

Sales growth of 51% driven by Ceramica San Lorenzo and favorable performance of Lamosa's business units.
Net Debt reduction of 8% and a 2.3x ratio of Net Debt to Ebitda.

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

Income Statement	2 Q	2 Q	
	2016	2017	Var %
Net Sales	2,977	4,268	43%
Cost of Sales	1,696	2,503	48%
Gross Profit	1,281	1,766	38%
Gross Margin	43%	41%	
Operating Expenses	721	991	37%
Operating Income	603	746	24%
Operating Margin	20%	17%	
EBITDA	737	957	30%
EBITDA Margin	25%	22%	
Comprehensive Financing Cost	301	6	-98%
Net Income	226	331	46%
Net Margin	8%	8%	

YTD	YTD	
2016	2017	Var %
5,770	8,738	51%
3,311	5,592	69%
2,458	3,146	28%
43%	36%	
1,435	2,074	45%
1,065	1,056	-1%
18%	12%	
1,334	1,480	11%
23%	17%	
394	-397	-201%
495	681	38%
9%	8%	

	2 Q	2 Q	
	2016	2017	Var %
Export Sales	430	1,429	233%

YTD	YTD	
2016	2017	Var %
851	2,924	244%

	DEC	JUN	
	2016	2017	Var %
Debt	9,341	8,608	-8%
Net Debt / EBITDA	2.8	2.3	
Investments	886	256	

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

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

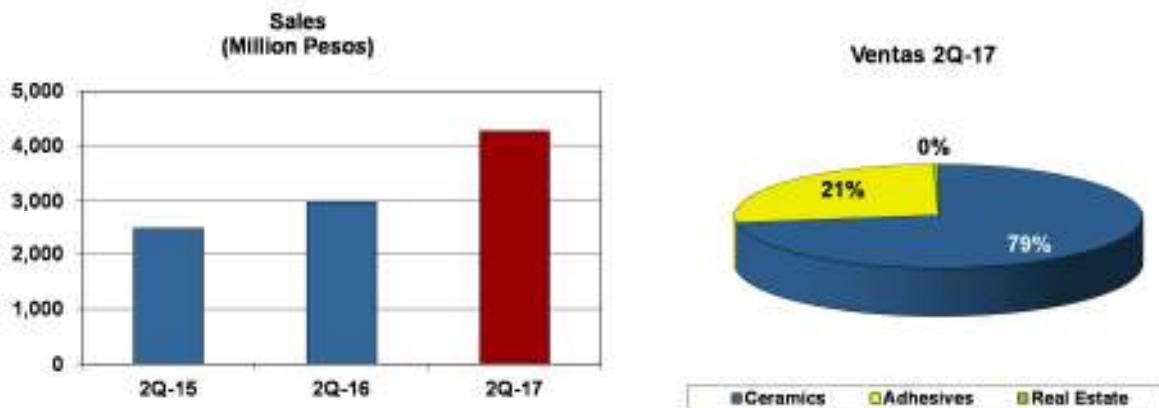
Grupo Lamosa concluded the first half of the year showing growth in its results, despite the slowdown shown by the construction and housing sectors in Mexico.

San Pedro Garza García, Nuevo León, México, July 26th, 2017. Grupo Lamosa, announces its results related to the second quarter of 2017.

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

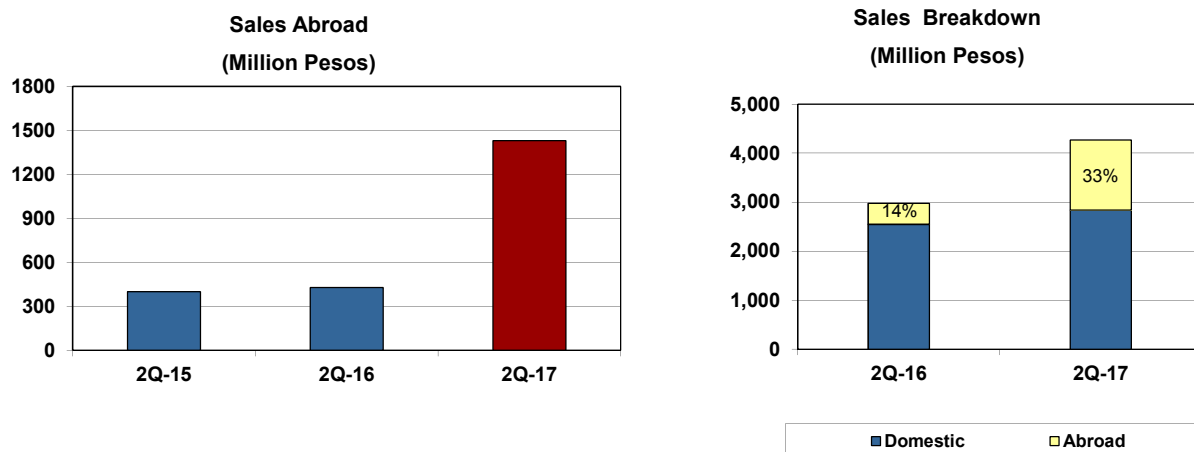
SALES

Total sales during the first six months of the year amounted to \$8,738 million Pesos, an increase of 51% when compared to the first half of 2016. The increase in revenues was driven by the incorporation of Ceramica San Lorenzo operations in South America, acquired at the end of the third quarter of 2016, as well as for the favorable performance of Lamosa's business units. Excluding sales derived from Cerámica San Lorenzo, sales growth would be 16%.



SALES ABROAD

Sales outside Mexico, which include in addition to exports, the sales made by subsidiaries abroad, amounted to \$2,924 million Pesos during the first half of the year, an increase of 244% in relation to the same period of the previous year, and a margin to sales of 33%.



During the first half of the year, the Company's divisions continued to show growth in its results.

PERFORMANCE PER BUSINESS SEGMENT

	Ceramics			Adhesives			Real Estate			Total		
	2Q-16	2Q-17	Var	2Q-16	2Q-17	Var	2Q-16	2Q-17	Var	2Q-16	2Q-17	Var
Total Sales	2,150	3,373		828	891		0	6		3,696	5,046	
Intersegment Sales	0	0		-1	-2		0	0		-718	-778	
Net Sales	2,150	3,373	57%	827	889	7%	0	6		2,977	4,268	43%
EBIT	434	537	24%	181	205	13%	0	0		603	746	24%
Dep., Amort. & Others	98	177	81%	10	11	5%	0	0		134	211	58%
EBITDA	532	713	34%	191	216	13%	0	0		737	957	30%
%	25%	21%		23%	24%					25%	22%	

	YTD Ceramics			YTD Adhesives			YTD Real Estate			YTD Total		
	Jun-16	Jun-17	Var	Jun-16	Jun-17	Var	Jun-16	Jun-17	Var	Jun-16	Jun-17	Var
Total Sales	4,120	6,908		1,651	1,825		0	8		7,231	10,393	
Intersegment Sales	0	0		-2	-3		0	0		-1,462	-1,655	
Net Sales	4,120	6,908	68%	1,649	1,822	10%	0	8		5,770	8,738	51%
EBIT	750	639	-15%	358	422	18%	-1	0		1,065	1,056	-1%
Dep., Amort. & Others	192	352	83%	22	22	2%	0	0		269	424	58%
EBITDA	943	992	5%	380	444	17%	-1	0		1,334	1,480	11%
%	23%	14%		23%	24%					23%	17%	

CERAMIC DIVISION

Revenues of the ceramic division during the first half of 2017 totaled \$6,908 million Pesos, representing 79% of total sales, and a 68% growth in relation to sales of \$4,120 million Pesos recorded during the same period of 2016. Excluding the sales of Cerámica San Lorenzo, captured by this division, the growth would be 18%.

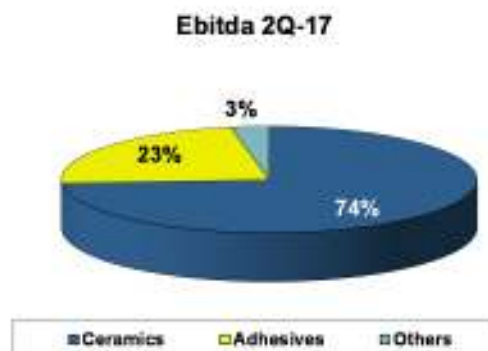
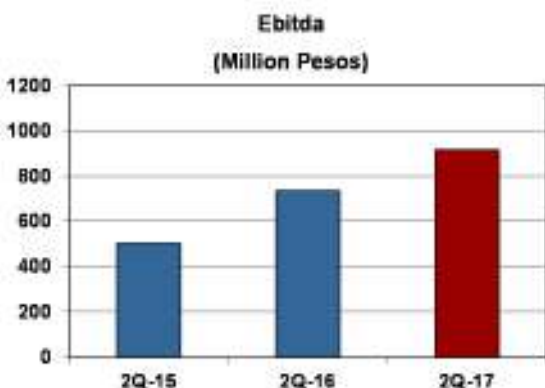
ADHESIVES DIVISION

The adhesives division posted sales of \$1,822 million Pesos during the first six months of the year, which represented 21% of Lamosa's consolidated sales, and a 10% growth as compared to the first half of 2016.

OPERATING INCOME

Operating income for the first half of the year amounted to \$1,056 million Pesos, a figure slightly lower than the \$1,065 million Pesos recorded in the same period of the previous year. It should be noted that the operating result was impacted by \$390 million Pesos corresponding to the closure of two of the four plants located 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, growth in operating income would be 36%.

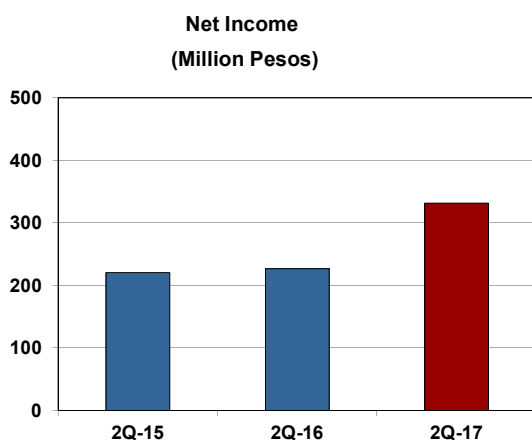
Ebitda recorded during the first six months of the year amounted to \$1,480 million Pesos, an increase of 11% when compared to \$1,334 million Pesos in the first half of 2016. Excluding the impact of the non-recurring expense aforementioned, Ebitda growth would be 40%, representing a sales margin of 21%.



NET INCOME

During the first half of the year, comprehensive financing cost decreased 201% from a cost of \$394 million Pesos to a gain of \$397 million Pesos. This reduction is explained by the 13% appreciation of the Peso against the US Dollar, which generated an exchange gain of \$736 million Pesos, as compared to an exchange loss of \$270 million Pesos recorded during the first half of 2016. Such exchange gain offset the higher level of net financial expenses derived from the new debt acquired at the end of the third quarter of 2016 for the acquisition of Ceramica San Lorenzo. Net financial expenses at the end of the second quarter of 2017 were \$339 million Pesos, compared to \$124 million Pesos recorded during the first half of 2016.

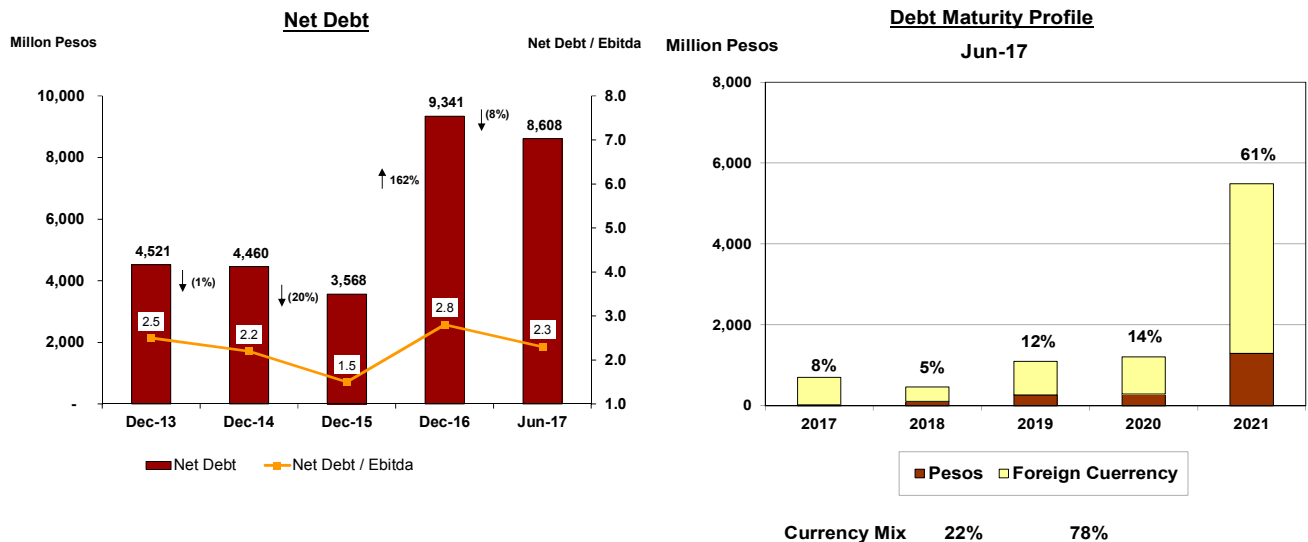
Despite the higher level of taxes recorded during the first six months of the year, the growth in results coupled with the decrease in the comprehensive financing cost, had a positive impact on the company's net result. Net income for the first half of the year amounted to \$681 million Pesos, an increase of 38% compared to the same period in 2016 and a sales margin of 8%.



Net Comprehensive Financing Cost			
	<u>Jun-16</u>	<u>Jun-17</u>	<u>VAR</u>
NET FINANCIAL EXPENSE	124	339	174%
EXCHANGE (GAIN) LOSS	270	(736)	-373%
	394	(397)	-201%

FINANCIAL PERFORMANCE

At the end of the second quarter of the year, Grupo Lamosa continued to show a suitable financial structure, as well as a positive trend in relation to its degree of leverage. Net cash debt stood at \$8,608 million Pesos, an 8% reduction when compared to the \$9,341 million Pesos recorded at the end of 2016. The ratio of net debt to Ebitda at the end of the first half of the year was 2.3 times, considering for this calculation the normalized last twelve months Ebitda of Ceramica San Lorenzo, excluding non-recurring expenses. This figure compares favorably with the ratio of 2.8 times recorded at the close of 2016.



The results achieved by Grupo Lamosa have been consistent with its growth strategy, which has enabled the Company to diversify its operations and markets. This represents a significant advantage in the face of the political and economic uncertainty glimpsed in the short term.

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