

**Year-to-date growth on EBIT and EBITDA of 35% and 20%, respectively, in a context of low growth and high uncertainty.  
 Net Debt to Ebitda ratio of 2.2x. Capex \$309 million pesos.**

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

<b>Income Statement</b>	<b>2 Q</b>	<b>2 Q</b>	
	<b>2017</b>	<b>2018</b>	<b>Var %</b>
Net Sales	4,268	4,421	4%
Cost of Sales	2,503	2,645	6%
Gross Profit	1,766	1,775	1%
Gross Margin	41%	40%	
Operating Expenses	991	1,067	8%
Operating Income	746	664	-11%
Operating Margin	17%	15%	
EBITDA	957	823	-14%
EBITDA Margin	22%	19%	
Comprehensive Financing Cost	6	682	
Net Income	331	-49	-115%
Net Margin	8%	-1%	

<b>YTD</b>	<b>YTD</b>	
<b>2017</b>	<b>2018</b>	<b>Var %</b>
8,738	8,768	0%
5,592	5,190	-7%
3,146	3,578	14%
36%	41%	
2,074	2,110	2%
1,056	1,425	35%
12%	16%	
1,480	1,770	20%
17%	20%	
-397	311	-178%
681	772	13%
8%	9%	

	<b>2 Q</b>	<b>2 Q</b>	
	<b>2017</b>	<b>2018</b>	<b>Var %</b>
Foreign Sales	1,429	1,499	5%

<b>YTD</b>	<b>YTD</b>	
<b>2017</b>	<b>2018</b>	<b>Var %</b>
2,924	2,964	1%

	<b>DEC</b>	<b>JUN</b>	
	<b>2017</b>	<b>2018</b>	<b>Var %</b>
Net Debt	7,873	8,504	8%
Net Debt / EBITDA <sup>(1)</sup>	2.0	2.2	
Capex <sup>(2)</sup>	256	309	

<sup>(1)</sup> Ebitda Last Twelve Months.

<sup>(2)</sup> Refers to year-to-date investments as of June.

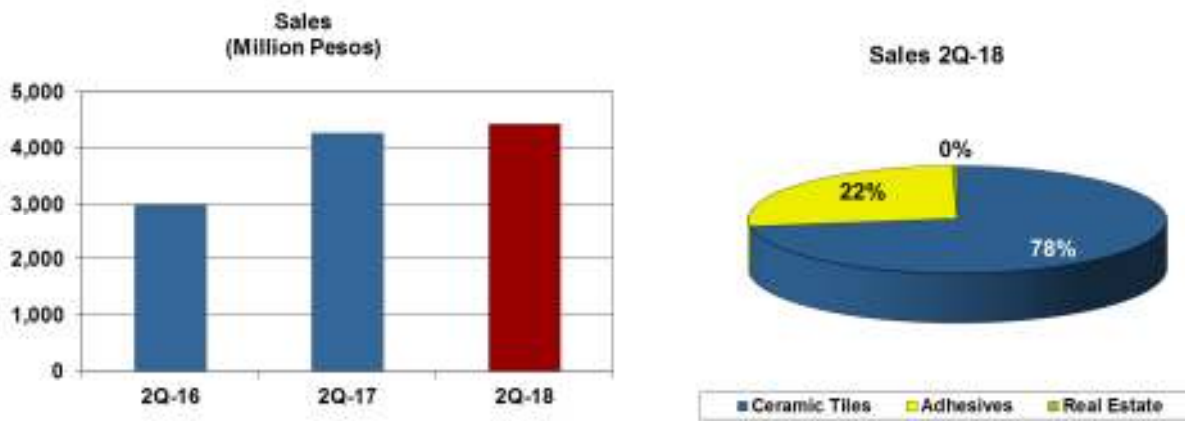
Grupo Lamosa ended up the first half of the year showing growth in its operating results, in a context of low growth and high uncertainty, generated largely by the presidential elections in our country and the expectation regarding the renegotiation of the North American Free Trade Agreement.

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

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

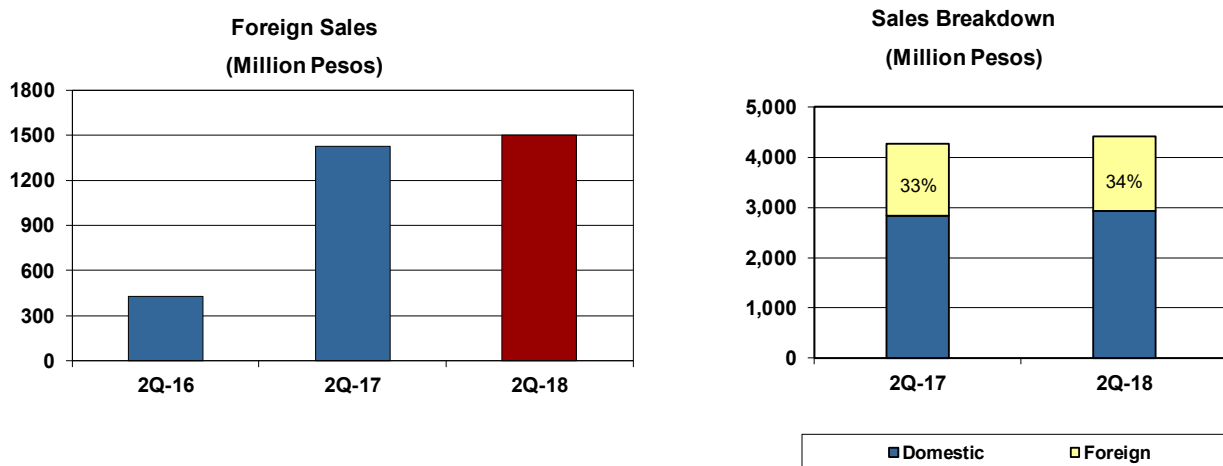
## SALES

Total sales of Grupo Lamosa during the first six months of the year totaled \$ 8,768 million pesos, slightly higher than the sales of \$ 8,738 million recorded during the same period of 2017.



## FOREIGN SALES

Foreign sales amounted to \$ 2,964 million pesos during the first half of the year, showing a 1% when compared to sales of \$ 2,924 million related to the first half of 2017.



Grupo Lamosa's businesses showed mixed income behavior during the first half of the year.

## PERFORMANCE PER BUSINESS SEGMENT

	Ceramic Tiles			Adhesives			Real Estate			Total		
	2Q-17	2Q-18	Var	2Q-17	2Q-18	Var	2Q-17	2Q-18	Var	2Q-17	2Q-18	Var
Total Sales	3,373	3,454		891	968		6	0		5,046	5,245	
Intersegment Sales	0	0		-2	-1		0	0		-778	-824	
Net Sales	3,373	3,454	2%	889	967	9%	6	0		4,268	4,421	4%
EBIT	537	483	-10%	205	188	-8%	0	0		746	663	-11%
Dep. Amort. & Others	177	126	-29%	11	10	-6%	0	0		211	159	-25%
EBITDA	713	609	-15%	216	198	-8%	0	0		957	823	-14%
%	21%	18%		24%	21%					22%	19%	

	Ceramic Tiles			Adhesives			Real Estate			Total		
	Jun-17	Jun-18	Var	Jun-17	Jun-18	Var	Jun-17	Jun-18	Var	Jun-17	Jun-18	Var
Total Sales	6,908	6,843		1,825	1,928		8	0		10,393	10,500	
Intersegment Sales	0	0		-3	-2		0	0		-1,655	-1,732	
Net Sales	6,908	6,843	-1%	1,822	1,926	6%	8	0		8,738	8,768	0%
EBIT	639	1,028	61%	422	410	-3%	0	0		1,056	1,425	35%
Dep. Amort. & Others	352	277	-21%	22	20	-9%	0	0		424	345	-19%
EBITDA	992	1,306	32%	444	430	-3%	0	0		1,480	1,770	20%
%	14%	19%		24%	22%					17%	20%	

## CERAMIC TILE BUSINESS

The sales of the ceramic tile business during the first six months of the year amounted to \$ 6,843 million pesos, a figure that represented 78% of total sales, and a reduction of 1% in relation to the sales of \$ 6,908 million recorded during the first semester of 2017.

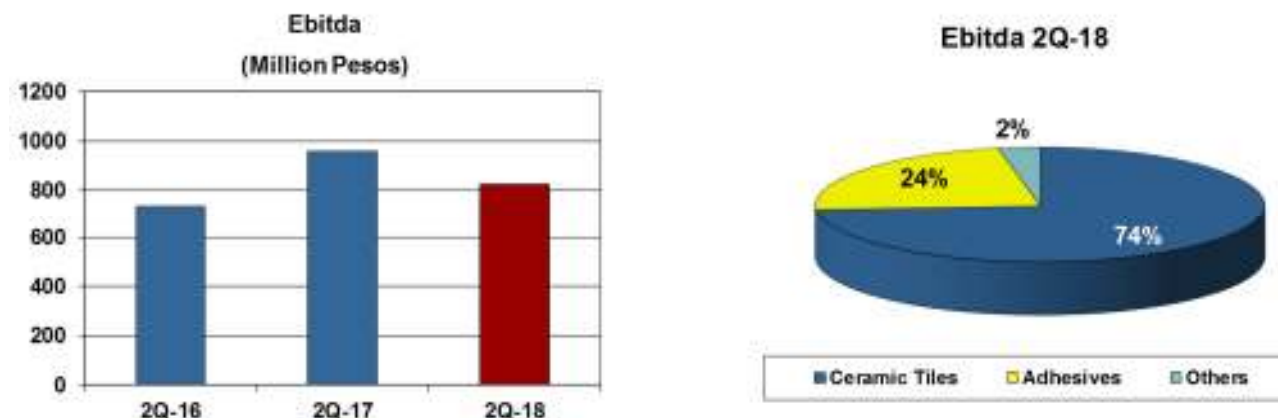
## ADHESIVES BUSINESS

The adhesive business showed sales of \$ 1,926 million pesos during the first half of the year, a number that represented 22% of total sales and an increase of 6% compared to the sales of \$ 1,822 million recorded by this business during the same period of the last year.

## OPERATING INCOME

The operating result was benefited by the company's effort to reduce costs and expenses, as well as by the favorable performance of Ceramica San Lorenzo operations in South America. Operating income during the first half of the year amounted to \$ 1,425 million pesos, 35% higher than the operating income of \$ 1,056 million related to the first half of 2017. The margin to sales stood at 16%, larger than the margin of 12 % recorded during the first 6 months of the previous year. It is worth mentioning that the adequate performance of operations in South America is derived from the synergies and integration plan of Ceramica San Lorenzo, which involved, during the first semester of 2017, non-recurring expenses for \$ 390 million pesos, corresponding to the closure of 2 plants in Argentina.

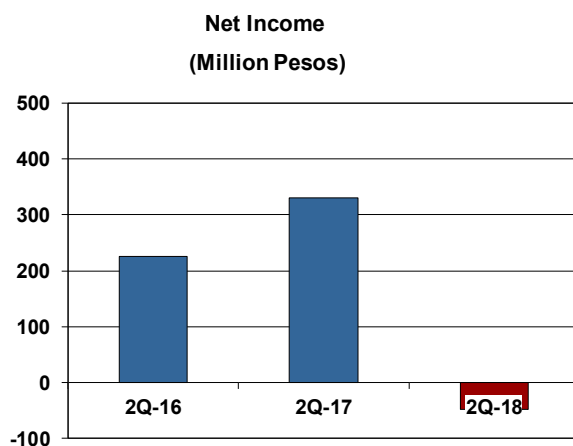
The Ebitda of the company at the end of the first semester of the year amounted to \$1,770 million pesos, showing an increase of 20% in relation to the Ebitda of \$ 1,480 million during the first semester of 2017. The Ebitda margin to sales was 20%, which is favorably compared versus the 17% showed at the end of the first semester of the previous year.



## NET INCOME

Despite the lower financial cost reported during the first half of the year, which showed a 14% reduction in the company's net financial expense, the devaluation of the peso against the dollar of approximately 1% implied a foreign exchange loss of \$ 21 million pesos, compared to the gain of \$736 million recorded during the first half of 2017. The latter resulted that the comprehensive financing cost showed a reduction of 178% when moving from an income of \$ 397 million pesos to a cost of \$ 311 million.

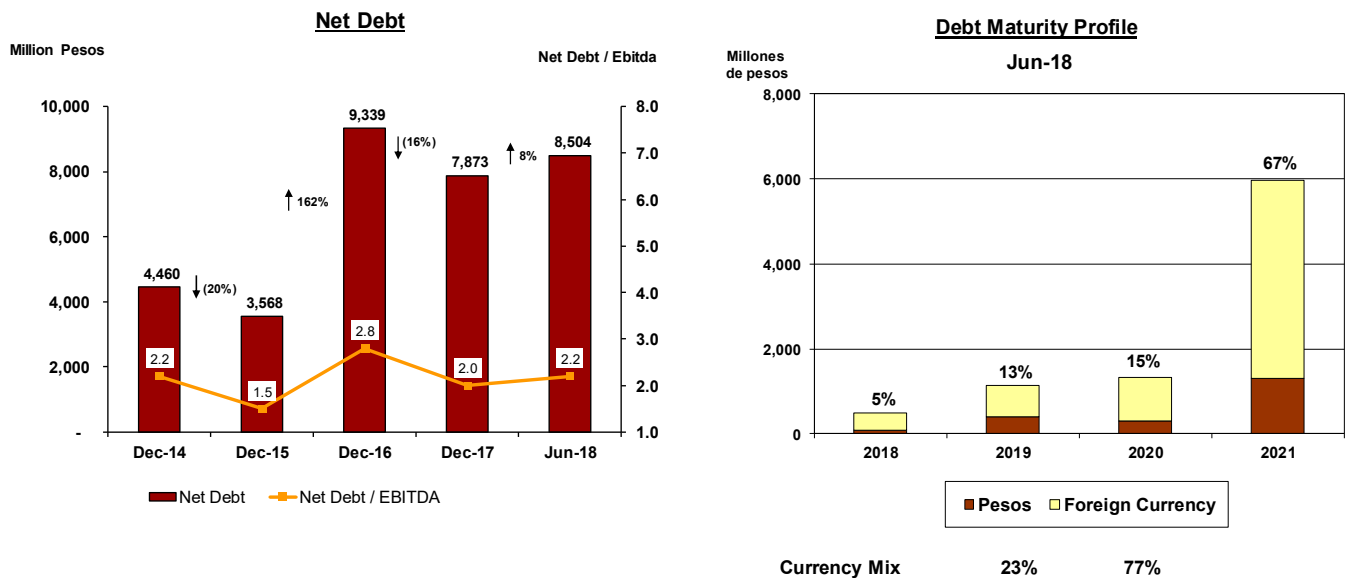
The growth in the results and the lower level of taxes offset the increase recorded in the company's comprehensive financing cost, which favorably impacted the net result of the company. The net profit recorded during the first semester of the year was \$ 772 million pesos, showing a margin to sales of 9%, and a growth of 13% when compared to the net profit of \$ 681 million recorded during the first semester of 2017.



<b>Net Comprehensive Financing Cost</b>			
	<u>Jun-17</u>	<u>Jun-18</u>	<u>VAR</u>
NET FINANCIAL EXPENSE	339	290	-14%
EXCHANGE (GAIN) LOSS	(736)	21	-103%
	<b>(397)</b>	<b>311</b>	<b>-178%</b>

**FINANCIAL PERFORMANCE**

During the first half of the year, Grupo Lamosa maintained a healthy financial structure showing a net debt to EBITDA ratio of 2.2 times, slightly higher than the 2.0 times ratio recorded at the end of 2017. Capex made at the end of the first half of the year amounted to \$ 309 million pesos, focused mainly on the conservation and maintenance of the productive plants of the different businesses of the Group, and to a lesser extent on the implementation of projects related to information technologies.



The results achieved by Grupo Lamosa allowed to validate the company's diversification strategy. The reduced dependence on the domestic market and the actions taken to capitalize on opportunities in other countries, have been key factors to face favorably a year full of challenges and uncertainty.

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