

LA COMER, S.A.B. DE C.V. (BMV: LACOMER) ANNOUNCES TODAY ITS 1ST Q17 RESULTS

Mexico City, April 26, 2017. La Comer, S.A.B. de C.V., hereafter La Comer (BMV: LACOMER), holding company that operates in the retail sector in Mexico through supermarkets offering groceries, perishables and pharmacy; announced today its 1stQ 2017 results.

First Quarter 2017 Results

Highlights:

- ✓ Increase in total sales of 13.6% and same store sales growth of 9.0%
- ✓ Gross margin of 26.0%
- ✓ EBITDA margin of 8.2%

	First Quarter				
	2017	%	2016	%	Var %
Net Sales	3,801.5	100.0	3,347.4	100.0	13.6
Cost of Sales	2,813.3	74.0	2,501.4	74.7	12.5
Gross Profit	988.2	26.0	846.0	25.3	16.8
Operating Expenses	819.8	21.6	702.4	21.0	16.7
Operating Profit	168.4	4.4	143.5	4.3	17.4
EBITDA ¹	310.4	8.2	258.1	7.7	20.3
Net Financial Result	(20.3)	(0.5)	11.2	0.3	(281.3)
Gains from discontinued operations	0.0	0.0	51.1	1.5	(100.0)
Taxes and other	45.2	1.2	46.6	1.4	(3.0)
Net Income	102.8	2.7	159.2	4.8	(35.4)
Same Store Sales (%)	9.0		3.3		172.7
Clients (thousands)	14,601		13,956		4.6
Inventory days ratio	65		-		na
Supplier days ratio	64		-		na
Number of stores	58		54		7.4
Sales area (m ²)	236,712		227,106		4.2

In millions of Mexican pesos,

(1) EBITDA refers to Earnings before Interest, Taxes, Depreciation and Amortization.

Quarterly Results

Sales

Net sales for the quarter amounted \$ 3,802 million pesos, an increase of 13.6% versus the same period of 2016, while same store sales also increased by 9.0% in the quarter. These increases were above the ANTAD's growth for the food retail sector. As has been in the past, City Market and Fresko formats presented the best performance. By category, the sales of perishables had performed during the quarter well above the average of the company. By region, we obtained the highest growth in the northwest and central regions of the country.

The result of the quarter was positively affected by a comparison against the first quarter of 2016, due to the effect of failures in supply and logistics during the first months of 2016; and additionally by the effect of the holidays of Easter that by calendar were not celebrated during the first quarter of 2017.

Other factors that negatively affected sales levels during the quarter were:

- The looting that occurred in early January around the country. This event affected one of our stores that was robbed and closed for six days and also additionally affected for the partial closures of several other stores for precautionary reasons.
- Closing for the remodeling of our store La Comer Insurgentes in Mexico City for 22 days at the end of this quarter.

Gross Profit

Cost of sales was affected during the quarter due to the increase in the cost of fuel and energetics that affected transportation costs and natural gas respectively. Gross profit for the quarter was \$988 million pesos, an increase of 16.8% compared to the previous year and the gross margin for the first quarter of 2017 was 26.0%.

Operating profit and EBITDA

During this quarter, we had some factors that affected our operating margin. As energy costs increased in the country, there was an effect on increase of expenses in supplies such as electricity and natural gas. Also the temporary closure for remodeling of the store La Comer Insurgentes, affected this concept since some of the operating expenses are still maintained with the store closed. This factor will continue to affect results for as long as this store remains closed. Corporate expenses still have a small scale effect, although this quarter showed a reduction of 20 basis points as a percentage of sales compared to the previous year.

For the first quarter of 2017, operating income was \$ 168 million pesos, an increase from the previous year of 17.3% and an operating margin of 4.4%. EBITDA had a margin of 8.2% for the first quarter of 2017 compared to 7.7% for the first quarter of 2016.

Since we did not open any unit during this quarter, there were no extraordinary expenses related to the effect of the opening of stores.

Net Financial Result

During the quarter there was a net financial expense of \$ 20 million pesos as financial products were affected by the foreign exchange loss. The company has the policy of keeping in dollars the expenditures in that currency estimated for the following months.

Working Capital

The company had a cash balance of \$ 3,115 million pesos in the quarter, a balance of suppliers of \$2,000 million pesos and an inventory level of \$ 2,039 million pesos. Inventory turnover for the quarter was 65 days, similar to the turnover of 64 days for suppliers during this same period.

Investment projects

During the quarter the company made a temporary closure to begin the remodeling for a total rebuild of the store La Comer Insurgentes located in Mexico City. In addition, during the month of April the partial remodeling of La Comer El Dorado in the Metropolitan area was completed, presenting the new profile of that format.

Installed capacity

As of today, the company runs 58 stores nationwide on four different store formats with the brands: La Comer, Sumesa, City Market, and Fresko.

The installed capacity was as follows:

	Stores	Sq.mts.
La Comer	28	187,357
Sumesa	13	10,009
City Market	7	17,902
Fresko	10	27,044
	58	236,712

Sustainability and Social Responsibility

As for the activities of social responsibility and sustainability, the company supported various foundations (Dibujando un mañana, Un Kilo de Ayuda, Fundación Mexicana para el Desarrollo Rural, Comedor Santa María, Probosque de Chapultepec and Solo por Ayudar) with selling their philanthropy goods in the stores. All income generated is given to them.

Research and analyst coverage

In compliance with Mexican Stock Exchange internal regulation, article 4.033.01 - VIII (maintenance requirements), La Comer informs that the following institutions provide coverage to Equity securities of the company:

- BBVA Bancomer (Miguel Ulloa)
- Grupo Bursátil Mexicano (Luis Rodrigo Willard)
- Itaú BBA (Joaquín Ley)
- Santander Investment (Reinaldo Santana)
- Scotiabank Inverlat (Rodrigo Echagaray)
- Punto Casa de Bolsa (Cristina Morales)
- Barclays (Benjamin M Theurer)
- J.P. Morgan (Mauricio Serna)
- Grupo Financiero Actinver (Carlos Hermosillo Bernal)

Sincerely,

Rogelio Garza Garza
Chief Financial Officer

Conference call 1Q17

Date & Hour:

Thursday, April 27, 2017, 11:00 a.m. México City (CT), 12:00 a.m. (EST).
To ensure connection is recommended to dial 10 minutes earlier.

Speakers:

Rogelio Garza, CFO
Yolotl Palacios, IR

Phone number:

EUA: +1 (844) 845-4172
Internacional: +1 (412) 317-5447
Code (Conference ID): La Comer

Replay:

Phone. +1 (877) 344-7529 / (412) 317-0088 (End date May 9, 2017)
Code: 10104866

Webcast:

To access presentation:

<http://webcast.engage-x.com/Cover.aspx?PlatformId=BRb1fS6pWjTlppgNkhOYQg%3D%3D>

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LA COMER, S.A.B. DE C.V.
QUARTER INCOME STATEMENT
(In thousands Mexican pesos as of March 31, 2017)

	31-mar-17	%	31-mar-16	%	Var.
Net sales	3,801,530	100.0%	3,347,354	100.0%	13.6%
Cost of sales	2,813,330	74.0%	2,501,380	74.7%	12.5%
Gross profit	988,200	26.0%	845,974	25.3%	16.8%
Selling expenses	675,169	17.8%	568,793	17.0%	18.7%
Administrative expenses	144,768	3.8%	134,212	4.0%	7.9%
Other income	1,997	0.1%	121,153	3.6%	-98.4%
Other expenses	1,858	0.0%	120,596	3.6%	-98.5%
Operating profit	168,402	4.4%	143,526	4.3%	17.3%
Financial income	43,304	1.1%	25,042	0.7%	72.9%
Financial expenses	63,637	1.7%	13,804	0.4%	361.0%
Earnings before tax & profit sharing	148,069	3.9%	154,764	4.6%	-4.3%
Income tax	45,225	1.2%	46,616	1.4%	-3.0%
Gains from continued operations	102,844	2.7%	108,148	3.2%	-4.9%
Gains from discontinued operations	-	0.0%	(51,099)	-1.5%	-100.0%
Net income	102,844	2.7%	159,247	4.8%	-35.4%
Depreciation & Amortization	141,986	3.7%	114,546	3.4%	24.0%
EBITDA	310,388	8.2%	258,072	7.7%	20.3%

**LA COMER, S.A.B. DE C.V.
BALANCE SHEET**

(In thousands Mexican pesos as of March 31, 2017)

	31-mar-17	31-mar-16
Current Assets		
Cash and Temporary investments	3,114,834	3,225,363
Clients (net account receivables)	573,767	465,453
Recoverable taxes	6,534	21,014
Inventories	2,038,839	2,082,285
Other assets	126,446	126,446
Total Current Assets	5,860,420	5,920,561
Property, plant and equipment (Net)	9,655,996	9,622,364
Property and leasehold improvements	485,860	486,373
Intangible assets other than goodwill	6,277,998	6,277,998
Deferred tax assets	201,321	240,644
Other non-current non-financial assets	858,935	890,351
Total noncurrent assets	17,480,110	17,517,730
Total Assets	23,340,530	23,438,291
Trade payables	2,869,459	3,043,565
Taxes payable	35,397	38,587
Other accrued liabilities	183,621	170,158
Current Liabilities	3,088,477	3,252,310
Provisions for employee long term benefits	68,865	69,236
Deferred tax liabilities	9,875	9,876
Total long-term liabilities	78,740	79,112
Total Liabilities	3,167,217	3,331,422
Capital Stock	1,966,662	1,966,662
Share issuance	193,896	193,896
Total Earned Capital	16,504,954	16,402,110
Other comprehensive income	1,507,801	1,544,201
Total controlling interest	20,173,313	20,106,869
Stock Holders' Equity	20,173,313	20,106,869
Total liabilities and stockholders' equity	23,340,530	23,438,291

LA COMER, S.A.B. DE C.V.
CASH FLOW STATEMENT
(In thousands Mexican pesos as of March 31, 2017)

Operation Activities 31-mar-17
Earnings (Loss) Before Tax & Profit Sharing **102,844**
Adjustments to reconcile earnings 31-mar-17

Taxes payable	45,225
Financial income & expense	(32,152)
Depreciation and amortization	141,986
Provisions	2,267
Income from disposal of current assets	(55)
Decrease in inventories	43,446
Decrease of clients	20,784
Increases in other receivables arising from operating activities	(126,601)
Decrease on suppliers	(216,783)
Decrease in other accounts payable	(210,652)
Total adjustments to reconcile profit	(332,535)
Net cash flows used in operations	(229,691)
Taxes on profits (paid)	(740)

Resources provided by operation activities **(228,951)**
Cash Flows from Investment Activities 31-mar-17

Investment of properties and equipment	(122,615)
Sale of properties, plant and equipment	55
Interests income	33,117

Net cash flow from investment activities **155,787**
Cash flows from (used) in financing activities 31-mar-17

Payments to acquire shares of the company	36,400
Interest paid	965
Net cash flows from (used) in financing activities	(37,365)

Cash flow from investing activities **(110,529)**
Financing activities 31-mar-17
Increase/decrease in cash and temporary investments **(110,529)**

Cash and temporary investments at beginning of year 3,225,363
Cash and temporary investments at the end of year **3,114,834**