



Vitro Reports 93.8% and 62.6% YoY Increase in Sales and 116.7% and 81.5% in EBITDA in Mexican Pesos and Dollars respectively

San Pedro Garza García, Nuevo León, Mexico, February 22, 2017 – Vitro, S.A.B. de C.V. (BMV: VITROA), hereinafter “Vitro” or the “Company”, the leading glass producer in Mexico, today announced its unaudited results for the fourth quarter of 2016 (“4Q’16”).

Fourth Quarter 2016 Highlights

- Consolidated Net Sales rose 93.8% year-on-year (“YoY”) to Mexican Pesos (MXN) MX\$7,445 million, driven by increases of 125.2% in Flat Glass and 5.3% in Glass Containers. Measured in US Dollars (USD), revenues increased 62.6% YoY to US\$372 million, mainly driven by the acquisition of Flat Glass and Coatings from PPG, notwithstanding a 19.2% YoY MXN depreciation versus USD (quarterly average).
- EBITDA rose 116.7% YoY to MX\$1,780 million, driven by a 118.7% YoY increase in the Flat Glass EBITDA following the integration of Flat Glass and Coatings from PPG to the Flat Glass segment and an improvement in the automotive sector. The EBITDA increase was moderated by fourth quarter expenses related to the refurbishing of the Mexicali float line and one of the furnaces in the cosmetic business. In US\$ terms, EBITDA increased 81.5 percent YoY to US\$89 million.
- As of yearend 2017, the company had a cash position of US\$240 million following the payment out of our own resources of a portion of the Flat Glass and Coatings acquisition from PPG. Debt at the end of the quarter was US\$513 million comprised mainly of the financing for the purchase of the PPG business.

Commenting on Vitro’s performance and outlook, Mr. Adrián Sada Cueva, Chief Executive Officer, said: *“This quarter Vitro achieved great results even though the exchange rate continued to be volatile. In Mexican pesos, sales increased significantly by 93.8 percent thanks to a good performance in the Flat Glass and Container segments, as well as the integration of the Flat Glass and Coatings business from PPG in the United States.”*

“As anticipated early in the year, this quarter we began the repair and capacity expansion of our Mexicali float glass furnace which is expected to be completed by the end of the year. Despite the reduction in capacity in the quarter, we achieved a 116.7 percent increase in EBITDA in pesos and 81.5 percent in US dollars mainly driven by the acquisition of the Flat Glass and coating business of PPG, a better priced mix and our commitment to deliver cost reduction measures.”

Mr. Sada further noted, *“As announced on December 19, the acquisition of PGW’s OEM business will allow us to create a company with greater growth potential. This business features state-of-the-art technology for the production of*

FINANCIAL HIGHLIGHTS*

Million of US Dollars

FINANCIAL HIGHLIGHTS*			
	4Q'16	4Q'15	% Change
Consolidated Net Sales	372	229	62.6%
Glass Containers	54	61	-11.6%
Flat Glass	316	167	88.8%
Cost of Sales	240	152	57.9%
Gross Income	133	77	71.8%
Gross Margins	35.6%	33.7%	1.9 pp
SG&A	69	40	70.1%
SG&A % of sales	18.5%	17.7%	0.8 pp
EBIT ⁽²⁾	64	37	73.6%
EBIT Margins	17.2%	16.1%	1.1 pp
EBITDA ⁽²⁾	89	49	81.5%
Glass Containers	10	13	-23.3%
Flat Glass	79	43	83.7%
EBITDA Margins	24.0%	21.5%	2.5 pp
Net income (loss) from continuing operations	53	12	341.8%
Net income from discontinued operations	-	8	
Net Income attributable to controlling interest	53	23	136.0%
Total Debt	513	1	-
Short Term Debt	1	1	79.3%
Long Term Debt	512	0	-
Cash & Cash Equivalents ⁽¹⁾	240	414	-41.9%
Total Net Debt	273	(413)	-

* Million US\$ Nominal
(1) Cash & Cash Equivalents include cash to be used on Flat Glass acquisition.
(2) EBIT and EBITDA are presented before other expenses (income).

automotive glass, which will give us strong participation and leadership in the industry. That, coupled with the great talent of the staff of both businesses will result in a company with better growth expectations.”

Commenting on the financial information, Mr. Claudio Del Valle, Chief Administrative and Financial Officer, noted: *“The company's EBITDA rose 116.7 percent to MX\$1,780 million. The company closed the quarter with US\$240 million in cash, resulting in a very healthy ratio of Net Debt to Ebitda of 1.05 times. Vitro remains committed to maintaining a conservative debt profile combined with a healthy balance sheet. ”*

“With the previous acquisition of the Flat Glass business in the United States, we confirm that Vitro continues on the path of profitable growth. However, the company now also differentiates by having a higher innovation component in its product mix in addition to the productivity gains with which we have worked for years. Further to the expansion of our international operations, we are setting up a strong company with the capacity to offer solutions of greater added value to our clients while continuing to deliver good results for our shareholders and all our stakeholders” concluded Mr. Sada.

Financial statements were prepared according to International Financial Reporting Standards (IFRS). The Peso figures included in the document are presented in nominal Pesos which could affect its comparability. Dollar figures are in nominal US dollars and are obtained by dividing nominal pesos for each month by the end of month fixed exchange rate published by Banco de México. In the case of the Balance Sheet, US dollar translations are made at the fixed exchange rate as of the end of the period. Certain amounts may not sum due to rounding. All figures and comparisons are in US dollar terms, unless otherwise stated, and may differ from the peso amounts due to the difference in exchange rates.

According to IFRS, the F&B business sale to O-I meet the criteria identified in IFRS 5, therefore, its financial information is accounted for as a discontinued operation and presented accordingly to comply with such requirements.

REVIEW OF CONSOLIDATED RESULTS

	Dec'16	Dec'15
Inflation in Mexico		
Quarter	1.9%	1.5%
Accumulated	3.4%	2.1%
LTM	3.4%	2.1%
Inflation in USA		
Quarter	0.5%	-0.6%
Accumulated	2.5%	0.7%
LTM	2.5%	0.73%
Exchange Rate		
Closing	20.6194	17.2487
Average (Acumulated)	18.7193	15.9809
Average (Quarter)	20.0079	16.7862
Devaluation (Apreciation)		
Accumulated (Closing)	19.5%	17.0%
Quarter (average) YoY	19.2%	19.6%
Accumulated (Average)	17.1%	19.5%

Following the divestiture of the Food and Beverage (F&B) Glass Containers division to Owens-Illinois, Inc. (NYSE:OI) on September 1, 2015, the Company made some changes to the composition of its reportable segments structure. Prior to the divestiture, the Chemical business was grouped within the Glass Containers segment. Effective 3Q'15, the Chemical business became part of the Flat Glass segment as it more closely aligns with Vitro's new structure. Selected financial information for the year 2014 and the first two quarters of 2015 has been reclassified in order to present comparable segment financial information according to the new structure. Likewise, starting on the fourth quarter of 2016, the recently acquired division of Flat Glass and Glass Coatings (former PPG's) in the United States and Canada will be grouped into the Flat Glass segment.

The Glass Containers business unit includes the Cosmetics, Fragrances and Toiletries (CFT) segment, our participation in the Comegua joint venture in Central America, - accounted for under the equity method- and the Molds, Machinery and Equipment businesses. The Flat Glass business unit includes Automotive Original Equipment Manufacturers (OEM) and Automotive Glass Replacement (AGR) segments, the Construction segment, and the Chemical business.

CONSOLIDATED SALES

Consolidated Net Sales increased 93.8% to MX\$7,445 million in 4Q'16, from MX\$3,841 million in 4Q'15. In US dollars, revenue increased 62.6% to US\$372 million in 4Q'16 mainly due to a 19.2%YoY peso depreciation (quarterly average) which impacts peso revenue when translated into dollars.

Table 1 - SALES

	Million of Mexican Pesos						Million of US Dollars					
	YoY%			YoY%			YoY%			YoY%		
	4Q'16	4Q'15	Change	12M'16	12M'15	Change	4Q'16	4Q'15	Change	12M'16	12M'15	Change
Total Consolidated Sales	7,445	3,841	93.8	19,840	14,127	40.4	372	229	62.6	1,051	882	19.2
Domestic Sales	3,030	2,656	14.1	11,344	9,588	18.3	152	158	(4.3)	606	598	1.4
Export Sales	1,233	1,097	12.4	5,070	4,145	22.3	62	65	(5.7)	272	259	5.0
Foreign Subsidiaries	3,182	88	3,519.9	3,426	394	769.1	159	5	2,937.3	173	25	596.0
Glass Containers	1,078	1,024	5.3	4,474	3,311	35.1	54	61	(11.6)	240	205	16.7
Domestic Sales	607	623	(2.4)	2,448	1,741	40.6	30	37	(18.1)	131	107	22.1
Export Sales	471	402	17.2	2,027	1,570	29.1	24	24	(1.6)	109	98	10.8
Foreign Subsidiaries	-	-	--	-	-	--	-	-	--	-	-	--
Flat Glass	6,314	2,804	125.2	15,199	10,747	41.4	316	167	88.8	802	672	19.3
Domestic Sales	2,370	2,032	16.7	8,730	7,789	12.1	119	121	(2.1)	466	487	(4.3)
Export Sales	762	695	9.6	3,043	2,574	18.2	38	41	(8.1)	163	161	1.5
Foreign Subsidiaries	3,182	88	3,519.9	3,426	394	769.1	159	5	2,937.3	173	25	596.0

Glass Containers sales, measured in Mexican Pesos increased 5.3% to MX\$1,078 million in 4Q'16. In US dollars, sales decreased by 11.6% to US\$54 million in 4Q'16, from US\$61 million in 4Q'15. This performance reflects the cyclic behavior in the segment which during the fourth quarter of the year becomes moderate to low. However, even thou export related sales volume fell slightly, in year-over-year terms revenues from the segment improved in Mexican peso terms due to the exchange rate fluctuation. Domestic sales decreased 2.4 percent in peso terms. In US dollars there was an of 18.1 percent reduction to from US\$37 million in 4Q'15 to US\$30 million in 4Q'16. Export sales remained at US\$24 million from 4Q'15 to 4Q'16.

Flat Glass sales increased 125.2% to MX\$6,314 million, but were affected by the 19.2% YoY peso depreciation (quarterly average). In US dollars, Flat Glass sales increased to US\$316 million in 4Q'16, from US\$167 million in 4Q'15. In addition to the recently acquired Flat Glass and Coatings business, sales were driven mainly by a good performance and price improvement in the construction sector, which was partially offset by exchange rate fluctuations. In the automotive sector, even with a decrease in the OEM sector we have an improvement on sales measured in pesos due to the exchange rate, new platforms, and adding a higher volume in the automotive aftermarket. This performance was partially offset by lower export sales from the chemical business, which was impacted by a mild winter season in the United States and the challenging oil price environment.

EBIT AND EBITDA

Consolidated EBIT increased 107.7% to MX\$1,274 million in 4Q'16. In US dollars, EBIT increased 73.6% to US\$64 million in 4Q'16, from US\$37 million in 4Q'15. Consolidated EBITDA rose 116.7% to MX\$1,780 million, while EBITDA margin expanded to 23.9% from 21.4% in the same period last year. In US dollar terms, EBITDA was US\$89 million, representing an 81.5% increase from US\$49 million in 4Q'15.

EBIT and EBITDA increased YoY, driven by the acquisition of the Flat Glass and Coatings business from PPG as well as a healthy product mix and the realization of benefits from cost saving initiatives.

Table 2 - EBIT & EBITDA ^{(1) (2)}

	Million of Mexican Pesos						Million of US Dollars					
	YoY%			YoY%			YoY%			YoY%		
	4Q'16	4Q'15	Change	12M'16	12M'15	Change	4Q'16	4Q'15	Change	12M'16	12M'15	Change
Consolidated EBIT	1,274	613	107.7	3,779	2,264	67.0	64	37	73.6	201	141	42.7
Margin	17.1%	16.0%	1.1 pp	19.0%	16.0%	3 pp	17.2%	16.1%	1.1 pp	19.1%	16.0%	3.1 pp
Glass Containers	144	210	(32)	882	665	33	7	12	(41)	48	41	16
Margin	13.3%	20.5%	-7.2 pp	19.7%	20.1%	-0.4 pp	13.6%	20.5%	-6.9 pp	19.8%	20.0%	-0.2 pp
Flat Glass	1,115	590	89	2,960	1,783	66	56	35	59	157	110	42
Margin	17.7%	21.0%	-3.3 pp	19.5%	16.6%	2.9 pp	17.7%	21.1%	-3.4 pp	19.5%	16.4%	3.1 pp
Consolidated EBITDA	1,780	821	116.7	4,890	3,090	58.3	89	49	81.5	259	193	34.7
Margin	23.9%	21.4%	2.5 pp	24.6%	21.9%	2.7 pp	24.0%	21.5%	2.5 pp	24.7%	21.8%	2.9 pp
Glass Containers	200	221	(10)	1,098	843	30	10	13	(23)	59	53	13
Margin	18.5%	21.6%	-3.1 pp	24.5%	25.5%	-1 pp	18.8%	21.7%	-2.9 pp	24.7%	25.6%	-0.9 pp
Flat Glass	1,575	720	119	3,878	2,333	66	79	43	84	205	145	41
Margin	24.9%	25.7%	-0.8 pp	25.5%	21.7%	3.8 pp	25.0%	25.7%	-0.7 pp	25.6%	21.6%	4 pp

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

⁽²⁾ Consolidated EBIT and EBITDA includes Corporate subsidiaries.

Glass Containers EBIT decreased 32% to MX\$144 million in 4Q'16 with margin of 13.3%, from MX\$210 million in 4Q'15 and a 20.5% margin in the same period last year. In US dollar terms, EBIT was US\$7 million in 4Q'16 compared with US\$12 million in 4Q'15. EBITDA decreased 10% to MX\$200 million in 4Q'16 from MX\$221 million in 4Q'15, while EBITDA margin decreased to 18.5% from 21.6% in the same quarter last year. In US dollars, EBITDA decreased 23% to US\$10 million in 4Q'16, from US\$13 million in 4Q'15.

The decrease versus 4Q'15 was mainly due to a better product mix in molds and machinery during that quarter, which was partially compensated by higher sales volume in the pharmaceutical and fragrances industry in 4Q'16.

Flat Glass EBIT rose 89% YoY to MX\$1,115 million, while EBIT margin decreased to 17.7% from 21% in 4Q'15. In US dollars, EBIT increased 59% to US\$56 million in 4Q'16, from US\$35 million in 4Q'15. EBITDA rose 119% YoY to MX\$1,575 million, while EBITDA margin decreased to 24.9%, from 25.7% in the same period last year. In US dollar terms, EBITDA increased 84% to US\$79 million, from US\$43 million in 4Q'15.

The increases in EBIT and EBITDA were mainly driven by the integration of the Flat Glass and Coatings business from PPG in the United States and Canada, a better mix product and continued cost reduction initiatives, all these partially offset by the exchange rate movement.

NET FINANCIAL COST

Table 3: NET FINANCIAL INCOME (COST)

	Million of Mexican Pesos						Million of US Dollars					
			YoY%			YoY%			YoY%			YoY%
	4Q'16	4Q'15	Change	12M'16	12M'15	Change	4Q'16	4Q'15	Change	12M'16	12M'15	Change
Net interest income (expenses)	(117)	42	--	(80)	(1,049)	92.4	(6)	3	--	(4)	(67)	94.4
Other financial (expenses) income ⁽¹⁾	(68)	(153)	55.8	(147)	(356)	58.8	(3)	(9)	63.4	(8)	(22)	65.1
Foreign exchange gain (loss)	72	311	76.9	703	(1,306)	--	4	18	79	37	(84)	--
Net Financial Income (Cost)	(113)	200	--	476	(2,711)	--	(5)	11	--	26	(173)	--

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

YoY % Change is presented in absolute values.

In 4Q'16 Vitro reported Net Financial Cost of MX\$113 million, compared with Net Financial Product of MX\$200 million in 4Q'15. The Company reported a Foreign Exchange (FX) Gain of MX\$72 million in 4Q'16, compared to a FX Gain of MX\$311 million in the same period last year. In 4Q'16 Vitro reported net interest expense of MX\$117 million mainly due to the interest related to the acquisition financing component for the purchase of the Flat Glass and Coatings Business from PPG. Meanwhile net interest income of MX\$42 million in 4Q'15 was mainly generated by a cash balance in the Company. Other financial expenses were reduced to MX\$68 million from MX\$153 million in the prior year quarter, mainly due to the termination of the gas hedge contracts.

In US dollar terms, Vitro reported Net Financial Costs of US\$5 million in 4Q'16, compared with Net Financial Product of US\$11 million in 4Q'15. The Company reported a Foreign Exchange (FX) Gain of US\$4 million in 4Q'16, compared to an FX gain of US\$18 million in the same period last year. There were net interest expenses of US\$6 million in 4Q'16 from US\$3million income in 4Q'15. Other financial expenses decreased to US\$3 million from US\$9 million in the same period of last year.

INCOME TAX

Table 4: TAXES

	Million of Mexican Pesos						Million of US Dollars					
			YoY%			YoY%			YoY%			YoY%
	4Q'16	4Q'15	Change	12M'16	12M'15	Change	4Q'16	4Q'15	Change	12M'16	12M'15	Change
Accrued Income Tax	(36)	(348)	90	123	78	(57)	(2)	(21)	90	7	5	(29)
Deferred Income Tax (gain)	(109)	974	--	374	193	94	(5)	58	--	22	8	178
Total Income Tax	(145)	627	--	496	271	83	(7)	37	--	29	13	121

YoY % Change is presented in absolute values.

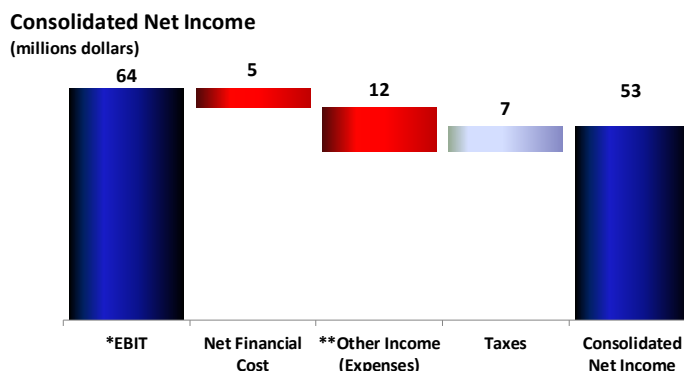
In 4Q'16 Vitro reported a Total Income Tax gain of MX\$145 million, compared to a Total Income Tax expense of MX\$627 million in 4Q'15, primarily reflecting the effect of a Deferred Income Tax gain MX\$109 million in 4Q'16, while in the same period last year, taxes reflected a Deferred Income Tax expense of MX\$974 million. In 4Q'15 Vitro reported an Accrued Income Tax gain of MXN348 million compared to MX\$36 million in 4Q'16.

Measured in US dollars, Income Tax gain was US\$7 million in 4Q'16, compared to an expense of US\$37 million in 4Q'15.

CONSOLIDATED NET INCOME

The Company reported Consolidated Net Income MX\$1,051 million from continuing operations, EBIT of MXN\$1,274 million, Net Financial Cost of MX\$113 million and Other Expenses of MX\$256 million. This compares with a Consolidated Net Income from continuing operations of MX\$203 million in 4Q'15, EBIT of MX\$ 613 million, a Net Financial Product of MX\$200 million and Other Income of MX\$17 million.

In US dollars, Vitro reported Consolidated Net Income of US\$53 million, EBIT of US\$64 million and a Net Financial Cost of US\$5 million and Other Expenses of US\$12 million.



* EBIT is presented before other expenses (income).

** Includes equity method participation on associates.

CONSOLIDATED FINANCIAL POSITION

Table 5: DEBT INDICATORS

	<i>Million of US Dollars, except where indicated</i>						
	4Q'16	3Q'16	2Q'16	1Q'16	4Q'15	3Q'15	2Q'15
Leverage⁽¹⁾							
(Total Debt / EBITDA) (Times) LTM	2.0	2.3	0.0	0.0	0.0	0.0	2.9
(Total Net Debt / EBITDA) (Times) LTM	1.05	0.0	0.0	0.0	0.0	0.0	2.4
Total Debt⁽³⁾	513	497	0	0	1	1	1,137
Short-Term Debt	1	0	0	0	1	1	288
Long-Term Debt	512	497	0	0	0	0	849
Cash and Cash Equivalents ⁽²⁾	240	924	424	443	414	509	169
Total Net Debt	273	(427)	(424)	(442)	(413)	(507)	968
Currency Mix (%) Dlls / Pesos	100 / 0	100 / 0	0.0	0.0	74 / 26	74 / 26	92 / 8

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

(2) Cash & Cash Equivalents include cash to be used on Flat Glass acquisition.

(3) According to IFRS, our accounts receivable securitization trusts are included in the Consolidated Financial Statements of Vitro and Subsidiaries.

As of December 31st, 2016, the Company had cash and cash equivalents of US\$240 million; compared with a US\$414 million balance in 4Q'15.

Total Debt at the end of the quarter was US\$513 million, of which approximately 97% has a floating interest rate and is fully denominated in US dollars.

CASH FLOW

Table 6: CASH FLOW FROM OPERATIONS ANALYSIS ⁽¹⁾

	Million of Mexican Pesos						Million of US Dollars					
			YoY%			YoY%			YoY%			YoY%
	4Q'16	4Q'15	Change	12M'16	12M'15	Change	4Q'16	4Q'15	Change	12M'16	12M'15	Change
EBITDA	1,780	821	116.7	4,890	3,090	58.3	89	49	81.5	259	193	34.7
Working Capital ⁽²⁾	520	619	16.1	164	(256)	--	26	37	30.1	6	(18)	--
Cash Flow from operations before Capex	2,299	1,440	59.6	5,054	2,834	78.3	115	86	33.7	266	175	51.9
Capex ⁽⁵⁾	(1,257)	(332)	(278.4)	(2,439)	(906)	(169.1)	(63)	(20)	(217.8)	(127)	(56)	(127.1)
Cash Flow from operations after Capex	1,042	1,108	6.0	2,615	1,928	35.6	52	66	21.3	139	119	16.6
Net Interest Paid ⁽³⁾	(147)	(61)	142.8	(253)	(1,327)	80.9	(7)	(4)	109.4	(13)	(82)	84.0
Cash Taxes (paid) recovered ⁽⁴⁾	(1)	(43)	98.4	(285)	(425)	33.1	(0)	(3)	99.0	(16)	(27)	40.7
Dividends	-	(22)	--	(384)	(12,828)	97.0	-	(1)	--	(22)	(750)	97.1
Net Free Cash Flow	894	982	9.0	1,693	(12,652)	--	45	59	23.9	88	(740)	--

(1) This statement is a cash flow analysis and it does not represent a Cash Flow Statement according with IFRS.

(2) Includes: Clients, inventories, suppliers, other current assets and liabilities including IVA (Value Added Tax).

(3) Includes interest income, natural gas hedgings and expenses related to debt restructuring.

(4) Includes PSW (Profit Sharing to Workers).

(5) Includes advanced payments which under IFRS is considered as other long term assets.

In 4Q'16 the Company reported a Net Free Cash Flow of US\$45 million, compared to US\$59 million in 4Q'15. This was mainly driven by a major investment in fixed assets US\$63 million in 4Q'16 compared to US\$20 million in 4Q'15, higher interest payment of US\$7 million, from US\$4 million in 4Q'15 and lower net working capital recovery QoQ of US\$26 million against a recovery of US\$37 million reported in 4Q'15.

Capital Expenditures: CapEx for 4Q'16 was US\$63 million. Funds were allocated mainly as follows: in flat glass segment US\$36 million invested mainly in the Mexicali repair and expansion and US\$4 million invested in increasing production capacity of the Álcali plant (Calcium Chloride); in Glass Containers segment US\$18 million were assigned to capacity expansions in Fama and the repair of the cosmetic furnace.

KEY DEVELOPMENTS

Vitro to Acquire PGW's Original Equipment Automotive Glass business from LKQ

Vitro announced it has signed a definitive agreement to acquire Pittsburgh Glass Works LLC ("PGW") automotive Original Equipment Manufacturer (OEM) glass business from LKQ Corporation ("LKQ", NASDAQ: LKQ) for a total consideration of approximately US\$310 million. Prior to closing, LKQ Corporation will spin off and retain the aftermarket glass distribution business, which will not be part of the transaction. The acquisition will be funded with US\$80 million cash and a US\$230 million loan from BBVA Bancomer which was simultaneously signed with this agreement.

Vitro is acquiring seven manufacturing plants, two satellite facilities and two float glass furnaces in the United States, one manufacturing plant in Poland and an equity share in two joint ventures located in North America and China.

Vitro concludes its annual volunteer

Vitro informs that as a result of the adoption of **7,776** trees, carried out this year by the volunteers of the Naturally Vitro program, the company reached a total of **69,455** adopted and planted trees since the start of the program in 2007.

Encouraging the participation of collaborators in synchrony with the community, it was possible to reforest 10 urban areas in 3 cities where Vitro operates; Toluca, Garcia and Mexicali.

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About Vitro

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, visit: <http://www.vitro.com>

Disclaimer

This announcement 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 non-IFRS 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 would not be so adjusted in the most comparable IFRS measure. We disclose in this report certain non-IFRS financial measures, including EBITDA. EBITDA: earnings before other income and expenses, interest, taxes plus depreciation and amortization, and provision for employee retirement obligations with impact in the operating profit.

In managing our business we rely on EBITDA as a means of assessing our operating performance and a portion of our management's compensation and employee profit sharing plan is linked to EBITDA performance. We believe that EBITDA can be useful to facilitate comparisons of operating performance between periods and with other companies because it excludes the effect of (i) depreciation and amortization, which represents a non-cash charge to earnings, (ii) certain financing costs, which are significantly affected by external factors, including interest rates, foreign currency exchange rates and inflation rates, which have little or no bearing on our operating performance, (iii) income tax and statutory employee profit sharing, which is similar to a tax on income and (iv) other expenses or income not related to the operation of the business. EBITDA is also a useful basis of comparing our results with those of other companies because it presents operating results on a basis unaffected by capital structure and taxes.

We also calculate EBITDA in connection with covenants related to some of our financings. We believe that EBITDA enhances the understanding of our financial performance and our ability to satisfy principal and interest obligations with respect to our indebtedness as well as to fund capital expenditures and working capital requirements. EBITDA is not a measure of financial performance under IFRS. EBITDA should not be considered as an alternate measure of net income or operating income, as determined on a consolidated basis using amounts derived from statements of operations prepared in accordance with IFRS, as an indicator of operating performance or as cash flows from operating activity or as a measure of liquidity. EBITDA has material limitations that impair its value as a measure of a company's overall profitability since it does not address certain ongoing costs of our business that could significantly affect profitability such as financial expenses and income taxes, depreciation, pension plan reserves or capital expenditures and associated charges.

***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.*



VITRO
CONSOLIDATED

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

FINANCIAL POSITION	Nominal Pesos			Nominal Dollars			FINANCIAL INDICATORS ⁽¹⁾		
	4Q'16	4Q'15	% Var.	4Q'16	4Q'15	% Var.	4Q'16	4Q'15	
Cash & Cash Equivalents	4,958	7,137	(30.5)	240	414	(41.9)	Debt/EBITDA (LTM, times)	2.0	0.0
Trade Receivables	4,181	2,399	74.3	203	139	45.8	EBITDA/ Interest. Exp. (LTM, times)	69.4	2.9
Inventories	3,654	2,217	64.8	177	129	37.8	Debt / (Debt + Equity) (times)	0.3	0.0
Other Current Assets	847	520	63.0	41	30	36.4	Debt/Equity (times)	0.4	0.0
Assets held for sale	25	21	21.9	1	1	1.9	Total Liab./Stockh. Equity (times)	0.8	0.4
Total Current Assets	13,665	12,293	11.2	663	713	(7.0)	Curr. Assets/Curr. Liab. (times)	2.4	3.3
Property, Plant & Equipment	17,348	9,381	84.9	842	544	54.7	Sales (LTM)/Assets (times)	0.5	0.5
Deferred Assets	3,689	3,609	2.2	179	209	(14.5)	EPS (Ps\$) (YTD)*	7.5	48.8
Other Long-Term Assets	8,974	1,039	763.7	435	60	622.5			
Investment in Affiliates ⁽²⁾	1,761	1,409	24.9	85	82	4.5			
Total Non Current Assets	31,772	15,438	105.8	1,541	895	72.1			
Total Assets	45,437	27,731	63.8	2,204	1,608	37.1			
Short-Term & Current Debt	30	14	114.4	1	1	79.3			
Trade Payables	2,402	1,057	127.2	116	61	90.1			
Other Current Liabilities	3,280	2,624	25.0	159	152	4.6			
Total Current Liabilities	5,713	3,696	54.6	277	214	29.3			
Long-Term Debt	10,555	0	2,299,724,001.8	512	0	1,923,782,895.2			
Other LT Liabilities	4,528	3,891	16.4	220	226	(2.7)			
Total Non Current Liabilities	15,083	3,891	287.6	731	226	224.2			
Total Liabilities	20,796	7,587	174.1	1,009	440	129.3			
Controlling interest	24,623	18,693	31.7	1,194	1,084	10.2			
Noncontrolling interest	18	1,452	(98.7)	1	84	(98.9)			
Total Shareholders Equity	24,641	20,144	22.3	1,195	1,168	2.3			
							OTHER INFORMATION	4Q'16	4Q'15
							# Shares Issued (thousands)	483,571	483,571
							# Weighted Average Shares Outstanding (thousands)	483,126	483,126
							# Employees	11,407	10,744

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

(2) Investment in Affiliates includes 49.7% participation in Comegua under the equity method.



CONSOLIDATED

VITRO, S.A.B. DE C.V. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

FOR THE PERIODS, (MILLION)

<u>INCOME STATEMENT</u>	Four Quarter						Acumulated					
	Nominal Pesos			Nominal Dollars			Nominal Pesos			Nominal Dollars		
	2016	2015	% Var.	2016	2015	% Var.	2016	2015	% Var.	2016	2015	% Var.
Consolidated Net Sales	7,445	3,841	93.8	372	229	62.6	19,840	14,127	40.4	1,051	882	19.2
Cost of Sales	4,799	2,547	88.4	240	152	58.2	12,684	9,449	34.2	672	590	13.7
Gross Income	2,646	1,294	104.4	132	77	71.2	7,156	4,678	53.0	379	291	30.1
SG&A Expenses	1,372	681	101.5	68	40	69.1	3,377	2,414	39.9	178	151	18.4
Operating Income	1,274	613	107.7	64	37	73.6	3,779	2,264	67.0	201	141	42.7
Other Expenses (Income), net	273	33	738.3	13	2	630.3	294	7	4,052.8	14	0	4,789.6
Operating income after other expenses (income), net	1,001	581	72.3	51	35	45.1	3,485	2,256	54.4	187	140	32.9
Share in earnings (loss) of unconsolidated associated companies	18	50	(64.6)	1	3	(70.3)	102	114	(10.7)	6	7	(19.2)
Interest Expense	130	(21)	--	6	(1)	--	130	1,130	(88.5)	6	72	(91.0)
Interest (Income)	(13)	(21)	(37.6)	(1)	(1)	(47.8)	(51)	(81)	(37.2)	(3)	(5)	(45.6)
Other Financial Expenses, net	68	153	(55.8)	3	9	(63.4)	147	356	(58.8)	8	22	(65.1)
Foreign Exchange Loss (Income)	(72)	(311)	(76.9)	(4)	(18)	(78.6)	(703)	1,306	--	(37)	84	--
Net financial cost	113	(200)	--	5	(11)	--	(476)	2,711	--	(26)	173	--
Income (loss) before Tax	905	830	9.1	46	49	(5.6)	4,063	(341)	--	218	(26)	--
Income Tax	(145)	627	--	(7)	37	--	496	271	83.4	29	13	120.5
Net income (loss) from continuing operations	1,051	203	416.4	53	12	341.8	3,566	(611)	--	189	(39)	--
Net Income (loss) from discontinued operations	-	136	--	-	8	--	-	24,800	--	-	1,484	--
Net income (loss)	1,051	340	209.4	53	20	164.0	3,566	24,189	(85.3)	189	1,445	(86.9)
Net Income (loss) attributable to controlling interest	1,052	382	175.5	53	23	136.0	3,618	23,601	(84.7)	192	1,411	(86.4)
Net Income (loss) attributable to noncontrolling interest	(2)	(42)	(96.3)	(0)	(2)	(96.9)	(52)	588	--	(3)	35	--

VITRO, S.A.B. DE C.V. AND SUBSIDIARIES
SEGMENTED INFORMATION

FOR THE FOLLOWING PERIODS, (MILLION)

	<u>Four Quarter</u>						<u>Acumulated</u>					
	Nominal Pesos			Nominal Dollars			Nominal Pesos			Nominal Dollars		
	2016	2015	%	2016	2015	%	2016	2015	%	2016	2015	%
GLASS CONTAINERS												
Net Sales	1,078	1,024	5.3%	54	61	-11.6%	4,474	3,311	35.1%	240	205	16.7%
Intercompany Sales	1	31	-97.0%	0	2	-97.4%	17	42	-58.4%	1	3	-62.9%
Net Sales to third parties	1,077	994	8.4%	54	59	-9.0%	4,457	3,269	36.3%	239	203	17.7%
EBIT ⁽⁴⁾	144	210	-31.6%	7	12	-41.3%	882	665	32.6%	48	41	15.7%
Margin ⁽¹⁾	13.3%	20.5%		13.6%	20.5%		19.7%	20.1%		19.8%	20.0%	
EBITDA ⁽⁴⁾	200	221	-9.7%	10	13	-23.3%	1,098	843	30.2%	59	53	12.7%
Margin ⁽¹⁾	18.5%	21.6%		18.8%	21.7%		24.5%	25.5%		24.7%	25.6%	
Glass containers volumes (MM Pieces)												
Domestic	145	107	35.5%				554	442	25.5%			
Exports	97	133	-27.3%				506	508	-0.4%			
Total:Dom.+Exp.	241	240	0.6%				1,060	949	11.7%			
FLAT GLASS												
Net Sales	6,314	2,804	125.2%	316	167	88.8%	15,199	10,747	41.4%	802	672	19.3%
Intercompany Sales	2	0		0	0	607.3%	6	7		0	0	-18.6%
Net Sales to third parties	6,312	2,804	125.1%	316	167	88.8%	15,193	10,740	41.5%	802	672	19.4%
EBIT ⁽⁴⁾	1,115	590	89.2%	56	35	58.9%	2,960	1,783	66.0%	157	110	42.1%
Margin ⁽¹⁾	17.7%	21.0%		17.7%	21.1%		19.5%	16.6%		19.5%	16.4%	
EBITDA ⁽⁴⁾	1,575	720	118.7%	79	43	83.7%	3,878	2,333	66.2%	205	145	41.4%
Margin ⁽¹⁾	24.9%	25.7%		25.0%	25.7%		25.5%	21.7%		25.6%	21.6%	
Flat Glass Volumes (Thousand m2R)⁽²⁾												
Const + Auto	25,756	25,667	0.3%				102,562	101,328	1.2%			
Soda Ash (Thousand Tons)	159	155	2.4%				602	621	-3.0%			
CONSOLIDATED⁽³⁾												
Net Sales	7,445	3,841	93.8%	372	229	62.6%	19,840	14,127	40.4%	1,051	882	19.2%
Intercompany Sales	-	-	--	-	-	--	-	-		-	-	
Net Sales to third parties	7,445	3,841	93.8%	372	229	62.6%	19,840	14,127	40.4%	1,051	882	19.2%
EBIT ⁽⁴⁾	1,274	613	107.7%	64	37	73.6%	3,779	2,264	67.0%	201	141	42.7%
Margin ⁽¹⁾	17.1%	16.0%		17.2%	16.1%		19.0%	16.0%		19.1%	16.0%	
EBITDA ⁽⁴⁾	1,780	821	116.7%	89	49	81.5%	4,890	3,090	58.3%	259	193	34.7%
Margin ⁽¹⁾	23.9%	21.4%		24.0%	21.5%		24.6%	21.9%		24.7%	21.8%	

⁽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 (income) effect.