

Third Quarter Results 2017

Mexico City October 26, 2017, Grupo Carso S.A.B. de C.V. ("The Group", BMV: GCARSO OTC: GPOVY) announced today its results for the third quarter of 2017.

RELEVANT EVENTS

- On July 12, 2017, due to its participation in the CNH-R02-L03 / 2016 tender for Blocks in land areas convened by the National Hydrocarbons Commission (NHC), the subsidiary **Carso Oil and Gas, S.A. Of C.V. won the blocks identified as Contract Area 12 and 13**, located in the southeast of Mexico, for the exploitation and exploration of hydrocarbons. The minimum investment commitments in accordance with the call are USD \$12.9 million in area 12 and USD \$7.4 million in area 13.

HIGHLIGHTS

SALES
-8.0%

- Grupo Carso's **consolidated sales** decreased 8.0% totaling Ps. 21,544 MM. Grupo Sanborns increased its sales 0.9% while Grupo Condumex and Carso Infraestructura reduced its sales by 8.3% and 15.4%, respectively.
From January to September 2017, sales decreased 2.5% totaling \$65,900 MM.

OP. INCOME
(Ex. Extraord. Item)

-23.1%

- Operating income** for the quarter reported was Ps. 2,311 million compared to Ps. 3,005 million in the same quarter of the previous year, representing a decrease of 23.1%. This was excluding the extraordinary item of Ps. 1,141 MM recorded during the 3Q16 in Other Income from the acquisition of Grupo Sanborns S.A.B de C.V. to Sears Mexico Holdings Corp. of 14% of the stake in Inmuebles SROM, S.A. de C.V., due to which the operating income of the 3Q17 fell 44.3%.

EBITDA
-18.6%

- For the **EBITDA** calculation, we did not consider Other Income of Ps. 1,141 MM; therefore, EBITDA in the 3Q17 totaled Ps. 2,871 MM, being 18.6% lower than Ps. 3,529 MM reported in the 3Q16. The EBITDA margin decreased from 15.1% to 13.3% of sales.
In Carso Infraestructura y Construcción, the conclusion of some projects and the mix of current projects -where the ones in consortium do not consolidate- reflected in a 26.4% reduction in the EBITDA of this sector, while Grupo Condumex's EBITDA fell 21.2% and that of Grupo Sanborns decreased 11.2%.
- Due to the appreciation of the exchange rate in the third quarter of 2017, which affected our accounts receivable in US dollars, we recorded a comprehensive financing result (CFR) of Ps. 99 MM that compared unfavorably against a CFR of Ps. 150 MM recorded in the 3Q16.

**NET
INCOME
(Ex.
Extraord.
Item)**

2.8%

- o **Controlling Net income** increased 2.8% from Ps. 2,039 million in the 3Q16 to Ps. 2,097 million in the 3Q17. This was without taking into consideration the extraordinary item mentioned previously –net of income tax- from GCARSO's holding of GSANBOR, due to which the net income of the 3Q17 decreased 22.8%.
- o **Total debt** as of September 30, 2017 was Ps. 11,027 million, a decrease of 6.0% compared to the debt at the end of December 2016. Net-debt was Ps. 5,374 MM, very similar to the net-debt of Ps. 5,365 million at December 31, 2016.

The construction of the gas pipelines by Carso Energy and the payment of dividends, among other items, were the reasons behind the 11.2% decrease in **cash and cash-equivalents**.

- o The net-debt-to-LTM EBITDA ratio was 0.39 times in the 3Q17, compared to 0.20 times at the close of the 3Q16. Currently Grupo Carso has a new program of dual stock certificates authorized up to 10 Billion pesos, with no issuance at the end of the third quarter.

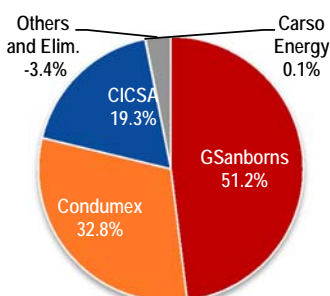
SUMMARY

Amounts in Million Pesos MXN (Ps. MM)

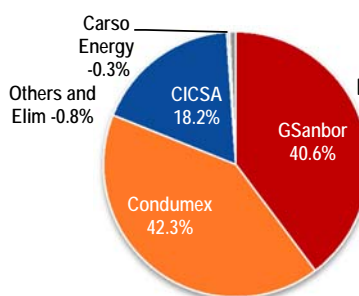
Consolidated Results	3Q17	3Q16	Var %	9M17	9M16	Var %
Sales	21,544	23,423	-8.0%	65,900	67,556	-2.5%
Operating Income	2,311	4,146	-44.3%	7,691	9,724	-20.9%
Op. Income ex Extr. Income	2,311	3,005	-23.1%	7,691	8,583	-10.4%
Controlling Net Income	2,097	2,715	-22.8%	5,501	6,363	-13.5%
Controlling Net Income ex Extr. Income	2,097	2,039	2.8%	5,501	5,687	-3.3%
EBITDA*	2,871	3,529	-18.6%	9,382	10,131	-7.4%
Operating Margin	10.7%	17.7%		11.7%	14.4%	
Op. Margin ex Extr. Income	10.7%	12.8%		11.7%	12.7%	
EBITDA Margin	13.3%	15.1%		14.2%	15.0%	

CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT

**3Q17
Sales Breakdown
by Segment**



**3Q17
Op. Income
Breakdown by
Segment**



FINANCIAL RESULTS

Financial Results	3Q17	3Q16	Var%	9M17	9M16	Var%
Interest Expenses	-118.4	-121.4	-2.5%	-423.7	-347.5	21.9%
Income (Loss) on derivatives net	-8.1	108.7	NA	-220.7	-483.6	-54.4%
Interest Income	76.2	73.9	3.1%	216.7	265.1	-18.3%
Interest (net)	-50.3	61.2	NA	-427.6	-566.0	-24.4%
ForEx Results	148.9	89.3	66.7%	-954.3	373.5	NA
CFR	98.6	150.5	-34.5%	-1,381.9	-192.5	617.7%
Income taxes	569.5	1,528.8	-62.7%	1,725.6	3,143.0	-45.1%
Earnings from non-consolidated companies	566.0	410.2	38.0%	1,771.6	1,156.6	53.2%
Non-controlling participation in Net Income	308.8	462.4	-33.2%	854.1	1,182.9	-27.8%

NA= Not applicable

RESULTS OF ASSOCIATED COMPANIES

3Q17 Associated Companies	Holding		Stockholders		Part. in Results (MM MXN)		
	%	Division	Equity	Sales	Op. Income	EBITDA	
Elementia, S.A. de C.V. (Elementia)	36.20%	GCarso	7,931.4	6,359.1	676.8	1,079.4	
GMéxico Transportes, S.A. de C.V. (GMéxico)	16.75%	GCarso	6,422.1	4,642.1	1,311.0	2,000.1	
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	1,518.7	0.0	0.0	0.0	
Construction projets Consortia	-	CICSA	215.5	594.2	-16.1	-16.1	
Trans-Pecos Pipeline, LLC (Gasoducto Waha-Presidio)	51.00%	Carso Energy	209.6	0.0	0.0	0.0	
Comanche Trail Pipeline, LLC (Gasoducto Waha-San Elizario)	51.00%	Carso Energy	595.9	0.0	0.0	0.0	
Inmuebles SROM, S.A. de C.V.	14.00%	Grupo Sanborns	2,020.2	128.2	99.6	99.9	
Subtotal			21,061.2	12,473.6	2,751.5	3,843.5	
Others investments in associated companies			1,327.3				
Total Investments in joint ventures ans associates			22,388.5				

Grupo Carso's investments in **non-consolidated associates** reported a net profit of Ps. 566 MM in the quarter, compared to Ps. \$410 MM in the 3Q16, the main ones being: GMéxico Transportes S.A. de C.V., Infraestructura y Transportes México, Comanche Trail Pipeline LLC, Trans-Pecos Pipeline LLC., Elementia S.A.B. de C.V. and Inmuebles SROM, S.A. de C.V.

DEBT

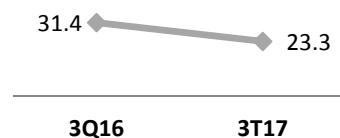
Total Debt by CURRENCY (Includes ForEx Hedges)

Pesos 40%	Dollars 60%
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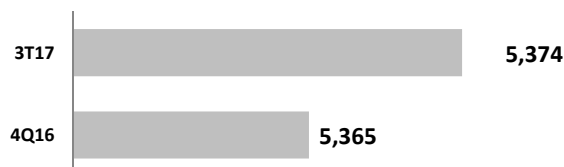
Total Debt by TERM

LTerm 63%	Short T 37%
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LTM EBITDA/Interest Expenses



Net-Debt (MM Ps)



RESULTS BY SEGMENT

COMMERCIAL

Consolidated Results	3Q17	3Q16	Var %	9M17	9M16	Var %
Sales	11,022	10,924	0.9%	33,760	32,012	5.5%
Operating Income	939	2,266	-58.6%	3,106	4,382	-29.1%
Controlling Net Income	687	1,612	-57.4%	2,298	2,925	-21.4%
EBITDA	1,250	1,408	-11.2%	4,044	4,063	-0.5%
Operating Margin	8.5%	20.7%		9.2%	13.7%	
EBITDA Margin	11.3%	12.9%		12.0%	12.7%	



Contribution to Consolidated Results
51% SALES
41% OP. INCOME
44% EBITDA

Note: For additional information, please refer to the 3Q17 press release of Grupo Sanborns, S.A.B. de C.V.

During the third quarter of the year, Grupo Sanborns' **total sales** reached Ps. 11,022 million pesos, which were Ps. 98 million pesos more or a 0.9% increase. Consolidated same store sales (SSS) were -1.9%. Lower traffic at stores in the weeks following the earthquakes in Mexico City, Chiapas, Oaxaca and Morelos affected these results. As of September 30, 2017, two Sears, three Sanborns, two iShop and two MixUp stores were closed, representing 0.5% of the consolidated SSS.

Operating Income fell 58.6% from Ps. 2,266 million in the 3Q16 to Ps. 939 million in 3Q17. This was due to the recording of Other Income in 3Q16 for Ps. 1,141 million from Grupo Sanborns' acquisition of Sears México Holdings Corp. (Sears USA) of 14% of the shareholding in Inmuebles SROM, S.A. de C.V. Excluding the effect of this extraordinary item, operating income decreased 16.5% from Ps. 1,125 million in the 3Q16 to Ps. 939 million in the 3Q17.

For the purposes of calculating **EBITDA**, we did not consider Other Income mentioned above; therefore quarterly EBITDA decreased by 11.2% to Ps. 1,250 million. The EBITDA margin was 11.3% in relation to sales.

Net operating income decreased 57.4% in the 3Q17, totaling Ps. 687 million. Excluding Other Income mentioned previously, net income decreased 15.5% in the 3Q17.

INDUSTRIAL

Consolidated Results	3Q17	3Q16	Var %	9M17	9M16	Var %
Sales	7,060	7,700	-8.3%	21,092	21,666	-2.6%
Operating Income	977	1,280	-23.7%	3,173	3,532	-10.2%
Controlling Net Income	791	963	-17.9%	1,844	2,342	-21.2%
EBITDA	1,083	1,375	-21.2%	3,484	3,810	-8.6%
Operating Margin	13.8%	16.6%		15.0%	16.3%	
EBITDA Margin	15.3%	17.9%		16.5%	17.6%	



Contribution to
Consolidated Results
33% SALES
42% OP. INCOME
38% EBITDA

Grupo Consumex's **sales** went from Ps. 7,700 in the 3Q16 to Ps. 7,060 million in the 3Q17, which represented a decrease of 8.3%. Higher volumes of automotive cable were recorded, but could not offset the declines in volumes in the Telecom, Harness and Construction divisions due to the appreciation of the exchange rate.

On a cumulative basis, sales decreased 2.6%.

The quarterly **operating profit and EBITDA** of the industrial division were Ps. 977 million and Ps. 1,083 million, representing reductions of 23.7% and 21.2% compared to the 3Q16, respectively. This reduction in profitability was due to lower sales mentioned above, as well as to an increase in operating expenses related to higher inflation and certain modernization projects.

Grupo Consumex's **net income** decreased 17.9%, from Ps. 963 million in the 3Q16 to Ps. 791 million in the 3Q17.

INFRAESTRUCTURE AND CONSTRUCTION

Consolidated Results	3Q17	3Q16	Var %	9M17	9M16	Var %
Sales	4,151	4,908	-15.4%	12,522	14,162	-11.6%
Operating Income	422	616	-31.6%	1,431	1,797	-20.4%
Controlling Net Income	453	362	25.1%	1,145	1,099	4.2%
EBITDA	557	757	-26.4%	1,848	2,227	-17.0%
Operating Margin	10.2%	12.6%		11.4%	12.7%	
EBITDA Margin	13.4%	15.4%		14.8%	15.7%	

carso
INFRAESTRUCTURA Y CONSTRUCCION

Contribution to
Consolidated Results
19% SALES
18% OP. INCOME
19% EBITDA

The **sales** of Carso Infraestructura y Construcción (CICSA) decreased 15.4% to Ps. 4,151 million in the third quarter of the year. This was due to lower sales in all sectors, but mainly in Infrastructure, where the conclusion of the Acapulco Tunnel, the El Caminero viaduct and the San Fernando viaduct have been replaced by new projects in consortium which do not consolidate, and therefore, are not reflected in sales. Proportional sales of the projects in consortia amounted to Ps. 594 million.

CICSA's quarterly **operating income and EBITDA** fell 31.6% and 26.4%, respectively. Manufacturing and Services for the Oil and Chemical Industry showed an improvement in profitability; however, this was reduced in the Infrastructure, Pipeline Installations and Civil Construction sectors. The current mix of projects includes the Emisor Oriente Tunnel, the Guadalajara and Mitla-Tehuantepec highways (the last under review for start-up), ETRAM Cuatro Caminos, Nuevo Veracruz real estate development, and the construction of the Samalayuca-Sásabe gas pipeline. Construction works for Runway 3 of the New International Airport of Mexico City (NIAMC) and its terminal building have started, but since both projects are in consortium do not consolidate, and their effect does not contribute to operational results despite their relevance.

Net income increased 25.1% from Ps. 362 million in the 3Q16 to Ps. 453 million in the 3Q17.

As for CICSA's **backlog**, it totaled Ps. 13,655 million at September 30, 2017, compared to Ps. 16,238 million in the same period of the previous year. This figure does not include Ps. 14,591 MM from projects that CICSA has in consortium with other companies, which increase the backlog 64.9% to Ps. 28,245 MM. This figure already includes Runway 3 and the terminal building of the NIAMC mentioned above.

CARSO ENERGY

Consolidated Results	3Q17	3Q16	Var %	9M17	9M16	Var %
Sales	16	0	NA	16	0	NA
Operating Income	-8	-12	-34.2%	-30	-19	60.5%
Controlling Net Income	231	-35	NA	163	-21	NA
EBITDA	-5	-11	-52.5%	-25	-17	46.0%
Operating Margin	NA	NA		NA	NA	
EBITDA Margin	NA	NA		NA	NA	



Contribution to
Consolidated Results
0% SALES
0% OP. INCOME
-0.2% EBITDA

The **sales** of Carso Energy sales amounted to Ps. 16 million pesos. Since the first quarter of the year, drilling activities of the Jack Up "Independencia I" were recorded in Carso Infraestructura y Construcción; so its sales are no longer reflected in Carso Energy. In this quarter, we began production and sale of oil at our company in Colombia, and we expect to begin reporting the revenues related to the Samalayuca-Sásabe gas pipeline in 2018.

The energy division's **quarterly EBITDA and operating income** were losses of Ps. 8 MM and Ps. 5 MM, compared to losses of Ps. 12 MM and Ps. 11 MM in the 3Q16, respectively. This was due to expenses related to the start-up of the Tabasco Oil Company operation in Colombia, and to the tender for Blocks in land areas convened by the National Hydrocarbons Commission where our subsidiary Carso Oil and Gas, S.A. de C.V. won the blocks identified as Contract Area 12 and 13, located in the southeast of Mexico, for the exploitation and exploration of hydrocarbons. In this regard we are waiting for the signing of contracts estimated for 4Q17.

Carso Energy's **net operating income** improved from a loss of Ps. 35 million in the 3Q16 to a gain of Ps. 231 million in the 3Q17.

It is worth remembering that Carso Energy holds a 51.0% stake in the two companies responsible for the Waha-Presidio and Waha-San Elizario gas pipelines in Texas, United States. Both gas pipelines are already reporting revenues that totaled USD \$35 MM in the 3Q17 and USD \$80 MM cumulatively, but are not reflected in the sales of Grupo Carso because they do not consolidate.

In relation to the Samalayuca-Sásabe gas pipeline, of which Carso Energy has a 100.0% stake, construction and rights-of-way continue at the end of the 3Q17, estimating to start operations in 2018.

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INVITATION TO THE RESULTS CONFERENCE CALL:

Date: Friday, October 27, 2017
 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)
 Toll Free US: +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 Code: 10113168 (Available until November 3, 2017)

ADDITIONAL CHARTS:

Financial Income Data											
Million PESOS (MXN)											
	3Q17		3Q16		Var %	9M17		9M16		Var %	
GRUPO CARSO											
Revenues	21,543.6	100.0%	23,422.9	100.0%	-8.0%	65,900.0	100.0%	67,555.8	100.0%	-2.5%	
Operating Income	2,311.2	10.7%	4,145.7	17.7%	-44.3%	7,691.3	11.7%	9,724.4	14.4%	-20.9%	
Financial Results	98.6	0.5%	150.5	0.6%	-34.5%	-1,381.9	-2.1%	-192.5	-0.3%	617.7%	
Controlling Net Income	2,097.5	9.7%	2,715.2	11.6%	-22.8%	5,501.2	8.3%	6,362.5	9.4%	-13.5%	
EBITDA	2,871.4	13.3%	3,529.1	15.1%	-18.6%	9,381.9	14.2%	10,131.0	15.0%	-7.4%	
GRUPO SANBORNS											
Sales	11,021.8	100.0%	10,924.5	100.0%	0.9%	33,760.1	100.0%	32,012.1	100.0%	5.5%	
Operating Income	939.0	8.5%	2,266.4	20.7%	-58.6%	3,106.5	9.2%	4,381.7	13.7%	-29.1%	
Controlling Net Income	687.5	6.2%	1,612.5	14.8%	-57.4%	2,297.7	6.8%	2,924.6	9.1%	-21.4%	
EBITDA	1,250.1	11.3%	1,408.1	12.9%	-11.2%	4,043.7	12.0%	4,063.5	12.7%	-0.5%	
GRUPO CONDUMEX											
Sales	7,059.8	100.0%	7,700.4	100.0%	-8.3%	21,092.3	100.0%	21,666.0	100.0%	-2.6%	
Operating Income	976.5	13.8%	1,279.6	16.6%	-23.7%	3,173.0	15.0%	3,532.4	16.3%	-10.2%	
Controlling Net Income	790.7	11.2%	963.1	12.5%	-17.9%	1,844.1	8.7%	2,341.5	10.8%	-21.2%	
EBITDA	1,083.2	15.3%	1,375.0	17.9%	-21.2%	3,484.0	16.5%	3,810.4	17.6%	-8.6%	
CICSA											
Sales	4,150.8	100.0%	4,908.5	100.0%	-15.4%	12,522.4	100.0%	14,162.1	100.0%	-11.6%	
Operating Income	421.6	10.2%	616.2	12.6%	-31.6%	1,430.7	11.4%	1,797.5	12.7%	-20.4%	
Controlling Net Income	452.9	10.9%	362.1	7.4%	25.1%	1,145.1	9.1%	1,099.3	7.8%	4.2%	
EBITDA	556.8	13.4%	756.7	15.4%	-26.4%	1,847.8	14.8%	2,227.3	15.7%	-17.0%	
CARSO ENERGY											
Sales	15.5	NA	0.0	NA	NA	15.5	NA	0.0	NA	NA	
Operating Income	-7.6	NA	-11.5	NA	-34.2%	-29.7	NA	-18.5	NA	60.5%	
Controlling Net Income	231.2	NA	-35.0	NA	NA	163.4	NA	-20.6	NA	NA	
EBITDA	-5.2	NA	-10.9	NA	-52.5%	-24.6	NA	-16.9	NA	46.0%	

Balance Sheet Data			
Million PESOS(MXN)			
	3Q17	4Q16	Var %
GRUPO CARSO			
Cash & Equivalents	4,341.4	4,857.9	-10.6%
Trade Receivables	19,581.4	21,323.8	-8.2%
Accounts Receivable to Related Parties	3,767.8	3,682.6	2.3%
Other Accounts Receivable	3,459.3	4,081.2	-15.2%
Recoverable Taxes	556.9	832.9	-33.1%
Other Financial Assets	1,301.8	1,498.7	-13.1%
Inventories	16,014.8	15,766.9	1.6%
Current Assets	49,023.4	52,044.1	-5.8%
Other Non-Current Trade Receivables	0.0	10.1	-100.0%
Non-Current Inventories	911.9	873.3	4.4%
Other Non-Current Financial Assets	157.2	359.5	-56.3%
Investments in Associates	22,388.3	19,816.8	13.0%
Property, Plant and Equipment	31,429.7	30,175.5	4.2%
Investment Properties	2,696.7	2,668.5	1.1%
Intangible Assets	717.9	663.4	8.2%
Deferred Tax Assets	2,537.8	2,048.5	23.9%
Other Non-Current Non-Financial Assets	915.8	896.6	2.4%
Non-Current Assets	61,755.3	57,512.2	7.4%
Total Assets	110,778.7	109,556.3	1.1%
Suppliers	7,888.0	9,346.9	-15.6%
Other Current Trade Payables	8,469.6	7,874.3	7.6%
Short-Term Taxes Payable	388.2	847.9	-54.2%
Short-Term Bank Debt	4,042.5	11,721.2	-65.5%
Other Current Financial Liabilities	0.0	69.3	-100.0%
Other Current Non-Financial Liabilities	278.2	125.6	121.6%
Current Provisions	4,449.1	4,273.1	4.1%
Current Liabilities	25,515.5	34,258.3	-25.5%
Long-Term Taxes Payable	1,670.5	1,473.7	13.4%
Long-Term Bank Debt	6,974.5	0.0	NA
Other Long-Term Financial Liabilities	297.7	12.1	2351.6%
Long-Term Provisions	506.0	404.2	25.2%
Deferred Tax Liabilities	1,812.3	1,827.9	-0.9%
Non-Current Liabilities	11,261.0	3,717.9	202.9%
Total Liabilities	36,776.5	37,976.2	-3.2%
Stockholder's Equity	74,002.2	71,580.2	3.4%
Shares Outstanding ('000)	2,269,734	2,264,900	0.2%
Closing Stock Price	71.8	83.6	-14.2%
NA=Not Applicable			