

Second Quarter 2018 Results

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

RELEVANT EVENTS

- On June 6, 2018 Grupo Carso S.A.B. of C.V. informed the investing public that the Ministry of Public Works of the Republic of Panama awarded -as the best technical and economic proposal- the consortium formed by its subsidiary Operadora Cicsa, S.A. of C.V. (49% participation) and by FCC Construcción, S.A. **a contract for the extension to six lanes corridor of the beaches Section 2: Santa Cruz-San Carlos in the province of Panama West**. This was for an amount of B \$349,994,705 (three hundred forty nine million nine hundred ninety four thousand seven hundred and five balboas). The start of works is subject to the signing of the contract.
- On June 29, 2018, **the first exhibition of \$ 0.46 (Zero Pesos 46/100) in cash of the dividend** decreed of \$0.92 (Zero Pesos 92/100 MN), was paid from the Net Tax Profit Account, on all of the outstanding shares part of the stock capital.

HIGHLIGHTS

SALES
+4.8%

- Grupo Carso's **total sales** reached Ps. 23,265 MM in the 2Q18, growing 4.8% compared to Ps. 22,192 MM in the 2Q17. Grupo Sanborns increased its sales by 2.8% and Grupo Condumex by 21.4%, while Carso Infraestructura y Construcción (CICSA) decreased by 13.2%, due to the lack of new projects and those in which we participate in the New International Airport of Mexico City (NAIM) and in Panama, do not consolidate. Sales of Carso Energy are not representative since the main businesses (gas pipelines in Waha, Texas, U.S.A.) cannot consolidate.

OP. INCOME
-0.4 %

- During the quarter, the **consolidated operating income** decreased 0.4% totaling Ps. 2,674 MM. Grupo Condumex increased its profitability by 22.0%, thanks to the aforementioned increase in sales and better margins in all sectors, mainly Automotive. This offset a 9.3% reduction in the operating income of Grupo Sanborns, derived from the mix of products (technology products and big-ticket), expenses from new units and store closings. Additionally, a reduction of 20% in the operating income of Carso Infraestructura y Construcción was due to the lower sales mentioned, since the margin is above 2017 in the accumulated figures.

EBITDA
-0.5%

- **EBITDA** from April to June 2018 was Ps. 3,241 MM, with a decrease of -0.5% versus Ps. 3,258 MM reported in the 2Q17, which corresponded to an EBITDA margin of 13.9%.

**NET
INCOME
46.9%**

- Variations in the exchange rate during the 2Q18 explain a **Positive Comprehensive Financial Result (CFR)** of Ps. 656 MM, compared to a Comprehensive Financial Cost of Ps. 643 MM recorded in the 2Q17.
- **Controlling net income** was Ps. 2,739 MM compared to Ps. 1,803 in the 2Q17. This increase of 51.9% was mainly due to foreign exchange variations.
- **Total debt** as of June 30, 2018 amounts Ps. 10,646 MM, increasing 4.1% compared to the debt at the end of December 2017. Net debt was Ps. 5,087 MM, compared to a net debt of Ps. 5,118 MM as of December 31, 2017.

The amount of **cash and equivalents** for the 2Q18 decreased 10.8% compared to the same period of the previous year.

The ratio of net debt to LTM EBITDA was 0.38 times in the 2Q18, compared to 0.35 times at the end of 2Q17. 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.

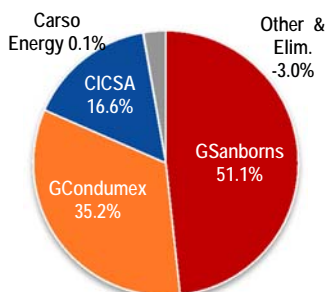
SUMMARY

Amounts in Million Pesos (MM)

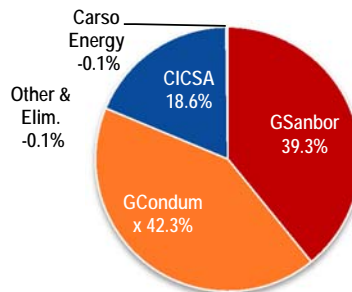
Consolidated Results	2Q18	2Q17	Var %	6M18	6M17	Var %
Sales	23,265	22,192	4.8%	44,705	44,356	0.8%
Operating Income	2,674	2,685	-0.4%	5,043	5,380	-6.3%
Controlling Net Income	2,739	1,803	51.9%	4,196	3,404	23.3%
EBITDA	3,241	3,258	-0.5%	6,072	6,511	-6.7%
Operating Margin	11.5%	12.1%		11.3%	12.1%	
EBITDA Margin	13.9%	14.7%		13.6%	14.7%	

CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT

**2Q18
Sales Breakdown
by Segment**



**2Q18
Op. Income
Breakdown
by Segment**



FINANCIAL RESULTS

Financial Results	2Q18	2Q17	Var%	6M18	6M17	Var%
Interest Expenses	-137.1	-144.4	-5.0%	-233.4	-305.3	-23.6%
Income (Loss) on derivatives net	332.4	-120.9	NA	249.2	-212.6	NA
Interest Income	117.6	74.9	56.9%	206.0	140.6	46.6%
Interest (net)	312.9	-190.3	NA	221.9	-377.3	NA
ForEx Results	342.8	-452.2	NA	-52.8	-1,103.1	-95.2%
CFR	655.7	-642.5	NA	169.1	-1,480.5	NA
Income taxes	1,081.0	722.0	49.7%	1,591.0	1,156.1	37.6%
Earnings from non-consolidated companies	703.3	714.7	-1.6%	995.2	1,205.6	-17.5%
Non-controlling participation in Net Income	303.9	232.9	30.5%	511.5	545.4	-6.2%

NA= Not applicable

RESULTS OF ASSOCIATED COMPANIES

2Q18 Associated Companies	Holding %	Division	Stockholders Equity	Part. in Results (MM MXN)		
				Sales	Op. Income	EBITDA
Elementia, S.A.B. de C.V. (Elementia)	36.17%	GCarso	8,618.8	4,329.6	304.8	573.8
GMéxico Transportes, S.A.B. de C.V. (GMéxico)	15.14%	GCarso	8,044.0	3,305.7	879.7	1,430.2
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	1,564.0	0.0	0.0	0.0
Construction projects Consortia	-	CICSA	214.0	601.7	23.3	5.3
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	2,142.6	68.7	47.6	36.8
Subtotal			25,390.6	9,020.5	1,814.2	2,604.9
Others investments in associated companies			1,127.2			
Total Investments in joint ventures ans associates			26,517.8			

The shares held by Grupo Carso of GMexico 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 at Ps. 16,663 MM while market valuation at June 30, 2018 amounts to Ps. 23,317 MM.

INTEREST-BEARING LIABILITIES

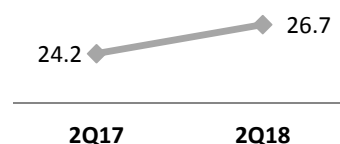
Total Debt by CURRENCY (Includes ForEx Hedges)

Pesos	Dollars
28%	72%

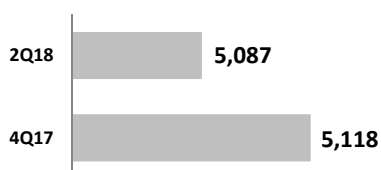
Total Debt by TERM

L Term
100%

LTM EBITDA/Interest Expense



Net Debt (MM Ps)



RESULTS BY SEGMENT

RETAIL

Consolidated Results	2Q18	2Q17	Var %	6M18	6M17	Var %
Sales	11,877	11,555	2.8%	23,262	22,738	2.3%
Operating Income	1,051	1,159	-9.3%	1,930	2,167	-10.9%
Controlling Net Income	697	793	-12.1%	1,372	1,610	-14.8%
EBITDA	1,377	1,473	-6.5%	2,538	2,794	-9.1%
Operating Margin	8.8%	10.0%		8.3%	9.5%	
EBITDA Margin	11.6%	12.7%		10.9%	12.3%	



Contribution to
Consolidated Results
51% SALES
39% OP. INCOME
42% EBITDA

Note: For more information, please refer to the 2Q18 report of Grupo Sanborns, S.A.B. de C.V.

During the second quarter of the year, the **total sales** of Grupo Sanborns amounted to Ps. 11,877 million, which meant an increase of 2.8% or Ps. 322 million more. Sales of various categories led to a 3.8% growth in consolidated **same store sales (SSS)**, where the performance by format was -0.9% in Sears, 5.1% in Sanborns and 15.6% in Promotora Musical (iShop/MixUp).

The reduction in the gross margin, where there was a greater participation of technology and "big-ticket" items within the sales mix, as well as the increase in operating and administration expenses including the pre-opening of the Sears new store, unit closings, and uncollectible accounts and reserves, caused the operating income to decrease 9.3% during the 2Q18, being of Ps. 1,051 MM with a margin of 8.8%.

Quarterly EBITDA decreased 6.5% totaling Ps. 1,377 million, with a margin of 11.6% in the 2Q18.

Controlling net income decreased 12.1% in the 2Q18 totaling Ps. 697 million, compared to Ps. 793 million recorded in the 2Q17.

INDUSTRIAL

Consolidated Results	2Q18	2Q17	Var %	6M18	6M17	Var %
Sales	8,192	6,746	21.4%	15,452	14,033	10.1%
Operating Income	1,132	928	22.0%	2,179	2,196	-0.8%
Controlling Net Income	1,036	472	119.7%	1,612	1,053	53.1%
EBITDA	1,235	1,031	19.8%	2,314	2,401	-3.6%
Operating Margin	13.8%	13.8%		14.1%	15.7%	
EBITDA Margin	15.1%	15.3%		15.0%	17.1%	



Contribution to
Consolidated Results
35% SALES
42% OP. INCOME
38% EBITDA

Sales of Grupo ConduMex increased 21.4% reaching Ps. 8,192 MM in the 2Q18. This was due to an increase in the exchange rate, as well as higher sales volumes in the three sectors: in Telecom, the demand for optical fiber, copper cable and coaxial cable increased. In Automotive, adjustments of platforms for the new models increased the volume of harnesses in comparison with the previous year; and in Construction, there were higher sales of power cables.

Quarterly operating income and EBITDA for the industrial division were Ps. 1,132 MM and Ps. 1,235 MM, growing 22.0% and 19.8%, respectively, compared to the 2Q17. An improvement in profitability was observed in all sectors, mainly in the automotive business, where a higher exchange rate compared to the 2Q18 improved the margins.

Controlling net income of Grupo ConduMex increased 119.7%, going from Ps. 472 MM in the 2Q17 to Ps. 1,036 MM in the 2Q18.

INFRASTRUCTURE AND CONSTRUCTION

Consolidated Results	2Q18	2Q17	Var %	6M18	6M17	Var %
Sales	3,851	4,435	-13.2%	7,201	8,372	-14.0%
Operating Income	497	621	-20.0%	937	1,009	-7.2%
Controlling Net Income	424	455	-6.9%	768	692	11.0%
EBITDA	624	766	-18.6%	1,204	1,291	-6.7%
Operating Margin	12.9%	14.0%		13.0%	12.1%	
EBITDA Margin	16.2%	17.3%		16.7%	15.4%	

carso

Contribution to
Consolidated Results
17% SALES
19% OP. INCOME
19% EBITDA

Sales of Carso Infraestructura y Construcción (CICSA) decreased 13.2% totaling Ps. 3,851 MM in the second quarter of the year. Sales of Civil Construction and Manufacturing and Services for the Chemical and Oil Industry increased; however, sales in the Pipeline Installation sector reduced, due to lower activity in the construction of the Samalayuca-Sasabe gas pipeline, as well as in the Infrastructure sector, where the impact continues due to shortage of tenders and the completion of important projects. In addition, the new consortium projects such as Runway 3 of the NAIM, as well as highway projects in Panama do not consolidate, and therefore are not reflected in sales.

We estimate a recovery in the sectors of Manufacturing and Services for the Chemical and Oil Industry for the second half of the year, as well as in Civil Construction, while the Pipeline Installation sector will remain practically at 2017 levels.

The mix of projects within this division resulted in CICSA's **quarterly operating income and EBITDA** decreasing 20.0% and 18.6%, respectively.

Controlling net income decreased 6.9%, going from Ps. 455 MM in the 2Q17 to Ps. 424 MM in the 2Q18.

The mix of projects currently in place includes the Emisor Oriente Tunnel, various 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 of the terminal building and Runway 3 of the NAIM, as well as the highway projects in Panama.

The CICSA backlog totaled Ps. 12,457 MM as of June 30, 2018, compared to Ps. 13,624 MM in the same period of the previous year. CICSA's share of projects in consortium with other companies is not included, which in the 2Q18 was Ps. 22,918 MM, with which the backlog totals Ps. 35,375 MM. This amount already includes the projects that do not consolidate.

CARSO ENERGY



Consolidated Results	2Q18	2Q17	Var %	6M18	6M17	Var %
Sales	16	0	NA	38	0	NA
Operating Income	-2	-12	-82.6%	-2	-22	-89.9%
Controlling Net Income	60	15	301.4%	268	-68	NA
EBITDA	0	-11	NA	3	-19	NA
Operating Margin	NA	NA		NA	NA	
EBITDA Margin	NA	NA		NA	NA	

Contribution to
Consolidated Results
0.1% SALES
-0.1% OP. INCOME
0.01% EBITDA

The **consolidated sales** of Carso Energy amounted to Ps. 16 million pesos derived from the production and sale of oil from Tabasco Oil Company, the company in Colombia. The quarterly **operating income and EBITDA** of the energy division were Ps. -2 MM and Ps. 0.18 MM, improving compared to losses of Ps. 12 MM and Ps. 11 MM in the 2Q17, respectively. These operation figures do not consider the significant results of the two gas pipelines in Waha, Texas, U.S.A., where we have a 51% participation.

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, July 26, 2018
Time: 9:00-9:30 A.M. Mexico City Time/ 10:00 A.M.-10:30 A.M. NY Time (US EST)
Access Numbers: +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: 10122316 (Available until August 7, 2018)

ADDITIONAL CHARTS:

Consolidated Financial Income Data										
Million PESOS (MXN)										
	2Q18		2Q17		Var %	6M18		6M17		Var %
GRUPO CARSO										
Revenues	23,265.2	100.0%	22,192.0	100.0%	4.8%	44,704.6	100.0%	44,356.4	100.0%	0.8%
Operating Income	2,673.6	11.5%	2,685.5	12.1%	-0.4%	5,042.6	11.3%	5,380.1	12.1%	-6.3%
Financial Results	655.7	2.8%	-642.5	-2.9%	NA	169.1	0.4%	-1,480.5	-3.3%	NA
Controlling Net Income	2,738.7	11.8%	1,802.7	8.1%	51.9%	4,195.5	9.4%	3,403.7	7.7%	23.3%
EBITDA	3,240.8	13.9%	3,257.8	14.7%	-0.5%	6,072.2	13.6%	6,510.5	14.7%	-6.7%
GRUPO SANBORNS										
Sales	11,877.2	100.0%	11,555.0	100.0%	2.8%	23,262.2	100.0%	22,738.3	100.0%	2.3%
Operating Income	1,050.8	8.8%	1,158.8	10.0%	-9.3%	1,930.2	8.3%	2,167.5	9.5%	-10.9%
Controlling Net Income	697.3	5.9%	793.3	6.9%	-12.1%	1,371.7	5.9%	1,610.2	7.1%	-14.8%
EBITDA	1,377.0	11.6%	1,473.1	12.7%	-6.5%	2,538.2	10.9%	2,793.6	12.3%	-9.1%
GRUPO CONDUMEX										
Sales	8,192.1	100.0%	6,745.6	100.0%	21.4%	15,451.9	100.0%	14,032.6	100.0%	10.1%
Operating Income	1,131.6	13.8%	927.7	13.8%	22.0%	2,178.7	14.1%	2,196.5	15.7%	-0.8%
Controlling Net Income	1,036.2	12.6%	471.7	7.0%	119.7%	1,612.3	10.4%	1,053.3	7.5%	53.1%
EBITDA	1,235.5	15.1%	1,031.5	15.3%	19.8%	2,313.5	15.0%	2,400.5	17.1%	-3.6%
CICSA										
Sales	3,850.9	100.0%	4,434.9	100.0%	-13.2%	7,200.6	100.0%	8,371.6	100.0%	-14.0%
Operating Income	497.0	12.9%	621.2	14.0%	-20.0%	936.5	13.0%	1,009.1	12.1%	-7.2%
Controlling Net Income	423.9	11.0%	455.1	10.3%	-6.9%	768.2	10.7%	692.2	8.3%	11.0%
EBITDA	623.9	16.2%	766.3	17.3%	-18.6%	1,204.1	16.7%	1,291.0	15.4%	-6.7%
CARSO ENERGY										
Sales	15.5	100.0%	0.0	NA	NA	37.8	100.0%	0.0	NA	NA
Operating Income	-2.2	-13.9%	-12.4	NA	-82.6%	-2.2	-5.9%	-22.1	NA	-89.9%
Controlling Net Income	59.7	383.9%	14.9	NA	301.4%	268.4	709.7%	-67.7	NA	NA
EBITDA	0.2	1.2%	-11.3	NA	NA	2.9	7.8%	-19.4	NA	NA

Consolidated Balance Sheet Data			
Million PESOS(MXN)			
	2Q18	4Q17	Var %
GRUPO CARSO			
Cash & Equivalents	4,611.7	4,331.4	6.5%
Trade Receivables	20,097.8	21,802.9	-7.8%
Accounts Receivable to Related Parties	4,765.3	4,090.6	16.5%
Other Accounts Receivable	4,064.3	4,183.6	-2.9%
Recoverable Taxes	545.8	692.5	-21.2%
Other Financial Assets	947.5	777.4	21.9%
Inventories	16,266.0	16,509.7	-1.5%
Current Assets	51,298.5	52,388.0	-2.1%
Other Non-Current Trade Receivables	0.0	0.0	0.0%
Non-Current Inventories	937.5	912.0	2.8%
Other Non-Current Financial Assets	527.0	301.2	75.0%
Investments in Associates	26,517.7	24,892.5	6.5%
Property, Plant and Equipment	34,550.0	33,402.6	3.4%
Investment Properties	2,884.5	2,812.2	2.6%
Goodwill	61.0	0.0	NA
Intangible Assets	1,376.1	762.2	80.5%
Deferred Tax Assets	2,199.9	2,384.9	-7.8%
Other Non-Current Non-Financial Assets	1,043.3	992.5	5.1%
Non-Current Assets	70,097.0	66,460.0	5.5%
Total Assets	121,395.4	118,847.9	2.1%
Suppliers	8,324.9	9,911.8	-16.0%
Other Current Trade Payables	9,585.4	7,690.4	24.6%
Short-Term Taxes Payable	554.4	1,063.6	-47.9%
Short-Term Bank Debt	33.3	2,678.4	-98.8%
Other Current Financial Liabilities	96.3	0.3	31480.3%
Other Current Non-Financial Liabilities	754.9	238.1	217.0%
Current Provisions	4,439.8	4,476.6	-0.8%
Current Liabilities	23,789.1	26,059.3	-8.7%
Long-Term Taxes Payable	1,480.8	1,539.3	-3.8%
Bank loans non-current	7,612.8	7,548.3	0.9%
Stock market loans non-current	3,000.0	0.0	NA
Other non-current financial liabilities	0.0	202.5	-100.0%
Long-Term Provisions	376.8	414.1	-9.0%
Deferred Tax Liabilities	1,989.3	2,152.7	-7.6%
Non-Current Liabilities	14,459.8	11,856.9	22.0%
Total Liabilities	38,248.9	37,916.3	0.9%
Stockholder's Equity	83,146.6	80,931.7	2.7%
Shares Outstanding ('000)	2,281,559	2,271,073.0	0.5%
Closing Stock Price	67.1	64.9	3.3%

NA=Not Applicable