

## Grupo México, S.A.B. de C.V. (“Grupo México” “GMéxico” - BMV: GMEXICOB)

- **Consolidated sales in 2Q19 totaled US\$2.72 billion**, 2.0% higher than in the same period of 2018. The Mining Division’s sales totaled US\$2.02 billion—2.0% higher than in 2Q18, despite a decline in Copper, Zinc, and Silver prices. **Sales in the Transportation Division increased 5.8% to US\$636 million. In Infrastructure, sales totaled US\$137 million.**
- **Copper production during 2Q19 totaled 288,561 tons**—16.3% more than in 2018, given a rise in production at all our operations in Mexico, Peru, and the US. In Mexico, production increased 8.8% compared to 2Q18 due to operating improvements at Buenavista, both at the new SX/EW 3 plant and at concentrator 2. As for Peru, the start of operations of the Toquepala expansion supported the increase in production, which was 29.5% greater than in the same period a year earlier. In the US, we achieved a 13.9% increase thanks to the already restarted operation of the mine in Mission, Arizona.
- In the Mining Division, **we confirmed our first place as the Company with the lowest cash cost in the Industry**, at US\$1.02 per lb. of copper during the quarter. In addition, we remain as the leaders worldwide with the largest copper reserves.
- **EBITDA for 2Q19 totaled US\$1.31 billion**, remaining in line with 2Q18. The Mining Division achieved US\$959 million in EBITDA, 0.6% higher than in the same quarter a year earlier. The Transportation Division achieved US\$293 million in EBITDA—10.0% higher compared to the previous year. The Infrastructure Division achieved US\$68 million in EBITDA, 5.2% lower compared to 2Q18.
- **Consolidated net profit** totaled US\$439 million during 2Q19—4.5% less than in 2Q18—given higher depreciation resulting from the new leasing regulation, countered by a gain in the shares held in treasury at AAA companies.
- **Capital investments totaled US\$276 million in 2Q19.** We continued our important growth and trust plan in the countries where we operate. The investment budget for 2019 is US\$2.59 billion, and for 2020 it is US\$3.15 billion.
- As a result of the group’s high investment program for each year, in 2019, we have achieved maximum capacity at our new concentrator in Toquepala and we expect to recover the production at the San Martin mine. **Thereby, this year, we expect production increases of +12% in copper, 36% in zinc, 24% in silver, and 15% in molybdenum.**
- **Early this year, the Management Board approved an investment of US\$413 million to build a concentrator with a capacity of 80,000 tons of Zinc concentrate** at Cananea, Sonora, Mexico. This project will generate 3,760 jobs.
- **On July 8, the construction license for the Tia Maria project in Peru was obtained;** the investment budget is US\$1.40 billion and it will generate a production of 120,000 tons of copper per year.
- **For the Transportation Division, the construction of a yard and bypass in Monterrey, worth US\$81 million, was approved last quarter. The bypass in Celaya, worth US\$120 million, which will have operating benefits, was also approved.**
- **In the Infrastructure Division, an investment of US\$410 million** was approved early this year **for the acquisition of wind farms in the country that** will be able to supply 100% clean electric energy to various industries.
- **In addition, a US\$1.04 billion investment was approved for the fuel storage terminals project,** which will guarantee the supply of gasoline, diesel, and jet fuel throughout the national territory, beginning the first stage with two terminals: Monterrey and Guadalajara.
- On July 19, 2019, the Management Board declared **the payment of a cash dividend of P\$0.80 per share** outstanding, to be made in a single installment as of August 28, 2019. This dividend implies an annualized dividend yield of 7.35%, reflecting the strong operating cash flow generation, given the completion of the first stage of investment with the conclusion of the Buenavista expansion in Sonora, Mexico, and Toquepala in Tacna, Peru, as well as the good results in the other divisions.

(Thousand US Dollars)	Second Quarter		Variance		January - June		Variance	
	2019	2018	US\$000	%	2019	2018	US\$000	%
Sales	2,719,810	2,665,956	53,854	2.0	5,252,104	5,333,696	(81,592)	(1.5)
Cost of Sales	1,373,749	1,328,486	45,263	3.4	2,648,199	2,681,640	(33,441)	(1.2)
Operating Income	920,328	978,213	(57,884)	(5.9)	1,777,712	1,945,962	(168,250)	(8.6)
EBITDA	1,316,037	1,316,298	(261)	(0.0)	2,535,989	2,575,684	(39,695)	(1.5)
<b>EBITDA Margin (%)</b>	<b>48.4%</b>	<b>49.4%</b>			<b>48.3%</b>	<b>48.3%</b>		
Net Income	438,573	459,283	(20,710)	(4.5)	974,363	821,465	152,898	18.6
<b>Profit Margin (%)</b>	<b>16.1%</b>	<b>17.2%</b>			<b>18.6%</b>	<b>15.4%</b>		
Investments / Capex	276,101	421,960	(145,859)	(34.6)	540,463	812,585	(272,122)	(33.5)
Employees	31,761	31,070	691	2.2	31,761	31,070	691	2.2

All figures in US dollars (“US\$”), currency of the United States of America, under U.S. GAAP, except where otherwise stated

## Relevant Events

### Grupo México

**Incident without damages at the Guaymas Marine Terminal.-** On July 9, at our Marine Terminal in Guaymas, Sonora, there was an incident that caused the discharge of approximately 3 cubic meters of sulfuric acid into the sea in the industrial port area.

The Guaymas bay has an estimated water volume of 340 million cubic meters, the spill upon entering in contact with the sea's alkaline conditions, the discharge was quickly diluted and the sulfuric acid was naturally and immediately neutralized. As a result the discharge was considered harmless, and it was found that neither the flora nor fauna of the port area were affected, according to the report from the Ministry of Navy.

On July 10, the Mexican environmental protection agency ("PROFEPA") made a first inspection of the area, concluding that the Company executed all the correct procedures in order to contain the discharge, and no reference was made to the existence of negative impacts on the environment resulting from the incident.

On Friday, July 19, PROFEPA revisited the facilities to carry out a second inspection, declaring a partial temporary shutdown related only to the storage process and transportation of sulfuric acid at the terminal, arguing the absence of an authorization of environmental impact. It is important to note that these facilities have been in operation since 1979, previous to the 1988 Mexican General Law of Ecological Balance and the Protection of the Environment. Therefore, these licenses are not a requirement for companies that have been operating before the mentioned law. In addition, PROFEPA's awarded in 2009 a certification of "Clean Industry and Environmental Quality" for such facility; which was subsequently renewed four times (for periods of two years each).

We do not know the reasons or causes for this partial and temporary closure, but we will continue contributing with the environmental authorities with all the necessary elements in order to provide certainty with respect to the operation, in strict adherence to environmental regulations. We expect the environmental authorities to revoke the partial temporary shutdown, once they clarify their concerns. At this point, we do not expect any impact on our operations, as this terminal has no scheduled shipments until late August.

**Sustainable Development.-** At Grupo Mexico, Sustainable Development is at the core of our business model. This is why, over the last two years, we have invested over US\$950 million in social, healthcare, and security projects, seeking to generate value and wellbeing for our collaborators, their families, and the communities where we are present. Moreover, we remain firmly committed to preserving the environment, because we know that this is the basis for responsible progress. To us, this means development with sense, and it is also what guides us in our daily activities.

**Hospital in Juchitan.-** At Grupo México, we maintain an ongoing commitment to the wellbeing of the communities and the environment; this is why, through Fundación Grupo México, the Specialties Hospital is under construction in Juchitan, Oaxaca, with an investment of P\$178 million.

## Relevant Events Mining Division

### Projects

Our investment philosophy is not based on copper price outlooks, but on the quality of the assets that we operate and develop. Throughout the years, our financial discipline has enabled us to continuously invest in our large project portfolio. **We are currently developing the next stage of growth to achieve a copper production capacity of nearly 2 million tons by 2027. This translates into 76% growth compared to this year's production, which we estimate will be 1,127,800 tons of copper.**

### Projects in Mexico

We are working on several projects in Mexico, with a total capital investment of US\$5.40 billion by the end of 2027, considering the projects we will develop in the medium term at El Arco, El Pilar, and Empalme, as well as those explained below.

**San Martin Mine, Zacatecas.-** We have continued to work on restarting the operations at the San Martin mine; an investment budget of US\$87 million has been assigned by the end of 2Q19. The mine has 300,000 tons of ore and the concentrator started production in mid-May. We are in the stabilization process at the concentrator. For 2019, we estimate an annual production of 9,889 tons of zinc, 3,384 tons of copper, and 1.9 million ounces of silver.

**Buenavista Zinc, Sonora.-** This project is located within the Buenavista deposit in Sonora, and comprises the construction of a concentrator with a production capacity of 80,000 tons of zinc and 20,000 additional tons of copper annually. To date, the basic engineering has been completed and we are working on the process of purchasing the main components of the project. The environmental studies are underway, and the application for the water concessions has been submitted. The budget for this investment is US\$413 million, and it should be operational by 4T21. Once this new concentrator is completed, the Group's zinc production capacity will double to 160,000 tons.

**Pilares, Sonora.-** This project is located in Sonora, 6 km away from the La Caridad mine, and it has an open-pit mine, with an annual production capacity of 35,000 tons of copper concentrates. To date, the environmental permits have been obtained and the engineering for the construction of the 25-meter road for mining trucks to transport the ore between the Pilares pit and the primary crushing plants in La Caridad has been completed. This project will significantly improve the total ore grade (combining the expected 0.78% from Los Pilares with La Caridad's 0.34%). The investment budget is US\$159 million, and it should begin operations in the second half of 2020.

### Projects in Peru

We continue to work on various projects in Peru under our capital investment program. Considering the Tia Maria (US\$1.4 billion), Michiquillay (US\$2.5 billion), and Los Chancas (US\$2.8 billion) projects, our total investment program in Peru increases to US\$8.1 billion, out of which we have invested over US\$1.8 billion.

**Toquepala Expansion Project, Tacna.-** This US\$1.3 billion project includes a new, state-of-the-art copper concentrator that will expand annual copper production to 258,000 tons in 2019, translating into a 52% increase compared to 2018. This project has been completed within budget and we achieved maximum production capacity during 2Q19.

**Tía María - Arequipa.-** On July 8, 2019, we received the construction permit for this new project, which will generate an annual production of 120,000 tons of SX/EW copper metal with a budget of US\$1.4 billion.

We are committed to guarantee to the population of Islay that the Tia Maria project will not affect other economic farming and livestock activities, as the project will use 100% desalinated water for its operations, and a 32km access road will be built far from the Tambo valley for the transportation of inputs and copper production.

In addition to our intense social work with the communities of the Tambo valley, the company is currently implementing its very successful work program "Forging the Future" (Forjando Futuro in Spanish) to train 700 people in 2019 in the Islay province. After the training, the graduates from the program could apply for one of the roughly 9,000 jobs (3,600 direct and 5,400 indirect) required during

the construction stage of Tia Maria. We believe that the start of construction activities for Tia Maria will generate important economic opportunities for the Islay province and the Arequipa region.

Once it is operational, we expect Tia Maria to produce 120,000 tons of copper, generating a significant contribution through royalties and mining taxes from the onset.

## Projects in the US

**Asarco, Arizona.** The project to modernize the Hayden smelting facility in Arizona to comply 100% with the environmental regulation of the Environmental Protection Agency, with an investment of US\$229 million, has been completed. The smelting facility has state-of-the-art technology in its converter furnaces and the collection and management of gases and dusts. This will result in greater efficiency and it will once again reach its copper concentrate smelting design capacity of 630,000 tons per year; it was previously operating at 580,000 tons per year. At present, we are at the startup stage, achieving 80% capacity, and expect to reach 100% capacity during 3Q19.

## Projects in Spain

**Aznalcóllar, Andalucía.-** This project is located only 35 km from the city of Seville in Spain. During 2018 and the first quarter of 2019, exploration activities were carried out with very positive results. On April 8, 2019, the third exploration campaign at Minera Los Frailes was completed, with the drilling of 39 research bore holes totaling over 17,400 meters drilled and 3,992 ore samples analyzed.

The project's administrative processes continue to progress as scheduled, whereby the project is currently at the public information stage to obtain the Unified Environmental Authorization. Moreover, at the urban planning level, the project is also at the public information stage to obtain the Special Plan. Simultaneously, complementary studies on issues of water are still underway to meet the requirements established by the corresponding agency.

The estimated investment for the construction of the project is US\$290 million to begin operations in 2022, and it would enable the Group's annual production to grow by 105,000 tons of zinc equivalent.

## Relevant Events

### Transportation Division

The **Transportation Division** achieved net revenues of US\$636 million and EBITDA of US\$293 million, which translates into increases of 5.8% and 10.0%, respectively, vs. 2Q18.

**Growth of the Automotive Segment.** – This segment showed accrued growth of 20% in revenues, 7% in Tons-Km, and 5% in cars hauled. The increase in revenues is mainly due to a hike in demand from the US west coast. New plants and platforms have begun operations, and this segment's demand and production have increased as well.

**Growth of the Industrial Segment.** - The segment showed 22% accrued growth in Tons-Km in the second quarter, 8% in cars hauled, and 15% in revenues, given a higher demand for new railway cars by railway firms from North America and the increasing import of wastepaper. Likewise, beer exports have grown.

**Growth of the Chemicals Segment.** – The accrued figure for the second quarter shows that the segment gained 5% in revenues and 4% in cars hauled, with Tons-Km. remaining flat. This is due to the increase in fertilizer imports, as well as a recovery of plastic resins routes.

During the second quarter, **the average train length increased 4.6% to 1,823 meters**, which enables us to transport the same load with fewer trains, saving on crews and freeing railway capacity to keep improving speed. Thus, asset productivity and utilization increased.

**Average speed** increased **3.7%** over the levels from 2Q18, and **gross tons by train** increased by **3.2%**, totaling 6,064 tons by train.

## Relevant Events

### Infrastructure Division

**Infrastructure Division.** - During 2Q19, net revenues totaled US\$137 million and EBITDA US\$68.3 million—5% lower than in 2Q18, which was US\$72.1 million. The Infrastructure Division's accrued EBITDA at 2Q19 was US\$132.8 million—1% more than the accrued figure for 2Q18.

**Energy Generation.** - During 2Q19, 898,269 MWh were generated vs. 979,187 MWh in the same period of 2018; this translates into an 8% decrease, due to lower sales volume to third parties (CFE and MEM), given market conditions. However, 2Q19 EBITDA was US\$30.1 million and achieved a 61% margin, given higher sales at the El Retiro wind farm.

**Salamanca – Leon Highway.**- During 2Q19, revenues totaled \$198.1 million pesos—5% more than in the previous year, with an equivalent traffic of 19,559 units. 2Q19 traffic vs. 2Q18 remained flat.

**Silao bypass Project** – In 2018, the deed of concession was signed to build, operate, exploit, preserve, and maintain the Silao Bypass, for a period of 30 years. The bypass shall be a high-spec highway spanning 17.4 km, which will connect the Bajío and Silao internal port with the highway to Guanajuato city. Currently, 100% of the right-of-way on Tranche II-B has been released and 95% physical progress on the construction has been achieved. Tranche I remains in the process of obtaining the release on the right-of-way.

**México Compañía Constructora** – During 2Q19, revenues totaled US\$32.0 million and EBITDA US\$6.7 million, which translates into 26% and 39% decreases, respectively vs. 2Q18. The decrease in EBITDA vs. the previous year is mainly due to the impact on costs resulting from completing the process of rights of way in the railway sector.

**The Crude Oil Division (PEMSA) ended the year with 6 rigs in operation and an average efficiency of 98.9%.**

Revenues during 2Q19 totaled US\$42.9 million and EBITDA US\$22.1 million, increasing 9% and 15%, respectively, compared to 2Q18. The Zacatecas rig restarted operations on April 7.

## Financing

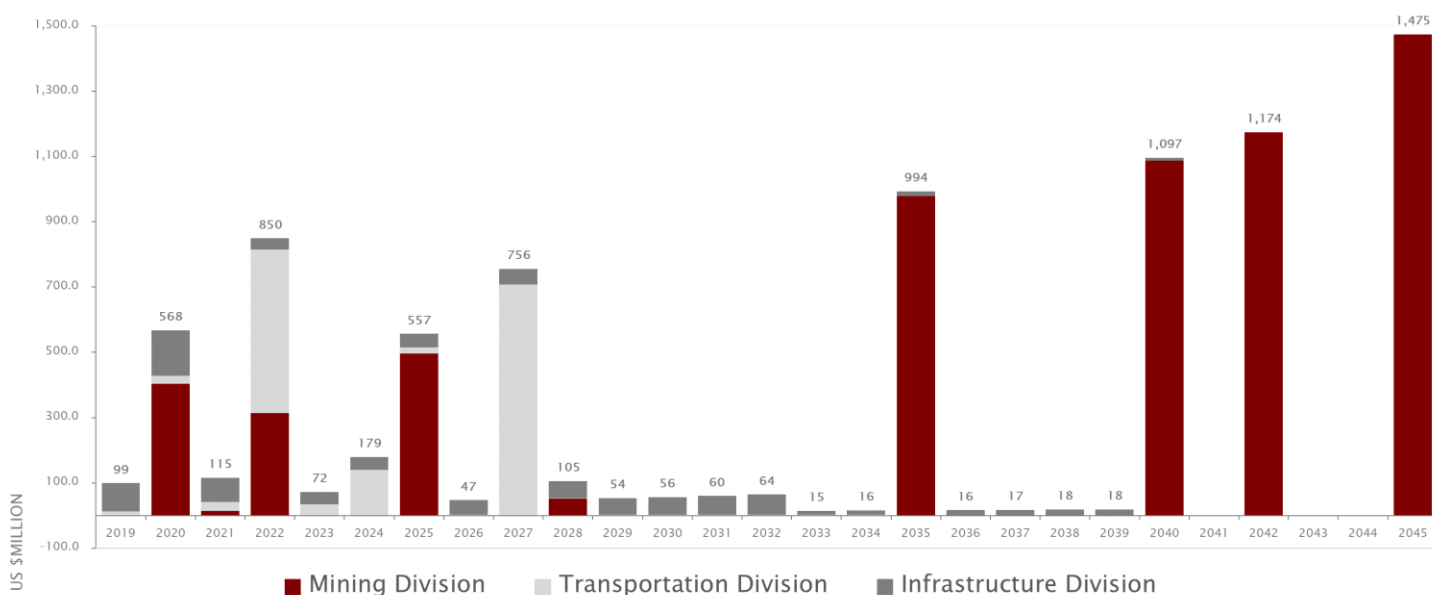
(US\$000)	2018	As of June 30, 2019		
	Gross Debt <sup>(1)</sup>	Gross Debt <sup>(1)</sup>	Cash & Banks <sup>(2)</sup>	Net Debt
Grupo México	-	-	72,255	(72,255)
Americas Mining Corporation	-	-	11,042	(11,042)
Southern Copper Corporation	5,958,552	5,961,688	870,959	5,090,729
Asarco	36,513	35,013	19,323	15,690
GMéxico Transportes	1,167,442	1,200,345	132,785	1,067,560
GFM - Ferromex	251,243	260,522	53,201	207,321
Ferrosur	13,049	8,692	15,672	(6,980)
México Proyectos y Desarrollos	966,761	938,804	62,221	876,583
<b>Grupo Mexico (Consolidated)</b>	<b>8,393,561</b>	<b>8,405,063</b>	<b>1,237,458</b>	<b>7,167,606</b>

(1) include Debt Fees

(2) include Short Term Investment

**Grupo México maintains a solid balance sheet** with low leverage, as its net debt to EBITDA stands at 1.5x. 80% of the debt is USD-denominated and 20% is in pesos. 91% of the debt has a fixed rate. In addition, Grupo México has a comfortable debt payment schedule. This proves that the company's financial soundness enables it to be well positioned to continue with its aggressive expansion program and analyze possible opportunities that may arise in the market.

## Grupo México Maturities Up to June 30, 2019



## Mining Division Americas Mining Corporation Relevant Figures

(Thousand US Dollars)	Second Quarter		Variance		January - June		Variance	
	2019	2018	US\$000	%	2019	2018	US\$000	%
Sales	2,025,339	1,984,828	40,511	2.0	3,939,762	4,071,514	(131,752)	(3.2)
Cost of Sales	1,060,455	1,000,905	59,551	5.9	2,045,348	2,086,675	(41,327)	(2.0)
Operating Income	687,233	754,096	(66,863)	(8.9)	1,361,887	1,529,302	(167,415)	(10.9)
EBITDA	958,776	953,460	5,315	0.6	1,869,387	1,923,452	(54,065)	(2.8)
<b>EBITDA Margin (%)</b>	<b>47.3%</b>	<b>48.0%</b>			<b>47.4%</b>	<b>47.2%</b>		
Net Income	304,999	368,697	(63,698)	(17.3)	755,206	691,452	63,755	9.2
<b>Profit Margin (%)</b>	<b>15.1%</b>	<b>18.6%</b>			<b>19.2%</b>	<b>17.0%</b>		
Investments / Capex	189,548	281,538	(91,990)	(32.7)	373,933	625,789	(251,856)	(40.2)

## Average Metal Prices

		3Q	4Q	1Q	Second Quarter		Var.	January - June		Var.
		2018	2018	2019	2019	2018		%	2019	
Copper	(\$cts/Pound)	2.73	2.74	2.81	2.78	3.09	(10.0)	2.80	3.12	(10.3)
Molybdenum	(\$dolls/Pound)	11.82	12.05	11.79	12.18	11.64	4.6	11.99	11.94	0.4
Zinc	(\$cts/Pound)	1.15	1.19	1.23	1.25	1.41	(11.3)	1.24	1.48	(16.4)
Silver	(\$dolls/Ounce)	14.92	14.51	15.52	14.85	16.50	(10.0)	15.18	16.59	(8.5)
Gold	(\$dolls/Ounce)	1,212.75	1,228.09	1,304.24	1,309.81	1,306.44	0.3	1,307.02	1,317.86	(0.8)
Lead	(\$cts/Pound)	0.95	0.89	0.92	0.86	1.08	(21.0)	0.89	1.11	(20.1)
Sulfuric Acid	(\$dolls/Ton)	61.16	62.58	88.16	103.85	60.11	72.8	96.86	59.18	63.7

Source: Copper & Silver - COMEX; Zinc & Gold - LME;  
Molybdenum - Metals Week Dealer Oxide, Sulfuric Acid - AMC

**Copper.-** Copper production reached 288,561 tons in 2Q19. The drop in Asarco's production was compensated by higher production at the Mexican and Peruvian operations thanks to higher ore grades.

**Molybdenum.-** Molybdenum production in 2Q19 totaled 6,729 tons—25% more than in the same period a year earlier.

**Zinc.-** Zinc production during 2Q19 totaled 17,749 tons—1.3% less than in 2Q18, due to a decrease in production in Santa Eulalia.

**Silver.-** In this second quarter, silver production grew 9.6% compared to the previous year, reaching 5,306 thousand oz.

**Gold.-** Gold production during the quarter reached 17,494 oz.—4% higher than in 2T18—mainly thanks to higher production at Buenavista and La Caridad.



## Mining Production

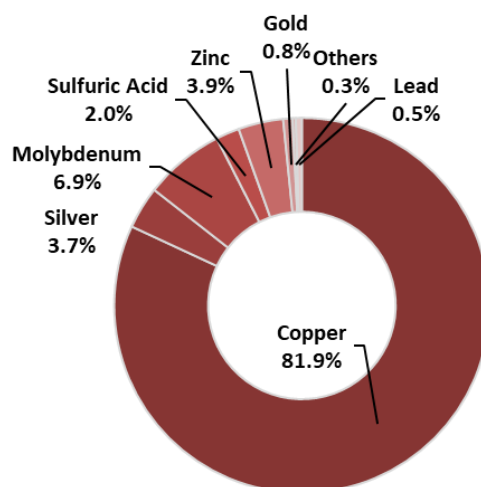
Mining Division	Second Quarter				January - June			
	2019	2018	Variance		2019	2018	Variance	
				%				%
<b>Copper</b>	(m.t.)							
Production	288,561	248,020	40,541	16.3	549,889	479,676	70,214	14.6
Sales	272,703	238,464	34,239	14.4	524,744	484,669	40,075	8.3
<b>Molybdenum</b>	(m.t.)							
Production	6,729	5,395	1,334	24.7	11,874	10,570	1,304	12.3
Sales	6,768	5,439	1,330	24.5	11,872	10,682	1,190	11.1
<b>Zinc</b>	(m.t.)							
Production	17,749	17,983	(234)	(1.3)	36,299	35,719	580	1.6
Sales	26,381	29,033	(2,652)	(9.1)	53,343	55,425	(2,082)	(3.8)
<b>Silver</b>	(Koz)							
Production	3,062	3,400	(338)	(10.0)	6,196	6,550	(354)	(5.4)
Sales	4,936	5,031	(95)	(1.9)	9,991	9,290	701	7.5
<b>Gold</b>	(Oz)							
Production	10,740	12,841	(2,101)	(16.4)	23,140	24,026	(887)	(3.7)
Sales	11,490	15,764	(4,274)	(27.1)	24,961	28,593	(3,632)	(12.7)
<b>Sulfuric Acid</b>	(m.t.)							
Production	690,674	648,394	42,279	6.5	1,273,522	1,333,858	(60,336)	(4.5)
Sales	457,592	472,776	(15,184)	(3.2)	825,372	975,504	(150,133)	(15.4)

## Cash Cost

In 2Q19, operating cash cost per pound of copper, “cash cost”, was US\$1.02, continuing to show operating efficiencies, despite higher costs of fuel, maintenance materials, and labor.

## Sales Distribution

The contribution of each metal to AMC’s accrued sales in 2019 is depicted below:



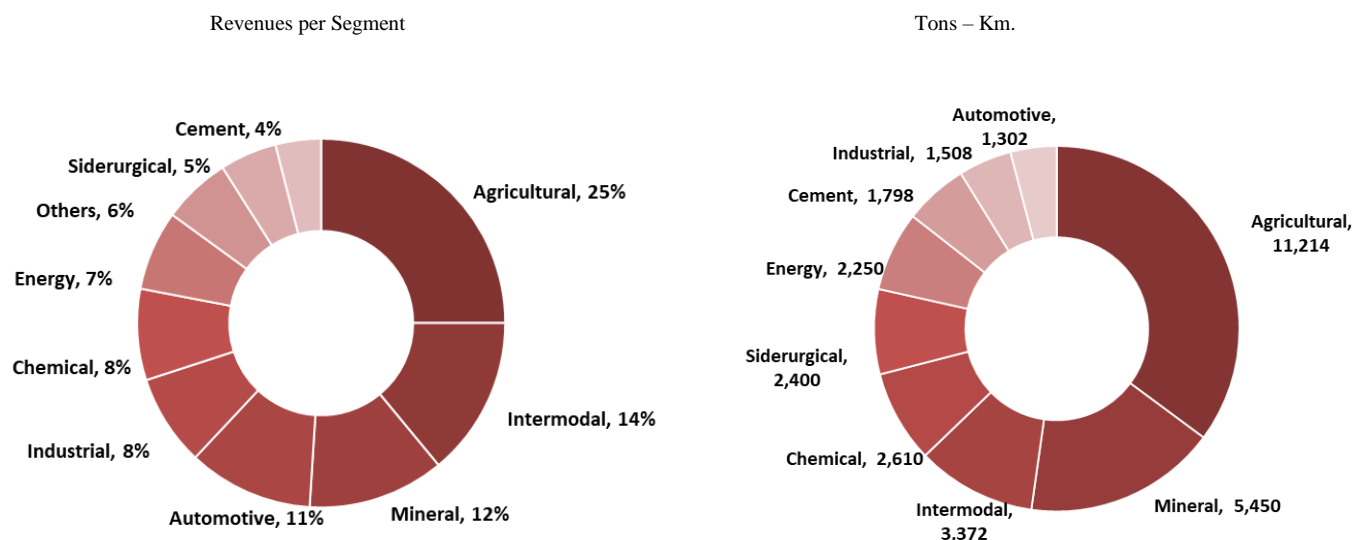
## Transportation Division GMXT Relevant Figures

(Thousand US Dollars)	Second Quarter		Variance		January - June		Variance	
	2019	2018	US\$000	%	2019	2018	US\$000	%
Load Volume (MillionTons/Km)	16,849	16,665	184	1.1	31,904	31,645	259	0.8
Moved Cars	482,568	495,277	(12,709)	(2.6)	937,099	973,777	(36,678)	(3.8)
Sales	636,424	601,303	35,121	5.8	1,203,467	1,144,116	59,351	5.2
Cost of Sales	332,429	339,086	(6,657)	(2.0)	655,400	659,924	(4,524)	(0.7)
Operating Income	192,535	170,483	22,052	12.9	325,362	302,890	22,472	7.4
EBITDA	292,911	266,265	26,646	10.0	540,811	490,491	50,320	10.3
<b>EBITDA Margin (%)</b>	<b>46.0%</b>	<b>44.3%</b>			<b>44.9%</b>	<b>42.9%</b>		
Net Income	82,568	93,257	(10,689)	(11.5)	152,831	193,273	(40,442)	(20.9)
<b>Profit Margin (%)</b>	<b>13.0%</b>	<b>15.5%</b>			<b>12.7%</b>	<b>16.9%</b>		
Investments / Capex	82,216	119,928	(37,712)	(31.4)	158,702	155,664	3,038	2.0

The Transportation Division's **total revenues** in 2Q19 reached US\$636 million—5.8% higher than in 2Q18—consolidating the integration of Florida East Coast Rail Corp with better results in the Mexican operations.

**Volumes transported** were 1.1% greater in tons-Km; the number of cars hauled reached 482,568, with greater activity in the Agriculture, Mining, and Intermodal segments.

Contribution per segment in revenues and tons-km, as well as revenue volume up to June 30, 2019:



In 2Q19, **EBITDA** grew 10% compared to the same period of 2018, reaching US\$293 million **with a 46% margin**.

## Infrastructure Division MPD Relevant Figures

(Thousand US Dollars)	Second Quarter		Variance		January - June		Variance	
	2019	2018	US\$000	%	2019	2018	US\$000	%
Sales	136,795	169,271	(32,477)	(19.2)	280,850	312,816	(31,966)	(10.2)
Cost of Sales	66,359	96,741	(30,382)	(31.4)	141,424	171,549	(30,125)	(17.6)
Operating Income	36,407	41,513	(5,106)	(12.3)	73,258	82,160	(8,902)	(10.8)
EBITDA	68,347	72,089	(3,742)	(5.2)	132,760	131,657	1,103	0.8
<b>EBITDA Margin (%)</b>	<b>50.0%</b>	<b>42.6%</b>			<b>47.3%</b>	<b>42.1%</b>		
Income before Taxes	23,924	27,367	(3,442)	(12.6)	44,411	47,344	(2,933)	(6.2)
Current Income Taxes	6,143	(1,199)	7,342	(612.4)	17,666	11,915	5,752	48.3
Deferred Income Taxes	1,012	(3,271)	4,284	(130.9)	3,484	5,352	(1,868)	(34.9)
Net Income	16,986	31,824	(14,838)	(46.6)	23,261	30,058	(6,798)	(22.6)
<b>EBITDA Margin (%)</b>	<b>12.4%</b>	<b>18.8%</b>			<b>8.3%</b>	<b>9.6%</b>		

During 2Q19, **net revenues** in the Infrastructure Division totaled US\$137 million, following an upward trend compared to the previous year.

The division's **EBITDA** totaled US\$68 million during 2Q19, 5.2% less than a year earlier.

**Net profit** during 2Q19 reached US\$16.99 million.

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## Company Profile

**Grupo México** “GMéxico” is a holding company whose main activities are: (i) mining, as it is one of the largest integrated copper producers worldwide; (ii) the broadest railway system in México; and (iii) engineering, procuring, construction, and drilling services. These business lines are grouped under the following subsidiaries:

GMéxico’s Mining Division is represented by its subsidiary Americas Mining Corporation (“AMC”), whose main subsidiaries are Southern Copper Corporation (“SCC”) in México and Peru, and Asarco In the USA. Both companies together hold the largest copper reserves in the world. SCC is traded on the New York and Lima stock exchanges. SCC’s shareholders, directly or through subsidiaries, are: GMéxico (88.9%) and other shareholders (11.1%). It has mines, metallurgical plants and exploration projects in Peru, México, the US, Spain, Chile, Argentina, and Ecuador. Asarco was reincorporated into GMéxico on December 9, 2009. It has 3 mines and 1 smelting plant in Arizona, and 1 refinery in Texas.

GMéxico’s **Transportation Division** is represented by its subsidiary GMéxico Transportes, S.A. de C.V. (GMXT). Its main subsidiaries are Grupo Ferroviario Mexicano, S.A. de C.V. (“GFM”), Ferrosur, S. A. de C. V. (“Ferrosur”), Intermodal México, S.A. de C.V., Texas Pacifico, LP, Inc., and Florida East Coast Railway Corp “FEC”. GMXT’s shareholders are GMéxico (69.5%), Grupo Carso Sinca Inbursa (16.4%), and others (14.1%). GFM through its subsidiary Ferrocarril Mexicano, S.A. de C.V. (“Ferromex”) is the largest railway company and has the greatest coverage in Mexico. Its network spans 8,111 km. of railways covering roughly 71% of the Mexican territory. Ferromex’s lines connect at five border points with the USA, as well as at four ports on the Pacific Coast, and two on the Gulf of Mexico. Ferromex’s shareholders are GMXT (74%) and Union Pacific (26%). Ferrosur’s railway network spans 1,549 km. covering the center and southeast of the country. It serves the states of Tlaxcala, Puebla, Veracruz, and Oaxaca, mainly, and has access to the Veracruz and Coatzacoalcos ports in the Gulf of Mexico. Ferrosur is fully controlled by GMXT, which holds 100%. Headquartered in Jacksonville, Florida, FEC offers railway services along the east coast of Florida, and is the supplier of railway services to the ports in southern Florida: Miami, Everglades, and Palm Beach. FEC offers services along roughly 565 km of its own railways, with connections to CSX and Norfolk Southern in Jacksonville, Florida. FEC is controlled by GMXT (100%).

GMéxico’s **Infrastructure Division** is represented by its subsidiary México Proyectos y Desarrollos, S.A. de C.V. (“MPD”). Its main subsidiaries are México Compañía Constructora, S.A. de C.V. (“MCC”), Grupo México Servicios de Ingeniería, S.A. de C.V. (“GMSI”), Controladora de Infraestructura Petrolera México, S.A. de C.V. (“PEMSA”), Controladora de Infraestructura Energética México, S.A. de C.V. (“CIEM”), and Concesionaria de Infraestructura del Bajío, S.A. de C.V. (“CIBSA”). MPD, PEMSAs, MCC, GMSI, and CIEM are controlled 100% by GMéxico. MPD and MCC participate in engineering, procuring, and construction activities for infrastructure works. GMSI’s business line is integrated project engineering. PEMSAs offers drilling services for oil and water exploration, and related added value services, such as cementation engineering, and directional drilling. CIEM’s business line is energy generation through two combined cycle plants and a wind farm. CIBSA operates and maintains a highway concession joining Salamanca and Leon.

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This report includes certain estimates and future projections that are subject to risks and uncertainty of their real results, which could differ significantly from the figures expressed. A lot of these risks and uncertainty are related to risk factors that GMéxico cannot control or estimate precisely, such as future market conditions, metal prices, the performance of other market participants, and the actions of government regulators, all of which are described in detail in the Company’s annual report. GMéxico is under no obligation to publish a revision of these future projections to reflect events or circumstances that may take place following the release of this report.

## Conference call to discuss the results of the Second Quarter 2019

**Grupo Mexico, S.A.B. de C.V. (“Grupo México” -BMV: GMEXICOB)** will hold its conference call to comment on the results for the second quarter of 2019 with the financial community on July 24<sup>th</sup>, 2019 at 1 p.m. (Mexico time). A Q&A session for analysts and investors shall follow the call.

To participate, please dial in 10 minutes before the start of the conference call:

(844) 868-5860 (Participants from the US and Canada)  
(215) 372-9505 (Participants outside US)  
01-800-9269157 (Participants from México)

Confirmation code: **7894659**

**During the conference call, please join live presentation through Webex at the following link:**

<https://grupomexico.webex.com/meet/grupo.mexico>

A repetition of the call shall be available 2 hours following the end of the call and until August 7<sup>th</sup>, 2019. Afterwards, a transcription of the call shall be made available via Grupo Mexico’s website.

(855) 859-2056 (Participants from the US and Canada)  
(404) 537-3406 (Participants outside US)

Confirmation Code: **7894659**

### Investor Relations:

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**GRUPO MEXICO, S.A.B. DE C.V. (GM)**  
**CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)**

(Thousands of US Dollars)

	Quarters			Accumulated		
	Q2-19	Q2-18	Variance	2019	2018	Variance
<b>STATEMENT OF EARNINGS</b>						
Net sales	2,719,810	2,665,956	53,854	5,252,104	5,333,696	(81,592)
Cost of sales	1,372,864	1,329,372	43,493	2,648,199	2,681,640	(33,441)
Exploration	10,239	9,353	886	16,546	16,683	(137)
Gross profit	1,336,707	1,327,231	9,476	2,587,359	2,635,372	(48,014)
Gross margin	49%	50%		49%	49%	
Administrative expenses	69,176	67,772	1,403	133,951	130,366	3,586
EBITDA	1,316,037	1,316,298	(261)	2,535,989	2,575,684	(39,695)
Depreciation, amortization and depletion	347,203	281,246	65,957	675,696	559,045	116,651
Operating income	920,328	978,213	(57,884)	1,777,712	1,945,962	(168,250)
Operating margin	34%	37%		34%	36%	
Interest expense	136,367	121,158	15,208	266,136	248,351	17,785
Interest income	(9,503)	(7,645)	(1,858)	(18,507)	(14,572)	(3,936)
(Gain) loss in investments	(32,520)	35,629	(68,149)	(235,134)	168,104	(403,238)
Other (income) expense, net	(29,237)	(19,265)	(9,972)	(26,156)	(848)	(25,308)
Earnings before Tax	855,222	848,336	6,887	1,791,374	1,544,928	246,446
Taxes	300,254	285,981	14,273	604,984	530,943	74,040
Participation in subsidiary not consolidated and associated	4,827	(2,975)	7,802	3,675	(7,579)	11,254
Net Earnings	550,142	565,330	(15,188)	1,182,715	1,021,564	161,151
Net income attributable to the non-controlling interest	111,569	106,047	5,522	208,352	200,099	8,253
Net income attributable to GM	438,573	459,283	(20,710)	974,363	821,465	152,898
<b>BALANCE SHEET</b>						
Cash and cash equivalents	1,237,458	1,626,984	(389,526)	1,237,458	1,626,984	(389,526)
Restricted cash	128,310	115,374	12,936	128,310	115,374	12,936
Notes and accounts receivable	1,262,170	1,226,132	36,037	1,262,170	1,226,132	36,037
Inventories	1,545,870	1,453,944	91,926	1,545,870	1,453,944	91,926
Prepaid and others current assets	575,389	473,189	102,200	575,389	473,189	102,200
Total Current Assets	4,749,197	4,895,624	(146,427)	4,749,197	4,895,624	(146,427)
Property, plant and equipment, Net	16,989,300	16,773,378	153,541	16,926,919	16,773,378	153,541
Leachable material, net	129,214	121,319	7,896	129,214	121,319	7,896
Other long term assets	4,464,173	3,913,589	550,584	4,464,173	3,913,589	550,584
Total Assets	26,331,884	25,703,910	565,593	26,269,503	25,703,910	565,593
<b>Liabilities and Stockholders' Equity</b>						
Current - term debt	568,481	97,149	471,333	568,481	97,149	471,333
Accumulated liabilities	1,536,964	1,542,551	(67,968)	1,474,583	1,542,551	(67,968)
Current Liabilities	2,105,445	1,664,496	378,568	2,043,064	1,664,496	378,568
Long-term debt	7,836,582	8,296,412	(459,830)	7,836,582	8,296,412	(459,830)
Other non-current liabilities	2,400,050	1,696,903	703,147	2,400,050	1,696,903	703,147
Total Liabilities	12,342,077	11,783,876	495,819	12,279,696	11,783,876	495,819
Stockholders equity	2,003,496	2,003,496	(0)	2,003,496	2,003,496	(0)
Other equity accounts	(2,736,361)	(2,701,343)	(35,018)	(2,736,361)	(2,701,343)	(35,018)
Retaining earnings	12,558,102	12,555,910	2,192	12,558,102	12,555,910	2,192
Total Stockholders' equity	11,825,236	11,858,063	(32,826)	11,825,236	11,858,063	(32,826)
Non-controlling interest.	2,164,571	2,061,971	102,600	2,164,571	2,061,971	102,600
Total Liabilities and Equity	26,331,884	25,703,910	565,593	26,269,503	25,703,910	565,593
<b>CASH FLOW</b>						
Net earnings	550,142	565,330	(15,188)	1,182,715	1,021,564	161,151
Depreciation, amortization and depletion	347,203	281,246	65,957	675,696	559,045	116,651
Deferred income taxes	5,889	(45,055)	50,944	87,306	(88,487)	175,793
Participation in subsidiary not consolidated and associated	4,826	(2,975)	7,801	3,675	(7,579)	11,254
Other Net	3,623	5,058	(1,435)	(163,892)	172,250	(336,142)
Changes in assets and liabilities	(357,330)	(284,057)	(73,273)	(361,528)	(231,757)	(129,770)
Cash generated by operating activities	554,353	519,547	34,807	1,423,972	1,425,035	(1,063)
Capital expenditures	(276,101)	(421,960)	145,859	(540,463)	(812,585)	272,122
Restricted cash	17,499	37,595	(20,096)	(10,004)	(70,693)	60,689
Other - Net	16,515	16,793	(278)	(403,078)	90,883	(493,961)
Cash used in investing activities	(231,702)	(358,988)	127,286	(943,160)	(783,812)	(159,349)
Debt incurred	8,759	437,532	(428,773)	24,846	889,409	(864,563)
Debt repaid	(30,305)	(420,669)	390,364	(51,299)	(1,015,148)	963,849
Dividends paid	(396,855)	(271,482)	(125,372)	(806,693)	(568,809)	(237,884)
Other - Net	-	-	-	(813)	(777)	(36)
Cash used in financing activities	(418,401)	(254,619)	(163,781)	(833,959)	(695,325)	(138,634)
Effect of exchange rate changes on cash and cash equivalents	15,951	45,684	(29,733)	35,312	11,702	23,610
Net increase (decrease) cash & cash equivalents	(79,798)	(48,376)	(31,422)	(317,835)	(42,399)	(275,436)
Cash and cash equivalents - Beginning of year	1,317,256	1,675,360	(358,104)	1,555,293	1,669,383	(114,090)
Cash and cash equivalents - End of year	1,237,458	1,626,984	(389,526)	1,237,458	1,626,984	(389,526)

**AMERICAS MINING CORPORATION (AMC)**  
**CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)**

(Thousands of US Dollars)

	Quarters			Accumulated		
	Q2-19	Q2-18	Variance	2019	2018	Variance
<b>STATEMENT OF EARNINGS</b>						
<b>Net sales</b>	<b>2,025,339</b>	<b>1,984,828</b>	<b>40,511</b>	<b>3,939,762</b>	<b>4,071,514</b>	<b>(131,752)</b>
Cost of sales	1,059,569	1,001,791	57,778	2,045,348	2,086,675	(41,327)
Exploration	10,239	9,353	886	16,546	16,683	(137)
<b>Gross profit</b>	<b>955,531</b>	<b>973,684</b>	<b>(18,153)</b>	<b>1,877,868</b>	<b>1,968,156</b>	<b>(90,288)</b>
Gross margin	47%	49%		48%	48%	
Administrative expenses	40,509	30,868	9,641	77,232	62,995	14,237
<b>EBITDA</b>	<b>958,776</b>	<b>953,460</b>	<b>5,315</b>	<b>1,869,387</b>	<b>1,923,452</b>	<b>(54,065)</b>
Depreciation, amortization and depletion	227,789	188,719	39,070	438,750	375,860	62,890
<b>Operating income</b>	<b>687,233</b>	<b>754,096</b>	<b>(66,863)</b>	<b>1,361,887</b>	<b>1,529,302</b>	<b>(167,415)</b>
Operating margin	34%	38%		35%	38%	
Interest expense	85,304	70,024	15,280	164,708	140,979	23,728
Interest income	(4,404)	(2,936)	(1,469)	(7,896)	(5,661)	(2,235)
(Gain) loss in investments	72,496	(28,886)	101,382	(73,630)	96,284	(169,914)
Other (income) expense, net	(36,301)	(2,496)	(33,805)	(52,075)	(3,720)	(48,355)
<b>Earnings before Tax</b>	<b>570,137</b>	<b>718,388</b>	<b>(148,251)</b>	<b>1,330,780</b>	<b>1,301,420</b>	<b>29,360</b>
Taxes	217,101	304,353	(87,252)	485,730	515,414	(29,684)
Participation in subsidiary not consolidated and associated	1,517	(1,525)	3,042	(657)	(5,619)	4,962
<b>Net Earnings</b>	<b>351,519</b>	<b>415,560</b>	<b>(64,041)</b>	<b>845,707</b>	<b>791,625</b>	<b>54,081</b>
Net income attributable to the non-controlling interest	46,520	46,863	(343)	90,501	100,174	(9,673)
<b>Net income attributable to AMC</b>	<b>304,999</b>	<b>368,697</b>	<b>(63,698)</b>	<b>755,206</b>	<b>691,452</b>	<b>63,755</b>
<b>BALANCE SHEET</b>						
Cash and cash equivalents	901,324	1,185,462	(284,138)	901,324	1,185,462	(284,138)
Restricted cash	1,526	3,024	(1,498)	1,526	3,024	(1,498)
Notes and accounts receivable	869,091	884,106	(15,016)	869,091	884,106	(15,016)
Inventories	1,419,256	1,343,404	75,853	1,419,256	1,343,404	75,853
Prepaid and others current assets	382,509	230,093	152,416	382,509	230,093	152,416
<b>Total Current Assets</b>	<b>3,573,706</b>	<b>3,646,089</b>	<b>(72,383)</b>	<b>3,573,706</b>	<b>3,646,089</b>	<b>(72,383)</b>
Property, plant and equipment, Net	10,943,457	10,795,517	85,559	10,881,076	10,795,517	85,559
Leachable material, net	1,227,104	1,129,461	97,643	1,227,104	1,129,461	97,643
Other long term assets	2,661,109	1,575,934	1,085,175	2,661,109	1,575,934	1,085,175
<b>Total Assets</b>	<b>18,405,376</b>	<b>17,147,001</b>	<b>1,195,993</b>	<b>18,342,995</b>	<b>17,147,001</b>	<b>1,195,993</b>
<b>Liabilities and Stockholders' Equity</b>						
Long-term debt	402,993	7,303	395,690	402,993	7,303	395,690
Other non-current liabilities	1,201,059	1,214,472	(75,793)	1,138,678	1,214,472	(75,793)
<b>Current Liabilities</b>	<b>1,604,052</b>	<b>1,221,774</b>	<b>319,897</b>	<b>1,541,671</b>	<b>1,221,774</b>	<b>319,897</b>
Long term debt	5,593,708	5,987,762	(394,055)	5,593,708	5,987,762	(394,055)
Other long term liabilities	2,174,387	851,596	1,322,791	2,174,387	851,596	1,322,791
<b>Total Liabilities</b>	<b>9,372,147</b>	<b>8,061,133</b>	<b>1,248,633</b>	<b>9,309,766</b>	<b>8,061,133</b>	<b>1,248,633</b>
Stockholders equity	1,056,021	1,056,021	-	1,056,021	1,056,021	-
Other equity accounts	(2,514,090)	(2,469,418)	(44,673)	(2,514,090)	(2,469,418)	(44,673)
Retained earnings	9,691,975	9,727,384	(35,409)	9,691,975	9,727,384	(35,409)
<b>Total Stockholders' equity</b>	<b>8,233,906</b>	<b>8,313,988</b>	<b>(80,082)</b>	<b>8,233,906</b>	<b>8,313,988</b>	<b>(80,082)</b>
Non-controlling interest	799,322	771,880	27,442	799,322	771,880	27,442
<b>Total Liabilities and Equity</b>	<b>18,405,376</b>	<b>17,147,001</b>	<b>1,195,993</b>	<b>18,342,995</b>	<b>17,147,001</b>	<b>1,195,993</b>
<b>CASH FLOW</b>						
<b>Net earnings</b>	<b>351,519</b>	<b>415,560</b>	<b>(64,041)</b>	<b>845,707</b>	<b>791,625</b>	<b>54,081</b>
Depreciation, amortization and depletion	227,789	188,719	39,070	438,750	375,860	62,890
Deferred income taxes	(22,617)	(1,201)	(21,416)	46,963	(49,523)	96,486
Participation in subsidiary not consolidated and associated	1,517	(1,525)	3,042	(657)	(5,619)	4,962
Others Net	89,486	(33,954)	123,441	(33,580)	127,273	(160,853)
Changes in assets and liabilities	(217,493)	(132,829)	(84,664)	(528,401)	(216,485)	(311,916)
<b>Cash generated by operating activities</b>	<b>430,202</b>	<b>434,770</b>	<b>(4,568)</b>	<b>768,782</b>	<b>1,023,131</b>	<b>(254,349)</b>
Capital expenditures	(189,547)	(281,537)	91,990	(373,933)	(625,788)	251,855
Other - Net	(6,200)	(31,399)	25,199	(15,551)	(49,846)	34,295
<b>Cash used in investing activities</b>	<b>(195,747)</b>	<b>(312,936)</b>	<b>117,189</b>	<b>(389,484)</b>	<b>(675,634)</b>	<b>286,150</b>
Debt repaid	(750)	-	(750)	(1,500)	(6,083)	4,583
Dividends paid	(303,308)	(234,228)	(69,080)	(613,115)	(335,239)	(277,876)
Others Net	-	-	-	(813)	(777)	(36)
<b>Cash used in financing activities</b>	<b>(304,058)</b>	<b>(234,228)</b>	<b>(69,830)</b>	<b>(615,428)</b>	<b>(342,099)</b>	<b>(273,329)</b>
Effect of exchange rate changes on cash and cash equivalents	(4,281)	50,327	(54,608)	(1,126)	(1,887)	761
<b>Net increase (decrease) cash &amp; cash equivalents</b>	<b>(73,884)</b>	<b>(62,066)</b>	<b>(11,818)</b>	<b>(237,256)</b>	<b>3,511</b>	<b>(240,767)</b>
<b>Cash and cash equivalents - Beginning of year</b>	<b>975,208</b>	<b>1,247,527</b>	<b>(272,320)</b>	<b>1,138,580</b>	<b>1,181,950</b>	<b>(43,371)</b>
<b>Cash and cash equivalents - End of year</b>	<b>901,324</b>	<b>1,185,461</b>	<b>(284,138)</b>	<b>901,324</b>	<b>1,185,461</b>	<b>(284,138)</b>

**GMÉXICO TRANSPORTES, S. A. DE C.V. (GMXT)**  
**CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)**

(Thousands of US Dollars)

	Quarters			Accumulated		
	Q2-19	Q2-18	Variance	2019	2018	Variance
<b>STATEMENT OF EARNINGS</b>						
<b>Net sales</b>	<b>636,424</b>	<b>601,303</b>	<b>35,121</b>	<b>1,203,467</b>	<b>1,144,116</b>	<b>59,351</b>
Cost of sales	332,429	339,086	(6,657)	655,400	659,924	(4,524)
<b>Gross profit</b>	<b>303,995</b>	<b>262,217</b>	<b>41,778</b>	<b>548,067</b>	<b>484,192</b>	<b>63,875</b>
Gross margin	48%	44%		46%	42%	
Administrative expenses	24,198	27,483	(3,285)	49,885	52,304	(2,419)
<b>EBITDA</b>	<b>292,911</b>	<b>266,265</b>	<b>26,646</b>	<b>540,811</b>	<b>490,491</b>	<b>50,320</b>
Depreciation, amortization and depletion	87,262	64,251	23,011	172,820	128,998	43,822
<b>Operating Income</b>	<b>192,535</b>	<b>170,483</b>	<b>22,052</b>	<b>325,362</b>	<b>302,890</b>	<b>22,472</b>
Operating margin	30%	28%		27%	26%	
Interest expense	35,221	32,891	2,330	69,602	74,057	(4,455)
Interest income	(1,829)	(1,963)	134	(3,736)	(4,070)	334
Other (income) expense - Net	(2,125)	(1,895)	(230)	(3,906)	(26,217)	22,311
<b>Earnings before Tax</b>	<b>161,268</b>	<b>141,450</b>	<b>19,818</b>	<b>263,402</b>	<b>259,120</b>	<b>4,282</b>
Taxes	50,123	20,261	29,862	57,071	17,125	39,946
Participation in subsidiary not consolidated and associated	3,310	(1,450)	4,760	4,332	(1,960)	6,292
<b>Net Earnings</b>	<b>107,835</b>	<b>122,639</b>	<b>(14,804)</b>	<b>201,999</b>	<b>243,955</b>	<b>(41,956)</b>
Net income attributable to the non-controlling interest	25,267	29,382	(4,115)	49,168	50,682	(1,514)
<b>Net income attributable to ITM</b>	<b>82,568</b>	<b>93,257</b>	<b>(10,689)</b>	<b>152,831</b>	<b>193,273</b>	<b>(40,442)</b>
<b>BALANCE SHEET</b>						
Cash and cash equivalents	132,785	246,401	(113,616)	132,785	246,401	(113,616)
Notes and accounts receivable	351,179	279,179	72,000	351,179	279,179	72,000
Inventories	56,933	45,167	11,766	56,933	45,167	11,766
Prepaid and others current assets	127,854	98,942	28,912	127,854	98,942	28,912
<b>Total Current Assets</b>	<b>668,751</b>	<b>669,689</b>	<b>(938)</b>	<b>668,751</b>	<b>669,689</b>	<b>(938)</b>
Property, plant and equipment - Net	4,387,833	4,293,807	94,026	4,387,833	4,293,807	94,026
Other long term assets	719,626	410,660	308,966	719,626	410,660	308,966
<b>Total Assets</b>	<b>5,776,210</b>	<b>5,374,156</b>	<b>402,054</b>	<b>5,776,210</b>	<b>5,374,156</b>	<b>402,054</b>
<b>Liabilities and Stockholders' Equity</b>						
Current portion of long-term debt	5,555	5,520	35	5,555	5,520	35
Accumulated liabilities	402,567	321,015	81,552	402,567	321,015	81,552
<b>Current Liabilities</b>	<b>408,122</b>	<b>326,535</b>	<b>81,587</b>	<b>408,122</b>	<b>326,535</b>	<b>81,587</b>
Long-term debt	1,464,004	1,426,214	37,790	1,464,004	1,426,214	37,790
Other non-current liabilities	813,420	645,264	168,156	813,420	645,264	168,156
Other liabilities	11,216	10,980	236	11,216	10,980	236
<b>Total Liabilities</b>	<b>2,696,762</b>	<b>2,408,993</b>	<b>287,769</b>	<b>2,696,762</b>	<b>2,408,993</b>	<b>287,769</b>
Stockholders equity	34,083	34,083	-	34,083	34,083	-
Other equity accounts	(276,415)	(297,481)	21,066	(276,415)	(297,481)	21,066
Retaining earnings	2,890,254	2,826,005	64,249	2,890,254	2,826,005	64,249
<b>Total Stockholders' equity</b>	<b>2,647,922</b>	<b>2,562,607</b>	<b>85,315</b>	<b>2,647,922</b>	<b>2,562,607</b>	<b>85,315</b>
Non-controlling interest.	431,526	402,556	28,970	431,526	402,556	28,970
<b>Total Liabilities and Equity</b>	<b>5,776,210</b>	<b>5,374,156</b>	<b>402,054</b>	<b>5,776,210</b>	<b>5,374,156</b>	<b>402,054</b>
<b>CASH FLOW</b>						
<b>Net earnings</b>	<b>107,835</b>	<b>122,639</b>	<b>(14,804)</b>	<b>201,999</b>	<b>243,955</b>	<b>(41,956)</b>
Depreciation, amortization and depletion	87,262	64,251	23,011	172,820	128,998	43,822
Deferred income taxes	1,651	(5,855)	7,506	(4,610)	(22,825)	18,215
Participation in subsidiary not consolidated and associated	3,310	(1,450)	4,760	4,332	(1,960)	6,292
Other Net	1,109	3,099	(1,990)	2,360	(19,736)	22,096
Changes in assets and liabilities	(49,403)	3,882	(53,285)	(114,017)	(15,441)	(98,576)
<b>Cash generated by operating activities</b>	<b>151,764</b>	<b>186,566</b>	<b>(34,802)</b>	<b>262,884</b>	<b>312,991</b>	<b>(50,107)</b>
Capital expenditures	(82,216)	(119,928)	37,712	(158,702)	(155,664)	(3,038)
Dividends received	318	225	93	644	432	212
Other	-	(1,948)	1,948	-	(1,948)	1,948
<b>Cash used in investing activities</b>	<b>(81,898)</b>	<b>(121,651)</b>	<b>39,753</b>	<b>(158,058)</b>	<b>(157,180)</b>	<b>(878)</b>
Debt incurred	-	-	-	-	439,877	(439,877)
Debt repaid	(1,133)	(2,283)	1,150	(6,497)	(571,397)	564,900
Dividends received (paid) - Net	(83,146)	(32,606)	(50,540)	(178,621)	(117,736)	(60,885)
<b>Cash used in financing activities</b>	<b>(84,279)</b>	<b>(34,889)</b>	<b>(49,390)</b>	<b>(185,118)</b>	<b>(249,256)</b>	<b>64,138</b>
Effect of exchange rate changes on cash and cash equivalents	10,928	(10,434)	21,362	26,546	3,304	23,242
<b>Net increase (decrease) cash &amp; cash equivalents</b>	<b>(3,485)</b>	<b>19,592</b>	<b>(23,077)</b>	<b>(53,746)</b>	<b>(90,141)</b>	<b>36,395</b>
<b>Cash and cash equivalents - Beginning of year</b>	<b>136,270</b>	<b>226,809</b>	<b>(90,539)</b>	<b>186,531</b>	<b>336,542</b>	<b>(150,011)</b>
<b>Cash and cash equivalents - End of year</b>	<b>132,785</b>	<b>246,401</b>	<b>(113,616)</b>	<b>132,785</b>	<b>246,401</b>	<b>(113,616)</b>



**MÉXICO PROYECTOS Y DESARROLLOS, S.A. DE C.V. (MPD)**  
**CONSOLIDATED FINANCIAL STATEMENTS (US GAAP)**

(Thousands of US Dollars)

STATEMENT OF EARNINGS	Quarters			Accumulated		
	Q2-19	Q2-18	Variance	2019	2018	Variance
<b>Net sales</b>	<b>136,795</b>	<b>169,271</b>	<b>(32,477)</b>	<b>280,850</b>	<b>312,816</b>	<b>(31,966)</b>
Cost of sales	66,359	96,741	(30,382)	141,424	171,549	(30,125)
<b>Gross profit</b>	<b>70,435</b>	<b>72,530</b>	<b>(2,095)</b>	<b>139,426</b>	<b>141,267</b>	<b>(1,841)</b>
Gross margin	51%	43%		50%	45%	
Administrative expenses	4,181	3,702	479	7,090	6,921	169
<b>EBITDA</b>	<b>68,347</b>	<b>72,089</b>	<b>(3,742)</b>	<b>132,760</b>	<b>131,657</b>	<b>1,103</b>
Depreciation, amortization and depletion	29,847	27,315	2,532	59,078	52,186	6,892
<b>Operating income</b>	<b>36,407</b>	<b>41,513</b>	<b>(5,106)</b>	<b>73,258</b>	<b>82,160</b>	<b>(8,902)</b>
Operating margin	27%	25%		26%	26%	
Interest expense	16,341	19,386	(3,045)	32,815	36,016	(3,202)
Interest income	(1,766)	(1,979)	213	(3,543)	(3,889)	346
Other (income) expense, net	(2,092)	(3,260)	1,168	(424)	2,689	(3,113)
<b>Earnings before Tax</b>	<b>23,924</b>	<b>27,367</b>	<b>(3,442)</b>	<b>44,411</b>	<b>47,344</b>	<b>(2,933)</b>
Taxes	7,156	(4,470)	11,626	21,150	17,267	3,883
<b>Net Earnings</b>	<b>16,769</b>	<b>31,837</b>	<b>(15,068)</b>	<b>23,261</b>	<b>30,077</b>	<b>(6,816)</b>
Net income attributable to the non-controlling interest	(217)	13	(230)	0	19	(19)
<b>Net income attributable to MPD</b>	<b>16,986</b>	<b>31,824</b>	<b>(14,838)</b>	<b>23,261</b>	<b>30,058</b>	<b>(6,798)</b>
<b>BALANCE SHEET</b>						
Cash and cash equivalents	62,221	83,004	(20,783)	62,221	83,004	(20,783)
Restricted cash	126,785	112,350	14,435	126,785	112,350	14,435
Notes and accounts receivable	41,900	62,840	(20,940)	41,900	62,840	(20,940)
Inventories	69,680	65,371	4,309	69,680	65,371	4,309
Prepaid and others current assets	170,698	138,629	32,069	170,698	138,629	32,069
<b>Total Current Assets</b>	<b>471,284</b>	<b>462,194</b>	<b>9,090</b>	<b>471,284</b>	<b>462,194</b>	<b>9,090</b>
Property, plant and equipment, Net	1,555,996	1,645,591	(89,595)	1,555,996	1,645,591	(89,595)
Other long term assets	368,999	288,292	80,707	368,999	288,292	80,707
<b>Total Assets</b>	<b>2,396,279</b>	<b>2,396,077</b>	<b>202</b>	<b>2,396,279</b>	<b>2,396,077</b>	<b>202</b>
<b>Liabilities and Stockholders' Equity</b>						
Current portion of long-term debt	159,933	84,325	75,608	159,933	84,325	75,608
Accumulated liabilities	168,003	194,492	(26,489)	168,003	194,492	(26,489)
<b>Current Liabilities</b>	<b>327,936</b>	<b>278,817</b>	<b>49,119</b>	<b>327,936</b>	<b>278,817</b>	<b>49,119</b>
Long-term debt	778,871	882,436	(103,565)	778,871	882,436	(103,565)
Other non-current liabilities	90,980	63,654	27,326	90,980	63,654	27,326
<b>Total Liabilities</b>	<b>1,197,787</b>	<b>1,224,907</b>	<b>(27,120)</b>	<b>1,197,787</b>	<b>1,224,907</b>	<b>(27,120)</b>
Stockholders equity	999,313	985,995	13,318	999,313	985,995	13,318
Other equity accounts	(221,446)	(206,733)	(14,714)	(221,446)	(206,733)	(14,714)
Retaining earnings	420,626	391,768	28,857	420,626	391,768	28,857
<b>Total Stockholders' equity</b>	<b>1,198,492</b>	<b>1,171,031</b>	<b>27,462</b>	<b>1,198,492</b>	<b>1,171,031</b>	<b>27,462</b>
Non-controlling interest.	-	139	(139)	-	139	(139)
<b>Total Liabilities and Equity</b>	<b>2,396,279</b>	<b>2,396,077</b>	<b>202</b>	<b>2,396,279</b>	<b>2,396,077</b>	<b>202</b>
<b>CASH FLOW</b>						
<b>Net earnings</b>	<b>16,769</b>	<b>31,837</b>	<b>(15,068)</b>	<b>23,261</b>	<b>30,077</b>	<b>(6,816)</b>
Depreciation, amortization and depletion	29,847	27,315	2,532	59,078	52,186	6,892
Deferred income taxes	1,012	(3,272)	4,284	3,484	5,352	(1,868)
Other Net	13,181	(2,197)	15,378	15,253	3,229	12,024
Changes in assets and liabilities	(52,438)	(85,640)	33,201	(54,666)	(48,411)	(6,255)
<b>Cash generated by operating activities</b>	<b>8,371</b>	<b>(31,957)</b>	<b>40,327</b>	<b>46,410</b>	<b>42,433</b>	<b>3,977</b>
Capital expenditures	(4,169)	(20,496)	16,327	(7,829)	(31,132)	23,303
Restricted cash	17,499	37,595	(20,096)	(10,004)	(70,693)	60,689
Other - Net	(2,105)	(3,721)	1,616	(13,518)	32,782	(46,299)
<b>Cash used in investing activities</b>	<b>11,225</b>	<b>13,378</b>	<b>(2,153)</b>	<b>(31,351)</b>	<b>(69,044)</b>	<b>37,693</b>
Debt incurred	8,759	437,517	(428,758)	24,846	449,517	(424,671)
Debt repaid	(28,422)	(418,386)	389,964	(43,302)	(437,668)	394,366
Other - Net	996	-	996	996	24,218	(23,222)
<b>Cash used in financing activities</b>	<b>(18,667)</b>	<b>19,131</b>	<b>(37,798)</b>	<b>(17,460)</b>	<b>36,067</b>	<b>(53,527)</b>
<b>Net increase (decrease) cash &amp; cash equivalents</b>	<b>928</b>	<b>552</b>	<b>376</b>	<b>(2,401)</b>	<b>9,457</b>	<b>(11,857)</b>
<b>Cash and cash equivalents - Beginning of year</b>	<b>61,292</b>	<b>82,452</b>	<b>(21,160)</b>	<b>64,621</b>	<b>73,548</b>	<b>(8,926)</b>
<b>Cash and cash equivalents - End of year</b>	<b>62,221</b>	<b>83,004</b>	<b>(20,784)</b>	<b>62,221</b>	<b>83,004</b>	<b>(20,784)</b>