



ANNUAL REPORT

TOTALLY SOLID

20
16



MINING
TRANSPORTATION
INFRASTRUCTURE

INDEX

LETTER TO SHAREHOLDERS	02
FINANCIAL HIGHLIGHTS	08
ANALYSIS AND DISCUSSION OF CONSOLIDATED RESULTS GRUPO MÉXICO	10
MINING DIVISION	24
GEOGRAPHIC LOCATION	26
RELEVANT FIGURES	28
AMERICAS MINING CORPORATION	29
BYPRODUCTS	36
PROJECTS AND INVESTMENTS	48
EXPLORATIONS	52
HEALTH AND SAFETY	62
TRANSPORTATION DIVISION	70
GEOGRAPHIC LOCATION	74
TRANSPORTATION DIVISION	76
RELEVANT FIGURES	77
INFRASTRUCTURE DIVISION	86
GEOGRAPHIC LOCATION	88
MÉXICO PROYECTOS Y DESARROLLOS	90
RELEVANT FIGURES	91
GRUPO MEXICO FOUNDATION	102
ENVIRONMENTAL AND SOCIAL ACTIONS	130
BOARD OF DIRECTORS AND SENIOR MANAGEMENT	148



Sunset at
La Caridad,
Sonora, Mexico.

LETTER TO SHAREHOLDERS

During 2016, our company reported sound performance and obtained outstanding results despite the complex macroeconomic environment worldwide, which was marked by high volatility in the markets. The peso suffered an 18% depreciation against the dollar, international stock markets experienced political uncertainty, and it was a complex year for metal prices.

Nonetheless, our organization’s financial strength allows it to be well positioned to face variations in the exchange rate and the challenges posed by the current scenarios.

Grupo Mexico is the fourth largest company in the country in terms of market capitalization and it remains the leader in copper extraction, with the largest reserves in the world, the lowest extraction costs worldwide, and the best organic growth portfolio. In addition to having world-class assets in investment grade countries, we are the largest, most profitable transportation company with the most extensive coverage in Mexico.

Accrued consolidated sales in 2016 totaled US\$8.173 billion, in line with 2015, as lower copper prices compensated for an increase in low-cost production. EBITDA, on the other hand, reached US\$3.362 billion—11% higher than in the previous year. The Mining Division reported an EBITDA margin of 37%, growing 13%, while the Transportation Division reported a 44% margin, growing 12%. The Infrastructure Division achieved a 46% EBITDA margin.

Thanks to our experience and track record, Grupo Mexico's investments have historically stood out for their prudence, long-term vision, and strategic focus. Capital investments in 2016 accrued US\$1.584 billion, translating into an investment of US\$10.5 billion among our various divisions over the last five years. And these large investments are already bearing fruit.

We are happy to report that, during 2016, we concluded the expansion program for Buenavista del Cobre, on time and below budget. The startup of new projects increased copper production by 57%, leading us to achieve a new all-time high of 1,054,414 tons, which translates into a 15% increase vs. 2015. Likewise, our gold and silver production increased 68% and 20%, each.

We should note that the Mining division continues to show growth. We expect a 53% increase in production to over 1.6 million tons of copper over the next seven years, which will be driven by the various projects that we are developing in Mexico, Spain, and Peru. In the latter, we are currently working on five copper projects, and by 2019, with the start of operations at Toquepala, we expect a production of 1,145,000 tons.

Year after year, Grupo Mexico has become more and more competitive in every sector where it participates. According to the Organization for Economic Cooperation and Development (OECD), we operate the most competitive railroad on the American continent. In 2016, our Transportation division hauled 54.445 billion tons-km, generating a record EBITDA of US\$775 million; that is, seven percentage points above the figure reported in 2015.

Likewise, we achieved a historical record in the automotive segment hauling 163,245 railroad cars and over 1.9 million vehicles, so we once again ranked as the largest automobile transporter in the world. We also remained as the n° 1 railroad in international traffic, and began a new service on the Inter-Pacific corridor.

In our infrastructure division, in 2016 we celebrated the 80th anniversary of Mexico Compañía Constructora, which has significantly contributed to the development of the country through the construction of over 200 works projects. The Drilling division maintained a 97% operating efficiency in the platforms; thus, we remain the leaders in the industry. The Energy Division, through its two combined cycle plants (500 MW) and the El Retiro wind farm (74 MW), generated 3,137 gigawatt hours (GWh), translating into a 14% increase from the production of the previous year. The Salamanca-Leon highway reported an Annual Average Daily Traffic (AADT) of 10,338 vehicles, translating into a historical record both in terms of traffic and revenues.

Grupo Mexico is a leading company whose performance is not only measured on the operating and financial side. We also strive to deliver more and better results in social, economic, and environmental aspects, considering the expectations of our interest groups and betting decidedly on sustainability.



Over the years, we have proven our capacity to generate value and wellbeing for our collaborators, their families, the communities where we are present, and the environment surrounding us. We have a firm commitment to improve the quality of life of all those who have some connection to our activities, and we know that respect for the environment is the basis to achieve responsible progress.

Through our various programs and social investments executed via our Community Development, Environmental Care, and Ecology areas, as well as Fundación Grupo México, each year we succeed in benefiting more and more people, both directly and indirectly.

**Combined cycle
energy plants
Nacozari, Sonora,
Mexico.**



Wind farm,
Juchitán, Oaxaca, Mexico.



On the other hand, it is very satisfying for us that Grupo Mexico has been chosen to be part of the Mexican Stock Exchange's IPC Sustainability index for the sixth consecutive year.

This acknowledges our ongoing commitment to environmental sustainability, social responsibility, corporate governance, and in general, to the country.

Last, we must acknowledge the dedication and hard work of each of the over 30,000 collaborators who make up Grupo Mexico, because they were a key factor in the achievements made throughout the year. Our human talent is, undoubtedly, our most valuable asset.

Metal prices rebounded towards the end of 2016, and are currently on an upward cycle. This recovery, as well as the results obtained and the new projects we are undertaking, make us feel optimistic and confident regarding 2017.

We remain committed to ensure sustained growth, striving to increase our productivity, achieve greater efficiencies, and control costs, to always generate greater value for our investors.

GERMÁN LARREA MOTA VELASCO
CHAIRMAN OF THE BOARD



FINANCIAL HIGHLIGHTS

		2013	2014	2015	2016	Real Var. % 2016 / 2015
Volumes sold *						
Copper	(tons.)	799,159	826,839	903,259	1,032,347	14
Zinc	(tons.)	99,127	91,387	100,769	105,415	5
Silver	(thousands oz.)	16,429	14,554	14,802	17,255	17
Gold	(ounces)	51,058	59,498	154,757	165,587	7
Molybdenum	(tons.)	19,940	23,301	23,233	21,731	(6)
Average Price (dollars)						
Copper (COMEX)	(lb.)	3.34	3.12	2.51	2.20	(12)
Zinc (LME)	(lb.)	0.87	0.98	0.88	0.95	8
Silver (COMEX)	(oz.)	23.82	19.04	15.68	17.10	9
Gold (LF)	(oz.)	1,411.03	1,266.19	1,160.11	1,248.34	8
Molybdenum (MW DEALER OXIDE)	(lb.)	10.26	11.30	6.59	6.42	(3)
Railway Division Statistics						
Ton-km net	(million tons)	51,054	51,704	54,221	54,445	0
Cars Hauled	(thousands units)	1,114.2	1,164.4	1,210.1	1,231.5	2
Balance	(million dollars)					
Current Assets		5,341	4,332	4,161	4,104	(1)
Fixed Assets		11,682	12,938	13,622	13,922	2
Total Assets		20,209	20,651	21,593	21,945	2
Bank Liabilities		5,811	5,913	7,560	7,332	(3)
Total Liabilities		8,735	9,044	10,493	10,147	(3)
Total Equity		11,474	11,607	11,101	11,798	6
Results	(million dollars)					
Total Sales		9,357	9,286	8,179	8,173	(0)
Cost of Sales		5,061	5,095	4,824	4,642	(4)
Current Taxes		966	954	943	883	(6)
EBITDA		4,147	3,833	3,017	3,366	12
Net Profit		1,845	1,705	866	1,102	27
Cash flow	(million dollars)					
Generated from Operations		2,882	2,468	1,647	1,773	8
Dividends Paid		(729)	(752)	(548)	(292)	(47)
Taxes Paid		964	991	921	879	(5)
Applied to Financial Activities		(69)	(607)	576	(212)	137
Used for Investments		(2,858)	(2,433)	(1,689)	(1,590)	(6)
Cash flow after investments and Financial Activities		(774)	(1,324)	(38)	(354)	831

		2013	2014	2015	2016	Real Var. % 2016 / 2015
Figures per Share ** **						
Total Shares Outstanding	(thousands)	7,785,000	7,785,000	7,785,000	7,785,000	-
EBITDA per Share		0.53	0.49	0.39	0.43	12
Cash Flow per Share		0.36	0.32	0.23	0.23	(3)
Earnings per Share		0.24	0.22	0.11	0.14	27
Book Value		1.21	1.26	1.25	1.32	5
Financial Ratios						
Operating Margin		35%	32%	26%	28%	9
EBITDA Margin		44%	41%	37%	41%	12
Current Assets to Current Liabilities	(times)	4.3	2.4	3.0	2.8	(7)
Total Liabilities to Total Assets		44%	44%	49%	46%	(5)
Debt / Total Equity + Debt		34%	34%	41%	38%	(5)
EBITDA / Interest	(times)	12.29	10.84	7.15	7.37	3
Employees		29,980	29,998	30,271	30,657	1
Annual Inflation						
Mexico		4%	4%	2%	3%	50
USA		1%	1%	1%	2%	100
Peru		3%	3%	4%	3%	(25)
Exchange Rate at Each Year End						
Mexico	(pesos/dollar)	13.08	14.72	17.21	20.66	20
Peru	(soles/dollar)	2.80	2.99	3.41	3.40	(0)
Average Exchange Rate						
Mexico	(pesos/dollar)	12.77	13.30	15.85	18.66	18
Peru	(soles/dollar)	2.70	2.84	3.18	3.38	6

Expressed per US Generally Accepted Accounting Principles (US GAAP)

* Throughout the report, tons are metric and ounces are troy.

** Regarding 7,785,000,000 shares



Team working
in caliche fields,
Mission, Arizona, USA.

Analysis and Discussion Of Results

THE COMPANY'S FINANCIAL SOUNDNESS ALLOWS FOR ONGOING GROWTH. DURING 2016, GRUPO MEXICO MAINTAINED A LOW-LEVERAGE, SOLID BALANCE SHEET WITH A NET DEBT TO EBITDA RATIO OF 1.9X AND DEBT MATURITIES OF OVER 20 YEARS.



FOR THE SIXTH CONSECUTIVE YEAR, GRUPO MEXICO WAS CHOSEN TO BE A MEMBER OF THE MEXICAN STOCK EXCHANGE’S IPC SUSTAINABILITY INDEX, AND OBTAINED ONE OF THE HIGHEST RATINGS AS A SUSTAINABLE COMPANY, ACCORDING TO ESG (ENVIRONMENT, SOCIAL, GOVERNANCE) METHODOLOGY, DESIGNED AND RATED BY ANAHUAC UNIVERSITY.

ANALYSIS AND DISCUSSION OF RESULTS

RELEVANT CONSOLIDATED FIGURES OF GRUPO MEXICO

Accrued consolidated sales in 2016 totaled US\$8.173 billion, in line with 2015, as the lower copper prices were compensated by the increase in low-cost copper production thanks to the Buenavista expansion. In the Transportation Division, despite an 18% depreciation of the peso vs. the dollar, we experienced a drop of only 7% in sales. In the Infrastructure Division, sales decreased 1% to US\$608 million, given lower rates from Pemex, and the peso depreciation.

On the other hand, the accrued cost of sales in 2016 reached US\$4.591 billion, 4% less than in 2015. In the Mining division, costs decreased 1%, given higher production volumes, while in the Transportation division, they decreased 8% due to greater productivity. In the Infrastructure Division, cost of sales increased 11% vs. 2015, particularly because of the price hike in gas, the startup of the Veracruz modular platform, and the operation of the second stretch of the Salamanca-Leon Highway.

GMEXICO RELEVANT FIGURES

(US\$ Thousands)

	2015	2016	VARIANCE	
Sales	8,178,888	8,173,492	(5,396)	(0.1)
Cost of Sales	4,774,696	4,591,462	(183,235)	(3.8)
Operating Profit	2,182,416	2,298,569	116,153	5.3
EBITDA	3,016,952	3,366,000	344,742	11.4
EBITDA Mg. (%)	36.9%	41.1%		
Net Profit	865,784	1,222,670	356,886	41.2
Profit Margin (%)	10.6%	15.0%		
Investments - (Capex)	1,689,451	1,590,000	(105,212)	(6.2)
Employees	30,264	30,657	393	1.3

During 2016, EBITDA reached US\$3.3 billion, 11% higher compared with 2015 mainly due to a higher copper production. The Mining division reached US\$2.3 billion which implies a 13% growth over the previous year, with a 37% EBITDA margin. The Transportation Division achieved US\$775 million, translating into 12% growth vs. 2015, with a 44% margin. The Infrastructure Division achieved US\$279 million in EBITDA with a 46% margin.

Consolidated net profit accrued in the year reached US\$1.223 billion, with a net margin of 15%.

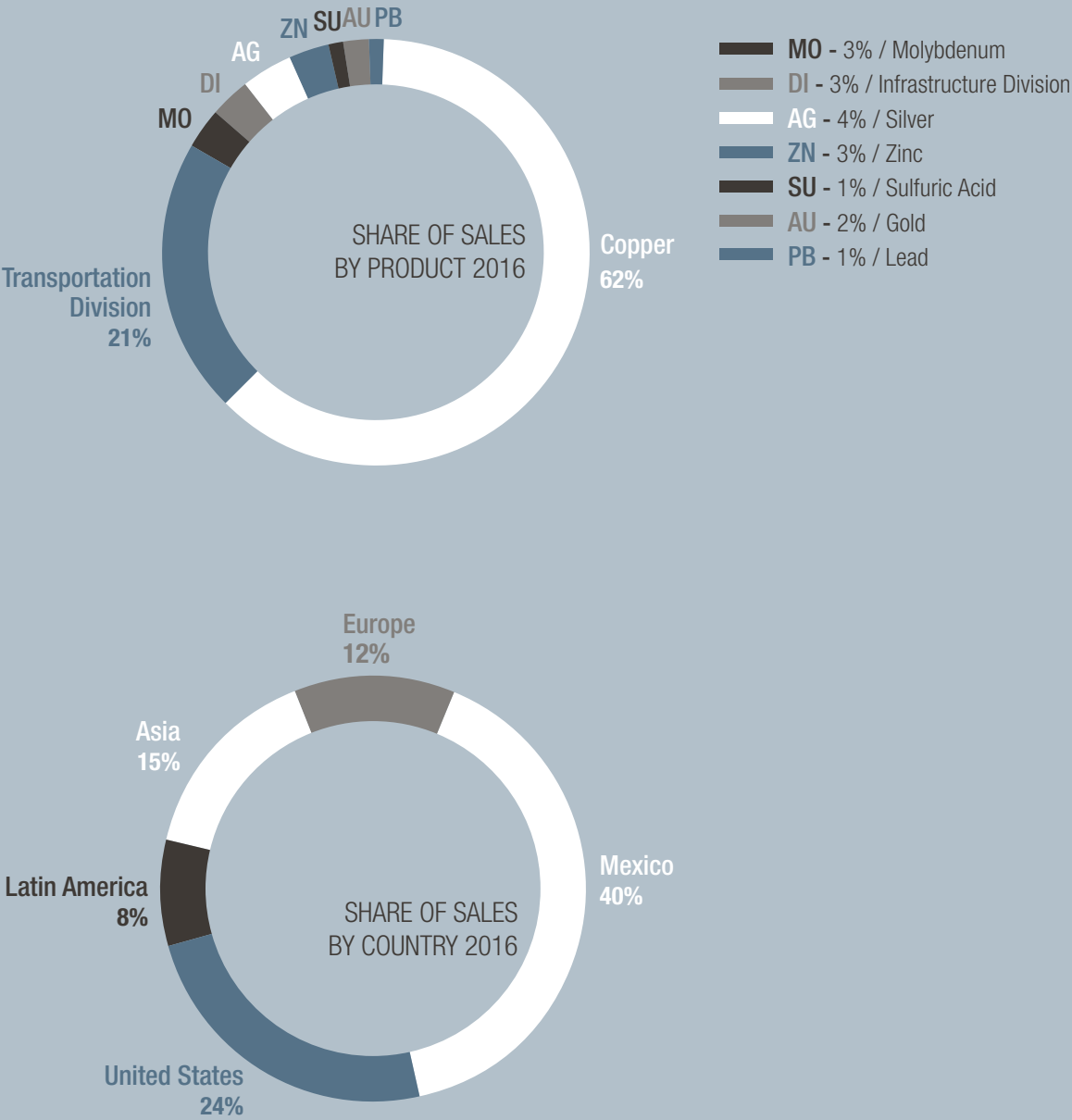
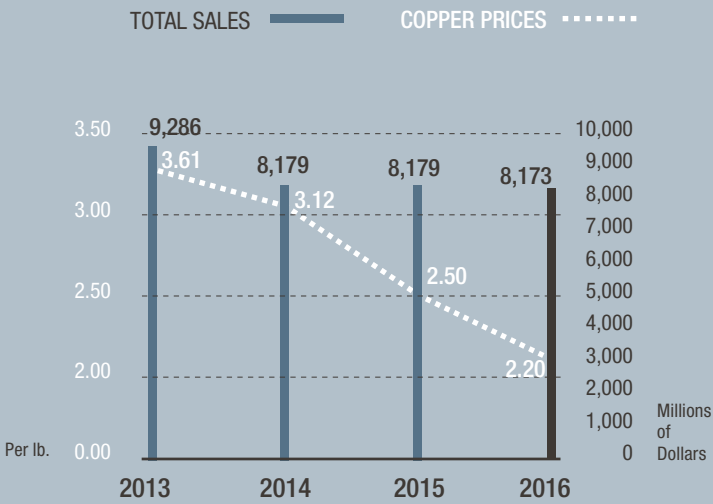
GRUPO MEXICO IS IN A PRIVILEGED SITUATION TO FACE F/X RATE FLUCTUATIONS. OUR REVENUES ARE RELATED TO COMMODITY PRICES, WHICH ARE DOLLARIZED; THUS, 84% OF OUR REVENUES ARE IN DOLLARS.

SALES

PRODUCT	VOLUME IN TONS			THOUSANDS OF DOLLARS		
	2015	2016	Var. %	2015	2016	Var. %
Mining Division						
Copper	903,259	1,032,347	14	\$ 4,940,009	\$ 5,032,227	2
Silver (thousand ounces)	14,802	17,255	17	227,553	294,797	30
Molybdenum	23,233	21,731	(6)	239,233	268,050	12
Zinc	100,769	105,415	5	210,702	234,348	11
Sulfuric Acid	1,927,029	1,934,927	0	134,708	95,390	(29)
Gold (ounces)	154,757	165,587	7	177,958	207,364	17
Lead	19,130	23,706	24	34,358	43,124	26
Others				44,168	34,657	(22)
Transportation Division	1,210,057	1,231,539	2 *	1,854,878	1,722,507	(7)
Infrastructure Division				315,322	241,028	(24)
Total Sales				\$ 8,178,888	\$ 8,173,492	(0)

* loaded cars (thousands of units)

TOTAL SALES





During 2016, we completed the expansion of Buenavista with an investment of US\$3.50 billion, increasing this mine’s copper production capacity by 155%.

Panoramic view,
Buenavista del Cobre,
Sonora, Mexico.

IN 2016, CAPITAL INVESTMENTS
TOTALED US\$1.584 BILLION. THUS,
GRUPO MEXICO HAS INVESTED OVER
US\$10.5 BILLION AMONG ITS VARIOUS
DIVISIONS OVER THE LAST 5 YEARS.

CONSOLIDATED DEBT

Grupo Mexico maintains a low-leverage, solid balance sheet with a net debt to EBITDA ratio of 1.9x. 94% of the debt is denominated in USD and 6% in pesos. 92% of the debt has a fixed rate. Moreover, the company has a comfortable debt maturities calendar; it has no significant capital payments until 2035.

Grupo Mexico’s financial soundness enables it to be well positioned to face the difficult economic environment that affects its various divisions, even as it maintains its commitment to continue with its aggressive expansion program, and to analyze possible opportunities that may arise in the market.

CAPITAL INVESTMENTS

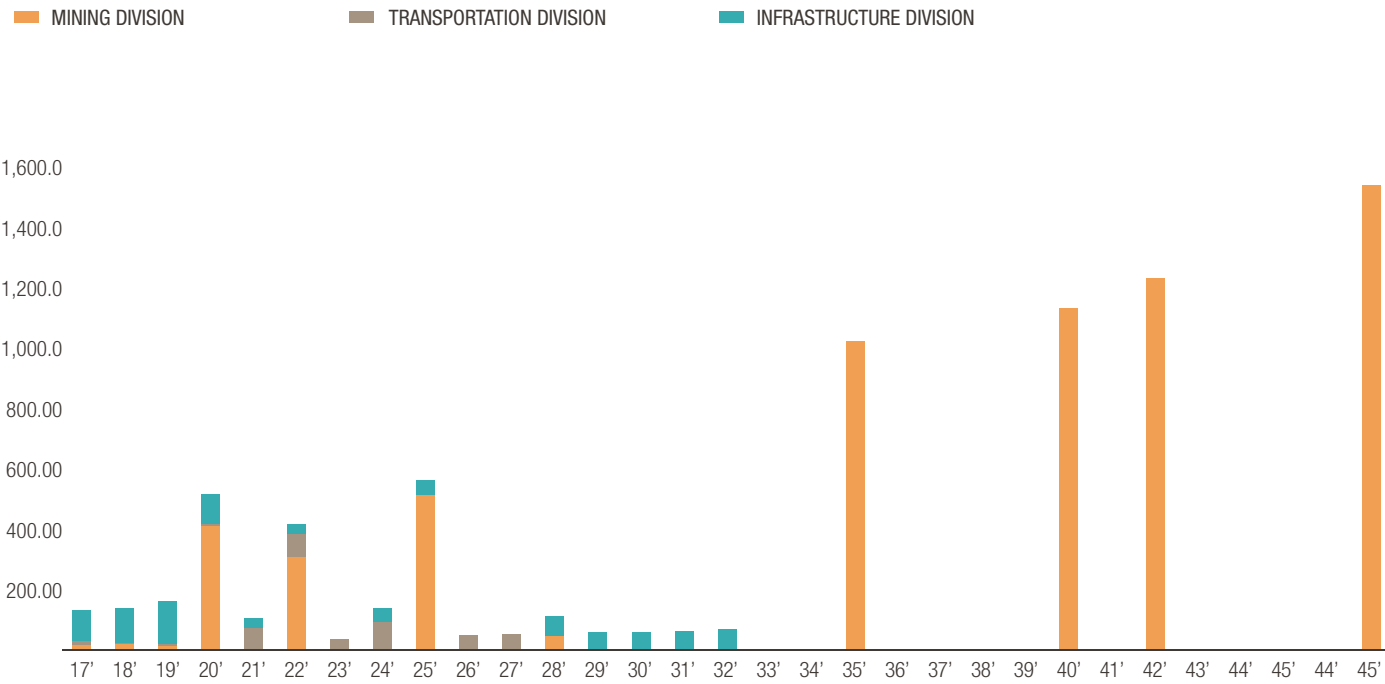
Capital investments in 2016 accrued US\$1.584 billion. Thus, Grupo Mexico has invested more than US\$10.5 billion among its various divisions over the last five years.

We invested US\$1.21 billion in the Mining Division, 76% of our annual budget. US\$532 million was allocated to our projects in Mexico, and US\$519 million to the projects in Peru. We must note that we have completed the US\$3.5 billion expansion program at Buenavista del Cobre on time and below budget.

In the Transportation division, capital investments reached US\$360 million, which included the purchase of 50 locomotives and the development of infrastructure and telecommunications projects, all of which will generate greater operating efficiencies.

In the Infrastructure division, investments totaled US\$15 million. Among the investments, we should note US\$5 million in the Tamaulipas platform, and US\$3 million in the Salamanca-Leon Highway (recorded as an intangible asset).

GRUPO MEXICO MATURITIES AT DECEMBER 31, 2016



Campeche
Jack-up
night view.

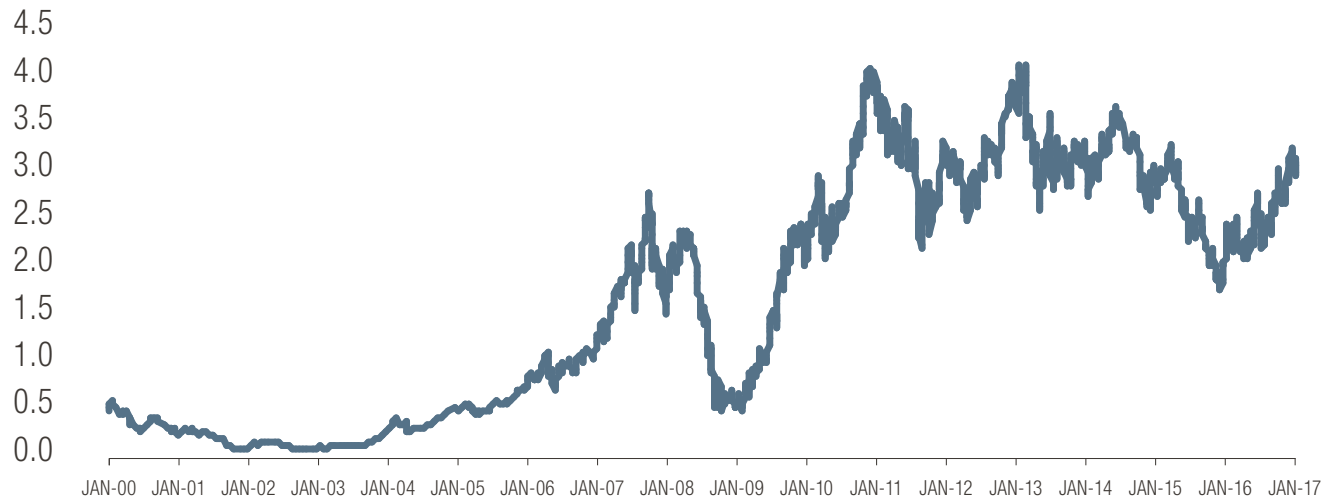


PERFORMANCE OF GRUPO MEXICO’S STOCK

Year after year, Grupo Mexico has become a more competitive organization in every segment where it participates. We are maintaining our commitment to ensure sustained growth, striving to increase our productivity and control costs, to constantly generate greater value for our shareholders. That’s why we feel proud to see that the stock price in dollar terms has increased over 821% since 2000 (IPC return of +301% in the same period).



GMEXICO HISTORICAL STOCK PRICE IN DOLLARS



NATURAL DOLLAR HEDGE

In a year of high volatility in the currency market, it is important to note that Grupo Mexico holds a privileged position to face F/X fluctuations. Our revenues are related to commodity prices (metals and energy) which are dollarized. Thus, 84% of these revenues are in dollars. With operations in Mexico and Peru, only 47% of our costs are in US dollars. Therefore, our company has a natural US dollar hedge with a positive impact on results, given the current dollar appreciation.

	SALES		COST OF SALES		
	USD	MXN	USD	MXN	SOLES
Mining Division	100%	-	56%	31%	13%
Transportation Division	35%	65%	19%	81%	-
Infrastructure Division	60%	40%	38%	62%	-
Weighted Total	84%	16%	47%	44%	9%

CREDIT PROFILE

During 2016, rating agencies Fitch and S&P confirmed Grupo Mexico's BBB+ and BBB ratings, respectively, with a stable outlook.

The rating agencies highlighted the company's low-cost structure, as well as its solid balance sheet with low leverage levels.

Other positives were the geographic diversification, our position as the fourth largest copper producer in the world, our vertical integration and long-lasting reserves, as well as the additional cash flows that will be generated by the start of production of the Buenavista del Cobre expansion, and the assets of our Infrastructure Division.

	MOODY'S	STANDARD & POOR'S	FITCH
Grupo México			
International Rating	-	BBB	BBB+
Americas Mining Corporation			
International Rating	-	BBB	BBB+
Southern Copper Corporation			
International Rating	Baa2	BBB	BBB+
Issuer Rating	Baa2	BBB	BBB+
Minera México			
International Rating	Baa2	BBB	BBB+
Covered Bond	Baa2	BBB	BBB+
México Generadora de Energía			
International Rating	Baa2	BBB	-
Issuer Rating	Baa2	BBB	-
Ferromex			
Local Long-Term Rating	-	MXAA+	AA+(Mex)



In the Transportation Division, we invested over US\$360 million, including the purchase of 50 locomotives.

“Casa Redonda” Maintenance yard, Guadalajara, Mexico.

GRUPO MEXICO IS PART OF THE IPC SUSTAINABILITY INDEX

For the sixth consecutive year, Grupo Mexico was chosen to be part of the Mexican Stock Exchange’s IPC Sustainability index.

We should note that our company has been part of this index since it was created in 2011, and that in the last assessment, it obtained one of the highest ratings according to the ESG (*Environment, Social, Governance*) methodology, designed and rated by the Anahuac University. Thus, we reiterate our commitment to environmental sustainability, social responsibility, and corporate governance.



The power used by billboards use is fed by solar panels.

Solar panel, Salamanca-Leon highway, Mexico.

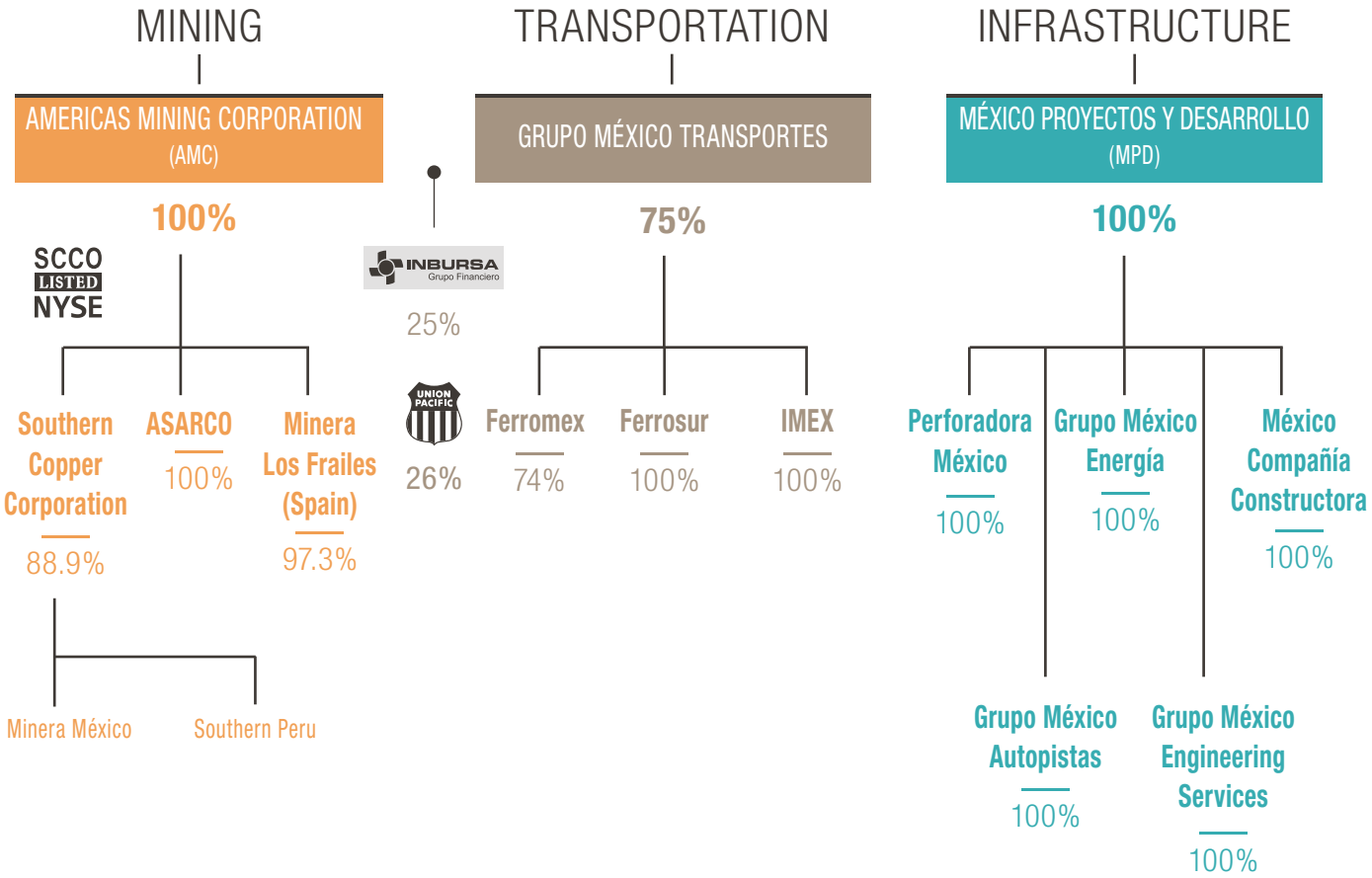
GRUPO MEXICO IS THE FOURTH LARGEST COMPANY IN TERMS OF MARKET CAP IN MEXICO.



CORPORATE STRUCTURE



GRUPO MEXICO'S STOCK HAS BEEN LISTED SINCE 1966.



AMONG THE LARGEST PRODUCERS OF COPPER, MOLYBDENUM, SILVER, AND ZINC IN THE WORLD, WITH THE GREATEST COPPER RESERVES WORLDWIDE.

THE MOST COMPETITIVE TRANSPORTATION COMPANY IN MEXICO.

80 YEARS OF EXPERIENCE IN INFRASTRUCTURE AND CONSTRUCTION PROJECTS.



Workers at the construction site of the geodesic dome. This dome has a storage capacity of 300,000 tons of mineral.

Buenavista del Cobre, Sonora, Mexico.

Mining División

IN 2016, COPPER PRODUCTION REACHED A NEW ALL-TIME HIGH OF 1,054,414 TONS, TRANSLATING INTO A 16% INCREASE OVER 2015.

THE INCREASE IN LOW-COST PRODUCTION NOT ONLY HAS AN EFFECT ON OUR VOLUMES, BUT IT ALSO FAVORS OUR COST STRUCTURE, WHICH HELPS US TO STRENGTHEN OUR PRIVILEGED POSITION AS LOW-COST PRODUCERS.



GEOGRAPHIC LOCATION
MINING DIVISION - GRUPO MEXICO

LOCATION

ASARCO	
1	AMARILLO
2	HAYDEN
3	MISSION
4	RAY
5	SILVER BELL
6	TUCSON

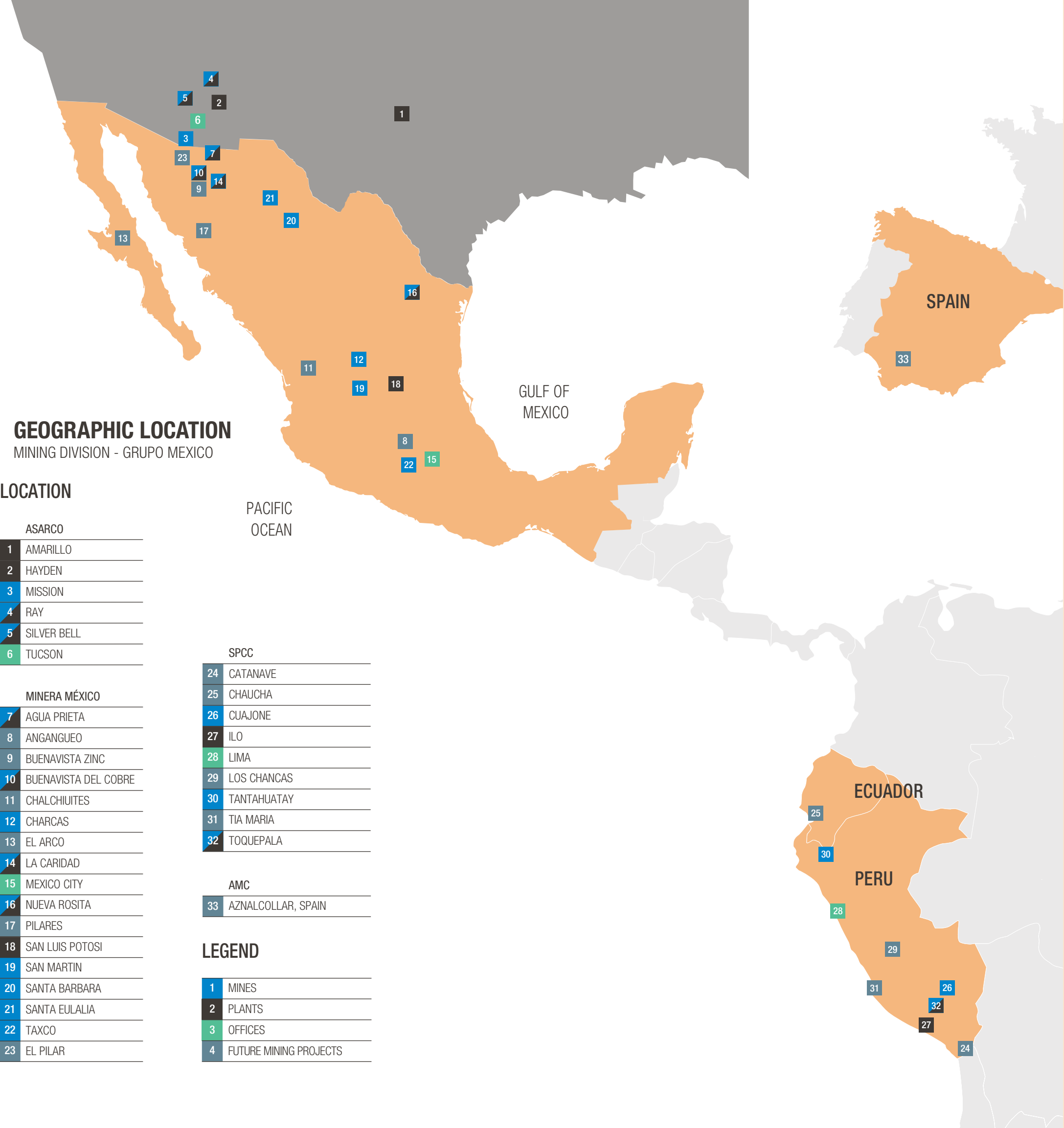
MINERA MÉXICO	
7	AGUA PRIETA
8	ANGANGUEO
9	BUENAVISTA ZINC
10	BUENAVISTA DEL COBRE
11	CHALCHUIUTES
12	CHARCAS
13	EL ARCO
14	LA CARIDAD
15	MEXICO CITY
16	NUEVA ROSITA
17	PILARES
18	SAN LUIS POTOSI
19	SAN MARTIN
20	SANTA BARBARA
21	SANTA EULALIA
22	TAXCO
23	EL PILAR

SPCC	
24	CATANAVE
25	CHAUCHA
26	CUAJONE
27	ILO
28	LIMA
29	LOS CHANCAS
30	TANTAHUATAY
31	TIA MARIA
32	TOQUEPALA

AMC	
33	AZNALCOLLAR, SPAIN

LEGEND

1	MINES
2	PLANTS
3	OFFICES
4	FUTURE MINING PROJECTS



MINERA MÉXICO

- MINES
- MEXICANA DE COBRE**
La Caridad, Sonora
Copper, Molybdenum,
Gold, and Silver

BUENAVISTA DEL COBRE
Cananea, Sonora
Copper, Gold, Molybdenum,
and Silver

- INDUSTRIAL MINERA MÉXICO
- Charcas, San Luis Potosi
Silver, Copper, Lead, and
Zinc San Martin, Zacatecas
Silver, Lead, Zinc, and
Copper Santa Eulalia,
Chihuahua Silver, Lead
and Zinc Santa Barbara,
Chihuahua Gold, Silver,
Copper, Lead, and Zinc
Taxco, Guerrero Gold,
Silver, Lead, and Zinc
Nueva Rosita, Coahuila
Coal and coke

SPCC

- CUAJONE**
Copper, Silver,
Molybdenum, and Gold

TOQUEPALA
Copper, Silver,
Molybdenum, and Gold

ASARCO

- MISSION, ARIZONA**
Gold, Silver, Copper, and
Molybdenum

SILVER BELL, ARIZONA
Copper

RAY, ARIZONA
Gold, Silver and Copper

AMC

- AZNALCOLLAR, SPAIN**
Polymetallic project
Zinc, Copper, Lead, Silver

- SMELTERS, REFINERIES AND OTHER PLANTS
- MEXICANA DE COBRE**
La Caridad, Sonora
Copper Smelter
Electrolytic copper
Refinery Copper
Electrowinning Plant
Sulfuric Acid Plant
Rod Plant
Precious Metal
Plant Selenium
and Tellurium
Agua Prieta, Sonora
Lime Plant

- BUENAVISTA DEL COBRE**
Cananea, Sonora
Copper Electrowinning
Plants

- INDUSTRIAL MINERA MÉXICO
- San Luis Potosi, San Luis Potosi
Sulfuric Acid Plant Electrolytic
Zinc Plant, Cadmium
Nueva Rosita, Coahuila
Washing and Coker Plant

SPCC

- ILO**
Copper Smelter
Sulfuric Acid Plant
Electrolytic Copper Refinery
Precious Metals Plant

- TOQUEPALA**
Copper Electrowinning Plant

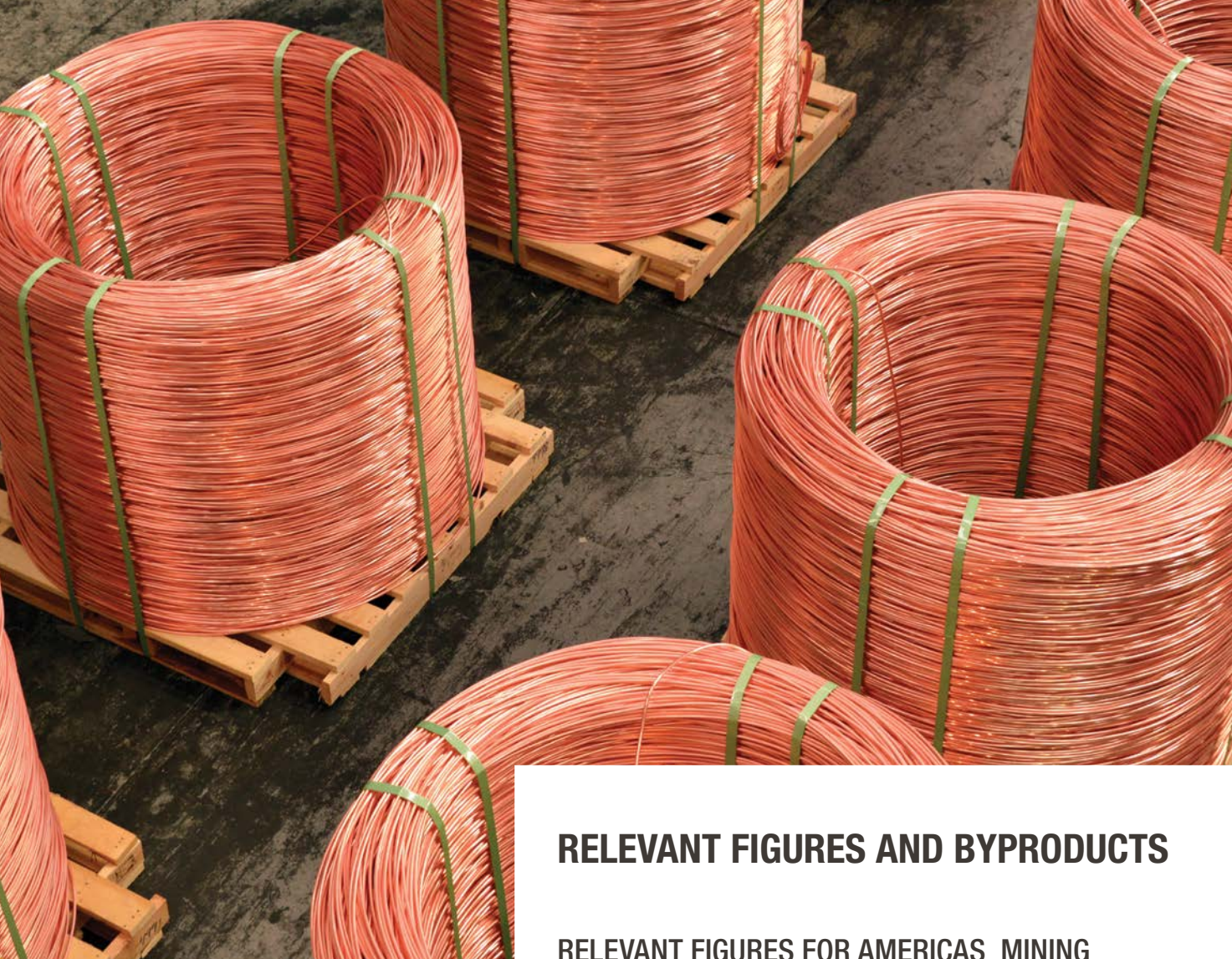
ASARCO

- HAYDEN, ARIZONA**
Copper Smelter and Sulfuric
Acid Plant

RAY, ARIZONA
Copper Electrowinning Plant

SILVER BELL, ARIZONA
Copper Electrowinning Plant

- AMARILLO, TEXAS**
Copper, Nickel,
Selenium, Tellurium
Refinery Rod Plant
Slab Plant



Copper rod.
Metallurgical Complex,
Nacozari, Sonora,
Mexico.

WE ARE THE
LEADING COMPANY
IN COSTS IN THE
INDUSTRY WITH AN
EXTRACTION COST OF
US\$1.08 PER POUND
OF COPPER.

TOTALLY SOLID

RELEVANT FIGURES AND BYPRODUCTS

RELEVANT FIGURES FOR AMERICAS MINING CORPORATION (“AMC”)

Grupo Mexico’s Mining Division is represented by its subsidiary AMC, whose main subsidiaries in Mexico and Peru are Southern Copper Corporation (SCC), and ASARCO in the US.

AMC is the leading company in copper extraction, with the greatest reserves worldwide, the lowest extraction costs in the world, and the best organic growth portfolio.

AMC has world-class assets in investment grade countries: 14 mines, as well as exploration projects in Mexico, Peru, the US, Chile, Ecuador, and Argentina.

Our investment program to optimize the company and increase production capacity has continued throughout the negative cycle of the metals market.

AMERICAS MINING CORPORATION (AMC)

(US\$ Thousands)

	2015	2016	VARIANCE	
Sales	6,008,688	6,209,957	201,269	3.3
Cost of Sales	3,783,133	3,751,103	(32,030)	(0.8)
Operating Profit	1,372,839	1,531,006	158,167	11.5
EBITDA	2,026,461	2,287,903	261,441	12.9
EBITDA Margin (%)	33.7%	36.8%		
Net Profit	406,798	955,749	548,951	134.9
Profit Margin (%)	6.8%	15.4%		
Investments - (CAPEX)	1,222,075	1,209,579	(12,496)	(1.0)

Since 2010, when our expansion program was approved, we have invested over US\$8 billion to more than double our copper production and achieve 1,250,000 tons by 2020.

These investments and our ongoing improvement program, with a strong focus on cost control, are improving the Company’s performance through an increase in our production and cost savings. Throughout 2016, these improvements were reflected in a 16% increase in copper production, a 20% rise in silver production, and a 68% hike in gold production. They were also reflected in a 15% improvement in extraction costs.

We believe that, with the current upward cycle of the metals market, our investment program will further improve returns for our investors.

Sales in the Mining division during 2016 were US\$6.209 billion, 3% greater than in 2015, thanks to higher copper production.

The cost of sales decreased 1%, despite higher production, given greater efficiencies and savings in our operations.

EBITDA totaled US\$2.287 billion, equivalent to 37% of sales, and represents 13% growth from the previous year, given the low-cost production and operating efficiencies achieved.

**SX/EW Plant
with capacity to
produce 120,000
tons of copper
annually.
Buenavista del
Cobre, Sonora,
Mexico.**



COPPER

Copper is the third most used metal in the world, and an essential component for infrastructure and growth worldwide. It has exceptional chemical and physical properties, such as high electric conductivity, corrosion resistance, and excellent malleability and ductility, making it an optimal material for industries related to electric energy, telecommunications, computers, cell phones, construction, transportation, and industrial machinery. Copper is also a very important material for non-electrical applications, such as plumbing and roofing, and when alloyed with tin, it forms bronze and brass. Likewise, it is used to manufacture fungicides, in water treatment, and in various chemical products.



PRODUCTION

In 2016, copper production reached a new record of 1,054,414 tons, which translates into a 16% increase from 2015, driven by the Buenavista del Cobre mine expansion, which increased production by 57%.

However, the Mining division continues to grow. By 2019, we expect production to reach 1,145,000 tons with the start of operations of our Toquepala expansion.

We also expect production to increase by 53% to over 1.6 million tons of copper in the next 7 years. This growth will be driven by the following projects:

- **Toquepala (Peru).** Annual increase of 100,000 tons in copper production to total 217,000 in 2018, 230,000 tons in 2019, plus 3,100 tons of molybdenum.
- **Tía María (Arequipa, Peru).** Open-pit mine with an annual production capacity of 120,000 tons of copper (SX/EW).
- **Aznácollar (Seville, Spain).** Underground polymetallic mine with an annual production capacity of 67,000 tons of zinc equivalent.
- **Pilares (Sonora, Mexico).** Open-pit mine, with an annual production capacity of 35,000 tons, which will use La Caridad's infrastructure.

- **El Pilar (Sonora, Mexico).** Open-pit mine with an annual production capacity of 35,000 tons (SX/EW).
- **El Arco (Baja California, Mexico).** Open-pit mine with an annual production capacity of 200,000 tons of copper and 105,000 ounces of gold (SX/EW and concentrator).
- **Los Chancas (Apurímac, Peru).** Open-pit mine with an annual production capacity of 100,000 tons of copper and 4,500 tons of molybdenum (SX/EW and concentrator).
- **Buenavista Zinc (Sonora, Mexico).** Buenavista del Cobre Complex. Open-pit mine with an annual production capacity of 60,000 tons of zinc.

OPERATING CASH COST

Once more, we consolidated as the world leader in production costs. In 2016, according to Wood Mackenzie, Southern Copper Corporation was the leader in low-cost production, followed by Americas Mining Corporation.

During 2016, operating cash cost per pound of copper, excluding byproducts, was US\$1.51—below the US\$1.73 cost accrued in 2015 (-13%). This improvement was mainly due to lower fuel costs, as well as greater low-cost production, thanks to the expansions at Buenavista del Cobre, and operating efficiencies at our mines.



Copper concentrate thickeners, Buenavista del Cobre, Sonora, Mexico.

Operating cash cost per pound, net of byproducts, was US\$1.08, compared to US\$1.28 in the previous year.

In the future, we expect a more significant reduction in our costs, thanks to the start of operations of the concentrator at Buenavista and our expansion in Toquepala, as well as the shutdown of Hayden. All this will result in a decrease in our operating cash cost per pound, net of byproducts, from US\$1.08 to US\$0.86 by 2019.

COPPER PRODUCTION IN REFINERIES YEAR 2016

THOUSAND TONS	
Mexico	
Ref. La Caridad	224.2
SX/EW	159.7
Sub-Total	383.9
Peru	
Ref. Ilo	270.2
SX/EW	24.9
Sub-Total	295.1
U.S.A.	
Ref. Amarillo	131.6
SX/EW	39.7
Sub-Total	171.3
Total	850.3

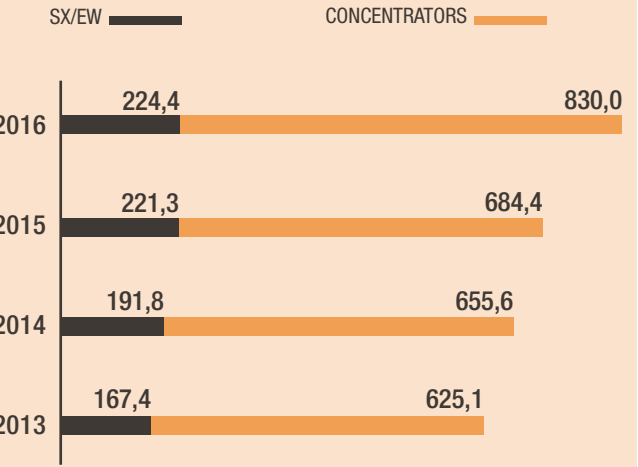
SEMI-FINISHED COPPER PRODUCTION YEAR 2016

THOUSAND TONS	
Wire rod	
Mexico	
La Caridad	144.5
U.S.A.	
Amarillo	151.3
Total	295.8
Slab	
U.S.A.	
Amarillo	11.2
Total	307.0

COPPER PRODUCTION AT SMELTERS YEAR 2016

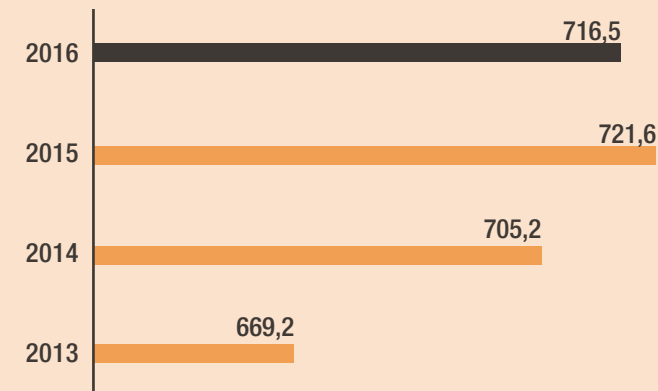
THOUSAND TONS	
Mexico	
La Caridad	267.8
Peru	
Ilo	323.5
U.S.A.	
Hayden	125.2
Total	716.5

RAW MINED COPPER
(Concentrates plus SX/EW)
Thousand Tons



CAST COPPER

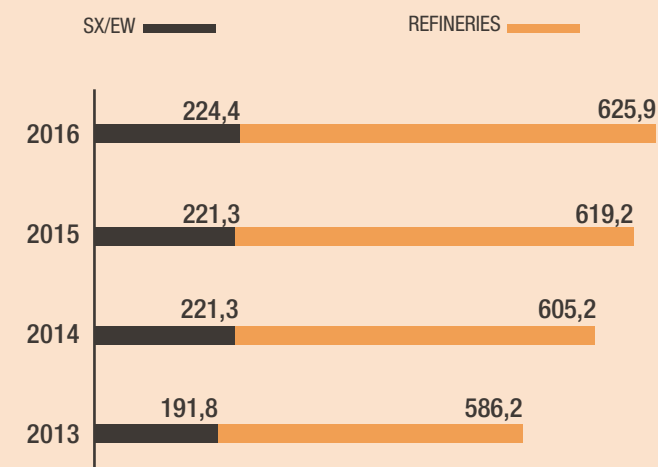
Thousands of Tons



REFINED COPPER

(Refineries and SX/EWs)

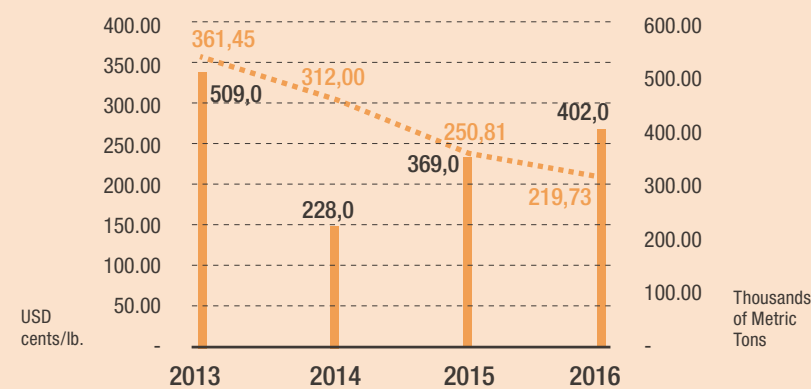
Thousands of Tons



COPPER PRICES AND INVENTORIES

COMEX N.Y. INVENTORY PLUS LME

COMEX N.Y. PRICES



WE HAVE THE BEST

ORGANIC GROWTH

PORTFOLIO.

WE EXPECT A 53%

INCREASE IN PRODUCTION

TO OVER 1.6 MILLION

TONS OF COPPER IN THE

NEXT 7 YEARS.

PRIMARY MINING PRODUCTION AND COPPER RESERVES YEAR 2016

PRODUCTION			ORE RESERVES			
	PROCESSED MINERAL	COPPER CONTENT	ORE	COPPER CONTENT	ORE GRADE %	YEARS IN OPERATION
THOUSAND TONS			MILLION TONS			
MEXICO						
Concentrator:						
La Caridad	34,539	104.9	2,887.1	6.81	0.24	84
Buenavista del Cobre	66,113	316.0	3,692.9	17.73	0.48	56
Underground Mines	3,032	6.4	45.9	0.23	0.50	4 a 16
Subtotal	103,684	427.3	6,625.9	24.78		
SX/EWs						
La Caridad	41,342	28.3	671.9	1.19	0.18	16
Buenavista del Cobre	123,738	131.4	3,034.7	5.61	0.19	25
Sub-Total	165,080	159.7	3,706.6	6.80		
PERU						
Concentrator:						
Toquepala	20,071	116.5	1,928.9	10.74	0.56	96
Cuajone	30,681	171.4	1,806.2	9.32	0.52	59
Sub-Total	50,752	287.9	3,735.1	20.06		
SX/EWs						
Toquepala	78,485	24.9	1,785.6	3.32	0.19	23
Cuajone	-	-	4.8	0.03	0.63	-
Sub-Total	78,485	24.9	1,790.4	3.36		
U.S.A.						
Concentrator:						
Mission	18,003	68.2	395.0	1.49	0.38	22
Ray	13,656	46.5	469.7	2.37	0.51	34
Sub-Total	31,659	114.7	864.7	3.88		
SX/EWs						
Ray	8,064	20.7	366.0	0.92	0.25	45
Silver Bell	10,255	19.0	183.6	0.51	0.28	18
Sub-Total	18,319	39.7	549.6	1.42		
Total Concentrator	186,095	829.9	11,225.7	48.71		
Total SX/EWs	261,884	224.3	6,046.6	11.59		
Grand Total	447,979	1,054.2	17,272.3	60.30		

* Project reserves totaling 9.3 million tons are not included to reach a total 75.2 million tons of reserves.

** The reserves are valued at \$2.90 dollars per lb. of copper.

BYPRODUCTS

MOLYBDENUM

Molybdenum is maily used to manufacture stainless and special steels. It is also used as a catalyst in the oil and gas industry, and in fertilizers, dyes, glazes, reagents, and lubricants. Its most remarkable property is that it adds hardness and corrosion resistance to alloys.

The average price of molybdenum in 2016 was US\$6.42/lb., equivalent to a 3% decline vs. 2015, due to oversu-

pply on the market and a complex situation in the steel industry—the main consumer of molybdenum.

Molybdenum production in 2016 decreased 7% to 21,736 tons vs. the previous year, given lower production at Toquepala (-20%) and Cuajone (-12%) due to lower ore grades.

MINING PRODUCTION AND MOLYBDENUM RESERVES YEAR 2016

PRODUCTION	PROCESSED ORE	MOLYBDENUM CONTENT	ORE RESERVES	
	THOUSAND TONS		MILLION TONS	GRADE %
MINES				
MEXICO				
La Caridad	34,539	9.9	2,887.1	0.029
Buenavista del Cobre	66,113	1.6	3,692.9	0.009
Sub-Total	100,652	11.5	6,580.0	
PERU				
Toquepala	20,071	6.3	1,928.9	0.034
Cuajone	30,681	3.9	1,806.2	0.020
Sub-Total	50,752	10.2	3,735.1	
Total	151,404	21.7	10,710.1	

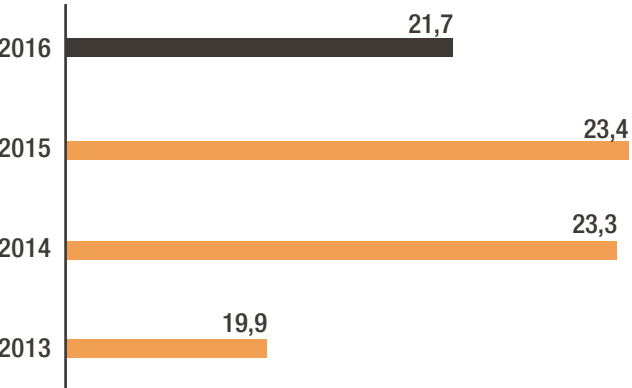


Ball mill.
Buenavista
del Cobre,
Sonora,
Mexico.

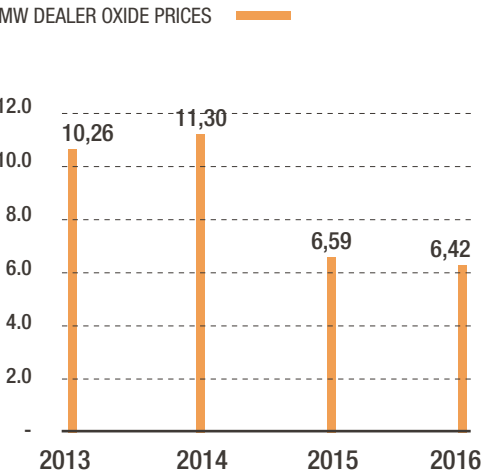


GRUPO MEXICO’S MINING DIVISION IS A LEADER IN CASH FLOW GENERATION, EVEN AT THE LOW PART OF THE CYCLE OF METAL PRICES.

PRIMARY MINING MOLYBDENUM
(Thousands of Tons)



MOLYBDENUM PRICES AND INVENTORIES





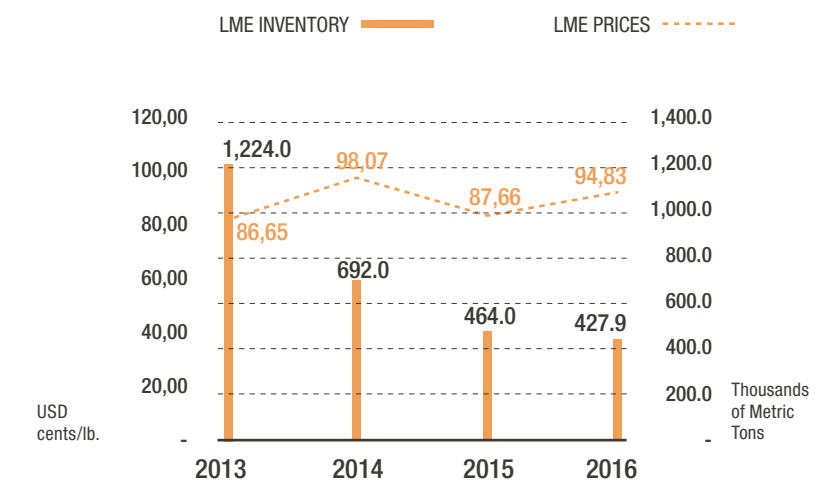
Interior of the geodesic dome at Buenavista del Cobre. Its function is to store ore lumps and prevent the spreading of dust into the environment.

ZINC PRODUCTION AT REFINERY

THOUSAND TONS

Refineries	
Mexico	
San Luis Potosi	106.1

ZINC PRICES AND INVENTORIES



PRIMARY MINING PRODUCTION AND ZINC RESERVES YEAR 2016

PRODUCTION	PROCESSED ORE	ZINC CONTENT	ORE RESERVES		
	THOUSAND TONS		MILLION TONS	GRADE %	YEARS IN OPERATION
MINES					
MEXICO					
Charcas	1,229.2	28.8	4.5	3.55	4
Santa Barbara	1,524.5	29.1	23.7	2.55	16
San Martin	-	-	12.9	2.14	28
Santa Eulalia	278.1	16.1	2.9	6.90	10
Total	3,031.8	74.0	44.0		

40

ZINC

Zinc is used for a wide range of applications, given its high resistance to atmospheric corrosion; thus, its main application is galvanization in the automotive industry, construction, and household appliances. Given its low melting point, malleability, and high resistance, it is also used to manufacture pressure casting parts. It is also the base to obtain zinc oxide, used to manufacture ti-res, paint, and cattle fodder, among other products.

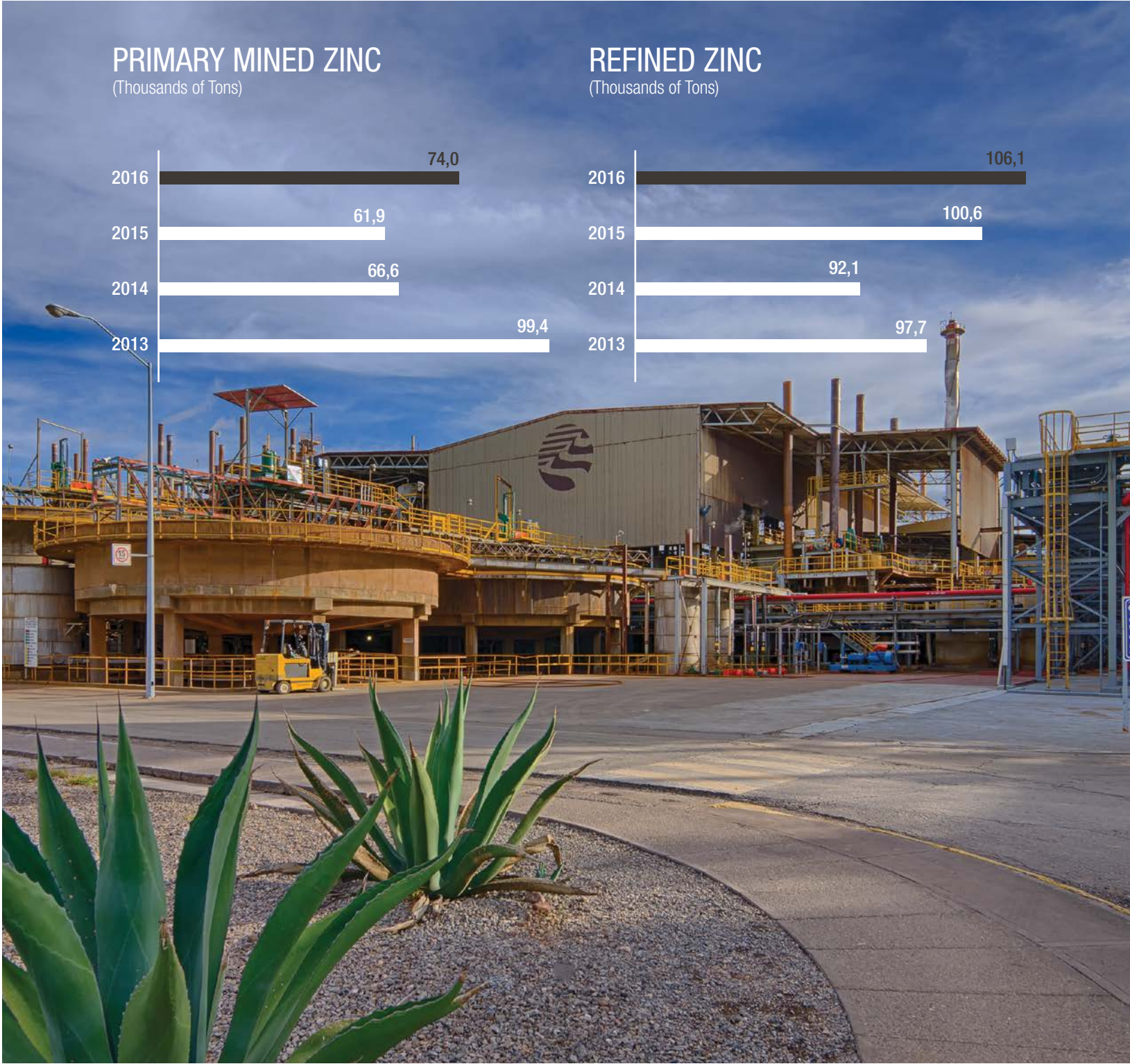
During 2016, prices averaged US\$0.95/lb., which translated into an 8% hike in zinc prices vs. 2015. This increase was due to sound fundamentals in the zinc market, given lower supply.

There is a positive view for zinc prices in the next few years, sustained by sound fundamentals. It is estimated that there was a deficit of 500,000 tons during 2016, and that it will amount to 150,000 tons in 2017.

Zinc production in the year increased 20% to 73,984 tons compared to 61,905 tons in 2015. This increase resulted from the start of operations of the Santa Eulalia mine following the flood that affected production last year.

Electrolytic zinc plant,
San Luis Potosi, Mexico.

AT GRUPO MEXICO,
WE HAVE WORLD-CLASS
ASSETS IN INVESTMENT
GRADE COUNTRIES.



DURING 2016, OUR GOLD AND SILVER PRODUCTION INCREASED BY 68% AND 20%, RESPECTIVELY, DUE TO THE NEW PRODUCTION AT BUENAVISTA DEL COBRE.

PRECIOUS METALS

SILVER

Silver is used to manufacture electric, electronic, and photographic products. Likewise, it is used in jewelry, ornamental items, coin minting, and catalysts.

After 12 years of continuous growth, silver mining production in 2016 was lower than in the previous year. Thus, the average price was US\$17.10/oz—9% higher than in 2015 (US\$15.68/oz).

In 2016, silver production increased 20% to 17,855 thousand ounces compared to 2015, mainly explained by greater production at Buenavista del Cobre (+103%).

GOLD

Inflation expectations should continue to increase in 2017, and improve demand for precious metals, since metals are considered a hedge against inflation. The performance of gold prices showed volatility in 2016. Average prices increased 8% vs. 2015, from US\$1,160/oz to US\$1,248/oz.

Gold production increased 68% to 68,651 ounces, thanks to greater production at Buenavista del Cobre (+126%).

MINING PRODUCTION AND RESERVES OF SILVER AND GOLD YEAR 2016

PRODUCTION	CONTENTS OZ		SILVER ORE RESERVE	
	GOLD	SILVER	MILLION TONS	ORE GRADE GRS / TON
MINES				
IN CONCENTRATES:				
MEXICO				
La Caridad	8,460	1,966,542	2,887.1	3.8
Buenavista del Cobre	46,279	4,819,457	3,692.9	4.1
Underground Mines	6,420	5,622,056	45.9	94.0
Sub-Total	61,159	12,408,055	6,625.9	
PERU				
Toquepala	2,312	1,585,520	1,928.9	4.9
Cuajone	5,180	2,178,180	1,806.2	5.0
Sub-Total	7,492	3,763,700	3,735.1	
U.S.A.				
Mission	-	1,308,180	395.0	5.3
Ray	-	375,276	469.7	1.5
Sub-Total	-	1,683,456	864.7	
Total	68,651	17,855,211	11,225.7	

PRODUCTION AT SILVER AND GOLD SMELTERS YEAR 2016

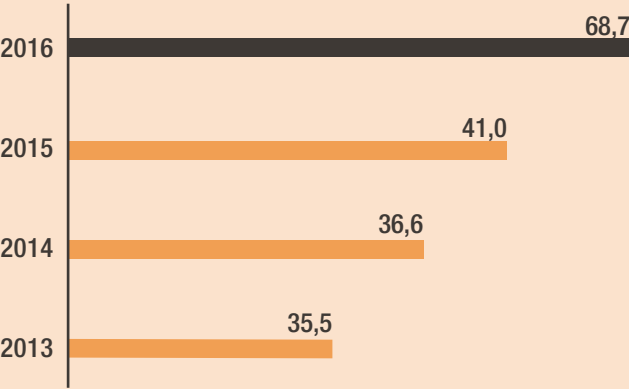
	OUNCES	
	GOLD	SILVER
La Caridad	45,985	7,782,779
Ilo	9,022	4,601,267
Hayden	5,385	1,713,147
Total	60,392	14,097,193

REFINED SILVER AND GOLD PRODUCTION YEAR 2016

REFINERIES	OUNCES	
	GOLD	SILVER
La Caridad	154,507	8,259,922
San Luis Potosi	3,608	3,640,518
Ilo	6,749	3,295,316
Amarillo	-	-
Total	164,864	15,195,756

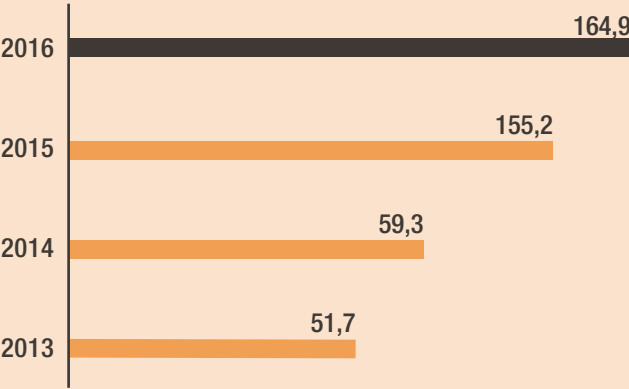
PRIMARY MINED GOLD

(Thousand ounces)



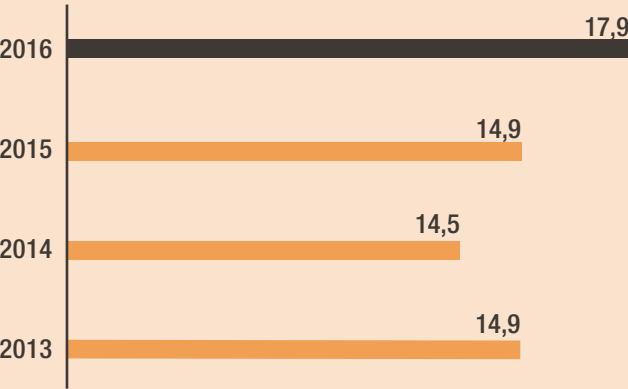
REFINED GOLD

(Thousand ounces)



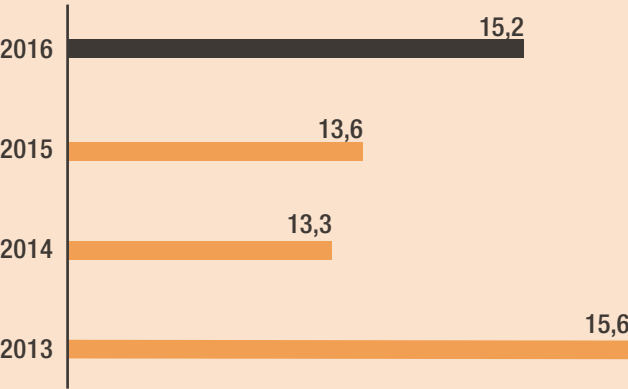
PRIMARY MINED SILVER

(Million ounces)

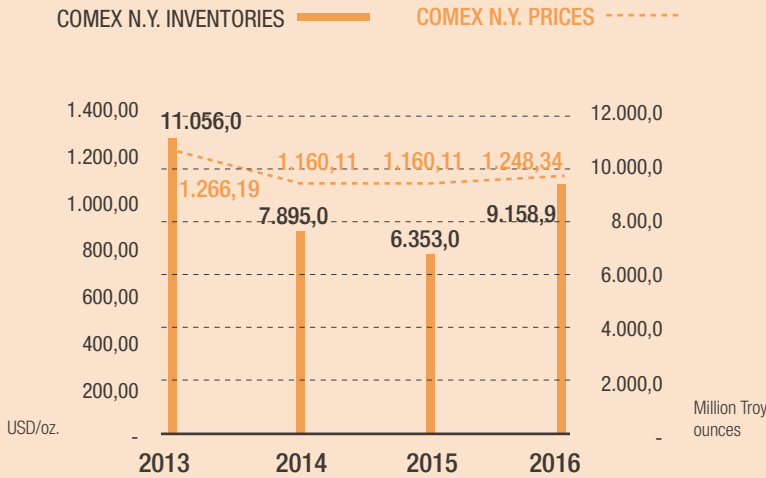


REFINED SILVER

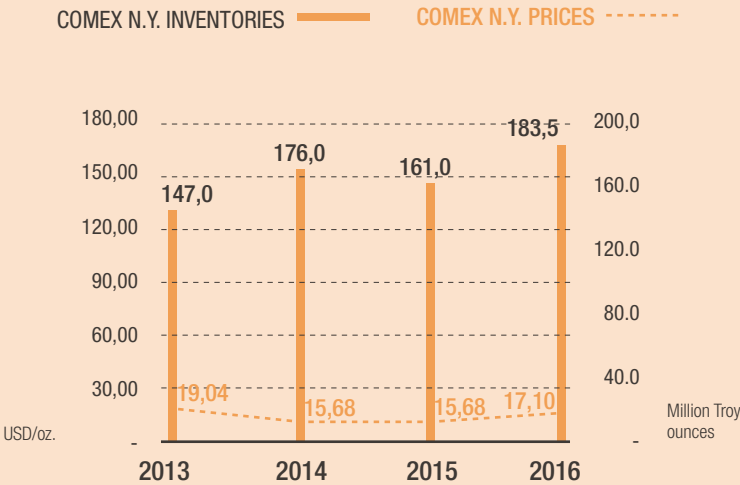
(Million ounces)



GOLD PRICES AND INVENTORIES



SILVER PRICES AND INVENTORIES





Inside SX/EW III,
Buenavista del Cobre, Sonora, Mexico.



MINING PRODUCTION SUMMARY*

DISTRIBUTION 2016					
TONS	2016	2015	2014	2013	2012
Copper concentrates	3,341,903	2,770,966	2,653,044	2,529,015	2,603,914
Copper content in concentrates	830,047	684,430	655,576	625,105	650,846
Copper content SX/EWs (Cathode)	224,366	221,261	191,812	167,364	175,362
Total copper content of mine	1,054,413	905,691	847,388	792,469	826,208
Copper content of smelter	716,541	721,610	705,187	669,240	703,301
Refinery copper	625,924	619,163	605,197	586,207	578,366
Refined copper (refineries + SX/EWs)	850,290	840,424	797,009	753,571	753,728
Refined copper turned into rod	295,800	286,635	280,996	276,326	289,865
Refined copper turned into slap	11,202	16,210	11,345	11,494	6,911
Zinc concentrates	139,697	115,031	123,955	185,254	166,952
Zinc content in concentrates	73,984	61,905	66,614	99,372	89,884
Refinery Zinc	106,093	100,576	92,133	97,692	93,542
Lead concentrates	40,737	32,769	36,105	40,077	35,345
Lead content in concentrates	24,385	20,693	22,286	23,918	19,978
Gold content in concentrates (ounces)	68,651	40,995	36,593	35,544	43,959
Refinery gold (ounces)	164,864	155,180	59,332	51,718	64,076
Silver content in concentrates (ounces)	17,855,211	14,912,611	14,542,464	14,933,798	15,034,604
Refinery silver (ounces)	15,195,756	13,637,723	13,348,048	15,572,552	15,974,465
Molybdenum content in concentrates	21,736	23,368	23,290	19,897	18,297
Coal	194,285	248,527	276,082	291,505	325,308
Coke	71,701	97,544	96,086	93,214	91,263
Sulfuric acid	2,691,371	2,703,588	2,650,031	2,365,051	2,539,794
Cadmium	664	637	607	584	622
Lime	271,560	251,928	165,698	133,568	136,970

* Figures in metric tons except where otherwise stated.



The Quebalix will reduce the processing time and improve mining and hauling costs. It will also increase production by improving our SXEW recovery

Quebalix IV, Buenavista del Cobre, Sonora, Mexico.

PROJECTS AND INVESTMENTS

PROJECTS IN MEXICO BUENAVISTA DEL COBRE

We are very proud to have completed the US\$3.5 billion investment program at Buenavista del Cobre, on time and US\$100 million below budget.

Concentrator II is working at 105% of its total design capacity of 188,000 tons of copper content. This concludes our 2 main expansions in Mexico: SX/EW III plant (solvent extraction and electrowinning plant), and the Concentrator II plant. All projects will be working at full capacity in 2017, including Quebalix IV (crushing and leaching systems).

Crushing, Conveying, and Spreading System for Leachable Ore (Quebalix IV).- The main goal of this project is to reduce processing times, as well as mining and hauling costs through its 7km-long conveyor belt. It will also increase production by improving SX/EW copper recovery. At yearend 2016, the project had achieved 98% progress with a US\$311 million investment out of an approved budget of US\$444 million.

PROJECTS IN PERU

We are currently working on five copper projects in Peru, with a capital investment of US\$2.9 billion.

Toquepala Expansion Project. This project worth US\$1.2 billion includes a new concentrator with advanced technology that will increase annual production capacity by 100,000 tons of copper to 235,000 tons in 2018. It will also increase molybdenum production by 3,100 tons. At December 31, 2016, we have invested US\$550.4 million with 53% progress, and we expect to complete it by 2Q18.

Toquepala High Pressure Grinding Roller System (HPGR). The main goal of this project is to ensure that the current concentrator operates at its full grinding capacity, which is 60,000 tons per day, given the increase in the hardness of the material. Moreover, recoveries and production will improve with a better ground mine-

ral. The budget for this project totals US\$40 million and we have invested US\$21.9 million through December 31, 2016. The project should be completed by 4Q17.

Cuajone's Heavy Mineral Management Optimizing Project. The project consists of installing a primary in-pit crusher at the Cuajone mine with a conveyor system to transport the ore to the concentrator. The project will optimize the hauling process, substituting rail haulage, and thus reducing operating and maintenance costs, as well as the environmental impact of the mine. The crusher will have a processing capacity of 43.8 million tons per year. The main components, including the crusher and the 7 km conveyor belt, have been acquired and we are going ahead with the electromechanical assembly.

Through December 31, 2016, we have invested US\$150.9 million out of an approved capital budget of US\$215.5 million, with 80% progress. We expect to conclude in 2Q17.

Tailings Thickeners at Cuajone Concentrator. In this project, two of the three existing thickeners will be replaced by a new high-capacity thickener. The purpose is to optimize the concentrator's flotation process and improve water recovery efficiency, increasing the content of solid tailings from 54% to 61%. This will reduce fresh water consumption, replacing it with recovered water.

At December 31, 2016, we have nearly completed the engineering and acquisition process, and have begun the excavations and civil works. We have invested US\$14.4 million out of an approved budget of US\$30 million, with 62% progress. We expect it to be completed in 2017.

Tia Maria. We have concluded all the engineering and have obtained approval of the Environmental Impact Assessment. We are currently working to obtain the construction license for this greenfield project, which will have an SX/EW production of 120,000 tons per year, with a total capital investment of US\$1.4 billion.

Aerial view
of La Caridad mine,
Sonora, Mexico.





EXPLORATIONS

We have carried out broad exploration activities to locate the greatest mineral resources in our current concessions, maintaining our focus on the ongoing discovery of new deposits in Peru, Mexico, Chile, Argentina, Ecuador, the US, and Spain.

We also carried out explorations in our current mining operation areas. We invested US\$40.1 million in exploration programs in 2016, US\$48.8 million in 2015, and US\$74.6 million in 2014, and expect to spend around US\$50.8 million in 2017.

We currently have direct control of 332,694 hectares of concessions for exploration, 80,979 of which are in Peru and 154,937 in Mexico. We also hold 58,138 hectares of exploration concessions in Argentina, 36,097 hectares in Chile, and 2,543 hectares in Ecuador.

**Aerial view
of El Arco
exploration
project,
Baja California,
Mexico.**

**EL ARCO IS A COPPER DEPOSIT THAT
COULD HAVE AN ANNUAL CAPACITY OF
200,000 TONS OF COPPER AND 105,000
OUNCES OF GOLD, ONCE THE PROJECT
IS DEVELOPED.**

MEXICO

EL ARCO

El Arco is a copper, gold, molybdenum, and silver porphyry deposit located in the middle of the Baja California peninsula. During July 2015 and February 2016, we executed a 20,170-meter drilling program to define the deposit at a depth of 300 to 600 meters. The highly favorable results obtained in this campaign have enabled us to increase the estimated resources to 923.7 million tons with ore grades of 0.50% of copper, 0.01% of molybdenum, 0.12 g/t of gold, and 1.7 g/t of silver. This resource is added to the existing reserves of 2.2 billion tons (previously estimated).

EL PILAR

El Pilar is an exotic copper project constituted by copper oxides, located 40 km to the north of our Buenavista del Cobre operation. This project was acquired by Southern Copper in 2015.

During 2016, we carried out a confirmatory exploration campaign of 15,316 meters to confirm the deposit's mineralization. Once completed, it was complemented with a second additional campaign of 3,700 meters and a 40-km geophysical survey in 4Q16.

The results obtained allowed us to confirm reserves of 379.8 million tons with copper ore grades of 0.26%, translating into an increase of 20.6 million tons of the mineral resource compared to the information available at the time of the acquisition.

Moreover, the results have made it possible to identify and define areas of interest with potential for both oxides and sulfides.

During 2017, we plan to carry out a geochemical survey covering 4,000 hectares and an additional 20,000-meter drilling campaign.

BUENAVISTA - ZINC

Buenavista del Zinc is a project located within the Buenavista del Cobre porphyric deposit, at the northeast end of the pit.

This is a Skarn-type deposit consisting of a mineralization of sulfurs with zinc, copper, silver, and lead. It has 158 million tons in ore reserves, with zinc ore grades of 1.76%,



0.54% copper and 21 gr/ton of silver. In 2016, we worked on revising the deposit's geological model. Moreover, the lithological description of old blast holes was checked and analyzed through infrared ray spectrometry. With the new information obtained, we updated the database for reserve estimations.

At present, the basic engineering has been completed and we are working on a revised mining plan which should be completed during the first quarter of 2017. Moreover, works continue on the flotation metallurgical testing to optimize ore recovery.

BELLA UNION (LA CARIDAD)

Bella Union is a mineralized breccia with copper and molybdenum located less than 1 km from the current limit of the La Caridad pit. In 2016, 2,1730 meters were drilled to define the geometry of the ore body. With this successful exploration program, total reserves of roughly 63.3 million tons with an average ore grade of 0.43% for copper and 0.04% for molybdenum were defined.

**Drill cores
at 600 meters
deep in the
El Arco
exploration
project, Baja
California,
Mexico.**

The ore body has potential for continuity; thus, to finalize the delimitation of its morphology, we will continue the drilling works throughout 2017. The project considers the generation of an aerial hyperspectral image that will span 40,000 square km. and a drilling campaign of 15,000 meters.

CHALCHIHUITES

Chalchihuites is a Skarn-type deposit consisting a sulfide mineralization with zinc, lead, silver, and copper. It is located in the north of the state of Zacatecas, very close to the San Martin mining unit. Based on the information obtained in various exploration campaigns carried out between 1980 and 2014, totaling 68,000 meters distributed among 144 bore holes, reserves of 12.6 million tons with ore grades of 110 g/t of silver, 2.66% for zinc, 0.37% for copper, and 0.67% for copper have been estimated. Results to date report that the mineralization consists of a complex mix of oxides and silver, lead, and zinc sulfides; thus, additional work focused on metallurgical research is still required.

In 2017, an exploration campaign of 21,000 meters is planned, in order to obtain material that will enable us to advance on the testing and metallurgical research.

CAMPO MEDIO PROJECT

Campo Medio is immediately to the west of the Santa Eulalia unit. The area shows evidence of the possible presence of limestone replacement bodies, similar to those currently exploited in the mine. During 2016, the geological and geochemical survey of 800 hectares located between the two operating mines in the district and those that have historically extracted more than 25 million tons of ore was completed. The promising results

obtained indicate the presence of five different areas with potential.

In 2017, we plan to carry out a geophysical survey to refine drilling targets and confirm their existence through a 5,000-meter exploration campaign.

ALFAREÑA PROJECT

Alfareña is a silver, gold, lead, zinc, and copper vein project within the Santa Barbara district, located 6 km. from the concentrator plant. It has reserves of 21.1 million tons of ore, with average contents of 3.46% of zinc, 0.38% of copper, 2.44% of lead, and 100 gr/ton of silver. 2011 and 2014 have implied a total of 140 bore holes.

The development of this project probably requires the construction of a new mine and possibly of a new concentrator plant to process the ores in the Santa Barbara unit. In 2017, we are considering a drilling program of 15,000 meters to raise resources to reserve status and proceed to develop the project.

PERU

LOS CHANCAS

This property is a copper and molybdenum porphyry deposit located in the Apurimac department, in southern Peru. Current estimates indicate the presence of 545 million tons of mineralized material with average contents of 0.59% of copper, 0.04% of molybdenum, 0.039 g/t, and 181 million tons of leachable mineralized material with a total copper content of 0.357%. During 2016, the social and environmental sustainability with the local communities was continued and optimized.

In 2017, we are considering beginning the preparation and presentation of the Environmental Impact Assessment, as well as continuing our social responsibility and relationships.

ARIKEPAY

This project is located in Arequipa. In 2016, we completed a 3,500-meter drilling program. The results obtained indicated evidence of mineralization in irregular sections of the deposit. In 2017, we are planning a 4,000-meter drilling campaign to determine the continuity of the deposit's mineralization.

OTHER PROJECTS

During 2016, we completed the exploration works at the Lana project located in Arequipa, in the south of Peru, where 2,105 meters were drilled. The drilling began in April 2015, and ended in May 2016. Unfortunately, the results obtained have not been favorable, and no further exploration works will be carried out.

Different targets have been explored on the southern coast of Peru to locate copper porphyry systems. For this purpose, a total of 22,087 meters were drilled, but the results were not satisfactory. Thus, no additional exploration programs are considered here for 2017.

We obtained environmental permits to carry out a 5,000-meter diamond drilling program in the Tambillo project, located on the central coast of Peru, to confirm

the existence of mineralization of a copper-molybdenum porphyry system. This campaign will be executed during 2017. We also expect to execute a 20,000-meter diamond drilling program in areas with evidence of copper porphyry systems, located in the metallogenic strip of southern Peru, between Tacna, Moquegua, and Arequipa. Last, we will continue with the prospecting program in various metallogenic environments around the country.

CHILE

EL SALADO (MONTONERO)

El Salado is an IOCG-type copper-gold project located in the Atacama region in Chile. In 2016, a 12,169-meter exploration campaign was carried out to define the classification of the existing ore. In 2017, we are considering a 4,000-meter diamond drilling program to define the project's profile and its preliminary prefeasibility.

RESGUARDO DE LA COSTA

Resguardo de la Costa is an epithermal gold deposit located to the south of Chañaral, where we are considering a 3,000-meter drilling program throughout 2017.

Moreover, we will continue with the prospecting of areas with promising indicators of mineralization presence with copper porphyry systems in the Antofagasta region.



Blast hole drill,
Cuacone, Peru.





The Toquepala expansion will result in an annual increase of 100,000 tons of copper and 3,100 tons of molybdenum.

Night view of the Toquepala expansion, Peru.

ECUADOR

CHAUCHA – RUTA DEL COBRE

Ruta del Cobre is located to the west of the city of Cuenca and to the south of the Guayaquil locality. The deposit offers a mineralization system of copper and molybdenum porphyries. In 2016, we executed 25,081 meters of diamond drilling, in compliance with Ecuador's socio-environmental management regulation. This drilling has enabled us to consolidate the information obtained to date for a better geological and economic interpretation.

In 2017, we are planning to carry out a 12,000-meter diamond drilling program to perform geotechnical and metallurgical studies, as well as to prepare a conceptual study for an initial economic assessment of the project.

ARGENTINA

During 2016, the prospecting and geological assessment works were completed at the La Voluntad and Cochico prospects (copper-gold systems), located in the Neuquen province. Unfortunately, the results obtained were not satisfactory.

Likewise, we completed certain evaluations on third-party properties in the San Juan province. We found targets with potential epithermal gold and silver systems in Cerro Abanico and Cerro Las Minas, located in the Rio Negro province. In 2017, we have considered continuing the exploration of these systems.

Moreover, in 2017, we will begin exploration activities at the Marisa I property, located in the San Juan province. These exploration concessions were awarded through a resolution in favor of Southern Copper Argentina by the mining authorities of San Juan. Preliminary evidence suggests the possible existence of a copper and molybdenum system.

SPAIN

LOS FRAILES

Los Frailes is located in the Aznalcóllar municipality, only 35 km. from the city of Seville, Spain. After the project was won in a public bidding in May 2015, in July 2015, the regional authorities granted us permission to begin exploration activities on 2,160 concessioned hectares. We immediately began to carry out various works: a photogrammetric restitution, a topographic survey, and geological cartography of all the concessioned surface. We also carried out a drilling campaign of 56 bore holes totaling 27,200 meters. Moreover, 3,000 meters were drilled and piezometers and inclinometers were installed to perform the geotechnical and hydrogeological research.

With the material obtained through drilling, we began the first phase of the metallurgical testing by differential flotation and bulk flotation. We hope to complete this initial exploration campaign by mid-March 2017.

UNITED STATES

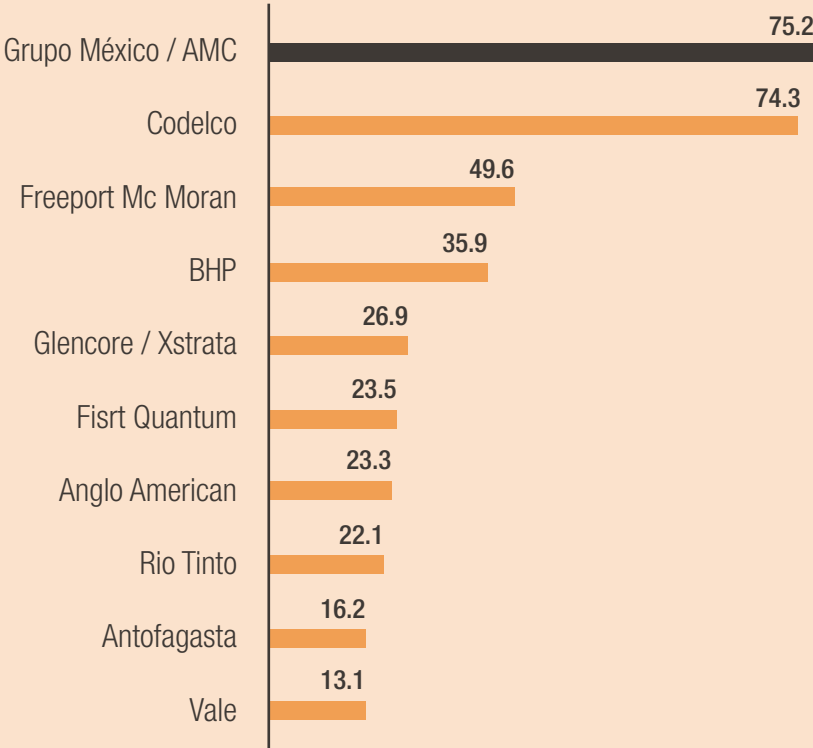
CHILITO

Chilito is in Gila County, Arizona. In 2016, we acquired 62 mining concessions covering the northern part of the project, in order to investigate certain geophysical anomalies that could increase the mineral resource. A geological mapping and sample collection is being carried out with favorable results so far. In 2017 we will continue these studies.

N° 1 IN COPPER RESERVES WORLDWIDE:
OVER 75 MILLION TONS.

COPPER RESERVES BY COMPANY

Million tons



Warehouse of copper cathodes
ready to be transported.

IN THE LAST 5 YEARS, THE MINING
DIVISION HAS MANAGED TO
REDUCE ITS ACCIDENT RATE BY
40%, AND THEIR SEVERITY BY 60%.

THE WELLBEING OF OUR COLLABORATORS
IS A TASK THAT CONCERNS US ALL. WE KNOW
THAT CARING FOR OUR TEAM BRINGS PEACE
OF MIND TO THEIR FAMILIES.

Workers at underground mine
Santa Barbara, Chihuahua, Mexico.

OCCUPATIONAL HEALTH AND SAFETY
MINING DIVISION

For Grupo Mexico, caring for the lives, health, and wellbeing of our collaborators and their families is the number one priority in all our operations. No task is more important.

Our main commitment is to create optimal and safe work environments for our co-llaborators, applying the highest occupational health and safety standards. Our goal: ZERO accidents.

The Mining Division’s Integrated of Labor Health and Safety Management System allows us to implement effective processes and provide our collaborators with the necessary knowledge and skills to identify, control, and mitigate risks, prioritizing the necessary measures and care to prevent accidents.



ACTIVITIES AIMED AT:

COMPANY PERSONNEL

Safety conferences and courses
Safety Expo
Internal Safety Cells Forum
Healthcare fair
Health race
Awards to workers or departments with ZERO INCIDENTS

WORKERS' FAMILIES AND COMMUNITIES

Guided tours “Meet my company”
Health race
Value promotion family contests
Fire-fighting courses
Family get-togethers and parades
Healthcare fair

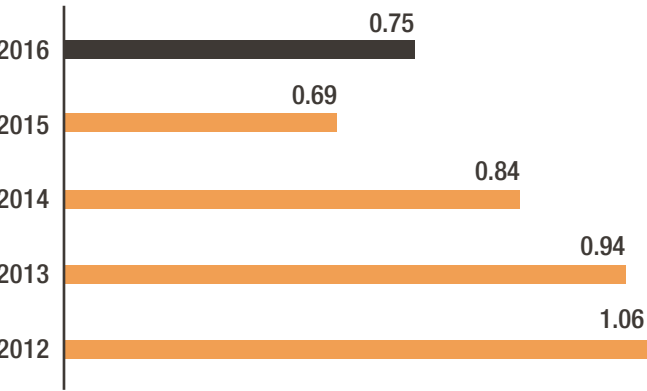
In 2016, we maintained 12 units in Mexico and Peru with the Occupational Health and Safety Advisory Services certification, per OHSAS 18001:2007 standard. In addition, in Mexico, we have 18 units accredited by the Ministry of Labor's Health and Safety at Work program (PASST for its Spanish acronym), thus consolidating our commitment to implement the best practices in health and safety in the workplace. During 2016, we reported the following achievements in Health and Safety:

- Mexico's Mining Chamber (Camimex) awarded the Silver Helmet, a “Jorge Rangel Zamorano” Award, to Mexicana del Cobre's SX/EW plant, as well as to the Lime Plant and the Santa Eulalia Mine, as they reported the lowest incident rates in the industry, as well as for their efforts in accident prevention.

- In Peru, we continue to work on the Safety Based Behavior program, hoping that the first results will enable us to enrich the culture of prevention among our collaborators.
- Our US mining operations once again achieved the lowest incidents and severity indices in their history, with an incident rate that is 57% below the national average.
- In Mexico, we held the sixth Forum on Safety Cells, where our collaborators present projects to carry out their activities more safely and productively.

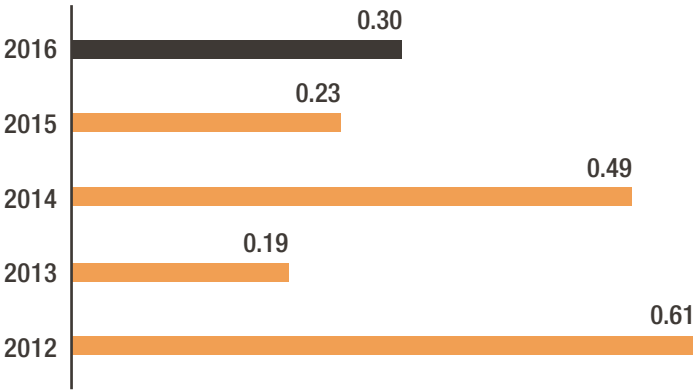
Thanks to our collaborators' work and commitment, we have managed to reduce the accident rate by 40% and their severity by 60% in the last 5 years. These efforts are a result of actions aimed to improve our processes to care for the physical integrity of our collaborators.

INCIDENT RATE (IR)
MINING DIVISION, 2012-2016



$$IR = \frac{\text{No. of incapacitating accidents}}{\text{Total no. of man-hours worked}} \times 200,000$$

SEVERITY RATE (SR)
MINING DIVISION, 2012-2016



$$SR = \frac{\text{No. of days lost}}{\text{Total no. of man-hours worked}} \times 1,000$$



Personal protection gear in central repair shop for underground mine equipment, Chihuahua, Mexico.

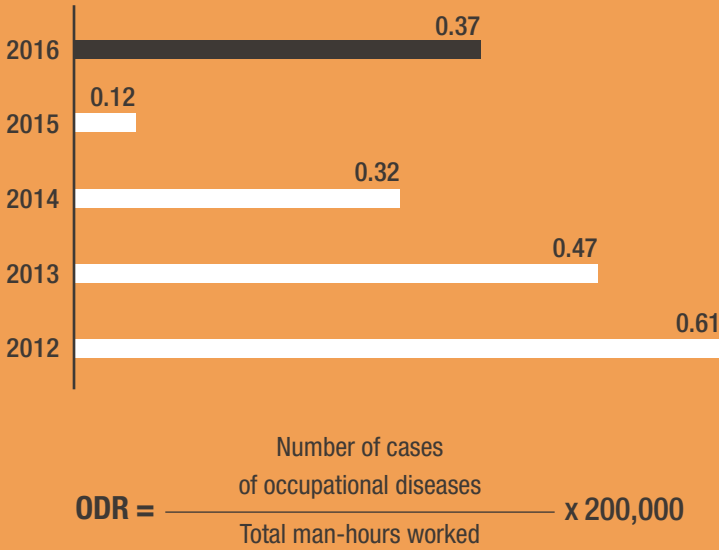
OCCUPATIONAL HEALTH

Healthy environments are part of our organizational culture and management system, as a responsibility of the company, which establishes a culture of involvement, participation, and commitment, to generate better health conditions that lead to an increase in the quality of life of our collaborators, their families, and the communities where we operate.

Over the last 5 years, we have managed to reduce our occupational disease rate by 56%, thanks to various education, prevention, and risk control programs, as well as illness treatment. These programs are provided to our collaborators and, in some cases, family members, contractors, suppliers, institutions, and the public.



OCCUPATIONAL DISEASE RATE MINING DIVISION, 2012 - 2016



INVESTMENT IN HEALTH & SAFETY

During 2016, we invested nearly US\$133 million in occupational health and safety, representing a 14% increase over 2015. These investments were made primarily in engineering works, purchasing personal protective gear, training and industrial hygiene studies. In occupational health, we invested in raising awareness, promotion and health protection, and early detection, treatment and rehabilitation in the company's hospitals.

INVESTMENT IN WORKPLACE SAFETY

(US\$ millions)

	MINING DIVISION
Administrative costs	\$ 5.43
Training	\$ 5.01
Personal protective gear	\$ 10.28
Industrial hygiene studies	\$ 18.56
Engineering works	\$ 86.81
Total	\$ 126.10

INVESTMENT IN WORKPLACE HEALTH

(US\$ millions)

	MINING DIVISION
Health awareness, promotion and protection	\$ 0.99
Detection and prevention	\$ 2.30
Treatment	\$ 3.31
Rehabilitation	\$ 0.03
Total	\$ 6.64

Female mining truck operators, Buenavista del Cobre, Sonora, Mexico.





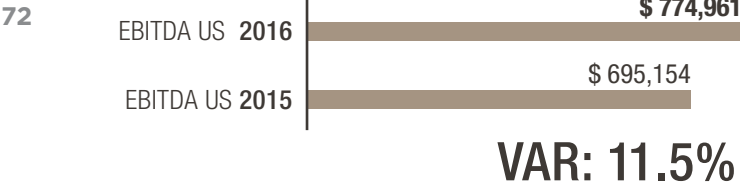
Bulk hoppers.

Transportation Division

IN 19 YEARS OF OPERATION, WE HAVE CONSOLIDATED AS THE LEADING CARGO TRANSPORTATION COMPANY IN MEXICO. DURING 2016, WE HAULED 54.445 BILLION TONS-KM, THUS ENABLING THE RAILROAD TO GAIN MARKET SHARE WITHIN THE TOTAL VOLUMES HAULED NATIONWIDE, FROM 19% TO 26%.



Although the results in US dollar terms were affected by the peso depreciation (17.7% in the year), operating results rose 0.6%, and EBITDA 11.5% over the previous period. The same concepts expressed in pesos show 18% and 31% growth, respectively.

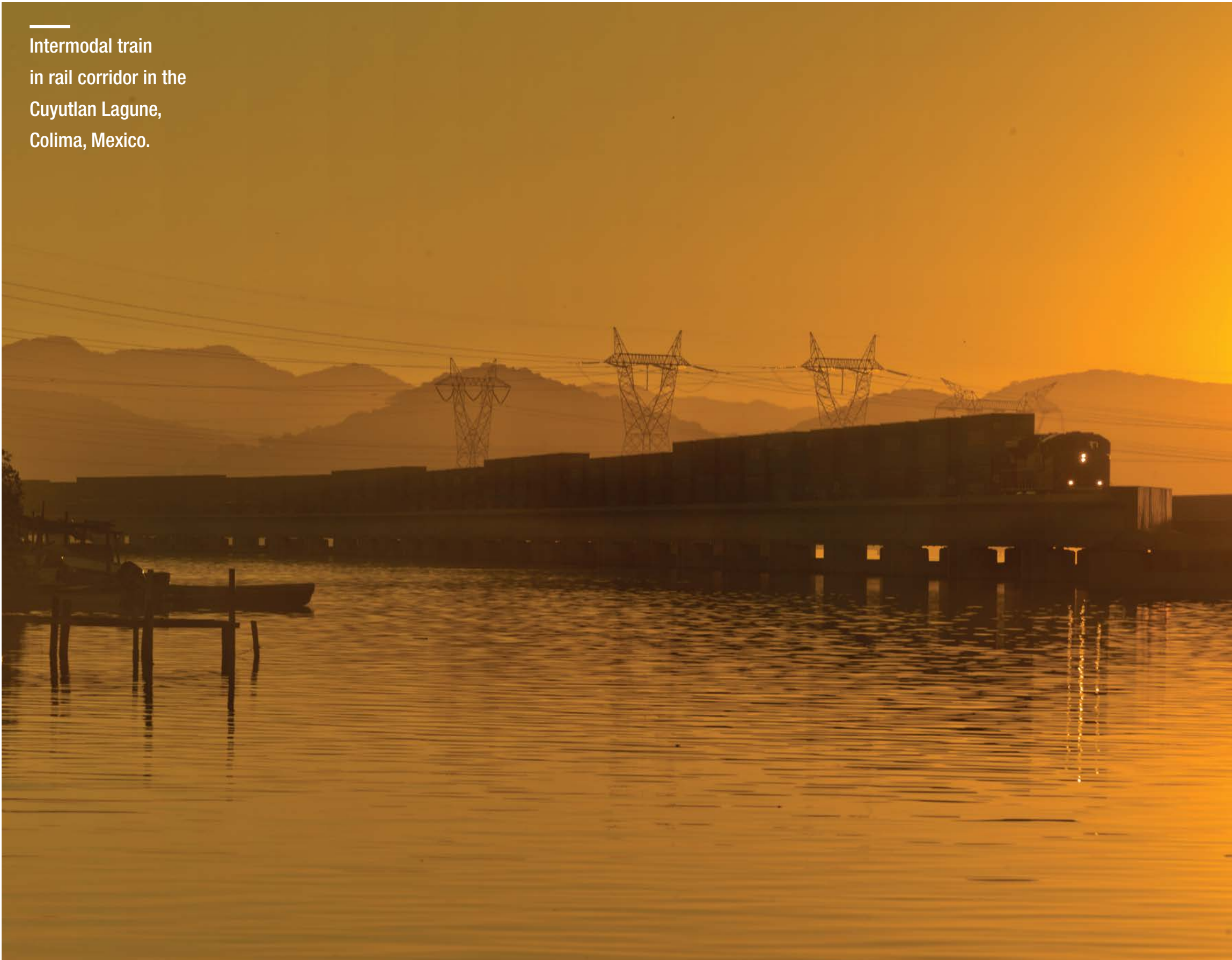


In 2016, we remained the N° 1 railroad in international traffic, thanks to the sharp increase in border crossings, with a 56% share of railway exchange traffic with the US.

Mexican freight trains remain the most competitive and productive in America.

After the startup of operations of two assembly plants in 2016, vehicle production nationwide grew 1.95%.

Out of every ten vehicles produced in Mexico, seven are hauled by our Transportation Division.



GEOGRAPHIC LOCATION
TRANSPORTATION DIVISION - GRUPO MÉXICO

LEGEND

**RAILWAYS
GRUPO MEXICO**

1	MEXICALI
2	NOGALES
3	B. HILL
4	HERMOSILLO
5	GUAYMAS
6	TOPOLOBAMPO
7	MAZATLÁN
8	GUADALAJARA
9	COLIMA
10	MANZANILLO
11	CD. JUÁREZ
12	CHIHUAHUA
13	ESCALÓN
14	TORREÓN
15	FELIPE PESCADOR
16	AGUASCALIENTES
17	IRAPUATO
18	PIEDRAS NEGRAS
19	CD. FRONTERA
20	PAREDÓN
21	MONTERREY

22	ALTAMIRA
23	VIBORILLAS
24	HUEHUETOCA
25	VALLE DE MÉXICO
26	VERACRUZ
27	COATZACOALCOS

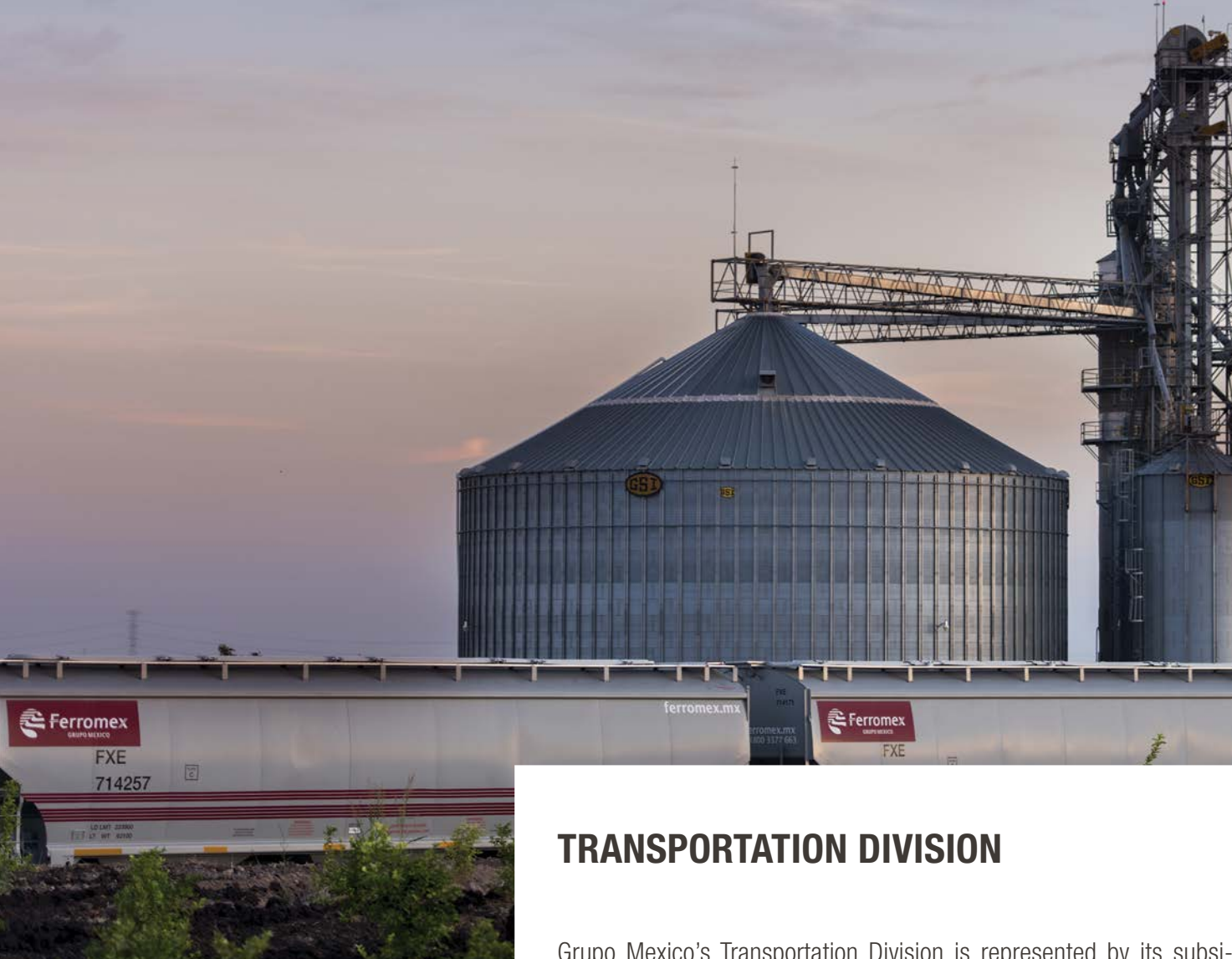
RIGHT OF WAY

28	SALINA CRUZ
29	SALTILLO

OTHER RAILWAYS

30	PRESIDIO OJINAGA
31	ALPINE
32	FT. STOCKTON
33	SAN ANGELO
34	SAN ANGELO JCT





**Bulk hoppers,
Culiacan, Sinaloa,
Mexico.**

TRANSPORTATION DIVISION

Grupo Mexico's Transportation Division is represented by its subsidiary, Grupo México Transportes, S.A. de C.V. (GMXT). Its main subsidiaries are Grupo Ferroviario Mexicano, S.A. de C.V. (GFM), Ferrocarril Mexicano, S.A. de C.V. (Ferromex), Infraestructura y Transportes Ferroviarios, S.A. de C.V. (ITF), Ferrosur, S.A. de C.V. (Ferrosur), Intermodal México, S.A. de C.V. (IMEX), and Texas Pacífico, LP, Inc. (TXP).

GMXT is the largest railway company with the most extensive coverage in Mexico. It has a network of over 10,500 km of rails through 24 states in Mexico, and the state of Texas in the US. GMXT's lines connect at five border points with the US, as well as at five ports on the Pacific Coast, and four more on the Gulf of Mexico. GMXT is controlled by Grupo Mexico (75%) and Grupo Carso-Sinca Inbursa (25%). Ferromex is controlled by GMXT (74%) and Union Pacific (26%). Ferrosur is fully controlled by GMXT, which holds 100%.

RELEVANT FIGURES GMEXICO TRANSPORTES

(Millions of USD)

	2015	2016	VARIANCE	
Vol. Transported (million tons-km)	54,220	54,445	225	0.4%
Cars hauled	1,210,057	1,231,539	21,482	1.8 %
Sales	1,890,863	1,767,303	(123,560)	(6.5%)
Cost of Sales	1,126,522	1,032,752	(93,770)	(8.3%)
Operating Profit	528,326		(7,134)	(1.4%)
EBITDA	695,154	774,961	79,807	11.5%
EBITDA Mg (%)	36.8%	43.8%		
Net Profit	303,955	357,020	53,065	17.5%
Profit Margin (%)	16.1%	20.2%		
Investments (Capex)	377,842	359,830	(18,012)	(4.8%)

Since the beginning of its operations, the Transportation Division has implemented new operating practices, and carried out significant capital investments to reduce long-term risks and improve operating efficiency.

The Transportation Division offers railway cargo services in the segments of agriculture, automotive, minerals, energy, chemicals, steel, cement, and consumer goods.

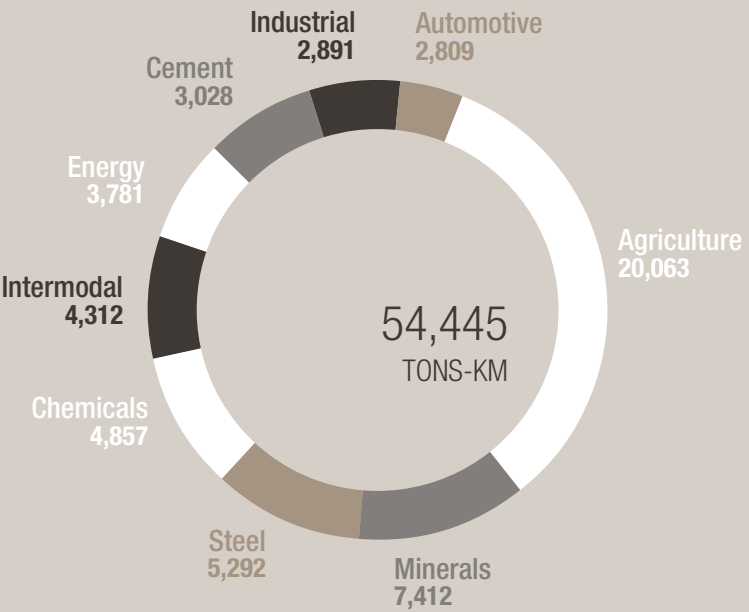
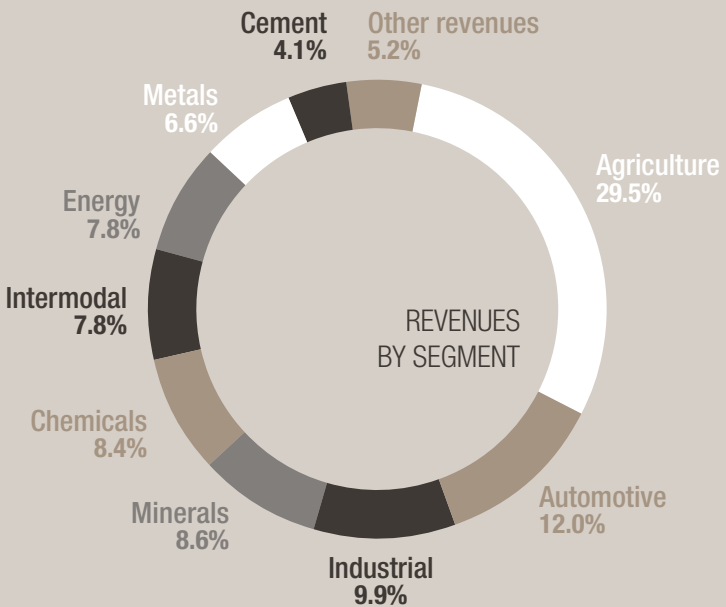
Regardless of the 0.4% increase in tons per kilometer hauled and a better rate mix, revenues accrued at December 2016 reported a 6.5% decrease in US dollar terms vs. the previous year, affected by the peso depreciation (17.7%). Revenues in peso terms showed a 9.8% rise, in line with volume and rate increases.

IN 19 YEARS OF CONCESSION, WE HAVE INVESTED US\$5.95 BILLION IN THE TRANSPORTATION DIVISION, ALLOCATED TO TO RAILWAY INFRASTRUCTURE, LOCOMOTIVES, AND RAILWAY MAINTENANCE, AMONG OTHERS.

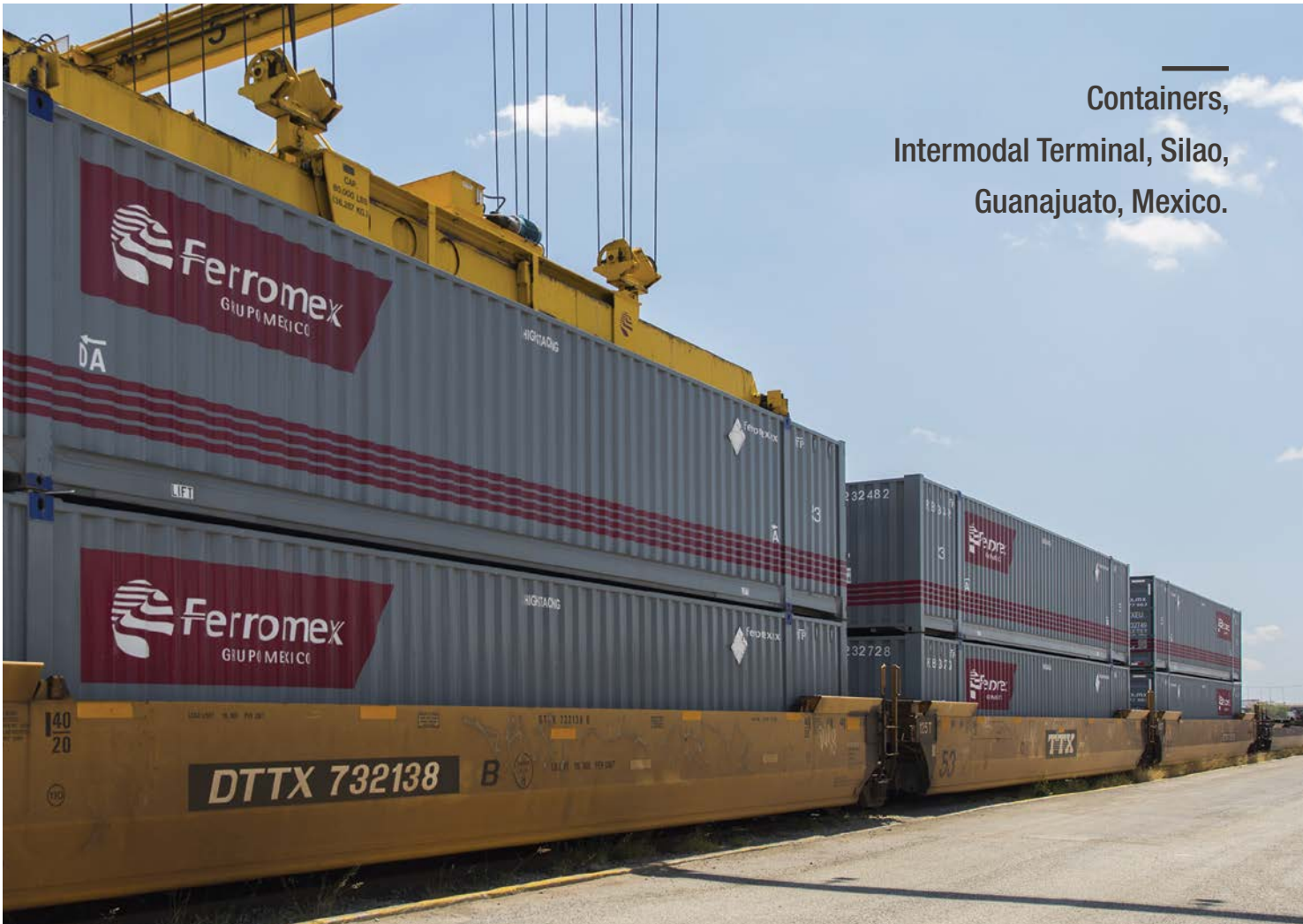
WE HAVE 2.7 MILLION HORSE POWER
TO HAUL 1.5 MILLION CARS PER YEAR.

TRANSPORTATION DIVISION 2016
SALES DIVERSIFICATION BY SEGMENT

The contribution to revenues of each segment at December 31, 2016, is displayed below:



Containers,
Intermodal Terminal, Silao,
Guanajuato, Mexico.



Volumes transported during 2016 reached 54.445 billion net tons per kilometer. The segments with the most growth were: steel (12%) due to greater penetration in the traffic of the segment and a decrease in steel prices, which has increased exports and imports of both raw materials and finished products; Intermodal (7%), due to the increased traffic at the Manzanillo and Veracruz ports, as well as in the cross-border corridors of Piedras Negras and Ciudad Juarez, which connect to North American railroads; agriculture (3%), given the increase in the traffic of both national and imported harvests; and automotive (2%), given the increase in vehicle transportation, due to greater production by assembly plants.

After the increase of operations of two assembly plants in 2016, vehicle production nationwide grew 1.95%. Since 2015, the Transportation division has consolidated as the largest automobile transporter in the country, hauling 62% of the exports from the plants it serves, particularly towards the US.

In the intermodal segment, we continued to grow with a 5.3% expansion in the volume of containers hauled, totaling 395,363.

RAILROAD TRANSPORTATION HELPS TO CONSIDERABLY REDUCE POLLUTION, AS A SINGLE TRAIN IS EQUIVALENT TO OVER 300 TRUCKS DRIVING ALONG THE ROAD NETWORK. IT ALSO REDUCES AUTOMOTIVE TRAFFIC AND THE NUMBER OF ROAD ACCIDENTS.

AC Locomotive.

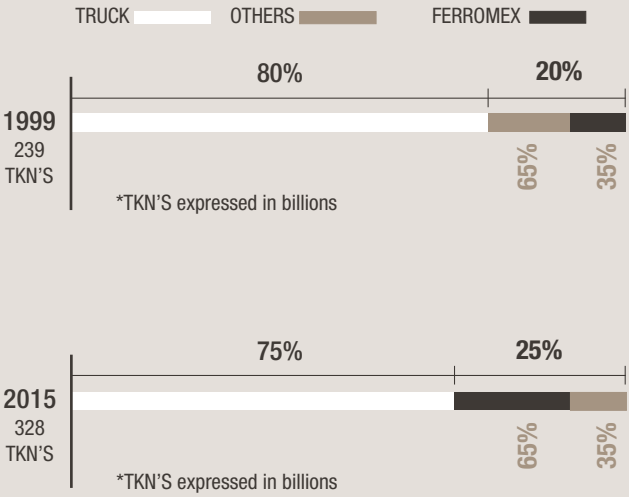


IN 2016, WE GENERATED A RECORD EBITDA OF US\$775 MILLION, WITH A RECORD MARGIN OF 44%.

The cross-border service increased container volumes by 23%, thanks to new traffic of auto parts and household appliances, mainly. In July 2016, a new service began on the Inter Pacific corridor with a terminal in Culiacan.

Significant achievements were made throughout the year in other segments as well, such as the hauling of 25 million tons of agricultural products, thus guaranteeing supply in the country.

TRANSPORTATION DIVISION
MARKET SHARE
LAND TRANSPORTATION
MARKET SHARE



Automaxes
in San Jose Chiapa,
Puebla, Mexico.

82

CAPITAL INVESTMENTS
TRANSPORTATION DIVISION

The Transportation Division invested US\$360 million in 2016. Among other segments, the investments were allocated to the acquisition of 50 locomotives, infrastructure improvements, repairing railroads, expanding and building sidings and yards, and purchasing railway machinery, increasing capacity, speed, service, and efficiency.

GMÉXICO TRANSPORTES, S.A. DE C.V.
MAINTENANCE INVESTMENTS

Millions of USD

Railway Maintenance and Improvement	\$ 4,146
Equipment	\$ 1,237
Others	\$ 342
Telecommunications	\$ 222
Total	\$ 5,947

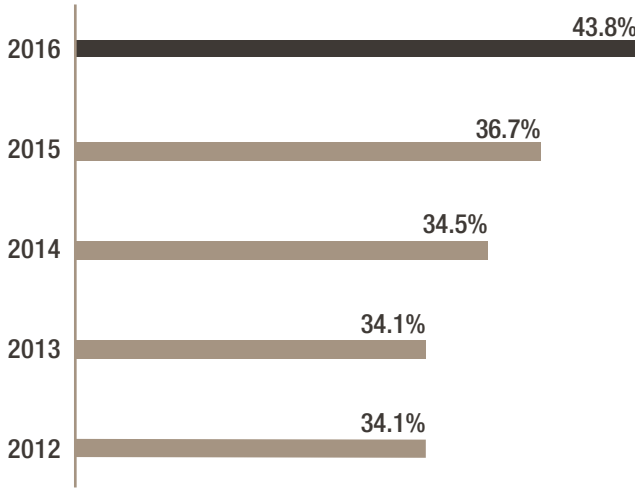


Bulk Train.



TRANSPORTATION DIVISION

EBITDA Margin
%



TRANSPORTATION DIVISION RESOURCES

	FERROMEX	FERROSUR	TXPT	IMEX	TOTAL
Railway network (Km)	8,131	1,823	616		10,570
Engines	612	200	20		832
Cars	23,983	4,674	-		28,657
Workers/Employees	7,570	1,930	55	629	10,184
Productivity (million of TKN/worker)	6.1	4.4			

SALES BY SEGMENT

(Million USD)

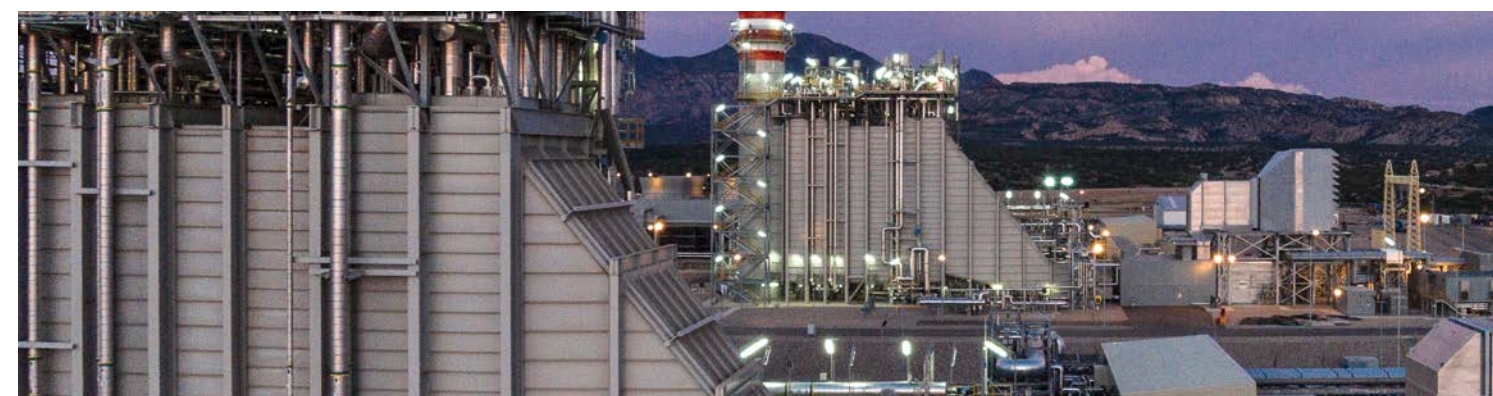
	2016	2015	2016	2015	VAR %
Agriculture	29.5%	28.2%	\$ 521,771	\$ 532,375	(2.0%)
Automotive	12.0%	12.0%	\$ 212,924	\$ 227,454	(6.4%)
Industrial and Others	9.9%	10.6%	\$ 175,117	\$ 200,411	(12.6%)
Minerals	8.6%	9.7%	\$ 152,255	\$ 184,274	(17.4%)
Chemicals and Fertilizers	8.4%	8.5%	\$ 148,234	\$ 159,806	(7.2%)
Intermodal	7.8%	7.4%	\$ 138,393	\$ 139,364	(0.7%)
Energy	7.8%	7.8%	\$ 137,181	\$ 148,026	(7.3%)
Steelmakers	6.6%	6.2%	\$ 116,965	\$ 117,267	(0.3%)
Cement	4.1%	4.4%	\$ 71,969	\$ 83,033	(13.3%)
Subtotal freight	94.7%	94.7%	\$ 1,674,809	\$ 1,792,010	66.5%
Other income	5.2%	5.2%	\$ 92,494	\$ 98,853	(6.4%)
Total income	100.0%	100.0%	\$ 1,767,303	\$ 1,890,863	(6.5%)



Sunset at combined cycle energy plant
Nacozari, Sonora, Mexico.

Infrastructure Division

WITH 80 YEARS OF TRACK RECORD, THE INFRASTRUCTURE DIVISION HAS CONSIDERABLE EXPERIENCE REFLECTED IN ITS GROWTH. THE DIVISION'S EBITDA INCREASED 4.4X IN THE LAST FOUR YEARS FROM US\$63 MILLION IN 2012 TO US\$279 MILLION IN 2016.



GEOGRAPHIC LOCATION

INFRASTRUCTURE DIVISION - GRUPO MEXICO

ASSETS

1	CANANEA
2	COMBINED CYCLE PLANTS, 500 MW
3	LEON-SALAMANCA HIGHWAY
4	HEADQUARTERS, MEXICO CITY
5	LAND-DRILLING BAZE, POZA RICA, VERACRUZ
6	EL RETIRO, WIND FARM, 74 MW
7	ZACATECAS JACK-UP
8	CHIHUAHUA JACK-UP
9	VERACRUZ JACK-UP
10	SONORA JACK-UP
11	TABASCO JACK-UP
12	OFFSHORE DRILLING RIG. CD. DEL CARMEN, CAMPECHE
13	CAMPECHE JACK-UP
14	GUADALAJARA
15	IRAPUATO
16	MONTERREY

LEGEND

1	PEMSA
2	MGE
3	MCC
4	ROAD





Campeche Jack-up structure.

THE DIVISION’S EBITDA HAS HAD A 30% CAGR FROM 2012 TO 2016.

INFRASTRUCTURE DIVISION

The Infrastructure Division is represented by México Proyectos y Desarrollos, S.A. de C.V. (MPD). Its main subsidiaries are: Controladora de Infraestructura Petrolera, S.A. de C.V. (CIPEME), Controladora de Infraestructura Energética México, S.A. de C.V. (CIEM), México Compañía Constructora, S.A. de C.V. (MCC), Concesionaria de Infraestructura del Bajío, S.A. de C.V. (CIBSA) and Grupo México Servicios de Ingeniería, S.A. de C.V. (GMSI). Grupo Mexico controls 100% of all these subsidiaries.

CIPEME offers marine drilling services for oil production and exploration, as well as comprehensive drilling services, including cementation engineering, and directional drilling. CIEM produces energy, mainly for self-consumption. MCC and GMSI offer engineering, procuring, and infrastructure construction services, as well as specialized engineering services to develop projects. CIBSA is the concessionaire that runs the Salamanca-Leon superhighway.

FINANCIAL HIGHLIGHTS

(MPD)

	2015	2016	VARIANCE	
Sales	616,183	608,265	(7,918)	(1.3)
Cost of Sales	283,723	315,645	31,922	11.3
Operating Profit	218,857	167,644	(51,213)	(23.4)
EBITDA	308,922	278,631	(30,291)	(9.8)
EBITDA Mg (%)	50.1%	45.8%		
Net Profit	128,710	94,287	(34,424)	(26.7)
Profit Margin (%)	20.9%	15.5%		
Investments- (Capex)	89,534	14,830	(74,704)	(83.4)

Sales in the Infrastructure Division in 2016 totaled US\$608 million, 1.3 lower than in 2015. This decrease was mainly due to the rise in FX throughout the year. Sales in peso terms showed a 15% increase from the previous year.

EBITDA totaled US\$279 million, translating into a 10% decrease from 2015. This decrease is explained, among other reasons, by the adjustment in PEMSA's rates, the increase in gas prices, the lower revenues from the Sonora platform, and the decreased volume of work to complete the Salamanca-Leon Highway in 2015.

In 2016, we invested US\$26.5 million in the Infrastructure Division. The investments include US\$10.1 million for the optimization of the Zacatecas platform, and the Tamaulipas modular platform. Likewise, US\$11.6 million was invested in the last works for the Salamanca-Leon Highway, which was reported as an intangible asset as it is a concession.

This year, we will consolidate the operations of the assets developed in the last few years.

Veracruz modular platform.

OIL AND GAS SECTOR

CONTROLADORA DE INFRAESTRUCTURA PETROLERA MÉXICO, S.A. DE C.V. (CIPEME).

In 2016, Controladora de Infraestructura Petrolera Mexico obtained US\$174 million in revenues and US\$90 million in EBITDA, with a net profit of US\$18 million.

Although in 2016 two of our drilling rigs underwent suspensions in two periods, while we experienced an additional reduction in sales, we achieved 52% EBITDA.

MARINE DRILLING

As a result of the low oil prices, we ended the year with six active contracts, three of them in continuous operation (Campeche, Tabasco, and Chihuahua platforms), two temporarily suspended (Zacatecas and Veracruz platforms), and one awaiting structure from Pemex to be installed (Tamaulipas platform). Only the Sonora platform is under no contract.

The platforms' operating efficiency during 2016 was 97%.



THROUGHOUT 2016, WE MAINTAINED AN AVERAGE
EFFICIENCY OF 97% IN OUR PLATFORMS,
THUS REMAINING AS THE INDUSTRY LEADERS.



Veracruz modular platform.

The Sonora platform completed its major maintenance to preserve its class certificate and be suitable for leasing to Pemex or some other third party immediately.

The Chihuahua platform reached 98.94% productivity, standing out as reporting the best performance among our platforms. This resulted in a contract extension to September 1st, 2017. Moreover, its technological capacity to operate with 18-3/4" preventers and 15,000 psi gush control system was increased.

The Zacatecas platform had 97.18% productivity. On November 16, 2016, it entered suspension and is currently awaiting workload.

The Tabasco platform increased its productivity to 98.67% and has an active contract ending March 16, 2022.

The Campeche platform achieved 97.25% productivity and has an active contract ending August 11, 2021.

The Veracruz modular platform achieved 97.27% productivity with an active contract ending September 5, 2020.

The contracting of the Tamaulipas modular platform was postponed by Pemex until mid-2017, and the contract will end January 6, 2021.

THROUGH TWO COMBINED CYCLE PLANTS (500 MW)
AND THE EL RETIRO WIND FARM (74 MW), THE ENERGY
DIVISION GENERATED 3,137 GIGAWATT HOURS
(GWH), TRANSLATING INTO A 14% INCREASE VS.
THE PREVIOUS YEAR'S PRODUCTION.

ENERGY

LAND DRILLING

During 2016, a contract for comprehensive services was signed with Geodesa, in alliance with Weatherford, under which we drilled three geothermal wells and repaired two others, with 95% productivity.

EVALUATION OF NEW OPPORTUNITIES

Throughout 2016, the opportunities in the bidding rounds of the National Hydrocarbons Commission (CNH in Spanish) were assessed, as were the biddings for Pemex farmouts. We decided not to participate in the biddings of round 1.4 (deepwater), given the high level of risk and ratings required. In 2017, we will consider participating in rounds 2.1, 2.2, and 2.3 (land and water fields), and present our bids in June.

Regarding off-shore operations, the strategy is to diversify our client base; thus, we have presented comprehensive drilling proposals for several new operators, which we expect to complete during 2017.

CONTROLADORA DE INFRAESTRUCTURA
ENERGÉTICA MÉXICO, S.A. DE C.V. (“CIEM”)

As for production and sales, 2016 was a record year for the energy division. The generation plant's operational increase in Nacozari, Sonora, given higher demand from our self-supply partners, resulted in a US\$256 million hike. This translates into a 6.3% increase compared to 2015. In addition, we achieved US\$117 million in EBITDA.

Grupo Mexico Energia focused on the construction of a portfolio of assets under development that will enable it to invest in the short and medium term. Currently, we are working on the initial development stages of solar projects, and analyzing opportunities to acquire renewable energy project portfolios.

The energy division is preparing itself with technical and human capital resources to be able to participate in the new Wholesale Electricity Market. Thus, in 2017, we are projecting using growth opportunities.



MÉXICO GENERADORA DE ENERGÍA (MGE)

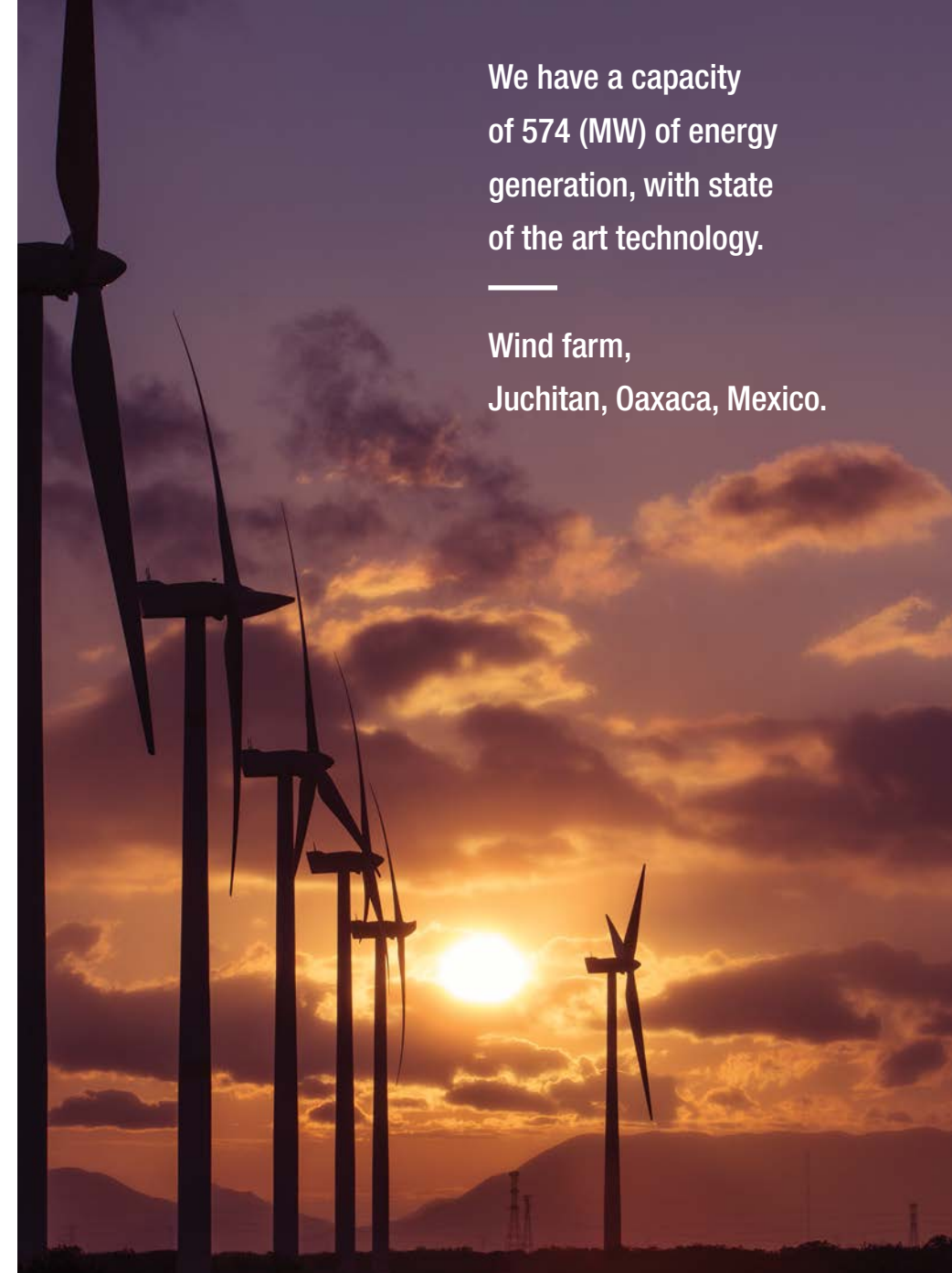
The generation plant increased its production by 14% vs. 2015, equivalent to 3,137 GWh, given the increased consumption by the Buenavista del Cobre mine. This translated into a record US\$244 million and US\$100 million in EBITDA.

The combined cycle generation plants have proven that they can operate above their design capacity. Thus, we expect the excess capacity to be traded on the new market during the second half of 2017 to increase revenues and operating efficiency.

View of
combined cycle
plants Nacozari,
Sonora, Mexico.

We have a capacity of 574 (MW) of energy generation, with state of the art technology.

Wind farm,
Juchitan, Oaxaca, Mexico.



We should note that, in terms of safety, by the end of 2016, we had accrued 1,192 days without incidents. Moreover, during the year, MGE received an acknowledgement from the Federal Environmental Protection Agency (PROFEPA in Spanish) and Civil Protection of the State of Sonora, for participating in activities designed to foster the creation of the National Preparedness and Response for Chemical Contingencies Day (DINAPREQ in Spanish).

EL RETIRO WIND FARM (ERSA)

The wind farm's production reached 214,000 megawatts-hour (MWh), translating into US\$11.7 million in revenues, thanks to the incorporation of higher consumption clients. This translated into a US\$16.5 million EBITDA.



By the second quarter of 2017, we expect to begin selling energy at 45 more points of sale to increase the wind farm's profitability; this would translate into a portfolio with 350 points of sale.

In 2016, we strengthened our relations with the community where we operate, fostering 17 productive projects, which benefited over 3,000 individuals in La Ventosa, Oaxaca. This effort ensures the wind farm's continuing operation in the area.

CONSTRUCTION

MÉXICO COMPAÑÍA CONSTRUCTORA, S.A. DE C.V. (MCC)

In 2016, Mexico Compañía Constructora celebrated 80 years of uninterrupted work, reporting US\$122.5 million in revenues and US\$37 million in EBITDA.

MAIN WORKS UNDER DEVELOPMENT:

Secretaría de Comunicaciones y Transporte (SCT).

We worked on the Leon and Silao's Puerto Interior branch lines, both in Guanajuato, in the right-of-way areas that the SCT was able to release. We expect to complete them in 2017.

Buenavista de Cobre, S. A. de C. V.

Work was done to reinforce and give maintenance to tailings dam no. 3, and we continued the works on stage 2 of the new tailings pond, guaranteeing an overflow capacity in the 10-meter levee. We completed the works on the Quebalix IV dam, as well as the construction of the contingency dam, and of the recovered water dam.

Mexicana de Cobre, S.A. de C.V.

During the year, we worked on the construction of raising the levee of tailings dam no. 7 at the La Caridad mine in the Nacozari de Garcia municipality in Sonora, reaching the safety height of 875.0 for the levee.

Ferrocarril Mexicano, S.A. de C.V.

In 2016, we completed the first stage of the expansion of the 15-tunnel gauge on the T Line, in the Guadalajara Division, consisting of in the topographic, geological, and geophysical studies, as well as the executive project, and the construction works. In May 2017, we will complete the expansion works on all the tunnels, enabling double-stack trains to pass on the Guadalajara-Tepic stretch.

MANAGEMENT OF QUALITY, OCCUPATIONAL SAFETY, AND ENVIRONMENTAL CARE

Throughout 2016, MCC achieved the rectification of its comprehensive management systems in compliance with current national and international legislation; Quality ISO9001:2015, Workplace Health and Safety OHSAS 18001:2007, and Environmental ISO 14001:2015, which backs the company until 2019. This certification has been held since 2007.

The performance in workplace health and safety is in full legal compliance, and we can note that:

- In our operations, we had a monthly workforce of 1,805 collaborators, accruing 5,120,754 man-hours per year, achieving the goal of zero fatal incidents.

IN OUR OPERATIONS AT MÉXICO COMPAÑÍA CONSTRUCTORA, WE HAD AN AVERAGE MONTHLY WORKFORCE OF 1,805 COLLABORATORS, WITH AN ANNUAL ACCRUED FIGURE OF 5,120,754 MAN-HOURS, MANAGING TO ACHIEVE THE GOAL OF ZERO FATAL INCIDENTS.

Toll-road
Salamanca - Leon,
Guanajuato,
Mexico.

- Additionally, we achieved accident rates below the averages reported by OSHA (US) and the Mexican Chamber of Construction Industry (CMIC).

Environmental and quality performance audited and certified by third parties is in compliance with all regulation and specifications of the company's construction projects.

POSSIBLE PROJECTS 2017

- Expansion of the levee of the No. 7 tailings dam in Nacozari.
- Construction of the Celaya railway bypass.
- Construction of railways and supply zone of the new Rio Escondido yard, km 21, R Line, Piedras Negras - Ramos Arizpe.

- Railway construction to service the new Mexico City International Airport (NAICM in Spanish).
- Possibility of obtaining a state concession for a 12.5-kilometer road stretch, from the Silao road junction of the Salamanca-Leon highway to connect with highway 45.

GRUPO MÉXICO SERVICIOS DE INGENIERÍA

GRUPO MÉXICO SERVICIOS DE INGENIERÍA S.A. DE C.V. (GMSI)

During 2016, sales totaled US\$16.8 million, 1% less than in 2015, given the effect of the Mexican peso depreciation.

In 2016, sales in peso terms grew 15% to MXN\$312 million, given the progress on the engineering works of the Toquepala expansion in Peru.

For 2017, we expect to continue the Toquepala expansion project which, through December 2016, reported 87.3% progress; the remainder will be completed in the first months of 2017.

POSSIBLE PROJECTS 2017

- Engineering for petrochemical complexes.
- Engineering for new production plants in the food industry.
- Engineering for gasoline, diesel, and wholesale product terminals.
- Engineering for mining projects.

GRUPO MÉXICO AUTOPISTAS

CONCESIONARIA DE INFRAESTRUCTURA DEL BAJÍO, S. A. DE C. V. (CIBSA)

During 2016, the Salamanca-Leon Highway reported over \$535 million pesos in revenues, and achieved a weighted traffic rate of 11,633 vehicles per day, translating into an increase of slightly over 50%.

In 2017, we expect a moderate 10% increase in traffic, and a slightly higher advance in revenues, given that the vehicle mix is starting to include a greater number of trucks. We also expect to obtain the necessary permits for the last stretch to reach the south side of the city of Leon, and the branch line to Puerto Interior. The Highway is operated through a subsidiary of the Group: Operadora de infraestructura del Bajío, registered before the SCT and certified with ISO 9001-2015.



Girls in Oaxaca benefited through the *World Food Day* event.

Fundación Grupo México

AT FUNDACIÓN GRUPO MÉXICO, WE FOCUS OUR EFFORTS ON PROJECTS THAT WILL IMPACT SOCIETY, AND WILL ALSO TACKLE THE PROBLEMS THAT OUR COUNTRY FACES.

THIS IS WHY WE ARE VERY PROUD TO ANNOUNCE IN EACH ANNUAL REPORT THE START OF A NEW PROJECT.



EDUCATION AND ENVIRONMENT

HEALTH AND LIFE EDUCATION

It is well known that on the topic of education, Mexico has faced many difficulties; the current administration has proposed a complete structural overhaul. Thereby, Fundación Grupo México has taken advantage of this juncture to develop and propose, with great acceptance, the *Health and Life Education* materials and educational platform.

The goal of these materials is to complement the educational support provided in elementary schools around the country, to assist in solving various social issues experienced in our society. The contents of the educational materials cover topics of greater interest and conflict among children and teenagers. Therefore, we have developed two versions—one for elementary school children and teachers, and one for middle school kids and their teachers.

Elementary:

- 1. I eat, nourish myself, and have fun
- 2. I learn to protect myself from violence
- 3. What are addictions? How to decide
- 4. My body is to be respected!

Educational material on sexuality, nutrition, addictions, and violence for children, adolescents, elementary school teachers.



ONLY TWO WEEKS SINCE ITS LAUNCH, TWO THOUSAND PROFESSORS HAVE SIGNED UP, WHICH IS A RECORD FIGURE, PARTICULARLY IF WE NOTE THERE IS NO OTHER MATERIAL OR DIGITAL PLATFORM LIKE IT.

Middle school:

- 1. I identify violence and protect myself
- 2. Addictions? Maximum alert!
- 3. To eat better
- 4. Regarding my body, I decide!

General for parents and teachers

- 1. I eat, enjoy, and nourish myself

Our educational platform www.educacionsaludyvida.org became operational in October this year. Only two weeks after its launch, two thousand teachers have registered, which is a record figure, particularly if we note that there is no material or digital platform like it in our country. It is a very important achievement for us to be the first to directly impact the whole country’s educational community on matters unrelated to academics. Through the platform, visitors can download educational material, and be active on the various forums, where they can discuss their questions, experiences, or request legal, psychological, or judiciary assistance. Likewise, we have experts on the various fields that we cover, who write articles of interest and provide knowledge for all platform users.

Together with the National Educators Union (SNTE in Spanish), Fundación Grupo Mexico made a topic guide of each educational material to match it to the annual planning guide from the Ministry of Education (SEP). This alliance offers all teachers the possibility of using these materials within their teaching guide, and it can help and guide them so they can have the necessary tools to properly use the contents in the classroom, know which of the students’ abilities is favored, and in what subjects they can provide the information properly and precisely. We are very pleased that, after only 3 months, the response has been so great that we ended the year with **4,938 active users**.

REFORESTATION

During 2016, we carried out the 6th Fundación Grupo Mexico Tree Planting Day in Huixquilucan, State of Mexico. During this event, 6,000 trees were planted on 4 hectares. As in the last 6 years, we had 608 volunteers including employees and family members of Grupo Mexico, Intermodal, Ferromex, Ferrosur, and Cinemex. This year we added new allies who are interested in building a community with environmental awareness:



Animal Heroes, Sura, Fundación Posadas, and Hogan Lovells. These actions impacted 192,000 inhabitants of the neighboring areas.

Through our support of the *Made in Mexico program* with the “Mexico in 1 image, 1 Photo=1 Tree” Contest, 40,000 trees were planted in Metepec, State of Mexico. This project, which encourages participants to take quality pictures and “trade” them for a tree, has had a significant response since its first edition some time ago. Now, in 2016, the family members of participants and people from the communities to be reforested joined the contest; thus, the number of trees planned for reforestation was doubled.

The goal of the contest is to express through photos: Why are you proud of being Mexican? And it is divided into three categories: Professional, amateurs, and a special category for, people with Down syndrome.

Sixth Fundación Grupo México Tree Planting Day in Huixquilucan, State of Mexico, Mexico.



For every photo registered, Fundación Grupo México donates a tree. The 50 photos with the most votes are currently on display at the Soumaya museum and will later be displayed in Puebla, Monterrey, and the State of Mexico.

In parallel with the work performed by our volunteers and through the *Made in Mexico* program, we have created various alliances with municipal and state governments and institutions committed to the environment, impacting 3,427,725 people in 9 states around the Republic, planting 400,900 trees on 403 hectares in:

1. State of Mexico
2. Nayarit
3. Puebla
4. Veracruz
5. Michoacan
6. San Luis Potosi
7. Chihuahua
8. Mexico City
9. Jalisco

Through all the above, the reforestation actions carried out translate into **3,619,725 people** impacted through the planting of **410,990 trees** on **411 hectares** in 9 states around the Mexican Republic.

SCHOLARSHIP PROGRAM

Through the alliance created 6 years ago with Fundación Televisa, scholarships have been awarded for high school and public and technological universities to

2,810 students in the states of Sonora and Colima. In 2016, **613 students** graduated (413 high school students in Sonora, 100 university students in Sonora, and 100 high school students in Colima).

WORKSHOPS

Together with Fundación Nemi, **129 workshops**, which currently have a greater social impact, have been offered **in 61 middle and high schools** in Sonora, Baja California Sur, Zacatecas, and Chihuahua, assisting and guiding **11,629 students**:

1. Violence
2. Sexuality
3. Nutrition
4. Addictions
5. Financial Education
6. Life Plan
7. Intelligent communication

**FREE TRANSPORTATION
SIERRA TARAHUMARA**

With the assistance of Ferromex, this year 860 tons of goods were transported free of charge, impacting **17,230 people** in **3 Tarahumara communities**: Cre-el, Cuauhtemoc, and Temoris, Chihuahua, through our collaboration with Banco de Alimentos de Cuauhtemoc A.C., Comunidad Educativa Yermista, Fundación Educativa Marista Tarahumara A.C., Casa Misión Sta. María de Guadalupe, Santa Teresita clinic, and Tewecado Santa María de Guadalupe.

High school students benefited from financial education workshops in Guerrero Negro, Baja California Sur, Mexico.





Chiapas community benefited through the World Food Day event.

WORLD FOOD DAY INVITATION

Through the alliance formed with Fundación CMR and HSBC years ago, Fundación Grupo Mexico is part of the “World Food Day” event, a project whose goal is to eliminate child malnutrition in children under 5. This program benefited four institutions, jointly serving **728 children suffering from malnourishment**.

PLAZA MOVIL PARRAL

This project has filled us with satisfaction. Education is not only the key to many doors, but also to the “world of knowledge and learning, and this “world” can provide us with the opportunity to live a different life, as it gives us tools for wellbeing.”

In Chihuahua, 60,492 people are illiterate and 772,000 have not completed their elementary education. Thus, jointly with the Chihuahua Institute for Adult Education (ICHEA in Spanish), the Chihuahua Entrepreneur Foundation (FECHAC in Spanish), and Proeduca Chihuahua A.C., we began the “Plaza Movil Parral” program in April; this is a bus that visits **40 communities** around Parral, Chihuahua, to assist adults over 15 years old to begin or complete their elementary or middle schooling. In 8 months of operation, we have provided **1,280 adults** with ongoing literacy and elementary and middle school certifications vouched by the Ministry of Education.

Thanks to this project, in only 8 months of operation, **650 adults have completed their elementary education and 350 their middle school**. The commitment of the institutions participating in this project is to help 18,000 adults certify their elementary and middle school education over the next 15 years.

HEALTH TRAIN

Dr. Wagon, the Health Train, has been operating for **two** years, providing comprehensive medical services free of charge to highly marginalized communities in the vicinity of Ferromex's tracks. During 2016, **the Health Train** offered **184,928** free medical assessments to **45,573** people including children, women, men, and senior citizens.

During 2016, our Train covered **12,796 km** in **13 states** of the Mexican Republic, serving patients in **35 communities**.

The states that Dr. Wagon visited are: Sinaloa, Nayarit, Jalisco, Colima, Guanajuato, Querétaro, Hidalgo, Puebla, Veracruz, Coahuila, Nuevo León, Zacatecas, and Sonora. They served the following communities: Sinaloa de Leyva, Guasave, Salvador Alvarado, Acaponeta, Ruíz, Compostela, Tequila, Sayula, Tuxpan, Colima, Coquimatlan, Tecoman, Celaya, Silao, Apaseo el Grande, Tequisquiapan, Huichapan, San Martin Texmelucan, San Jose Guerrero, Cañada Morelos, Jose Azueta, Cordoba, Acultzingo, Nava, Muzquiz, San Pedro, Hidalgo, Monte Morelos, Linares, Calera, Fresnillo, Felipe Pescador, Benjamín Hill, Carbo, and Guaymas.

Thanks to the alliance with Fundación Farmacias del Ahorro, **64,741 medicines** were provided free of charge to patients served by the Health Train to begin a timely medical treatment. Likewise, with the assistance of Fundacion MVS Radio and the “Ponte Oreja” program, **200 hearing aids** were provided to people who, during their hearing checkup, were found to have some hearing “problem”. Simultaneously, our optometry service performed visual checkups and diagnoses and delivered **7,249 eyeglasses**.

The Health Train's operation seeks to cover all the fields that will help to strengthen the health of all its patients. Our Health and Life education workshops offered to patients while they wait for their appointment have been very well received. People participate, ask questions, and show interest. Many people approach our workshop instructors requesting psychological and emotional assistance. The workshops offered cover not only self-



Dr. Vagón
The Health Train.

care and prevention, but this year we also included workshops covering the sanitary contingencies that have been present lately: zika, dengue, chikungunya, and rickettsia viruses. During 2016, **22,975 people** attended the **803 workshops** offered.

At Fundación Grupo Mexico, we are interested in providing knowledge, skills, and attitudes for an efficient performance by the medical personnel who collaborate with the Health Train. In 2016, we carried out a program of 10 monthly conferences with relevant healthcare topics, attended by 333 participants. Some of the conferences offered were: Alcohol Myths and Realities, Palliative Care and Thanatology, Physical Activity and Health, How to have a healthy and adequate nutrition, Early child development,

Dental emergencies, Lactation, Child nutrition and growth, Effective education, and Sexuality, HIV and AIDS prevention.

SOCIAL LIAISON

For the fourth consecutive year, the employees of Grupo Mexico's member companies and their families participated as volunteers, channeling their selfless work, joining forces, and multiplying efforts to benefit those in most need in the communities where they operate.

As of 2016, given the success and impact of this program, these social activities were extended to communities in Peru and the US, through the participation of collaborators from Grupo Mexico's companies: Southern Copper Corporation and ASARCO.

28,000 Grupo Mexico volunteers participated in this program on a national level, in Peru, and in the US, benefiting schools, public spaces, and social institutions through some of the following activities:

- Outdoor and indoor painting
- Infrastructure improvement
- Rehabilitation of recreational areas
- Outdoor and indoor cleaning
- Reforestation of green areas

28,000 GRUPO MEXICO VOLUNTEERS PARTICIPATED THROUGH THIS PROGRAM NATIONWIDE, IN PERU, AND IN THE US.

Volunteers participating in Fundación Grupo Mexico's Volunteer Day.

Volunteers participating in
Fundación Grupo Mexico's
Volunteer Day.



The benefited communities were:

MEXICO

- 1.- **Baja California Sur:** Guerrero Negro
- 2.- **Campeche:** Ciudad del Carmen
- 3.- **Coahuila:** Torreon, Nueva Rosita
- 4.- **Chihuahua:** Chihuahua, Santa Barbara, Santa Eulalia, Parral
- 5.- **Guanajuato:** Irapuato, Leon
- 6.- **Guerrero:** Taxco
- 7.- **Jalisco:** Guadalajara
- 8.- **Michoacán:** Angangueo
- 9.- **Oaxaca:** Juchitán de Zaragoza
- 10.- **San Luis Potosí:** Charcas, San Luis Potosi
- 11.- **Sonora:** Guaymas, Agua Prieta, Hermosillo Cananea, Nacozari, Esqueda
- 12.- **Zacatecas:** Sombrerete
- 13.- **Veracruz:** Veracruz
- 14.- **Mexico City**

UNITED STATES

- 1.- **Texas:** Amarillo
- 2.- **Arizona:** Tucson, Sahuarita, Marana, Kearny, Hayden

PERU

- 1.- **Moquegua:** Ilo





NETWORK OF BUSINESS ASSOCIATIONS AND FOUNDATIONS

The Network is an alliance among Business Foundations and companies with social activities who join to align the options of assistance and thus achieve a unification of social work in our Country. Likewise, within the Network, all the Charity Organizations registered find a unique space to become professional and get training under the international criteria that guide social activity. Affiliation to the Network is absolutely FREE. The Network is open to:

- Business Foundations
- Companies with Social Activity
- Charity Organizations

- Civil Associations
- Public Charities
- Private Welfare Institutions
- NGOs

On the Network's digital platform: www.RedAsociaciones.com, Charity Organizations create synergies with other organizations, receive legal and tax advice, receive constant on-line training, and attend the multiple workshops that the network offers. All this, under international standards and free for the 985 NGOs that, so far, are members of the Network.

A YEAR SINCE THE NETWORK PLATFORM HAS BEEN FUNCTIONAL, WE HAVE 51 MEMBERS INCLUDING BUSINESS FOUNDATIONS AND SOCIALLY RESPONSIBLE ENTREPRISES.

- | | |
|---|---|
| 1. Fundación Herdez | 26. Gas Natural Fenosa |
| 2. Anáhuac Querétaro | 27. Asociación de Bancos de México (ABM) |
| 3. Fundación Farmacias del Ahorro | 28. Ford Motors |
| 4. Fundación CMR | 29. Hogan Lovells BSTL, S.C. |
| 5. Volaris | 30. Fundación ABC |
| 6. Fundación del Empresariado Chihuahuense (FECHAC) | 31. Fundación Axa |
| 7. Universidad la Salle México | 32. Fundación Acir |
| 8. Fundación Gigante | 33. Nacional Monte de Piedad |
| 9. Fundación Helvex | 34. Teletón |
| 10. KPMG | 35. Appleseed México |
| 11. Centro Mexicano Pro bono (CEMPRO) | 36. Fundación Grupo Posadas |
| 12. Danone/Bodafont | 37. Deloitte |
| 13. IBM | 38. Sura |
| 14. Pfizer | 39. Fundación Proempleo |
| 15. Fundación Social del Empresariado Jalisciense (FEJAL) | 40. Fundación del Empresariado Yucateco (FEYAC) |
| 16. Dentalia | 41. Fundación Televisa |
| 17. Fundación MVS | 42. Fundación Motorola México |
| 18. Banco HSBC | 43. Fomento Cultural Banamex |
| 19. Nestlé | 44. Red Probono México |
| 20. Restaurantes Toks | 45. Fundación Mapfre |
| 21. Fundación Chedraui | 46. Fundación Paloma |
| 22. Fundación Kalúz | 47. VINOMEX / FECHAC |
| 23. Fundación GIN | 48. Fundación Gentera |
| 24. Instituto Tecnológico de Monterrey campus Monterrey ITESM | 49. Samsung México |
| 25. Fundación José Cuervo | 50. Conservation International Mexico A.C. |
| | 51. Corresponsables |



In some of the most outstanding segments, we find that 31% are organizations related to the environment, animal protection, and community development, 27% are organizations related to citizen participation, research, human rights, indigenous rights, consulting, legal attention; 24% are organizations related to education, healthcare, and nutrition, philanthropy, and sports; and the remaining 18% are organizations in various sectors, such as legal counseling, art and culture, and services for the disabled.

Valuable information for the business organizations and foundations is offered on matters of social responsibility, fiscal reforms, calls for funds, and news on relevant social issues.

Each month, the organizations receive in their email the monthly Newsletter listing the most important events of the month within the Network: Upcoming workshops, invitations, events, etc. Business Foundations and companies with social activity that are part of the Network shared over 12 calls for funds, sustainable, or social projects of interest for the organizations.

Likewise, through the Network, 41 national and international invitations from various institutions such as the Embassies of Japan, New Zealand, Canada, or Germany, and international institutions like USAid, UN Americas, Wingu Argentina, and Ford Foundation, among others, were announced.

This year, the Network provided to its organizations 48 free legal counseling sessions via our allies AppleSeed México, Red Pro bono México, Centro Mexicano Pro bono (ceMPRO), and important firms such as Hogan Lovell's BSTL, Fundación Basham, and others. These institutions offer free legal advice to the organizations on various matters such as: fiscal, labor, and notary matters, changes in their corporate purpose, changes in powers, CLUNI processing, procedure to set up as an authorized tax-exempt organization, counseling on establishing a foundation or society, among others.



EDITORIAL FUNDACIÓN GRUPO MÉXICO

Chili was the ingredient we chose to continue with our collection of ingredients of Mexican origin. This book, as all the previous ones, aims firmly to safekeep in a memorable document the cultural and gastronomic wealth of this ingredient, used in many cuisines around the world. Through this edition, we assisted Centro de Atención a Niños de la Calle Betesda I.A.P., which provides shelter and a family environment and care for boys aged 3 to 17, who have been abandoned and live in extreme poverty in the communities of the Navojoa municipality in Sonora. In addition to a safe home, Bestesda, I.A.P., provides these boys with clothing, food, education, and medical and psychological care, to help them achieve a healthy physical and mental development. The book “Chiles” is nominated under the Historical Recipes cate-

gory, for the Gourmand World Cook Awards 2017, to be held in Yantai, China, in May 2017. We would like to note that our books are already for sale in various bookstores, as the purchase serves to aid various institutions in continuing their social work.

CINEMEX AWARENESS

Charity Premieres

As is known, together with various allied film distributors, through this program we provide a fundraising tool so the participating NGOs can carry out a specific project to further their cause. Through this program, we encourage their active work, as these organizations are in charge of the sale of the premiere assigned, while Fundación Grupo México also doubles the sum raised.

During 2016, **29 premieres** were held and the **26 participating institutions** thus directly benefited **53,498 people**.

Most distributors have supported the program from the start, and some new ones have joined recently. The trust given is a result of the care that Fundación Grupo Mexico and Cinemex place in the handling of their titles and the program itself. We are constantly working with other distributors to develop new alliances, and thus have more titles to hold premieres.

SOCIAL MESSAGING “CINEMINUTO”

Through this program, we spread and promote the organizations' social work. during 2016, 13 organizations displayed **the Cineminuto of their cause** over 4 weeks at **220 theaters**. Thus, we posted **2,786 copies** reaching **26,189,152 spectators**. The Cineminutos displayed this year: John Landon Down, Children International, Hábitat para la Humanidad, Únete, Fundación Luis Pasteur, Olimpiadas Especiales, ORT México, Fundación Clínica Médica Sur, Expo Fundación y Congreso, Convivencia sin Violencia, Fundación cMR, TECHO México and FECHAC.

“Chiles”
seventh book
in the *Xocoyo*
collection.

Seventh Cinemex Race
In benefit of the Special Olympics.



CINEMEX RACE

The Cinemex Race is an event with a cause that benefits an organization that we select carefully each year. This year, thanks to all the runners of our race, we provided assistance to Olimpiadas Especiales de Mexico A.C. to carry out the “Somos más que deporte” project. This project will benefit **28,309 people with various intellectual disabilities**, and ongoing free training for a year in Olympic sports, such as gymnastics, swimming, and figure skating, among others. Thorough this program, participants can develop physically, display valor, experience joy, and participate in an exchange of gifts, skills, and comradeship with their families, other athletes, and the overall community, simultaneously fostering their inclusion as useful and productive citizens of society in a framework of acceptance, equality, and respect. Simultaneously, their participation in national and international competitions, such as the World Winter Games in Austria 2017; with the view that sports will open hearts and minds towards people with intellectual disabilities to create inclusive communities around the world.



CONVIVENCIA SIN VIOLENCIA FORUM

In an alliance begun in 2013 with Convivencia sin Violencia, FGM has participated in the annual forum “Mexico empiezo yo, me sigues tu, cambiamos todo”, where high school students are shown “options” of success through well-known speakers who highlight leadership, self-esteem, the value of talent, and determination to succeed against adversities, so they will value and recognize the opportunities that life is currently offering.

Held in October 2016, this forum was an absolute success, gaining the participation on-site of 2,209 teenagers, and with a total impact on 646,632 people, through live streaming online and social media. Undoubtedly, the Convivencia sin Violencia forum inspires young people to achieve anything they set out to do, that no obstacle is too great for success if you base it on work, constancy, discipline, and effort, encouraging them to be better citizens.

SOCIAL CAMPAIGN THROUGH BILLBOARDS

This relatively new program has proven its success and impact. Organizations are avid to promote and broadcast their work, and there are also many people who don't know about them but can receive the assistance they need from these Organizations. This year, 1,514 posters were displayed at 220 theater complexes for 4 consecutive weeks. The benefited organizations were The Mexican Red Cross, Olimpiadas Especiales de

**THE EVENT WAS ATTENDED
BY 176 INSTITUTIONS, WHICH
REPLICATE THE LEARNING
ACQUIRED IN THEIR ORGANIZATIONS
AND SOCIAL PROGRAMS.**

México, Mexico City Citizen Council, Fundación CMR, Taiyari, and Museo Memoria y Tolerancia.

FOUNDATION AND CONGRESS EXPO

In June, the Foundation and Congress Expo was held for the third time. Its goal is to provide a space for training, exchanging information, and understanding the social work of Charity Organizations. Among our speakers we included Dr. Denise Dresser, who offered a keynote speech under the topic “What can I do? 10 proposals to change Mexico”, creating awareness in the institutions about generating a deeper change in society with a direct impact on the country. Speakers Annette Candanedo, Marco Antonio Regil, Pau Vidal, and Norma Galafassi, among others, filled the forum with innovative knowledge and provided attendees with practical tools to improve the handling of their institution. 176 institutions attended the event, who replicate what they learned in their organization and their social programs.

Marco Antonio Regil,
Fundación y Congreso 2016
Expo at Cinemex Patriotismo.





SOCIAL MARKETING CAMPAIGNS

Simultaneously, through the concessions stands at all its theaters nationwide, Cinemex offers its guests the option to supersize their popcorn bucket from large to jumbo, and the difference in price is donated to the benefited organization. This program was made possible thanks to the generosity of the “Cinemex guests”. The organizations benefited this year by this program were: Christel House, with 211 children benefited, Olimpiadas Especiales, with 28,309 special athletes benefited, and Nutre a Un Niño, with 1,009 people benefited.

Concession stand campaign in benefit of Christel House Mexico 2016.

CAI MONTERREY

The assistance provided to CAI Monterrey by equipping the styling shop in 2012 has trained **1,440 people** through various workshops: styling, barbering, colorimetry, nail care and decoration, and professional makeup, aiming to offer opportunities to people with limited options of formal employment, so they can improve their level of life through training for work, in line with employment demand and entrepreneurship.

COMPARISON 2015 VS 2016
DR. WAGON, THE HEALTH TRAIN

Project	States		Increase 2015-2016
	2015	2016	8%
Dr. Vagón, The Health Train	12	13	

Project	Communities		Patients		Increase 2015-2016
	2015	2016	2015	2016	41%
	36	35	32,408	45,573	

Project	Medical Services		Increase 2015-2016
	2015	2016	24%
	148,756	184,928	

Workshops offered		Increase 2015-2016	Attendance at Workshops		Increase 2015-2016
2015	2016	34%	2015	2016	16%
598	803		19,775	22,975	

Medicines		Increase 2015-2016	Kilometers	
2015	2016	62%	2015	2016
39,880	64,741		13,859	12,796

COMPARISON 2015 VS 2016

SOCIAL LINKAGE

Project		States		Countries	People Impacted		Increase 2015-2016	Volunteers		Increase 2015-2016
FGM Volunteer Day	2015	2016	2016	2015	2016	63%		2015	2016	11%
	14	14	3	43,000	70,000			6,325	7,020	

COMPARISON 2015 VS 2016

NEW PROJECTS AND ASSOCIATION NETWORK

Project		States		Number of companies benefited		Increase 2011-2016
Red de Asociaciones y Fundaciones Empresariales	2015	2016	2015	2016	57%	
	32	32	625	985		

COMPARISON 2015 VS 2016

EDUCATION AND ENVIRONMENTAL MANAGEMENT

Project		States		People Impacted		Increase 2015-2016
Delivering foodstuffs to the Sierra Tarahumara	2015	2016	2015	2016	51%	
	1	1	11,400 people	17,230 people		

COMPARISON 2015 VS 2016

CINEMEX AWARENESS AND INSTITUTIONAL SUPPORT

Project		Impact		Increase 2015-2016
Benefit Premieres	2015	2016		197%
	17,996 People	53,498 People	17,520,000 Animals	
	24 Premieres	29 Premieres		

Project		Events		States		Impact		Increase 2015-2016
ExpoFundación	2015	2016	2015	2016	2015	2016	11%	
	1	1	1	1	157 Institutions	174 Institutions		

Project		Impact	Increase 2015-2016
Cineminutos Sociales	2015	2016	18%
	22,249,745	26,189,152	
	12 institutions	13 institutions	

Project		Impact	Increase 2015-2016
Social Marketing Campaigns	2015	2016	40%
	178,862	250,000	
	2 Institutions	3 Institutions	

Project			Increase 2015-2016
Carrera Cinemex	2015	2016	13067%
	215 people	28,309 people	
	1 Institution	1 Institution	

Project				Increase 2015-2016
Marquee Campaign		2015	2016	
	Visual impact	4,007,520	28,052,637	
	Marquees	540	1,514	180%

Project			Increase 2015-2016
CAI MTY	2015	2016	125%
	212	476	
	1 Institution	1 Institution	



Environmental and Social Actions

TO CONSOLIDATE THE TRUST OF OUR STAKEHOLDERS,
WE WORK HARD TO INCLUDE THEM IN THE MANAGEMENT AND KEEP
THEM INFORMED OF THE COMPANY'S PERFORMANCE, ALWAYS
CONSIDERING THEIR EXPECTATIONS.



Grupo Mexico is a leading company whose innovation does not depend exclusively on the progress of more efficient processes and new technologies, but also on working day by day so our operations will have more and better results, always aiming for the organization's sustainability over time. We strive constantly so the company's performance in the social, economic, and environmental aspects will consider the expectations of our stakeholders.

132 Our business focus is Development with Purpose , to which we align our actions and investments for the distribution of economic value. To consolidate the trust of our interest groups, we work hard to include them in the management and keep them informed of the company's performance, always considering their expectations.

In the current world context, there is growing interest among all types of investors to work together with sustainable companies. Thus, it is very satisfying and rewarding for us that Grupo Mexico has been chosen to be part of the Mexican Stock Exchange's IPC Sustainability index for the sixth consecutive year. This financial indicator recognizes the Mexican companies with the highest commitment related to environmental performance, social responsibility, and corporate governance. This achievement is a faithful reflection of Grupo Mexico's actions and commitment to Development with Purpose.



The production of renewable energy from our wind farm “El Retiro” is equal to taking 21,307 cars off the road.



OUR ENVIRONMENTAL COMMITMENT

To continue our commitment to the environment, we are not satisfied with merely complying with regulations, but we go above and beyond all regulatory requirements. Thus, we work to the strictest quality standards to optimize our performance and identify, assess, and mitigate the effects that our activities have on the environment. We permanently move forth in harmony with the environmental, expansion, and modernization challenges of the industries where we participate.

To make all this possible, we have strategies that meet the specific environmental needs of each region, and operate through 9 lines of action that make up our system of environmental management.

These lines of action are carried out within the framework of the international and local certifications that our operating units have in all three countries where we are present. In 2016, we held 8 units certified under ISO 14001:2004, together with the 29 Clean Industry and Environmental Quality certificates, resulting from the efforts of each of our collaborators, and the transversal application of our environmental practices.

IN 2016, WE HAD 8 UNITS CERTIFIED UNDER ISO 14001:2004, IN ADDITION TO THE 29 CLEAN INDUSTRY AND ENVIRONMENTAL QUALITY CERTIFICATIONS.

ENVIRONMENTAL BALANCE IN DETAIL

- 1. Rational use of water and natural resources
- 2. Prevention, control, and mitigation of emissions into the atmosphere
- 3. Efficient use of energy
- 4. Reduction of GHG per ton produced
- 5. Minimization in the generation of waste and better comprehensive management
- 6. Shutdown of operations
- 7. Preservation of biodiversity
- 8. Reforestation
- 9. Compliance with environmental regulation

ENERGY AND CLIMATE CHANGE

At Grupo Mexico, we know that the fight against climate change is everyone’s responsibility, including the private sector and all the industries in it. Moreover, we are well aware of the possible impacts that it may have on our operations; therefore, we have identified the possible risks linked to the global temperature change to be able to anticipate any situation that could have adverse effects for the company.

Faced with the challenges of climate change, at Grupo Mexico we are working on:

- Making a more efficient use of energy.
- Diversifying our energy matrix.
- Developing and using renewable energy sources.
- Reusing 100% of industrial water.
- Promoting activities to capture greenhouse gas emissions (GHG).

Thus, we are betting on diversification towards cleaner and renewable energy generation sources for our supply, and exploring business models that will be compatible with the generation of energy through renewable sources.

In addition, through its subsidiary Mexico Generadora de Energía (MGE), the Company has two combined cycle plants—“La Caridad I and II”—and one wind farm called “El Retiro”. Through these facilities, we take advantage of the energy content of natural gas, and use wind energy to feed our operations with green energies that have little

environmental impact. The wind turbines of the wind farm allowed us to produce a total of 220 gigawatt hours (GWh) of energy in 2016 from fully renewable sources. By substituting traditional sources of energy with those which use natural gas and wind energy efficiently, in 2016 we avoided emitting 242,278 tons of CO₂eq., or the equivalent of recycling 76,888 tons of trash.

As part of our strategy for climate change, and given the opening of the energy market in Mexico, we are betting on more clean energy generation projects. Grupo Mexico’s goal is not only to produce renewable energy for our operations, but to supply the market and contribute to the development of a sustainable energy infrastructure in the country.

With the growth of the infrastructure division, Grupo Mexico intends to consolidate slowly as a relevant player in the energy industry in Mexico and the world.

Regarding fuel savings, in the Transportation division we strive to make diesel consumption per ton-km of product hauled more efficient, as well as to achieve considerable savings that benefit the operation, enabling us to reduce the amount of emissions released into the atmosphere. Thus, the constant implementation of Automatic Equipment Start Stop (AESS) has enabled our engines to be more energy efficient when they are stopped or idling. Thanks to this mechanism, we saved 12.25 million liters of diesel in 2016. This is



By participating in initiatives for transparency regarding climate change, we consolidate our role as leaders in sustainability.

Combined cycle energy plant, Sonora, Mexico.

particularly relevant if we consider that 99% of the energy supply of the Transportation Division is based on diesel consumption.

Through these and other actions, Grupo Mexico confirms its commitment to reduce its greenhouse gas emissions and perform as a sustainable company, both on a national and international level, improving its competitiveness and helping in the transition towards a green economic development.

Last, we must note that regarding climate change, Grupo Mexico has begun to work together with NGOs to contribute to the fight against climate change. Such is the case of our first report in 2016 to the Carbon Disclosure Project, through which we have doubled efforts to be even more transparent regarding the actions that the Company performs to measure, verify, and mitigate its carbon footprint, as well as to work towards a green economic development.



BIODIVERSITY

Our operating units have tree nurseries and greenhouses whose production of regional species is aimed at ecosystem reforestation and rehabilitation, including areas that are not adjacent to our operations. On the one hand, these nurseries contribute to the biological diversity and enrichment of plant and animal life; on the other, they are natural carbon sinks, capturing CO₂ from the environment.



WATER

As part of our effort to preserve the biodiversity, we have an Environmental Management Unit (UMA in Spanish) with enclosures totaling 5.7 hectares, which have been conditioned to replicate the habitats of threatened and endangered species, including the Mexican Gray Wolf and the Wild Turkey, among others, that are part of our important program.

The UMA has a clear strategy focused on the reproduction and release of species, as well as ecosystem regeneration. In addition, this work clearly reflects our efforts to involve the community in the common challenge of protecting our environment, and specifically the biological diversity of Sonora. This can be expanded to include the UMA's ecological path that offers educational and recreational activities along 1.8 km, visited by around 5,000 people and an average of 52 schools per year.

In Peru, we continue to carry out significant investments and maintenance actions under the remediation program for Ite Bay, in Tacna. This work translates into the fact that Ite now has the broadest wetland with the greatest diversity of water birds.

For our mining operations, water is the most important resource; thus, to preserve it, we have developed projects to keep gaining greater efficiency in its use, boost reutilization, and use water discarded by other parties.

The efficient use of water and the water-saving programs are based on the implementation of recovered water pumping systems, the ongoing recovery of process water, the implementation and maintenance of closed circuits for total water use, and a zero-discharge program for wastewater, which seeks to achieve a more efficient management of water resources. These programs have allowed a large part of our total water consumption to come from recovered water. In 2016, 71% of the total water consumption at our mining operations was recovered water, which is the result of good management.

At Grupo Mexico, by being constant in our commitments, we continue to perform environmental and sanitary monitoring of the Sonora and Bacanuchi rivers to ensure the ecosystem's stability.

THROUGH PROJECTS BY INVITATION, SEED CAPITAL AND COMMUNITY COMMITTEES, WE FOSTER THE CREATION OF DEVELOPMENT GENERATORS AND PROACTIVE LEADERS THAT WILL STRENGTHEN THE WELLBEING OF THEIR COMMUNITIES.

OUR COMMUNITIES

Our community development model is based on a view whose main goal is to favor the triggering of endogenous transformation processes that will generate opportunities in the communities where we participate. This model is implemented through various tools, such as community committees in the places where we operate, Casa Grande, social investment funds, invitations for projects, and corporate volunteer teams.

At Grupo Mexico we understand social wellbeing as the synergy of various factors, which we seek to strengthen through a multifocal strategy, in close dialogue with the communities. This is why we are constantly seeking to strengthen healthcare, education, culture, and sports in each community where we participate.

In 2016, we should note the participation of 13,397 community volunteers who were key in increasing the social capital of the communities where we operate. With projects developed through invitations, seed capital, and summer camps, we foster the creation of development generators and proactive leaders who will strengthen the wellbeing of their communities. This generates dynamics of shared responsibility between the company, society, and the environment.

During 2016, 108 projects by invitation were active at the 16 operations and explorations in Mexico. These projects foster capacity installation, and make it possible to bolster our long-term view and create strategic alliances to strengthen each of the communities where we are present.



The “The Path to Life” program of Grupo Mexico provides transportation to bring health services closer to the communities.



INVESTMENTS IN COMMUNITY DEVELOPMENT

(Millions of dollars)

PROGRAM		Grupo México
Community development	Community development programs	\$ 10.59
	Sponsoring and donations	\$ 6.01
	Infrastructure and equpping at nearby neighborhoods	\$ 28.91
	Investment in education	\$ 1.67
Employees and communities	Sports and cultural promotion	\$ 1.04
	Infrastructure investment in GMEXICO neighborhoods	\$ 14.05
Total		\$ 62.27



Casa Cien, our community development center in Nacozari, Sonora, is a meeting point. Interaction between families and collaborators is a pillar in Development with Purpose.

AT GRUPO MEXICO,
WE ARE COMMITTED
TO PROVIDING EQUAL
OPPORTUNITIES. THUS,
MEN AND WOMEN
ARE AT THE CORE OF
OUR ACTIONS TO
DRIVE DEVELOPMENT
WITH PURPOSE.

An example of this can be the improvement of educational environments and infrastructure construction in San Martín, Zacatecas, or the invitation to “Participate for Cananea”, at Buenavista del Cobre.

In Peru, our operations are located in a place where water is a key resource, as this is a region where farming and cattle are key elements for economic dynamics. Thus, at Grupo Mexico, we seek to expand on communities’ development and self-management capacities. Therefore, we contribute to the expansion of water supply infrastructure and automation of irrigation in the areas where we operate. An example of this is the work throughout 2016 to improve the irrigation infrastructure at Torata, in the Moquegua region. The works included improvements to the water reservoirs, pipe installation, construction of support walls, and other maintenance works for the water infrastructure.

Backing women’s enterprises is also one of our goals, creating opportunities for their professional development and contributing to strengthen families’ economy. In the Peruvian province of Mariscal Nieto, the Torateñas Emprendedoras program has been a success through the creation of the company Frutylac SAC. The enterprising women in this program make preserves, regional breads, and other local products. To expand their horizons, the women of this successful program participated in the International Fair of Tacna, FERITAC 2016, displaying their achievements and promoting their regional products.

WITH 33,958 PEOPLE BENEFITED IN 2016
THROUGH THE REDUCED FARE PROGRAM,
“EL CHEPE” HAS CONSOLIDATED AS THE BACKBONE OF
DEVELOPMENT IN THE MOUNTAIN COMMUNITIES
OF CHIHUAHUA.



El Chepe, the Chihuahua-Pacific train, is a strategic form of transportation for the residents of Chihuahua and Sinaloa, and particularly the mountain municipalities of these states. Thus, in the Transportation Division, we have implemented a reduced fare program jointly with the government of the State of Chihuahua, designed for the Tarahumara, and low-income population whose only transportation is this train. During 2016, the El Chepe reduced fare program benefited a total of 33,958 people.

In addition to the reduced fare program, the Transportation division supports the mountain communities and religious orders of Chihuahua by transporting goods free of charge, so the residents will have access to food and several basic products. In 2016, we assisted the transportation of potatoes and other farm products to feed children who live in the Sierra Tarahumara. The Transportation Division is proud to be part of the regional development of the states where it operates.

In 2016, Dr. Wagon continued to operate offering free, comprehensive healthcare services to marginalized communities close to the railway, and thanks to the joint work of Fundación Grupo Mexico and Ferromex, Dr. Wagon continues to bring hope to every corner of the country it visits.

The Transportation Division supports the mountain communities and religious orders of Chihuahua with free transportation of goods.

At Grupo Mexico, our business model is focused on continuously improving the quality of life of the communities where we operate, fostering development with purpose, and strengthening the collective participation that will trigger common wellbeing, always making people the key generators of development.

The efforts mentioned in this report reflect Grupo Mexico's commitment to a sustainable way of doing business. For further information regarding our performance and activities in terms of sustainability, we invite you to view our Sustainable Development Report 2016 at our website: www.gmexico.com.



GRUPO MÉXICO
MANAGEMENT BOARD

Germán Larrea Mota Velasco PRESIDENT	Oscar González Rocha PATRIMONIAL ADVISOR	Emilio Carrillo Gamboa INDEPENDENT DIRECTOR
Xavier García de Quevedo Topete VICE-PRESIDENT	Alfredo Casar Pérez PATRIMONIAL ADVISOR	Fernando Ruiz Sahagún INDEPENDENT DIRECTOR
	Luis Castelazo Morales PATRIMONIAL ADVISOR	Rolando Vega Sáenz INDEPENDENT DIRECTOR
	Daniel Muñoz SECRETARY OF THE BOARD	Antonio del Valle Ruiz INDEPENDENT DIRECTOR
	Prudencio López Martínez INDEPENDENT DIRECTOR	Carlos Prieto Sierra INDEPENDENT DIRECTOR
	Claudio X. González Laporte INDEPENDENT DIRECTOR	Carlos Rojas Mota Velasco INDEPENDENT DIRECTOR
	Antonio Madero Bracho INDEPENDENT DIRECTOR	

MANAGEMENT TEAM

Germán Larrea Mota Velasco EXECUTIVE PRESIDENT AND CHAIRMAN OF THE BOARD	Xavier García de Quevedo Topete CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER
	Mauricio Ibañez Campos GENERAL COUNSEL
	Rafael Ríos García DIRECTOR OF SECURITY
	Guillermo Barreto Mendieta DIRECTOR OF AUDIT
	Miguel Valdés Neaves DIRECTOR OF ADMINISTRATION AND CONTROL
	Marlene Finny de la Torre HEAD OF INVESTOR RELATIONS

AMERICAS MINING CORPORATION

MINING DIVISION

MANAGEMENT TEAM

Germán Larrea Mota Velasco CHAIRMAN OF THE BOARD	Daniel Chávez Carreón DIRECTOR OF OPERATIONS MINERA MEXICO	Vidal Muhech Dip DIRECTOR OF ENGINEERING AND CONSTRUCTION
Oscar González Rocha EXECUTIVE PRESIDENT	Jorge Hugo Meza Viveros DIRECTOR OF OPERATIONS SOUTHERN PERU	Jaime Ramírez del Villar PROCUREMENT DIRECTOR
Daniel Muñoz Quintanilla EXECUTIVE VICE-PRESIDENT	Manuel Ramos Rada DIRECTOR OF OPERATIONS ASARCO	Rodrigo Sandoval Navarro CHIEF OF CORPORATE FINANCE
	Oscar González Barrón DIRECTOR OF ADMINISTRATION AND CONTROL	Raquel Tobar Sáiz DIRECTOR OF NEW BUSINESS DEVELOPMENT
	Jorge Jáuregui Morales DIRECTOR OF HUMAN RESOURCES	Francisco López Guerra PROJECT DIRECTOR
	Jorge Lazalde Psihas GENERAL COUNSEL	René Verde Guzmán IT DIRECTOR
	Aldo Massa Peschiera MARKETING DIRECTOR	

SOUTHERN COPPER CORPORATION

MINING DIVISION

MANAGEMENT BOARD

Germán Larrea Mota Velasco CHAIRMAN OF THE BOARD	Emilio Carrillo Gamboa INDEPENDENT DIRECTOR	Luis Miguel Palomino Bonilla INDEPENDENT DIRECTOR
	Alfredo Casar Pérez PATRIMONIAL ADVISOR	Gilberto Perezalonso Cifuentes INDEPENDENT DIRECTOR
	Enrique Castillo Sánchez Mejorada INDEPENDENT DIRECTOR	Carlos Ruiz Sacristán INDEPENDENT DIRECTOR
	Xavier García de Quevedo Topete PATRIMONIAL ADVISOR	Jorge Lazalde Psihas SECRETARY
	Oscar González Rocha PATRIMONIAL ADVISOR	
	Daniel Muñoz Quintanilla PATRIMONIAL ADVISOR	

ASARCO, LLC. INC.

MINING DIVISION

MANAGEMENT BOARD

Germán Larrea Mota Velasco
CHAIRMAN OF THE BOARD

Oscar González Rocha
EXECUTIVE PRESIDENT

Alfredo Casar Pérez
Xavier García de Quevedo Topete
Oscar González Barrón
Daniel Muñoz Quintanilla
Manuel Ramos Rada
Jorge Lazalde Psihas
SECRETARY

GRUPO MÉXICO TRANSPORTES

TRANSPORTATION DIVISION

MANAGEMENT BOARD

Bernardo Ayala Yáñez
Alfredo Casar Pérez
Jaime Corredor Esnaola
Arturo Elías Ayub
Xavier García de Quevedo Topete
Robert M. Knight Jr.
Roberto Slim Seade
Cristian Lippert Helguera
SECRETARY

MANAGEMENT TEAM

Germán Larrea Mota Velasco
CHAIRMAN OF THE BOARD
Alfredo Casar Pérez
EXECUTIVE PRESIDENT
Fernando López Guerra
CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER
Hugo Rafael Gómez Díaz
OPERATIONS DIRECTOR
Lorenzo Reyes Retana Padilla
PROJECT DIRECTOR

MÉXICO PROYECTOS Y DESARROLLOS

INFRASTRUCTURE DIVISION

MANAGEMENT BOARD

Alfredo Casar Pérez
Julio Francisco Larrea Mena
Vidal Muhech Dip
Daniel Muñoz Quintanilla
Octavio J. Ornelas Esquinca
Javier Gómez Aguilar
SECRETARY

MANAGEMENT TEAM

Germán Larrea Mota Velasco
CHAIRMAN OF THE BOARD
Xavier García de Quevedo Topete
EXECUTIVE PRESIDENT
Octavio J. Ornelas Esquinca
CHIEF FINANCIAL AND ADMINISTRATIVE OFFICER
Rogelio Vélez López de la Cerda
DIRECTOR OF PERFORADORA MEXICO
Gustavo Ortega Gómez
ENERGY DIVISION DIRECTOR
Julio Francisco Larrea Mena
DIRECTOR OF CONSTRUCTORA MÉXICO
Juan Francisco Bueno Zirion
DIRECTOR OF GRUPO MEXICO AUTOPISTAS
Antonio Martínez
DIRECTOR OF GRUPO MÉXICO SERVICIOS DE INGENIERÍA

FUNDACIÓN GRUPO MÉXICO

MANAGEMENT BOARD

Alfredo Casar Pérez
Luis Castelazo Morales
Xavier García de Quevedo Topete
Oscar González Rocha
Daniel Muñoz Quintanilla
SECRETARY

MANAGEMENT TEAM

Germán Larrea Mota Velasco
PRESIDENT

Ximena Ugarte Luiselli
GENERAL DIRECTOR

Karla Guadalupe Díaz Castro
ADMINISTRATIVE MANAGER OF DR. WAGON, THE HEALTH TRAIN

Adriana Hernández Rojas
OPERATIONS MANAGER DR. WAGON, THE HEALTH TRAIN

Gardenia Lemmen-Meyer Valero
SOCIAL LIAISON MANAGER

Jessica Pons Fernández
MANAGER OF NETWORK OF ASSOCIATIONS AND NEW PROJECTS

Yazmín Torres Martínez
MANAGER OF EDUCATION AND ENVIRONMENT

Lucero Vallejo Durán
MANAGER OF CINEMEX AWARENESS AND SUPPORT FOR INSTITUTIONS



GRUPO MÉXICO S.A.B. DE C.V.

EDIFICIO PARQUE REFORMA
CAMPOS ELÍSEOS 400
COL. LOMAS DE CHAPULTEPEC
C.P. 11000 MÉXICO, D.F.
TEL.: 52 (55) 1103 5000

www.gmexico.com