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

- **Consolidated total sales growth of 12.8%**
- **Same store sales growth in Mexico of 4.5%**
- **Consolidated EBITDA growth of 12.7%**
- **Consolidated Net Income growth of 9.2%**
- **The opening of one store in Mexico**

Grupo Comercial Chedraui, S.A.B. de C.V. announces its results corresponding to the third quarter of 2016 on Wednesday, October 26th, 2016. All figures in this report are presented in nominal terms and reported under IFR standards in both years.

CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2016

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

(Figures in Millions of nominal Mexican Pesos)

Quarterly Results	3Q15	% of Sales	3Q16	% of Sales	% Growth
Net Sales	19,256	100.0%	21,722	100.0%	12.8%
Gross Profit	3,907	20.3%	4,653	21.4%	19.1%
Operating Income	944	4.9%	1,061	4.9%	12.4%
EBITDA	1,276	6.6%	1,438	6.6%	12.7%
Net Income	473	2.5%	516	2.4%	9.2%

Ebitda is defined as Operating Profit before Depreciation and Amortization

Sales

Total revenue increased 12.8% during this third quarter to $21,722 million pesos. This increase was driven by the opening of seven new stores in Mexico and eight new stores in the United States over the past 12 months. These new stores added 3.8% increase in sales floor capacity. Same store sales in the quarter grew 4.5% in Mexico and decreased slightly in the U.S. by 0.4% in dollar terms.

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Gross Profit

Gross Profit increased 19.1% reaching $4,653 million pesos with a gross margin of 21.4%. This 21.4% gross margin result is 113 basis points higher than the 20.3% obtained in the prior comparative quarter and was due to three main factors:

- A reclassification of production costs out of cost of goods sold to operating expenses. This move represents 73 basis points and was due to the re-assignment of certain production staff to the customer service department.
- The greater overall participation of retail in the United States which had a better mix in the categories.
- Better administration of promotions during the quarter which allowed for a slight improvement in the gross margin in Mexico.

Operating Expenses

Operating expenses (without depreciation and amortization) accounted for 14.8% of sales which is 113 basis points higher than the prior comparative quarter. The two main reasons for this increase are:

- Higher operating expenses normally associated with the recently opened seven stores in Mexico and eight in the U.S. during the last twelve months.
- The reclassification of certain costs to expenses as explained in the Gross Profit section.

Depreciation and Amortization

Depreciation and Amortization grew 13.6% versus prior and was caused by the new stores opened during the last twelve months and the incorporation of certain IT and logistic equipment installed towards the end of 2015.

EBITDA

Consolidated EBITDA grew 12.7% in the third quarter to $1,438 million pesos. EBITDA as a percent of sales was 6.6% which is similar to that of the year prior.

Financing Costs

There was a 12.2% increase in financing costs to the prior comparative quarter to $279 million pesos. This increase reflects an average debt level 11% higher than the one for the same quarter last year.

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The debt increase was primarily due two factors:

- A $232 million pesos increase in Capital Expenditures compared to last year. This increase allowed us to grow 3.8% in sales floor capacity during the last twelve months versus 1.9% at the end of September 2015.
- A $400 million pesos advanced tax payment which will reduce taxes during the next two years.

Net Income

Net Income increased 9.2% versus the prior comparative quarter to $516 million pesos. Net Income as a percent of sales was 2.4% and this percentage reflects an increase in the tax rate from 32% to 34% that became effective in the quarter.

Financing

At the end of September 2016 the Company had net bank debt of $6,828 million pesos. This net bank debt is comprised of $3,197 million pesos short-term debt, $3,990 million pesos long-term debt and $359 million pesos in cash and equivalents.

Accumulated invested CAPEX from January to September 2016 totaled $2,406 million pesos.

The ratio of Net Bank Debt to trailing twelve months EBITDA is 1.23 which is higher than the 1.13 ratio at the end of September 2015.

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

Financial Information

Net Sales By Segment	3Q15	% of Total	3Q16	% of Total	Growth %
Mexico Retail	13,870	72.0%	14,897	68.6%	7.4%
USA Retail	5,206	27.0%	6,620	30.5%	27.2%
Real Estate	180	0.9%	206	0.9%	14.4%
Consolidated sales	19,256	100.0%	21,722	100.0%	12.8%

EBITDA By Segment	3Q15	% of Total	3Q16	% of Total	Growth %
Mexico Retail	929	72.9%	1,023	71.2%	10.1%
USA Retail	229	17.9%	267	18.6%	17.0%
Real Estate	118	9.2%	147	10.2%	25.0%
Consolidated EBITDA	1,276	100.0%	1,438	100.0%	12.7%

Infrastructure Data by Segment

Installed Capacity By Segment	Stores				Openings LTM
	Openings 3Q15	Cumulative 3Q15	Openings 3Q16	Cumulative 3Q16	
Stores in Mexico	3	221	1	228	7
Stores in USA	0	50	0	58	8
Total	3	271	1	286	15

Installed Capacity By Segment	Sqm Sales Area				Growth %
	3Q15	Cumulative 3Q15	3Q16	Cumulative 3Q16	
Stores in Mexico	16,647	1,259,372	5,000	1,289,781	2.4%
Stores in USA **	0	128,112	0	150,292	17.3%
Total	16,647	1,387,484	5,000	1,440,073	3.8%

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

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Retail in Mexico

Sales in the third quarter of 2016 grew 7.4% to $14,897 million pesos versus $13,870 million pesos in the same quarter in 2015. This increase was caused by a 4.5% same store sales growth during the same quarter last year and the incorporation of seven new stores during the last twelve months. These stores grew sales floor capacity by 2.4%.

EBITDA for this segment generated $1,023 million pesos in 2016 which is 10.1% higher than the prior comparative quarter. EBITDA as a percent of sales was 6.9% which represents a 17 basis points increase to prior.

Retail in USA

Sales in the third quarter of 2016 grew 27.2% to $6,620 million pesos in 2016. This growth is due mainly to the incorporation of eight new stores in the last twelve months. Same store sales were down slightly at 0.4% in dollar terms while total sales grew 11.1% in dollar terms.

EBITDA generated in this segment grew 17.0% to $267 million pesos. EBITDA as a percent of sales was 4.0%.

The Foreign Exchange rate used for the conversion of the financial statements was $19.01 pesos which is 14.6% higher than the $16.59 pesos used during the same period last year.

Real Estate

Income in this segment during the third quarter of 2016 grew 14.4% to $206 million pesos. This increase is a result of increased lease payments that are tied to inflation, higher income from rent payments that are tied to a percentage of sales, the incorporation of 24,430 square meters of new leasable area added during the past twelve months and an increase of occupancy rate from 96.46% to 98.08%.

EBITDA in this segment grew 25.0% versus the prior comparative quarter, increasing from $118 million pesos in 2015 to $147 million pesos in 2016. EBITDA as a percent of sales was 71.4% which is higher than the 65.3% realized in the prior comparative quarter.

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Expansion

During the third quarter of 2016, a Chedraui Store opened in Bahía de Banderas, Nayarit and a Super Chedraui in Huatulco, Oaxaca was remodeled and re-bannered to a Chedraui Store.

We ended the third quarter of 2016 with a total of 286 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 September 30th of this year, the company had the following units in operation:

México	171	Chedraui Stores
	57	Súper Chedraui Stores
United States	58	El Súper Stores
Total	286	

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Annexes

Results for the third quarter of 2016

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

Income Statement for 3Q16						
	3Q15	%	3Q16	%	Var. 16/15 %	Bps
Sales	19,255,762	100.0%	21,722,417	100.0%	12.8	0.0
Cost of Sales	15,348,571	79.7%	17,069,587	78.6%	11.2	-1.1
Gross Profit	3,907,191	20.3%	4,652,830	21.4%	19.1	1.1
Operating expenses	2,631,691	13.7%	3,215,161	14.8%	22.2	1.1
Depreciation and Amortization	331,584	1.7%	376,603	1.7%	13.6	0.0
Operating Income	943,916	4.9%	1,061,066	4.9%	12.4	0.0
Ebitda	**1,275,500**	**6.6%**	**1,437,669**	**6.6%**	**12.7**	**0.0**
Financial cost	248,561	1.3%	278,831	1.3%	12.2	0.0
Income Before Taxes	695,355	3.6%	782,235	3.6%	12.5	0.0
Income Taxes	222,514	1.2%	265,960	1.2%	19.5	0.1
Consolidated Net Income	**472,841**	**2.5%**	**516,275**	**2.4%**	**9.2**	**-0.1**

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Accumulated Results for the third quarter of 2016

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

Income Statement for 3Q16						
	3Q15	%	3Q16	%	Var. 16/15 %	Bps
Sales	56,650,006	100.0%	63,655,820	100.0%	12.4	0.0
Cost of Sales	45,180,587	79.8%	50,400,380	79.2%	11.6	-0.6
Gross Profit	11,469,420	20.2%	13,255,440	20.8%	15.6	0.6
Operating expenses	7,815,493	13.8%	9,045,909	14.2%	15.7	0.4
Depreciation and Amortization	960,384	1.7%	1,096,058	1.7%	14.1	0.0
Operating Income	2,693,543	4.8%	3,113,474	4.9%	15.6	0.1
Ebitda	**3,653,926**	**6.5%**	**4,209,531**	**6.6%**	**15.2**	**0.2**
Financial cost	723,572	1.3%	827,926	1.3%	14.4	0.0
Income Before Taxes	1,969,971	3.5%	2,285,548	3.6%	16.0	0.1
Income Taxes	635,513	1.1%	777,086	1.2%	22.3	0.1
Consolidated Net Income	**1,334,457**	**2.4%**	**1,508,461**	**2.4%**	**13.0**	**0.0**

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

CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2016, 2015

(Figures in thousands of mexican pesos)

	September 2015	%	September 2016	%	Differences $	%
Assets						
Current assets						
Cash and cash equivalents	364,573		358,733		- 5,840	- 1.6
Trade and other current receivables	444,116		502,320		58,204	13.1
Current tax assets, current	1,622,394		1,748,750		126,357	7.8
Other current financial assets	677,956		847,239		169,283	25.0
Current inventories	7,775,576		9,443,330		1,667,754	21.4
Total current assets	**10,884,614**	**23.0%**	**12,900,372**	**25.4%**	**2,015,758**	**18.5**
Non-current assets						
Trade and other non-current receivables	37,035		37,035		-	-
Non-current inventories	1,264		6,096		4,832	382.3
Other non-current financial assets	521,019		535,718		14,698	2.8
Investments in subsidiaries, joint ventures and associates	18,776		16,767		- 2,009	- 10.7
Property, plant and equipment	27,911,834		29,365,235		1,453,401	5.2
Investment property	5,638,688		6,156,469		517,781	9.2
Goodwill	1,019,700		1,189,574		169,875	16.7
Intangible assets other than goodwill	408,730		466,991		58,260	14.3
Deferred tax assets	887,308		66,936		- 820,372	- 92.5
Total non-current assets	**36,444,354**	**77.0%**	**37,840,820**	**74.6%**	**1,396,466**	**3.8**
Total assets	**47,328,968**	**100.0%**	**50,741,192**	**100.0%**	**3,412,225**	**7.2**
Equity and liabilities						
Liabilities						
Current liabilities						
Trade and other current payables	12,219,982		13,745,848		1,525,866	12.5
Current tax liabilities, current	900,244		688,735		- 211,510	- 23.5
Other current financial liabilities	3,112,556		3,257,468		144,912	4.7
Current provisions						
Current provisions for employee benefits	252,862		288,252		35,390	14.0
Other current provisions	149,728		173,692		23,964	16.0
Total current provisions	402,591		461,944		59,353	14.7
Total current liabilities	**16,635,373**	**35.1%**	**18,153,995**	**35.8%**	**1,518,622**	**9.1**
Non-current liabilities						
Current tax liabilities, non-current	849,475		775,413		- 74,062	- 8.7
Other non-current financial liabilities	3,592,310		4,532,301		939,991	26.2
Non-current provisions						
Non-current provisions for employee benefits	393,625		446,939		53,314	13.5
Deferred tax liabilities	1,326,843		493,930		- 832,912	- 62.8
Total non-current liabilities	**6,162,253**	**13.0%**	**6,248,584**	**12.3%**	**86,331**	**1.4**
Total liabilities	**22,797,626**	**48.2%**	**24,402,579**	**48.1%**	**1,604,953**	**7.0**
Equity						
Issued capital	252,119		252,119		0	0.0
Share premium	3,953,399		3,750,999		- 202,400	- 5.1
Retained earnings	19,872,065		21,558,499		1,686,434	8.5
Other reserves	240,368		523,830		283,462	117.9
Total equity attributable to owners of parent	**24,317,950**	**51.4%**	**26,085,447**	**51.4%**	**1,767,497**	**7.3**
Non-controlling interests	**213,391**	**0.5%**	**253,166**	**0.5%**	**39,775**	**18.6**
Total equity	**24,531,342**	**51.8%**	**26,338,614**	**51.9%**	**1,807,272**	**7.4**
Total equity and liabilities	**47,328,968**	**100.0%**	**50,741,192**	**100.0%**	**3,412,225**	**7.2**

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

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

FIGURES IN THOUSANDS OF PESOS

	September 2015	September 2016
Cash flows from (used in) operating activities		
Profit (loss)	1,334,457	1,508,461
Adjustments to reconcile profit (loss)		
Adjustments for income tax expense	635,513	777,086
Adjustments for finance costs	360,584	409,020
Adjustments for depreciation and amortisation expense	974,618	1,110,537
Adjustments for fair value losses (gains)	- 24,006	64,468
Adjustments for losses (gains) on disposal of non-current assets	119,130	10,338
Adjustments for decrease (increase) in inventories	- 752,027	- 1,855,903
Adjustments for decrease (increase) in trade accounts receivable	187,133	322,960
Adjustments for decrease (increase) in other operating receivables	- 375,961	- 640,546
Adjustments for increase (decrease) in trade accounts payable	- 1,047,672	- 1,143,132
Adjustments for increase (decrease) in other operating payables	- 881,411	- 1,024,578
Other adjustments for non-cash items	53,996	15,785
Total adjustments to reconcile profit (loss)	**- 750,103**	**- 1,953,965**
Cash flows from (used in) operations	**584,354**	**- 445,504**
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	344,717	- 689,584
Cash flows from (used in) investing activities		
Proceeds from sales of property, plant and equipment, classified as investing activities	220,269	1,515
Purchase of property, plant and equipment, classified as investing activities	2,378,284	2,307,404
Purchase of intangible assets, classified as investing activities	69,603	99,001
Interest received, classified as investing activities	22,845	25,526
Cash flows from (used in) investing activities	- 2,204,773	- 2,379,364
Cash flows from (used in) financing activities		
Payments of other equity instruments	152,472	267,647
Proceeds from borrowings, classified as financing activities	2,718,312	7,257,109
Repayments of borrowings, classified as financing activities	875,819	5,028,301
Payments of finance lease liabilities, classified as financing activities	11,910	69,469
Interest paid, classified as financing activities	383,429	434,546
Other inflows (outflows) of cash, classified as financing activities	- 36,050	- 63,746
Cash flows from (used in) financing activities	1,258,632	1,393,400
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	- 601,424	- 1,675,548
Effect of exchange rate changes on cash and cash equivalents		
Effect of exchange rate changes on cash and cash equivalents	172,836	- 13,657
Increase (decrease) in cash and cash equivalents	- 428,588	- 1,689,205
Cash and cash equivalents at beginning of period	793,161	2,047,938
Cash and cash equivalents at end of period	**364,573**	**358,733**

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