

## First Quarter 2018 Results

Mexico City, April 25, 2018, Grupo Carso S.A.B. de C.V. ("The Group", BMV: GCARSO OTC: GPOVY) announced today its results for the first quarter of 2018.

### RELEVANT EVENTS

- On March 16, 2018 an issuance of **Stock Certificates (GCARSO 18)** was carried out in the amount of Ps. 3,000 million maturing in March 2021, of the dual program authorized by Grupo Carso for up to Ps. 10,000 million or its equivalent in investment units (UDIS).
- Tomorrow, April 26, 2018, the Ordinary General Stockholders Meeting of Grupo Carso, S.A.B. de C.V. will be held. The payment of a **cash dividend will be proposed, at a rate of Ps. 0.92 (ninety-two cents M.N.) per share**, from the balance of the net fiscal profit account, divided into two equal exhibitions of Ps. 0.46 (zero pesos 46/100 M.N.) per share each.

### HIGHLIGHTS

**SALES**  
-3.3%

- Grupo Carso's **sales** totaled Ps. 21,439 MM in the 1Q18, 3.3% below Ps. 22,164 MM in the 1Q17. Grupo Sanborns increased its sales 1.8% and Grupo Condumex maintained its figures very similar to the previous year with a variation of -0.4%. The main reduction was in Carso Infraestructura y Construcción (CICSA), with a 14.9% decrease in sales due to lower consolidating infrastructure projects.

**OP. INCOME**  
-12.1%

- As a result of lower margins in Grupo Sanborns and in the automotive sector, which benefited from higher exchange rates in the 1Q17, the **operating income** for the 1Q18 decreased 12.1% totaling Ps. 2,369 MM. The operating margin of Grupo Sanborns and Grupo Condumex decreased 1.3 and 3.0 percentage points on sales respectively; while on the contrary, CICSA's operating margin increased 3.2 percentage points.

**EBITDA**  
-13.2%

- **EBITDA** totaled Ps. 2,831 MM being 13.0% lower than Ps. 3,253 MM reported in the 1Q17, with an EBITDA margin of 13.7%.
- The variations in the exchange rate during the 1Q18 explain the recording of a **Comprehensive Financial Cost (CFC)** of Ps. 486.6 MM, which was 41.9% lower than the CFC of Ps. 837.9 MM recorded in the 1Q17.

**NET  
INCOME**  
-9.0%

**Controlling Net Income** totaled Ps. 1,457 MM compared to Ps. 1,601 in the 1Q17. This reduction of 9.0% was mainly due to lower operating results.

**Total debt** as of March 31, 2018 was Ps. 10,100 MM, decreasing 1.2% compared to the debt at the end of December 2017. Net debt was Ps. 4,999 MM, compared to a net debt of Ps. 5,118 MM as of December 31, 2017.

The amount of **cash and equivalents** in the 1Q18 remained practically the same as in the 4Q17, recording a variation of -0.2%.

- o The ratio of net debt to LTM EBITDA was 0.37 times in the 1Q18, compared to 0.35 times at the end of 1Q17. The Company has a program of dual stock certificates - that is, short and long term - with authorization of February 17, 2017 for up to Ps. 10,000 million or its equivalent in UDIS, and of which on March 16, 2018 an issuance of Ps. 3,000 million was carried out with a maturity of 3 years.

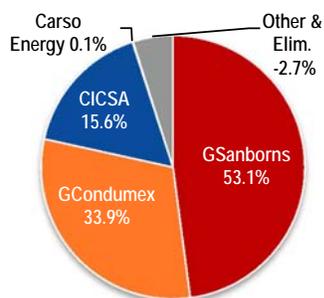
**SUMMARY**

Amounts in Million Pesos (MM)

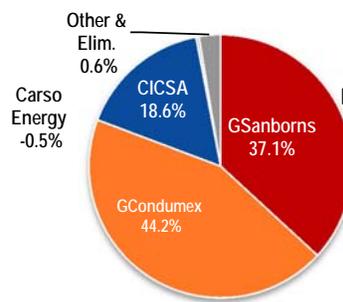
Consolidated Results	1Q18	1Q17	Var %
Sales	21,439	22,164	-3.3%
Operating Income	2,369	2,695	-12.1%
Controlling Net Income	1,457	1,601	-9.0%
EBITDA	2,831	3,253	-13.0%
Operating Margin	11.0%	12.2%	
EBITDA Margin	13.2%	14.7%	

**CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT**

**1Q18  
Sales Breakdown  
by Segment**



**1Q18  
Op. Income  
Breakdown by  
Segment**



## FINANCIAL RESULTS

Financial Results	1Q18	1Q17	Var%
Interest Expenses	-96.2	-160.9	-40.2%
Income (Loss) on derivatives net	-83.2	-91.7	-9.3%
Interest Income	88.4	65.6	34.7%
<b>Interest (net)</b>	<b>-91.0</b>	<b>-187.0</b>	<b>-51.4%</b>
ForEx Results	-395.6	-650.9	-39.2%
<b>CFR</b>	<b>-486.6</b>	<b>-837.9</b>	<b>-41.9%</b>
Income taxes	509.9	434.1	17.5%
Earnings from non-consolidated companies	292.0	490.9	-40.5%
Non-controlling participation in Net Income	207.6	312.4	-33.6%

NA= Not applicable

## RESULTS OF ASSOCIATED COMPANIES

1Q18	Holding		Stockholders	Part. in Results (MM MXN)		
Associated Companies	%	Division	Equity	Sales	Op. Income	EBITDA
Elementia, S.A. de C.V. (Elementia)	36.20%	GCarso	8,501.2	0.0	0.0	0.0
GMéxico Transportes, S.A. de C.V. (GMéxico)	16.75%	GCarso	7,351.8	1,541.6	377.1	635.4
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	1,504.1	0.0	0.0	0.0
Construction projects Consortia	-	CICSA	212.0	348.9	12.4	12.4
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 Elzario)	51.00%	Carso Energy	595.9	0.0	0.0	0.0
Inmuebles SROM, S.A. de C.V.	14.00%	Grupo Sanborns	2,119.7	40.6	30.3	19.0
Subtotal			23,625.8	2,280.9	686.0	933.0
Others investments in associated companies			1,354.5			
Total Investments in joint ventures and associates			24,980.3			

The shares held by Grupo Carso of GMéxico Transportes S.A.B. of C.V. and Elementia S.A.B. of C.V. (companies listed on the MSE), are recorded at book value of Ps. 15,853 MM while market valuation at March 31, 2018 amounts to Ps. 27,555 MM.

## INTEREST-BEARING LIABILITIES

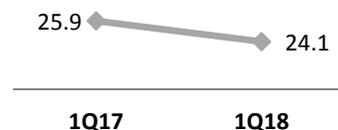
### Total Debt by CURRENCY (Includes ForEx Hedges)

Pesos 47%	Dólares 53%
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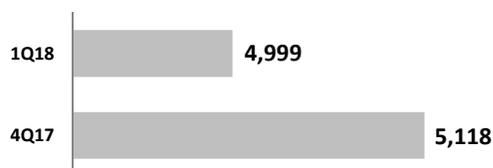
### Total Debt by TERM

Short T 1%	L Term 99%
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**LTM EBITDA/Interest  
Expense**



**Net Debt (MM Ps)**



**RESULTS BY SEGMENT**

**RETAIL**

Consolidated Results	1Q18	1Q17	Var %
Sales	11,385	11,183	1.8%
Operating Income	879	1,009	-12.8%
Controlling Net Income	674	817	-17.4%
EBITDA	1,161	1,320	-12.1%
Operating Margin	7.7%	9.0%	
EBITDA Margin	10.2%	11.8%	



Contribution to  
Consolidated Results  
53% SALES  
37% OP. INCOME  
49% EBITDA

*Note: For more information, please refer to the 1Q18 report of Grupo Sanborns, S.A.B. de C.V.*

During the first quarter of the year, **total sales** of Grupo Sanborns reached Ps. 11,385 million, which meant an increase of 1.8% or Ps. 202 million more. The most dynamic categories were technology and fashion. Regarding consolidated same-store sales, an increase of 2.7% was observed.

**Operating income** was Ps. 879, which meant a decrease of 12.8%, with an operating margin of 7.7%. This was explained by a greater participation of technology within the sales mix, as well as the pre-opening expenses of the two stores at the Cuernavaca Averanda Shopping Center, the closing costs of five Sanborns units and one Sears during the quarter, and uncollectible accounts.

Quarterly **EBITDA** decreased 12.1% totaling Ps. 1,161 million, with a margin of 10.2% in the 1Q18.

**Controlling net income** decreased 17.4% in the 1Q18 totaling Ps. 674 million, compared to Ps. 817 million recorded in the 1Q17. This was explained by lower operating results.

**INDUSTRIAL**

<b>Consolidated Results</b>	<b>1Q18</b>	<b>1Q17</b>	<b>Var %</b>
Sales	<b>7,260</b>	7,287	-0.4%
Operating Income	<b>1,047</b>	1,269	-17.5%
<b>Controlling Net Income</b>	<b>576</b>	582	-1.0%
<b>EBITDA</b>	<b>1,078</b>	1,369	-21.3%
Operating Margin	<b>14.4%</b>	17.4%	
<b>EBITDA Margin</b>	<b>14.8%</b>	18.8%	



Contribution to  
Consolidated Results  
34% SALES  
44% OP. INCOME  
38% EBITDA

The **sales** of Grupo Condumex were Ps. 7,260 MM in the 1Q18, with a variation of -0.4% compared to the 1Q17 sales. Larger volumes of telecom cables, harnesses and automotive cable stood out, which compensated for a lower dynamism in power cables.

The quarterly **operating income and EBITDA** of the industrial division were Ps. 1,047 MM and Ps. 1,078 MM, decreasing 17.5% and 21.3% compared to the 1Q17. This lower profitability was due to a lower exchange rate compared to the 1Q17, which affected the margins of the automotive business.

The **controlling net income** of Grupo Condumex decreased 1.0%, going from Ps. 582 MM in the 1Q17 to Ps. 576 MM in the 1Q18.

**INFRAESTRUCTURE AND CONSTRUCTION**

<b>Consolidated Results</b>	<b>1Q18</b>	<b>1Q17</b>	<b>Var %</b>
Sales	<b>3,350</b>	3,937	-14.9%
Operating Income	<b>440</b>	388	13.3%
<b>Controlling Net Income</b>	<b>344</b>	237	45.2%
<b>EBITDA</b>	<b>580</b>	525	10.6%
Operating Margin	<b>13.1%</b>	9.9%	
<b>EBITDA Margin</b>	<b>17.3%</b>	13.3%	



Contribution to  
Consolidated Results  
16% SALES  
19% OP. INCOME  
20% EBITDA

The **sales** of Carso Infraestructura y Construcción (CICSA) decreased 14.9% totaling Ps. 3,350 MM in the first quarter of the year. This was mainly explained by the conclusion of important projects, the lack of tenders and the fact that new consortium projects do not consolidate; as is the case of Runway 3 of the New International Airport of Mexico (NAIM) and therefore, are not reflected in the sales.

The sectors of Manufacturing and Services for the Oil and Chemical Industry and Civil Construction are improving its trend, although they will reflect the growth towards the second half of the year. The pipeline installation sector remains practically at 1Q17 levels.

The mix of projects in this division resulted in a growth in CICSAs quarterly **operating profit and EBITDA** of 13.3% and 10.6%, respectively.

**Controlling net income** increased 45.2%, going from Ps. 237 MM in the 1Q17 to Ps. 344 MM in the 1Q18.

The mix of current projects include the Emisor Oriente Tunnel, the Mitla-Tehuantepec highway (under review for its re-start), diverse real estate projects, the installation services for Telecom, and the construction of the Samalayuca-Sásabe gas pipeline. Among the projects that do not consolidate are the construction works of the terminal building and the runway 3 of the NAIM.

The backlog of CICSAs totaled Ps. 12,142 MM as of March 31, 2018, compared to Ps. 14,779 MM in the same period of the previous year. The portion corresponding to CICSAs of projects in consortium with other companies is not included, which in the 1Q18 was of Ps. 14.061 MM, with which the backlog totals Ps. 26.203 MM. This amount already includes the start of work on runway 3 and the NAIM terminal building.

#### CARSO ENERGY

Consolidated Results	1Q18	1Q17	Var %
Sales	22	0	NA
Operating Income	-9	-10	-10.7%
<b>Controlling Net Income</b>	<b>209</b>	-83	NA
EBITDA	-6	-8	-27.7%
Operating Margin	NA	NA	
EBITDA Margin	NA	NA	



Contribution to  
Consolidated Results  
0.1% SALES  
-0.4% OP. INCOME  
-0.2% EBITDA

The consolidated **sales** of Carso Energy amounted to Ps. 22 million, including the production and sale of oil in Colombia from Tabasco Oil Company. The quarterly **operating income and EBITDA** of the energy division were losses of Ps. 9 MM and Ps. 6 MM, improving compared to losses of Ps. 10 MM and Ps. 8 MM in the 1Q17, respectively.

These results reflected the expenses related to our participation in tenders of the oil rounds, where Carso Oil and Gas, S.A. of C.V. was awarded the Contractual blocks 12 and 13 for the exploitation and exploration of hydrocarbons, as well as the start-up costs of the exploration program in two geothermal fields in the states of Baja California and Guanajuato.

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**INVITATION TO THE CONFERENCE CALL:**

Date: Thursday, April 26, 2018  
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 Access Code: 10119381 (Available until May 8, 2018)

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TABLAS ADICIONALES:

<b>Financial Income Data</b>					
Million PESOS (MXN)					
	1Q18		1Q17		Var %
<b>GRUPO CARSO</b>					
Revenues	<b>21,439.4</b>	100.0%	22,164.4	100.0%	-3.3%
Operating Income	<b>2,368.9</b>	11.0%	2,694.6	12.2%	-12.1%
Financial Results	<b>-486.6</b>	-2.3%	-837.9	-3.8%	-41.9%
Controlling Net Income	<b>1,456.8</b>	6.8%	1,601.0	7.2%	-9.0%
EBITDA	<b>2,831.4</b>	13.2%	3,252.7	14.7%	-13.0%
<b>GRUPO SANBORNS</b>					
Sales	<b>11,385.0</b>	100.0%	11,183.3	100.0%	1.8%
Operating Income	<b>879.4</b>	7.7%	1,008.7	9.0%	-12.8%
Controlling Net Income	<b>674.5</b>	5.9%	816.9	7.3%	-17.4%
EBITDA	<b>1,161.2</b>	10.2%	1,320.5	11.8%	-12.1%
<b>GRUPO CONDUMEX</b>					
Sales	<b>7,259.8</b>	100.0%	7,287.0	100.0%	-0.4%
Operating Income	<b>1,047.1</b>	14.4%	1,268.8	17.4%	-17.5%
Controlling Net Income	<b>576.1</b>	7.9%	581.7	8.0%	-1.0%
EBITDA	<b>1,078.0</b>	14.8%	1,369.1	18.8%	-21.3%
<b>CICSA</b>					
Sales	<b>3,349.6</b>	100.0%	3,936.7	100.0%	-14.9%
Operating Income	<b>439.5</b>	13.1%	387.9	9.9%	13.3%
Controlling Net Income	<b>344.3</b>	10.3%	237.1	6.0%	45.2%
EBITDA	<b>580.2</b>	17.3%	524.7	13.3%	10.6%
<b>CARSO ENERGY</b>					
Sales	<b>22.3</b>	NA	0.0	NA	NA
Operating Income	<b>-8.7</b>	NA	-9.7	NA	-10.7%
Controlling Net Income	<b>208.7</b>	NA	-82.6	NA	NA
EBITDA	<b>-5.9</b>	NA	-8.1	NA	-27.7%

<b>Consolidated Balance Sheet Data</b>			
Million PESOS(MXN)			
	1Q18	4Q17	Var %
<b>GRUPO CARSO</b>			
Cash & Equivalents	4,135.8	4,331.4	-4.5%
Trade Receivables	20,377.8	21,802.9	-6.5%
Accounts Receivable to Related Parties	4,267.0	4,090.6	4.3%
Other Accounts Receivable	3,827.4	4,183.6	-8.5%
Recoverable Taxes	553.0	692.5	-20.1%
Other Financial Assets	965.3	777.4	24.2%
Inventories	16,188.0	16,509.7	-1.9%
<b>Current Assets</b>	<b>50,314.3</b>	<b>52,388.0</b>	<b>-4.0%</b>
Other Non-Current Trade Receivables	0.0	0.0	0.0%
Non-Current Inventories	960.7	912.0	5.3%
Other Non-Current Financial Assets	355.5	301.2	18.0%
Investments in Associates	24,980.3	24,892.5	0.4%
Property, Plant and Equipment	33,048.6	33,402.6	-1.1%
Investment Properties	2,884.9	2,812.2	2.6%
Intangible Assets	1,200.4	762.2	57.5%
Deferred Tax Assets	2,415.0	2,384.9	1.3%
Other Non-Current Non-Financial Assets	990.6	992.5	-0.2%
<b>Non-Current Assets</b>	<b>66,836.0</b>	<b>66,460.0</b>	<b>0.6%</b>
<b>Total Assets</b>	<b>117,150.3</b>	<b>118,847.9</b>	<b>-1.4%</b>
Suppliers	7,547.8	9,911.8	-23.9%
Other Current Trade Payables	7,398.7	7,690.7	-3.8%
Short-Term Taxes Payable	474.5	1,063.6	-55.4%
Short-Term Bank Debt	94.3	2,678.2	-96.5%
Other Current Financial Liabilities	26.3	0.3	8682.0%
Other Current Non-Financial Liabilities	938.6	238.1	294.1%
Current Provisions	4,784.1	4,476.6	6.9%
<b>Current Liabilities</b>	<b>21,264.4</b>	<b>26,059.3</b>	<b>-18.4%</b>
Long-Term Taxes Payable	1,576.3	1,539.3	2.4%
Bank loans non-current	7,006.1	7,548.3	NA
Stock market loans non-current	3,000.0	0.0	NA
Other non-current financial liabilities	11.6	202.5	-94.3%
Long-Term Provisions	313.8	414.1	-24.2%
Deferred Tax Liabilities	2,163.2	2,152.7	0.5%
<b>Non-Current Liabilities</b>	<b>14,071.0</b>	<b>11,856.9</b>	<b>18.7%</b>
<b>Total Liabilities</b>	<b>35,335.4</b>	<b>37,916.3</b>	<b>-6.8%</b>
<b>Stockholder's Equity</b>	<b>81,814.9</b>	<b>80,931.7</b>	<b>1.1%</b>
Shares Outstanding ( '000)	2,281,676	2,281,735.6	0.0%
Closing Stock Price	64.0	64.9	-1.4%

NA=Not Applicable