

First Quarter 2019 Results

Mexico City, April 25, 2019, Grupo Carso S.A.B. de C.V. ("El Grupo", BMV: GCARSO OTC: GPOVY) announced today its results for the first quarter of 2019.

RELEVANT EVENTS

- As of March 9, 2019, the GCARSO Series A-1 shares became part of the **S&P/BMV IPC**.
- Next Monday, April 29, 2019 the Annual Ordinary Shareholders Meeting of Grupo Carso, S.A.B. de C.V. will be held, where the payment of a cash dividend of Ps. **0.94 (zero pesos 94/100 M.N.)** per share from the balance of the net fiscal profit account, will be proposed for its authorization. Divided in two equal exhibitions of Ps. 0.47 (zero pesos 47/100 M.N.) per share each.
- The Company adopted as of January 2019, the new Accounting Standard relating to Leases (IFRS 16) using the retrospective method, therefore the figures in the Financial Statements of 2018 and 2019 are comparable.

HIGHLIGHTS

SALES
+6.0%

- Grupo Carso's sales totaled Ps. 22,833 MM in the 1Q19, 6.0% above the Ps. 21,533 MM in the 1Q18. Grupo Condumex increased its sales by 8.6%, and Grupo Sanborns kept its figures very similar to the previous year with a variation of 0.8%. The main increase was in Carso Infraestructura y Construcción (CICSA) growing 23.3% due to price recoveries in previous projects, greater drilling works in geothermal fields and telecom facilities.

OP. INCOME
-0.1%

- The operating income of the Group was very similar to the previous year. CICSA increased its operating income by 19.8% due to the recovery of revenues whose costs were already reflected in previous months. Grupo Sanborns and Grupo Condumex decreased their operating margins 1.3 and 1.6 percentage points, respectively.

EBITDA
+2.1%

- **EBITDA** was Ps. 3,300 MM being 2.1% higher than Ps. 3,233 MM reported in the 1Q18, relating to an EBITDA margin of 14.5%.
- Variations in the Exchange rate during the 1Q19 explain a **Comprehensive Financial Cost (CFC)** of Ps. 354 MM, which was 32.5% lower than the CFC of Ps. 525 MM recorded in the 1Q18.

NET INCOME
+30.1%

Controlling Net Income was Ps. 1,715 MM compared to Ps. 1,318 in the 1Q18. This increase of 30.1% was due to the better operating results mentioned, and the dividends received from Associated Companies.

Total Debt as of March 31, 2019 was Ps. 12,844 MM decreasing 2.6% compared to the debt at the end of December 2018. **Net Debt** was Ps. 6,760 MM, compared to a net debt of Ps. 4,269 MM at December 31, 2018.

The amount of **cash and equivalents** for the 1Q19 totaled Ps. 6,084 MM compared to Ps. 8,918 MM at December of 2018. This reduction of 31.8% was due to payments to suppliers and the expansion at the retail division, primarily.

- o The ratio of net debt to LTM EBITDA was 0.47 times in the 1Q19, compared to 0.28 times at the end of the 1Q18. The Company has a program of dual stock certificates –that is, short and long term- with authorization on February 17, 2017 for up to Ps. 10,000 million, and of which on March 16, 2018 an issuance of Ps. 3,000 million was carried out, with a maturity of 3 years.

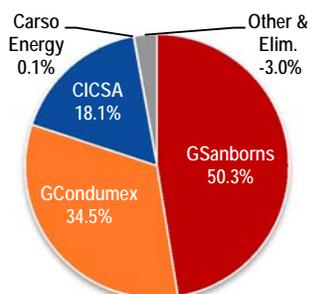
SUMMARY

Amounts in Million Pesos MM)

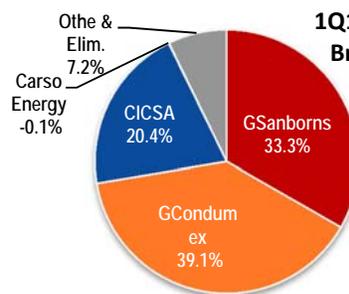
Consolidated Results	1Q19	1Q18	Var %
Sales	22,833	21,533	6.0%
Operating Income	2,585	2,588	-0.1%
Controlling Net Income	1,715	1,318	30.1%
EBITDA	3,300	3,233	2.1%
Operating Margin	11.3%	12.0%	
EBITDA Margin	14.5%	15.0%	

CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT

**1Q19
Sales Breakdown
by Segment**



**1Q19 Op. Income
Breakdown by
Segment**



FINANCIAL RESULTS

Financial Results	1Q19	1Q18	Var%
Interest Expenses	-304.2	-214.6	41.7%
Income (Loss) on derivatives net	-150.4	-83.2	80.8%
Interest Income	172.6	88.4	95.1%
Interest (net)	-282.0	-209.3	34.7%
ForEx Results	-72.1	-315.4	-77.1%
CFC	-354.1	-524.7	-32.5%
Income taxes	603.6	538.9	12.0%
Earnings from non-consolidated companies	261.8	9.6	2640.8%
Non-controlling participation in Net Income	174.7	216.0	-19.1%

NA= Not applicable

RESULTS OF ASSOCIATED COMPANIES

1Q19 Associated Companies	Holding		Stockholders	Part. in Results (MM MXN)		
	%	Division	Equity	Sales	Op. Income	EBITDA
Elementia, S.A.B. de C.V. (Elementia)	36.47%	GCarso	8,879.7	1,557.5	41.9	163.3
Infraestructura y Transportes México, S.A. de C.V. (ITM)	16.75%	GCarso	1,572.4	0.0	0.0	0.0
Construction projects Consortia	-	CICSA	267.3	71.5	2.0	2.0
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	2,304.7	32.0	21.6	19.0
Subtotal			17,766.6	2,026.2	368.0	486.8
Others investments in associated companies			326.1			
Total Investments in joint ventures ans associates			18,092.7			
Companies at market value			Fair Value			
GMéxico Transportes, S.A.B. de C.V. (GMéxico)	15.14%	GCarso	16,036.8	1,650.3	471.2	722.0
Others			612.9			
Subtotal			16,649.7	3,676.5	839.2	1,208.8
Total Investments in shares			34,742.4			

The shares held by Grupo Carso in Elementia (company listed on the MSE) are recorded at book value of Ps. 8,880 MM and its market valuation at March 31, 2019 amounts to Ps. 4,889 MM. While the shares that Grupo Carso owns in GMéxico Transportes S.A.B. of C.V. (company listed on the MSE), are valued at market value (fair value) at Ps. 16,037 MM. This is in accordance with IFRS 9; therefore, the value of the chart does not match the result from multiplying the stockholders' equity by the percentage of holding, since they are not valued by the participation method.

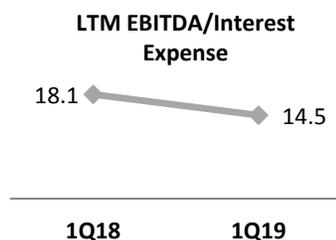
INTEREST BEARING LIABILITIES

Total Debt by CURRENCY

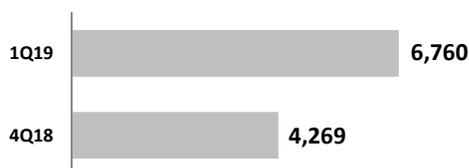
Pesos	Dollars
24%	76%

Total Debt by TERM

Short T	LTerm
3%	97%



Net Debt (MM Ps)



RESULTS BY SEGMENT

RETAIL

Consolidated Results	1Q19	1Q18	Var %
Sales	11,478	11,385	0.8%
Operating Income	861	1,005	-14.3%
Controlling Net Income	535	733	-27.1%
EBITDA	1,394	1,470	-5.2%
Operating Margin	7.5%	8.8%	
EBITDA Margin	12.1%	12.9%	



Contribution to
Consolidated Results
50% SALES
33% OP. INCOME
42% EBITDA

Note: For more information, please refer to the 1Q19 de Grupo Sanborns, S.A.B. de C.V.

During the first quarter of the year, the **total sales** of Grupo Sanborns amounted to Ps. 11,478 million, an increase of 0.8%. This was due to non-comparable stores (newly opened stores with less than one year of operations).

Operating income was Ps. 861 MM, which meant a decrease of 14.3%, with an operating margin of 7.5%. This was due to a stable gross profit in Promotora Musical, while the gross margin increased 10 percentage points in Sanborns, and decreased by 10 percentage points in Sears. Additionally, operating expenses increased from 30.5% to 31.9% of sales due to higher provisions and uncollectible credit accounts, increases in energy rates, and increases in salaries and wages.

Quarterly EBITDA decreased 5.2% totaling Ps. 1,394 million, with a margin of 12.1% in the 1Q19.

Controlling net income decreased 27.1% in the 1Q19 totaling Ps. 535 million, compared to Ps. 733 million recorded in the 1Q18. This was due to lower operating results.

INDUSTRIAL

Consolidated Results	1Q19	1Q18	Var %
Sales	7,888	7,260	8.6%
Operating Income	1,012	1,047	-3.4%
Controlling Net Income	520	576	-9.8%
EBITDA	1,072	1,078	-0.6%
Operating Margin	12.8%	14.4%	
EBITDA Margin	13.6%	14.8%	



Contribution to
Consolidated Results
34% SALES
39% OP. INCOME
32% EBITDA

The **sales** of Grupo Condumex increased 8.6%, totaling Ps. 7,888 MM in the 1Q19. In the Cable sector, there was a greater volume in optical fiber, telephone and coaxial cable in the domestic market. In the Construction sector, energy cables and transformers stood out. In the Automotive sector, we sold higher volumes of automotive cable.

Quarterly operating income and EBITDA for the industrial division were Ps. 1,012 MM and Ps. 1,072 MM, respectively. Operating income decreased 3.4% and EBITDA remained almost constant at -0.6%, compared to the 1Q18.

Controlling net income of Grupo Condumex decreased 9.8%, going from Ps. 576 MM in the 1Q18 to Ps. 520 MM in the 1Q19.

INFRASTRUCTURE AND CONSTRUCTION

Consolidated Results	1Q19	1Q18	Var %
Sales	4,130	3,350	23.3%
Operating Income	527	440	19.8%
<u>Controlling Net Income</u>	<u>459</u>	<u>344</u>	<u>33.2%</u>
<u>EBITDA</u>	<u>649</u>	<u>580</u>	<u>11.8%</u>
Operating Margin	12.8%	13.1%	
<u>EBITDA Margin</u>	<u>15.7%</u>	<u>17.3%</u>	

carso
INFRAESTRUCTURA Y CONSTRUCCIÓN

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

The **sales** of Carso Infraestructura y Construcción (CICSA) grew 23.3% totaling Ps. 4,130 MM in the first quarter of the year. Extraordinary prices and volumes recorded in the Infrastructure sector, increases in Telecom projects in the Installations sector, and higher drilling works in geothermal wells in the Manufacture and Services sector for the Chemical and Oil Industry explained this.

CICSA's **quarterly operating income and EBITDA** increased 19.8% and 11.8%, respectively. This was mainly due to the extraordinary revenues mentioned above.

Controlling net income increased 33.2%, going from Ps. 344 MM in the 1Q18 to Ps. 459 MM in the 1Q19.

The mix of projects currently in place includes: the Emisor Oriente Tunnel -which is in its final stages-, the Las Varas-Vallarta highway, various real estate projects, the services of Telecom facilities and the construction of the Samalayuca-Sásabe gas pipeline, as well as projects in Nicaragua and Panama.

The CICSA **backlog** totaled Ps. 22,251 MM as of March 31, 2019, compared to Ps. 12,142 MM in the same period of the previous year.

CARSO ENERGY

Consolidated Results	1Q19	1Q18	Var %
Sales	14	22	-37.1%
Operating Income	-1	-9	-83.4%
Controlling Net Income	140	209	-32.7%
EBITDA	0	-6	NA
Operating Margin	NA	NA	
EBITDA Margin	NA	NA	



Contribution to
Consolidated Results
0.1% SALES
-0.1% OP. INCOME
0.0% EBITDA

Consolidated sales of Carso Energy totaled Ps. 14 million in the 1Q19, decreasing 37.1% due to lower production and oil prices at Tabasco Oil Company in Colombia.

The quarterly **operating income and EBITDA** of the energy division were losses of Ps. 1 MM and Ps. 0.2 MM, improving compared to losses of Ps. 9 MM and Ps. 6.0 MM, respectively. Other income as well as lower SG&A explain this.

Carso Energy's **net controlling income** was Ps. 140 MM compared to Ps. 209 MM in the 1Q18 driven by an increase in interest paid to the Group for loans obtained for Carso Energy related to the construction of the Samalayuca-Sásabe gas pipeline.

It is worth mentioning that the sales from Joint Ventures considering the two Waha companies that **do not consolidate** and where our participation is 51%, were Ps. 121.5 MM, higher by 0.5% compared to Ps. 120.8 MM in the 1Q18.

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INVITATION TO THE CONFERENCE CALL:

Date: Friday, April 26, 2019
 Time: 10:00-10:30 A.M. Mexico City Time / 11:00 A.M.-11:30 A.M. NY Time (US EST)
 Access Number: +52 (55) 8880-8040 (Mexico Dial-In)
 +1 (412) 317-6384 (International)
 +1 (844) 686-3847 (USA Toll-Free)
 Conference ID: Grupo Carso
 Replay: International and Mexico: +1 (412) 317-0088
 USA Toll-Free: +1 (877) 344-7529
 Canada Toll-Free: +1 (855) 669-9658
 Replay Code: 10130892 (Available until May 8, 2019)

ADDITIONAL CHARTS:

Consolidated Financial Income Data					
Million PESOS (MXN)					
	1Q19		1Q18		Var %
GRUPO CARSO					
Revenues	22,832.7	100.0%	21,532.6	100.0%	6.0%
Operating Income	2,585.2	11.3%	2,588.0	12.0%	-0.1%
Financial Results	-354.1	-1.6%	-524.7	-2.4%	-32.5%
Controlling Net Income	1,714.6	7.5%	1,318.0	6.1%	30.1%
EBITDA	3,300.1	14.5%	3,233.1	15.0%	2.1%
GRUPO SANBORNS					
Sales	11,478.4	100.0%	11,385.0	100.0%	0.8%
Operating Income	861.3	7.5%	1,005.4	8.8%	-14.3%
Controlling Net Income	534.8	4.7%	733.3	6.4%	-27.1%
EBITDA	1,393.5	12.1%	1,469.8	12.9%	-5.2%
GRUPO CONDUMEX					
Sales	7,887.6	100.0%	7,259.8	100.0%	8.6%
Operating Income	1,011.7	12.8%	1,047.1	14.4%	-3.4%
Controlling Net Income	519.8	6.6%	576.1	7.9%	-9.8%
EBITDA	1,071.5	13.6%	1,078.0	14.8%	-0.6%
CICSA					
Sales	4,130.1	100.0%	3,349.6	100.0%	23.3%
Operating Income	526.7	12.8%	439.5	13.1%	19.8%
Controlling Net Income	458.8	11.1%	344.3	10.3%	33.2%
EBITDA	648.7	15.7%	580.2	17.3%	11.8%
CARSO ENERGY					
Sales	14.0	100.0%	22.3	1.0	-37.1%
Operating Income	-1.4	-10.3%	-8.7	-0.4	-83.4%
Controlling Net Income	140.5	NA	208.7	NA	-32.7%
EBITDA	-0.2	-1.2%	-5.9	-0.3	-97.2%

Consolidated Balance Sheet Data			
Million PESOS(MXN)			
	1Q19	4Q18	Var %
GRUPO CARSO			
Cash & Equivalents	5,514.2	7,767.5	-29.0%
Trade Receivables	18,216.6	20,870.1	-12.7%
Accounts Receivable to Related Parties	6,753.0	4,708.0	43.4%
Other Accounts Receivable	4,256.3	4,021.2	5.8%
Recoverable Taxes	1,161.8	860.6	35.0%
Other Financial Assets	570.0	1,150.2	-50.4%
Inventories	17,119.6	17,764.6	-3.6%
Current Assets	53,591.5	57,142.1	-6.2%
Other Non-Current Trade Receivables	1,239.8	0.0	0.0%
Non-Current Inventories	937.5	937.5	0.0%
Other Non-Current Financial Assets	265.9	478.9	-44.5%
Investments in Associates	34,742.5	34,760.6	-0.1%
Property, Plant and Equipment	36,015.3	35,620.3	1.1%
Investment Properties	3,068.5	3,068.5	0.0%
Assets for Rights of Use	5,680.5	5,484.4	3.6%
Goodwill	0.0	0.0	0.0%
Intangible Assets	1,314.8	1,220.0	7.8%
Deferred Tax Assets	3,997.0	3,902.7	2.4%
Other Non-Current Non-Financial Assets	1,010.9	1,014.7	-0.4%
Non-Current Assets	88,272.5	86,487.5	2.1%
Total Assets	141,864.0	143,629.7	-1.2%
Suppliers	7,807.8	11,278.4	-30.8%
Other Short-Term Accounts Payable	6,751.0	7,403.7	-8.8%
Short-Term Taxes Payable	584.8	552.0	6.0%
Short-Term Debt	347.0	516.9	-32.9%
Short-Term Bank Debt	2.4	8.9	-73.0%
Short-Term Lease Liabilities	1,403.0	1,247.0	12.5%
Other Current Non-Financial Liabilities	1,456.7	1,157.1	25.9%
Current Provisions	4,650.4	4,221.2	10.2%
Current Liabilities	23,003.0	26,385.1	-12.8%
Long-Term Taxes Payable	1,775.6	1,756.7	1.1%
Bank loans non-current	9,497.1	9,669.9	-1.8%
Stock market loans non-current	3,000.0	3,000.0	0.0%
Other non-current financial liabilities	169.9	0.0	NA
Long-Term Lease Liabilities	5,344.0	5,239.5	
Long-Term Provisions	215.6	184.3	17.0%
Deferred Tax Liabilities	5,043.2	4,962.6	1.6%
Non-Current Liabilities	25,045.5	24,812.9	0.9%
Total Liabilities	48,048.5	51,198.1	-6.2%
Stockholder's Equity	93,815.5	92,431.6	1.5%
Shares Outstanding ('000)	2,281,439	2,281,438.7	0.0%
Closing Stock Price	76.3	70.4	8.4%

NA=Not Applicable