ELEMENTIA ANNOUNCES FOURTH QUARTER 2016 RESULTS

Mexico D.F., February 22, 2017 - Elementia, S.A.B. de C.V. (BMV: ELEMENT*) ("the Company", or "Elementia") announced today its financial and operating results for the fourth quarter 2016 ("4Q16") and twelve-month period ended December 31, 2016 ("12M16"). Figures in this report have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Figures are stated in nominal Mexican pesos ($) and all comparisons are made against the same period of the previous year ("4Q15" and "12M15"), unless otherwise specified.

FOURTH QUARTER 2016 HIGHLIGHTS

- In line with expectations and despite macroeconomic volatility, Elementia reported extraordinary growth on a consolidated basis:
    - EBITDA rose 48% in 4Q16 and 20% in 12M16, reaching $986 million and $3.59 billion, respectively. For comparison purposes, excluding Cement USA, this line item grew by 23% in 4Q16 and 14% in 12M16. During the quarter, the Cement Division Mexico increased 29%, the Metal Products Division was up by 39% and BuildingSystems rose 19% reflecting the initiation of the Division's recovery.
    - Net sales increased 36% in 4Q16 and 12% in 12M16, reaching $5.45 billion and $19.09 billion, respectively. For comparison purposes, excluding Cement USA, this line item grew by 18% in 4Q16 and 8% in 12M16.
    - Operating income grew 75% in 4Q16 and 27% in 12M16, reaching $576 million and $2.34 billion, respectively. For comparison purposes, excluding Cement USA, this line item grew by 57% in 4Q16 and 24% in 12M16.
- To date, investments in the expansion of the Cement Division's capacity reached $3.70 billion, which represents close to 90% of the total investment.
- Cash flow generation before capital expenditure (CAPEX) as of December 31, 2016 was $3.41 billion, representing 95% of EBITDA.
- A capital increase of $4.37 billion was completed on October 28, 2016 through the subscription of 218,435,955 shares at a price of $20.00 per share, representing a primary subscription of over 95%. The proceeds from the capital increase were mainly allocated towards the acquisition of a 55% stake of Giant Cement Holding, Inc. ("Giant").
- Elementia acquired a 55% stake of Giant for US$220 million; adding over 2.8 million tons of cement production capacity per year.

    The transaction can be summarized as follows:

    Giant had a debt (convert) which required its liquidation to execute the transaction. In order to settle this debt, and therefore complete the transaction, Elementia granted a loan to Giant for US$305 million dollars which were used to make the first prepayment of Giant's debt. Moreover, Elementia paid US$220 million dollars for a 55% stake of Giant. The US$220 million dollars were used to make the convert's final payment. Once concluded the acquisition, this loan became an intercompany loan.

Investor Relations Contact:
Juan Francisco Sanchez Kramer
Tel. +5255 4124 1133
jsanchezk@elementia.com
www.elementia.com

In New York:
Melanie Carpenter
i-advize Corporate Communications, Inc.
Tel. +1-212-406-3692
mcarpenter@i-advize.com

- In order to protect Elementia from currency fluctuations derived from the acquisition of Giant, the Company hedged more than 90% of the resources and the loan that was given to acquire 55% of Giant at a rate slightly above $19 Mexican pesos per dollar; which represented an exchange gain for the Company.

PERFORMANCE SUMMARY

Consolidated Fourth Quarter (millions of pesos)				Accumulated Consolidated (millions of pesos)		
4Q16	4Q15	%Var.		Dec-16	Dec-15	%Var.
5,451	**4,014**	**36%**	**Net sales**	**19,090**	**16,974**	**12%**
576	330	75%	Operating income	2,349	1,849	27%
11%	8%		Operating Margin	12%	11%	
986	**665**	**48%**	**EBITDA**	**3,595**	**3,002**	**20%**
18%	**17%**		**EBITDA margin**	**19%**	**18%**	

CONFERENCE CALL INFORMATION

Elementia will hold a conference call to discuss its 4Q16 results on Thursday, February 23, 2017 at 10:00am (Mexico) / 11:00am (ET). To access the call, please dial: From within the US: 1-800-311-9402, International participants: 1-334-323-7224 (Passcode: 35941) and via an audio-only webcast at https://www.webcaster4.com/Webcast/Page/1398/19621. Participants are requested to connect 15 minutes prior to the call. A replay of the webcast will be available at www.elementia.com.

OVERVIEW OF RESULTS

Consolidated Fourth Quarter (millions of pesos)				Accumulated Consolidated (millions of pesos)		
4Q16	4Q15	%Var.		Dec-16	Dec-15	%Var.
5,451	**4,014**	**36%**	**Net sales**	**19,090**	**16,974**	**12%**
576	330	75%	Operating income	2,349	1,849	27%
11%	8%		Operating margin	12%	11%	
780	4	19400%	Net income (loss)	687	12	5625%
986	**665**	**48%**	**EBITDA**	**3,595**	**3,002**	**20%**
18%	**17%**		**EBITDA margin**	**19%**	**18%**	
			Cash Flow before CAPEX	3,415	2,575	33%
			% of EBITDA	95%	86%	
			Free Cash Flow	(8,929)	(170)	

Within an environment of high volatility and uncertainty mainly caused by political issues in the U.S., Elementia continued its growth trends in both sales and EBITDA in 4Q16 as a result of brand positioning, cross-selling efforts, product innovation, management's ability to properly execute the Company's corporate strategy, and business acquisitions.

Net sales grew 36% and 12% in 4Q16 and 12M16, respectively. During the quarter, the Cement Division contributed a growth of 29%, followed by the BuildingSystems with 24% and the Metal Products Division with 5%. Furthermore, as of November 2016, the the Cement Division incorporated the results from the U.S. operations, generating a sales increase of $717 million.EBITDA for the quarter reached $986 million, up 48% compared to 4Q15.

Cash flow before CAPEX as of December 31, 2016, represented 95% of EBITDA, mainly due to EBITDA growth and working capital cash flow generation. In accordance with the Company's expansion strategy, during 2016, we have invested over $8.10 billion in maintenance and in organic and inorganic growth projects.

Following is a summary of the Company's results by Division:

- The **Cement Division** reported constant growth mainly due to a higher average sales price, the optimization of operating costs and a sustained optimal installed capacity utilization rate. Additionally, during the fourth quarter the acquisition of Giant was completed and, therefore, its results were incorporated as of November 2016.

- In the **Metal Products Division**, the strategic focus on higher value products, lower production costs resulting from optimization initiatives that improved metal yields, greater operating efficiency and exchange rate fluctuations offset the lower export sales volumes. EBITDA increased 39% in 4Q16, and 20% in 12M16, when compared with the same periods in 2015.

- The **Building Systems Division** reported an EBITDA increase of 19% compared to 4Q15, which represented an upturn during 4Q16. It important to highlight that this is the first quarter during the year in which the Division reported growth, and therefore, it indicates the recovery of positive trends in this Division's results.

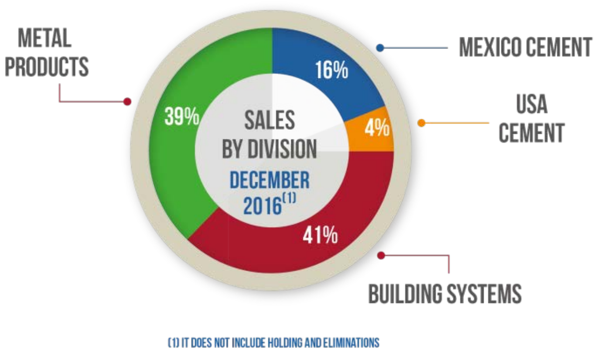
P&L

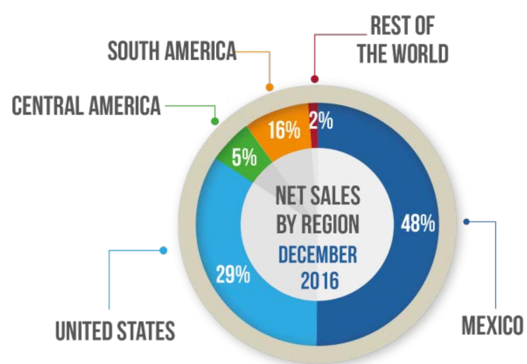
Quarter			CONSOLIDATED STATEMENT OF PROFIT AND LOSS	Twelve Months ended December 31		
4Q16	4Q15	% Var.	millions of pesos	2016	2015	% Var.
			ELEMENTIA			
5,451	**4,014**	**36%**	**Net sales**	**19,090**	**16,974**	**12%**
3,816	2,928	30%	Cost of sales	13,466	12,517	8%
1,635	**1,086**	**51%**	**Gross profit**	**5,624**	**4,457**	**26%**
1,059	755	40%	Operating expenses	3,275	2,607	26%
576	**331**	**74%**	**Operating income**	**2,349**	**1,850**	**27%**
292	(291)	200%	Financial result, net	(1,216)	(1,900)	(36%)
868	**40**	**2070%**	**Income before income taxes**	**1,133**	**(50)**	**(2366%)**
89	57	56%	Income tax expense	447	(62)	821%
0	21	(100%)	Loss from discontinued operations, net	0	0	
779	**4**	**19375%**	**Net income consolidated**	**686**	**12**	**5617%**
986	**665**	**48%**	**Consolidated EBITDA**	**3,595**	**3,002**	**20%**

REVENUES

Consolidated revenues for 4Q16 totaled $5.45 billion, an increase of 36% over the $4.01 billion reported in 4Q15 mainly due to higher sales prices in all Divisions and the addition of Giant's sales as of November 2016, which reached $717 million. Excluding this effect, revenues rose 18%.

For 12M16, consolidated revenues reached $19.09 billion, representing an increase of 12% over the $16.97 billion reported in 12M15.

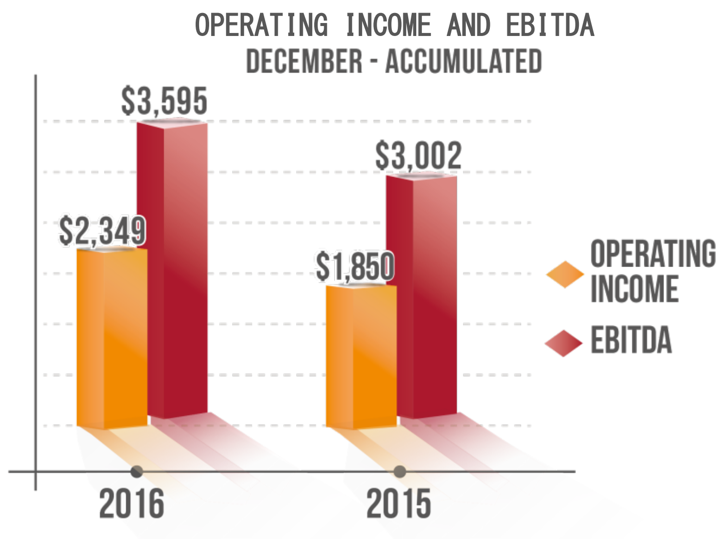




$19.09 billion

OPERATING INCOME

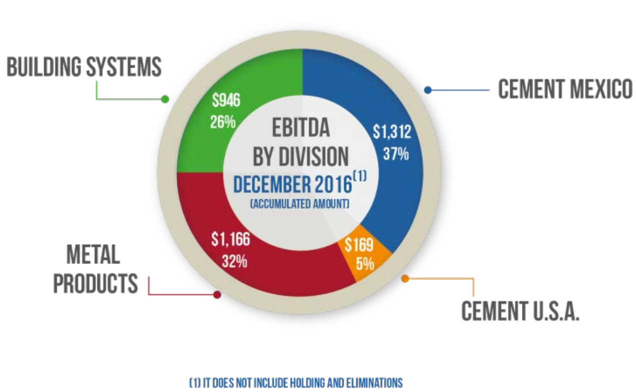
In 4Q16, operating income reached $576 million, 75% above 4Q15. For 12M16, operating income rose by 27% to $2.34 billion. In addition to the increase in volume sold, operating income grew due to operating and energy efficiency initiatives, which delivered cost reductions in both the Cement and Metal Products Divisions.

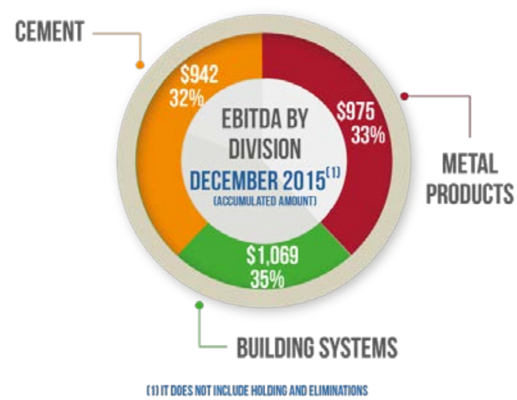


EBITDA

In 4Q16, EBITDA was $986 million, up 48% compared to the $665 million reported in 4Q15. EBITDA margin reached 18% in 4Q16, up by one percentage point when compared to 4Q15.

On an accumulated basis, EBITDA increased by 20%, from $3.02 billion in 12M15 to $3.59 billion in 12M16.





FINANCING RESULT

Net cost of financing for 4Q16 was $1.21 billion, a reduction of $684 million compared to $1.90 billion reported in 4Q15. This was mainly due to:

- The net exchange loss of $544 million at 12M16, $695 million lower when compared to 12M15. This loss was mainly due to a lower liability position in US dollars and to the adopted hedging strategies which offset the exchange loss over our dollar-denominated debt.
- Improvement in the Company's financing cost resulted from better terms and conditions obtained for the lines of credit.

	Periods ended December 31,		
	2016	2015	% Var.
	(millions of pesos)		
Interest income	(97)	(148)	(34%)
Interest expense	663	706	(6%)
Bank commissions	106	103	3%
Net Exchange loss (profit)	544	1,239	(56%)
Total financial cost – net	**1,216**	**1,900**	**(36%)**

INCOME TAX

Income and deferred taxes totaled $447 million for the period ended December 31, 2016, an increase of $509 million compared to the ($62) million reported in the same period of 2015. This was mainly due to higher operating income and the recognition of tax benefits in 2015 that were not available during 2016, which were partially offset by the benefits from the hedging strategy.

NET INCOME

Net income for 12M16 reached $686 million, an increase of $674 million, compared to $12 million in 12M15, mainly due to an improvement in operating income and a reduction of the financial cost derived from the adopted hedging strategies.

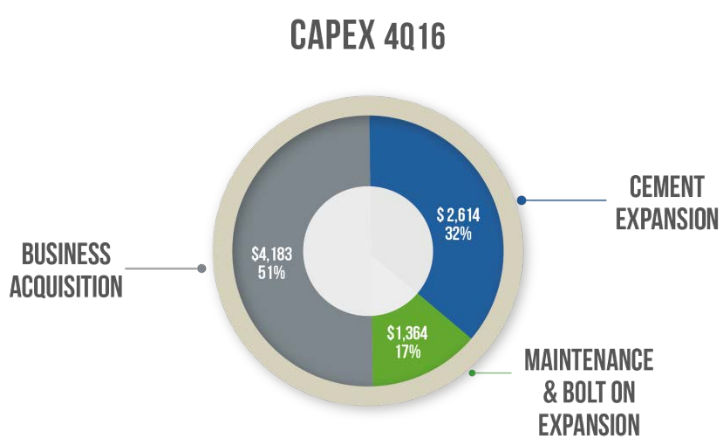
CASH FLOW

Cash Flow In millions of pesos	At December 31, 2016	 2015
EBITDA	**3,595**	**3,002**
Change in Working Capital	103	(359)
Cash taxes	319	593
Interest, net	(496)	(558)
Bank commissions	(106)	(103)
Cash flow before CAPEX	**3,415**	**2,575**
% of EBITDA	*95%*	*86%*
Organic CAPEX	(1,364)	(873)
Acquisition of businesses	(4,183)	(782)
Cement Division expansion CAPEX	(2,614)	(1,090)
Inorganic CAPEX	0	0
Free cash flow	**(4,746)**	**(170)**

Free cash flow before CAPEX reached $3.41 billion, equaled to 95% of EBITDA for 4Q16; compared to 86% in 4Q15. This was mainly due to a higher EBITDA, working capital generation and taxes recovered (mainly VAT).

CAPEX for 12M16 totaled $3.97 billion mainly due to the capacity expansion of the Cement Division, which was funded by the IPO proceeds. Additionally, during 4Q16 the Company completed the acquisition of Giant for $4.18 billion, which was funded by the capital increase.

The working capital cycle for 4Q16 was 47 days, which was lower than the 46 days compared to year-end 2015.



BALANCE SHEET

Balance Sheet At December 31, 2016 and 2015 In millions of pesos	Dec-16	Dec-15
ELEMENTIA		
Cash and cash equivalents	3,912	3,103
Receivables, net	3,481	2,336
Inventories, net	4,601	2,881
Other currents assets	1,576	1,388
Current assets	**13,570**	**9,708**
Other receivables, net	34	30
Investment in subsidiaries	3	7
Property, plant and equipment, net	31,992	17,098
Intangible assets, net	5,936	3,079
Tax on differed assets	1,003	835
Other assets	186	295
Non- current assets	**39,154**	**21,344**
Total assets	**52,724**	**31,052**
Short-term debt	3,041	52
Payables	4,718	2,725
Other current liabilities	2,458	1,188
Current liabilities	**10,217**	**3,965**
Long-term debt	13,967	8,342
Deferred taxes	2,881	2,805
Other long term liabilities	1,451	74
Long-term liabilities	**18,299**	**11,221**
Total liabilities	**28,516**	**15,186**
Shareholders' Equity	**24,208**	**15,866**

Elementia's Balance Sheet shows significant changes resulting from the acquisition of a 55% stake of Giant and its full consolidation which generated goodwill of close to $320 million, thereby reaffirming that the acquisition was made at fair market value.

The main effects of Giant's consolidation are reflected in Working Capital, Property Plant and Equipment, Intangible Assets and Shareholders' Equity. Moreover, as previously mentioned, Elementia used credit lines related to the acquisition of Giant.

Cash and cash equivalents

Cash and cash equivalents as of December 31, 2016 reached $3.91 billion, an increase of 26% or $809 million, compared to December 31, 2015. This result was mainly due improvements in working capital (excluding the effects from Giant) and to the financing of the capacity expansion of the Cement Division. The Company has a strong cash generation in U.S. dollars; therefore, in 4Q16 more than 58% of cash was in U.S. dollars.

Debt position

Gross debt as of December 31, 2016 reached $17.01 billion, an increase of $8.61 billion, compared to $8.39 billion registered as of December 31, 2015. This result was due to:

- The usage of Elementia's committed credit lines in order to grant Giant a loan so it could complete prepaying its previous debt.
- The usage of ECA's (Economic Credit Agency) credit line for US$72.7 million dollars to fund the cement capacity expansion in Mexico.
- The impact of the Mexican peso vs. US dollar exchange rate on the dollar-denominated debt (senior unsecured notes totaling US$425 million dollars and ECA's credit line).

In accordance with the Company's financial strategy of maintaining a solid and flexible Balance Sheet, net debt to trailing 12-month EBITDA (including Giant proforma) ratio was 3.17x times and interest coverage was 4.37x times as of December 31, 2016, within the covenants set by the financial institutions (3.30x net debt/EBITDA). Furthermore, 82% of Elementia's gross debt is long term.

Resulting from the acquisition of 55% of Giant and the expectation and time that credit ratings agencies considered reasonable for Giant's integration, they decided to change Elementia's ratings as follows:

- S&P: BB rating with Stable outlook
- Fitch: BB+ rating with Stable outlook

	Dec-16	Dec-15 (in millions of pesos)	% Var.
Short term	3,041	52	5748%
Long term	13,967	8,342	67%
Gross debt	**17,008**	**8,394**	103%
Cash and cash equivalents	3,912	3,103	26%
Net Debt	**13,096**	**5,291**	**148%**
EBITDA LTM	**4,128**	**3,002**	**38%**
Net debt / EBITDA	**3.17x**	**1.76x**	**1.41x**

Shareholders' Equity

Consolidated Shareholders' Equity as of December 31, 2016, reached $24.20 billion, an increase of $8.34 billion, compared to the $15.86 billion as of December 31, 2015, mainly driven by a capital increase of $4.36 billion, the minority increase from the acquisition of 55% of Giant, as well as the currency exchange impact from foreign operations, the valuation effect for financial instruments and the quarter's results.

OPERATING RESULTS BY DIVISION

CEMENT DIVISION

MEXICO

Fourth Quarter (in millions of pesos)				Accumulated (in millions of pesos)		
4Q16	4Q15	%Var.		Dec-16	Dec-15	%Var.
845	**653**	**29%**	**Net sales**	**3,083**	**2,371**	**30%**
250	175	43%	Operating income	994	638	56%
331	**256**	**29%**	**EBITDA**	**1,312**	**942**	**39%**
30%	**27%**		**Operating margin**	**32%**	**27%**	
39%	**39%**		**EBITDA margin**	**43%**	**40%**	

The **Cement Division** in Mexico posted net sales of $845 million in 4Q16, 29% above the $653 million reported for 4Q15. Additionally, EBITDA reached $331 million in 4Q16, up 29% when compared to 4Q15.

These positive results were mainly attributable to an increase in the average sales price, a greater utilization of installed capacity and operating efficiencies, which offset the increase in energy costs. As a result of the aforementioned and in line with expectations, 12M16 reported a 30% increase in net sales and EBITDA growth of 39%, reaching $3.08 billion and $1.31 billion in 12M16, respectively. These results include ready-mixed operations.

Regarding the expansion of cement capacity in Tula Plant by 1.5 million tons in order to reach a total of 3.5 million tons of installed capacity, the project remains on track in terms of budget and schedule and commercial operations are expected to begin by early 3Q17.

USA

Fourth Quarter (in millions of pesos)				Accumulated (in millions of pesos)		
4Q16	4Q15	%Var.		Dec-16	Dec-15	%Var.
717	**0**	**100%**	**Net sales**	**717**	**0**	**100%**
57	0	100%	Operating income	57	0	100%
169	**0**	**100%**	**EBITDA**	**169**	**0**	**100%**
8%			**Operating margin**	**8%**		
24%			**EBITDA margin**	**24%**		

During 4Q16, the Company completed the acquisition of a 55% stake of Giant, consolidating the results for November and December 2016 into Elementia's operating results; net sales increased by $717 million and EBITDA grew by $169 million in 4Q16.

We began the integration and implementation process of the highly detailed value-generating roadmap resulting from the "full potential" analysis developed along with Bain & Company.

On a pro-forma basis and excluding a non-recurring item of US$7 million due to the recovery of an insurance policy that was registered in December 2015, the Division's results for the 2-month consolidation into Elementia's results reported a 4% growth in sales and 83% in EBITDA mainly due to higher sales volume derived from better weather conditions.

METAL PRODUCTS DIVISION

Fourth Quarter (in millions of pesos)				Accumulated (in millions of pesos)		
4Q16	4Q15	%Var.		Dec-16	Dec-15	%Var.
1,690	**1,611**	**5%**	**Net sales**	**7,249**	**7,485**	**(3%)**
159	57	179%	Operating income	762	485	57%
262	**188**	**39%**	**EBITDA**	**1,166**	**975**	**20%**
9%	**4%**		**Operating margin**	**11%**	**6%**	
16%	**12%**		**EBITDA margin**	**16%**	**13%**	
(9%)			**% Var. in sales volume**	**(11%)**		
16%			**% Var. in average prices**	**9%**		

Net sales of Metal Products reached $1.69 billion in 4Q16, 5% above the $1.6 billion reported in 4Q15. For 12M16, this figure reached $7.24 billion, 3% lower than 12M15. This result was mainly due to a decrease in export sales volume and generic products which were offset by an increase in the reference price for copper, which posted an average price during 4Q16 of US$2.39/pound (up 11% compared to 3Q16), as well as to exchange rate effect due to the fact that the business is dollarized. It is important to highlight that this Division reported galvanized sheet sales during 2015; however, in 2016 these sales were reported under the BuildingSystems Division, excluding this effect, volume decreased 6% in 2016 vs 2015.

In this Division, the focus remains on operating efficiency which leads to an improvement in production costs that supports EBITDA growth. EBITDA for 4Q16 was $262 million, up 39% when compared to the same period of 2015; while EBITDA for 12M16 reached $1.16 billion, a 20% increase when compared to 12M15.

BUILDING SYSTEMS DIVISION

Fourth Quarter (in millions of pesos)				Accumulated (in millions of pesos)		
4Q16	4Q15	%Var.		Dec-16	Dec-15	%Var.
2,088	**1,685**	**24%**	**Net sales**	**7,709**	**6,872**	**12%**
109	58	88%	Operating income	543	723	(25%)
221	**186**	**19%**	**EBITDA**	**946**	**1,069**	**(12%)**
5%	**3%**		**Operating margin**	**7%**	**11%**	
11%	**11%**		**EBITDA margin**	**12%**	**16%**	
9%			% Var. in sales volume	(0%)		
14%			% Var. in average prices	12%		

Net sales for the BuildingSystems Division reached $2.08 billion in 4Q16, a 24% increase compared to 4Q15. Meanwhile, EBITDA reached $221 million in 4Q16, up 19% compared to 4Q15. This result was due to an extraordinary performance in the U.S. where weather conditions were favorable, and Central America, which combined with the strong performance of the Andean region, helped to offset the performance in Mexico. It is important to highlight that the results for this Division are strongly related to improved sales volumes with higher prices, as well as the "right sizing" efforts and strategic refocus of operations in Mexico and the continuity of the strategy derived from the "full potential" project in the USA. The performance of the Central American region is related to the fact that during the third quarter we began to see results from the automatization project.

RECENT EVENTS

- On November 10, 2016, the Company successfully completed a capital increase for $4.36 billion through a Rights Offering in which 218,435,955 shares were subscribed at a price of $20 per share. The subscription period concluded with nearly 95% subscription. The unsubscribed shares were offered to the majority shareholders, who subsequently subscribed them.

- In preparation for the capital increase, the Company updated the theoretical value of the shares to $6.3553 per share corresponding to the nominal value of the capital stock. Considering that at the time of the IPO the shares' final value was unknown, the update to the theoretical value was done at the Shareholders' Meeting held on October 17, 2016 for the capital increase.

Portion	Number of Shares	Value $	Theoretical value per share	Number of Shares	Value $	Theoretical value per share
Fixed minimum	281,954,244	299,112,174	1.0609	36,050,825	229,112,174	6.3553
Variable	591,789,576	5,253,752,357	8.8777	837,692,995	5,323,752,308	6.3553
Total	**873,743,820**	**5,552,864,530**	**6.3553**	**873,743,820**	**5,552,864,482**	**6.3553**
Issuance for capital increase				**218,435,955**	**1,388,216,120**	**6.3553**
Total	**873,743,820**	**5,552,864,530**	**6.3553**	**1,092,179,775**	**6,941,080,602**	**6.3553**

- On November 28, 2016, Elementia's Board ratified the approval for the acquisition of a 55% stake and full control of Giant for US$220 million. In accordance with the CNBV, this transaction was considered a corporate restructuring.

- Elementia disposed its credit lines totaling $5.60 billion, which include a revolving portion of $2.96 billion and another for $2.64 billion, with maturities in 2018 (25%), 2019 (35%) and 2020 (40%).

- Considering that Giant's loan was granted in dollars and due to the fact that in early November 2016 it was expected that the peso would strengthen against the U.S. dollar, the Company hedged the available credit lines in order to convert them into dollars-denominated ones, and thus, ensuring that the dollars to be received from Giant as payment would be enough to pay off the debt with the banks.

- In order to strengthen Elementia's management team, the Company appointed Mr. Juan Luis Alfiero Caballero as Head of BuildingSystems Division, Mrs. Laura Cañez Olvera as Head of Strategic Planning and Mr. Claudio Luis Páramo Chávez as Head of Marketing. Moreover, the Board of Directors also ratified Mr. Juan Francisco Sánchez Kramer as Chief Financial Officer, and in early 2017 Mrs. Laura Puig Grajales was appointed as Head of Innovation.

ANALYST COVERAGE

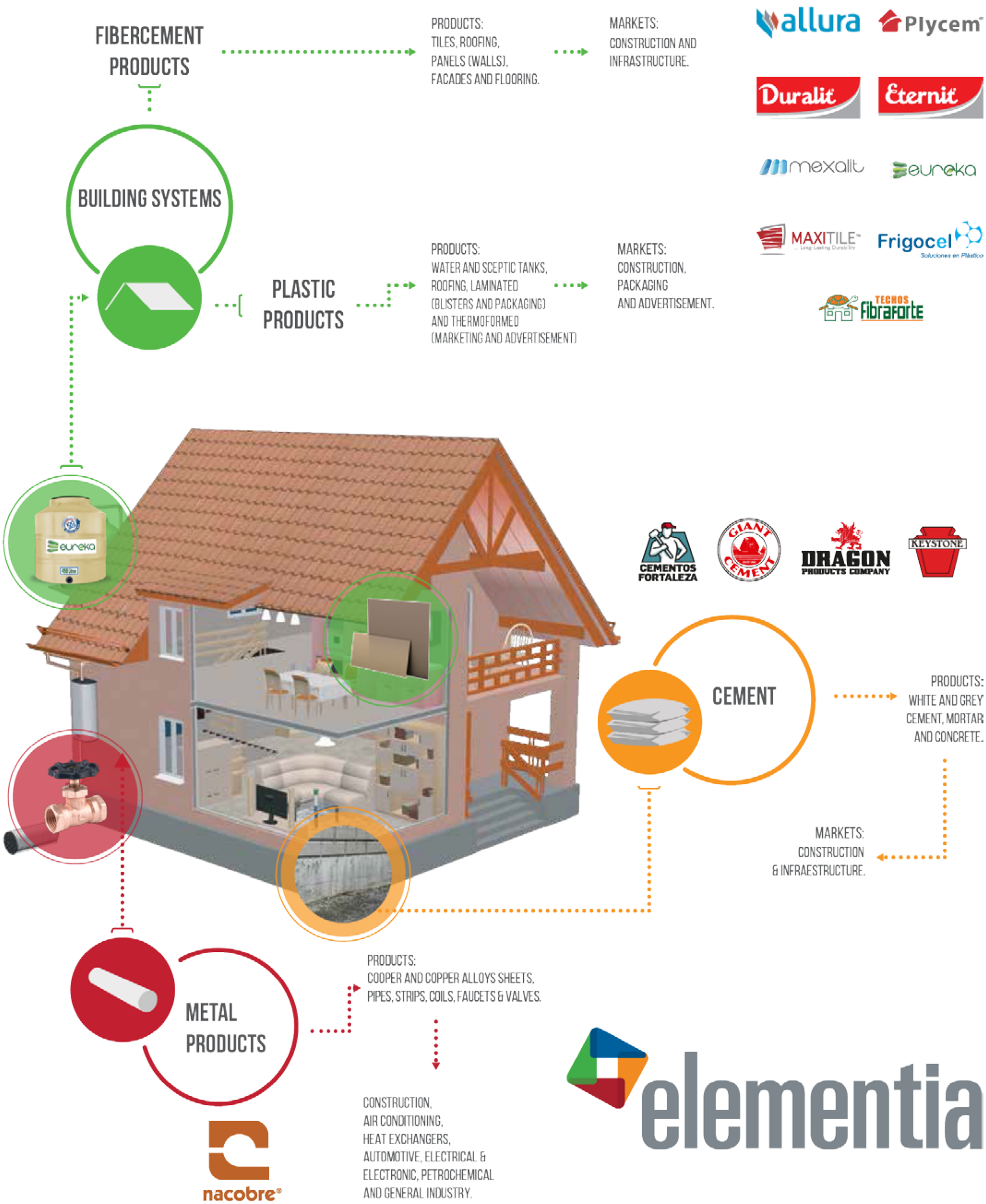
- Morgan Stanley
- Credit Suisse
- Santander
- HSBC
- Citi
- BBVA
- UBS
- Bank of America Merrill Lynch

ABOUT ELEMENTIA

Elementia is the leading building materials company with a strong presence in the American Continent. Its organic growth and the result of its mergers and acquisitions has enabled it to be an integral platform with more than 4,000 products, backed by recognized local and regional brands including: Fortaleza ® / Nacobre ® / Mexalit ® / Eureka ® / Allura ® / Plycem ® / Eternit ® / Duralit ® / Fibraforte ® / Frigocel ® / Keystone ® / Dragon ® / Giant ®. Elementia's products and solutions meet the needs of the different construction methods that exist in the market it operates in, and it is able to supply up to 75% of the materials used to build a typical house. The Company has over 6,600 employees, operating presence in 9 countries and a broad distribution network for its three business divisions: Cement, Metal Products and BuildingSystems. Elementia is the No. 1 producer of cement in Latin America and No. 2 in the United States. It is also one of the largest and most diversified copper manufacturers and copper alloys worldwide, and the most recent player to enter the Mexican cement market in 70 years. For more information go to www.elementia.com.

FORWARD-LOOKING STATEMENTS

This press release includes declarations relating to, and is subject to, current expectations as factors, including, without limitation, global economic and market conditions, the costs of raw materials and energy, expenses, revenues and earnings of Elementia and its Divisions and that of the relevant markets where its companies operate. These expectations are based on certain preliminary information, internal estimates, expectations and assumptions of management. All of these things are subject to a series of risks and uncertainties in the projection of future conditions, regulations in the relevant market, products and fields of industry issued by the respective authorities, as well as events and results. Real results could differ significantly from the expectations expressed in prospective declarations. Elementia may choose to update these prospects, but specifically rejects any responsibility to do so, except as required by law.


FIBERCEMENT PRODUCTS
PRODUCTS:
TILES, ROOFING,
PANELS (WALLS),
FACADES AND FLOORING.
MARKETS:
CONSTRUCTION AND
INFRASTRUCTURE.
allura
Plycem
Duralit
Eternit
mexalit
eureka
MAXITILE
Frigocel
TECHOS Fibraforte
BUILDING SYSTEMS
PLASTIC PRODUCTS
PRODUCTS:
WATER AND SCEPTIC TANKS,
ROOFING, LAMINATED
(BLISTERS AND PACKAGING)
AND THERMOFORMED
(MARKETING AND ADVERTISEMENT)
MARKETS:
CONSTRUCTION,
PACKAGING
AND ADVERTISEMENT.
CEMENTOS FORTALEZA
GIANT CEMENT
DRAGON PRODUCTS COMPANY
KEYSTONE
CEMENT
PRODUCTS:
WHITE AND GREY
CEMENT, MORTAR
AND CONCRETE.
MARKETS:
CONSTRUCTION
& INFRAESTRUCTURE.
METAL PRODUCTS
PRODUCTS:
COOPER AND COPPER ALLOYS SHEETS,
PIPES, STRIPS, COILS, FAUCETS & VALVES.
CONSTRUCTION,
AIR CONDITIONING,
HEAT EXCHANGERS,
AUTOMOTIVE, ELECTRICAL &
ELECTRONIC, PETROCHEMICAL
AND GENERAL INDUSTRY.
nacobre
elementia

ADDITIONAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2016 AND 2015

Consolidated Statement of Financial Position As of December 31, 2016 and 2015 In millions of pesos	Dec-16	Dec-15
ELEMENTIA		
Cash and cash equivalents	3,912	3,103
Receivables, net	3,481	2,336
Inventories, net	4,601	2,881
Other receivables and currents assets	1,576	1,388
Current assets	**13,570**	**9,708**
Other receivables, net	34	30
Investment in subsidiaries	3	7
Property, plant and equipment, net	31,992	17,098
Intangible assets, net	5,936	3,079
Deferred assets Tax	1,003	835
Other assets	186	295
Non- current assets	**39.154**	**21,344**
Total assets	**52,724**	**31,052**
Short term debt	3,041	52
Payables	4,718	2,725
Other current liabilities	2,458	1,188
Current liabilities	**10,217**	**3,965**
Long term debt	13,967	8,342
Deferred taxes	2,881	2,805
Other long term liabilities	1,451	74
Long term liabilities	**18,299**	**11,221**
Total liabilities	**28,516**	**15,186**
Stockholders' Equity	**24,208**	**15,866**
Equity attributable to owners of the Entity	**21,628**	**15,803**
Capital stock	7,235	5,847
Additional paid-in capital	7,572	4,599
Retained earnings	4,676	3,991
Other comprehensive income	2,145	1,366
Non- controlling interest	**2,580**	**63**
Total liabilities and stockholders 'equity	**52,724**	**31,052**

Consolidated Statements of Profit or Loss and Other Comprehensive Income	Twelve-Months Periods ended December 31,	
In millions of pesos	2016	2015
Net sales	**19,090**	**16,974**
Cost of sales	13,466	12,517
Gross profit	**5,624**	**4,457**
Operating expenses	3,275	2,607
Operating income	**2,349**	**1,850**
Financial result, net	(1,216)	(1,900)
Income/Loss before income taxes	**1,133**	**(50)**
Income tax expense	447	(62)
Consolidated net income/loss	**686**	**12**
Other Comprehensive Income:		
Items that will not be reclassified subsequently to profit or loss	**91**	**87**
Gain on revaluation of property, machinery and equipment	34	158
Actuarial loss	57	(71)
Items that may be reclassified subsequently to profit or loss	**688**	**332**
Exchange difference loss (gain) on translating foreign operations	870	240
Net fair value loss (gain) effect on hedging instruments entered into for cash flow hedges	(182)	92
Total other comprehensive income	**779**	**419**
Total Comprehensive Income/ Loss for the period	**1,465**	**431**

Consolidated Statements of Cash Flows For the twelve months periods ended December 31, 2016 and 2015		
In millions of pesos	**2016**	**2015**
Income (Loss) before income taxes		
Other items unrealized		
Depreciation and amortization	1,245	1,153
Loss (gain) on disposal of fixed assets	(2)	(11)
Interest income	(97)	(148)
Interest expense	663	706
Exchange loss (gain)	1,624	1,184
Other items	(582)	(65)
Non cash figures	**3,538**	**2,831**
Net cash flow provided by (used in) working capital	**245**	**(572)**
(Increase) decrease in accounts receivable	(449)	(192)
(Increase) decrease in inventories	(819)	(410)
(Increase) decrease in other receivables and other current assets	(108)	(199)
Increase (decrease) in trade accounts payable	1,371	243
Increase (decrease) in other liabilities	250	(14)
Net cash flow provided by operating activities	**3,783**	**2,259**
Other payments for joint ventures	(4,183)	(5)
Purchase of property, machinery and equipment	(3,977)	(1,963)
Acquisition of other assets	61	319
Net cash flow used in investing activities	**(8,099)**	**(1,649)**
Bank loans, net	5,164	(533)
Net cash provided by financing activities	**5,164**	**(533)**
Net decrease/increase in cash and cash equivalents	**848**	**77**
Effects differences on translating foreign operations	(39)	(167)
Cash and cash equivalents at the beginning of the period	3,103	3,193
Cash and cash equivalents at the end of the period	**3,912**	**3,103**