

Sales and EBITDA growth of 46% and 18% driven by Ceramica San Lorenzo and favorable performance of Lamosa's business units.  
 Net Debt reduction of 11% and Net Debt to Ebitda ratio of 2.2x.

Figures in millions of nominal Mexican Pesos. Figures may vary due to rounding.  
 Figures calculated under IFRS.

<b>Income Statement</b>	<b>3 Q</b>	<b>3 Q</b>	
	<b>2016</b>	<b>2017</b>	<b>Var %</b>
Net Sales	3,263	4,431	36%
Cost of Sales	1,883	2,619	39%
Gross Profit	1,380	1,812	31%
Gross Margin	42%	41%	
Operating Expenses	761	1,007	32%
Operating Income	590	800	36%
Operating Margin	18%	18%	
EBITDA	740	959	30%
EBITDA Margin	23%	22%	
Comprehensive Financing Cost	99	234	136%
Net Income	260	626	141%
Net Margin	8%	14%	

<b>YTD</b>	<b>YTD</b>	
<b>2016</b>	<b>2017</b>	<b>Var %</b>
9,033	13,169	46%
5,194	8,210	58%
3,839	4,958	29%
42%	38%	
2,196	3,081	40%
1,656	1,856	12%
18%	14%	
2,074	2,439	18%
23%	19%	
493	-164	-133%
755	1,307	73%
8%	10%	

	<b>3 Q</b>	<b>3 Q</b>	
	<b>2016</b>	<b>2017</b>	<b>Var %</b>
Export Sales	404	1,498	271%

<b>YTD</b>	<b>YTD</b>	
<b>2016</b>	<b>2017</b>	<b>Var %</b>
1,255	4,423	252%

	<b>DEC</b>	<b>SEP</b>	
	<b>2016</b>	<b>2017</b>	<b>Var %</b>
Debt	9,341	8,277	-11%
Net Debt / EBITDA	2.8	2.2	
Investments	1,246	331	

(1) Normalized Proforma Ebitda LTM considering Ceramica San Lorenzo.

(2) Refers to year-to-date investments as of September.

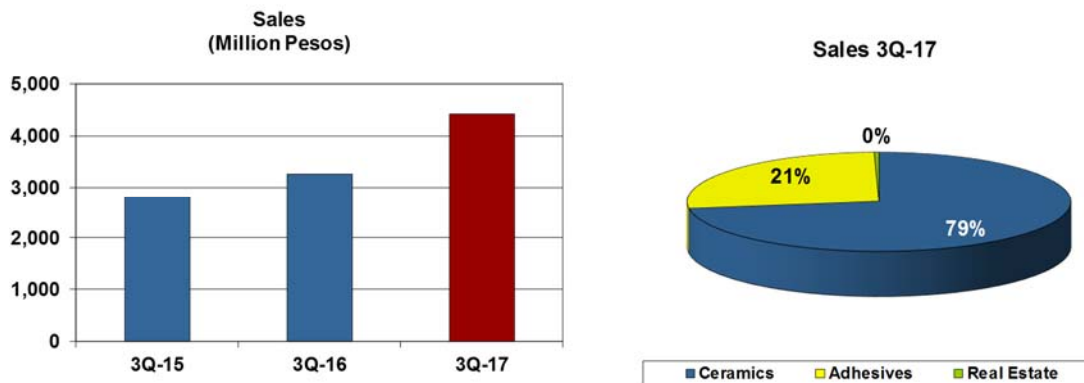
The results achieved by Grupo Lamosa at the close of the third quarter of 2017 continued to show sustained growth in line with its growth strategy within and outside Mexico.

San Pedro Garza García, Nuevo León, México, October 27th, 2017. Grupo Lamosa, announces its results related to the third quarter of 2017.

*Figures in millions of Mexican Pesos. Figures may vary due to rounding.*

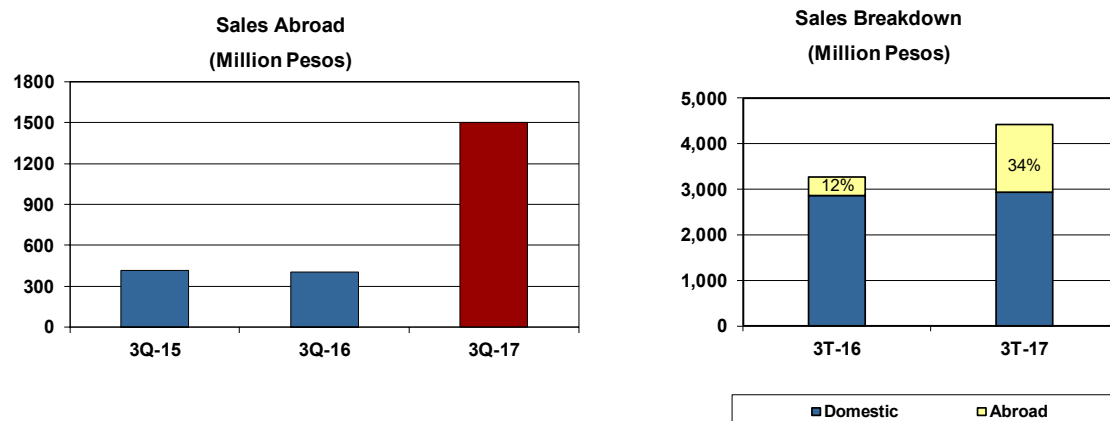
## SALES

Grupo Lamosa's cumulative sales during the nine months of the year amounted to \$ 13,169 million Pesos, an increase of 46% when compared to sales of \$ 9,033 million Pesos recorded during the same period of 2016. The increase in the Company's revenues is explained by the efforts made to increase capacity by meeting market requirements with higher added value products, as well as by the acquisition of Cerámica San Lorenzo in South America, whose operations began to be incorporated from the fourth quarter of 2016. Excluding revenues from Cerámica San Lorenzo, sales growth would be 11%.



## SALES ABROAD

Sales outside Mexico at the end of the third quarter of 2017 amounted to \$ 4,423 million Pesos, showing a growth of 252% when compared to sales of \$ 1,255 million Pesos recorded during the same period of the previous year. This growth was driven largely by the sales of Cerámica San Lorenzo. Sales outside Mexico, which in addition to export sales include sales of subsidiaries abroad, accounted for 34% of total sales at the end of the third quarter of the year, compared to 14% in the same period of 2016.



Grupo Lamosa's divisions continued to show growth in their results.

## PERFORMANCE PER BUSINESS SEGMENT

	Ceramics			Adhesives			Real Estate			Total		
	3Q-16	3Q-17	Var	3Q-16	3Q-17	Var	3Q-16	3Q-17	Var	3Q-16	3Q-17	Var
Total Sales	2,370	3,503		894	930		0	0		4,041	5,253	
Intersegment Sales	0	0		-2	-1		0	0		-778	-822	
Net Sales	2,370	3,503	48%	893	928	4%	0	0		3,263	4,431	36%
EBIT	420	580	38%	196	220	13%	0	0		590	800	36%
Dep. Amort. & Others	106	113	7%	11	11	5%	0	0		150	160	7%
EBITDA	526	693	32%	207	232	12%	0	0		740	959	30%
%	22%	20%		23%	25%					23%	22%	

	YTD Ceramics			YTD Adhesives			YTD Real Estate			YTD Total		
	Sep-16	Sep-17	Var	Sep-16	Sep-17	Var	Sep-16	Sep-17	Var	Sep-16	Sep-17	Var
Total Sales	6,491	10,411		2,546	2,754		0	8		11,272	15,646	
Intersegment Sales	0	0		-4	-4		0	0		-2,239	-2,477	
Net Sales	6,491	10,410	60%	2,542	2,750	8%	0	8		9,033	13,169	46%
EBIT	1,170	1,219	4%	554	642	16%	-1	0		1,656	1,856	12%
Dep. Amort. & Others	298	465	56%	32	33	3%	0	0		418	584	39%
EBITDA	1,469	1,685	15%	587	675	15%	-1	0		2,074	2,439	18%
%	23%	16%		23%	25%					23%	19%	

## CERAMIC DIVISION

Sales of the ceramic division during the first nine months of the year totaled \$ 10,410 million Pesos, representing 79% of total sales, and a 60% increase compared to sales of \$ 6,491 million Pesos recorded during the same period of 2016. Excluding sales of Cerámica San Lorenzo captured by this division, the growth would be 12%.

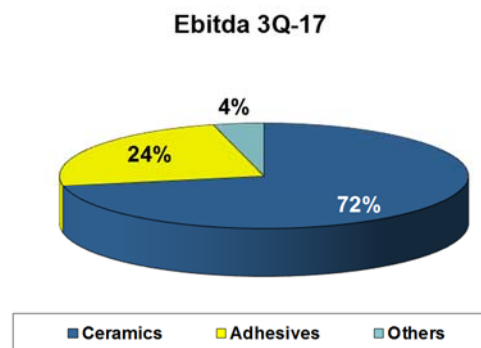
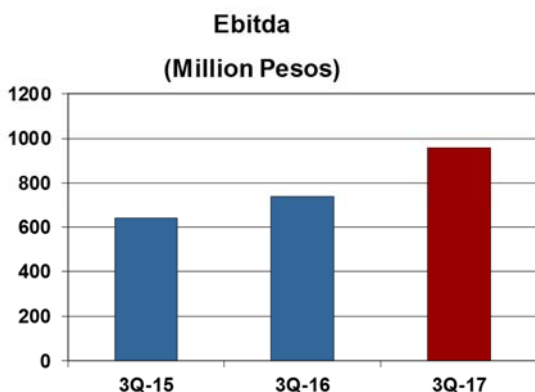
## ADHESIVES DIVISION

The adhesives division recorded accumulated sales of \$ 2,750 million Pesos at the end of the third quarter of 2017, which represented 21% of Lamosa's consolidated sales, and an 8% growth compared to the revenues obtained during the nine months of 2016.

## OPERATING INCOME

Operating income at the end of the third quarter of the year amounted to \$ 1,856 million Pesos, showing a 12% increase when compared to the \$ 1,656 million Pesos posted in the same period of 2016. It is important to mention that this growth was obtained despite the extraordinary impact incurred during the first quarter of 2017 for \$ 390 million Pesos, corresponding to the closing of two out of the four plants in Argentina. This non-recurring expense was derived in accordance with the plan of synergies and integration of the operations of Cerámica San Lorenzo in South America. Excluding this extraordinary impact, normalized growth in operating income would account for 36%.

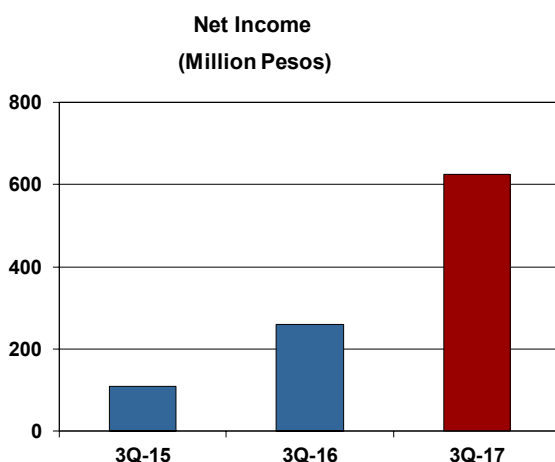
The accumulated EBITDA at the end of the third quarter of 2017 amounted to \$ 2,439 million Pesos, an increase of 18% compared to \$ 2,074 million Pesos corresponding to the same period of the previous year. Excluding the impact of the non-recurring expense, growth would be 36%, representing a sales margin of 21%.



## NET INCOME

During the first nine months of 2017 the comprehensive financing cost was reduced by 133% from a cost of \$ 493 million Pesos to a profit of \$ 164 million Pesos. This result is mainly explained by the 12% appreciation of the Peso against the US Dollar, which resulted in an exchange gain of \$ 664 million Pesos, compared to the exchange loss of \$ 305 million Pesos recorded during the nine months of 2016. This foreign exchange gain offset the higher level of net financial expenses arising from the new debt acquired at the end of the third quarter of 2016 for the acquisition of Cerámica San Lorenzo. Net financial expenses at the end of the third quarter of 2017 totaled \$ 500 million Pesos, compared to \$ 188 million Pesos registered during the same period of 2016.

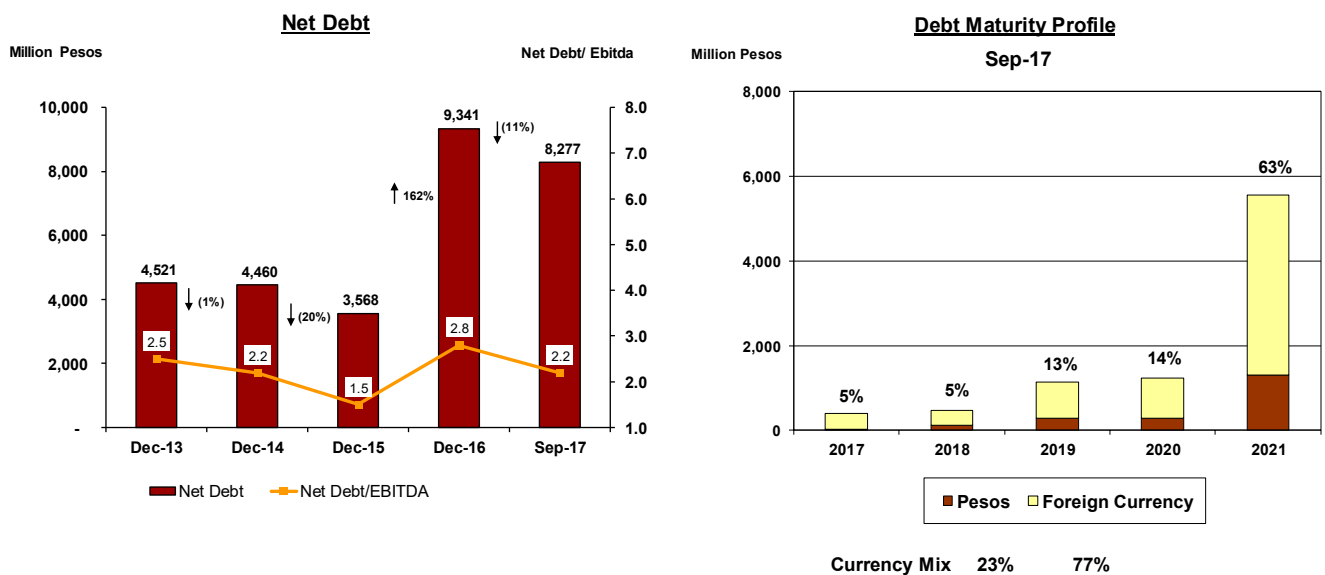
The increase in the operating income, coupled with the decrease in the comprehensive financing result offset the higher level of taxes, favorably impacting the company's net result. Accumulated net income at the end of the third quarter of 2017 was \$ 1,307 million Pesos, representing a sales margin of 10%, and an increase of 73% when compared to the net income of \$ 755 million Pesos registered during the same period of the previous year.



<b>Net Comprehensive Financing Cost</b>			
	<u>Sep-16</u>	<u>Sep-17</u>	<u>VAR</u>
NET FINANCIAL EXPENSE	188	500	166%
EXCHANGE (GAIN) LOSS	305	(664)	-318%
	<b>493</b>	<b>(164)</b>	<b>-133%</b>

**FINANCIAL PERFORMANCE**

Growth in results and greater capacity to generate cash flow have been factors that continue to strengthen the company's financial structure. Investments made at the end of the third quarter of the year amounted to \$ 331 million Pesos, mainly intended for the maintenance and optimization of productive capacity. Net debt stood at \$ 8,277 million Pesos, showing a reduction of 11% when compared to the debt of \$ 9,341 million Pesos recorded at the close of 2016. The Net Debt to EBITDA ratio at the end of the third quarter of the year was 2.2 times, considering for this calculation the normalized last twelve months EBITDA of Cerámica San Lorenzo, excluding non-recurring expenses. This figure compares favorably with the ratio of 2.8 times recorded at the close of 2016.



Grupo Lamosa has become a more diversified company with a greater presence in the American Continent, a position that will continue to take advantage of growth opportunities in the immediate future.

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