GRUPO COMERCIAL CHEDRAUI, S.A.B. DE C.V.
RELEVANT RESULTS AND FACTS FOR THE FIRST QUARTER OF 2017

- **Consolidated total sales growth of 8.4%**
- **Same store sales growthn Mexico of 4.0%**
- **Consolidated EBITDA growth of 3.4%**
- **The opening of two stores in Mexico**
- **CAPEX Investment of $532 million pesos**

Mexico City: Grupo Comercial Chedraui, S.A.B. de C.V. announces its results corresponding to the first quarter of 2017. All figures in this report are presented in nominal terms and reported in accordance with International Financial Reporting Standards (IFRS) for both years.

CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2017

The following table shows the comparative summary income statement for the three months of January to March 2017 versus the same quarter in 2016.

(Figures in Millions of nominal Mexican Pesos)

Quarterly Results	1Q16	% of Sales	1Q17	% of Sales	% Growth
Net Sales	20,581	100.0%	22,304	100.0%	8.4%
Gross Profit	4,119	20.0%	4,562	20.5%	10.8%
Operating Income	1,007	4.9%	1,011	4.5%	0.4%
EBITDA	1,367	6.6%	1,414	6.3%	3.4%
Net Income	502	2.4%	490	2.2%	-2.4%

Ebitda is defined as Operating Profit before Depreciation and Amortization

Sales

Sales increased 8.4% in the quarter to $22,304 million pesos. This increase was driven by the opening of fifteen new stores during the last twelve months in Mexico and the United States. These fifteen new stores represent a 3.9% increase in total sales floor capacity. Same store sales increased 4.0% in Mexico and decreased 4.4% in the United States in dollars terms.

The quarterly sales increase came despite protests and acts of vandalism in Mexico in January and the negative effect in February of comparing versus a leap year and the timing of the Lenten and Easter season which occurred in Q1 last year versus Q2 this year.

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Gross Profit

Gross Profit increased 10.8% to $4,562 million pesos with a gross margin of 20.5%. The result is higher than the 20.0% obtained during the same period last year. The increase results from a reclassification of certain staffing costs from cost of goods sold to operating expense - without this reclassification, gross margin would have been the same as the previous year.

Operating Expenses

During the first quarter of 2017, operating expenses (without depreciation and amortization) accounted for 14.1% of sales which is 75 basis points higher than the previous year. This increase is due primarily to:

- The reclassification of certain costs to expenses as explained in the Gross Profit section.
- The decrease in productivity caused by the drop in same store sales in the United States.
- Higher operating expenses normally associated with the recently opened fifteen stores in Mexico and the U.S. over the last twelve months

Depreciation and Amortization

Depreciation and Amortization grew 11.8% versus prior and this increase was caused by the purchase of new equipment for the fifteen stores opened during the last twelve months and the incorporation of certain IT investments.

EBITDA

Consolidated EBITDA grew 3.4% versus prior to 1,414 million pesos in 2017. EBITDA as a percent of sales was 6.3% which is 31 basis points lower than prior year.

Financing Costs

Financing costs increased 7.3% versus prior passing from $246 million pesos in Q1 2016 to $264 million pesos in Q1 2017. Costs were impacted mainly by the increase in the official Mexican interest rate (TIIE), which grew an average of 69% versus the first quarter of 2016.

Net Income

Net Income of $490M pesos decreased by 2.4% in the quarter primarily due to our United States' operations. Net Income as a percent of sales was 2.2%.

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Financing

At the end of March 2017, the Company had net bank debt of $6,075 million pesos. This net bank debt is comprised of $2,632 million pesos short-term debt, $3,834 million pesos long-term debt and $390 million pesos in cash and equivalents.

Accumulated invested CAPEX from January to March 2017 totaled to $532 million pesos.

The ratio of Net Bank Debt to trailing twelve months EBITDA is 1.05 which is very similar to the 1.02 obtained at the end of March 2016.

With respect to consolidated debt, portions of the Mexican debt are hedged against foreign currency exchange rate risk as some of the Mexican debt is U.S. dollar denominated. Debt in the United States is not hedged as both revenue and expenses are in U.S. dollars.

The following charts show the Group's financial and operational information for each business segment:

Financial Information

Net Sales By Segment	1Q16	% of Total	1Q17	% of Total	Growth %
Mexico Retail	14,514	70.5%	15,549	69.7%	7.1%
USA Retail	5,884	28.6%	6,553	29.4%	11.4%
Real Estate	183	0.9%	202	0.9%	10.0%
Consolidated sales	20,581	100.0%	22,304	100.0%	8.4%

EBITDA By Segment	1Q16	% of Total	1Q17	% of Total	Growth %
Mexico Retail	978	71.5%	1,046	74.0%	7.0%
USA Retail	259	18.9%	223	15.7%	-14.0%
Real Estate	131	9.6%	146	10.3%	11.2%
Consolidated EBITDA	1,367	100.0%	1,414	100.0%	3.4%

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Infrastructure Data by Segment

Installed Capacity By Segment	Stores				Openings LTM
	Openings 1Q16	Cumulative 1Q16	Openings 1Q17	Cumulative 1Q17	
Stores in Mexico	0	224	2	236	12
Stores in USA	1	55	0	58	3
Total	1	279	2	294	15

Installed Capacity By Segment	Sqm Sales Area				Growth %
	1Q16	Cumulative 1Q16	1Q17	Cumulative 1Q17	
Stores in Mexico	0	1,271,916	10,502	1,317,513	3.6%
Stores in USA	3,329	141,030	0	150,292	6.6%
Total	3,329	1,412,946	10,502	1,467,805	3.9%

Retail in Mexico

Sales in the first quarter of 2017 grew 7.1% to $15,549 million pesos compared to $14,514 million last year. This increase was a result of a 4.0% same store sales increase as well as the incorporation of 12 newly opened stores in the last 12 months. These new stores increased sales floor capacity by 3.6%.

The increase in sales was achieved despite that the fact that during the month of January, various protests and acts of vandalism in some cities negatively impacted revenue during the first days of that month; further, the negative calendar effects of comparing a leap year and the Easter season were also a factor.

The maintenance of the Company's price strategy, along with strict expense control, resulted in EBITDA growth of 7.0% to $1,046 million pesos. EBITDA as a percent of sales was 6.7% which is similar to prior year.

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Retail in the USA

First quarter 2017 sales in the United States grew 11.4% to $6,553 million pesos. The growth due to the incorporation of three new stores opened in the last twelve months was offset by a decrease in same store sales of 4.4% in dollar terms. This same store sales decrease was as a consequence of deflationary pressures in produce, poor weather, the timing of the Lenten season and continued fear and anxiety among our customer base caused by immigration concerns.

EBITDA in the segment was $223 million pesos which is 14% less than the same period last year. EBITDA as a percent of sales was 3.4%. This decreased percent of sales result stems from increased operating expenses and a loss in productivity due to the decrease in same store sales.

The exchange rate used for the conversion of the financial statements was $19.86 pesos which is 11.3% higher than prior year.

Real Estate

Income in this segment during the first quarter of 2017 increased 10.0% to $202 million pesos. This increase is a consequence of lease contracts that are tied to the inflation, increased rental rates, and the incorporation of 19,046 m^2 in leasable area. This additional area represents a 6.1% increase over the last 12 months. The occupancy rate grew from 96.6% at the end of March 2016 to 97.8% at the end of March 2017.

EBITDA in this segment increased 11.2% versus prior from $131 million pesos in 2016 to $146 million pesos in 2017. EBITDA margins as a percent of sales was 72.3% which is higher than the 71.5% obtained during the same period in 2016.

Expansion

During the first quarter of 2017 two new Chedraui stores were opened, one under the Selecto concept in Mexico City and another one in San Andrés Tuxtla, Veracruz.

With these openings, we closed the first quarter of 2017 with a total of 294 operating stores.

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Company Description

Grupo Comercial Chedraui, S.A.B. de C.V. trades on the Mexican Stock Exchange under the ticker “CHDRAUI”. As of March 31st, of 2017, the company had the following units in operation:

Mexico	175	Chedraui Stores	(14 Selecto)
	54	Súper Chedraui Stores	(4 Selecto)
	7	Súper Che Stores	
United States	58	El Super Stores	
Total	294		

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Annexes

Results for the first quarter of 2017

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

Income Statement for 1Q17						
	1Q16	**%**	**1Q17**	**%**	**Var. 17/16 %**	**Bps**
Sales	20,580,735	100.0%	22,304,064	100.0%	8.4	0.0
Cost of Sales	16,461,894	80.0%	17,741,619	79.5%	7.8	-0.4
Gross Profit	4,118,841	20.0%	4,562,445	20.5%	10.8	0.4
Operating expenses	2,751,420	13.4%	3,148,585	14.1%	14.4	0.7
Depreciation and Amortization	360,149	1.7%	402,626	1.8%	11.8	0.1
Operating Income	1,007,272	4.9%	1,011,234	4.5%	0.4	-0.4
Ebitda	**1,367,422**	**6.6%**	**1,413,860**	**6.3%**	**3.4**	**-0.3**
Financial cost	245,997	1.2%	263,943	1.2%	7.3	0.0
Income Before Taxes	761,275	3.7%	747,291	3.4%	-1.8	-0.3
Income Taxes	258,834	1.3%	256,806	1.2%	-0.8	-0.1
Consolidated Net Income	**502,442**	**2.4%**	**490,485**	**2.2%**	**-2.4**	**-0.2**

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GRUPO COMERCIAL CHEDRAUI, S. A. B. DE C. V. Y SUBSIDIARIAS

CONSOLIDATED BALANCE SHEETS AS OF MARCH 31, 2017, 2016

(Figures in thousands of mexican pesos)

	March 2016	%	March 2017	%	Differences $	%
Assets						
Current assets						
Cash and cash equivalents	450,218		390,139		- 60,079	- 13.3
Trade and other current receivables	974,704		754,899		- 219,805	- 22.6
Current tax assets, current	1,794,230		1,737,992		- 56,238	- 3.1
Other current financial assets	788,356		798,923		10,567	1.3
Current inventories	7,489,414		8,915,333		1,425,919	19.0
Other current non-financial assets	-		-		-	
Total current assets	**11,496,922**	**23.3%**	**12,597,286**	**24.0%**	**1,100,364**	**9.6**
Non-current assets						
Trade and other non-current receivables	37,035		37,035		0	0.0
Non-current inventories	5,763		6,084		321	5.6
Other non-current financial assets	39,324		28,505		- 10,819	- 27.5
Investments in subsidiaries, joint ventures and associates	16,767		16,766		- 1	- 0.0
Property, plant and equipment	28,292,394		29,760,586		1,468,192	5.2
Investment property	5,884,034		6,420,224		536,190	9.1
Goodwill	1,084,846		1,161,095		76,249	7.0
Intangible assets other than goodwill	430,316		473,727		43,411	10.1
Deferred tax assets	1,648,472		1,410,835		- 237,637	- 14.4
Other non-current non-financial assets	511,280		533,841		22,561	4.4
Total non-current assets	**37,950,231**	**76.7%**	**39,848,698**	**76.0%**	**1,898,467**	**5.0**
Total assets	**49,447,153**	**100.0%**	**52,445,984**	**100.0%**	**2,998,831**	**6.1**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade and other current payables	12,560,359		13,807,182		1,246,823	9.9
Current tax liabilities, current	969,124		566,009		- 403,115	- 41.6
Other current financial liabilities	3,164,350		2,710,282		- 454,068	- 14.3
Current provisions						
Current provisions for employee benefits	224,274		236,349		12,075	5.4
Other current provisions	176,160		186,701		10,541	6.0
Total current provisions	400,434		423,050		22,616	5.6
Total current liabilities	**17,094,268**	**34.6%**	**17,506,523**	**33.4%**	**412,255**	**2.4**
Non-current liabilities						
Trade and other non-current payables	814,964		717,245		- 97,719	- 12.0
Current tax liabilities, non-current	1,326,843		493,930		- 832,913	- 62.8
Other non-current financial liabilities	3,151,113		4,299,747		1,148,634	36.5
Non-current provisions						
Non-current provisions for employee benefits	436,641		479,915		43,274	9.9
Deferred tax liabilities	1,006,544		1,755,919		749,375	74.5
Total non-current liabilities	**6,736,104**	**13.6%**	**7,746,756**	**14.8%**	**1,010,652**	**15.0**
Total liabilities	**23,830,372**	**48.2%**	**25,253,279**	**48.2%**	**1,422,907**	**6.0**
Equity						
Issued capital	252,119		252,120		1	0.0
Share premium	3,953,387		3,750,998		- 202,389	- 5.1
Treasury shares	-		96,421		96,421	
Retained earnings	20,802,425		22,487,249		1,684,824	8.1
Other reserves	295,001		491,990		196,989	66.8
Total equity attributable to owners of parent	**25,302,933**	**51.2%**	**26,885,936**	**51.3%**	**1,583,003**	**6.3**
Non-controlling interests	**313,848**	**0.6%**	**306,769**	**0.6%**	**- 7,079**	**- 2.3**
Total equity	**25,616,781**	**51.8%**	**27,192,705**	**51.8%**	**1,575,924**	**6.2**
Total equity and liabilities	**49,447,153**	**100.0%**	**52,445,984**	**100.0%**	**2,998,831**	**6.1**

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GRUPO COMERCIAL CHEDRAUI, S. A. B. DE C. V. Y SUBSIDIARIAS

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED MARCH 31, 2017 AND 2016

FIGURES IN THOUSANDS OF PESOS

	March 2016	March 2017
Cash flows from (used in) operating activities		
Profit (loss)	502,441	490,485
Adjustments to reconcile profit (loss)		
Adjustments for income tax expense	258,833	256,805
Adjustments for finance costs	117,033	128,186
Adjustments for depreciation and amortisation expense	357,550	397,201
Adjustments for losses (gains) on disposal of non-current assets	815	1,580
Adjustments for decrease (increase) in inventories	- 916	- 79,198
Adjustments for decrease (increase) in trade accounts receivable	- 169,327	193,218
Adjustments for decrease (increase) in other operating receivables	- 597,978	- 440,088
Adjustments for increase (decrease) in trade accounts payable	- 2,100,663	- 1,912,019
Adjustments for increase (decrease) in other operating payables	- 21,370	- 149,543
Other adjustments for non-cash items	- 48,652	- 15,844
Total adjustments to reconcile profit (loss)	**- 2,204,675**	**- 1,619,702**
Cash flows from (used in) operations	**- 1,702,234**	**- 1,129,217**
Cash flows from (used in) investing activities		
Proceeds from sales of property, plant and equipment, classified as investing activities	766	310
Purchase of property, plant and equipment, classified as investing activities	- 487,658	- 495,465
Purchase of intangible assets, classified as investing activities	- 34,017	- 36,242
Interest received, classified as investing activities	3,595	21,932
Cash flows from (used in) investing activities	- 517,314	- 509,465
Cash flows from (used in) financing activities		
Payments from changes in ownership interests in subsidiaries that do not result in loss of control	2,007	-
Payments to acquire or redeem entity's shares	-	- 33,520
Payments of other equity instruments	- 720	- 26,812
Proceeds from borrowings, classified as financing activities	1,384,870	2,014,574
Repayments of borrowings, classified as financing activities	- 591,513	- 690,074
Payments of finance lease liabilities, classified as financing activities	- 30,746	- 30,748
Interest paid, classified as financing activities	- 120,628	- 150,118
Other inflows (outflows) of cash, classified as financing activities	- 24,196	- 24,411
Cash flows from (used in) financing activities	619,074	1,058,891
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	- 1,600,474	- 579,791
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	2,754	27,045
Increase (decrease) in cash and cash equivalents	- 1,597,720	- 552,746
Cash and cash equivalents at beginning of period	2,047,938	942,885
Cash and cash equivalents at end of period	**450,218**	**390,139**

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