

Third Quarter 2016 Results

Mexico City, October 20, 2016, Grupo Carso S.A.B. de C.V. ("The Group", BMV: GCARSO OTC: GPOVY) announced today its results for the third quarter of 2016.

HIGHLIGHTS

SALES
+11.2%

- **Consolidated sales** of Grupo Carso increased 11.2% reaching \$23,423 MM which meant \$2,360 million pesos more. Grupo Sanborns grew 9.8%, Grupo Condumex 10.7%, Carso Infraestructura y Construccion 14.4% and Carso Energy 47.4%.

OP. INCOME
+91.9%

- Operating Income for the quarter reported increased 91.9% totaling \$4,146 MM. The operating margin went up from 10.3% in the 3Q15 to 17.7% in the 3Q16. All the divisions of the Group reported higher returns, coupled with the recognition of \$1,141 million pesos in Grupo Sanborns as a result from the acquisition of the 14% capital stock of Inmuebles SROM, S.A. de C.V. (owner of various commercial real estate assets). Even without this extraordinary effect, operating income grew 39.1% vs. the 3Q15.

EBITDA
+19.4%

- Excluding Other Income of Grupo Sanborns of \$1,141 MM, **EBITDA** reached \$3,529 MM, being 19.4% higher than the amount recorded in the 3Q15, which totaled \$2,955 MM. The EBITDA margin increased from 14.0% to 15.1% of sales.
- In the third quarter of the year, Grupo Carso recorded a **Comprehensive Financial Result (CFR)** of \$151 MM due mainly from the positive currency effects of the Company during the period. This CFR was higher compared with the Comprehensive Financial Cost (CFC) of \$758 MM recorded in the 3Q15.

NET INCOME
+121.9%

- **Controlling Net Income** grew 121.9% in the 3Q16 totaling \$2,715 MM. This was due to the better operating performance in the three divisions, and to the extraordinary effect recorded in Other Income in Grupo Sanborns, mentioned previously. Excluding this effect, the net income increased 56.5% vs. the same quarter of 2015.

- o **Total debt** at September 30, 2016 was \$10,144 MM, increasing 36.9% compared with the debt at the end of December 2015. This increase was explained by a bridge loan of Carso Energy to finance the Samalayuca-Sasabe gas pipeline. Net debt was \$2,840 MM, compared with a negative net debt of \$3,351 MM at December 31, 2015.

The reduction of 32.1% in cash and cash-equivalents was explained by the payment of dividends, supplies for the construction of pipelines by Carso Energy and in Grupo Sanborns the opening and remodeling of stores, as well as the acquisition of 14% of the shares of Sears Operadora Mexico and Inmuebles SROM, S.A. de C.V.

The Net-Debt to LTM EBITDA ratio was 0.2 times in the 3Q16, compared to -0.29 times in the 4Q15. The dual bond program that is used in its entirety for \$5,000 million pesos, changed from long-term to short-term.

- o On October 14, 2016, the second and last installment of the cash dividend of \$0.44 (forty four cents, Mexican Currency) was paid, on all outstanding shares of the capital stock, against delivery of coupon No. 35.

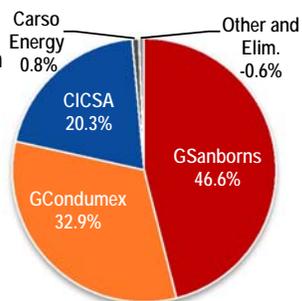
SUMMARY

Amounts in million pesos MXN (MM)

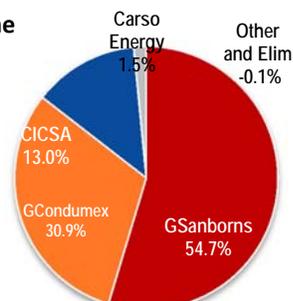
Consolidated Results	3Q16	3Q15	Var %	9M16	9M15	Var %
Sales	23,423	21,063	11.2%	67,556	62,788	7.6%
Operating Income	4,146	2,161	91.9%	9,724	6,961	39.7%
Controlling Net Income	2,715	1,224	121.9%	6,363	4,293	48.2%
EBITDA	3,529	2,955	19.4%	10,131	8,664	16.9%
Operating Margin	17.7%	10.3%		14.4%	11.1%	
EBITDA Margin	15.1%	14.0%		15.0%	13.8%	

CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT

**3Q16
Revenue Breakdown
by Segment**



**3Q16 Op. Income
Breakdown
by Segment**



FINANCIAL RESULTS

Financial Results	3Q16	3Q15	Var%	9M16	9M15	Var%
Interest Expenses	-121.4	-101.3	19.9%	-347.5	-290.7	19.5%
Income (Loss) on derivatives net	108.7	-662.8	NA	-483.6	-954.2	-49.3%
Interest Income	73.9	95.6	-22.8%	265.1	320.4	-17.3%
Interest (net)	61.2	-668.4	NA	-566.0	-924.5	-38.8%
ForEx Results	89.3	-89.7	NA	373.5	-201.4	NA
CFC	150.5	-758.1	NA	-192.5	-1,125.9	-82.9%
Income taxes	1,528.8	387.9	294.1%	3,143.0	1,876.5	67.5%
Earnings from non-consolidated companies	410.2	455.2	-9.9%	1,156.6	1,087.0	6.4%
Non-controlling participation in Net Income	462.4	246.4	87.7%	1,182.9	753.1	57.1%

NA= Not applicable

INTEREST-BEARING LIABILITIES

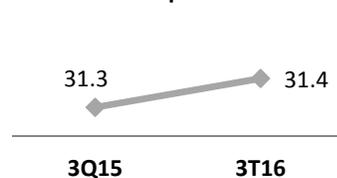
Total Debt by CURRENCY
(Includes ForEx Changes)

Pesos	Dollars
50%	50%

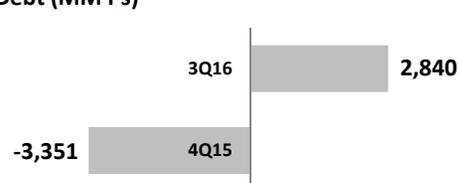
Total Debt by TERM

Short T
100%

**LTM EBITDA/Interest
Expense**



Net Debt (MM Ps)



RESULTS BY SEGMENT

RETAIL

Consolidated Results	3Q16	3Q15	Var %	9M16	9M15	Var %
Sales	10,924	9,953	9.8%	32,012	30,125	6.3%
Operating Income	2,266	887	155.6%	4,382	2,851	53.7%
Controlling Net Income	1,612	557	189.5%	2,925	1,766	65.6%
EBITDA	1,408	1,121	25.6%	4,063	3,539	14.8%
Operating Margin	20.7%	8.9%		13.7%	9.5%	
EBITDA Margin	12.9%	11.3%		12.7%	11.7%	



Contribution to
Consolidated Results
47% SALES
55% OP. INCOME
40% EBITDA

Note: For additional information, please refer to the 3Q16 of Grupo Sanborns, S.A.B. de C.V.

In the 3Q16, total sales of Grupo Sanborns reached \$10,924 million, a 9.8% increase that meant \$971 million pesos more. Since the second half of September 2015, the revenue business model of mobile phones changed, recording the commission in the gross profit. This change resulted in a reduction in total sales in the 3Q16 of \$374 million pesos. Without this change, the sales figure of Grupo Sanborns increased 12.8% from \$10,018 MM in the 3Q15 to \$11,298 MM in the 3Q16. From July to September 2016 consolidated same store sales (SSS) grew 6.3%.

Regarding operating income, this item increased 155.6% reaching \$2,266 million pesos. Operating margin was 20.7%, improving from 8.9% recorded in the previous year. This was due to a higher gross profit, but mainly to \$1,141 million pesos as Other Income resulting from the acquisition made to Sears Mexico Holdings Corp. (Sears U.S.A) of an equity stake of 14.0% in Inmuebles SROM, S.A. de C.V.

For the calculation of the quarterly EBITDA, we did not include \$1,141 million pesos from the acquisition of shares. Therefore, EBITDA grew 25.6% reaching \$1,408 million pesos. The EBITDA margin increased 160 basis points to reach 12.9% of sales.

Controlling net income increased 189.5% in the 3Q16, reaching \$1,612 million pesos, compared to \$557 million recorded in the 3Q15. This was mainly explained by the amount recorded as Other Income mentioned previously.

INDUSTRIAL

Consolidated Results	3Q16	3Q15	Var %	9M16	9M15	Var %
Sales	7,700	6,953	10.7%	21,666	20,103	7.8%
Operating Income	1,280	1,100	16.3%	3,532	2,725	29.6%
Controlling Net Income	963	462	108.7%	2,342	1,401	67.2%
EBITDA	1,375	1,189	15.7%	3,810	2,991	27.4%
Operating Margin	16.6%	15.8%		16.3%	13.6%	
EBITDA Margin	17.9%	17.1%		17.6%	14.9%	



Contribution to
Consolidated Results
33% SALES
31% OP. INCOME
39% EBITDA

Revenues of Grupo Consumex improved from \$6,953 to \$7,700 million pesos, posting a 10.7% increase in the 3Q16. This was due to a better performance in all the sectors that comprise the industrial unit, where sales of the three divisions stood out: Automotive, Telecom and Construction, compared to the year ago figures.

Operating income and EBITDA rose 16.3% and 15.7%, reaching \$1,280 MM and \$1,375 MM, respectively. This improvement was mainly due to the automotive sector and to a higher profitability in the cable business, where the performance of the construction, coaxial and energy cables stood out during the quarter.

Controlling net income of Grupo Consumex grew 108.7% from \$462 MM in the 3Q15 to \$963 MM in the 3Q16.

INFRAESTRUCTURE AND CONSTRUCTION

Consolidated Results	3Q16	3Q15	Var %	9M16	9M15	Var %
Sales	4,758	4,161	14.4%	13,691	12,328	11.0%
Operating Income	538	496	8.5%	1,566	1,465	6.9%
Controlling Net Income	296	296	0.0%	982	925	6.1%
EBITDA	632	587	7.7%	1,857	1,738	6.9%
Operating Margin	11.3%	11.9%		11.4%	11.9%	
EBITDA Margin	13.3%	14.1%		13.6%	14.1%	



Contribution to
Consolidated Results
20% SALES
13% OP. INCOME
18% EBITDA

Sales of Carso Infraestructura and Construcción (CICSA) increased 14.4% reaching \$4,758 MM from July to September 2016. The division that showed the highest growth in sales was Pipelines, where the volume of installation services for Telecom in Mexico and South America exceeded the initial budget. The Infrastructure division also showed momentum, with additional works carried out in the Mazatlan highway and the Viaduct

El Caminero and San Fernando. These increases offset declines in sales of civil construction and services for the oil industry.

The mix of projects in the 3Q16 showed a better gross margin, therefore the operating income and EBITDA increased 8.5% and 7.7%, respectively.

Controlling net income for the quarter remained constant in \$296 millones de pesos.

The main projects of CICSA currently are: the Eastern wastewater discharge tunnel, the Guadalajara and the Mitla-Tehuantepec bypass roads, the elevated viaducts El Caminero and San Fernando, the Acapulco Tunnel, the transport hub ETRAM Cuatro Caminos, the Nuevo Veracruz real estate development and Telecom installation services.

The backlog of CICSA totaled \$12,928 MM at September 30, 2016, compared to \$14,864 MM in the same period of last year. This figure does not include \$895 MM from projects that CICSA has in consortium with other companies; therefore the backlog in the 3Q16 would have reached \$13,823 MM, figure that does not include the new runway 3 of the new Mexico City Airport.

CARSO ENERGY

Consolidated Results	3Q16	3Q15	Var %	9M16	9M15	Var %
Sales	192	130	47.4%	594	571	4.1%
Operating Income	63	-350	NA	200	-207	NA
Controlling Net Income	27	-316	NA	85	-235	NA
EBITDA	114	34	232.4%	353	279	26.8%
Operating Margin	32.6%	-268.0%		33.7%	-36.3%	
EBITDA Margin	59.1%	26.2%		59.5%	48.8%	



Contribution to
Consolidated Results
1% SALES
2% OP. INCOME
3% EBITDA

Sales of Carso Energy increased 47.4% in the 3Q16 comprising mainly the leasing income from the "Independencia I" oil rig. Operating income was \$63 million compared with an operating loss of \$350 MM in the 3Q15. EBITDA reached \$114 MM posting a 232.4% increase compared to the year ago figure.

Carso Energy has a 51.0% stake in the two companies responsible for the **Waha-Presidio and Waha-San Elizario gas pipelines** in Texas, United States. Their length will be 238 and 313 kilometers, respectively, with a diameter of 42 inches. At the end of the 3Q16, around 95%-100% of the rights of way were released, and the construction of the compressor station and the gas pipeline continues. The estimated date of beginning of operations of both pipelines is the 1Q17.

Carso Energy holds a 100.0% stake in the company responsible for the **Samalayuca-Sasabe gas pipeline** between the states of Chihuahua and Sonora. Its length will be 624 kilometers with a diameter of 36 inches. The construction began at the end of 3T16 and the technical studies for change of land use as well as the progress in the engineering and the supply contracts of pipes and valves continue.

Our investments in associated companies, mainly GMexico Transport, Elementia, Enesa and Inmuebles SROM, reported a net income of \$410.00 MM during the quarter.

INVITATION TO THE CONFERENCE CALL:

Date: Friday, October 21, 2016
 Time: 9:30-10:00 A.M. Mexico City Time/ 10:30 A.M.-11:00 A.M. NY Time (US EST)
 Access Number: +1 (412) 317-5456 (International and Mexico)
 US Toll Free: +1 (844) 846-8975
 Conference ID: Grupo Carso
 Replay: International and Mexico: +1 (412) 317-0088
 US Toll Free: +1 (877) 344-7529
 Canada Toll Free: 855-669-9658
 Replay Access Code: 10094099 (Available until October 29, 2016)

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ADDITIONAL CHARTS:

Financial Income Data										
Million PESOS (MXN)										
	3Q16		3Q15		Var %	9M16		9M15		Var %
GRUPO CARSO										
Revenues	23,422.9	100.0%	21,062.9	100.0%	11.2%	67,555.8	100.0%	62,788.2	100.0%	7.6%
Operating Income	4,145.7	17.7%	2,160.8	10.3%	91.9%	9,724.4	14.4%	6,961.1	11.1%	39.7%
EBITDA	3,528.9	15.1%	2,954.7	14.0%	19.4%	10,130.7	15.0%	8,664.0	13.8%	16.9%
Financial Results	150.5	0.6%	-758.1	-3.6%	NA	-192.5	-0.3%	-1,125.9	-1.8%	NA
Controlling Net Income	2,715.2	11.6%	1,223.7	5.8%	121.9%	6,362.5	9.4%	4,292.6	6.8%	48.2%
GRUPO SANBORNS										
Sales	10,924.5	100.0%	9,953.1	100.0%	9.8%	32,012.1	100.0%	30,125.2	100.0%	6.3%
Operating Income	2,266.4	20.7%	886.8	8.9%	155.6%	4,381.7	13.7%	2,851.0	9.5%	53.7%
EBITDA	1,408.1	12.9%	1,120.7	11.3%	25.6%	4,063.5	12.7%	3,539.3	11.7%	14.8%
Controlling Net Income	1,612.5	14.8%	557.0	5.6%	189.5%	2,924.6	9.1%	1,766.2	5.9%	65.6%
GRUPO CONDUMEX										
Sales	7,700.4	100.0%	6,953.4	100.0%	10.7%	21,666.0	100.0%	20,103.4	100.0%	7.8%
Operating Income	1,279.6	16.6%	1,100.5	15.8%	16.3%	3,532.4	16.3%	2,725.3	13.6%	29.6%
EBITDA	1,375.0	17.9%	1,188.9	17.1%	15.7%	3,810.4	17.6%	2,991.3	14.9%	27.4%
Controlling Net Income	963.1	12.5%	461.6	6.6%	108.7%	2,341.5	10.8%	1,400.8	7.0%	67.2%
CICSA										
Sales	4,758.1	100.0%	4,161.0	100.0%	14.4%	13,690.6	100.0%	12,328.4	100.0%	11.0%
Operating Income	537.8	11.3%	495.7	11.9%	8.5%	1,566.2	11.4%	1,465.1	11.9%	6.9%
EBITDA	632.0	13.3%	586.8	14.1%	7.7%	1,857.1	13.6%	1,737.8	14.1%	6.9%
Controlling Net Income	295.6	6.2%	295.5	7.1%	0.0%	981.7	7.2%	925.4	7.5%	6.1%
CARSO ENERGY										
Sales	192.3	100.0%	130.4	100.0%	47.4%	594.1	100.0%	570.6	100.0%	4.1%
Operating Income	62.7	32.6%	-349.6	-268.0%	NA	200.3	33.7%	-206.9	-36.3%	NA
EBITDA	113.7	59.1%	34.2	26.2%	232.4%	353.3	59.5%	278.7	48.8%	26.8%
Controlling Net Income	27.4	14.3%	-316.1	-242.3%	NA	84.5	14.2%	-234.7	-41.1%	NA

Balance Sheet Data						
Million PESOS(MXN)				(MM USD)		
	3Q16	4Q15	Var %	3Q16	4Q15	Var %
GRUPO CARSO						
Cash & Equivalents	6,068.0	8,070.3	-24.8%	324.2	481.8	-32.7%
Trade Receivables	19,528.7	17,770.9	9.9%	1,043.3	1,061.0	-1.7%
Accounts Receivable to Related Parties	4,274.7	3,436.1	24.4%	228.4	205.1	11.3%
Other Accounts Receivable	4,049.5	2,996.2	35.2%	216.3	178.9	20.9%
Recoverable Taxes	506.6	515.5	-1.7%	27.1	30.8	-12.1%
Other Financial Assets	1,236.1	2,692.0	-54.1%	66.0	160.7	-58.9%
Inventories	15,305.3	13,818.9	10.8%	817.7	825.0	-0.9%
Current Assets	50,969.0	49,300.0	3.4%	2,723.0	2,943.4	-7.5%
Other Non-Current Trade Receivables	14.0	27.5	-49.2%	0.7	1.6	-54.5%
Non-Current Inventories	870.0	790.9	10.0%	46.5	47.2	-1.6%
Other Non-Current Financial Assets	92.4	227.2	-59.3%	4.9	13.6	-63.6%
Investments in Associates	16,179.1	13,938.6	16.1%	864.4	832.2	3.9%
Property, Plant and Equipment	27,828.1	23,470.1	18.6%	1,486.7	1,401.2	6.1%
Investment Properties	2,873.8	2,758.7	4.2%	153.5	164.7	-6.8%
Intangible Assets and Goodwill	689.2	560.9	22.9%	36.8	33.5	10.0%
Deferred Tax Assets	2,439.0	2,143.2	13.8%	130.3	128.0	1.8%
Other Non-Current Non-Financial Assets	1,012.7	967.9	4.6%	54.1	57.8	-6.4%
Non-Current Assets	51,998.2	44,884.9	15.8%	2,778.0	2,679.8	3.7%
Total Assets	102,967.2	94,184.9	9.3%	5,500.9	5,623.2	-2.2%
Suppliers	8,064.0	8,399.6	-4.0%	430.8	501.5	-14.1%
Other Current Trade Payables	8,690.9	6,754.9	28.7%	464.3	403.3	15.1%
Short-Term Taxes Payable	803.6	733.6	9.6%	42.9	43.8	-2.0%
Short-Term Bank Debt	10,144.2	2,411.6	320.6%	541.9	144.0	276.4%
Other Current Financial Liabilities	87.7	87.5	0.1%	4.7	5.2	-10.4%
Other Current Non-Financial Liabilities	90.7	274.1	-66.9%	4.8	16.4	-70.4%
Current Provisions	4,298.6	3,227.3	33.2%	229.6	192.7	19.2%
Current Liabilities	32,179.7	21,888.6	47.0%	1,719.2	1,306.8	31.6%
Long-Term Taxes Payable	1,293.7	1,314.9	-1.6%	69.1	78.5	-12.0%
Long-Term Bank Debt	0.0	5,000.0	NA	0.0	298.5	NA
Other Long-Term Financial Liabilities	167.1	351.6	-52.5%	8.9	21.0	-57.5%
Long-Term Provisions	540.6	444.6	21.6%	28.9	26.5	8.8%
Deferred Tax Liabilities	1,804.6	1,390.9	29.7%	96.4	83.0	16.1%
Non-Current Liabilities	3,806.0	8,501.9	-55.2%	203.3	507.6	-59.9%
Total Liabilities	35,985.6	30,390.5	18.4%	1,922.5	1,814.4	6.0%
Stockholder's Equity	66,981.5	63,794.4	5.0%	3,578.4	3,808.8	-6.0%
Shares Outstanding ('000)	2,267,056	2,273,930	-0.3%	2,267,056	2,273,930	-0.3%
Closing Stock Price	77.5	71.0	9.2%	4.1	4.24	-2.3%
NA=Not Applicable						