# GRUPO COMERCIAL CHEDRAUI, S.A.B. de C.V.
# SIGNIFICANT RESULTS AND FACTS OF THE FIRST QUARTER OF 2013

- **Consolidated total sales growth of 7.2%**
- **SSS Growth in the US of 2.0% in dollar terms.**
- **Consolidated EBITDA growth of 8.5%. The resulting 8 basis point margin improvement was primarily driven by US EBITDA growth of 40.2%.**
- **Consolidated Net Income growth of 11.4%**
- **The opening of 1 new store in Mexico.**

**Grupo Comercial Chedraui, S.A.B. de C.V.** announces its results corresponding to the first quarter of 2013 on April 24, 2013. All figures in this report are presented in nominal terms and reported subject to IFRS for both years.

## CONSOLIDATED RESULTS OF THE FIRST QUARTER OF 2013

The following table shows the condensed income statement for the three months of January to March 2013, as well as the percentage that each item represents in sales and percentage change from the same quarter in 2012:

(Figures in Millions of nominal Mexican Pesos)

| Quarterly Results | 1Q12 | % of Sales | 1Q13 | % of Sales | % Growth |
|---|---|---|---|---|---|
| Net Sales | 14,798 | 100.0% | 15,865 | 100.0% | 7.2% |
| Gross Profit | 2,854 | 19.3% | 3,124 | 19.7% | 9.4% |
| EBITDA | 1,029 | 7.0% | 1,116 | 7.0% | 8.5% |
| Operating Income | 715 | 4.8% | 788 | 5.0% | 10.3% |
| Net Income | 372 | 2.5% | 415 | 2.6% | 11.4% |

EBITDA is defined as operating profit before depreciation and amortization



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## Sales

Total revenue increased 7.2% for the quarter to $15,865 million pesos from $14,798 million pesos obtained during the same quarter last year. This growth resulted from the opening in the last twelve months of sixteen stores in Mexico and eight in the United States. The additional stores increased total retail square footage by 8.4%. An increase in same store sales of 2% in the U.S. was partially offset by a 0.5% decrease in same store sales in Mexico.

## Gross Profit

Gross Profit increased 9.4% reaching $3,124 million. Gross margin of 19.7% is 40 basis points higher versus the 19.3% obtained in the same period last year. The increase was driven in Mexico by better management of the market research process, lower mark downs and higher profits in the logistics operations, and in the U.S. by an increase of 20 basis points gross margin

## General Expenses

During the first quarter of 2013, operating expenses (without depreciation and amortization) accounted for 12.7% of sales which is 30 basis points higher compared with the result obtained in the same period last year. This result was due by the following increases in costs:

- Expected higher than normal operating expenses associated with the newly opened 16 stores in Mexico and 8 in the United States of America over the last twelve months. These operating expenses are expected to normalize as these stores reach maturity.
- The effect of lower expenses dilution by a weak growth in sales in Mexico.

## Depreciations and Amortizations

Depreciation and amortization grew 4.4% versus the same period last year. Depreciation expense, after several quarters of relatively large increases, has diminished due to the fact that the current and prior comparative quarters now contain SAP amortization.



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## EBITDA

EBITDA grew 8.5% versus the previous year increasing from $1,029 million in 2012 to $1,116 million in 2013. First quarter EBITDA margin of 7.0% increased 8 basis points versus prior.

## Comprehensive Financing Costs

There was an increase of 7.9% in the comprehensive financing costs versus the same period in the previous year, increasing from $238 million pesos in 2012 to $256 million pesos in 2013. The increase resulted from higher interest expenses associated with a 13.5% increase versus prior in average debt.

## Net Income

Net Income increased 11.4% versus the same period in 2012 reaching an amount of $415 million pesos. The sales margin of 2.6% is higher than the 2.5% obtained in 2012.

## Financing

At the end of March 2013, the Company had net bank debt of $5,642 million pesos which is comprised of $2,832 million pesos of shot-term debt, $4,393 million pesos of long-term debt and $1,582 million pesos in cash and cash equivalents.

CAPEX invested during the first quarter of 2013 totaled $445 million pesos.

The ratio of Bank net debt to EBITDA over the trailing twelve months is 1.30 times which is slightly higher than the 1.23 ratio obtained in the same period of 2012.



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The following tables show financial and operation information for each business segment:

## Financial Information

| Net Sales By Segment | 1Q12 | % of Total | 1Q13 | % of Total | Growth % |
|---|---|---|---|---|---|
| Mexico Retail | 11,706 | 79.1% | 12,219 | 77.0% | 4.4% |
| USA Retail | 2,948 | 19.9% | 3,489 | 22.0% | 18.4% |
| Real Estate | 144 | 1.0% | 158 | 1.0% | 9.2% |
| Consolidated sales | 14,798 | 100.0% | 15,865 | 100.0% | 7.2% |

| EBITDA By Segment | 1Q12 | % of Total | 1Q13 | % of Total | Growth % |
|---|---|---|---|---|---|
| Mexico Retail | 818 | 79.5% | 854 | 76.5% | 4.4% |
| USA Retail | 110 | 10.7% | 154 | 13.8% | 40.2% |
| Real Estate | 101 | 9.8% | 108 | 9.7% | 7.3% |
| Consolidated EBITDA | 1,029 | 100.0% | 1,116 | 100.0% | 8.5% |

## Store Count and Retail Square Meters by Segment

| Installed Capacity By Segment | Stores | | | | Openings LTM |
|---|---|---|---|---|---|
| | Openings 1Q12 | Cumulative 1Q12 | Openings 1Q13 | Cumulative 1Q13 | |
| Stores in Mexico | 0 | 183 | 1 | 199 | 16 |
| Stores in USA | 1 | 37 | 0 | 45 | 8 |
| Total | 1 | 220 | 1 | 244 | 24 |

| Installed Capacity By Segment | M2 Sales Area | | | | Growth % |
|---|---|---|---|---|---|
| | 1Q12 | Cumulative 1Q12 | 1Q13 | Cumulative 1Q13 | |
| Stores in Mexico | 0 | 1,106,696 | 1,879 | 1,180,954 | 6.7% |
| Stores in USA | 2,789 | 137,202 | 0 | 166,841 | 21.6% |
| Total | 2,789 | 1,243,898 | 1,879 | 1,347,795 | 8.4% |



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## Retail Mexico

Sales for the first quarter of 2013 increased 4.4% reaching $12,219 million pesos compared with the $11,706 million pesos in the same period last year. The main driver for the increase was the incorporation of sixteen new stores over the trailing twelve months. The increase was partially diminished by a decrease in same store sales of approximately 0.5%.

EBITDA increased 4.4% during the first quarter of 2013 reaching $854 million pesos versus $818 million pesos versus the same period last year. EBITDA margin on sales was 7.0%.

## Retail US

U.S sales grew 18.4% in the quarter from $2,948 million pesos in 2012 to $3,489 million pesos in 2013. This growth comes from the incorporation of 8 stores in the last twelve months and by a 2.0% increase in same store sales in dollar terms.

The EBITDA in this segment yielded $154 million pesos which is 40.2% higher versus the same period the last year. This represented a 4.4% sales margin which is higher than the 3.7% obtained during the same period last year. The US operation posted stronger margin results by further leveraging its investments in Distribution Operations and a greater dilution of fixed operating expenses by the incorporation of 8 stores purchased in August 2012.

Results in the U.S. Segment were negatively impacted by 2.0% foreign exchange loss incurred during the conversion of dollars to pesos.



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## Real Estate

Revenues for this segment grew 9.2 %from $144 million pesos in 2012 to $158 million pesos in 2013. This growth is mainly due to contracted sub tenant rent increases which are tied to inflation and by the incorporation of 8,705 m² of leasable area versus the first quarter of 2012.

EBITDA grew 7.3% versus the previous year increasing from $101 million pesos in 2012 to $108 million pesos in 2013. EBITDA margin of 68.7% decreased 120 basis points due to increased sales of concrete which have higher associated costs.

## Expansion

During the first quarter of 2013 one Súper Chedraui opened in Perote, Veracruz. With this opening, we closed the first quarter of 2013 with a total of 244 operating stores chain wide.

## Company's Description

Grupo Comercial Chedraui, S.A.B. of C.V. trades on the Mexican Stock Exchange under the ticker "CHDRAUI". As of March 31st 2013 the company had the following units in operation:

| | | |
|---|---|---|
| Mexico | 154 | Chedraui Stores |
| | 45 | Súper Chedraui Stores |
| United States of America | 45 | El Súper Stores |
| Total | 244 | |



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## Annexes

## Results for the first quarter of 2013

### GRUPO COMERCIAL CHEDRAUI, S.A.B. DE C.V.
### INCOME STATEMENT
**(Figures in thousands of mexican pesos)**

| Income Statement for 1Q13 | | | | | | |
|---|---|---|---|---|---|---|
| | 1Q12 | % | 1Q13 | % | Var. 13/12 % | Bps |
| Sales | 14,797,998 | 100.0% | 15,865,098 | 100.0% | 7.2 | 0.0% |
| Cost of Sales | 11,943,532 | 80.7% | 12,740,936 | 80.3% | 6.7 | -0.4% |
| Gross Profit | 2,854,467 | 19.3% | 3,124,162 | 19.7% | 9.4 | 0.4% |
| Operating expenses | 1,825,748 | 12.3% | 2,008,158 | 12.7% | 10.0 | 0.3% |
| Depreciation and Amortization | 314,175 | 2.1% | 328,141 | 2.1% | 4.4 | -0.1% |
| Operating Income | 714,544 | 4.8% | 787,863 | 5.0% | 10.3 | 0.1% |
| **Ebitda** | **1,028,719** | **7.0%** | **1,116,004** | **7.0%** | **8.5** | **0.1%** |
| Comprehensive financing cost | 237,554 | 1.6% | 256,337 | 1.6% | 7.9 | 0.0% |
| Income Before Taxes | 476,990 | 3.2% | 531,526 | 3.4% | 11.4 | 0.1% |
| Income Taxes | 104,938 | 0.7% | 116,936 | 0.7% | 11.4 | 0.0% |
| **Consolidated Net Income** | **372,052** | **2.5%** | **414,590** | **2.6%** | **11.4** | **0.1%** |



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**GRUPO COMERCIAL CHEDRAUI, S. A. B. DE C. V. AND SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**
**AS OF MARCH 31, 2013, 2012**
**(Figures in thousands of mexican pesos)**

| | March 2012 | % | March 2013 | % | Differences $ | Differences % |
|---|---|---|---|---|---|---|
| **TOTAL ASSETS** | **40,620,221** | **100%** | **44,169,755** | **100%** | **3,549,534** | **8.7** |
| **CURRENT ASSETS** | **9,290,330** | **22.9%** | **11,091,255** | **25.1%** | **1,800,925** | **19.4** |
| Cash and equivalents | 641,171 | | 1,582,222 | | 941,051 | 146.8 |
| Accounts and receivables -Net- | 509,051 | | 551,146 | | 42,095 | 8.3 |
| Other accounts and notes receivable - Net | 774,966 | | 1,088,434 | | 313,468 | 40.4 |
| Accounts receivable from Related Parties | 60,006 | | 53,056 | | -6,950 | -11.6 |
| Recoverable taxes | 1,308,426 | | 1,308,031 | | -395 | 0.0 |
| Inventories | 5,996,710 | | 6,508,366 | | 511,656 | 8.5 |
| **LONG TERM ASSETS** | **116,096** | **0.3%** | **113,342** | **0.3%** | **-2,754** | **-2.4** |
| Long Term Accounts and notes receivable -Net- | 89,047 | | 89,053 | | 6 | 0.0 |
| Investment in shares of associated companies | 27,049 | | 24,289 | | -2,760 | -10.2 |
| **PROPERTY AND EQUIPMENT -NET-** | **23,390,293** | **57.6%** | **25,043,633** | **56.7%** | **1,653,340** | **7.1** |
| Idle Assets | **110,944** | **0.3%** | **84,265** | **0.2%** | **-26,679** | **-24.0** |
| **INVESTMENT PROPERTIES** | **5,121,012** | **12.6%** | **5,275,734** | **11.9%** | **154,722** | **3.0** |
| **INTANGIBLE ASSETS AND DEFERRED CHARGES - NET** | **975,776** | **2.4%** | **1,006,767** | **2.3%** | **30,991** | **3.2** |
| **OTHER ASSETS** | **1,615,770** | **4.0%** | **1,554,759** | **3.5%** | **-61,011** | **-3.8** |
| **TOTAL LIABILITIES** | **20,871,594** | **100%** | **23,324,225** | **100%** | **2,452,631** | **11.8** |
| **CURRENT LIABILITIES** | **11,759,085** | **56.3%** | **14,250,452** | **61.1%** | **2,491,367** | **21.2** |
| Trade accounts payables | 8,392,291 | | 9,251,738 | | 859,447 | 10.2 |
| Bank loans | 1,025,710 | | 2,831,699 | | 1,805,989 | 176.1 |
| Other current liabilities | 2,341,084 | | 2,167,015 | | -174,069 | -7.4 |
| **LONG TERM LIABILITIES** | **5,726,123** | **27.4%** | **5,508,741** | **23.6%** | **-217,382** | **-3.8** |
| Bank Loans | 4,520,180 | | 4,392,871 | | -127,309 | -2.8 |
| Employee Benefit | 266,217 | | 345,145 | | 78,928 | 29.6 |
| Other liabilities cost | 939,726 | | 770,725 | | -169,001 | -18.0 |
| **Deferred credits** | **975,599** | **4.7%** | **913,902** | **3.9%** | **-61,697** | **-6.3** |
| **OTHER LONG TERM LIABILITIES WITHOUT COST** | **2,410,787** | **11.6%** | **2,651,130** | **11.4%** | **240,343** | **10.0** |
| **STOCKHOLDER'S EQUITY** | **19,748,627** | **100%** | **20,845,530** | **100.0%** | **1,096,903** | **5.6** |
| **MINORITY INTEREST IN CONSOLIDATED SUBSIDIARIES** | **319,920** | **1.6%** | **190,989** | **0.9%** | **-128,931** | **-40.3** |
| **MAJORITY INTEREST IN CONSOLIDATED SUBSIDIARIES** | | | | | | |
| **CONTRIBUTED CAPITAL** | **4,679,316** | **23.7%** | **4,444,137** | **21.3%** | **-235,179** | **-5.0** |
| Capital Stock | 252,120 | | 252,120 | | 0 | 0.0 |
| Premium on sale of shares | 4,427,196 | | 4,192,017 | | -235,179 | -5.3 |
| **CAPITAL GANADO (PERDIDO)** | **14,749,391** | **74.7%** | **16,210,404** | **77.8%** | **1,461,013** | **9.9** |
| Retained Earnings | 14,178,150 | | 15,559,742 | | 1,381,592 | 9.7 |
| Net income | 336,016 | | 401,212 | | 65,196 | 19.4 |
| Effect on valuation of derivatives | -264,775 | | -250,550 | | 14,225 | -5.4 |
| Repurchasing shares fund | 500,000 | | 500,000 | | 0 | 0.0 |



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**GRUPO COMERCIAL CHEDRAUI, S. A. B. DE C. V. AND SUBSIDIARIES**
CONSOLIDATED STATEMENTS OF CASH FLOWS
FIGURES IN THOUSANDS OF NOMINAL PESOS
FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012

| | March 2012 | March 2013 |
|---|---|---|
| **Net Income** | **476,990** | **531,526** |
| **Items that don't require (generate) resources** | **-22,663** | **1,244** |
| Provisions | -22,663 | 1,244 |
| **Items related to investing activities** | **302,399** | **281,731** |
| Depreciation | 260,618 | 280,383 |
| Amortization | 53,557 | 46,958 |
| (Gain) loss on sale of property and equipment | 593 | -36,292 |
| Interest income | -12,369 | -9,318 |
| **Investing Activities** | **157,529** | **169,129** |
| Interest expense | 157,529 | 169,129 |
| **Flows generated or used in operating activities** | **-1,012,211** | **-1,048,243** |
| Decrease (Increase) in Accounts receivable | -19,409 | 591,854 |
| Decrease (Increase) in Inventories | 377,976 | 144,770 |
| Decrease (Increase) in Other assets | 184,013 | -535,608 |
| (Decrease) Increase in accounts payable | -1,570,054 | -1,270,605 |
| (Decrease) Increase in Other assets | 15,263 | 21,347 |
| **Net cash flows from investing activities** | **-700,099** | **-377,243** |
| Purchase of property and equipment | -635,769 | -290,821 |
| Proceeds from sale of property and equipment | 35 | 66,040 |
| Intangible assets, advances and other | -249,184 | -154,010 |
| Interest paid | 12,369 | 9,318 |
| Others | 172,450 | -7,770 |
| **Net cash flows from financing activities** | **618,107** | **1,370,609** |
| Bank loans | 312,706 | 1,578,321 |
| Derivatives | 47,687 | 57,121 |
| Lease obligations | 0 | -50,251 |
| Increase (Decrease) in capital stock | 0 | 7 |
| Dividends paid | -216,116 | 0 |
| Interest received | -157,529 | -169,129 |
| Others | 631,359 | -45,459 |
| **Change in cash** | **-179,948** | **928,753** |
| **Adjustments to cash flow from changes in exchange rates** | **-51,852** | **-35,377** |
| **Cash and cash equivalents at the begining of the year** | **872,971** | **688,846** |
| **Cash at the end of the period** | **641,171** | **1,582,222** |



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