# Vitro Reports Fourth Quarter Unaudited 2018 YoY Results

## 61.3% Increase in Cash Balance, 17% Reduction of Net Debt while going through a difficult Quarter due to Competitive Flat Glass market that resulted in a lower EBITDA

**San Pedro Garza García, Nuevo León, Mexico, February 18, 2019– Vitro, S.A.B. de C.V. (BMV: VITROA), hereinafter "Vitro" or the "Company",** a leading glass producer in North America, announced today its results for the fourth quarter of 2018 ("4Q'18").

## FINANCIAL HIGHLIGHTS*

**Millions of US Dollars**

| FINANCIAL HIGHLIGHTS* | | | |
|---|---|---|---|
| | 4Q'18 | 4Q'17 | % Change |
| Consolidated Net Sales | 540 | 527 | *2.6%* |
| *Flat Glass* | 484 | 472 | *2.5%* |
| *Glass Containers* | 56 | 53 | *4.7%* |
| Cost of Sales | 385 | 380 | *1.3%* |
| Gross Income | 155 | 147 | *5.9%* |
| *Gross Margin* | *28.8%* | *27.9%* | *0.9 pp* |
| SG&A | 100 | 89 | *13.4%* |
| *SG&A % of sales* | *18.6%* | *16.8%* | *1.8 pp* |
| EBIT (1) | 55 | 58 | *-5.5%* |
| *EBIT Margin* | *10.2%* | *11.0%* | *-0.8 pp* |
| EBITDA (1) | 71 | 90 | *-21.6%* |
| *Flat Glass* | 58 | 80 | *-26.7%* |
| *Glass Containers* | 11 | 10 | *12.0%* |
| *EBITDA Margin* | *13.1%* | *17.2%* | *-4.1 pp* |
| Net income | 29 | 43 | *-32.6%* |
| Net Income attributable to controlling interest | 29 | 43 | *-32.7%* |
| Total Debt | 714 | 689 | *3.5%* |
| *Short Term Debt* | 3 | 5 | *-36.6%* |
| *Long Term Debt* | 711 | 685 | *3.8%* |
| Cash & Cash Equivalents | 291 | 180 | *61.3%* |
| Total Net Debt | 422 | 509 | *-17.0%* |

**Millions US$*

(1) EBIT and EBITDA are presented before other expenses and income.

### Fourth Quarter 2018 Highlights

- Vitro announced fourth quarter of 2018 results that showed solid salesgrowth and very good cash generation but weaker EBITDA growth. Increased overall competition, softer industry demand and reorganization costs for the automotive business, together with higher energy costs were the key factors impacting EBITDA for the quarter.

- Consolidated Net Sales increased 2.6% year-over-year ("YoY") during 4Q18 to US$540 million. This was mainly driven by the 2.5% YoY increase in the Flat Glass division which reported revenue of US$484 million benefitting from an increase in the Mexican market. Revenues for the Glass Container unit rose 4.7% to US$56 million, attributable to a better product mix and increased volumes in both businesses, Machinery and Equipment ("FAMA"), and in Cosmetics, Fragrances and Pharmaceutical ("CFT") business

- EBITDA decreased 21.6% YoY to US$71 million, impacted by the Flat Glass Business which posted a 26.7% decline. An increasingly competitive environment in the flat glass market led to price and product mix actions to recover market share, in the Architectural business, additional costs were related to the transference of parts which were moved among facilities in order to improve capacity utilization in the automotive segment. Additional impacts included, a 27% increase in electricity prices in México affecting Architectural, Automotive, CFT and the chemical businesses as well as temporary operational inefficiencies in the automotive businesses. By contrast, Glass Containers Business EBITDA rose 12% mainly driven by the good performance of the CFT Business.

Commenting on Vitro's performance and outlook, Mr. Adrián Sada Cueva, Chief Executive Officer, said "*Our results during the quarter continue to reflect some of the same challenges we faced in the prior quarter. Nevertheless, we were able to deliver solid top line growth and a big increase in our cash generation and net debt reduction, this being achieved while going through a difficult quarter for our margins, which we are working hard to improve. In November we were able to close the sale of our minority equity position in our central American food and Beverage glass container JV at very favorable financial terms. Not only was this an important financial achievement but also an action aligned with the strategy that we embarked on since the end of 2015 when we decided to exit the Food and Beverage container business.*

*Regarding the performance of our business units Automotive posted weaker performance due to operational inefficiencies related to a strategy to realign our plants in order to be more efficient in the medium term, in addition we have faced slower demand in the United States which we believe will continue and even soften more during 2019. At our Architectural Business, we faced temporary operational inefficiencies this quarter in one of our Mexicali facilities, while in the U.S., we continued to experience lower margins from increased competition as we reestablished our full capacity at the Carlisle plant after the fire. We remain fully focused on regaining and maintaining our market share and are proud to have been recently awarded the business to supply glass for the Amazon spheres in Seattle as well as the Singapore airport. Although our operative second half results are not where we would like them to be due to a number of factors, we are taking the necessary steps to further enhance our strong franchise and taking decisions with a long-term perspective."*

*"We remain focused on further increasing the competitiveness of our operations as well as investing in capacity and new product development for higher-value added products. By doing so, we will be better positioned to withstand slower industry demand as well as increased competition. We are making good progress with these initiatives and I am pleased to report that in December we concluded the installation of our new state-of-the-art windshield line in Mexico and are starting to ramp up operations in line with plan, offering innovative value-added products to the OEM industry. Similarly, in Architectural Glass, our state-of-the art MSVD jumbo coating line at our plant in Wichita Falls, Texas dedicated to production of high-performing large expansive low-e glass is already operating over 50% capacity after just a few months in operation.*

*"Looking ahead, and benefitting from our strengthened balance sheet, we will continue to execute on our strategic growth plan as we seek to make investments that improve our competitiveness and grow our capacity to offer the most innovative, distinctive and value-added products to our customers"*

Commenting on the financial results, Mr. Claudio Del Valle, Chief Administrative and Financial Officer, *"We have improved our financial position trough the sale of our minority participation in Empresas Comegua for an amount of US$119 million. Vitro generated net free cash flow of US$47 million in the quarter, which along with the sale of Comegua allowed us to close the year with a cash balance of US$291 million and a net debt to LTM EBITDA ratio of 1.16x. With the goal of further reducing interest expense and improving our maturity profile, during the quarter we pre-paid two loans for a total of approximately US$689 million that were refinanced through a new US$700 million 5-year syndicated loan."*

---

*This report presents unaudited financial information prepared in US Dollars according to International Financial Reporting Standards (IFRS). Certain amounts may not sum due to rounding.*

## REVIEW OF CONSOLIDATED RESULTS

| | Dec'18 | Dec'17 |
|---|---|---|
| ***Inflation in Mexico*** | | |
| Quarter | 2.1% | 2.3% |
| Accumulated | 4.8% | 6.8% |
| ***Inflation in USA*** | | |
| Quarter | -0.5% | -0.1% |
| Accumulated | 1.9% | 2.1% |
| ***Exchange Rate*** | | |
| Closing | 19.65 | 19.66 |
| Average (Acumulated) | 19.25 | 18.88 |
| Average (Quarter) | 20.10 | 19.14 |
| ***Devaluation (Apreciation) MXN/USD*** | | |
| Accumulated (Closing) | -0.1% | -4.6% |
| Quarter (average) YoY | 5.0% | -4.3% |

The Company's results for the fourth quarter 2018 include the financial statements for the Vitro Automotive Glass business in the United States and Europe acquired in March 2017.

This business is consolidated within Vitro's Flat Glass division. As a result, the Flat Glass division is segmented as follows: Automotive Original Equipment Manufacturers (OEM), Automotive Replacement Glass (ARG), Architectural Glass and Chemical business.

The Glass Containers Business Unit is comprised of Cosmetics, Fragrances and Pharmaceutical ("CFT"), and the Molds, Machinery and Equipment ("FAMA") Businesses.

### CONSOLIDATED SALES

Consolidated revenues rose 2.6% YoY to US$540 million, from US$527 million in 4Q'17, benefitting primarily from the export sales for the Architectural, Chemical, ARG and the Machinery and Equipment ("FAMA") Businesses. Organic growth of 6.2% in the domestic market for the Containers Division also contributed to overall higher sales.

## Table 1 - SALES

| | *Millions of US Dollars* | | | | | |
|---|---|---|---|---|---|---|
| | 4Q'18 | 4Q'17 | *YoY% Change* | 12M'18 | 12M'17 | *YoY% Change* |
| **Total Consolidated Sales** | **540** | **527** | ***2.6*** | **2,238** | **2,075** | ***7.9*** |
| Domestic Sales | 159 | 159 | *(0.2)* | 649 | 635 | *2.2* |
| Export Sales | 81 | 74 | *9.9* | 343 | 284 | *20.5* |
| Foreign Subsidiaries | 300 | 293 | *2.3* | 1,247 | 1,156 | *7.9* |
| **Flat Glass** | **484** | **472** | ***2.5*** | **2,001** | **1,852** | ***8.1*** |
| Domestic Sales | 128 | 129 | *(1.3)* | 520 | 512 | *1.5* |
| Export Sales | 56 | 50 | *13.3* | 235 | 184 | *27.8* |
| Foreign Subsidiaries | 300 | 293 | *2.3* | 1,247 | 1,156 | *7.9* |
| **Glass Containers** | **56** | **53** | ***4.7*** | **235** | **216** | ***8.7*** |
| Domestic Sales | 31 | 29 | *6.2* | 128 | 116 | *10.2* |
| Export Sales | 25 | 24 | *2.8* | 108 | 100 | *7.0* |

Flat Glass sales increased 2.5% YoY to US$484 million in 4Q'18, from US$472 million during the same period of 2017, primarily as a result of a solid growth in Architectural and Automotive Businesses.

Revenues from the Architectural Business increased 3% compared to 4Q'17. Mexican subsidiary sales reported increases, with the industrial segment posting growth of 18%, the highest in the segment, benefitting from improved volumes and better product mix. In the Foreign Subsidiaries, Architectural Business sales increased 10% compared to 4Q'17 due to greater volumes and better product mix, with the Jumbo Coater operating at over 50% capacity and the Carlisle's furnace at almost full capacity.

Volume is recovering at the Carlisle plant with a significant increase in production during 4Q'18. The Company is regaining the confidence of its customers as volumes continue to rise, including the award of new long-term agreements and improving its position in the value-added products market. This includes the award of new important contracts for structures such as the Amazon spheres in Seattle as well as the Singapore airport.

In the Automotive Business, the highly competitive environment and the slowdown in industry demand kept pressure on prices and margins. Nonetheless, revenues for this business increased 3% led by the OEM segment in Mexico, and a slight contribution from the U.S. Higher demand in the SUV market reaffirmed the Company's leadership position in this segment, which benefitted mainly from Ford's Explorer and Expedition/Navigator. Moreover, a Hyundai platform was awarded in the US. For the European OEM market, in 2018 Vitro launched new luxury platforms in Poland for Lamborghini Urus and Porsche Cayenne. In the aftermarket segment (ARG), export sales continued to grow supported by the 3Q'17 increase in capacity in Mexico for tempered and laminated products and is now operating over 50% capacity for the Windshield line and almost full capacity for the tempered line.
The Chemical Products business saw an increase in its export sales driven by a recovery of oil and gas prices in the United States, together with higher demand in the de-icing sector. Vitro has also been growing its sales in the South American markets; including Brazil and Argentina.

Glass Containers business revenue increased 4.7% from US$53 million during 4Q'17 to US$56 million during 4Q'18, mainly driven by a good performance of the FAMA business while the CFT business showed a marginal increase in sales during the period.

The solid performance in FAMA, was mainly driven by demand for machines and spare parts with two IS machines sold during the quarter. FAMA is constantly perusing certifications from the leading container producers such as AB InBev and O-I which certified the Company during 2018. FAMA remains focused on prospecting for new clients in Argentina, Chile, and United States.

The CFT business reported higher sales at its Pharmaceutical and Specialty product segments, increasing 8% and 2%, respectively, more than offsetting a slight decrease posted by the Fragrances segment. In South America, Vitro continues enhancing its commercial efforts to gain market share. As a result, a double-digit volume increase was reported in both the Brazil and Colombia Cosmetics markets.

**EBIT AND EBITDA**

Consolidated EBITDA decreased 21.6% to US$71 million in 4Q'18 primarily due to the weaker performance in Architectural Mexico and Automotive business in the US, partially offset by Architectural Glass in the US, and a solid performance of the CFT business and a slight increase from the Molds, Machinery and Equipment ("FAMA") Businesses in the Glass Container division. The Chemical Businesses had similar results compared to the previous year.

## Table 2 - EBIT & EBITDA [1] [2]

| | Millions of US Dollars | | | | | |
|---|---|---|---|---|---|---|
| | 4Q'18 | 4Q'17 | YoY% Change | 12M'18 | 12M'17 | YoY% Change |
| **Consolidated EBIT** | **55** | **58** | ***(5.5)*** | **245** | **273** | ***(10.1)*** |
| ***Margin*** | ***10.2%*** | ***11.0%*** | *-0.8 pp* | ***11.0%*** | ***13.2%*** | *-2.2 pp* |
| Flat Glass | 40 | 52 | *(22)* | 194 | 247 | *(21)* |
| *Margin* | *8.3%* | *10.9%* | *-2.6 pp* | *9.7%* | *13.3%* | *-3.6 pp* |
| Glass Containers | 11 | 7 | *60* | 47 | 41 | *17* |
| *Margin* | *19.5%* | *12.8%* | *6.7 pp* | *20.2%* | *18.8%* | *1.4 pp* |
| **Consolidated EBITDA** | **71** | **90** | ***(21.6)*** | **365** | **393** | ***(7.2)*** |
| ***Margin*** | *13.1%* | *17.2%* | *-4.1 pp* | *16.3%* | *19.0%* | *-2.7 pp* |
| Flat Glass | 58 | 80 | *(27)* | 305 | 351 | *(13)* |
| *Margin* | *12.1%* | *16.9%* | *-4.8 pp* | *15.3%* | *19.0%* | *-3.7 pp* |
| Glass Containers | 11 | 10 | *12* | 58 | 53 | *11* |
| *Margin* | *20.5%* | *19.2%* | *1.3 pp* | *24.9%* | *24.4%* | *0.5 pp* |

[1] EBIT and EBITDA are presented before other expenses and income

[2] Consolidated EBIT and EBITDA includes Corporate subsidiaries.

Flat Glass EBIT was 22% lower YoY to US$40 million, while EBITDA was down 27% to US$58 million in 4Q'18. This was mainly due to a weaker performance in the Automotive Business, the closure of the Creighton facility in August 2018 where capacity reorganization costs were incurred, as well as the time in the product cycle where prices were lower and new contracts remained flat. Additionally, the Architectural business showed low single digit increase during the period. Vitro's efforts to fill capacity and recover customers resulted in a slight decrease in margins. In Mexicali, one of the Architectural Business' production facilities experienced operational inefficiencies that have already been resolved, that resulted in incremental costs.

Energy costs had significant price increases impacting US$9 million mainly in our Mexican facilities. These higher costs directly impacted financial results.

Glass Containers EBIT advanced 60% year over year to US$11 million in 4Q'18, while EBITDA increased 12% YoY to US$11 million from US$10 million during the 4Q'17, mainly driven by a better product mix in CFT domestic sales, as well as favorable volumes in the pharmaceutical segment. This was partially offset by FAMA's weaker results due to excess capacity.

### NET FINANCIAL COST

During 4Q'18 Vitro reported Net Financial Cost of US$15 million, compared to US$ 8 million during the fourth quarter of 2017. Net Interest Expenses decreased from US$11 million in 4Q'17 to US$9 million in 4Q'18 as a result of the new syndicated loan which reduced interest expense as well as improving the Company's maturity debt profile. Other financial income increased to US$3 million for the 4Q'18.

## Table 3: NET FINANCIAL INCOME (COST)

| | Millions of US Dollars | | | | | |
|---|---|---|---|---|---|---|
| | 4Q'18 | 4Q'17 | YoY% Change | 12M'18 | 12M'17 | YoY% Change |
| Net interest income (expenses) | (9) | (11) | *(13.2)* | (37) | (37) | *(0.5)* |
| Other financial (expenses) income [(1)] | (6) | (3) | *NA* | (12) | (10) | *(22.4)* |
| Foreign exchange gain (loss) | (0) | 5 | *NA* | (16) | 9 | *NA* |
| **Net Financial Income (Cost)** | **(15)** | **(8)** | *(83.3)* | **(65)** | **(38)** | *(72)* |

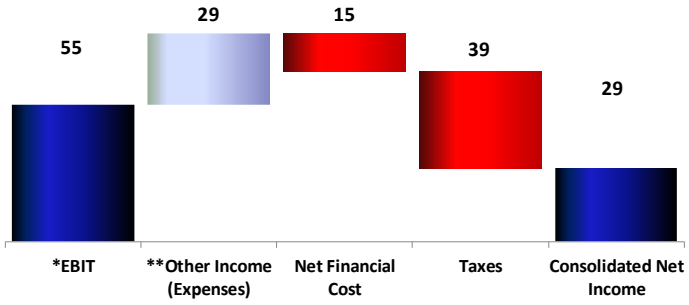
(1) Includes natural gas hedgings and other financial expenses.

YoY % Change is presented in absolute values.

### CONSOLIDATED NET INCOME

The Company reported Consolidated Net Income of US$29 million in the fourth quarter of 2018, which was composed of the following: EBIT of US$55 million, Other Income of US$29 million, benefitted from the sale of Comegua enterprises (US$23.6 million) and Belletech (US$4 million). Net Financial Cost of US$15 million, and US$39 million tax expense. The effective rate on income tax was 57.35%.

**Consolidated Net Income**
**(millions dollars)**




* EBIT is presented before other expenses and income
** Includes equity method participation on associates.

### CONSOLIDATED FINANCIAL POSITION

As of December 31, 2018, the Company had a cash balance of US$291 million, compared to US$106 million at the end of 3Q'18. Total debt was US$714 million comprised of long-term debt denominated in US Dollars and is related to the recent acquisitions. The Debt to EBITDA ratio at the end of the fourth quarter was 1.96x, with Net Debt to EBITDA of 1.16x.

In October, with the obtained resources from the syndicated loan the Company pre-paid two loans of US$689 million in order to reduce interest expense and improve the overall maturity profile. The new US$700 million loan has a term of five years, it will have an initial margin of 2.0% over LIBOR, and subsequently an applicable margin based on the Net Debt / EBITDA ratio.

## Table 4: DEBT INDICATORS

| | Millions of US Dollars, except where indicated | | | | | | |
|---|---|---|---|---|---|---|---|
| | 4Q'18 | 3Q'18 | 2Q'18 | 1Q'18 | 4Q'17 | 3Q'17 | 2Q'17 |
| **Leverage**[1] | | | | | | | |
| (Total Debt / EBITDA[2]) (Times) LTM | 2.0 | 1.8 | 1.7 | 1.7 | 1.8 | 1.9 | 2.2 |
| (Total Net Debt / EBITDA[2]) (Times) LTM | 1.2 | 1.5 | 1.4 | 1.3 | 1.3 | 1.4 | 1.7 |
| **Total Debt** | **714** | **687** | **688** | **689** | **689** | **748** | **749** |
| Short-Term Debt | 3 | 3 | 3 | 2 | 5 | 4 | 4 |
| Long-Term Debt | 711 | 684 | 685 | 687 | 685 | 744 | 745 |
| Cash and Cash Equivalents | 291 | 106 | 128 | 160 | 180 | 214 | 174 |
| **Total Net Debt** | **422** | **581** | **560** | **529** | **509** | **534** | **575** |
| Currency Mix (%) Dlls / Pesos | 100 / 0 | 100 / 0 | 100 / 0 | 100 / 0 | 100 / 0 | 100 / 0 | 100 / 0 |

(1) Financial ratios are calculated using figures in dollars.
(2) EBITDA is Last Twelve Months
(3) EBITDA includes LTM historical information plus proforma data for the acquired businesses.

### CASH FLOW

In 4Q'18 the Company reported a positive Net Free Cash Flow of US$47 million, flat with 4Q'17. Despite the lower EBITDA contribution YoY and lower working capital US$16 million in 4Q'18 versus US$23 million in the 4Q'17. Net Free Cash Flow benefitted from lower capital expenditures and a decrease in net interest payments of US$10 million. No dividends were paid during the period.

## Table 5: CASH FLOW FROM OPERATIONS ANALYSIS [1]

| | Millions of US Dollars | | | | | |
|---|---|---|---|---|---|---|
| | 4Q'18 | 4Q'17 | YoY% Change | 12M'18 | 12M'17 | YoY% Change |
| EBITDA | 71 | 90 | *21.6* | 365 | 393 | *7.2* |
| Working Capital[2] | 16 | 23 | *29.6* | (66) | (18) | *276.0* |
| **Cash Flow from operations before Capex** | **87** | **114** | ***23.2*** | **299** | **376** | ***20.5*** |
| Capex[4] | (35) | (51) | *(32.0)* | (165) | (159) | *(3.9)* |
| **Cash Flow from operations after Capex** | **53** | **63** | ***16.1*** | **133** | **216** | ***38.4*** |
| Net Interest Paid [3] | (1) | (11) | *91.0* | (31) | (36) | *(15.0)* |
| Cash Taxes (paid) recovered | (4) | (4) | *7.3* | (47) | (45) | *(5.4)* |
| Dividends | - | - | *NA* | (32) | (25) | *(25.1)* |
| **Net Free Cash Flow** | **47** | **47** | ***0.1*** | **23** | **110** | ***(78.8)*** |

(1) This statement is a cash flow analysis and it does not represent a Cash Flow Statement according with IFRS.
(2) Includes: trade receivables, inventories, suppliers, other current assets and liabilities including IVA (Value Added Tax).
(3) Includes interest income, natural gas hedgings and other financial expenses.

### CAPITAL EXPENDITURES:

Capex totaled US$35 million during the fourth quarter of the year. Funds were expended as follows: US$8 million for the Architectural Business mainly focused on scheduled maintenance; US$21 million for the Automotive business, mainly for new platform services in Mexico & United States and completion of a double press windshield line which will enable Vitro to maintain its high product quality assurance; US$2 million for the Fragrance and Pharmaceutical Business in Mexico; and US$1 million for the maintenance in the Machinery and Equipment of FAMA Business.

**RELEVANT EVENTS:**

**Vitro announces the suspension of the Public Offer to Re-Purchase shares**
On December 10, 2018 - Vitro informed the Market that the Board of Directors has decided to suspend until further notice the proposed process to initiate a public offer to re-purchase shares. The Company believes that it is a better use of capital to maintain liquidity in the event attractive investment opportunities arise in the future.

**Vitro Held Its Ordinary Shareholders' Meeting**
On November 28, 2018 - Vitro informed the Market that at the Ordinary Shareholders' Meeting, it was agreed an increase of the maximum amount of resources that may be allocated to the purchase of the Company's shares, in the amount of $ 1,750 million Mexican pesos.

**Vitro announce the retirement of Richard Beuke, President of Vitro Architectural Glass**
On November 16, 2018 – Vitro announced that Richard Beuke after a distinguished career in the industry, will retire effective March 31st, 2019. Vitro recognizes his leadership and achievements accomplished during the 42 years of his career. Concurrently, Ricardo Maiz has accepted the position of President of Vitro Architectural Glass commencing January 1st, 2019. By this date, all direct reports of Richard Beuke will report to Ricardo Maiz. Mr. Maiz holds a bachelor's degree in economics from the ITESM and has an MBA from Wharton School of Business. With 18 years of experience in the glass industry, Ricardo has held different executive positions at Vitro in areas such as Strategic Planning, Finance, and Business Development. To ensure a smooth and effective transition, Richard will support Ricardo through March in his new role.

**Vitro announces the sale of its equity participation in Empresas Comegua**
On November 12, 2018 – Vitro announced the sale of its 49.7% participation in Empresas Comegua, S.A. ("Comegua") to Owens-Illinois, Inc. (NYSE: OI), the world's largest glass container manufacturer. Comegua is a joint-venture dedicated to the sale of Food and Beverage glass containers in Central America and the Caribbean with two manufacturing plants and two sand mining operations with over 1,500 employees. Proceeds to Vitro were US$119 million.

**Vitro announce the retirement of Joseph Stas**

On October 10, 2018 – Vitro announced that Joseph Stas, President of Vitro Automotive, has informed his intention of retirement after 40 years of service, effective in April 1st , 2019.The Company appreciates Joe's partnership with our customers and his leadership has been instrumental during this integration and throughout his career.
In order to sustain and drive our automotive strategy and integration, Salvador Minarro, CFO of Vitro Automotive, has been appointed as successor for President of Vitro Automotive. Salvador has over 22 years of experience in the glass industry with Vitro and Libbey Glass in commercial, finance and general management roles. He has a proven track record and extensive executive experience which makes him the ideal successor to lead Vitro Automotive towards our vision of global market leadership. As of January 1st, 2019, Salvador will be formally appointed as President, Vitro Automotive. At that time, all automotive functions will report directly to him. Joe Stas will continue to support Salvador full-time through March and assist with the on-going transition items.

**Vitro announces prepayment of debt contracted with Inbursa and BBVA Bancomer**

On October 2, 2018 – Vitro informs that yesterday his debt refinancing process was completed by the two prepayments of its debt contracted with Inbursa of US $ 500 million and BBVA Bancomer US $ 170 million.
These prepayments were made through the syndicated loan announced in July of US$ 700 million where BBVA Bancomer, S.A., Institución de Banca Múltiple; Grupo Financiero BBVA Bancomer ("BBVA"); HSBC México S.A., Multiple Banking Institution; and Grupo Financiero HSBC ("HSBC"), acted as Joint Lead Arrangers and Joint Bookrunners. The remaining resources of the syndicated loan will be used for lease prepayments and administrative expenses.

**Investor Relations Contacts:**


| INVESTORS | U.S. AGENCY |
|---|---|
| Roberto Salinas Margáin | Susan Borinelli |
| Vitro S.A.B. de C.V. | InspIR Group |
| + (52) 81-8863-1154 | (646) 330-5907 |
| rsalinasm@vitro.com | susan@inspirgroup.com |


## About Vitro

Vitro, S.A.B. de C.V. (BMV: VITROA) is a leading glass manufacturer in North America 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 around the globe, offering quality products and reliable services to meet the needs of two businesses: flat glass and glass containers. 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 architectural and automotive as well as cosmetic, pharmaceutical and toiletries. 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, visit: http://www.vitro.com

**Disclaimer**

*This press release contains historical information, certain management's expectations, estimates and other forward-looking information regarding Vitro, S.A.B. de C.V. and its Subsidiaries (collectively the "Company"). While the Company believes that these management's expectations and forward looking statements are based on reasonable assumptions, all such statements reflect the current views of the Company with respect to future events and are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated in this report. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic, political, governmental and business conditions worldwide and in such markets in which the Company does business, changes in interest rates, changes in inflation rates, changes in exchange rates, the growth or reduction of the markets and segments where the Company sells its products, changes in raw material prices, changes in energy prices, particularly gas, changes in the business strategy, and other factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. The Company does not assume any obligation, to and will not update these forward-looking statements.*

**Use of Non-IFRS Measures**

*A body of International Financial Reporting Standards is commonly referred to as "IFRS". A financial measure is generally defined as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that may not be fully comparable with IFRS. In this report we use certain measures that are different to IFRS, among which is included EBITDA. EBITDA would not be so adjusted in the most comparable IFRS measure. We disclose in this report certain non-IFRS financial measures, including EBITDA. EBITDA: operating profit plus depreciation and amortization, and provision for employee retirement obligations with impact in the operating profit.*

***To fully comply with the Mexican Stock Exchange Regulation, art. 4.033.01 Section VIII, the Company states that at the date of this press release, the following Brokerage or Credit Institutions provide analysis coverage to our securities: GBM Grupo Bursátil Mexicano, S.A. de C.V., Casa de Bolsa.*

# CONSOLIDATED

## VITRO, S.A.B. DE C.V. AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31st, 2018 AND 2017

| | Dollars | | |
|---|---|---|---|
| **FINANCIAL POSITION** | **4Q'18** | **4Q'17** | **% Var.** |
| Cash & Cash Equivalents | 291 | 180 | *61.2* |
| Trade Receivables | 301 | 295 | *2.0* |
| Inventories | 386 | 336 | *15.0* |
| Other Current Assets | 73 | 76 | *(3.4)* |
| **Total Current Assets** | **1,051** | **887** | *18.5* |
| Property, Plant & Equipment | 1,226 | 1,177 | *4.2* |
| Deferred taxes | 119 | 137 | *(13.2)* |
| Other Long-Term Assets | 29 | 33 | *(9.8)* |
| Investment in Associates | 8 | 90 | *(91.2)* |
| Intangible asset | 337 | 351 | *(3.9)* |
| **Total Non Current Assets** | **1,719** | **1,788** | *(3.8)* |
| **Total Assets** | **2,771** | **2,675** | ***3.6*** |
| Short-Term & Current Debt | 3 | 5 | *(36.6)* |
| Trade Payables | 205 | 231 | *(11.1)* |
| Other Current Liabilities | 189 | 157 | *20.5* |
| **Total Current Liabilities** | **397** | **393** | *1.2* |
| Long-Term Debt | 711 | 685 | *3.8* |
| Other LT Liabilities | 195 | 213 | *(8.5)* |
| **Total Non Current Liabilities** | **905** | **898** | *0.9* |
| **Total Liabilities** | **1,303** | **1,290** | *1.0* |
| Controlling interest | 1,467 | 1,384 | *6.0* |
| Noncontrolling interest | 1 | 1 | *(9.5)* |
| **Total Shareholders Equity** | **1,468** | **1,385** | *6.0* |

| **FINANCIAL INDICATORS**[1] | **4Q'18** | **4Q'17** |
|---|---|---|
| Debt/EBITDA (LTM, times) | 2.0 | 1.8 |
| EBITDA/ Interest. Exp. (LTM, times) | 9.9 | 10.7 |
| Net Debt/EBITDA (LTM, times) | 1.2 | 1.3 |
| Debt / (Debt + Equity) (times) | 0.3 | 0.3 |
| Debt/Equity (times) | 0.5 | 0.5 |
| Total Liab./Stockh. Equity (times) | 0.9 | 0.9 |
| Curr. Assets/Curr. Liab. (times) | 2.6 | 2.3 |
| Sales (LTM)/Assets (times) | 0.8 | 0.8 |
| EPS (US$) (YTD)* | 0.3 | 0.4 |

* Based on w eighted average outstanding shares year to date

| **OTHER INFORMATION** | **4Q'18** | **4Q'17** |
|---|---|---|
| # Shares Issued (thousands) | 483,571 | 483,571 |
| # Weighted Average Shares Outstanding (thousands) | 479,227 | 482,703 |
| # Employees | 14,912 | 14,817 |

(1) Financial ratios are calculated using figures in dollars.

# CONSOLIDATED

## VITRO, S.A.B. DE C.V. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF INCOME

FOR THE PERIODS, (MILLIONS)

| INCOME STATEMENT | Fourth Quarter Dollars | | | January - December Dollars | | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | % Var. | 2018 | 2017 | % Var. |
| Consolidated Net Sales | 540 | 527 | 2.6 | 2,238 | 2,075 | 7.9 |
| Cost of Sales | 385 | 380 | 1.3 | 1,615 | 1,446 | 11.7 |
| **Gross Income** | **155** | **147** | 5.9 | **624** | **629** | (0.8) |
| SG&A Expenses | 100 | 89 | 13.4 | 378 | 356 | 6.2 |
| **Operating Income** | **55** | **58** | (5.5) | **245** | **273** | (10.1) |
| Other Expenses (Income), net | (28) | 1 | NA | (21) | (21) | NA |
| **Operating income after other expenses (income), net** | **83** | **57** | **45.6** | **267** | **294** | **(9.3)** |
| Share in earnings (loss) of unconsolidated associated companies | 1 | 3 | (66.9) | 6 | 6 | 0.4 |
| Interest Expense | 9 | 10 | (12.5) | 39 | 38 | 3.1 |
| Interest (Income) | 0 | 0 | NA | (2) | (0.6) | 223.3 |
| Other Financial Expenses, net | 6 | 3 | 100.5 | 12 | 10 | 22.4 |
| Foreign Exchange Loss (Income) | 0 | (5) | NA | 16 | (9) | NA |
| Net financial cost | 15 | 8 | 83.3 | 65 | 38 | 71.7 |
| **Income (loss) before Tax** | **68** | **51** | 33.5 | **208** | **262** | (20.7) |
| Income Tax | 39 | 8 | 409.9 | 46 | 68 | (32.6) |
| **Net income (loss)** | **29** | **43** | (32.6) | **162** | **194** | (16.4) |
| Net Income (loss) attributable to controlling interest | 29 | 43 | (32.7) | 162 | 194 | (16.5) |
| Net Income (loss) attributable to noncontrolling interest | 0 | (0) | -- | 0 | 0 | 231.7 |

## VITRO, S.A.B. DE C.V. AND SUBSIDIARIES

### SEGMENTED INFORMATION

FOR THE FOLLOWING PERIODS, (MILLION)

| | Fourth Quarter Dollars | | | January - December Dollars | | |
|---|---|---|---|---|---|---|
| | 2018 | 2017 | % | 2018 | 2017 | % |
| **FLAT GLASS** | | | | | | |
| Net Sales | 484 | 472 | *2.5%* | 2,001 | 1,852 | *8.1%* |
| EBIT [4] | 40 | 52 | *-22.1%* | 194 | 247 | *-21.2%* |
| Margin [1] | 8.3% | 10.9% | | 9.7% | 13.3% | |
| EBITDA [4] | 58 | 80 | *-26.7%* | 305 | 351 | *-13.0%* |
| Margin [1] | 12.1% | 16.9% | | 15.3% | 19.0% | |
| **Flat Glass volumes** | | | | | | |
| Construction (Thousand m2R) [2] | 66,688 | 60,799 | *9.7%* | 270,102 | 237,176 | *13.9%* |
| Automotive (Thousands pieces) | 15,149 | 14,452 | *4.8%* | 62,576 | 53,009 | *18.0%* |
| Soda Ash (Thousand Tons) | 184 | 176 | *4.4%* | 712 | 694 | *2.6%* |
| **GLASS CONTAINERS** | | | | | | |
| Net Sales | 56 | 53 | *4.7%* | 235 | 216 | *8.7%* |
| EBIT [4] | 11 | 7 | *59.8%* | 47 | 41 | *16.8%* |
| Margin [1] | 19.5% | 12.8% | | 20.2% | 18.8% | |
| EBITDA [4] | 11 | 10 | *12.0%* | 58 | 53 | *10.6%* |
| Margin [1] | 20.5% | 19.2% | | 24.9% | 24.4% | |
| **Glass containers volumes (MM Pieces)** | | | | | | |
| Domestic | 139 | 156 | *-10.7%* | 553 | 550 | *0.6%* |
| Exports | 138 | 136 | *1.5%* | 553 | 557 | *-0.8%* |
| Total:Dom.+Exp. | 277 | 292 | *-5.0%* | 1,106 | 1,107 | *-0.1%* |
| **CONSOLIDATED [3]** | | | | | | |
| Net Sales | 540 | 527 | *2.6%* | 2,238 | 2,075 | *7.9%* |
| EBIT [4] | 55 | 58 | *-5.5%* | 245 | 273 | *-10.1%* |
| Margin [1] | 10.2% | 11.0% | | 11.0% | 13.2% | |
| EBITDA [4] | 71 | 90 | *-21.6%* | 365 | 393 | *-7.2%* |
| Margin [1] | 13.1% | 17.2% | | 16.3% | 19.0% | |

[1] EBIT and EBITDA Margins consider Consolidated Net Sales.

[2] m2R = Reduced Squared Meters.

[3] Includes corporate companies and other's sales and EBIT.

[4] EBIT and EBITDA are presented before other expenses and income effect.