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

RESULTS FOR THE FIRST QUARTER 2017

Highlights

- Compared to the $21.90 Ps/USD minimum reported in January of this year, the peso had gained 14.1% as of March 31, when it closed at $18.81 Ps/USD. The exchange rate for the quarter was down 13% versus the same period of the prior year.

- Several macroeconomic indicators related to consumption continue to show positive trends, including job creation, the total wage bill, credit, and cash remittances.

- On the other hand, the inflation forecast for the year is 5.5%, different consumer confidence indexes, while having some recovery during the quarter, are still below 2016 level.

- Same-store sales grew 4.1% and total income was up 8.2%. Gross margin showed a 124-bps improvement. The 12.5% EBITDA margin was steady during the first quarter, although it grew 8.3% in terms of pesos. 12-Month EBITDA margin was 15.9%.

- Net income was down 42.8%, excluding the foreign exchange effect it was up 2.5%.

- Although the US$1,050 million in debt represent 61% of our total debt, these are covered by a cross-currency swap that includes principal and interests

- On March 10th, COFECE approved our acquisition of Suburbia with no restrictions, with the transaction closing on April 4th.

- The company foresees that 2017 will be a record year in terms of store openings, with a total of eleven new stores: four Liverpool and seven Fábricas de Francia. We are also planning to open the Galerías Tlaxcala shopping mall. As of the date of this report, we have opened one Liverpool and three Fábricas de Francia stores.

Economic Environment

Compared to the $21.90 Ps/USD minimum reached in January of this year, the peso gained 14.1% as of March 31, when it quoted at $18.81 Ps/USD. Although the average exchange rate for the quarter was down 13% versus the same period of the prior year.

Formal job creation, the total wage bill, cash remittances, and credit for consumption are still showing good growth.

Inflation expectations for 2017 have been upwardly adjusted to 5.56%, thus reflecting a 2.2-pp increase versus the 3.36% result of the prior year. The initial effects of the peso devaluation, as well as the increase in the price of goods managed by the government, such as gasoline and electric power, are the primary contributors to this result. Higher inflation has had a negative effect on the purchasing power of households.

Although the consumer confidence index recovered slightly during the months of February and March, it is still 9.2% below levels of March 2016. Intention to purchase durable goods continues to decrease due to the uncertainty surrounding the economic future and safety issues.

Key Figures

The following are the main income statement indicators at the closing of the first quarter:

(figures in thousands of pesos)

	1Q17	1Q16	Dif
Total revenue:	**20,651,630**	**19,084,190**	**8.2%**
Commercial (includes services and other)	17,599,011	16,186,737	8.7%
Interest	2,251,717	2,137,922	5.3%
Leasing	800,902	759,531	5.4%
Cost of sales	11,860,232	11,196,734	5.9%
Gross income	**8,791,398**	**7,887,456**	**11.5%**
Gross margin	**42.6%**	**41.3%**	**1.24**
Operating expenses	6,869,533	6,089,686	12.8%
Operating income	**1,921,865**	**1,797,770**	**6.9%**
Net income	792,034	1,384,169	-42.8%
EBITDA	**2,591,396**	**2,393,582**	**8.3%**
EBITDA margin	**12.5%**	**12.5%**	**0.01**
Customer's portfolio	**27,995,995**	**27,236,454**	**2.8%**
Same-store growth	**4.1%**	**9.5%**	**-5.4 p.p.**

OPERATION RESULTS

Sales of Goods and Services

During the quarter, total retail income for Liverpool was up 8.7%, while same-store sales grew 4.1%.

The average sales slip during the period grew 7.8%, while traffic was down 3.4%, both in year on year comparisons. This is accounted for by the increase in terms of pesos resulting from the devaluation.

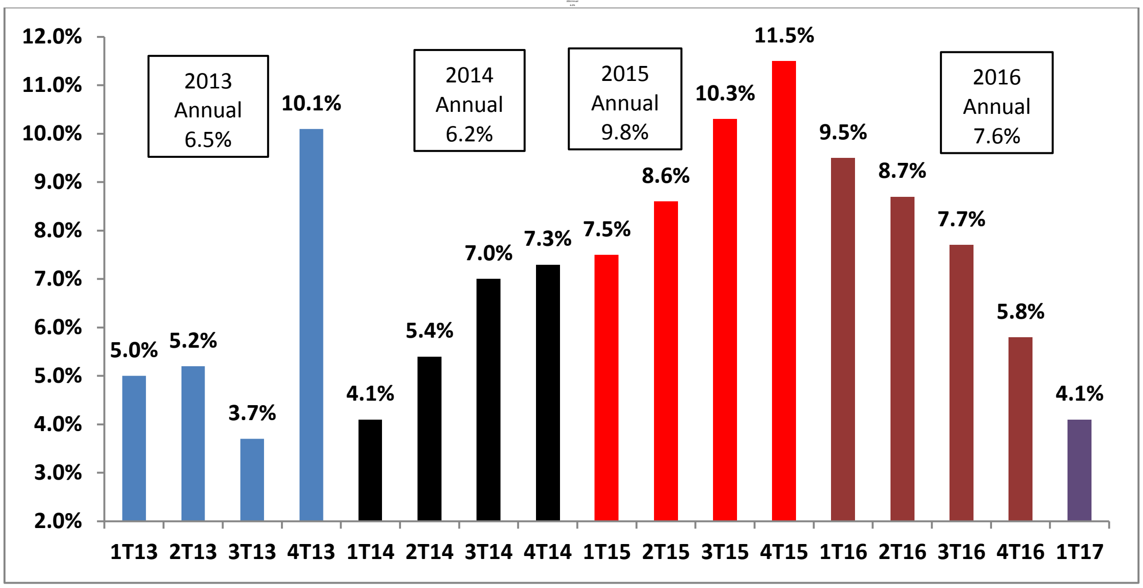
It is important to point out that the first quarter of 2017 includes negative calendar-related effects since we lost two weekend days in January, had one less calendar day in February because 2016 was a leap year, and the Holy Week Holiday fell in April this year.

Figures published by ANTAD (Spanish acronym for the National Association of Convenience and Department Stores) as of March 31, 2017 showed a 3.6% same-store growth in nominal terms. Specifically, department stores associated with the ANTAD recorded a 4.1% same-store growth.

All our product categories reflected close-to-average growth. Sporting Goods, Home Furnishings, Cosmetics, and Accessories were the best performers.

In terms of geographic regions, expansion in the Northern, *Bajío*, Pacific, and Western regions was particularly relevant, while the South East continues to feel the effect of the slow-down in the oil industry.

Growth of Same-Store Sales



Accumulated growth in our online sales platform was 45.5%, compared to the same period in 2016, contributing with 2.0% of retail sales.

Interest

During the quarter, income in the credit division rose 5.3% versus the same period of the prior year, and our credit portfolio grew 2.8% year on year. This reflects the growth in our productive credit portfolio.

Leasing

Leasing income improved 5.4% in the quarter year on year. Occupancy levels at shopping malls remain steady, at the 97% level.

Cost of Sales and Gross Margin

Cost of goods sold grew 5.9% during the quarter.

Commercial Margin

Commercial margin for 1Q17 showed a 178-bps improvement despite the effects of the devaluation:

(Figures in thousands of pesos)

	1Q17	1Q16	DIF %
Commercial sales (incl. services and others)	17,599,011	16,186,737	8.7%
Cost of goods sold	11,860,232	11,196,734	5.9%
Commercial margin	**32.6%**	**30.8%**	**1.78**

Out of this improvement, 86% is the result of transferring the Áeropostale and Cole Haan boutiques to third parties. It is important to point out that the effect of expenses related to these transfers was felt in the fourth quarter of 2016.

Total Gross Margin

Total Gross Margin increased 124 basis points. Our share in the Credit Card and Real Estate businesses was down slightly, resulting in a negative effect on gross margin:

	QUARTER		
As % of total income	**1Q17**	**1Q16**	**VAR bps**
Commercial	85.2%	84.8%	0 00
Interests	10.9%	11.2%	(0.30)
Leasing	3.9%	4.0%	(0.10)

Operating Expenses

Operating expenses grew 12.8% during the quarter. The main factors behind these results include: a) expenses related to new stores and boutiques; b) expenses related to remodeling stores and shopping malls, particularly Perisur, Galerías Monterrey, and Plaza Satélite; c) increasing the provision for bad debt resulting from a growing past-due portfolio; d) the strategic *Omnicanal* (online sales) initiative; and e) the impact of the peso devaluation versus the dollar, particularly in IT-related expenses.

Operating Income

At the closing of the first quarter, operating income amounted to $1,922 million pesos, for a 6.9% growth compared to the same period in 2016.

EBITDA

EBITDA stood at $2,591 million pesos, 8.3% higher than the first quarter of 2016. The margin was 12.5%, remaining stable with respect to the prior year. Twelve-month EBITDA margin reached 15.9%, with a 21-bps decrease as well as a 7.8% increase in terms of pesos, for $16,249 million pesos, both in a year on year basis.

Financial Expenses and Income

Net financial expenses for the quarter were $1,297 million pesos, or $1,112 million pesos more than the costs for the prior year.

The US$500 million cash reserve for the possible investment in Ripley generated a foreign exchange loss for the period of $895 million pesos. During the same period in 2016, we reported a foreign exchange loss of $16.3 million pesos. It is important to mention that during the prior quarter (4Q2016), these investments registered a foreign exchange gain of $696 million pesos. In perspective, on March 31 the exchange rate was Ps$18.81/USD, compared to Ps$20.62/USD on December.

Net expenses on interests grew 139%, reflecting the higher debt levels related to our acquisition of Suburbia.

(Figures in thousands of pesos)

Net Financial Income/(Expense)	1Q17	1Q16	Effect
Interest	(402,374)	(168,617)	(233,757)
Exchange Effect	(894,996)	(16,345)	(878,651)
Total Financial Income/(Expenses)	**(1,297,370)**	**(184,962)**	**(1,112,408)**

Share in Results of Associated Companies and Joint Ventures

During the quarter being reviewed in this report, we registered a 37.1% growth, reaching $252.3 million pesos.

Net Income

Net controlling net income at the closing of the first quarter was 42.8% lower than the same period in 2016, for a total of $792.0 million pesos. Excluding the foreign exchange effect described above, this item would have been at $1,419 million pesos, for a 2.5% growth compared to the first quarter in 2016.

BALANCE SHEET

Cash and Short-Term Investments

The balance in this account as of March 31, 2017 was $22,745 million pesos, or an increase of $17,365 million pesos versus the same date of the prior year. This is mainly due to the resources obtained from the LIVEPOL26 listing, to withdrawing $5,000 million pesos from our syndicated loan, and to the conservative growth rate in our credit portfolio. Of this balance, 6.2% is currently invested in foreign currencies (mainly USD) in order to cover merchandise in transit and accounts payable that are denominated in foreign currencies.

Clients

As of the first quarter in 2017, our trade portfolio accounted for $27,996 million pesos, or an increase of 2.8% with respect to the figure registered for the same date of the prior year.

The accumulated share of the Liverpool credit cards came to 43.2% of total sales, versus the 44.1% of the same period of the prior year.

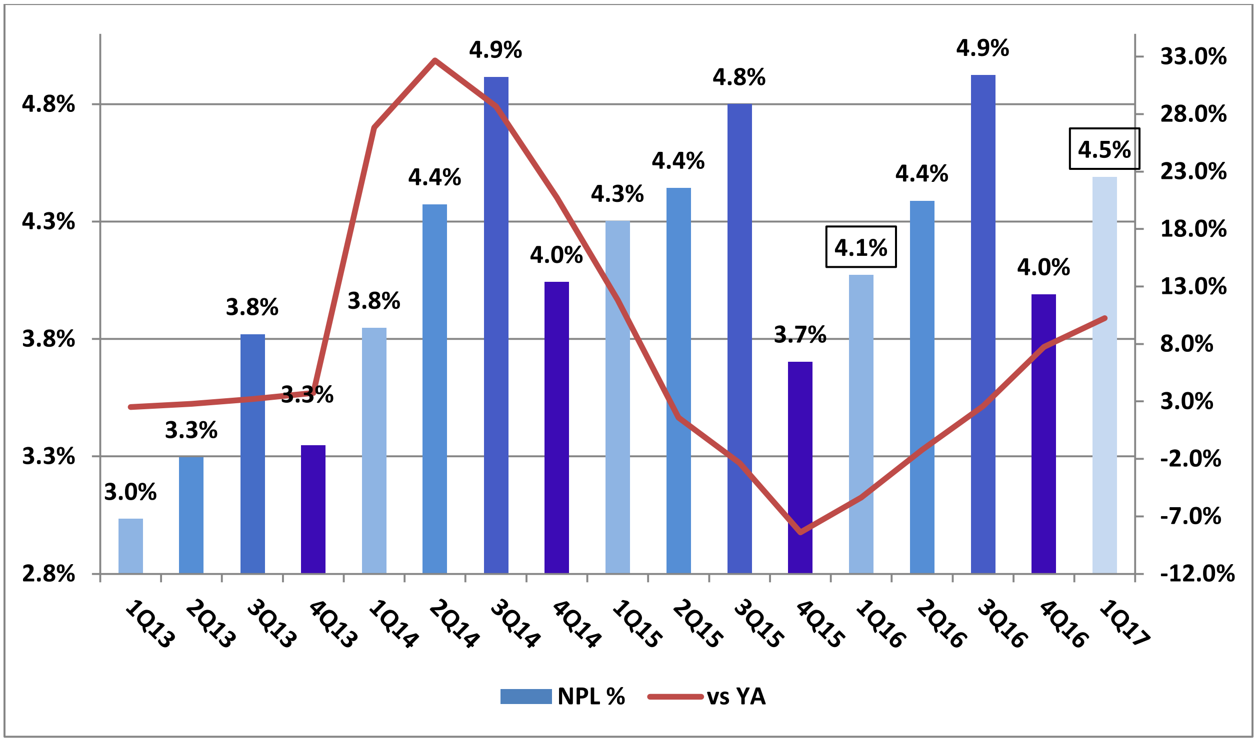
Reserves for the past-due portfolio as of March 31 are as follows:

(Figures in thousands of pesos)

Pesos	Mar 17	Mar 16	Dif %
Initial balance of reserve:	2,516,143	2,219,573	13.4%
(+) New reserves:	518,107	329,956	57.0%
(-) Write off:	(558,729)	(476,072)	17.4%
Ending balance of reserve	**2,475,521**	**2,073,457**	**19.4%**

Our more than 90 days past due portfolio, came to 4.5% of the total portfolio, or 42 bps above the rate at the closing of the first quarter in 2016.

Accounts past due for more than 90 days (%) and growth rate year on year



Inventories and Accounts Payable

Inventories at the end of the quarter totaled $16,432 million pesos, up 6.7% from the year before. This increase is driven by the contribution made by new stores and the effect of the devaluation of the Mexican peso.

In terms of accounts payable to suppliers, the balance as of the end of the quarter showed a 2.6% growth as compared to the same quarter of the prior year, for a total of $15,982 million pesos.

Cost-Bearing Debt and Cash Flow

The cost-bearing debt cost is described as follows:

(Figures in thousands of pesos)

Pesos	Mar 17	Mar 16	Dif %
Cost bearing debt	(31,556,731)	(14,092,556)	123.9%
Financial derivative instruments acquired for hedging purposes	871,557	1,547,239	-43.7%
TOTAL	(30,685,174)	(12,545,317)	144.6%

It is important to point out that 100% of the dollar-denominated debt (US$1,050 million) is covered by a cross-currency swap that includes principal and interests.

The gross and net leverage EBITDA ratio at the closing of the quarter was 1.89 times and 0.49 times, respectively. Both ratios have been calculated taking into account the effect of the market price valuation of the derivative hedging financial instruments shown in the table above.

During the quarter, the company made the first withdrawal for $5,000 million pesos from the syndicated loan for up to $10,000 million pesos we reported during the prior quarter. This in order to conclude the process to acquire Suburbia.

Cash flow from operating activities during the period came to ($3,630) million pesos, compared to the ($1,889) million pesos we invested the prior year.

Investments in CAPEX Projects

As of March 31, 2017, investments in capital expenditure projects amounted to $1,420 million pesos. Of this amount, 80% corresponds to expansion and remodeling projects.

Expansion and Recent Events

The openings plan for 2017 represents a new record for the group, with eleven new stores and one shopping mall, for an additional 6.2% in commercial space.

Liverpool Stores:

1. Tlaxcala, Tlaxcala (opened on April 19, 2017)
2. Tuxtla Oriente, Chiapas (will be opened on May 3, 2017)
3. Puebla Zaragoza, Puebla
4. Toreo, Estado de México

Fábricas de Francia Stores:

1. Buenavista, Mexico City (opened on March 21, 2017)
2. Apizaco, Tlaxcala (opened on April 5, 2017)
3. Tonalá Plaza Lomas, Jalisco (opened on April 11, 2017)
4. Saltillo, Coahuila
5. Oaxaca Plaza Bella, Oaxaca
6. Plaza Sendero Valle de Chalco, Estado de México
7. Comitán, Chiapas

With openings in Apizaco and Tlaxcala, Liverpool is now present in every state in the country.

Shopping Malls:
Galerías Tlaxcala

Remodeling and Expansions:

1. Liverpool Perisur
2. Monterrey Centro
3. Monterrey Galerías
4. Plaza Satélite
5. Perisur shopping mall
6. Galerías Mérida shopping mall
7. Galerías Monterrey shopping mall

Regal Forest / Grupo Unicomer

On February 15, Regal Forest Holding Co. Ltd., in which Liverpool holds a 50% share, changed its name to Grupo Unicomer Co. Ltd.

On March 20, Grupo Unicomer closed the security notes offering under Rule 144A/Reg S for USD$350,000,000 at an annual 7.875% interest rate, with maturity in 2024. The objective of this offering was to refinance existing debt by extending the average term.

Ripley

As of the date of this report we have no new information to report.

Suburbia

On March 10, the Mexican Antitrust Commission (*Comisión Federal de Competencia Económica*, COFECE) approved the sale of Suburbia to Liverpool, with no restrictions. Effective April 4, Liverpool purchased 100% of the four legal entities that make up Suburbia, as well as the intellectual property and other goods and rights related to that division, for an approximate net amount of $15,700 million pesos, including debt for approximately $1,400 million pesos in the form of leasings for potential capitalization that Liverpool is taking on.

Further, Liverpool reimbursed Walmex an amount of approximately $80 million pesos related to construction that took place between August 2016, when the definitive agreement was signed, and now.

Additionally, Walmex received approximately $3,300 million pesos from dividends and equity reductions.

The purchasing price is subject to the normal adjustments for these types of transactions, specified in the agreement for the corresponding acquisition.

The organization is focused on incorporating Suburbia, ensuring the continuity of the business and maintaining the commercial offering to the client.

Analyst Coverage

In compliance with the Mexican Securities Market Law, the Company discloses the Institutions and Financial Groups that analyze our financial and operating performance:

Actinver	BTG Pactual	HSBC	Santander
Bank of America Merrill Lynch	Credit Suisse	Interacciones	Scotiabank
Banorte IXE	Deutsche Bank	Intercam	Ve por más
Barclays	GBM	Itaú BBA	Vector
BBVA Bancomer	Goldman Sachs	Morgan Stanley	

Company Profile

El Puerto de Liverpool, S.A.B. de C.V. (as of March 31, 2017)

Stores:		
Liverpool	87	1,382,868 m2
Fábricas de Francia	36	241,836 m2
Total Stores	**123**	**1,624,704 m2**
Shopping Malls:	25	472,114 m2
Boutiques:	108	64,329 m2

Credit Cards

Number of cards	1Q 2017	1Q 2016	% Var
Liverpool Cards	4,344,937	4.023.673	8.0%

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