GRUPO COMERCIAL CHEDRAUI, S.A.B. DE C.V.
RELEVANT RESULTS AND FACTS FOR THE FOURTH QUARTER OF 2016

- **Consolidated total sales growth of 13.1%**
- **Same store sales growth in Mexico of 5.3%**
- **Consolidated EBITDA growth of 15.8%**
- **Consolidated Net Income growth of 9.2%**
- **The opening of six stores in Mexico**
- **Net bank debt/ EBITDA of 0.75 times**
- **Total FY 2016 CAPEX Investment of $3,427 million pesos**

Mexico City: Grupo Comercial Chedraui, S.A.B. de C.V. announces its results corresponding to the fourth quarter of 2016 on Thursday, February 23rd, 2017. All figures in this report are presented in nominal terms and reported in accordance with International Financial Reporting Standards (IFRS).

CONSOLIDATED RESULTS FOR THE FOURTH QUARTER OF 2016

The following table shows the comparative summary income statement for the three months of October to December 2016 versus the same quarter in 2015.

(Figures in Millions of nominal Mexican Pesos)

Quarterly Results	4Q15	% of Sales	4Q16	% of Sales	% Growth
Net Sales	21,998	100.0%	24,873	100.0%	13.1%
Gross Profit	4,110	18.7%	4,960	19.9%	20.7%
Operating Income	985	4.5%	1,141	4.6%	15.8%
EBITDA	1,327	6.0%	1,537	6.2%	15.8%
Net Income	455	2.1%	501	2.0%	10.1%

Ebitda is defined as Operating Profit before Depreciation and Amortization

Contact:

Rafael Contreras Grosskelwing
Chief Financial Officer
Tel. + 52 (228) 8-42-11-10
rcontreras@chedraui.com.mx

Ticket:
CHDRAUI B

Jesús Arturo Velázquez Díaz
Investor Relations
Tel. + 52 (228) 8-42-11-17
avelazquez@chedraui.com.mx

Sales

Total Q4 revenue increased 13.1% to $24,873 million pesos from the $21,998 million pesos obtained during the same quarter of 2015. This increase was driven by the opening of ten new stores in Mexico and four new stores in the United States over the past 12 months. These new stores increased total sales floor capacity by 3.4%. Same store sales in the quarter grew 5.3% in Mexico and decreased slightly in the U.S. by 1.5% in dollar terms.

Overall, total revenue increased 12.6% in 2016 to $88,529 million pesos versus $78,648 million pesos in 2015.

Gross Profit

Gross Profit increased 20.7% reaching $4,960 million pesos with a gross margin of 19.9%. This 19.9% gross margin result is 126 basis points higher than the 18.7% obtained in the prior comparative quarter and was due to three main factors:

- A reclassification of certain staffing costs from cost of goods sold to operating expenses. This reclassification started in the third quarter and represents 93 basis points.
- The greater overall participation of retail sales in the United States which had a favorable mix in the categories.
- Better administration of promotions during the quarter which allowed for a slight improvement in the gross margin in Mexico.

Overall, gross profit increased 16.9% in 2016 to $18,216 million pesos with a gross margin of 20.6%. This 20.6% gross margin result is 77 basis points higher than the 19.8% obtained in 2015.

Operating Expenses

Operating expenses (without depreciation and amortization) accounted for 13.8% of sales which is 111 basis points higher than the prior comparative quarter. The three main reasons for this increase are:

- Higher operating expenses normally associated with the recently opened ten stores in Mexico and four in the U.S. over the last twelve months.
- The reclassification of certain costs to expenses as explained in the Gross Profit section.
- The favorable result of a lawsuit decision which resulted in a one-time expense reduction in the real estate department of $37 million pesos.

Overall, operating expenses accounted for 14.1% of sales in 201 which is 61 basis points higher than in 2015.

Contact:

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Chief Financial Officer
Tel. + 52 (228) 8-42-11-10
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Depreciation and Amortization

Depreciation and Amortization grew 15.9% versus prior and this increase was caused by the purchase of new equipment for the stores opened during the last twelve months and the incorporation of certain IT and logistic equipment installed towards the end of 2015.

Overall, depreciation and amortization grew 14.6% in 2016 compared to 2015.

EBITDA

Consolidated EBITDA grew 15.8% in the fourth quarter of 2016 to $1,537 million pesos. EBITDA as a percent of sales was 6.2% which is 15 basis points higher than the same period of 2015. This increase was caused by a 10 basis points margin improvement in Mexican retail operations, the extraordinary expense reduction in the real estate segment and EBITDA growth of 32.5% in the United States.

Overall, EBITDA increased 15.4% compared to 2015 $5,747 million pesos in 2016. EBITDA as percent of sales was 6.5%.

Financing Costs

Financing costs increased 12.0% to the prior comparative quarter to $354 million pesos. This increase reflects a 64% increase in the official Mexican interest rates compared to the same quarter in 2015.

Overall, financing costs grew 13.7% to $1,182 million pesos in 2016.

Net Income

Net Income increased 10.1% versus the prior comparative quarter to $501 million pesos. Net Income as a percent of sales was 2.0%.

Overall, net income increased 12.3% compared to 2015, reaching $2,010 million pesos. Net Income as a percent of sales was 2.3%.

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Chief Financial Officer
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rcontreras@chedraui.com.mx

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CHDRAUI B

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Investor Relations
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Financing

At the end of December 2016 the Company had net bank debt of $4,296 million pesos. This net bank debt is comprised of $1,312 million pesos short-term debt, $3,927 million pesos long-term debt and $943 million pesos in cash and equivalents.

Accumulated invested CAPEX from January to December 2016 totaled $3,427 million pesos.
The ratio of Net Bank Debt to trailing twelve months EBITDA is 0.75 which is higher than the 0.56 ratio at the end of December 2015.

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

Financial Information

Net Sales By Segment	4Q15	% of Total	4Q16	% of Total	Growth %
Mexico Retail	16,431	74.7%	17,764	71.4%	8.1%
USA Retail	5,374	24.4%	6,911	27.8%	28.6%
Real Estate	193	0.9%	198	0.8%	2.1%
Consolidated sales	21,998	100.0%	24,873	100.0%	13.1%

EBITDA By Segment	4Q15	% of Total	4Q16	% of Total	Growth %
Mexico Retail	986	74.3%	1,084	70.5%	9.9%
USA Retail	211	15.9%	280	18.2%	32.5%
Real Estate	130	9.8%	173	11.3%	33.8%
Consolidated EBITDA	1,327	100.0%	1,537	100.0%	15.8%

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Infrastructure Data by Segment

Installed Capacity By Segment	Stores				Openings LTM
	Openings 4Q15	Cumulative 4Q15	Openings 4Q16	Cumulative 4Q16	
Stores in Mexico	3	224	6	234	10
Stores in USA	4	54	0	58	4
Total	7	278	6	292	14

Installed Capacity By Segment	Sqm Sales Area				Growth %
	4Q15	Cumulative 4Q15	4Q16	Cumulative 4Q16	
Stores in Mexico	12,544	1,271,916	17,230	1,307,011	2.8%
Stores in USA	9,589	137,701	0	150,292	9.1%
Total	22,133	1,409,617	17,230	1,457,303	3.4%

Retail in Mexico

Sales in the fourth quarter of 2016 grew 8.1% to $17,764 million pesos from $16,431 million pesos in the same quarter in 2015. This increase was caused by 5.3% same store sales growth during the quarter and the incorporation of ten new stores during the last twelve months. These stores grew sales floor capacity by 2.8%.

Overall sales in 2016 increased 7.4% to $62,099 million pesos compared to $57,808 million pesos in 2015.

EBITDA for this segment generated $1,084 million pesos in 2016 which is 9.9% higher than the prior comparative quarter. EBITDA as a percent of sales was 6.1% which represents a 10 basis points increase to prior.

For Fiscal Year 2016, EBITDA represented 6.5% of sales and increased 12.3% from 2015 to $4,053 million pesos.

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Chief Financial Officer
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Retail in USA

Sales in the fourth quarter of 2016 grew 28.6% to $6,911 million pesos. This growth is mainly due to the incorporation of four new stores in the last twelve months which increased sales floor capacity by 9.1%. Same store sales were down slightly at 1.5% in dollar terms.

For the year, sales increased 27.4% from $20,129 million pesos in 2015 to $25,650 million pesos in 2016.

EBITDA generated in this segment in the fourth quarter of 2016 was $280 million pesos which is a 32.5% increase compared to the same period in 2015. Q4 EBITDA was 4.1% of sales and ended twelve basis points higher than the same quarter last year.

Accumulated 2016 EBITDA of $1,094 million pesos increased 24.4% compared to 2015. EBITDA as a percent of sales was 4.3%.

The currency exchange rate used for the conversion of the financial statements was $20.00 pesos versus $16.79 pesos used during the same period last year.

Real Estate

Income in this segment during the fourth quarter of 2016 increased 2.1% to $198 million pesos. This increase came about because of increased lease payments that are tied to inflation and higher occupancy rates, and despite one time service and concrete income of $16.7 million pesos which were not repeated in 2016.

For FY 2016, real estate income was $779 million pesos which is 9.7% higher than 2015.

EBITDA in this segment increased 33.8% from $130 million pesos in 2015 to $173 million pesos in 2016 with a margin on sales of 87.8%. This result reflects a one-time $37 million peso benefit from a favorable lawsuit settlement.

Total Fiscal Year 2016 EBITDA increased 21.9% from $493 million pesos in 2015 to $601 million pesos in 2016 with a margin on sales of 77.1%.

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Expansion
During the fourth quarter of 2016 Chedraui opened six new stores:

1 Súper Chedraui in Veracruz, Veracruz
1 Súper Chedraui in the state of México
1 Súper Chedraui in Mérida, Yucatán
1 Súper Chedraui in Cd. Hidalgo, Chiapas
1 Tienda Chedraui in Playa del Carmen, Quintana Roo
1 Tienda Chedraui in Poza Rica, Veracruz

We closed the fourth quarter of 2016 with a total of 292 operating stores chain wide.

Company Description

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

México	173	Chedraui Stores
	54	Súper Chedraui Stores
	7	Súper Che Stores
United States	58	El Súper Stores
Total	292	

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Ticket:
CHDRAUI B

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Investor Relations
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Annexes

Results for the fourth quarter of 2016

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

Income Statement for 4Q16						
	4Q15	%	4Q16	%	Var. 16/15 %	Bps
Sales	21,997,859	100.0%	24,872,760	100.0%	13.1	0.0
Cost of Sales	17,887,609	81.3%	19,912,354	80.1%	11.3	-1.3
Gross Profit	4,110,250	18.7%	4,960,406	19.9%	20.7	1.3
Operating expenses	2,783,075	12.7%	3,422,954	13.8%	23.0	1.1
Depreciation and Amortization	342,238	1.6%	396,544	1.6%	15.9	0.0
Operating Income	984,936	4.5%	1,140,908	4.6%	15.8	0.1
Ebitda	**1,327,175**	**6.0%**	**1,537,452**	**6.2%**	**15.8**	**0.1**
Financial cost	315,714	1.4%	353,666	1.4%	12.0	0.0
Income Before Taxes	669,222	3.0%	787,242	3.2%	17.6	0.1
Income Taxes	214,151	1.0%	286,036	1.1%	33.6	0.2
Consolidated Net Income	**455,071**	**2.1%**	**501,206**	**2.0%**	**10.1**	**-0.1**

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Ticket:
CHDRAUI B

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

INCOME STATEMENT

(Figures in thousands of mexican pesos)

Income Statement for 4Q16						
	4Q15	**%**	**4Q16**	**%**	**Var. 16/15 %**	**Bps**
Sales	78,647,865	100.0%	88,528,580	100.0%	12.6	0.0
Cost of Sales	63,068,195	80.2%	70,312,733	79.4%	11.5	-0.8
Gross Profit	15,579,670	19.8%	18,215,846	20.6%	16.9	0.8
Operating expenses	10,598,569	13.5%	12,468,863	14.1%	17.6	0.6
Depreciation and Amortization	1,302,622	1.7%	1,492,601	1.7%	14.6	0.0
Operating Income	3,678,479	4.7%	4,254,381	4.8%	15.7	0.1
Ebitda	**4,981,101**	**6.3%**	**5,746,983**	**6.5%**	**15.4**	**0.2**
Financial cost	1,039,287	1.3%	1,181,592	1.3%	13.7	0.0
Income Before Taxes	2,639,192	3.4%	3,072,790	3.5%	16.4	0.1
Income Taxes	849,664	1.1%	1,063,123	1.2%	25.1	0.1
Consolidated Net Income	**1,789,528**	**2.3%**	**2,009,667**	**2.3%**	**12.3**	**0.0**

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Chief Financial Officer
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CHDRAUI B

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

CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2016, 2015

(Figures in thousands of mexican pesos)	December 2015	%	December 2016	%	Differences $	%
Assets						
Current assets						
Cash and cash equivalents	2,047,939		942,886		- 1,105,053	- 54.0
Trade and other current receivables	802,432		974,059		171,626	21.4
Current tax assets, current	1,405,303		1,709,977		304,674	21.7
Other current financial assets	544,567		383,172		- 161,395	- 29.6
Current inventories	7,488,697		8,935,415		1,446,718	19.3
Total current assets	**12,288,939**	**25.0%**	**12,945,508**	**25.0%**	**656,570**	**5.3**
Non-current assets						
Trade and other non-current receivables	37,035		37,035		-	-
Non-current inventories	6,106		6,122		16	0.3
Investments in subsidiaries, joint ventures and associates	18,776		16,767		- 2,009	- 10.7
Property, plant and equipment	28,141,851		29,897,731		1,755,880	6.2
Investment property	5,878,718		6,420,225		541,506	9.2
Goodwill	1,085,419		1,250,329		164,911	15.2
Intangible assets other than goodwill	425,342		500,113		74,771	17.6
Deferred tax assets	767,838		-		- 767,838	- 100.0
Other non-current non-financial assets	581,759		607,345		25,586	4.4
Total non-current assets	**36,942,843**	**75.0%**	**38,735,666**	**75.0%**	**1,792,822**	**4.9**
Total assets	**49,231,782**	**100.0%**	**51,681,174**	**100.0%**	**2,449,392**	**5.0**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade and other current payables	14,621,124		15,973,703		1,352,580	9.3
Current tax liabilities, current	1,017,360		646,040		- 371,320	- 36.5
Other current financial liabilities	2,077,493		1,375,807		- 701,686	- 33.8
Current provisions						
Current provisions for employee benefits	168,063		193,450		25,387	15.1
Other current provisions	109,548		202,262		92,714	84.6
Total current provisions	277,611		395,712		118,101	42.5
Total current liabilities	**17,993,587**	**36.5%**	**18,391,262**	**35.6%**	**397,675**	**2.2**
Non-current liabilities						
Trade and other non-current payables	839,160		741,657		- 97,503	- 11.6
Current tax liabilities, non-current	1,326,843		619,910		- 706,933	- 53.3
Other non-current financial liabilities	3,504,728		4,478,800		974,072	27.8
Non-current provisions						
Non-current provisions for employee benefits	478,023		511,320		33,296	7.0
Total non-current liabilities	**6,148,754**	**12.5%**	**6,351,687**	**12.3%**	**202,933**	**3.3**
Total liabilities	**24,142,341**	**49.0%**	**24,742,949**	**47.9%**	**600,608**	**2.5**
Equity						
Issued capital	252,119		252,119		0	0.0
Share premium	3,953,399		3,750,998		- 202,400	- 5.1
Treasury shares	-		62,901		62,901	
Retained earnings	20,314,611		22,002,478		1,687,867	8.3
Other reserves	269,383		667,670		398,287	147.9
Total equity attributable to owners of parent	**24,789,512**	**50.4%**	**26,610,365**	**51.5%**	**1,820,852**	**7.3**
Non-controlling interests	**299,930**	**0.6%**	**327,861**	**0.6%**	**27,931**	**9.3**
Total equity	**25,089,442**	**51.0%**	**26,938,225**	**52.1%**	**1,848,783**	**7.4**
Total equity and liabilities	**49,231,783**	**100.0%**	**51,681,174**	**100.0%**	**2,449,391**	**5.0**

Contact:

Rafael Contreras Grosskelwing
Chief Financial Officer
Tel. + 52 (228) 8-42-11-10
rcontreras@chedraui.com.mx

Ticket:
CHDRAUI B

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED DECEMBER 31, 2016 AND 2015

FIGURES IN THOUSANDS OF PESOS

	December 2015	December 2016
Cash flows from (used in) operating activities		
Profit (loss)	1,789,529	2,009,667
Adjustments to reconcile profit (loss)		
Adjustments for income tax expense	849,664	1,063,122
Adjustments for finance costs	508,001	579,414
Adjustments for depreciation and amortisation expense	1,322,828	1,527,550
Adjustments for fair value losses (gains)	- 26,087	52,882
Adjustments for losses (gains) on disposal of non-current assets	121,006	24,434
Adjustments for decrease (increase) in inventories	- 357,688	- 1,290,430
Adjustments for decrease (increase) in trade accounts receivable	- 107,367	- 135,430
Adjustments for decrease (increase) in other operating receivables	85,551	- 126,801
Adjustments for increase (decrease) in trade accounts payable	1,049,370	844,794
Adjustments for increase (decrease) in other operating payables	- 864,395	- 1,096,265
Other adjustments for non-cash items	44,143	- 4,233
Total adjustments to reconcile profit (loss)	**2,625,026**	**1,439,037**
Cash flows from (used in) operations	**4,414,555**	**3,448,704**
Dividends paid, classified as operating activities	- 240,979	- 246,088
Dividends received, classified as operating activities	1,337	2,008
Cash flows from (used in) operating activities	4,174,913	3,204,624
Cash flows from (used in) investing activities		
Proceeds from sales of property, plant and equipment, classified as investing activities	221,313	1,679
Purchase of property, plant and equipment, classified as investing activities	- 2,860,728	- 3,280,565
Purchase of intangible assets, classified as investing activities	- 129,874	- 146,955
Interest received, classified as investing activities	34,516	67,848
Cash flows from (used in) investing activities	- 2,734,773	- 3,357,993
Cash flows from (used in) financing activities		
Payments to acquire or redeem entity's shares	-	- 62,901
Payments of other equity instruments	- 107,415	- 250,184
Proceeds from borrowings, classified as financing activities	3,934,577	7,470,084
Repayments of borrowings, classified as financing activities	- 3,356,088	- 7,250,350
Payments of finance lease liabilities, classified as financing activities	- 47,005	- 70,524
Interest paid, classified as financing activities	- 542,517	- 647,262
Other inflows (outflows) of cash, classified as financing activities	- 51,680	- 97,502
Cash flows from (used in) financing activities	- 170,128	- 908,639
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	1,270,012	- 1,062,008
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	- 15,235	- 43,045
Increase (decrease) in cash and cash equivalents	1,254,777	- 1,105,053
Cash and cash equivalents at beginning of period	793,161	2,047,938
Cash and cash equivalents at end of period	**2,047,938**	**942,885**

Contact:

Rafael Contreras Grosskelwing
Chief Financial Officer
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rcontreras@chedraui.com.mx

Ticket:
CHDRAUI B

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