EL PUERTO DE LIVERPOOL, S.A.B. DE C.V.

REPORT ON RESULTS OF OPERATIONS FOR THE FOURTH QUARTER OF 2015

Economic Environment

The positive behavior of the primary macro-economic variables tied to consumer indexes continues.

Inflation continued to record historical minimums throughout the year, thereby supporting the purchasing power of Mexican households, while salaries continued to grow in real terms.

The creation of new jobs is on the rise, thereby strengthening good consumer levels.

US dollar remittances continue to reflect increases, both in amounts and in the Mexican peso/US dollar exchange rate.

At the close of the quarter, consumer confidence reflects an improvement of 2.4% in comparison with the previous quarter. However, this index is still 0.6% lower than it was at the close of 2014.

The only variable with negative behavior is the Mexican peso/US dollar exchange rate, which lost 17.0% of its value during the year. The negative impact in terms of inflation or in consumer confidence has yet to be determined.

Financial Highlights
(Millions of Mexican pesos)

During the fourth quarter of the year, the Company's total income increased by 13.8% in comparison with the same quarter of the prior year, reaching the amount of Ps. 32,620 million. At the cumulative level, total income for year 2015 were Ps. 91,293 million, for a growth of 12.4%.

The primary indicators of results of operations at the close of the quarter and those accumulated for the year are as follows:

	YTD			QUARTER		
	2015	2014	Dif %	4Q15	4Q14	Dif %
Total revenue	**91,293**	**81,214**	**12.4%**	**32,620**	**28,660**	**13.8%**
Commercial (Includes services and other)	79,242	70,068	13.1%	29,307	25,477	15.0%
Interests	9,030	8,439	7.0%	2,597	2,421	7.2%
Leasing	3,021	2,707	11.6%	716	761	-5.9%
Cost of sales	54,149	48,194	12.4%	19,722	17,029	15.8%
Gross income	**37,144**	**33,020**	**12.5%**	**12,897**	**11,631**	**10.9%**
Operating expenses	24,489	21,906	11.8%	6,778	6,115	10.8%
Operating income	**12,655**	**11,113**	**13.9%**	**6,120**	**5,516**	**11.0%**
Net income	9,211	7,763	18.6%	4,529	3,891	16.4%
EBITDA	**14,870**	**13,024**	**14.2%**	**6,684**	**6,015**	**11.1%**
Customer's Portfolio	**30,744**	**28,695**	**7.1%**			
Same Stores Growth	**9.8%**	**6.2%**	**3.6 p.p.**	**11.5%**	**7.3%**	**4.2 p.p.**

RESULTS OF OPERATIONS

Sales of Goods and Services

Liverpool's total retail sales grew by 15.0% during the fourth quarter of 2015, while same-store sales increased by 11.5%. The increase for the year was 13.1% for total sales and 9.8% for same stores.

The growth in traffic contributed with 65% of the same-store sales increase at the cumulative level.

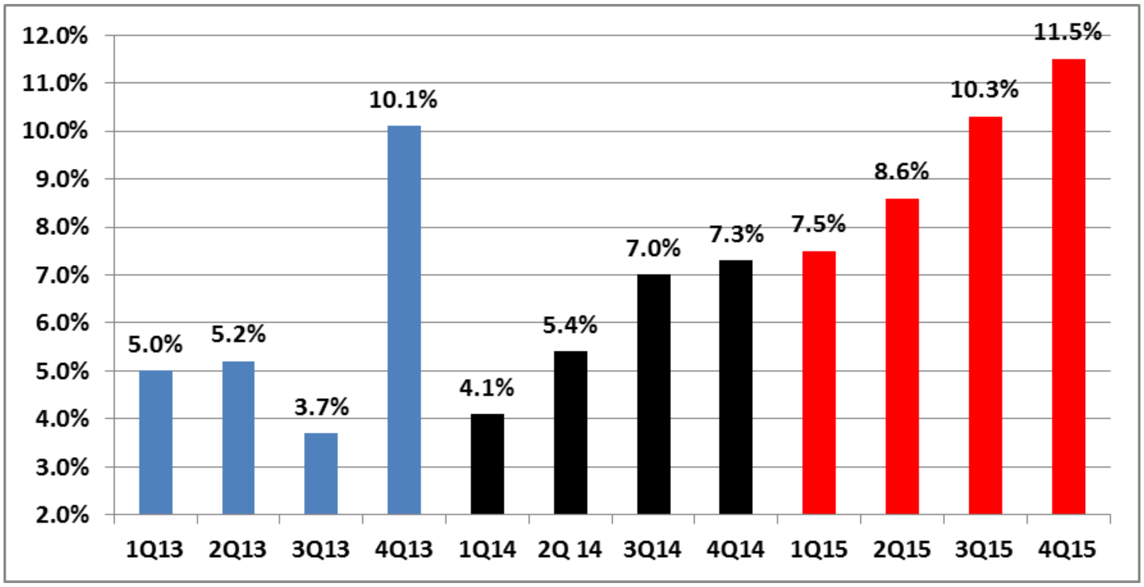
The figures published by the ANTAD (Spanish acronym for 'The Mexican Association of Self-service and Department Stores') accumulated at December 31, 2015 reflected a growth in nominal terms, of 6.7% for same stores. Specifically, the department stores associated with the ANTAD recorded a 10.7% growth for same stores. According to these figures, the categories of general merchandise, cosmetics and home goods continue to perform well. The electronics division reflects a recovery in the last quarter.

All of our categories reflect growth that is in line with the average for the year. Cosmetics, furniture and sporting goods recorded the best performance for the year.

By region, the northern and central zones of Mexico stand out for their expansion, while the southeastern zone is undergoing the effects of the slow-down in the petroleum industry.

Both the holiday season and the “Buen Fin” (Mexican Black Friday) sales performed well.

Same-store Sales Growth



With regards to the Omnichannel platform, the increase in sales in non-traditional channels in 2015 was 87.7% compared to the prior year. We have increased the available means of payment in liverpool.com.mx, to include debit cards, referenced deposits and Paypal. The development of the sales associates’ app enables the possibility of offering extended catalogs, which is resulting in better customer service. The number of items available on line has reached 65% of the total catalog, including on-line exclusive merchandise. The new "Click & Collect" concept (purchase on line, pick up at the store) stands for more than 25% of on-line sales.

Credit income

The growth in our credit portfolio showed improvement as the year passed by, and the results in this area benefited from the substantial reduction of 30 base points in the overdue portfolio.

During the quarter, income in the credit division grew by 7.2% when compared to the same period in the prior year. At the cumulative level, this increase was 7.0%. The trade portfolio reflected growth of 7.1% when compared to the prior year.

Liverpool continues to introduce different promotions into the retail mixture, so as to duly balance the portions that do generate interest, from those that do not, within the credit portfolio. As a result, credit income at the cumulative level maintains a better rhythm of growth than does the average portfolio.

The growth observed in the number of clients who pay the total balance of their account at the due date (i.e., payers in full) is notable; this situation has mitigated the favorable effect observed in the productivity of the portfolio, by a larger portion of the portfolio derived from the interest-bearing sales.

Real Estate Income

Income in the real estate division declined by 5.9% during the quarter, derived from a comparison base that includes the effects of openings and leasing rights recorded for the openings of the Puebla Serdán and Toluca shopping malls. A growth of 11.6% is reflected at the cumulative level.

Occupancy levels in the shopping malls are steady, at 97%.

Cost of Sales and Gross Margin

The cost of sales increased by 15.8% during the quarter, and by 12.4% during the year.

During the quarter, the retail margin was affected by more promotional activity as a result of the price increase on imported merchandise provided by the peso volatility. Additionally, winter merchandise had a lag on its displacement related to a warmer season.

The lower proportion of real estate and credit income had a mix effect to further contribute on this margin reduction. At a cumulative level, gross margin remains unchanged at 40.7%.

As mentioned previously when presenting the results of the first three quarters, the accumulated gross margin contains the benefit of non-recurrent commercial agreements entered into at the beginning of the year.

Operating Expenses

Operating expenses increased by 10.8% during the quarter, and by 11.8% for the year. The primary factors behind this growth are: a) expenses related to the growth in operations, personnel expenses and the depreciation related to new stores, boutiques and shopping malls; b) expenses related to information technology for new projects, including the Omnichannel platform, and; c) the impact of the depreciation of the Mexican peso against the US dollar, especially in information technology expenses.

On the other hand, savings in energy and a reduced need for additional reserves for the overdue portfolio have helped to mitigate requirements for expenses.

Operating Income

At the close of the fourth quarter of the year, operating income amounted to Ps. 6,120 million, representing an increase of 11.0% in comparison with the same period in 2014. At the cumulative level, operating income increased by 13.9%, for a total of Ps. 12,655 million pesos.

EBITDA

The EBITDA for the quarter amounted to Ps. 6.684 million, which is 11.1% more than the EBITDA generated during the prior year. At the cumulative level, this indicator reached Ps. 14,870 million, for an increase of 14.2% when compared to 2014.

The accumulated EBITDA margin was 16.3%, which represents an expansion of 25 base points when compared to the prior year.

Financing Expenses

Net financing expenses for the quarter were 44.8% lower than the expenses for the same quarter in the previous year. At the cumulative level, this caption has decreased by 9.0% in comparison to the prior year, reaching Ps. 1,138 million. The latter includes: an exchange loss of Ps. 167.5 million, derived from the depreciation of the Mexican peso; a 16.6% reduction in interest paid, and; a 27.1% increase in interest earned, primarily as a result of the Company's available cash flow.

Participation in Regal Forest

The association with Regal Forest continues its growth in the home appliances and furniture departments for Central America, South America and the Caribbean. In 2015 the consolidation of the Radio Shack in the regions and the “Electro Facil” chain of stores acquired in Paraguay took place. The operating result for the year was positive thanks to good consumption levels which contributed to the growth of our net consolidated profit.

Taxes

Total income tax (payable and deferred) increased by 10.5% during the quarter, and by 16.7% at the cumulative level, both compared to the prior year. This is a result of the good results of operations.

Net Income

The net controlling income at the close of the fourth quarter was 16.4% greater than that obtained during the same period in 2014, amounting to Ps. 4,529 million, and 18.6% for the year, reaching Ps. 9,211 million.

BALANCE SHEET

Cash and Short-term Investments

At December 31, 2015, the balance of this account was Ps. 8,583 million, reflecting an increase of Ps. 2,692 million, due primarily to the conservative rhythm of growth in the credit portfolio.

Credit Portfolio

At the close of the fourth quarter of 2015, the net credit portfolio amounted to Ps. 30,744 million, equal to an increase of 7.1% with respect to the amount recorded on the same date of the prior year.

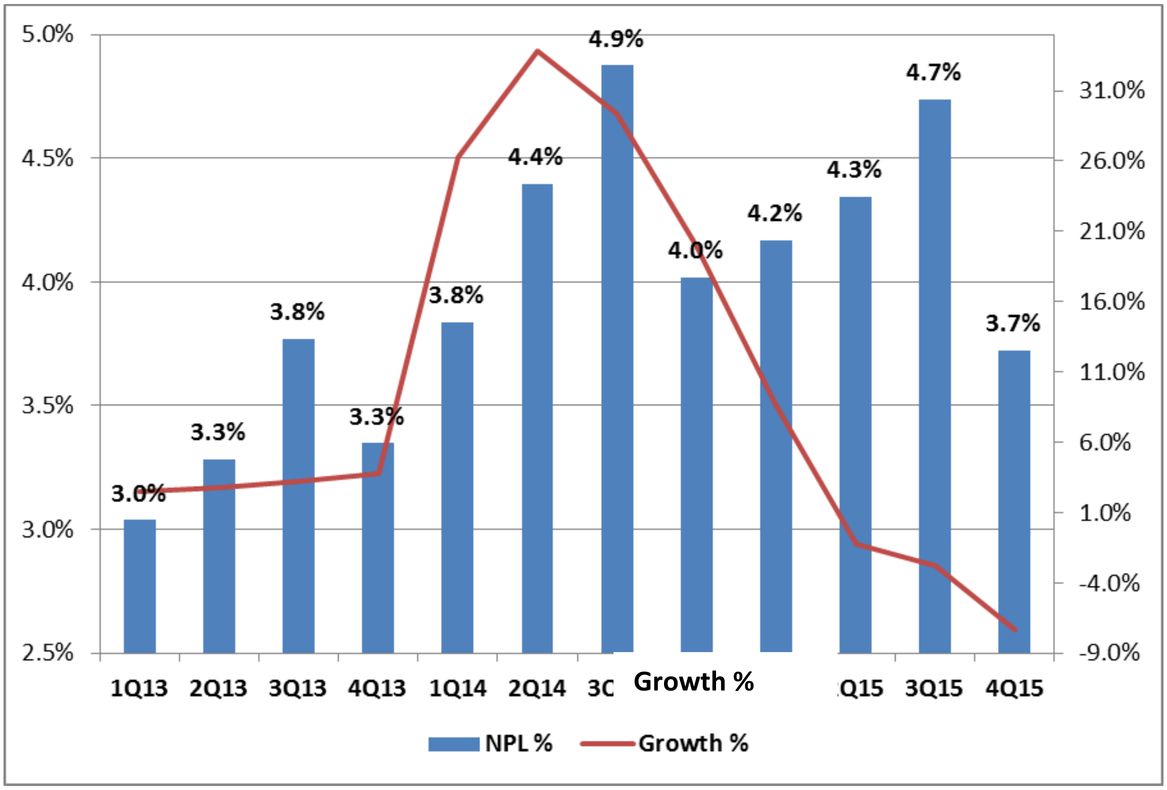
The share of the Liverpool credit cards in 2015 is 45.6% of total sales, as compared to 46.4% for the same period in the prior year. Although we observed the customers' preference to use cash as a means of payment during the year, it should be noted that towards the year-end, we observed an improvement in the use of our credit cards as compared to the prior year.

The reserves for the overdue portfolio accumulated at December 31 are made up as follows:

(MxPs millions)	2015	2014	Chg %
Reserve's initial balance:	2,216	1,767	25.4%
(+) New reserves:	1,959	2,162	-9.4%
(-) Write off:	(1,956)	(1,713)	14.2%
Reserve's final balance:	**2,219**	**2,216**	**0.1%**

Accounts overdue by more than 90 days comprised 3.7% of the total portfolio, as compared to 4.0% at the close of the same period in 2014.

Accounts overdue by more than 90 days (%) and growth rate versus the prior year



The coverage of the overdue portfolio is calculated on the nine months expected loss model which at the year-end accounted for two times.

Inventories and Accounts Payable

Inventories amounted to Ps. 13,850 million at the close of the quarter, which is 17.8% higher than the amount recorded at the same date the prior year. This increase reflects the following effects: stock on hand, which is the result of an unusually warm winter; a 5.2 percentile points contribution from new stores to the aforementioned increase, and finally; the effect of the sliding depreciation of the Mexican peso. All of the foregoing is in line with the policy of maintaining healthy inventories by moderating their growth and basing them on demand.

With regards to accounts payable to suppliers, the balance at the close of the quarter presents an increase of 17.5% in comparison to the prior year.

Cost-bearing Debt and Cash Flow

The composition of the Company's cost-bearing debt is as follows:

(million MxPs)	4Q2015	4Q2014	%
Cost bearing debt	(14,096.1)	(13,343.9)	**5.6%**
Financial derivative instruments acquired for hedging purposes	1,516.5	800.1	**89.5%**
TOTAL	**(12,579.5)**	**(12,543.7)**	**0.3%**

It should be noted that the portion of the debt in US dollars is covered totally by a cross currency swap.

The gross and net debt ratios to EBITDA for the last twelve months is 0.85 times and 0.3 times, respectively. Both ratios were calculated by deducting the mark to market valuation of the financial derivative instruments.

The flow generated by the operation at a cumulative level reached the amount of Ps.16,926 million, compared to Ps. 13,614 million in 2015, representing an increase of 24.6%. The net cash flow resulting from operating activities closed at Ps. 4,733 million, incorporating primarily the effects of the tax reform and needs for working capital.

Investments in Projects and Remodeling

At December 31, 2015, the investment in expansion and remodeling projects amounted to Ps. 4,872 million.

Expansion and Recent Events

The Company complied with the plans for opening new stores during the year, as follows:

Liverpool Stores:

1. Coacalco, Estado de México (September 10, 2015)
2. Tlalnepantla, Estado de México (October 29, 2015)

Fábricas de Francia Stores:

1. Cuautla, Morelos (April 21, 2015)
2. Chimalhuacán, Estado de México (April 24, 2015)
3. Zumpango, Estado de México (September 24, 2015)
4. Salamanca, Guanajuato (November 3, 2015)
5. Texcoco, Estado de México (November 6, 2015)

Boutiques:

- Liverpool opened a total of 26 boutiques during 2015.

- Eleven boutiques belonging to the Williams Sonoma family of brands were opened during this quarter: Pottery Barn, Pottery Barn Kids, Pottery Barn Teens, West Elm and Williams Sonoma.

With respect to the growth in commercial areas, 4.4% more floor space in stores was added during the year and 48.8% more square meters in specialty boutiques, all in comparison to the prior year.

Expansion and remodeling work on our Liverpool Perisur flagship store continues, as well as in the Perisur, Atizapán, and Monterrey shopping malls. This work will continue throughout 2016.

Mr. Max Michel Suberville

Mr. Max Michel Suberville, Honorary President of the Company's Board of Directors, passed away on February 11, 2016. We recognize his leadership, his deep-seated sense of commitment and his broad business vision.

Analysts' Coverage

In compliance with the Mexican Securities Market Act, the Company hereby discloses the list of institutions and financial groups that analyze Liverpool's financial and operating performance:

Actinver	BTG Pactual	HSBC	J.P. Morgan
Bank of America	Credit Suisse	Interacciones	Santander
Barclays	Deutsche Bank	Intercam	Scotiabank
BBVA Bancomer	GBM	Itaú BBA	Ve por más

Company Profile

El Puerto de Liverpool, S.A.B. de C.V.: (at December 31, 2015)

Stores:		
Liverpool	79	1,318,328 m2
Fábricas de Francia	29	209,031 m2
Duty Free	4	4,925 m2
Total Stores	**112**	**1,532,284 m2**
Shopping malls:	25	480,000 m2
Boutiques:	109	60,469 m2

Credit Card

Number of cards	4Q 2015	4Q 2014	% Dif
Liverpool Cards	3,954,716	3,767,860	5.0%

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