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

- **Consolidated total sales growth of 8.2%**
- **Same store sales growth in Mexico of 5.1%**
- **EBITDA growth in Retail Mexico of 8.7%**
- **Consolidated EBITDA growth of 6.4%**
- **The opening of four stores in Mexico**
- **Total CAPEX in FY 2017 of $1,346 million Pesos**

Mexico City: Grupo Comercial Chedraui, S.A.B. de C.V. announces its results corresponding to the second quarter of 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 SECOND QUARTER OF 2017

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

(Figures in Millions of nominal Mexican Pesos)

Quarterly Results	2Q16	% of Sales	2Q17	% of Sales	% Growth
Net Sales	21,353	100.0%	23,097	100.0%	8.2%
Gross Profit	4,484	21.0%	4,874	21.1%	8.7%
Operating Income	1,045	4.9%	1,096	4.7%	4.8%
EBITDA	1,404	6.6%	1,495	6.5%	6.4%
Net Income	490	2.3%	525	2.3%	7.2%

Ebitda is defined as Operating Profit before Depreciation and Amortization

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

Ticket:
CHDRAUI B

Sales

Sales increased 8.2% in the quarter to $23,097 million pesos. This increase was driven by the opening of thirteen new stores during the last twelve months in Mexico and the United States. These thirteen new stores represent a 2.0% increase in total sales floor capacity. Same store sales increased 5.1% in Mexico and decreased 0.1% in the United States in dollars terms. This 0.1% decrease in the U.S. is due to the company electing to close all stores on May 1 in support of the communities we serve. Adjusting for the closure, same store sales increased 1.0% in the quarter.

Gross Profit

Gross Profit increased 8.7% to $4,874 million pesos with a gross margin of 21.1%. This 21.1% gross margin result is 0.1% higher than the prior comparative quarter. The increase resulted 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

Operating expenses (without depreciation and amortization) increased by 21 basis points versus the prior comparative quarter and accounted for 14.6% of sales. This increase is due primarily to:

- The reclassification of certain staffing costs to expenses as explained in the Gross Profit section.
- Higher operating expenses normally associated with the recently opened thirteen stores in Mexico and the U.S. over the last twelve months which have yet to reach sales maturity.

Depreciation and Amortization

Depreciation and Amortization grew 11.0% versus prior and was caused by the 13 new stores opened during the last twelve months and the incorporation of certain IT investments.

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

Ticket:
CHDRAUI B

EBITDA

Consolidated EBITDA grew 6.4% in the second quarter to $1,495 million pesos.
EBITDA as a percent of sales was 6.5% which is 11 basis points lower than prior year.

Financing Costs

Financing costs decreased 4.5% from $303 million pesos in Q2 2016 to $289 million pesos in Q2 2017. Costs were impacted primarily by the increase in the official Mexican interest rate (TIIE), which grew an average of 72% versus the second quarter of 2016. This increase was partially offset by 4% lower average net debt and the refinancing of $1,050 million pesos at a lower interest rate.

Net Income

Net Income of $525M pesos increased by 7.2% in the quarter. Net Income as a percent of sales was 2.3%.

Financing

As of June 2017, the Company had net bank debt of $6,409 million pesos. This net bank debt is comprised of $3,345 million pesos in short-term debt, $3,581 million pesos in long-term debt and $517 million pesos in cash and equivalents.

Accumulated invested CAPEX from January to June 2017 totaled $1,346 million pesos.
The ratio of Net Bank Debt to trailing twelve months EBITDA is 1.09 which is lower than the 1.19 obtained at the end of June 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.

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Ticket:
CHDRAUI B

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

Financial Information

Net Sales By Segment	2Q16	% of Total	2Q17	% of Total	Growth %
Mexico Retail	14,924	69.9%	16,222	70.2%	8.7%
USA Retail	6,236	29.2%	6,664	28.9%	6.9%
Real Estate	192	0.9%	210	0.9%	9.4%
Consolidated sales	21,353	100.0%	23,097	100.0%	8.2%

EBITDA By Segment	2Q16	% of Total	2Q17	% of Total	Growth %
Mexico Retail	968	68.9%	1,051	70.4%	8.7%
USA Retail	288	20.5%	280	18.7%	-2.7%
Real Estate	149	10.6%	163	10.9%	9.4%
Consolidated EBITDA	1,404	100.0%	1,495	100.0%	6.4%

Infrastructure Data by Segment

Installed Capacity By Segment	Openings		Stores as of 2Q-17	Openings LTM
	2Q16	2Q17		
Stores in Mexico	3	4	239	13
Stores in USA	3	0	58	0
Total	6	4	297	13

Installed Capacity By Segment	Sqm Sales Area			Cumulative Growth 2017
	Openings 2Q16	Openings 2Q17	Sqm as of 2Q17	
Stores in Mexico	9,703	1,420	1,310,826	2.3%
Stores in USA	9,262	-	150,292	0.0%
Total	18,965	1,420	1,461,118	2.0%

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

Ticket:
CHDRAUI B

Retail in Mexico

Sales in the second quarter grew 8.7% to $16.222 million pesos from to $14,924 million last year. This increase was a result of a 5.1% same store sales increase as well as the incorporation of 13 newly opened stores in the last 12 months. These new stores increased sales floor capacity by 2.3%.

The maintenance of the Company's price strategy, along with strict expense control, resulted in EBITDA growth of 8.7% to $1,051 million pesos. EBITDA as a percent of sales was 6.5% which is similar to prior year.

Retail in the USA

Second quarter 2017 sales in the United States grew 6.9% to $6,664 million pesos. Incremental sales due to the incorporation of three new stores opened at the end of June 2016 was partially offset by a decrease in same store sales of 0.1% in dollar terms. This 0.1% decrease is due to the company electing to close all stores on May 1 in support of the communities we serve. Adjusting for the closure, same store sales increased 1.0% in the quarter.

Towards the end of the second half of the quarter, as anticipated, we began to experience easing deflationary pressure in key perishable categories combined with early signs of rising consumer confidence.

EBITDA in the segment grew versus the first quarter and reached $280 million pesos. The result was 2.7% lower than the same period last year as the company invested in price to achieve sales growth.

The exchange rate used for the conversion of the financial statements was $18.57 pesos which is 3.1% higher than prior year.

Contact:
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Investor Relations
Tel + 52 (228) 8-42-11-17
avelazquez@chedraui.com.mx

Ticket:
CHDRAUI B

Real Estate

Real Estate income grew 9.4% during the second quarter to $210 million pesos. This increase is a consequence of lease contracts that are tied to the inflation, increased rental rates and the incorporation of 19,770 square meters in leasable area. This additional area represents a 6.3% increase over the last 12 months. The occupancy rate at the end of June 2017 was 97.3%.

EBITDA in this segment increased 9.4% to $163 million pesos in 2017. EBITDA margins as a percent of sales was 77.6% which is similar to that obtained during the same period in 2016.

Expansion

During the second quarter of 2017 one new Super Che store was opened in Pantitlán Iztacalco, Mexico State; two Supercito stores in Ecatepec, Mexico State, and one Supercito in Delegación Gustavo A. Madero.

We ended the second quarter of 2017 with a total of 297 operating stores.

Company Description

Grupo Comercial Chedraui, S.A.B. de C.V. trades on the Mexican Stock Exchange under the ticker "CHDRAUI". As of June 30, 2017, the company had the following units in operation:

Mexico	174 Chedraui Stores	(14 Selecto)
	54 Súper Chedraui Stores	(4 Selecto)
	8 Súper Che Stores	
	3 Supercito Stores	
United States	58 El Super Stores	
Total	297	

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Ticket:
CHDRAUI B

Annexes
Results for the second quarter of 2017

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

(Figures in thousands of mexican pesos)

Income Statement for 2Q17						
	2Q16	%	2Q17	%	Var. 17/16 %	Bps
Sales	21,352,667	100.0%	23,096,627	100.0%	8.2	0.0
Cost of Sales	16,868,898	79.0%	18,223,038	78.9%	8.0	-0.1
Gross Profit	4,483,769	21.0%	4,873,589	21.1%	8.7	0.1
Operating expenses	3,079,329	14.4%	3,379,077	14.6%	9.7	0.2
Depreciation and Amortization	359,305	1.7%	398,937	1.7%	11.0	0.0
Operating Income	1,045,135	4.9%	1,095,575	4.7%	4.8	-0.2
Ebitda	**1,404,440**	**6.6%**	**1,494,512**	**6.5%**	**6.4**	**-0.1**
Financial cost	303,098	1.4%	289,430	1.3%	-4.5	-0.2
Income Before Taxes	742,037	3.5%	806,145	3.5%	8.6	0.0
Income Taxes	252,293	1.2%	280,998	1.2%	11.4	0.0
Consolidated Net Income	**489,744**	**2.3%**	**525,147**	**2.3%**	**7.2**	**0.0**

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

Ticket:
CHDRAUI B

Accumulated Results for the second quarter of 2017

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

INCOME STATEMENT

(Figures in thousands of mexican pesos)

Income Statement for 2Q17						
	2Q16	%	2Q17	%	Var. 17/16 %	Bps
Sales	41,933,402	100.0%	45,400,691	100.0%	8.3	0.0
Cost of Sales	33,330,792	79.5%	35,964,657	79.2%	7.9	-0.3
Gross Profit	8,602,610	20.5%	9,436,034	20.8%	9.7	0.3
Operating expenses	5,830,748	13.9%	6,527,662	14.4%	12.0	0.5
Depreciation and Amortization	719,454	1.7%	801,563	1.8%	11.4	0.0
Operating Income	2,052,407	4.9%	2,106,809	4.6%	2.7	-0.3
Ebitda	**2,771,862**	**6.6%**	**2,908,372**	**6.4%**	**4.9**	**-0.2**
Financial cost	549,095	1.3%	553,373	1.2%	0.8	-0.1
Income Before Taxes	1,503,312	3.6%	1,553,436	3.4%	3.3	-0.2
Income Taxes	511,126	1.2%	537,804	1.2%	5.2	0.0
Consolidated Net Income	**992,186**	**2.4%**	**1,015,632**	**2.2%**	**2.4**	**-0.1**

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Investor Relations
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Ticket:
CHDRAUI B

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

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2017, 2016

(Figures in thousands of mexican pesos)	June 2016	%	June 2017	%	Differences $	%
Assets						
Current assets						
Cash and cash equivalents	499,025		517,262		18,237	3.7
Trade and other current receivables	1,047,922		562,268	-	485,654 -	46.3
Current tax assets, current	1,580,730		1,777,466		196,736	12.4
Other current financial assets	666,139		756,216		90,077	13.5
Current inventories	8,595,591		9,064,582		468,991	5.5
Other current non-financial assets	32,900		-	-	32,900 -	100.0
Current assets other than non-current assets or disposal gro	12,422,307		12,677,794		255,487	2.1
Non-current assets or disposal groups classified as held for	-		-		-	
Total current assets	**12,422,307**	**24.0%**	**12,677,794**	**23.9%**	**255,487**	**2.1**
Non-current assets						
Trade and other non-current receivables	37,035		37,035		0	0.0
Non-current inventories	5,049		-	-	5,049 -	100.0
Investments in subsidiaries, joint ventures and associates	16,767		9,915	-	6,852 -	40.9
Property, plant and equipment	28,840,273		29,937,869		1,097,596	3.8
Investment property	6,156,469		6,528,951		372,482	6.1
Goodwill	1,144,906		1,125,238	-	19,668 -	1.7
Intangible assets other than goodwill	453,981		493,927		39,946	8.8
Deferred tax assets	2,189,823		1,598,122	-	591,701 -	27.0
Other non-current non-financial assets	529,618		539,171		9,553	1.8
Total non-current assets	**39,373,922**	**76.0%**	**40,270,228**	**76.1%**	**896,306**	**2.3**
Total assets	**51,796,229**	**100.0%**	**52,948,022**	**100.0%**	**1,151,793**	**2.2**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade and other current payables	13,275,133		13,998,326		723,193	5.4
Current tax liabilities, current	556,228		589,277		33,049	5.9
Other current financial liabilities	4,916,397		3,434,229	-	1,482,168 -	30.1
Current provisions						
Current provisions for employee benefits	270,622		180,202	-	90,420 -	33.4
Other current provisions	119,755		203,327		83,572	69.8
Total current provisions	390,377		383,529	-	6,848 -	1.8
Total current liabilities	**19,138,135**	**36.9%**	**18,405,361**	**34.8%**	**- 732,774**	**- 3.8**
Non-current liabilities						
Trade and other non-current payables	801,396		689,685	-	111,711 -	13.9
Other non-current financial liabilities	3,059,681		4,076,753		1,017,072	33.2
Non-current provisions						
Non-current provisions for employee benefits	444,366		478,394		34,028	7.7
Deferred tax liabilities	2,385,340		2,174,903	-	210,437 -	8.8
Total non-current liabilities	**6,690,783**	**12.9%**	**7,419,735**	**14.0%**	**728,952**	**10.9**
Total liabilities	**25,828,918**	**49.9%**	**25,825,096**	**48.8%**	**- 3,822**	**- 0.0**
Equity						
Issued capital	252,118		252,120		2	0.0
Share premium	3,921,591		3,618,594	-	302,997 -	7.7
Treasury shares	-		96,421		96,421	
Retained earnings	21,023,203		22,671,227		1,648,024	7.8
Other reserves	426,913		437,903		10,990	2.6
Total equity attributable to owners of parent	**25,623,825**	**49.5%**	**26,883,423**	**50.8%**	**1,259,598**	**4.9**
Non-controlling interests	**343,486**	**0.7%**	**239,503**	**0.5%**	**- 103,983**	**- 30.3**
Total equity	**25,967,311**	**50.1%**	**27,122,926**	**51.2%**	**1,155,615**	**4.5**
Total equity and liabilities	**51,796,229**	**100.0%**	**52,948,022**	**100.0%**	**1,151,793**	**2.2**

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

Ticket:
CHDRAUI B

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

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIODS ENDED JUNE 30, 2017 AND 2016

FIGURES IN THOUSANDS OF PESOS

	June 2016	June 2017
Cash flows from (used in) operating activities		
Profit (loss)	992,186	1,015,637
Adjustments to reconcile profit (loss)		
Adjustments for income tax expense	511,126	537,803
Adjustments for finance costs	275,237	266,391
Adjustments for depreciation and amortisation expense	724,132	789,944
Adjustments for fair value losses (gains)	64,468	- 12,381
Adjustments for losses (gains) on disposal of non-current assets	6,621	11,187
Adjustments for decrease (increase) in inventories	- 1,049,454	- 262,272
Adjustments for decrease (increase) in trade accounts receivable	- 232,432	375,427
Adjustments for decrease (increase) in other operating receivables	- 301,123	- 452,748
Adjustments for increase (decrease) in trade accounts payable	- 1,525,913	- 1,863,738
Adjustments for increase (decrease) in other operating payables	- 865,530	- 469,612
Other adjustments for non-cash items	4,175	15,613
Total adjustments to reconcile profit (loss)	**- 2,388,693**	**- 1,064,386**
Cash flows from (used in) operations	**- 1,396,507**	**- 48,749**
Dividends paid, classified as operating activities	- 246,088	- 318,093
Dividends received, classified as operating activities	2,008	6,851
Cash flows from (used in) operating activities	- 1,640,587	- 359,991
Cash flows from (used in) investing activities		
Proceeds from sales of property, plant and equipment, classified as investing activities	593	805
Purchase of property, plant and equipment, classified as investing activities	- 1,546,540	- 1,240,003
Purchase of intangible assets, classified as investing activities	- 69,215	- 105,577
Interest received, classified as investing activities	17,446	46,410
Cash flows from (used in) investing activities	- 1,597,716	- 1,298,365
Cash flows from (used in) financing activities		
Payments to acquire or redeem entity's shares	-	- 33,520
Payments of other equity instruments	- 25,759	- 249,545
Proceeds from borrowings, classified as financing activities	5,403,465	2,870,784
Repayments of borrowings, classified as financing activities	- 2,862,976	- 1,046,719
Payments of finance lease liabilities, classified as financing activities	- 66,039	24,332
Interest paid, classified as financing activities	- 292,683	- 312,801
Other inflows (outflows) of cash, classified as financing activities	- 37,763	- 51,971
Cash flows from (used in) financing activities	2,118,245	1,200,560
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	- 1,120,058	- 457,796
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	- 428,855	32,173
Increase (decrease) in cash and cash equivalents	- 1,548,913	- 425,623
Cash and cash equivalents at beginning of period	2,047,938	942,885
Cash and cash equivalents at end of period	**499,025**	**517,262**

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Investor Relations
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Ticket:
CHDRAUI B