



Vitro to acquire PPG's Flat Glass business

- Vitro will buy the flat glass business of PPG.
- The value of the transaction will be approximately USD\$750 million.
- The transaction will make Vitro a world leader in technology for the Flat Glass Industry and will allow it to participate in the US market, in which today it has no significant presence.

San Pedro Garza García, Nuevo León, July 21, 2016.- Vitro, S.A.B. de C.V. (BMV: VITROA), hereinafter "Vitro" or the "Company", the leading glass producer in Mexico, announced the signing of a contract to acquire the assets of the flat glass business from PPG (NYSE: PPG).

The value of the transaction would be approximately USD\$750 million, with the addition of 4 manufacturing plants with a total of 5 furnaces in the United States, a research and development center of Flat Glass and 4 distribution and fabrication facilities in Canada.

The Chairman of the Board of Directors of Vitro, **Adrián Sada González** said, "Through this acquisition we will be putting together more than 200 years of experience in the production of glass and will continue to meet Vitro's commitment to our shareholders and stakeholders of creating value, by acquiring a leader in flat glass and glass coatings technology that participates in one of the most important and high value added markets in the world."

Adrián Sada Cueva, CEO of Vitro, said, "We are proud to announce this transaction, which represents a great success for Vitro. This investment will strengthen our construction glass business, as it will allow us to participate in the US and Canadian markets and in the segment of high performance glass coatings in which we have no significant presence. The combination of the talented teams from both companies is expected to result in a business with greater growth potential."

This operation, based on 2015 figures, would have taken Vitro to a sales and EBITDA Pro forma figures of USD\$1,444 million and USD\$321 million respectively. The Debt/ EBITDA Proforma ratio would have been 1.61 times and the Net Debt / EBITDA Proforma ratio 1.06 times, which reaffirms our commitment to maintain a very solid financial balance Sheet.

The transaction is subject to the usual approvals.

Alfaro, Dávila y Ríos, SC LLP acted as exclusive financial advisor and Cleary Gottlieb Steen & Hamilton as legal advisor, both for Vitro in this transaction.

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Vitro, S.A.B. de C.V. (BMV: VITROA) is the leading glass manufacturer in Mexico and one of the world's major companies in its industry, backed by more than 100 years of experience. Founded in 1909 in Monterrey, Mexico, the Company has subsidiaries in the Americas, offering quality products and reliable services to meet the needs of two businesses: glass containers and flat glass. Companies of Vitro produce, process, distribute, and market a wide range of glass articles, which are part of the daily life of thousands of people. Vitro offers solutions for multiple markets, including cosmetic, pharmaceutical and toiletries, as well as architectural and automotive. The Company is also a supplier of chemical products and raw material, machinery, molds and equipment for industrial use. As a socially responsible organization, Vitro works on several initiatives aligned to its



Sustainability Model, aiming to create a positive influence in the economic, social, and environmental aspects relevant to its stakeholders, in a responsible corporate management framework. For more information, please visit the website: <http://www.vitro.com>.

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