

January 14, 2019



Dear Customer,

Today, GIS reported to the Mexican Stock Exchange that it has signed an agreement by which Ariston Thermo has expressed an interest to acquire the Calorex Business (Includes American Standard Water Heaters). This is subject to meeting certain conditions.

Ariston Thermo approached GIS seeking the purchase due to Calorex's talent, innovation processes, distribution channels, leadership, products and high-prestige brands in the Mexican and the North American market. Ariston Thermo, an Italian group with presence in 150 countries, manufactures and distribute water heaters, heat Pumps, boilers, burners and other components for both residential and commercial applications.

In the event all conditions and authorizations required for its formalization are met, this transaction would represent an option for Calorex to boost its growth by joining one of the most important players in the industry worldwide, while GIS keeps focusing on its core business portfolio.

A waiting period has begun while the Mexican Competition Commission (COFECE) authorizes, if the case, the closing of the transaction. This means that Calorex will still be part of GIS until COFECE authorizes the purchase by Ariston Thermo.

Calorex with its positive performance as a business, developing high-tech products and executing with excellence, has become an attractive player in the global water heating industry.

We believe that, once COFECE authorizes the transaction, we will have the opportunity to continue growing leveraged in our business capabilities.

I would like to emphasize that our customer – supplier relationship continues as usual; the business relationship will remain managed by the same persons, under the same terms and in the exact same way as it has been until today.

On behalf of American Standard, I would like to thank you for your confidence and support towards our brands and products. We are confident that this process will result in great benefits for all of our customers and suppliers.

Should you have any concerns or questions in connection with this sale process, please do not hesitate to contact your Sales Manager, who will kindly guide and assist you.

We will keep you informed of any progress during this process.

Warm regards.

Javier Cantú Garza  
CEO of Calorex (American Standard Water Heaters)