

**Sales and EBITDA growth of 28% and 34%.**  
**Cash flow generation supporting investments for \$MXP 1,637 Million.**  
**Cerámica San Lorenzo operations incorporated from 4Q-16.**

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

Income Statement				4 Q	4 Q		YTD	YTD	
	2015	2016	Var %	2015	2016	Var %	2015	2016	Var %
Net Sales	2,857	4,586	61%	10,636	13,619	28%			
Cost of Sales	1,629	2,819	73%	6,310	8,013	27%			
Gross Profit	1,228	1,768	44%	4,326	5,606	30%			
Gross Margin	43%	39%		41%	41%				
Operating Expenses	668	1,001	50%	2,567	3,496	36%			
Operating Income	545	786	44%	1,788	2,441	37%			
Operating Margin	19%	17%		17%	18%				
EBITDA	702	1,050	50%	2,334	3,124	34%			
EBITDA Margin	25%	23%		22%	23%				
Comprehensive Financing Cost	101	623	516%	639	1,115	75%			
Net Income	292	-83		701	672	-4%			
Net Margin	10%	-2%		7%	5%				

	4 Q	4 Q		YTD	YTD	
	2015	2016	Var %	2015	2016	Var %
Export Sales	364	1,661	356%	1,594	2,916	83%

	DEC	DEC	
	2015	2016	Var %
Debt	4,939	9,880	100%
Net Debt / EBITDA	1.5	2.8	
Investments	975	1,637	

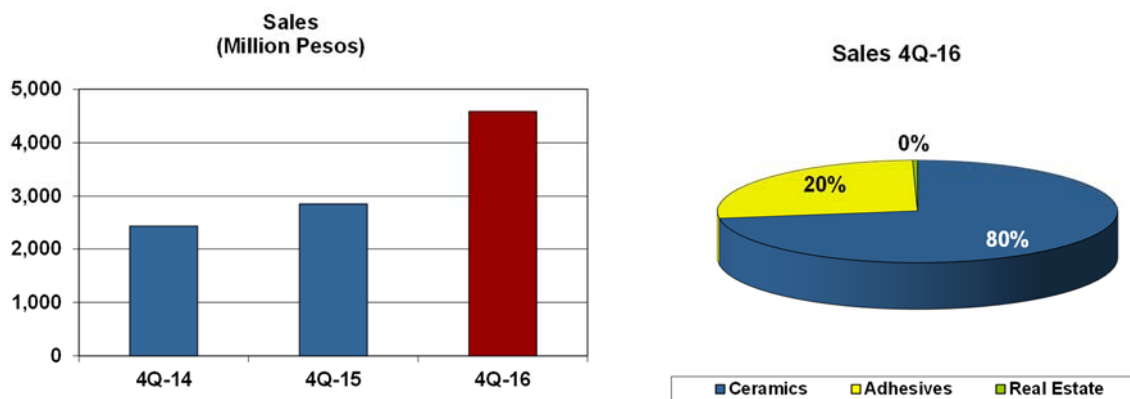
Grupo Lamosa ended up 2016 showing growth in its results, which were mainly benefited by the favorable behavior of the building sector in Mexico, coupled with the investments related to increases in its production capacity that allowed to capitalize the growth in the demand of the company's products.

San Pedro Garza García, Nuevo León, México, February 27th, 2017. Grupo Lamosa, announces its results related to the fourth quarter of 2016.

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

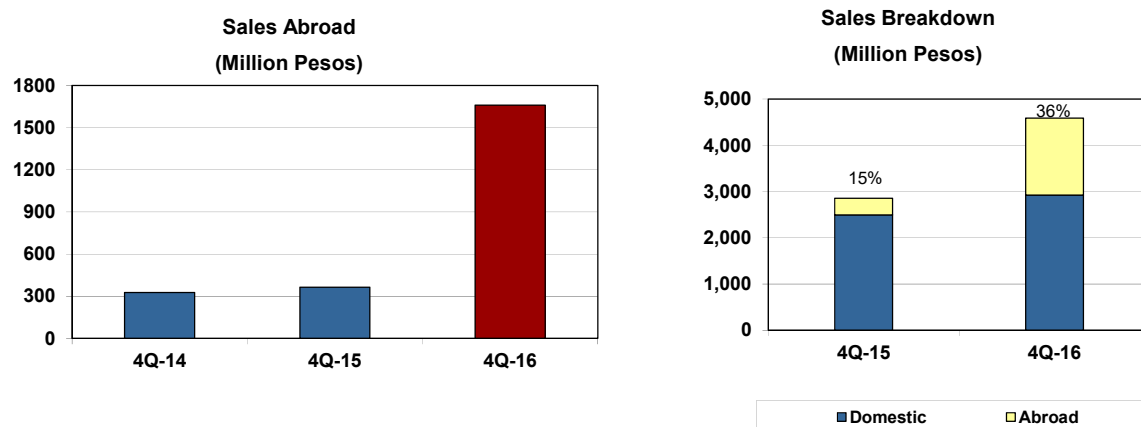
## SALES

Total sales amounted to \$ 13,619 million Pesos, an increase of 28% when compared to sales of \$ 10,636 million Pesos in 2015. One of the relevant events during the fourth quarter of 2016 was the acquisition of Cerámica San Lorenzo in South America, whose operations began to join the company since that quarter. Excluding the revenues from Cerámica San Lorenzo, the growth in total sales would be 17%.



## EXPORT SALES

The export sales line, which in addition to sales made from Mexico to abroad, includes also sales of subsidiaries resident abroad, was \$ 2,916 million Pesos at the end of 2016, an increase of 83% when compared to \$ 1,594 million Pesos recorded during the previous year. This growth is explained by the incorporation of Cerámica San Lorenzo, as well as by the devaluation of the peso against the dollar of approximately 20%.



The Company's divisions continued to show growth in their results.

## PERFORMANCE PER BUSINESS SEGMENT

	Ceramics			Adhesives			Real Estate			Total		
	YTD			YTD			YTD			YTD		
	dic-15	dic-16	Var	dic-15	dic-16	Var	dic-15	dic-16	Var	dic-15	dic-16	Var
Total Sales	7,585	10,165		3,032	3,460		31	0		12,869	16,656	
Intersegment Sales	0	0		-11	-5		0	0		-2,233	-3,037	
Net Sales	7,585	10,165	34%	3,021	3,454	14%	31	0		10,636	13,619	28%
EBIT	1,137	1,776	56%	688	753	9%	0	-1		1,788	2,441	37%
Dep. Amort. & Others	379	485	28%	47	49	3%	0	0		546	683	25%
EBITDA	1,516	2,261	49%	735	801	9%	0	-1		2,334	3,124	34%
%	20%	22%		24%	23%					22%	23%	

	Ceramics			Adhesives			Real Estate			Total		
	4Q-15			4Q-16			4Q-15			4Q-16		
	4Q-15	4Q-16	Var	4Q-15	4Q-16	Var	4Q-15	4Q-16	Var	4Q-15	4Q-16	Var
Total Sales	2,051	3,674		807	914		2	0		3,441	5,384	
Intersegment Sales	0	0		-3	-2		0	0		-585	-797	
Net Sales	2,051	3,674	79%	804	912	13%	2	0		2,857	4,586	61%
EBIT	356	605	70%	184	198	8%	0	0		545	786	44%
Dep. Amort. & Others	112	187	66%	17	16	-2%	0	0		157	264	68%
EBITDA	468	792	69%	201	215	7%	0	0		702	1,050	50%
%	23%	22%		25%	24%					25%	23%	

## CERAMIC DIVISION

The revenues of the ceramic division amounted to \$ 10,165 million Pesos, representing 75% of consolidated sales, and a 34% increase compared to sales of \$ 7,585 million Pesos recorded in 2015. Excluding the operations of Cerámica San Lorenzo, captured by this Division from the fourth quarter, sales growth would be at 18%.

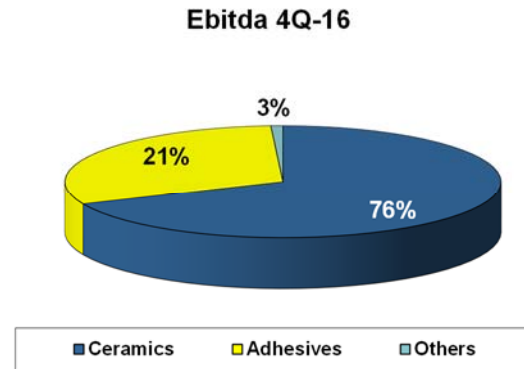
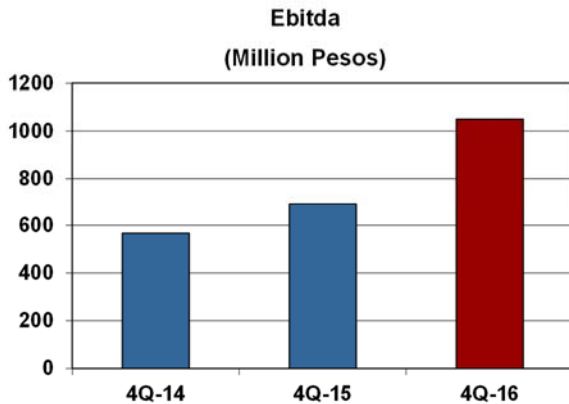
## ADHESIVES DIVISION

Sales of the adhesives division amounted to \$ 3,454 million Pesos, equivalent to 25% of the company's total sales, and a 14% increase compared to sales of \$ 3,021 million Pesos recorded during 2015.

## OPERATING INCOME

Operating income for the year totaled \$ 2,441 million Pesos, an increase of 37% compared to operating income of \$ 1,788 million Pesos in 2015. Excluding the operating income of Cerámica San Lorenzo, growth would be 31%.

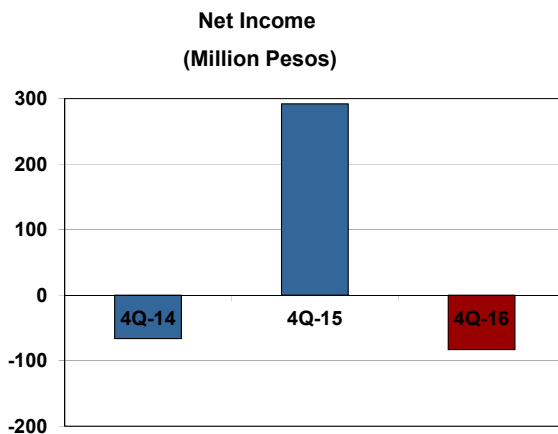
EBITDA accumulated at the end of 2016 amounted to \$ 3,124 million Pesos, 34% higher than the EBITDA of \$ 2,334 million Pesos recorded during 2015. Excluding EBITDA corresponding to Cerámica San Lorenzo, growth would amount to 27%. During the year, the EBITDA margin stood at 23%, comparing favorably with the margin of 22% in 2015.



## NET INCOME

The comprehensive financing cost at the end of the year was \$ 1,115 million Pesos, showing a growth of 75% compared to the result of \$ 639 million Pesos for 2015. The incorporation of the new debt derived from the acquisition of Cerámica San Lorenzo in the fourth quarter of the year, coupled with the devaluation of the Peso and the increase in interest rates, implied a higher level of exchange loss and interest expense. The exchange loss in 2016 was \$ 772 million Pesos compared to an exchange loss recorded in 2015 of \$ 399 million Pesos. Similarly, net financial expenses increased from \$ 239 million Pesos in 2015 to \$ 343 million Pesos in 2016.

Despite the increase in operating results, the increase in the comprehensive financing cost and the higher level of taxes recorded during the year, which increased from \$ 384 million Pesos in 2015 to \$ 653 million Pesos at the end of the year, had a negative impact in the net result of 2016. Net income stood at \$ 672 million Pesos in 2016, showing a decrease of 4% in relation to the net income of \$ 701 million Pesos recorded in 2015.

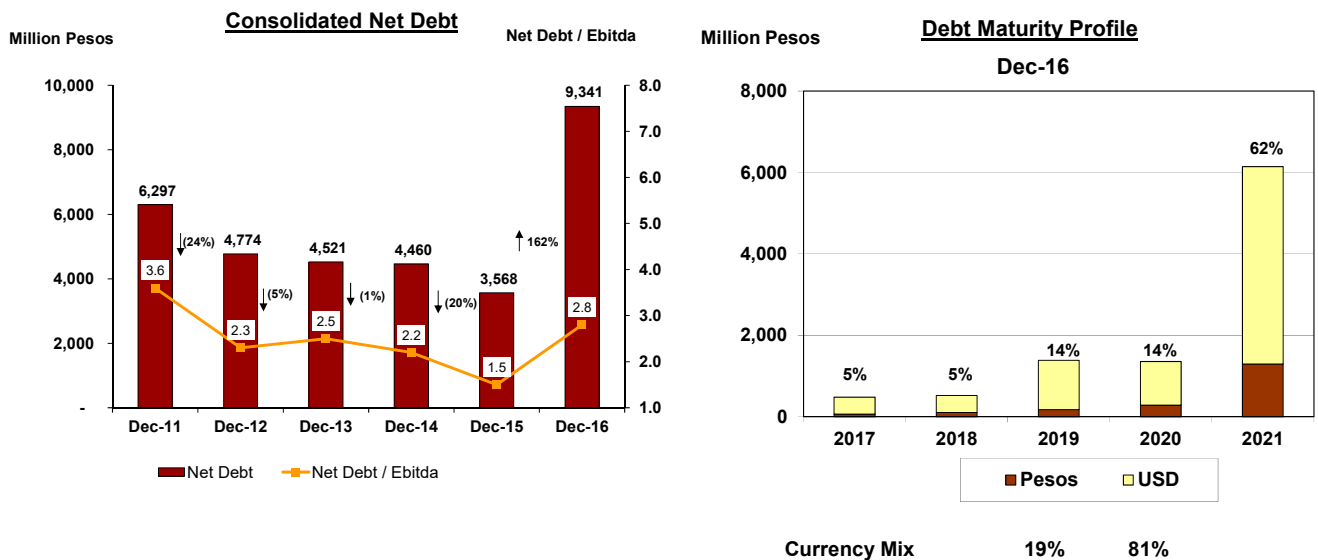


<b>Net Comprehensive Financing Cost</b>			
	<b>2015</b>	<b>2016</b>	<b>VAR</b>
NET FINANCIAL EXPENSE	239	343	44%
EXCHANGE (GAIN) LOSS	399	772	93%
	<b>639</b>	<b>1,115</b>	<b>75%</b>

**FINANCIAL PERFORMANCE**

The cash flow generation allowed the company to carry out one of the most aggressive investment plans in recent years, investing \$ 1,637 million Pesos during the year, aimed to meet operational needs and to increase the business production capacity, as was the construction of a new plant for porcelain products in the State of Guanajuato.

The acquisition with debt of Cerámica San Lorenzo implied ending the year with a net debt of \$ 9,341 million Pesos, which currently has a longer term and better maturity profile, implying a more comfortable level of leverage and lower risk, than that obtained in acquisitions made in previous years. The net debt to EBITDA ratio at the end of the year was 2.8 times, which considers the EBITDA of the last 12 months of Cerámica San Lorenzo; compared to the ratio of 1.5 times recorded in 2015.



Despite of the current uncertainty scenario, Grupo Lamosa is in a more favorable position to serve its markets, having a greater degree of diversification of its operations in the American continent.

**Contacts:**

Moisés Benavides  
 Investor Relations LAMOSA  
 Tel: (0181) 8047-4231  
 Fax: (0181) 8047-4200  
[moises.benavides@lamosa.com](mailto:moises.benavides@lamosa.com)

Ana Martinez Rojas  
 Grayling  
 Tel: (0152) 5644-1247  
 Fax: (0152) 5630-6320  
[ana@irandpr.com](mailto:ana@irandpr.com)