

LA COMER, S.A.B. DE C.V. (BMV: LACOMER) ANNOUNCES TODAY ITS 4TH Q16 RESULTS

Mexico City, February 22, 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 4thQ 2016 results.

Fourth Quarter 2016 Results

Highlights:

- ✓ Same store sales growth of 6.0%
- ✓ Opening of two new Fresko stores
- ✓ Gross margin of 24.4%

	Fourth Quarter	
	2016	%
Net Sales	3,927.8	100.0
Cost of Sales	2,971.3	75.6
Gross Profit	956.5	24.4
Operating Expenses	905.8	23.1
Operating Profit	50.7	1.3
EBITDA ¹	216.5	5.5
Net Financial Result	38.2	1.0
Gains from discontinued operations	0.8	0.0
Taxes	(45.3)	1.2
Net Income	135.0	3.4
Capex ²	400.0	
Same Store Sales (%)	6.0	
Clients (thousands)	14,748	
Number of stores	59	
Sales area (m ²)	242,312	

In millions of Mexican pesos,

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

(2) Capital Expenditures: Are those investments in Property, Plant and Equipment, and other long-lasting investments.

Quarterly Results

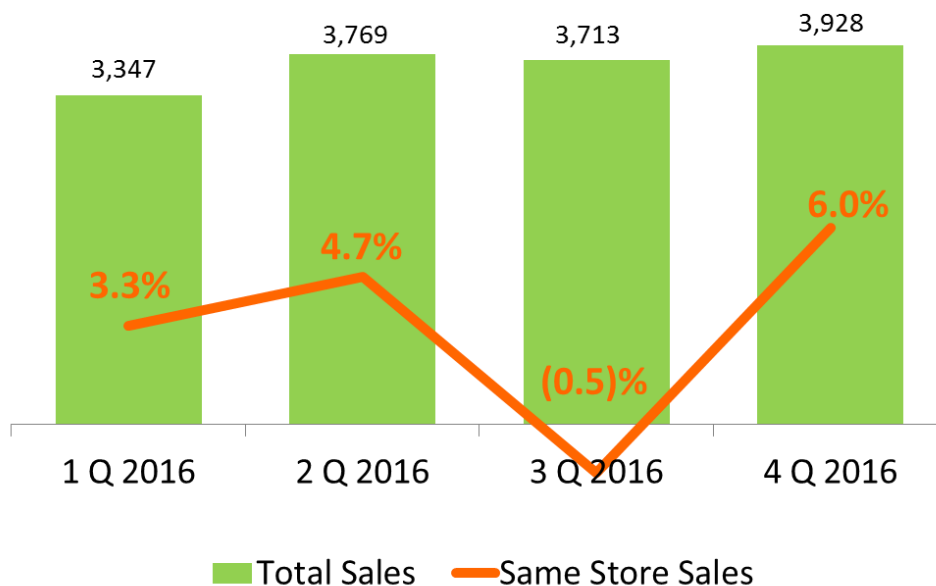
The new Company with 54 stores from the spinoff, began operations on January 1st, 2016. For the same period of 2015 these 54 stores belonged to Comerci, along with other 143 stores that were sold to Soriana. Any comparison versus 2015 figures has to be regarded as the best estimation of the administration of the performance of the 54 stores as being part of Comerci. The performance of the 54 stores as part of Comerci, could differ substantially from their performance on La Comer operating independently.

Sales

Consolidated net sales during the fourth quarter amounted to \$3,928 million pesos; an increase of 10.5% compared to the same period of the previous year. All formats presented increases in sales, but City Market and Fresko formats were highlighted. In addition to the great acceptance of these formats, the increase in total sales was also helped by the opening of the 4 Freskos and a City Market that were inaugurated during the year.

By type of product, the categories that had the greatest growth were perishables, followed by grocery. This trend is in line with the company's current strategy of maintaining a differentiation in assortment and quality in the perishables and grocery sections.

In same store sales, the company had 6.0% increase for the fourth quarter, helped by the 2.7% increase in the number of customers and the increase in the average ticket of 6.7% compared to the same period of last year. The geographical area of the country with higher sales increases was the Northwest area, followed by the Metropolitan area.



Gross Profit

Gross profit for the quarter was \$ 956 million pesos with a margin of 24.4%. During the quarter, there were some extraordinary expenses in the distribution center to carry out important re-adaptations in the area of frozen goods, and to increase the number of platforms.

Operating profit and EBITDA

The smaller scale of operation has impacted some expenses, measured as percentage of sales that had a significant increase when compared against the proportional part that historically was allocated to the 54 stores. This mainly applies for corporate expenses.

During this quarter we had some factors that affected our operating margin. The pre-operative expenses related to the opening of the stores opened during the quarter, and also advertising expenses related to the December campaigns as well as advertising expenses related to the opening of new units and the reopening of a store that was remodeled.

Depreciation and amortization had a significant increase mainly due to two reasons: the revaluation of most of the assets of the company that had to be transferred to La Comer at the end of 2015; and the amortization of intangible assets as the session of rights to operate the stores, that Comercial City Fresko (the main subsidiary of La Comer) acquired at the end of 2015. The amortization from the session of rights during the quarter amounted \$32 million pesos.

With respect to the brands that the company acquired, a depreciation of 5% per annum of the value of the acquired brands was initially considered. We made a change in the accounting policy, because we believe that it is the correct way to recognize the value of brands as intangible assets that have not lost value during the year. When making this accounting change, they are deducted from amortization expenses of intangible assets and also we recorded the effect on deferred income taxes. In this way, the recovery value of the long term assets is correctly expressed in the Balance Sheet and the financial information of the Income Statement is not affected.

Net Financial Result

Within this concept, the \$38.2 million pesos in the financial result are mostly due to interests and financial products received by investment and by \$7 million pesos in exchange gain.

YTD December 2016 Results

Highlights:

- ✓ Increase in total sales of 5.5% as of December 31, 2016
- ✓ Increase in same store sales of 3.3%
- ✓ EBITDA margin of 6.4%
- ✓ Opening of five stores throughout the year: four Fresko stores and one City Market

	As of December 31, 2016	
	2016	%
Net Sales	14,757.3	100.0
Cost of Sales	11,147.6	75.5
Gross Profit	3,609.7	24.5
Operating Expenses	3,194.1	21.6
Operating Profit	415.6	2.8
EBITDA ¹	937.8	6.4
Net Financial Result	123.4	0.8
Gains from discontinued operations	65.4	0.4
Taxes and other	86.8	0.6
Net Income	517.6	3.5
Capex ²	1,497.0	
Same Store Sales (%)	3.3	
Clients (thousands)	58,386	
Number of stores	59	
Sales area (m ²)	242,312	

In millions of Mexican pesos

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Net Sales

Total sales amounted \$14,757 million pesos showing an increase of 5.5%; supported mainly by the good performance of City Market and Fresko formats and also for the opening of 5 new stores during the year. Consolidated same store sales for the year had an increase of 3.3%. The format La Comer, even with a slight increase in same store sales, was mainly affected by the exit of the sale of clothes and by the summer campaign that impacted the comparison base.

Gross profit

With respect to purchasing costs, we have received from our suppliers the same support and cooperation that historically they have provided to us. We will continue working to maintain excellent relationships with them to achieve higher productivity for both parts.

Some key indicators of operation, as the percentage of losses and fluctuating inventories have had affectations during the first half of the year that had been corrected with better measures and controls.

The storage and distribution costs have been affected by the lower operating volume, and by a process of adjustment to suit the scale of current operation. Additionally, we had some extraordinary costs for adjustments of the distribution center to suit the changing needs of the company's operation.

Operating Profit and EBITDA

Operating income was affected by pre-operating expenses and extraordinary advertising costs, primarily related to the institutional campaign and the promotion of new stores.

With regard to the institutional campaign, we consider important to clearly transmit to our customers our value proposal that differentiate us from the competition.

The amortization of intangible assets, the value of the session of rights to operate the stores, accumulates in the year an expense of \$ 130 million pesos.

Net Financial Result and Discontinued operations

Within this concept, it is important to mention that the \$123 million pesos is largely due to interest income received by investment and exchange gain.

For the concept of discontinued operations for the year of 2016 the company obtained a profit of \$65 million pesos, mainly from the gain on the sale of the restaurant Jajalpa in the first quarter and the selling of two subsidiaries in the second quarter and fourth quarter of the year.

Working Capital

The company has maintained a solid cash balance during the year, going from \$3,077 million pesos at the beginning of year to \$3,225 million pesos at the end of this quarter. This, even investing in CAPEX during the year almost 1.5 billion pesos

The balance of suppliers of \$ 2,217 million pesos during the quarter has similar levels to the level of inventories of \$ 2,082 million pesos.

Investment projects

The openings during the year were:

Store	City	m2	Opening date
Fresko Guadalajara Rioja	Guadalajara	4,135	April
Fresko Sania	Guadalajara	2,230	July
City Market Antea	Querétaro	3,400	September
Fresko	Guadalajara	2,600	December
Fresko	Cuernavaca	3,211	December

All the openings that were made during the year were in cities located in the Central Zone of the country, especially in the city of Guadalajara where 3 Fresko stores were opened. It is worth mentioning that in September we inaugurated a City Market store in the city of Querétaro with approximately 3,400 square meters of sales area. This is the first store of this format that opens outside the metropolitan area of Mexico City.

During the first half of the year the change of image was completed in all stores including graphic elements of facades and logos of the company to adapt them to the new profile of the company.

During the year we did minor remodeling in 6 stores and we ended with the conversion process of two large stores to adapt them to the format La Comer. This process reduced the square meters of the sales area and adapted the concept for specialized areas and departments of food, to continue with the concept that characterizes the company.

Installed capacity

As of today, the company runs 59 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	29	187,357
Sumesa	13	10,009
City Market	7	17,902
Fresko	10	27,044
	59	242,312

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. In addition, in October, La Tienda Rosa (The Pink Store) campaign was launched in order to have products that support women with breast cancer.

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 4Q16

Date & hour: Thursday February 23, 2017 at 10:00 a.m. Mexico City (MEX), 11:00 a.m. (US-NY).
It is recommended to get connected 15 minutes before the conference starts.

Speakers: Rogelio Garza, CFO
Yolotl Palacios, Investor Relations

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

Replay: Tels. +1 (877) 344-7529 / (412) 317-0088 (End date March, 7)
Access Code: 10100955

Webcast: To follow the presentation on webcast, please click on the link:
<http://webcast.neo1.net/Cover.aspx?PlatformId=oau3eXreDeBBgd7Em%2F2xyA%3D%3D>

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LA COMER, S.A.B. DE C.V.
QUARTER INCOME STATEMENT

(In thousands Mexican pesos as of December 31, 2016)

	4 Q 2016	%
Net sales	3,927,809	100.0%
Cost of sales	2,971,279	75.6%
Gross profit	956,530	24.4%
Selling expenses	746,156	19.0%
Administrative expenses	161,217	4.1%
Other income	8,109	0.2%
Other expenses	6,486	0.2%
Operating profit	50,780	1.3%
Financial income	69,863	1.8%
Financial expenses	31,695	0.8%
Earnings before tax	88,948	2.3%
Income tax	(45,264)	-1.2%
Gains from continued operations	134,212	3.4%
Gains from discontinued operations	771	0.0%
Net income	134,983	3.4%
Depreciation & amortization	165,731	4.2%
EBITDA	216,511	5.5%

**LA COMER, S.A.B. DE C.V.
INCOME STATEMENT**

(In thousands Mexican pesos as of December 31, 2016)

	As of December	%
Net sales	14,757,332	100.0%
Cost of sales	11,147,610	75.5%
Gross profit	3,609,722	24.5%
Selling expenses	2,599,662	17.6%
Administrative expenses	584,240	4.0%
Other income	155,496	1.1%
Other expenses	165,731	1.1%
Operating profit	415,585	2.8%
Financial income	158,318	1.1%
Financial expenses	34,869	0.2%
Earnings before tax	539,034	3.7%
Income tax	86,800	0.6%
Gains before discontinued operations	452,234	3.1%
Gains from discontinued operations	65,365	0.4%
Net Income	517,599	3.5%
Depreciation & amortization	522,239	3.5%
EBITDA	937,824	6.4%

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

(In thousands Mexican pesos as of December 31, 2016)

Dec. 31, 2016

Current Assets	
Cash and temporary investments	3,225,363
Clients (net account receivables)	465,453
Recoverable taxes	21,014
Other financial assets	126,446
Inventories	2,082,285
Total current assets	5,920,561
Property, plant and equipment (Net)	9,622,365
Property and leasehold improvements	486,373
Intangible assets other than goodwill	6,277,998
Deferred tax assets	505,225
Other non-current non-financial assets	890,348
Total noncurrent assets	17,782,309
Total Assets	23,702,870
Trade payables and other accounts	3,043,564
Current provisions	170,156
Taxes payable	38,587
Current Liabilities	3,252,307
Provisions for employee long term benefits	69,236
Deferred tax liabilities	274,457
Total long-term liabilities	343,693
TOTAL LIABILITIES	3,596,000
Majority Stock Holders' Equity	
Capital Stock	1,966,662
Cost share issue	193,896
Total Earned Capital	16,412,140
Other accumulated comprehensive results	1,534,172
Total controlling interest	20,106,870
Consolidated Stock Holders' Equity	20,106,870
Total liabilities and stockholders' equity	23,702,870