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

- **Consolidated total sales growth of 11.8%**
- **Same store sales growth in Mexico of 3.8%**
- **Consolidated EBITDA growth of 23.4%**
- **Consolidated Net Income growth of 26.2%**
- **Opening of three stores in Mexico and three stores in the USA**

Grupo Comercial Chedraui, S.A.B. de C.V. announces its results corresponding to the second quarter of 2016 on Thursday, July 28th, 2016. All figures in this report are presented in nominal terms and reported under IFR standards in both years.

CONSOLIDATED RESULTS OF THE SECOND QUARTER OF 2016

The following table shows the comparative summary income statement for the three months from April to June 2016 versus the same quarter in 2015

(Figures in Millions of nominal Mexican Pesos)

Quarterly Results	2Q15	% of Sales	2Q16	% of Sales	% Growth
Net Sales	19,098	100.0%	21,353	100.0%	11.8%
Gross Profit	3,946	20.7%	4,484	21.0%	13.6%
Operating Income	822	4.3%	1,045	4.9%	27.1%
EBITDA	1,138	6.0%	1,404	6.6%	23.4%
Net Income	388	2.0%	490	2.3%	26.2%

Ebitda is defined as Operating Profit before Depreciation and Amortization

Sales

Total revenue increased 11.8% in the second quarter to $21,353 million pesos. This growth resulted from the opening of nine stores in Mexico and eight in the United States of America during the last twelve months. These new stores added 4.5% in sales floor capacity. For the quarter, same store sales increased by 3.8% in Mexico and by 0.7% in the U.S. in dollar terms.

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Gross Profit

Gross Profit increased 13.6% to $4,484 million pesos with a gross margin of 21.0%. This result is higher than the 20.7% obtained in the same period last year. The margin increase was primarily driven by better results in the United States.

Operating expenses

Operating expenses (without depreciation and amortization) accounted for 14.4% of sales and were 30 basis points lower than the one obtained in the same period last year. Higher operating expenses normally associated with the recently opened nine stores in Mexico and eight in the U.S. during the last twelve months were offset by the positive effect of a $124 million pesos single store closing charge in the second quarter of 2015.

Depreciation and amortization

Depreciation and amortization grew 13.7% versus prior. The addition of these seventeen new stores during the last twelve months as well as the installation of IT and Logistic equipment at the end of 2015 drove this increase.

EBITDA

Consolidated EBITDA grew 23.4% to $1,404 million pesos in 2016. EBITDA as a percent of sales was 6.6% which is 62 basis points higher than last year.

Financing costs

Financing costs increased 20.5% from $252 million pesos in 2015 to $303 million pesos in 2016. This increase reflects an average debt level that is 10% higher than the same quarter last year and an updated deferred tax provision for which payment will be made in April 2017.

The debt increase was mainly due to three factors:

- A $171 million pesos increase in Capital Expenditures which allowed us to grow 4.5% in sales floor capacity in the last twelve months.
- A $400 million pesos advanced tax payment which will reduce tax payments in the next two years.
- The delay to Q3 of a $340 million pesos account receivable payment.

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Net Income

Net income increased 26.2% to $490 million pesos. This result includes the tax rate increase from 32% in 2015 to 34% in the second quarter of 2016. Net income as a percent of sales was 2.3% and 26 basis points higher than the prior comparative quarter in 2015.

Financing

At the end of June 2016, the Company had net bank debt of $6,834 million pesos, which is comprised of $4,859 million pesos of short-term debt, $2,474 million pesos long-term debt and $499 million pesos in cash and equivalents.

CAPEX invested from January to June 2016 totaled $1,616 million pesos.

The ratio of Bank net debt to trailing twelve months EBITDA is 1.27, which is slightly higher than the 1.16 ratio at the end of June 2015.

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

Financial Information

Net Sales By Segment	2Q15	% of Total	2Q16	% of Total	Growth %
Mexico Retail	13,990	73.3%	14,924	69.9%	6.7%
USA Retail	4,936	25.8%	6,236	29.2%	26.3%
Real Estate	172	0.9%	192	0.9%	11.5%
Consolidated sales	19,098	100.0%	21,353	100.0%	11.8%

EBITDA By Segment	2Q15	% of Total	2Q16	% of Total	Growth %
Mexico Retail	782	68.7%	968	68.9%	23.7%
USA Retail	224	19.7%	288	20.5%	28.3%
Real Estate	132	11.6%	149	10.6%	12.9%
Consolidated EBITDA	1,138	100.0%	1,404	100.0%	23.4%

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Infrastructure Data by Segment

Installed Capacity By Segment	Stores				Openings LTM
	Openings 2Q15	Cumulative 2Q15	Openings 2Q16	Cumulative 2Q16	
Stores in Mexico	3	218	3	227	9
Stores in USA	1	50	3	58	8
Total	4	268	6	285	17

Installed Capacity By Segment	Sqm Sales Area				Growth %
	2Q15	Cumulative 2Q15	2Q16	Cumulative 2Q16	
Stores in Mexico	9,144	1,242,725	9,703	1,281,619	3.1%
Stores in USA **	3,064	128,112	9,262	150,292	17.3%
Total	12,208	1,370,837	18,965	1,431,911	4.5%

** For comparison purposes, sqm of the previous year were adjusted.

Retail in Mexico

Sales in the second quarter of 2016 grew 6.7% to $14,924 million pesos compared to $13,990 million pesos versus the same quarter in 2015. The main reasons were a 3.8% increase in same store sales and the incorporation of nine new stores in the last twelve months. These nine new stores grew sales floor capacity by 3.1%

EBITDA grew 23.7% to $968 million pesos in 2016 versus prior. EBITDA as a percent of sales was 6.5%, which is 89 basis points higher than last year.

Retail in USA

Sales in the second quarter of 2016 grew 26.3% from $4,936 million pesos in 2015 to $6,236 million pesos in 2016. This growth mostly comes from the incorporation of eight stores in the last twelve months, and a 0.7% increase in same stores sales. Total sales grew 8.5% in dollar terms in this quarter.

EBITDA grew 28.3% to $288 million pesos. EBIDTA as a percent of sales was 4.6%, which is 7 basis points higher than the one obtained in the same quarter last year.

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The foreign exchange rate used for the conversion of the financial statements was $18.02 pesos, which is 16.4% higher than the $15.48 pesos used in the same period last year.

Real Estate

Income in this segment during the second quarter of 2016 grew 11.5% from $172 million pesos in 2015 to $192 million pesos in 2016. This increase was a result of increased rents from properties whose lease payments are tied to inflation, the incorporation of 14,326 square meters of leasable area during the last twelve months and an increase of the occupancy rate from 96.39% in 2015 to 97.38% in 2016.

EBITDA in this segment grew 12.9% versus the prior comparative quarter from $132 million pesos in 2015 to $149 million pesos in 2016. EBITDA as a percent of sales was 77.6%, which is 95 basis points higher from the one obtained in 2015.

Expansion

During the second quarter of 2016, a Chedraui Store opened in Ixtapalapa, Mexico City and Súper Chedraui Stores opened in Huimanguillo, Tabasco and Pánuco, Veracruz.

For El Super, one store opened in Albuquerque, New Mexico and two opened in El Paso, Texas.

We closed the second quarter of 2016 with a total of 285 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 June 2016, the company had the following units in operation:

Mexico	169	Chedraui Stores
	58	Súper Chedraui Stores
USA	58	El Súper Stores
Total	285	

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Annexes

Results for the second quarter of 2016

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

Income Statement for 2Q16						
	2Q15	%	2Q16	%	Var. 16/15 %	Bps
Sales	19,098,404	100.0%	21,352,667	100.0%	11.8	0.0
Cost of Sales	15,152,724	79.3%	16,868,898	79.0%	11.3	-0.3
Gross Profit	3,945,681	20.7%	4,483,769	21.0%	13.6	0.3
Operating expenses	2,807,348	14.7%	3,079,329	14.4%	9.7	-0.3
Depreciation and Amortization	316,083	1.7%	359,305	1.7%	13.7	0.0
Operating Income	822,250	4.3%	1,045,135	4.9%	27.1	0.6
Ebitda	**1,138,333**	**6.0%**	**1,404,440**	**6.6%**	**23.4**	**0.6**
Financial cost	251,518	1.3%	303,098	1.4%	20.5	0.1
Income Before Taxes	570,731	3.0%	742,037	3.5%	30.0	0.5
Income Taxes	182,634	1.0%	252,293	1.2%	38.1	0.2
Consolidated Net Income	**388,097**	**2.0%**	**489,744**	**2.3%**	**26.2**	**0.3**

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Accumulated Results for the second quarter of 2016

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

Income Statement for 2Q16						
	2Q15	**%**	**2Q16**	**%**	**Var. 16/15 %**	**Bps**
Sales	37,394,245	100.0%	41,933,402	100.0%	12.1	0.0
Cost of Sales	29,832,016	79.8%	33,330,792	79.5%	11.7	-0.3
Gross Profit	7,562,229	20.2%	8,602,610	20.5%	13.8	0.3
Operating expenses	5,183,802	13.9%	5,830,748	13.9%	12.5	0.0
Depreciation and Amortization	628,800	1.7%	719,454	1.7%	14.4	0.0
Operating Income	1,749,627	4.7%	2,052,407	4.9%	17.3	0.2
Ebitda	**2,378,426**	**6.4%**	**2,771,862**	**6.6%**	**16.5**	**0.2**
Financial cost	475,011	1.3%	549,095	1.3%	15.6	0.0
Income Before Taxes	1,274,616	3.4%	1,503,312	3.6%	17.9	0.2
Income Taxes	413,000	1.1%	511,126	1.2%	23.8	0.1
Consolidated Net Income	**861,616**	**2.3%**	**992,186**	**2.4%**	**15.2**	**0.1**

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

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2016, 2015

(Figures in thousands of mexican pesos)

	June 2015	%	June 2016	%	Differences $	%
Assets						
Current assets						
Cash and cash equivalents	512,664		499,025		- 13,639	- 2.7
Trade and other current receivables	397,631		1,047,921		650,290	163.5
Current tax assets, current	1,406,186		1,580,729		174,543	12.4
Other current financial assets	544,325		666,139		121,814	22.4
Current inventories	6,916,377		8,595,591		1,679,214	24.3
Total current assets	**9,777,183**	**21.4%**	**12,389,405**	**24.8%**	**2,612,222**	**26.7**
Non-current assets						
Trade and other non-current receivables	-		37,035		37,035	
Non-current inventories	4,316		5,047		731	16.9
Investments in subsidiaries, joint ventures and associates	18,775		16,766		- 2,009	- 10.7
Property, plant and equipment	27,330,705		28,840,273		1,509,568	5.5
Investment property	5,640,777		6,156,469		515,692	9.1
Goodwill	963,546		1,144,906		181,360	18.8
Intangible assets other than goodwill	412,432		453,981		41,549	10.1
Deferred tax assets	1,003,617		298,413		- 705,204	- 70.3
Other non-current non-financial assets	539,893		529,608		- 10,285	- 1.9
Total non-current assets	**35,914,061**	**78.6%**	**37,482,498**	**75.2%**	**1,568,437**	**4.4**
Total assets	**45,691,244**	**100.0%**	**49,871,903**	**100.0%**	**4,180,659**	**9.1**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade and other current payables	11,382,239		13,263,171		1,880,932	16.5
Current tax liabilities, current	1,197,205		568,189		- 629,016	- 52.5
Other current financial liabilities	2,632,129		4,916,396		2,284,267	86.8
Current provisions						
Current provisions for employee benefits	189,724		270,621		80,897	42.6
Other current provisions	102,450		119,754		17,304	16.9
Total current provisions	292,174		390,375		98,201	33.6
Total current liabilities	**15,503,747**	**33.9%**	**19,138,131**	**38.4%**	**3,634,384**	**23.4**
Non-current liabilities						
Trade and other non-current payables	865,454		801,395		- 64,059	- 7.4
Current tax liabilities, non-current	947,355		493,930		- 453,425	- 47.9
Other non-current financial liabilities	4,047,673		3,026,781		- 1,020,892	- 25.2
Non-current provisions						
Non-current provisions for employee benefits	387,560		444,366		56,806	14.7
Total non-current liabilities	**6,248,042**	**13.7%**	**4,766,472**	**9.6%**	**- 1,481,570**	**- 23.7**
Total liabilities	**21,751,789**	**47.6%**	**23,904,603**	**47.9%**	**2,152,814**	**9.9**
Equity						
Issued capital	252,118		252,120		2	0.0
Share premium	3,953,398		3,921,579		- 31,819	- 0.8
Retained earnings	19,399,225		21,023,204		1,623,979	8.4
Other reserves	138,483		426,912		288,429	208.3
Total equity attributable to owners of parent	**23,743,224**	**52.0%**	**25,623,815**	**51.4%**	**1,880,591**	**7.9**
Non-controlling interests	**196,231**	**0.4%**	**343,485**	**0.7%**	**147,254**	**75.0**
Total equity	**23,939,455**	**52.4%**	**25,967,300**	**52.1%**	**2,027,845**	**8.5**
Total equity and liabilities	**45,691,244**	**100.0%**	**49,871,903**	**100.0%**	**4,180,659**	**9.1**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED JUNE 30, 2016 AND 2015

FIGURES IN THOUSANDS OF PESOS

	June 2015	June 2016
Cash flows from (used in) operating activities		
Profit (loss)	861,615	992,186
Adjustments to reconcile profit (loss)		
Adjustments for income tax expense	412,999	511,126
Adjustments for finance costs	242,716	275,237
Adjustments for depreciation and amortisation expense	632,059	724,132
Adjustments for fair value losses (gains)	- 24,006	64,468
Adjustments for losses (gains) on disposal of non-current assets	179,894	6,621
Adjustments for decrease (increase) in inventories	104,118	- 1,049,454
Adjustments for decrease (increase) in trade accounts receivable	237,693	- 232,432
Adjustments for decrease (increase) in other operating receivables	50,474	- 301,123
Adjustments for increase (decrease) in trade accounts payable	- 1,759,976	- 1,525,913
Adjustments for increase (decrease) in other operating payables	- 1,126,158	- 865,530
Other adjustments for non-cash items	108,585	4,175
Total adjustments to reconcile profit (loss)	**- 941,602**	**- 2,388,693**
Cash flows from (used in) operations	**- 79,987**	**- 1,396,507**
Dividends paid, classified as operating activities	240,974	246,088
Dividends received, classified as operating activities	1,337	2,008
Cash flows from (used in) operating activities	- 319,624	- 1,640,587
Cash flows from (used in) investing activities		
Proceeds from sales of property, plant and equipment, classified as investing activities	157,705	593
Purchase of property, plant and equipment, classified as investing activities	1,482,398	1,546,540
Purchase of intangible assets, classified as investing activities	52,152	69,215
Interest received, classified as investing activities	16,271	17,446
Cash flows from (used in) investing activities	- 1,360,574	- 1,597,716
Cash flows from (used in) financing activities		
Payments of other equity instruments	169,632	25,759
Proceeds from borrowings, classified as financing activities	3,155,795	5,403,465
Repayments of borrowings, classified as financing activities	1,303,980	2,862,976
Payments of finance lease liabilities, classified as financing activities	80,142	66,039
Interest paid, classified as financing activities	258,987	292,683
Other inflows (outflows) of cash, classified as financing activities	- 20,068	- 37,763
Cash flows from (used in) financing activities	1,322,986	2,118,245
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	- 357,212	- 1,120,058
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	76,715	- 428,855
Increase (decrease) in cash and cash equivalents	- 280,497	- 1,548,913
Cash and cash equivalents at beginning of period	793,161	2,047,938
Cash and cash equivalents at end of period	**512,664**	**499,025**

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