

2018

SECOND QUARTER EARNINGS REPORT



**GRUPO CEMENTOS
DE CHIHUAHUA,
S.A.B. DE C.V.
(BMV: GCC *)**

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GCC REPORTS SECOND QUARTER 2018 RESULTS

Chihuahua, Chihuahua, Mexico, July 24, 2018 – Grupo Cementos de Chihuahua, S.A.B. de C.V. (BMV: GCC *), a leading producer of cement and ready-mix concrete in the United States and Mexico, today announces its results for the second quarter of 2018.

The results from assets sold (including sales, costs, and expenses) have been reported as discontinued operations, in accordance with IFRS-5- *Non-Current Assets Held for Sale and Discontinued Operations*. Prior periods results have been restated for comparative purposes. Data on sales volumes refers to continuing operations only.

HIGHLIGHTS

- Sales increased 6.9% in 2Q18 and 11.4% in first six months
- EBITDA rose 8.7% in quarter and 22.0% in first six months
- EBITDA margin reached 29.9% in quarter and 28.8% in first six months of 2018, up 250 basis points
- Sale of non-core ready-mix assets for US\$ 118.5 million increases focus on integrated operations
- Purchase of 315,000 mt cement plant in Montana for US\$ 107.5 million increases capacity 11% and expands market area
- All bank debt refinanced, saving US\$ 10 million per year in interest expense
- Net leverage (Net debt/EBITDA) ratio fell to 1.82 in June 2018

KEY FIGURES (millions of dollars)

	2Q18	2Q17	2Q18 vs. 2Q17	1H18	1H17	1H18 vs. 1H17
Net Sales	232.3	217.2	6.9%	398.8	358.0	11.4%
Operating Income before other expenses	50.4	44.2	14.2%	76.4	54.9	39.0%
EBITDA	69.4	63.8	8.7%	115.0	94.2	22.0%
EBITDA margin	29.9%	29.4%		28.8%	26.3%	
Income from continuing operations	28.2	21.4	32.1%	40.0	22.0	81.8%
Discontinued operations	(40.2)	0.9		(40.6)	2.0	
Consolidated Net Income	(11.9)	22.2		(0.6)	24.0	
Earnings per Share (US\$)	(0.0360)	0.0670		(0.0019)	0.0722	

EBITDA: operating income before other expenses + depreciation and amortization

GCC delivered growing sales and EBITDA and a higher EBITDA margin, with solid operating results in both the United States and Mexico. The Company completed the acquisition of a cement plant in Montana, increasing its U.S. production capacity 11%; sold non-core, ready-mix assets; and refinanced its bank debt, reducing interest expense significantly.

For the first six months of 2018, GCC increased sales 11.4% and generated US\$ 115 million in EBITDA, with a margin of 28.8%. Income from continuing operations was US\$ 40.0 million. Ready-mix assets sold in Oklahoma and Arkansas were reclassified as discontinued operations, and generated an accounting loss of \$40.6 million, mostly for the difference between book value and sale price. This resulted in a small net loss for GCC for the first half of the year.

The Company refinanced all its bank debt with a new US\$ 400 million, 5-year term loan agreement; the lower interest rate is expected to generate savings of approximately US\$ 10 million per year. The banks are also providing a US\$ 50 million revolving line of credit.

S&P upgraded GCC's debt rating to BB+, with a stable outlook.

GCC's shares were also included in the MSCI indices effective June 1, 2018.

FINANCIAL RESULTS

Consolidated Net Sales for the second quarter of 2018 increased to US\$ 232.2 million, 6.9% higher than the same period of 2017. The increase resulted from higher cement volumes in Mexico, higher ready-mix volumes in the U.S., and higher prices in both markets.

Six months: Net sales increased 11.4% to US\$ 398.8 million. The increase resulted from higher cement and ready-mix volumes in the U.S., higher cement volumes in Mexico, and higher prices in both markets.

NET SALES

Millions of dollars	2Q18	2Q17	2018 vs. 2Q17	1H18	1H17	1H18 vs. 1H17
Consolidated	232.3	217.2	6.9%	398.8	358.0	11.4%
Unites States	172.3	161.2	6.9%	283.2	254.9	11.1%
Mexico	60.0	56.0	7.0%	115.6	103.2	12.0%
	2018 vs. 2Q17			1H18 vs. 1H17		
	Volumes	Prices*		Volumes	Prices*	
Cement						
Unites States	-2.1%	4.0%		6.1%	3.4%	
Mexico	2.9%	9.6%		2.5%	9.6%	
Concrete						
Unites States	7.2%	2.5%		2.5%	3.2%	
Mexico	-3.3%	4.1%		0.6%	3.6%	

* Prices in local currency

U.S. sales rose 6.9% to US\$ 172.3 million and represented 74% of GCC's consolidated net sales. The increase principally reflects an increase of 7.2% in ready-mix volumes and higher cement prices.

Cement sales volumes decreased 2.1%, principally as a result of unfavorable weather conditions in Iowa, North Dakota and South Dakota and delays in paving projects.

Cement prices rose 4.0%, and concrete prices increased 2.5%.

The most dynamic segments in the regions where GCC operates were oil well drilling and fracking sand mines in the Permian Basin in Texas, residential real estate in Minnesota, and public-sector construction in New Mexico.

Six months: U.S. sales increased 11.1% to US\$ 283.2 million. The factors that contributed most were a 3.4% increase in cement prices, a 6.1% increase in cement volumes, and a 2.5% increase in ready-mix volumes.

Mexico sales rose 7.0% to US\$ 60.0 million and represented 26% of total sales. Cement and ready-mix prices rose 9.6% and 4.1% in pesos, respectively. Cement volumes increased 2.9%.

Projects that contributed to 2Q18 results included: real estate and commercial developments, middle income housing, mining projects, and industrial warehouse construction.

Six months: Mexico sales rose 12.0% to US\$ 115.6 million, principally as a result of increases of 9.6% and 3.6% in cement and ready-mix prices, respectively, and a 2.5% increase in cement volumes.

Cost of Sales totaled US\$ 164.2 million in 2Q18 and represented 70.7% of sales, an increase of 0.3 percentage points compared to 2Q17, principally as a result of freight for increased cement exports from Mexico to the U.S. and a higher proportion of ready-mix compared to cement.

Six months: Cost of sales was 71.6% of revenues, a reduction of 2.0 percentage points from the same period of 2017. The reduction was principally a result of an increase in sales prices, operating leverage, efficiencies and a reduction in electricity costs in Mexico.

Operating Expenses decreased 12.6% to US\$ 17.6 million and were equivalent to 7.6% of sales, a decrease of 1.7 percentage points. The decrease resulted mainly from lower SG&A expenses, acquisition-related integration expenses in the 2017 period, and the effect of peso depreciation compared to the dollar.

Six months: Operating expenses decreased 6.8% to US\$ 36.8 million. They were equivalent to 9.2% of sales, a reduction of 1.8 percentage points, as a result of the same factors as above.

Operating Income before Other Expenses increased 14.2% to US\$ 50.4 million.

Six months: Operating income before other expenses grew 39.0% to US\$ 76.4 million.

Other expenses were US\$ 7.2 million, compared to US\$ 0.4 million in the prior year period. The increase was the result of expenses incurred for the purchase and sale of assets in the United States.

Six months: Other expenses were US\$7.3 million, compared to US\$ 0.4 million in the prior year period.

Operating Income decreased 1.1% to US\$ 43.3 million.

Six months: Operating income increased 26.7% to US\$ 69.1 million.

EBITDA increased 8.7% to US\$ 69.4 million. The EBITDA margin represented 29.9% of sales and was 0.5 percentage points higher than 2Q17.

U.S. operations generated 61% of EBITDA, while Mexico operations generated 39%.

Six months: EBITDA increased 22.0% to US\$ 115.0 million, with a margin of 28.8%, 250 basis points higher than the prior year period.

U.S. operations generated 56% of EBITDA, and Mexico generated 44% in the semester.

Net Financial Expenses decreased 4.1% to US\$ 15.6 million. The reduction was the result of the combined effects of lower interest expense on the senior secured notes refinanced in June 2017, an exchange gain instead of an exchange loss, and fees for refinancing bank debt in 2Q18.

Six months: Net financial expenses decreased 13.9% to US\$ 26.7 million.

Income Taxes totaled US\$ 0.4 million, a decrease of 94.0% compared to 2Q17.

Six months: Income taxes totaled US\$ 3.7 million, a decrease of 58.8% compared to the prior year period.

Income from Continuing Operations was US\$ 28.2 million, an increase of 32.1% compared to 2Q17.

Six months: Income from continuing operations rose 81.8% to US\$ 40.0 million. The increase was the result principally of a higher level of operating income and lower net financial expenses.

Discontinued operations generated a loss of US\$ 40.2 million in 2Q18 compared to income of US\$ 0.9 million in 2Q17. The line item includes principally the result of the difference between book value and sale price of the Arkansas and Oklahoma assets sold in 2Q18.

Six months: Discontinued operations generated a loss of US\$ 40.6 million, compared to income of US\$ 2.0 million in 2Q17, for the same reasons as the quarter.

Consolidated Net Income (Loss) was a loss of US\$ 11.9 million, compared to income of US\$ 22.3 million in 2Q17. The loss resulted principally from the discontinued operations.

Six months: There was a consolidated net loss of US\$ 0.6 million in the first six months of 2018, compared to income of US\$ 24.0 million in the same period of 2017.

Earnings (Loss) per Share was a loss of US\$ 0.0360 per share, compared to earnings US\$ 0.0670 in 2Q17.

Six months: There was a loss per share of US\$ 0.0019 compared to earnings per share of US\$ 0.0722 in the first six months of 2017.

Free Cash Flow in the second quarter required resources for US\$ 2.6 million, compared to resources generated of US\$ 2.5 million in 2Q17. This reflected principally increases in maintenance capex because of the timing of scheduled work, income taxes paid, and professional services fees from the purchase and sale transactions in the quarter, which were partially offset by a higher level of EBITDA, a reduction in net working capital requirements, and lower interest expenses.

Six months: Free cash flow was a negative US\$ 13.7 million, 30.7% less than the US\$ 19.7 million used in the first six months of 2017. The result reflected increased EBITDA and lower interest expenses, which were partially offset by increased maintenance capex and income taxes paid.

EBITDA AND FREE CASH FLOW (millions of dollars)

	2Q18	2Q17	Var	1H18	1H17	Var
Operating income before other expenses	50.4	44.2	14.2%	76.4	55.0	39.0%
Depreciation and amortization	19.0	19.7	-3.5%	38.5	39.2	-1.8%
EBITDA	69.4	63.8	8.7%	115.0	94.2	22.0%
Interest (expense)	(23.4)	(26.5)	-11.8%	(28.0)	(44.2)	-36.8%
(Increase) decrease in working capital	(14.7)	(32.1)	-54.1%	(54.0)	(53.8)	0.3%
Taxes	(13.7)	(9.1)	50.2%	(14.6)	(10.7)	36.9%
Other	(5.0)	13.4	n.m.	(1.9)	7.2	n.m.
Flow from continuing operations, net	12.6	9.5	32.2%	16.5	(7.3)	327.0%
Flow from discontinued operations	1.4	2.3	-39.4%	1.7	4.3	-60.7%
Operating Cash Flow	13.9	11.8	18.4%	18.2	(3.0)	n.m.
Maintenance Capex*	(16.5)	(9.3)	78.2%	(31.9)	(16.8)	90.3%
Free cash flow	(2.6)	2.5	n.m.	(13.7)	(19.7)	30.7%
Growth capital expenditures and other related expenses	(11.1)	(9.3)	19.2%	(21.7)	(19.0)	14.3%
Sale of assets	118.5	0.0	100.0%	118.5	0.0	100.0%
Purchase of assets	(107.5)	0.0	100.0%	(107.5)	0.0	100.0%
Debt amortization net	(33.1)	(1.1)	n.m.	(34.9)	(1.4)	n.m.
Dividends paid	0.0	0.0	0.0%	0.0	0.0	0.0%
FX effect	(3.4)	1.5	n.m.	0.2	6.9	-96.4%
Initial cash balance	213.2	137.0	55.6%	232.9	163.9	42.2%
Final cash balance	173.9	130.6	33.2%	173.9	130.6	33.2%

* excludes capital expenditures for growth and expansion

Interest-Bearing Debt as of June 30, 2018 totaled US\$ 661.8 million, based on contractual balances, 5.3% lower than the level as of June 30, 2017. The reduction principally reflects the net amortization of US\$ 33.1 million as part of the bank debt refinancing.

Short-term debt was US\$ 0.4 million, or 0.1% of the total.

GCC's debt is 100% denominated in U.S. dollars.

Net leverage (Net debt/EBITDA) at the end of the second quarter of 2018 was 1.82 times, compared to 2.56 as of June 30, 2017 and 1.86 as of December 31, 2017.

INTEREST-BEARING DEBT (millions of dollars)

	June 2018	June 2017	2018 vs. 2017	Dec- 2017
Total	661.8	699.1	-5.3%	696.7
Short-term	0.4	8.4	-95.2%	17.2
Long-term	661.4	690.7	-4.2%	679.5

**excluding amortizable commissions and issuance expenses*

REVISED OUTLOOK FOR 2018

2018 Outlook		Previous	Revised
United States			
Volumes	Cement	Low single digit increase	9% - 11%
	Cement, like-to-like		2% - 4%
	Concrete		1% - 3%
Prices (US\$)		3% - 5%	3% - 5%
Mexico			
Volumes	Cement	=	1% - 3%
	Ready-mix	=	=
Prices (Ps.)	Cement	3% - 5%	5% - 7%
	Concrete	3% - 5%	3% - 5%
Consolidated			
EBITDA		Mid-single digit increase	11% - 13%
Working capital			Slight increase
Total CAPEX			US\$ 120 million
		Maintenance	60
		Rapid City expansion	60
Net Debt/EBITDA, end -year		≤ 2.0	~ 1.5

BASIS OF PREPARATION FOR FINANCIAL STATEMENTS

Financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and use the U.S. dollar as the presentation currency.

Currency translations from pesos into U.S. dollars use the average monthly exchange rates published by Banco de México, as shown below.

EXCHANGE RATES (Pesos per U.S. Dollar)

	2018	2017
Second quarter average	19.3872	18.5889
As of June 30	20.0553	17.8973
Six month average	19.0687	19.4775

Unless otherwise stated, all percentage changes refer to second quarter (or first six months) of 2018 compared to the corresponding periods of 2017.

U.S. READY MIX VOLUMES FOR CONTINUING OPERATIONS ('000 m³)

	2018	2017
First quarter	95.8	104.7
Second quarter	268.0	249.9
Third quarter		346.5
Fourth quarter		225.9
Total		927.0

ANALYST COVERAGE

In accordance with Mexican Stock Exchange regulations, the Company informs that analysts currently covering GCC stock include: Acciones y Valores Banamex, J.P. Morgan, Bank of America Merrill Lynch, UBS Casa de Bolsa, and Banco Santander S.A.

MATERIAL EVENTS

GCC and CRH complete purchase-sale transactions for certain U.S. cement and ready-mix operations

On June 25, 2018, GCC announced that the company and CRH completed the transactions for cement and ready-mix assets announced on June 14th.

GCC acquired the Trident cement plant in Three Forks, Montana, with a capacity of 315,000 metric tons, from CRH for US\$ 107.5 million.

CRH acquired most of the ready-mix plants and transportation assets belonging to GCC in Oklahoma and northwest Arkansas for US\$ 118.5 million. GCC will reclassify these assets as discontinued operations.

GCC successfully refinanced bank debt

On June 15, 2018, GCC announced the completion of a comprehensive new term loan agreement with its banks. The new agreement replaces all GCC's existing bank debt, reduces interest expense, and improves terms and conditions.

The new US\$ 400 million loan has a term of 5 years, with a variable interest rate spread of 1.25% to 2.0% over Libor, based on GCC's debt/EBITDA ratio. The initial margin will be 1.75%. In addition, the agreement includes an unsecured US\$ 50 million revolving line of credit.

BBVA Bancomer S.A., Banco Nacional de México, S.A., J.P. Morgan Chase Bank, N.A., and The Bank of Nova Scotia are leading the financing.

GCC and CRH received regulatory approval for purchase-sale transactions for certain U.S. cement and ready-mix operations

On June 14, 2018, GCC announced that it has received regulatory approval for two separate transactions. GCC will acquire the Trident cement plant in Three Forks, Montana from CRH. Concurrently, CRH will acquire ready-mix concrete operations and transportation assets in Oklahoma and Arkansas from GCC.

GCC included in the MSCI indices

On June 5, 2018, GCC announced that its stock has been included for the first time in the MSCI family of stock indexes, effective June 1st. As a result, GCC* is now a component of such widely used benchmarks as the MSCI Mexico Small Cap, Emerging Markets (EM) Small Cap, EM Latin America IMI (Investable Market Index) Value Weighted, EM Latin America ex Brazil Small and Mid Cap Growth Indexes, among others.

S&P upgrades GCC's long-term corporate credit rating to BB+

On May 21, 2018, GCC announced that S&P Global Ratings raised its long-term corporate rating for GCC to BB+ from BB, with a stable outlook. S&P also raised the rating on GCC's senior unsecured notes due 2024 to BB+.

In their ratings decision, S&P cited GCC's consistent track record of solid operating performance and continued deleverage because of its disciplined investment strategy, focus on operating efficiencies and cash generation, debt reduction, and prudent financial policy.

The rating action was S&P's second upgrade in less than 12 months.

CONFERENCE CALL

Grupo Cementos de Chihuahua, S.A.B. de C.V. will host its earnings conference call on July 25, 2018.

Time: 11:00 am (Eastern Time) / 10:00 am (Mexico City) / 09:00 am (Mountain Time)

Conference ID: **7370181**

Dial in: U.S.: 1-888-254-3590 Toll Free

International: 1-323-994-2093

Replay (through August 1, 2018):

U.S.: 1-844-512-2921 Toll Free

International: 1-412-317-6671

Listen-only webcast and replay: [click here.](#)

Income Statement

(Thousands of dollars)

	2Q 2018	%	2Q 2017	%	2Q18 / 2Q17
Net sales	232,257	100.0%	217,219	100.0%	6.9%
USA sales	172,271	74.2%	161,178	74.2%	6.9%
Mexico sales	59,986	25.8%	56,041	25.8%	7.0%
Cost of sales	164,222	70.7%	152,906	70.4%	7.4%
Gross income	68,035	29.3%	64,313	29.6%	5.8%
Operating expenses	17,610	7.6%	20,145	9.3%	-12.6%
Operating income before other expenses, net	50,425	21.7%	44,168	20.3%	14.2%
Other expenses, net	7,157	3.1%	435	0.2%	1545.3%
Operating income	43,268	18.6%	43,733	20.1%	-1.1%
Financial income	1,385	0.6%	757	0.3%	83.0%
Financial expenses	(18,865)	-8.1%	(15,472)	-7.1%	21.9%
Exchange gain (loss), net	1,873	0.8%	(1,556)	-0.7%	n.m.
Net financing expenses	(15,607)	-6.7%	(16,271)	-7.5%	-4.1%
Earnings in associates	936	0.4%	519	0.2%	80.3%
Income (loss) before taxes	28,597	12.3%	27,981	12.9%	2.2%
Income taxes	396	0.2%	6,631	3.1%	-94.0%
Income (loss) before discontinued operations	28,201	12.1%	21,350	9.8%	32.1%
Discontinued operations	(40,158)	-17.3%	946	0.4%	n.m.
Consolidated net (loss) income	(11,957)	-5.1%	22,296	10.3%	n.m.
Controlling interest	(11,958)	-5.1%	22,222	10.2%	n.m.
Non-controlling interest	1	0%	74	0.0%	-98.6%
EBITDA	69,407	29.9%	63,829	29.4%	8.7%
Free cash flow	(2,630)	-1.1%	2,463	1.1%	n.m.

Cumulative Income Statement to June

(Thousands of dollars)

	2018	%	2017	%	2018 / 2017
Net sales	398,806	100.0%	358,022	100.0%	11.4%
USA sales	283,236	71.0%	254,870	71.2%	11.1%
Mexico sales	115,570	29.0%	103,152	28.8%	12.0%
Cost of sales	285,582	71.6%	263,577	73.6%	8.3%
Gross income	113,224	28.4%	94,445	26.4%	19.9%
Operating expenses	36,782	9.2%	39,451	11.0%	-6.8%
Operating income before other expenses, net	76,442	19.2%	54,994	15.4%	39.0%
Other expenses, net	7,328	1.8%	435	0.1%	1584.6%
Operating income	69,114	17.3%	54,559	15.2%	26.7%
Financial income	2,965	0.7%	1,547	0.4%	91.7%
Financial expenses	(29,967)	-7.5%	(28,752)	-8.0%	4.2%
Exchange gain (loss), net	265	0.1%	(3,852)	-1.1%	n.m.
Net financing expenses	(26,737)	-6.7%	(31,057)	-8.7%	-13.9%
Earnings in associates	1,328	0.3%	831	0.2%	59.8%
Income (loss) before taxes	43,705	11.0%	24,333	6.8%	79.6%
Income taxes	3,736	0.9%	2,353	0.7%	58.8%
Income (loss) before discontinued operations	39,969	10.0%	21,980	6.1%	81.8%
Discontinued operations	(40,614)	-10.2%	2,044	0.6%	n.m.
Consolidated net (loss) income	(645)	-0.2%	24,024	6.7%	n.m.
Controlling interest	(646)	-0.2%	23,917	6.7%	n.m.
Non-controlling interests	1	0.0%	107	0.0%	-99.1%
EBITDA	114,967	28.8%	94,220	26.3%	22.0%
Free cash flow	(13,678)	-3.4%	(19,726)	-5.5%	30.7%

2017 Income Statement, Restated (Thousands of dollars)

	1Q 2017	%	2Q 2017	%	3Q 2017	%	4Q 2017	%	2017	%
Net sales	140,803	100.0%	217,219	100.0%	251,862	100.0%	214,220	100.0%	824,104	100.0%
USA sales	93,692	66.5%	161,178	74.2%	192,903	76.6%	155,832	72.7%	603,605	73.2%
Mexico sales	47,111	33.5%	56,041	25.8%	58,959	23.4%	58,388	27.3%	220,499	26.8%
Cost of sales	110,671	78.6%	152,906	70.4%	176,101	69.9%	145,801	68.1%	585,479	71.0%
Gross income	30,132	21.4%	64,313	29.6%	75,761	30.1%	68,419	31.9%	238,625	29.0%
Operating expenses	19,306	13.7%	20,145	9.3%	19,290	7.7%	19,088	8.9%	77,829	9.4%
Operating income before other expenses, net	10,826	7.7%	44,168	20.3%	56,471	22.4%	49,331	23.0%	160,796	19.5%
Other expenses, net	-	0.0%	435	0.2%	181	0.1%	15,622	7.3%	16,238	2.0%
Operating income	10,826	7.7%	43,733	20.1%	56,290	22.3%	33,709	15.7%	144,558	17.5%
Financial income	790	0.6%	757	0.3%	726	0.3%	1,257	0.6%	3,530	0.4%
Financial expenses	(13,280)	-9.4%	(15,472)	-7.1%	(16,378)	-6.5%	(12,211)	-5.7%	(57,341)	-7.0%
Exchange gain (loss), net	(2,296)	-1.6%	(1,556)	-0.7%	196	0.1%	1,637	0.8%	(2,019)	-0.2%
Net financing expenses	(14,786)	-10.5%	(16,271)	-7.5%	(15,456)	-6.1%	(9,317)	-4.3%	(55,830)	-6.8%
Earnings in associates	312	0.2%	519	0.2%	494	0.2%	765	0.4%	2,090	0.3%
(Loss) income before taxes	(3,648)	-2.6%	27,981	12.9%	41,328	16.4%	25,157	11.7%	90,818	11.0%
Income taxes	(4,278)	-3.0%	6,631	3.1%	12,397	4.9%	(2,678)	-1.3%	12,072	1.5%
Consolidated net income (loss)	630	0.4%	21,350	9.8%	28,931	11.5%	27,835	13.0%	78,746	9.6%
Discontinued operations	1,098	0.8%	946	0.4%	1,816	0.7%	1,107	0.5%	4,967	0.6%
Consolidated net income	1,728	1.2%	22,296	10.3%	30,747	12.2%	28,942	13.5%	83,713	10.2%
Controlling interest	1,695	1.2%	22,222	10.2%	30,710	12.2%	28,942	13.5%	83,569	10.1%
Non-controlling interest	33	0.0%	74	0.0%	37	0.0%	-	0.0%	144	0.0%
EBITDA	30,391	21.6%	63,829	29.4%	76,588	30.4%	69,027	32.2%	239,835	29.1%

Statement of Financial Position

(Thousands of dollars)

	June 2018	June 2017	Variation
Total assets	1,824,350	1,941,668	-6.0%
Current Assets	486,586	427,769	13.7%
Cash and cash equivalents	173,933	130,619	33.2%
Accounts receivable, net	123,935	120,101	3.2%
Other accounts receivable, net	50,748	44,593	13.8%
Due from related parties	1,255	2,035	-38.3%
Inventories	93,458	85,413	9.4%
Urban land	33,692	34,747	-3.0%
Prepaid expenses	9,564	10,262	-6.8%
Non-current assets	1,337,764	1,513,899	-11.6%
Investment in associates	11,793	9,958	18.4%
Property, machinery and equipment, net	964,216	942,702	2.3%
Goodwill	297,915	404,908	-26.4%
Intangible assets, net	58,172	65,061	-10.6%
Other non-current assets	5,668	5,618	0.9%
Deferred taxes	-	85,652	-100.0%
Total liabilities	916,450	1,042,433	-12.1%
Current liabilities	159,704	166,871	-4.3%
Current portion of long term debt	400	8,400	-95.2%
Trade accounts payable	81,854	70,540	16.0%
Due to related parties	1,003	1,162	-13.7%
Short term - employee benefits	22,460	22,027	2.0%
Accrued expenses and taxes other than income taxes	48,349	58,296	-17.1%
Provisions	5,638	6,446	-12.5%
Long-term liabilities	756,746	875,562	-13.6%
Long term debt	648,025	668,474	-3.1%
Employee benefits	40,815	39,660	2.9%
Provisions for environmental restoration	9,290	8,594	8.1%
Other long-term liabilities	665	693	-4.0%
Income taxes payable	19,097	32,402	-41.1%
Deferred income taxes	38,854	125,739	-69.1%
Total equity	907,900	899,235	1.0%
Controlling interest	907,871	898,872	1.0%
Capital stock	32,070	32,070	0.0%
Additional paid-in capital	148,365	148,365	0.0%
Reserves	22,659	22,659	0.0%
Retained earnings	988,113	917,097	7.7%
Consolidated net (loss) income	(646)	23,917	n.m.
Other comprehensive income	(282,690)	(245,236)	-15.3%
Non-controlling interest	29	363	-92.0%
Total Liabilities and Equity	1,824,350	1,941,668	-6.0%

ABOUT GCC

GCC is a leading supplier of cement, concrete, aggregates, and construction-related services in Mexico and the United States. The Company has annual cement production capacity of 5.4 million tons.

Founded in 1941, the Company's shares trade on the Mexican Stock Exchange under the ticker symbol GCC*.

This earnings report may contain forward-looking statements. All statements that are not clearly historical in nature are forward-looking, and the words "anticipate," "believe," "expect," "estimate," "intend," "project" and similar expressions are generally intended to identify forward-looking statements. These statements are subject to risks and uncertainties including, among others, changes in macroeconomic, political, governmental or business conditions in the markets where GCC operates; changes in interest rates, inflation rates and currency exchange rates; performance of the construction industry; and pricing, business strategy, and other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from the beliefs, projections, and estimates described herein. GCC assumes no obligation to update the information contained in this press release.