

**Improvement on EBIT and EBITDA Margins 18% and 22% respectively.  
 Net Debt reduction and Net Debt to Ebitda ratio of 1.9x.**

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

<b>Income Statement</b>	<b>1 Q</b>	<b>1 Q</b>	
	<b>2017</b>	<b>2018</b>	<b>Var %</b>
Net Sales	4,470	4,348	-3%
Cost of Sales	3,089	2,545	-18%
Gross Profit	1,381	1,803	31%
Gross Margin	31%	41%	
Operating Expenses	1,083	1,043	-4%
Operating Income	310	761	145%
Operating Margin	7%	18%	
EBITDA	523	947	81%
EBITDA Margin	12%	22%	
Comprehensive Financing Cost	-403	-371	-8%
Net Income	350	820	134%
Net Margin	8%	19%	

	<b>1 Q</b>	<b>1 Q</b>	
	<b>2017</b>	<b>2018</b>	<b>Var %</b>
Foreign Sales	1,495	1,465	-2%

	<b>DEC</b>	<b>MAR</b>	
	<b>2017</b>	<b>2018</b>	<b>Var %</b>
Net Debt	7,873	7,770	-1%
Net Debt / EBITDA (1)	2.0	1.9	
Capex (2)	154	115	-25%

(1) Last Twelve Months.

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

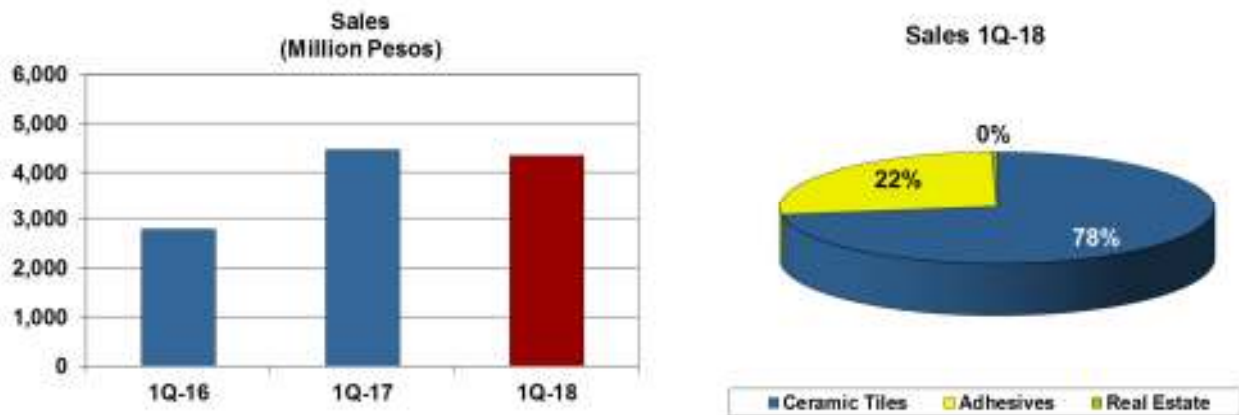
The synergies derived from the integration of Ceramica San Lorenzo in South America and the company's efforts to reduce costs and expenses, allowed to conclude the first quarter of the year with growth in operating results and improvement in the company's profitability margins.

**San Pedro Garza García, Nuevo León, México, April 27th, 2018.** Grupo Lamosa, announces its results related to the first quarter of 2018.

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

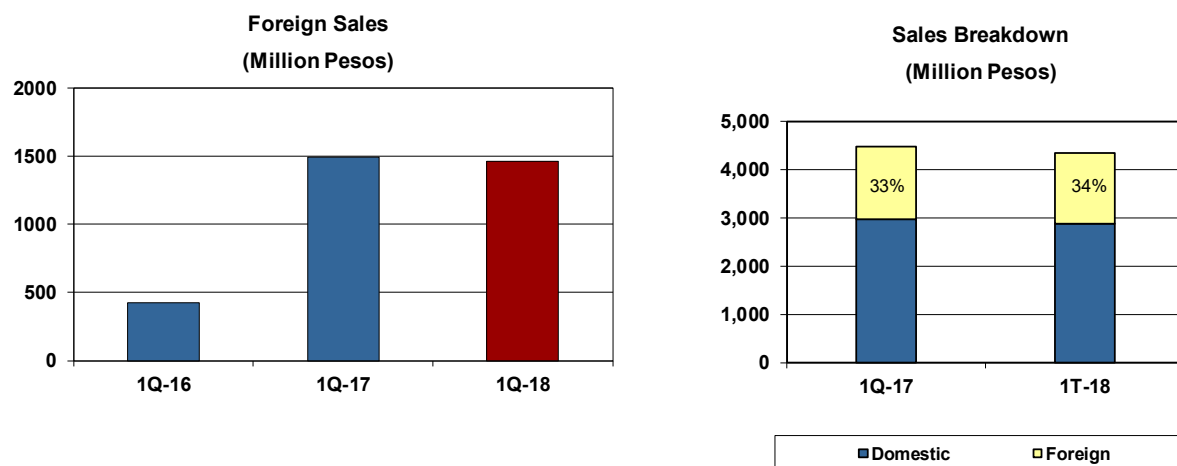
## SALES

Total sales recorded during the first three months of the year amounted to \$ 4,348 million pesos, showing a 3% reduction in relation to sales of \$ 4,470 million during first quarter of 2017. The lower revenues is mainly explained by the weak performance showed by the construction industry, given the uncertainty caused by the renegotiation of the North American Free Trade Agreement and the presidential elections.



## FOREIGN SALES

Foreign sales during the first quarter of the year amounted to \$ 1,465 million pesos, representing 34% of total sales, and a reduction of 2% when compared to sales of \$ 1,495 million during the first quarter of 2017.



The Lamosa's businesses showed mixed income performance during the first three months of the year.

## PERFORMANCE PER BUSINESS SEGMENT

	Ceramic Tiles			Adhesives			Real Estate			Total		
	1Q-17	1Q-18	Var	1Q-17	1Q-18	Var	1Q-17	1Q-18	Var	1Q-17	1Q-18	Var
<b>Total Sales</b>	3,535	3,389		934	960		2	0		5,346	5,255	
<b>Intersegment Sales</b>	0	0		-2	-1		0	0		-877	-908	
<b>Net Sales</b>	3,535	3,389	-4%	933	959	3%	2	0		4,470	4,348	-3%
<b>EBIT</b>	102	546	433%	217	222	2%	0	0		310	761	145%
<b>Dep. Amort. &amp; Others</b>	176	151	-14%	11	10	-12%	0	0		213	186	-13%
<b>EBITDA</b>	<b>278</b>	<b>697</b>	150%	<b>228</b>	<b>232</b>	2%	<b>0</b>	<b>0</b>		<b>523</b>	<b>947</b>	81%
<b>%</b>	8%	21%		24%	24%					12%	22%	

## CERAMIC TILE BUSINESS

Sales at the close of the first quarter of the year of the wall and floor tile business, which includes the operations of Ceramica San Lorenzo, rose to \$ 3,389 million pesos, representing 78% of the consolidated sales and a reduction of 4% in relation to sales of \$ 3,535 million posted during the first quarter of 2017.

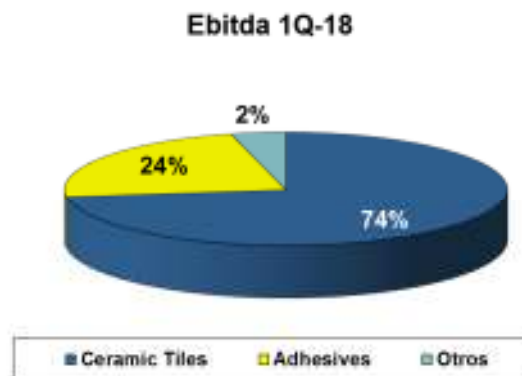
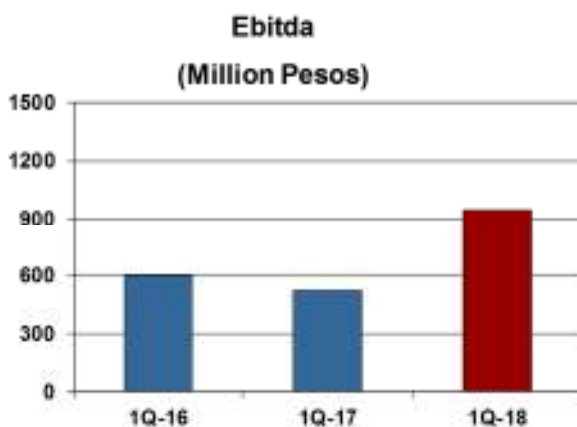
## ADHESIVES BUSINESS

Adhesives business revenues during the first quarter of 2017 represented 22% of total sales, amounting to \$ 959 million, 3% higher than the sales of \$ 933 million corresponding to the first quarter of 2017.

## OPERATING INCOME

Operating income at the end of the first quarter of the year was \$ 761 million pesos, showing a sales margin of 18%, and a 145% increase in relation to the income of \$ 310 million recorded during the same period of the previous year. It is worth to mention that, during the first quarter of 2017, non-recurrent expenses of \$ 390 million pesos were incurred, due to the closure of 2 plants in Argentina according to the synergies and integration plan of Ceramica San Lorenzo. Excluding such expenses, the growth in operating income would be 9%.

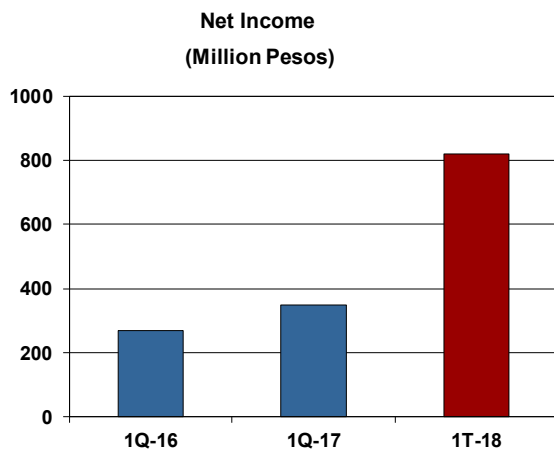
The Ebitda of the company at the end of the first quarter of the year amounted to \$ 947 million pesos, showing an increase of 81% and a 22% sales margin. Excluding the aforementioned non-recurring expenses, EBITDA growth would be 4%.



## NET INCOME

Nevertheless during the first quarter of the year a reduction in net financial expenses of 23% was reached, posting \$ 128 million pesos in comparison to the \$ 167 million in the first quarter of 2017, the lower foreign exchange gain of \$ 499 million pesos, in relation to the \$ 570 million gain of the first quarter of the previous year, brought as a consequence that the comprehensive financial result was located in an income of \$ 371 million pesos, lower by 8% to the income of \$ 403 million of the first quarter of 2017.

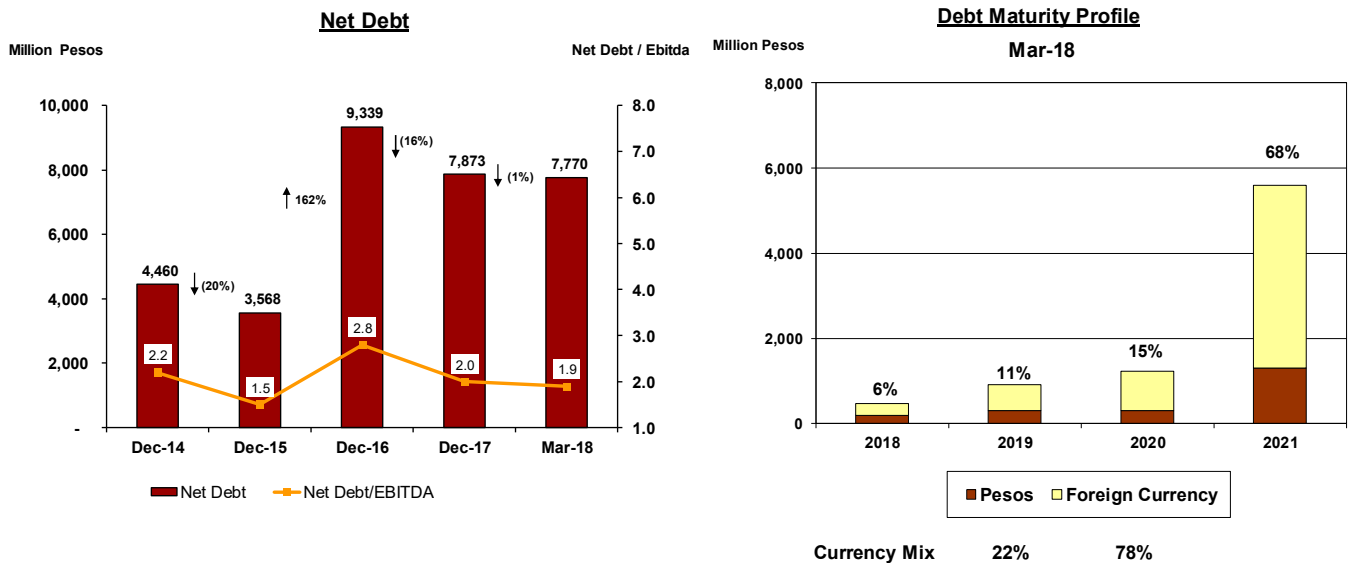
The growth in the results and a lower tax burden benefited the net profit for the year, which was \$ 820 million pesos, showing a sales margin of 19%, and a 134% growth in relation to net income of \$ 350 million during the first quarter of 2017.



<b>Net Comprehensive Financing Cost</b>			
	<b>1Q-17</b>	<b>1Q-18</b>	<b>VAR</b>
<b>NET FINANCIAL EXPENSE</b>	167	128	-23%
<b>EXCHANGE LOSS</b>	(570)	(499)	-12%
	<b>(403)</b>	<b>(371)</b>	<b>-8%</b>

## FINANCIAL PERFORMANCE

During the first quarter of the year, Lamosa maintained a sound financial structure, showing operating margins similar to those registered prior to the acquisition of Ceramica San Lorenzo. During the first months of the year, investments were made for \$ 115 million pesos, mainly aimed at the maintenance and conservation of the productive plants. Net cash debt at the end of the first quarter was \$ 7,770 million pesos, 1% lower than the net debt of \$ 7,873 million recorded at the end of 2017. The growth in results and the lower debt contributed to decrease the leverage of the company. The net cash debt to Ebitda ratio at the end of the first quarter of the year stood at 1.9 times, comparing favorably with the ratio of 2.0 times shown at the end of 2017.



Grupo Lamosa has become a company with less dependence in the domestic market. The signs of recovery of the building sector in Mexico, together with an expectation of greater economic growth in the South American countries where the company has presence, are factors that should positively improve the demand for the company's products.

### Contacts:

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

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