ELEMENTIA'S THIRD QUARTER 2017[1] RESULTS

Mexico City, October 25, 2017 - Elementia, S.A.B. de C.V. (BMV: ELEMENT*) ("the Company", or "Elementia") announced today its financial and operating results for the third quarter ended on September 30, 2017 ("3Q17") and for the nine months ended on September 30, 2017 ("9M17")[2].

Main Highlights

- Elementia achieved solid consolidated growth on both revenues and EBITDA in 3Q17, despite the negative impact resulted from natural disasters, mainly in the United States and Mexico, and the current macroeconomic volatility:
    - Net sales increased 40% in 3Q17, reaching $6.55 billion. For comparison purposes, pro forma 3Q16 figures – including U.S. Cement – showed this line item growing 11% in 3Q17. In 9M17, it was up by 44%, reaching $19.61 billion, and 15% on a pro forma basis.
    - EBITDA[3] increased 39% in 3Q17, reaching $1.29 billion; and 32% for 9M17, reaching $3.43 billion. Pro forma 3Q16 – including U.S. Cement – grew 11% in both 3Q17 and 9M17.
    - Operating income increased 32% in 3Q17, reaching $889 million; and 17% in 9M17, reaching $2.19 billion. Pro forma 3Q16 – including U.S. Cement – showed this line item growing 25% in 3Q17 and 21% in 9M17.
- Cash flow generation before capital expenditures (CAPEX) as of September 30, 2017 was $1.77 billion, representing 52% of EBITDA.
- On September, Elementia announced the development of a grinding facility in Costa Rica, with a total investment of close to US$17 million and installed capacity of over 250,000 tons, in line with the company's profitable growth strategy focused on countries where it currently operates in, seeking to generate synergies along its three divisions.
- During the third quarter, two credit lines for approximately $5.5 billion were obtained and used to prepay most of the syndicated loan used as bridge to finance the acquisition of the 55% controlling stake in Giant Cement. In line with the company's strategy based on strengthening its balance sheet to continue with its profitable growth plan, these new financing transactions have extended its maturity profile and improved its financial cost.
- Moreover, Elementia launched a hedging strategy to protect itself from risk in floating interest rate (TIIE 28) to fix rate on 50% of the $1.79 billion loan obtained from Bancomext at a 12-year term and fixed interest rate of 6.99%, and seeking a balance between its variable and fixed interest rates.
- As announced in the first quarter of 2017 (1Q17), and with the approval of Elementia's Board of Directors, following the recommendation of the Audit and Corporate Practices Committee, the Company has changed its accounting policy related to fixed assets valuation, from the revaluation method to the historical cost recognition method as of January 1, 2017.

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[1] Elementia announces that its 3Q17 earnings conference call will take place on October 26, 2017. Dial-in information can be found in the annexes of this document. The report, script and audio of the results can be downloaded at www.elementia.com.

[2] Figures in this report have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). All figures are in Mexican pesos and comparisons are made against the same period of last year, unless otherwise specified.

[3] Earnings before interest, taxes, depreciation and amortization.

Results Overview

Results Summary										
	Third quarter (Jul. - Sept)					Nine months ending Sep. 30				
	2017	2016	Var.	Proforma	Var.	2017	2016	Var.	Proforma	Var.
	(MXN million)					(MXN million)				
Net sales	**6,553**	**4,680**	**40%**	**5,898**	**11%**	**19,615**	**13,639**	**44%**	**17,128**	**15%**
Operating income	890	676	32%	710	25%	2,190	1,879	17%	1,817	21%
Operating margin	14%	14%		12%		11%	14%		11%	
Net income (loss)	340	(46)	839%	(85)	500%	648	11	(5791%)	(286)	327%
EBITDA	**1,296**	**933**	**39%**	**1,168**	**11%**	**3,436**	**2,609**	**32%**	**3,088**	**11%**
EBITDA margin	**20%**	**20%**		**20%**		**18%**	**19%**		**18%**	
Cash flow before CAPEX	391	864	55%			1,772	2,548	(30%)		
% of EBITDA	30%	93%				52%	98%			
Free cash flow						(90)	(578)	84%		

Executive Summary

During the third quarter of 2017, Elementia reported both revenue and EBITDA growth on a consolidated basis, despite the negative impact related to natural disasters (hurricanes, flooding and earthquake), mainly in the United States and Mexico, and to geopolitical problems prevailing globally, specifically in some of the countries where we have operations.

The discipline in implementing the company's corporate strategy - THE POWER OF ONENESS – which brings together all three divisions: Cement, Building Systems and Metal Products, the management's expertise, brand positioning, as well as the proven managerial capabilities and results-oriented approach have once again enabled us to meet the company's profitable growth expectations.

As such, net sales grew 40% and 44% in 3Q17 and 9M17, respectively, primarily due to the following:

- The Cement Division increased 203% mainly due to the integration of the U.S. operations, which posted $1.18 billion in sales; and due to seasonality in the U.S., which is strongest in the second and third quarter. In 9M17, growth was 189%. Pro forma, including U.S. cement since January 2016, reported growth of 20% and 13%, respectively;
- The Metal Products Division increased 12% in 3Q17 vs 3Q16; and 15% in 9M17 vs 9M16; and
- The Building Systems Division declined 2% in 3Q17 vs 3Q16; and rose 14% in 9M17 vs 9M16.

EBITDA reached $1.29 billion in 3Q17 and $3.43 billion in 9M17, reporting growth of 39% and 32% compared to the same period last year, respectively, primarily due to the integration of the U.S. cement operations; on a pro forma basis, EBTIDA grew by 24% and 22%, respectively:

- the Building Systems division with 25% in 3Q17 and 13% in 9M17; and
- the Metal Products division with -27% in 3Q17 and -9% in 9M17.

Cash flow before CAPEX as of September 30, 2017, represented 52% of generated EBITDA, derived from the usage of working capital in the client base and inventory related to a sales increase, copper's reference price, as well as to paid taxes and interests, which were higher compared to the same period of 2016.

In 3Q17, Elementia recorded net income of $340 million, versus a net loss of $46 million loss in 3Q16, mainly due to an exchange gain on the company's debt position.

Following is a summary of the operating results:

- The **Cement Division** continued its growth trend despite the fact that 2017 is a transitional year for the U.S. operations, as a result of:
  - the performance of Mexico's operations, which recorded an increase in sales volume, due to the startup of operations of the capacity expansion at the Tula facility in Hidalgo, the continued optimization of operating costs and the averages sales price trend compared to 2016, which offset increases in energy and gas prices; and
  - in the U.S., 2017 is a transitional year due to the investing plan to bring assets back to industry standards, according to the plan, over US$30 million will be invested in 2017, and therefore continuous works to bring assets to industry standards were held during the quarter. Additionally, operations were suspended as a preventive measure at the South Carolina plant due to heavy rains and hurricanes, thereby impacting negatively the results of the quarter.

- The **Metal Products Division's** strategic focus on higher value-added products and greater operating efficiency helped partially offset higher energy and gas prices, as well as lower sales volume resulted from the earthquake in Mexico City and hurricanes in the Caribbean.

- In the **BuildingSystems Division**, the ongoing implementation of its "Go to market" strategy in the U.S. and Mexico, as well as the good market performance in Mexico and the U.S. despite the aforementioned natural disasters, helped offset the results reported in the Andean region—especially in Colombia and Bolivia, who continue to face a recessive period, as well as Central America's stagnant economy. Moreover, the development of recent rotomolding operations in Central America and the capacity increase in Colombia are going according to plan.

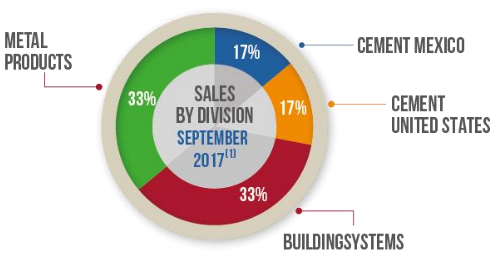
Financial Results

Consolidated Profit & Loss Statement										
	Third quarter (Jul. - Sept)					Nine months ending Sep. 30				
	2017	2016	Var.	Proforma	Var.	2017	2016	Var.	Proforma	Var.
	(MXN million)					(MXN million)				
Net sales	**6,553**	**4,680**	**40%**	**5,898**	**11%**	**19,615**	**13,639**	**44%**	**17,128**	**15%**
Cost of sales	4,641	3,254	43%	4,241	9%	14,253	9,570	49%	12,604	13%
Gross profit	**1,912**	**1,426**	**34%**	**1,657**	**15%**	**5,362**	**4,069**	**32%**	**4,524**	**19%**
Operating expenses	1,022	750	36%	947	8%	3,172	2,190	45%	2,707	17%
Operating income	**890**	**676**	**32%**	**710**	**25%**	**2,190**	**1,879**	**17%**	**1,817**	**21%**
Financial result, net	(403)	(488)	(17%)	(577)	(30%)	(780)	(1,508)	(48%)	(1,758)	(56%)
Income(loss) before income taxes	**487**	**188**	**159%**	**133**	**(266%)**	**1,410**	**371**	**280%**	**59**	**(2290%)**
Income tax expense	147	235	(37%)	218	(33%)	761	361	111%	345	121%
Income (loss) from discontinued operations	0	0				0	0			
Net income (loss) consolidated	**340**	**(47)**	**823%**	**(85)**	**500%**	**649**	**10**	**(6390%)**	**(286)**	**327%**
EBITDA	**1,296**	**933**	**39%**	**1,168**	**11%**	**3,436**	**2,609**	**32%**	**3,088**	**11%**

Revenues

Consolidated revenues for 3Q17 totaled $6.55 billion, an increase of 40% over the $4.68 billion reported in 3Q16, mainly due to higher sales prices and sales volume in Cement and Building Systems, as well as to the incorporation of U.S. cement sales, which totaled $1.18 billion. On a pro forma basis and including U.S. cement in our 3Q16 results, this line item grew 11% in 3Q17.

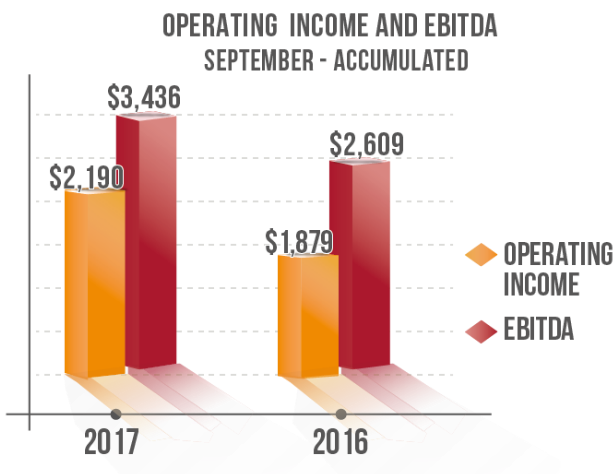
For 9M17, consolidated revenues reached $19.61 billion, up 44% compared to the $13.63 billion reported in 9M16. This growth is mainly due to a sales increase of 189%, 14% and 15% in the Cement Division, Building Systems and Metal Products, respectively.



$19.61 billion

Operating Income

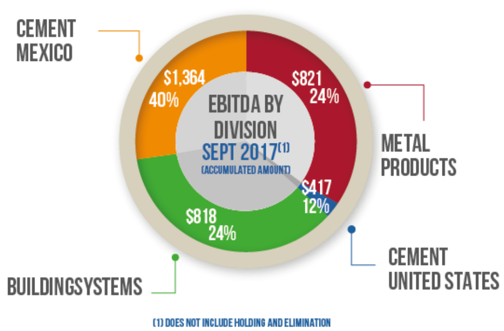
In 3Q17, operating income reached $890 million, 32% above 3Q16, as a result of higher sales and operating efficiencies that have yielded cost reductions mainly in the Cement and Building Systems divisions; while 9M17 reported an increase of 17%, reaching $2.19 billion. On a pro forma basis, growth was 25% and 21% on the 3Q17 and 9M17, respectively.

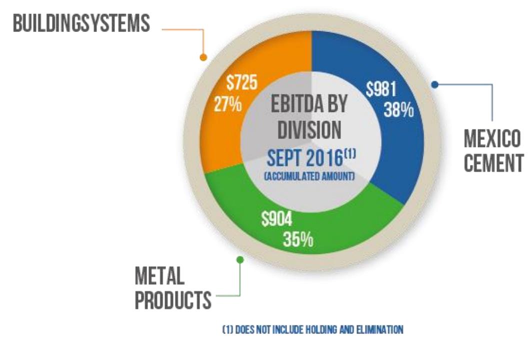


EBITDA

In 3Q17, EBITDA was $1.29 billion, up 39% compared to $933 million reported in 3Q16, driven by the growth in the Cement and Building Systems divisions. EBITDA margin reached 20% in 3Q17. On a pro forma basis – including 3Q16 U.S. Cement – EBITDA grew 11% in 3Q17 while EBITDA margin remained stable.

In 9M17, EBITDA increased by 32%, from $2.6 billion in 9M16 to $3.44 billion in 9M17, derived from increases of 82% in the Cement division and 13% in the BuildingSystems Division. On a pro forma basis, EBITDA increased 11% in 9M17.





Financing Result

	As of September 30 2017	2016	Var.
	(MXN million)		
Interest income	(22)	(25)	(12%)
Interest expense	738	433	70%
Bank commissions	63	76	(17%)
Net Exchange loss	1	1,024	(100%)
Total financing cost – net	**780**	**1,508**	(48%)

Net financing cost as of September 30, 2017, declined 48%, as a result of the favorable effect of the peso-dollar conversion, which offset the increase in interest expenses derived from the loan obtained for Giant's acquisition on November 2016.

Income Tax

Income and deferred taxes totaled $761 million for the period ended September 30, 2017, an increase of $401 million compared to the $360 million reported in the same period of 2016, due to the amortization of tax loss carried forward in 3Q17 as compared to 3Q16, mainly due to the appreciation of the Mexican peso against the U.S. dollar and to an operating income in the Cement division in Mexico.

Net Income

Net income as of September 30, 2017, reached $649 million, an increase of $639 million when compared to the $10 million net loss reported in 3Q16. This was mainly due to a 17% increase in operating income and to the exchange effect on the integrated financing cost, which offset the impact on taxes.

Cash Flow

Cash Flow		
	As of September 30	
	2017	2016
	(MXN million)	
EBITDA	**3,436**	**2,609**
Change in working capital	(632)	274
Cash taxes	(98)	239
Interest, net	(871)	(498)
Bank commissions	(63)	(76)
Cash flow before CAPEX	**1,772**	**2,548**
% of EBITDA	*52%*	*98%*
Organic CAPEX	(1,157)	(956)
Acquisition of businesses	0	0
Cement Division expansion CAPEX	(705)	(2,170)
Inversiones de capital inorgánico	0	0
Free cash flow before financing	**(90)**	**(578)**
Incurred (paid) debt	3,785	486
Increase (decrease) in capital	(21)	(5)
Free cash flow	**3,674**	**(97)**

Free cash flow before CAPEX reached $1.77 billion in 9M17. This was mainly due to the consumption of working capital and higher interests paid derived from the loan obtained for Giant's acquisition.

CAPEX as of September 30, 2017 reached $1.86 billion, including investments in U.S. Cement and Tula plant's expansion in the Cement Division in Mexico.

The capital decrease reflects the share repurchase fund transactions intended to support stock liquidity. The working capital cycle for 3Q17 was 55 days, which was higher than the 20 days for 3Q16.

Balance Sheet

Consolidated Balance Sheet	As of Sept. 30 2017	As of Dec. 31 2016
	(MXN million)	
Cash and cash equivalents	5,874	3,912
Receivables, net	3,754	3,481
Inventories, net	4,894	4,601
Other receivables and currents assets	2,082	2,159
Current assets	**16,604**	**14,153**
Other receivables, net	25	34
Investment in shares of associated companies and others	3	3
Property, plant and equipment, net	28,394	29,718
Intangible assets, net	4,942	5,123
Deferred assets Tax	1,438	1,456
Other assets	16	186
Non-current assets	**34,818**	**36,520**
Total assets	**51,422**	**50,673**
Short-term debt	1,123	3,041
Payables	4,652	4,718
Other current liabilities	2,063	3,066
Current liabilities	**7,838**	**10,825**
Long-term debt	18,317	13,967
Deferred taxes	3,064	2,538
Other long term liabilities	1,256	1,452
Long-term liabilities	**22,637**	**17,957**
Total liabilities	**30,475**	**28,782**
Shareholders' Equity	**20,947**	**21,891**

Cash and cash equivalents

Cash and cash equivalents as of September 30, 2017, increased 50% or $1.96 million, mainly due to the loan obtained from Bancomext.

Debt Position

	As of Sept. 30 2017	As of Dec. 31 2016	Var.
	(MXN million)		
Short term	1,123	3,041	(63%)
Long term	18,317	13,967	31%
Gross debt	**19,440**	**17,008**	14%
Cash and cash equivalents	5,874	3,912	50%
Net Debt	**13,566**	**13,096**	4%
EBITDA LTM including Giant proforma	**4,532**	**4,128**	10%
Net debt / EBITDA	**2.99x**	**3.17x**	(0.18)x

Gross debt as of September 30, 2017 reached $19.44 billion, an increase of $2.43 billion, compared to $17.01 billion registered as of December 31, 2016. This result was due to:

- the loans obtained from Scotibank in July and Bancomext in September that were used to prepay 85% of the committed credit lines under a syndicate loan on October 6; and
- the impact of the Mexican peso against the U.S. dollar exchange rate on the dollar-denominated debt (senior unsecured notes totaling US$ 425 million dollars and the ECA credit lines);

In accordance with the company's financial strategy of maintaining a solid and flexible balance sheet, net debt to trailing 12-month pro forma EBITDA ratio (including Giant) was 2.99x times and interest coverage was 4.69 times as of September 30, 2017, complying with covenants set by financial institutions (3.30x net debt/EBITDA). Furthermore, considering the aforementioned prepayment, approximately 95% of Elementia's gross debt is long-term.

Shareholders' Equity

Consolidated shareholders' equity as of September 30, 2017, reached $20.95 billion, a decrease of $944 million, compared to the $21.89 billion as of December 31, 2016, mainly driven by the currency exchange impact from foreign operations, the valuation effect for financial instruments, the share repurchase fund transactions and the results of the period.

Operating Results by Division

Cement Division - Mexico

Cement Division - Mexico						
	Third Quarter (Jul. - Sept)			Nine months ending Sep. 30		
	2017	2016	Var.	2017	2016	Var.
	(MXN million)			(MXN million)		
Net sales	**1,235**	**798**	**55%**	**3,186**	**2,238**	**42%**
Operating income	502	317	58%	1,118	754	48%
EBITDA	**592**	**395**	**50%**	**1,364**	**981**	**39%**
Operating margin	**41%**	**40%**		**35%**	**34%**	
EBITDA margin	**48%**	**49%**		**43%**	**44%**	

During 9M17, net sales and EBITDA increased 42% and 39%, respectively, compared to the same period of 2016.

Moreover, net sales reached $1.24 billion in 3Q17, up 55% compared to the $798 million in 3Q16, despite a slowdown in consumption in Mexico during the month of September derived from the earthquakes. Moreover, EBITDA reached $592 million in 3Q17, an increase of $197 million or 50% compared to 3Q16. This was mainly due to an increase in volume from the operations of the capacity expansion at the Tula plant, as well as to the sales price trend.

EBITDA margin remained at 48% as of September 30, 2017, mainly due to operating efficiencies and higher volumes which helped offset the increase in energy and fuel costs, and as a result of the suspension of third-party clinker consumption that had been used for the startup of grinding operations as part of the ramp-up initiatives of the capacity expansion project at the Tula plant.

It is important to highlight that the strategy used as part of the ramp-up initiatives of the capacity expansion at Tula during the first half of 2017 has proven to be fundamental, yielding results that have been better than expected.

Cement Division – United States

Cement Division - United States						
	Third Quarter (Jul. - Sept)			Nine months ending Sep. 30		
	2017	2016 Proforma (MXN million)	Var.	2017	2016 Proforma (MXN million)	Var.
Net sales	**1,182**	**1,218**	**(3%)**	**3,285**	**3,488**	**(6%)**
Operating income (loss)	42	34	24%	(67)	(62)	8%
EBITDA	**192**	**235**	**(18%)**	**417**	**479**	**(13%)**
Operating margin	**4%**	**3%**		**(2%)**	**(2%)**	
EBITDA margin	**16%**	**19%**		**13%**	**14%**	

In 9M17, net sales and EBITDA decreased 6% and 13%, respectively, when compared to 9M16.

During 3Q17, net sales reached $1.18 billion, 3% below 3Q16 (pro forma) mainly due to maintenance works carried out during the period, and the preventive shutdown of the South Carolina facility due to poor weather conditions resulting from hurricanes Irma and Maria, which impacted the U.S. East Coast.

It is important to highlight that, as expected, 2017 is a transitional year, as operations continue to be constantly interrupted by diverse maintenance works, in order to bring assets back to industry standards, implying investments in both CAPEX and OPEX.

In 3Q17, EBITDA reached $192 million, 18% below 3Q16, as a result of the transition process that the U.S. operations are going through and to higher energy costs.

On the other hand, the plant's integration and coverage of vacancies, as well as the capital investments made to bring assets back to industry standards, are going according the plan.

Metal Products Division

Metal Products Division						
	Third quarter (Jul. - Sept)			Nine months ending Sep. 30		
	2017	2016	Var.	2017	2016	Var.
	(MXN million)			(MXN million)		
Net sales	**2,087**	**1,860**	**12%**	**6,386**	**5,559**	**15%**
Operating income	161	238	(32%)	603	675	(11%)
EBITDA	**232**	**316**	(27%)	**821**	**904**	**(9%)**
Operating margin	**8%**	**13%**		**9%**	**12%**	
EBITDA margin	**11%**	**17%**		**13%**	**16%**	
% Var. in sales volume	(2%)			(2%)		
% Var. in average prices	15%			17%		

Net sales for the Metal Products division grew 15% in 9M17, while EBITDA recorded a decrease of 9% when compared to the same period 2016.

Meanwhile, net sales reached $2.09 billion in 3Q17, up 12% compared to 3Q16, despite a 2% decline in sales volume resulting from the negative effect of copper's price volatility in demand, intermittent shutdowns at the Vallejo plant because of the 8.2 magnitude earthquake that hit Mexico City, a decline in exports to Puerto Rico derived from hurricanes in the area, and reduced sales volume in South America.

Additionally, in 3Q17, the combined effect of energy and gas prices increases and the appreciation of the Mexican peso against the U.S. dollar on inventory valuation had a negative effect in production cost, and thereby in the division's results for the quarter; it's worth noting that this trend was reverted on September as a result of fluctuations in both the copper's reference price and peso-dollar exchange rate.

As a result of the above, EBITDA was $232 million in 3Q17, a 27% decline compared to 3Q16. This was partially offset by improved metal yields and the strategic focus on higher value-added products, as well as to a strict operating cost control.

Building Systems Division

Building Systems Division	Third quarter (Jul. - Sept) 2017	2016	Var.	Nine months ending Sep. 30 2017	2016	Var.
	(MXN million)			(MXN million)		
Net sales	**1,896**	**1,925**	**(2%)**	**6,390**	**5,621**	**14%**
Operating income	187	122	53%	525	457	15%
EBITDA	**279**	**223**	**25%**	**818**	**725**	**13%**
Operating margin	**10%**	**6%**		**8%**	**8%**	
EBITDA margin	**15%**	**12%**		**13%**	**13%**	
% Var. in sales volume	7%			8%		
% Var. in average prices	(8%)			5%		

In 9M17, the Building Systems division increased its net sales and EBITDA by 14% and 13%, respectively; despite the sales volume effect derived from earthquakes and hurricanes, which mainly affected operations in Mexico and the U.S., as well as to the impacts caused by the Andean's region current economic environment.

During the quarter, net sales reached $1.89 billion, a 2% decrease compared to 3Q16, while EBITDA reached $279 million, up 25% compared to 3Q16. This result was due to higher sales volume and good level of acceptance for our products in the U.S. and Mexico, as well as to operating efficiencies in the region; which offset the low demand in the Andean region, particularly derived from the economic recession faced by Colombia, as a result of a 3% increase in value-added tax (VAT), increases in bank interest rates and the lack of government support for housing subsidies in the beginning of the year. Although the government has recently lowered interest rates and reactivated certain housing subsidies, the expectation is that demand and the country's overall economic recovery will be gradually reflected in 2018. Moreover, Bolivia's economic condition continues to be unfavorable.

The division's growth and recovery at a consolidated basis continues to be supported by the results of the "go to market" strategy, which focuses on expanding market share in the U.S. and Mexico, as well as on flat panels for light construction systems based on new products with new technologies, offering advantages to distributors and final users, as it optimizes handling, and thereby it reduces breakage.

Additionally, Elementia continues executing the operating start-up plan at the Indiana facility. This plant has a capacity equivalent to the one at the North Carolina and Oregon facilities together. Aiming to prepare the market, we continue sending products produced from our other facilities to the Indiana region, with logistic surplus temporary impacting margins in the U.S., in order to pre-position the plant. Commercial operations in this facility are scheduled to start in 1Q18.

Relevant Events

- On July 11, 2017, Elementia announced that, in line with its growth strategy and as stated since its IPO, it launched operations of the capacity expansion project at its cement plant in Tula, Hidalgo.
- On July 24, 2017, Elementia obtained a credit loan for $1.9 billion, at a 7-year term maturity, at TIIE plus 140-160 basis points and quarterly amortizations, which will begin payments in 2019, due to a 2-year grace period. The participating bank is Scotiabank.
- On September 29, 2017, aiming to strengthen its balance sheet an in order to continue with its profitable growth plan, Elementia obtained a loan with Bancomext for $3.59 billion at a 12-year term, with TIIE plus 148 basis points and monthly payments beginning in the second half of 2019. This measure comes in addition to the financial discipline initiatives adopted by Elementia, reinforcing its commitment to maintain manageable and conservative leverage levels to achieve its target Net Debt/EBITDA ratio of close to 2.0 times.

  The proceeds will be used to prepay 80% of the syndicated loan, which was used as bridge to finance the acquisition of the 55% controlling stake in Giant Cement in the U.S. Through this, Elementia will have 100% availability of its committed credit line of 4.93 billion pesos without altering the total debt level of the company.
- On September 12, 2017, Elementia announced the development of a grinding facility in Costa Rica in line with its profitable growth strategy focused on countries were it currently operates, seeking to generate synergies along its three divisions. The startup of operations of the grinding facility will allow the company to supply the main raw material used in the production of fiber cement products by its Plycem brand; that will yield synergies through vertical integration among its Cement and Building Systems Divisions. Additionally, part of the production will be commercialized in Costa Rica.

Subsequent Events

- On October 2, 2017, in line with the company's strategy to keep a balance between its variable and fixed interest rates, Elementia launched a hedging strategy to protect itself from the risk in floating interest rate (TIIE 28) to fix rate of the $1.79 billion loan, at a 12-year term and fixed interest rate of 6.99%.
- Elementia's Board of Directors, following the recommendation from Audit and Corporate Practices Committee, have authorized to change the company's accounting policy related to fixed assets valuation from the revaluation method to the historical cost recognition method. Effective in 3Q17, but applicable as of January 1, 2017, Elementia will reduce its fixed assets and, in consequence, the equity value on its balance sheet by eliminating the revaluation value that has been accrued since Elementia adopted IFRS in 2012.

  For comparison purposes, starting with the 3Q17 report, Elementia will include in its quarterly information 2016 fixed assets and equity value as if the accounting policy change would have been authorized in 3Q16. Understanding the needs of our stakeholders, and for comparison purposes, on November 3, 2017, Elementia will resubmit its financial information related to the first and second quarter of 2017.

Analyst Coverage

Morgan Stanley, Credit Suisse, Santander, HSBC, Citi, BBVA, UBS and Bank of America Merrill Lynch.

Annexes

Consolidated Financial Statements as of September 30, 2017 and December 31, 2016

Consolidated Balance Sheet		
	As of Sept. 30 2017	As of Dec. 31 2016
	(MXN million)	
Cash and cash equivalents	5,874	3,912
Receivables, net	3,754	3,481
Inventories, net	4,894	4,601
Other receivables and currents assets	2,082	2,159
Current assets	**16,604**	**14,153**
Other receivables, net	25	34
Investment in shares of associated companies and others	3	3
Property, plant and equipment, net	28,394	29,718
Intangible assets, net	4,942	5,123
Deferred assets Tax	1,438	1,456
Other assets	16	186
Non-current assets	**34,818**	**36,520**
Total assets	**51,422**	**50,673**
Short-term debt	1,123	3,041
Payables	4,652	4,718
Other current liabilities	2,063	3,066
Current liabilities	**7,838**	**10,825**
Long-term debt	18,317	13,967
Deferred taxes	3,064	2,538
Other long term liabilities	1,256	1,452
Long-term liabilities	**22,637**	**17,957**
Total liabilities	**30,475**	**28,782**
Shareholders' Equity	**20,947**	**21,891**
Equity attributable to owners of the Entity	**18,854**	**19,318**
Capital stock	7,227	7,227
Additional paid-in capital	7,579	7,579
Retained earnings	3,320	2,548
Other comprehensive income	728	1,964
Non-controlling interest	**2,093**	**2,573**
Total liabilities and shareholders' equity	**51,422**	**50,673**

Consolidated Statement of Profit or Loss & Other Comprehensive Income

	As of September 30 (MXN million)	
	2017	2016
Net sales	**19,615**	**13,639**
Cost of sales	14,253	9,570
Gross profit	**5,362**	**4,069**
Operating expenses	3,172	2,190
Operating income	**2,190**	**1,879**
Financial result, net	(780)	(1,508)
Income before income taxes	**1,410**	**371**
Income tax expense	761	361
Income (loss) from discontinued operations	0	0
Net income (loss) consolidated	**649**	**10**
Other Comprehensive Income:		
Items that will not be reclassified subsequently	**0**	**(11)**
Gain on revaluation of property, machinery and equipment	0	0
Actuarial loss	0	(11)
Items that may be reclassified subsequently to profit or loss	**(1,571)**	**2,060**
Exchange difference loss (gain) on translating foreign operations	(1,629)	1,828
Net fair value loss (gain) effect on hedging instruments entered into for cash flow hedges	58	232
Total other comprehensive income	**(1,571)**	**2,049**
Total Comprehensive Income/ Loss for the peri	**(922)**	**2,059**

Consolidated Statement of Cash Flows

	As of September 30	
	2017	**2016**
	(MXN million)	
Income (Loss) before income taxes	**648**	**11**
Other items unrealized		
Depreciation and amortization	1,246	730
Loss (gain) on disposal of fixed assets	(3)	(4)
Interest income	(22)	(25)
Interest expense	738	433
Exchange loss (gain)	(1,360)	1,077
Other items	601	235
Non cash figures	**1,848**	**2,457**
Net cash flow provided by (used in) working capital	**(1,623)**	**(235)**
Increase in accounts receivable	(273)	(551)
Increase in inventories	(293)	(215)
Increase in other receivables and other current assets	(418)	(206)
Increase in trade accounts payable	(65)	1,040
(Decrease) increase in other liabilities	(574)	(303)
Net cash flow provided by operating activities	**225**	**2,222**
Other payments for joint ventures	0	0
Acquisition of property, machinery and equipment	(1,862)	(3,126)
Other assets	(4)	4
Net cash flow used in investing activities	**(1,866)**	**(3,122)**
Incurred (paid) debt	3,785	486
Increase (decrease) in capital	(21)	(5)
Bank loans and others, net	(798)	(413)
Net cash used in financing activities	**2,966**	**68**
Net decrease/increase in cash and cash equivalents	**1,325**	**(832)**
Effects differences on translating foreign operations	637	410
Cash and cash equivalents at the beginning of the period	3,912	3,103
Cash and cash equivalents at the end of the period	**5,874**	**2,681**

Earnings Conference Call Invitation

elementia

October 26, 2017

ELEMENTIA (BMV: ELEMENT*)
3Q17 Earnings Conference Call
9 a.m. (Mexico City) / 10 a.m. (EDT)

HOSTED BY:

Fernando Ruiz Jacques
Chief Executive Officer
Juan Francisco Sánchez Kramer
Chief Financial Officer
Ana Lourdes Benavides
Investor Relations

A Q&A session will follow the presentation.
Participants will be able to ask questions via telephone.

Dial-in Number:
1-800-311-9402 (USA)
1-334-323-7224 (International)
Conference ID: 35941

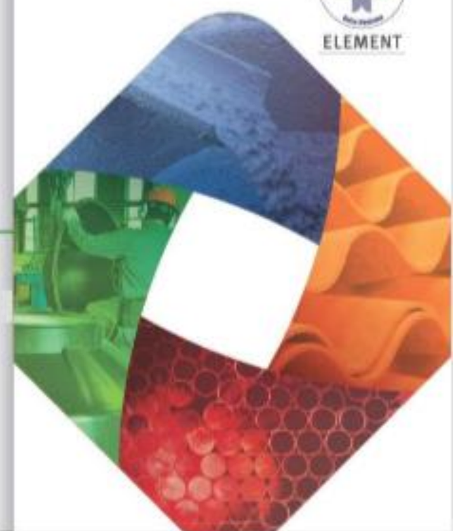
Webcast

https://www.webcaster4.com/Webcast/Page/1398/22820
Participants are requested to connect 15 minutes prior to the call

Elementia will release its 3Q17 results on **Wednesday, October 25, 2017.**

A replay of this call will be available until midnight EDT on November 3, 2017, and will also be available at www.elementia.com in the Investor Relations section.

ELEMENT



October 26, 2017
Conference Replay:
1 (877) 919-4059 (USA)
1 (334) 323-0140 (International)
Conference Replay ID:
78413532

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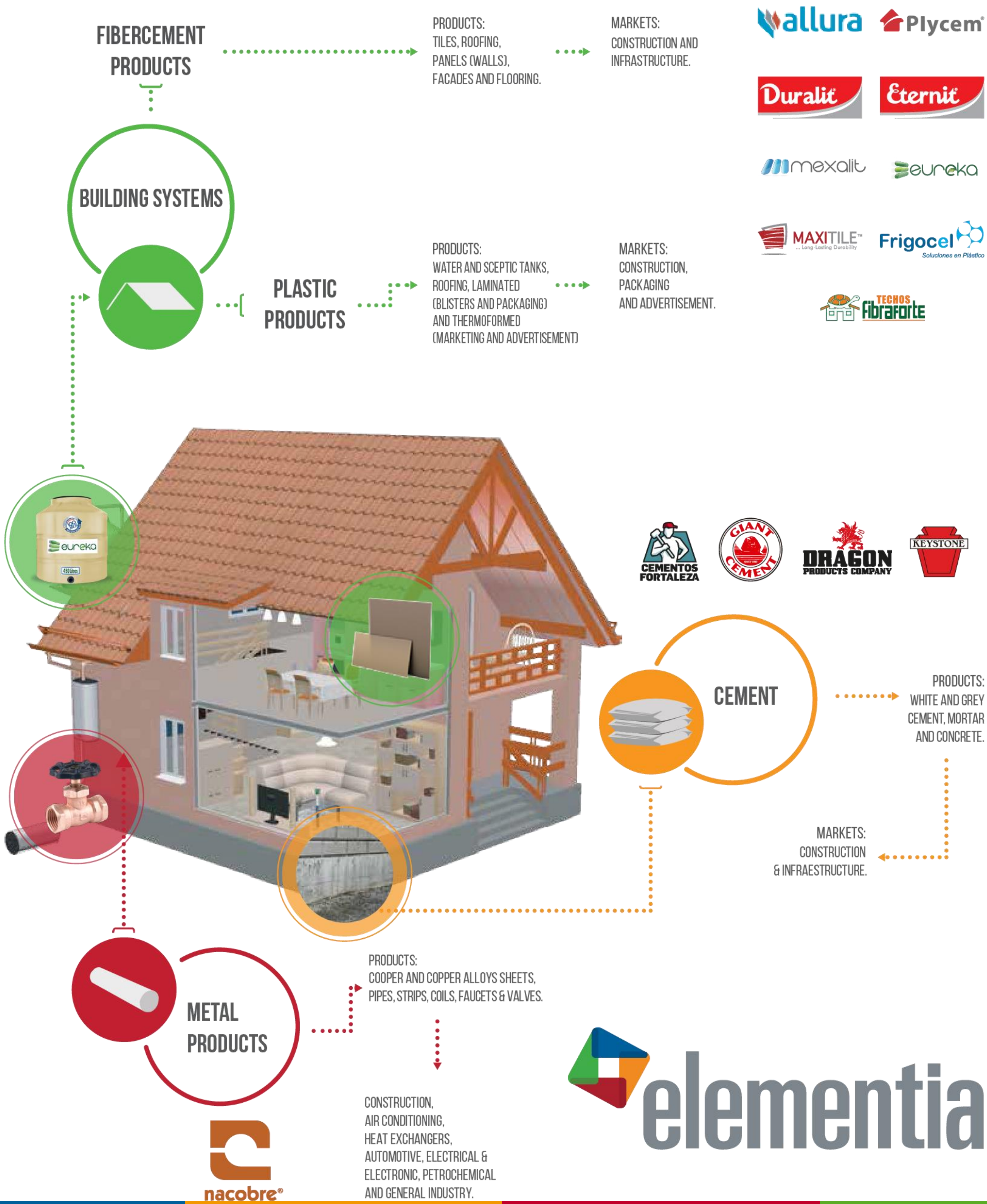
Review the latest presentations from our **Analyst Day** here

www.elementia.com


FIBERCEMENT PRODUCTS
PRODUCTS:
TILES, ROOFING,
PANELS (WALLS),
FACADES AND FLOORING.
MARKETS:
CONSTRUCTION AND
INFRASTRUCTURE.
BUILDING SYSTEMS
PLASTIC PRODUCTS
PRODUCTS:
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(BLISTERS AND PACKAGING)
AND THERMOFORMED
(MARKETING AND ADVERTISEMENT)
MARKETS:
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PACKAGING
AND ADVERTISEMENT.
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Plycem
Duralit
Eternit
mexalit
eureka
MAXITILE
Frigocel
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Disclaimer on forward-looking statements

The Audit Committee and the Board of Directors authorized the modification of the accounting policies of the company with respect to the valuation of fixed assets, shifting from the revaluation method to the historical value method. This will be implemented during 3Q17 with effects retroactive to January 1, 2017.

Figures are stated in nominal Mexican pesos ($) and all comparisons are made against the same period of the previous year ("3Q16" and "9M16"), unless otherwise specified. As a result of figures roundup, totals may not exactly match the sum of the figures presented.

This document contains certain forward-looking statements and information related to Elementia, S.A.B. Of C.V. ("Elementia") that reflect the vision and / or expectations of Elementia and its management team in relation to its performance, business and future events. Forward-looking statements may include, but are not limited to, statements that could predict, project, indicate or imply certain future results, performance or achievements, and may include words "anticipate", "believe," "estimate, "expect", "project", "plan", "predict", "foresee", "forecast", "reach" or any other word or phrase with a similar meaning, which may be given orally or in writing.

The presented results may materially differ from those projected as a result of factors beyond Elementia's control. These factors may include, but are not limited to: economy in general; political and business conditions in Mexico and other markets where we operate; international capital and securities markets performance, as well as economic crises; our ability to refinance our financial obligations; if necessary; competition in the sector and markets; management's expectations and estimates in regards to the Company's future financial performance and financing plans / programs; limited access to financing sources with competitive terms, and compliance with clauses to which we are bound to; our ability to meet debt obligations; our investment plans; currency fluctuations, interest rates or inflation, as well as currency conversion; changes in government legislation and regulation, including environmental regulation, and obligations arising therefrom, and judicial or administrative judgments against us; procurement policies and interpretations; increase in insurance premiums; changes in market prices, customer demand and preference, and competitive conditions; cyclicity and seasonality in our operating results; our ability to implement the corporate strategy; increase in prices of goods and / or services supplied to us, and fluctuations in the prices of the raw material; the imposition of price controls on the products we sell; trade barriers; technological innovation; costs uncertainty and regulation applicable to company mergers and acquisitions or strategic alliances; our ability to make acquisitions for regulatory or other issues, and successfully integrate the operations of the acquired businesses; liability claims including claims related to health, safety and environmental protection issues, as well as claims arising from joint lawsuits in Mexico or other jurisdictions in which we operate; failures in our information obtained from our technology systems, including data and communication systems; the impact by changes in accounting principles, new legislation, actions by regulatory authorities, government announcements and monetary or fiscal policy in Mexico, or in other markets in which we operate; decrease in the sale of our products by independent distributors; our ability to retain qualified personnel and rehire key personnel; our ability to extract synergies from our business mergers and acquisitions activities; delays by suppliers or lack of ability to obtain, under conditions acceptable to us, inputs required by us to produce the products we sell; investigations by federal authorities; and other risk factors.

Forward-looking statements and statements included in this document are subject to various risks, uncertainties and assumptions. In any circumstance these statements only refer to their date of elaboration and Elementia has no obligation to update or revise any of them, whether for new information, future events, among others, unless required by law. Therefore, caution should be exercised when using future projections. The document and its contents belong to the Company and may not be reproduced or distributed as a whole or as part of without prior written consent by Elementia.

About Elementia

Elementia offers innovative constructive solutions that redefine the concept of constructive evolution. Our state-of-the-art rotomolding technology, Eureka®, preserves the most important resource we have: water; which runs through our Nacobre® pipe systems. In addition, more than 65 years of experience of our Nacobre® brand, allows gas installations to be used in a safely manner. Elementia has grown organically, and through strategic mergers and acquisitions, creating an integrated platform of more than 4,000 products. Through Cementos Fortaleza®, and the strategic acquisitions of Giant®, Keystone® and Dragon® cement, we give structure to foundations, columns, floors and ceilings of houses, shopping malls, offices, hospitals, etc., both in Mexico and the U.S. Elementia has more than 6,000 employees, operating presence in nine countries and a wide distribution network. Innovative and versatile panels manufactured by Allura®, Plycem®, Eternit®, Duralit® and Fibraforte®, offer fiber cement technology advantages in decorative façades, wooden simulation decks, traditional roof tiles and state-of-the-art ceilings. Elementia is the largest fiber cement producer in Latin America and second largest player in the U.S. For more information please visit www.elementia.com