 20% of Brazil sales.

The Company's **US** operation achieved a 3.4% EBITDA margin; a 60 bps year-on-year expansion. LALA's US closed the second quarter with \$31 million pesos in EBITDA. It's important to note that results for the second quarter 2020 were favorably impacted by an expense accrual release one-time benefit. Excluding this effect, normalized margin would have reached 1.0%. This margin contraction is due to the loss of operational leverage from the double-digit sales decrease.

EBITDA margin for LALA's **Central America** operation was 0.6%, in line with the breakeven plan for this market. Year-on-year, this result represents a 10 bps margin expansion. It is important to note that, both the operations in Nicaragua and Guatemala continue to deliver positive EBITDA, fueling the expansion in Costa Rica.



Net Financial Expenses: During the second quarter 2020, the Company reported \$617 million pesos in net financial expenses; an 8.8% decrease, mainly due to a 3.5% reduction of net interest expenses and the refinancing executed during the second semester of 2019 at lower interest rates.

Taxes: For the second quarter 2020 taxes were \$208 million pesos. The effective tax rate increased from 32.1% in Q2'19 to 33.2% in Q2'20, due to a decrease in the deduction of tax incentives.

Net Income: Net income decreased 22.0% in the second quarter, to \$418 million pesos, due to a lower operating result in Mexico and Brazil. Sequentially, net income increased 61.8%; an 80 bps expansion.

MXN\$ in millions	Q2'19	Q2'20	Var %
Operating Income	1,452	1,228	(15.5%)
Financing Expenses	677	617	(8.8%)
Results of associated companies	14	15	11.9%
Net income before taxes	789	626	(20.7%)
% NS	4.2%	3.1%	
Taxes	253	208	(17.9%)
Effective tax rate	32.1%	33.2%	
Net Income	536	418	(22.0%)
% NS	2.8%	2.1%	

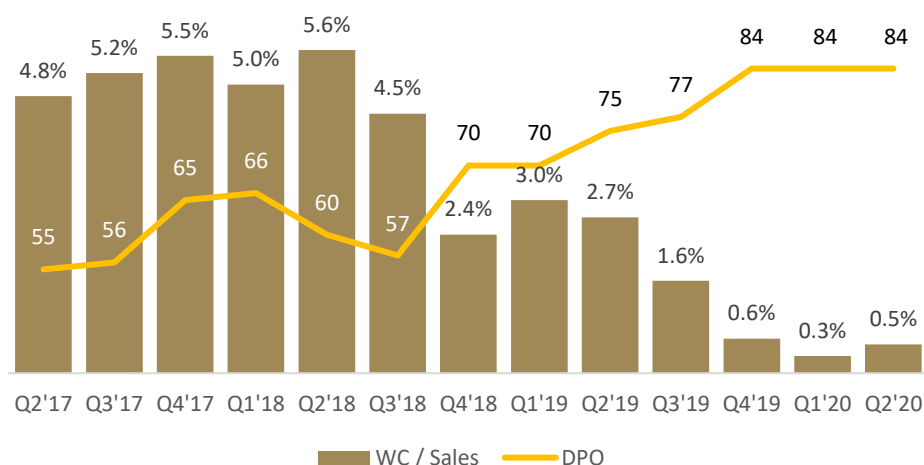
CONSOLIDATED

FINANCIAL POSITION

Capital Investment: As of June 30, 2020, the Company invested \$945 million pesos in capacity expansion and maintenance Capex. This is comprised of \$715 million pesos in property plant and equipment acquisitions and \$230 million pesos in vehicle, machinery and equipment leasing. This represents a Capex to Sales ratio of 2.4% for the second quarter 2020.

Cash and Cash Equivalents: As of June 30, 2020, Grupo LALA had a cash position of \$4,624 million pesos, including an increase in short term loans to strengthen the Company's liquidity to ensure to Company remains well positioned to address current COVID-19 market environment.

Working Capital: As of June 30, 2020, LALA's consolidated working capital over sales ratio improved by -220 bps year-on-year, to reach 0.5%, driven by a negative working capital ratio of -1.8% of sales achieved in Mexico and cash conversion cycle improvements in Brazil, US and CAM.



Total Debt: LALA ended the quarter with total debt of \$31,063 million pesos, comprised of \$9,121 million pesos in short-term debt and \$21,942 million pesos in long-term debt. As of June 30, 2020, the Company's Net Debt was \$26,440 million pesos, representing a Net Debt-to-EBITDA ratio of 3.4x.

The following table illustrates the composition of the Company's debt by currency, interest rate and year of maturity as of June 30, 2020.

Currency	% Total Debt	% Weighted avg. Cost of debt	Average maturity
Mexican Pesos	89%	TIIIE + 1.77%	3.9 years
Brazilian Reals	11%	CDI + 1.52%	1.4 years
Total	100%	6.70%	3.6 years

Key Financial Data: As of June 30, 2020, the Company's key financial ratios were as follows:

Financial Metrics	Q2'19	Q2'20
Net Debt / EBITDA	3.1x	3.4x
EBITDA / Interest Paid	3.3x	3.2x
Earnings per Share (12 months)	\$ 0.87	\$ 0.58
Book Value	\$ 9.99	\$ 9.16
Outstanding Shares (in millions)	2,475.9	2,475.9
ROIC %	7.6%	6.5%

Share buyback program

As of June 30, 2020, the Company's share buyback program had a balance of 48,999,197 shares at a weighted average price of \$20.78 pesos per share for a total balance of \$1,132,053,788.05 pesos. The Company will be suspending share buybacks to preserve capital and liquidity in light of the current market environment.

Sell-side analyst coverage

In compliance with BMV regulations, article 4.033.01 Frac. VIII, Grupo LALA is covered by analysts at the following brokers: Actinver, Bank of America Merrill Lynch, Barclays, BBVA, BTG Pactual, Citigroup, Credit Suisse, GBM Grupo Bursátil Mexicano, Goldman Sachs, Intercom, INVEX Banco, JP Morgan, Monex, Morgan Stanley, Punto Casa de Bolsa, Santander, Scotiabank, Vector and VePorMas.

Contact – Investor Relations

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About LALA

Grupo LALA is a Mexican company focused on healthy and nutritious foods, with more than 65 years of experience in the production, innovation and marketing of milk, dairy products and beverages under the highest quality standards. The Company operates 31 production plants and 172 distribution centers in Mexico, Brazil, United States and Central America, supported by more than 38,000 employees. Grupo LALA's fleet of approximately 7,000 vehicles distributes its more than 600 products to more than 578,000 points of sale. LALA's portfolio is led by its three main brands: LALA®, Nutri Leche® and Vigor®.

For more information, visit: www.lala.com.mx

Grupo LALA trades on the Mexican Stock Exchange under the ticker symbol "LALAB"

Forward Looking Statements

This press release and related conference call contain, in addition to historical information, forward-looking statements including statements related to the Company's ability to manage its business and liquidity during and after the COVID-19 pandemic, the impact of the COVID-19 pandemic on the Company's results of operations, including net revenues, earnings and cash flows, the Company's ability to reduce costs and capital spending in response to the COVID-19 pandemic if needed, the Company's balance sheet, liquidity and inventory position throughout and following the COVID-19 pandemic, the Company's prospects for financial performance, growth and achievement of its long-term growth objectives following the COVID-19 pandemic, future dividends and share repurchases. Actual results may vary materially from these estimates. The information on future events contained in this press release should be read together with a summary of these risks, which are included in the Annual Report. That information, as well as future reports issued by the Company or any of its representatives, whether verbally or in writing, may vary materially from actual results. These projections and estimates, which were prepared with reference to a specific date, should not be considered as fact. The Company has no obligation whatsoever to update or revise any of these projections and estimates, whether as a result of new information, future events, or other associated events.

CONFERENCE CALL INFORMATION



Tuesday July 21, 2020, at
11:00am EST / 10:00am CST



Arquímedes Celis, Chief Executive Officer
Alberto Arellano, Chief Financial Officer
David González, Investor Relations Officer



Webcast:
[http://public.viavid.com/index
.php?id=140533](http://public.viavid.com/index.php?id=140533)

To participate, please dial-in ten minutes ahead of the
scheduled time.

Mexico: 01 800 522 0034	United States: +1 877 705 6003 (Toll-free)	International: +1 201 493 6725
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To Access the replay service (1 week), please dial:

United States: +1 844 512 2921 (Toll-free)	International: +1 412 317 6671	PIN #: 13706224
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GRUPO LALA, S.A.B. DE C.V.
Consolidated Income Statements
ended June 30, 2019 and 2020
(In thousands of nominal pesos)

	For the three months ended				For the six months ended			
	June 30,		June 30,		June 30,		June 30,	
	2019	2020	2019	2020	2019	2020	2019	2020
Net sales	\$ 18,875,744	100.0%	\$ 20,047,948	100.0%	\$ 37,583,238	100.0%	\$ 39,452,580	100.0%
Cost of goods sold	12,036,884	63.8%	13,193,451	65.8%	24,125,703	64.2%	26,208,836	66.4%
Gross profit	6,838,860	36.2%	6,854,497	34.2%	13,457,535	35.8%	13,243,744	33.6%
Other income (expenses), net	(128,732)	(0.7)%	23,435	0.1%	(136,303)	(0.4)%	(8,199)	(0.0)%
Operating expenses	5,515,251	29.2%	5,603,377	27.9%	10,686,901	28.4%	10,979,090	27.8%
Operating Income	1,452,341	7.7%	1,227,685	6.1%	2,906,937	7.7%	2,272,853	5.8%
Net of financial (income) expenses								
Net of financial income	649,985	3.4%	627,191	3.1%	1,279,678	3.4%	1,239,644	3.1%
Exchange rate (profit) loss	27,124	0.1%	(9,873)	(0.0)%	38,994	0.1%	53,520	0.1%
Financial instruments	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Financial income, net	677,109	3.6%	617,318	3.1%	1,318,672	3.5%	1,293,164	3.3%
Share in the results of associated companies	13,642	0.1%	15,260	0.1%	30,473	0.1%	33,237	0.1%
Income before taxes	788,874	4.2%	625,627	3.1%	1,618,738	4.3%	1,012,926	2.6%
Income tax expense	252,875	1.3%	207,633	1.0%	523,072	1.4%	336,615	0.9%
Net consolidated income	535,999	2.8%	417,994	2.1%	1,095,666	2.9%	676,311	1.7%
Non-controlling interest	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Depreciation and amortization	757,797	4.0%	800,564	4.0%	1,458,075	3.9%	1,586,120	4.0%
EBITDA	\$ 2,210,138	11.7%	\$ 2,028,249	10.1%	\$ 4,365,012	11.6%	\$ 3,858,973	9.8%
Effective income tax rate	32.1%		33.2%		32.3%		33.2%	

GRUPO LALA, S.A.B. DE C.V.
Consolidated Statement of Financial Position
at June 30, 2019 and 2020
(In thousands of nominal pesos)

	As of June 30, 2019	As of June 30, 2020
ASSETS		
Cash and cash equivalents	\$ 1,778,045	\$ 4,623,666
Investments in financial instruments	249,026	533,308
Accounts receivable	6,548,138	6,378,958
Taxes and other accounts receivable	4,946,488	4,867,823
Related parties	28,331	57,044
Inventories	5,521,990	6,326,868
Prepaid expenses	868,114	542,513
Current assets	19,940,132	23,330,180
Investments in associates	572,171	580,070
Property, plant and equipment, net	21,587,847	21,380,103
Right of use assets	2,103,591	2,573,352
Intangible and other assets	10,595,738	9,074,197
Goodwill	18,921,863	17,018,252
Long term recoverable taxes	1,619,226	1,401,106
Financial instruments investments	0	10,782
Deferred income tax	1,858,710	2,586,401
Non-current assets	57,259,146	54,624,262
Total assets	\$ 77,199,278	\$ 77,954,443
LIABILITIES		
Short-term loans	\$ 982,137	\$ 6,111,035
Current portion of long-term debt	\$ 4,003,859	\$ 3,010,081
Current lease liabilities	551,761	620,401
Suppliers	9,010,015	11,080,337
Financial instruments liability	20,072	302,189
Related parties	1,282,625	1,262,695
Stockholders	1,026,792	1,224,252
Taxes and other accounts payable	3,613,021	4,514,183
Current liabilities	20,490,282	28,125,173
Non Current Long Liabilities	1,582,370	2,095,390
Long-term debt	22,483,775	21,942,218
Deferred income tax and other taxes payable	2,114,842	1,019,349
Taxes payable in the long term	619,462	419,007
Derivative financial instruments	114,636	445,920
Other accounts payable	5,456,081	3,493,201
Long-term liabilities	32,371,166	29,415,085
Total liabilities	52,861,448	57,540,258
SHAREHOLDERS EQUITY		
Capital Stock	1,486,956	1,485,883
Net premium in share placement	12,836,655	12,241,929
Retained earnings	12,565,324	12,437,263
Other comprehensive income	-3,646,853	-6,427,202
Income of the year	1,095,639	676,312
Equity attributable to equity holders of the parent	24,337,721	20,414,185
Non-controlling interest	109	0
Total shareholders equity	24,337,830	20,414,185
Total liabilities and shareholders equity	\$ 77,199,278	\$ 77,954,443

GRUPO LALA, S.A.B. DE C.V.
Consolidated Cash Flow Statement
for the 6 months ended June 30, 2019 and 2020
(In thousands of nominal pesos)

	As of June 30, 2019	As of June 30, 2020
Operating activities:		
Income before taxes	\$ 1,618,710	\$ 1,012,926
Depreciation, amortization, and trademarks impairment	1,458,090	1,586,121
Participation in associates	(30,473)	(33,237)
Financial Expenses	1,327,290	1,317,777
Financial Products	(47,607)	(78,134)
Others	(51,836)	(8,388)
Foreign Exchange result no realized	21,016	30,553
Total	4,295,190	3,827,618
Changes in operation assets and liabilities		
Accounts receivable	(209,867)	(147,582)
Inventories	(591,337)	(281,252)
Related parties	(2,973)	147,225
Suppliers	412,955	79,400
Other accounts receivable and prepaid expenses	(1,599,536)	(1,359,741)
Other assets and liabilities	132,449	(200,199)
Total	2,436,882	2,065,469
Taxes	(1,033,115)	(436,670)
Net cash flow provided by operating activities	1,403,766	1,628,799
Investing activities		
Acquisition of property, plant, equipment, and intangibles	(807,468)	(714,626)
Acquisition of intangibles and other assets	(133,000)	(179,451)
Proceeds from sale of property, plant, and equipment	46,010	36,714
Dividends collected from associates		0
Investments in Financial instruments	(2,080)	(4,226)
Interest collected	60,064	80,058
Net cash flow used in investing activities	(836,474)	(781,531)
Financing activities		
Loans obtained	12,673,506	11,183,393
Repayments of borrowings to third parties	(11,816,498)	(6,389,403)
Interest paid	(1,260,093)	(1,124,455)
Payment of lease liabilities	(307,933)	(462,605)
Reissuance (repurchase) of capital stock	102,783	(136,330)
Dividends paid to equity holders of the parent	(750,108)	(746,314)
Net cash flows provided (used) in financing activities	\$ (1,358,344)	\$ 2,324,286
Net increase of cash and equivalents	(791,052)	3,171,555
Adjustments to cash due to exchange rate fluctuations	18,979	(80,836)
Cash and equivalents at beginning of the year	2,550,117	1,532,948
Cash and equivalents at the end of the period	\$ 1,778,045	\$ 4,623,666