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

RESULTS OF OPERATIONS FOR THE SECOND QUARTER OF 2017

Highlights

- The peso continues to strengthen. The average exchange rate in the second quarter showed a devaluation of just 2.4% compared to the same period of last year.

- Most consumption-related macroeconomic indicators remained positive, such as job creation, total payroll, consumer credit and remittances.

- Inflation continued to rise, reaching a 12-month rate of 6.3% at the close of June. Meanwhile, consumer confidence, despite recouping its steep losses in January, is still almost 7% below where it stood at mid-2016.

- Total revenues for the quarter saw a growth of 23.1%, helped by the integration of Suburbia. Total sales in the year to date are up 16.6%.

- Same-store sales grew 6.1% in the quarter, and 5.2% year to date.

- The gross margin was 25bp lower than in 2Q16, but in the year to date it stands 33bp higher.

- The EBITDA margin was 14.9% in 2Q17, down 47bp against the same quarter of last year, and was 14.0% in the first six months of the year, a 19bp decline in year-over-year terms. The 12-month EBITDA margin closed June at 15.8%.

- Net profit for the quarter fell 2.3% and year-to-date net profit is off by 17.7%. Stripping out exchange-rate effects, the bottom line would be 0.9% stronger for the year to date.

- The transaction with Suburbia was formally closed on April 4. We are continuing with the incorporation plan for this business.

- This year, the company expects to complete a record year for openings, with a total of eleven new department stores opening their doors: four Liverpool and seven Fábricas de Francia. We are also planning to open the Galerías Tlaxcala shopping center. As of the date of this report, two Liverpool and three Fábricas de Francia stores had been opened.

Economic Environment

The peso had advanced 17.5% as of June 30, closing at 18.06 per dollar, compared to Ps 21.90 per dollar during January of this year. The average exchange rate for the quarter shows a devaluation of 2.4% compared to the same period of last year. In the first half of the year as a whole, the average devaluation was 7.5% compared to the same period of 2016.

Once again, formal job creation, payroll, remittances and consumer lending all moved higher in the period.

Inflation expectations for 2017 have shifted upward to 6.0%, reflecting an estimated 2.6 ppt increase over last year's 3.36% inflation rate. The initial effects of the peso's devaluation, as well as a rise in the price of commodities controlled by the government, such as gasoline and electrical energy, were the main factors in the rise in inflation, which had a negative impact on household purchasing power.

The consumer confidence index showed mixed readings throughout the quarter. Durable goods purchase intentions continue to slide amid uncertainty over the future of the economy, combined with problems with the lack of public safety.

Key figures

The following are the key figures presented in our income statement as of the close of the second quarter:

Pesos - Thousands	QUARTER			YTD		
	2Q17	2Q16	Dif.	2017	2016	Dif.
Total revenue:	**29,902,903**	**24,284,510**	**23.1%**	**50,554,533**	**43,368,700**	**16.6%**
Retail (includes services and other)	26,487,302	21,155,451	25.2%	44,086,313	37,342,188	18.1%
Interest	2,670,889	2,391,730	11.7%	4,922,606	4,529,652	8.7%
Leasing	744,712	737,329	1.0%	1,545,614	1,496,860	3.3%
Cost of goods sold	17,908,203	14,482,551	23.7%	29,768,435	25,679,285	15.9%
Gross income	**11,994,700**	**9,801,959**	**22.4%**	**20,786,098**	**17,689,415**	**17.5%**
Gross margin	**40.1%**	**40.4%**	**(0.25)**	**41.1%**	**40.8%**	**0.33**
Operating expenses	8,337,386	6,709,080	24.3%	15,206,919	12,798,766	18.8%
Operating income	**3,657,314**	**3,092,879**	**18.2%**	**5,579,179**	**4,890,649**	**14.1%**
Net income	2,199,514	2,252,256	-2.3%	2,991,548	3,636,425	-17.7%
EBITDA	**4,462,966**	**3,738,603**	**19.4%**	**7,054,362**	**6,132,185**	**15.0%**
EBITDA margin	**14.9%**	**15.4%**	**(0.47)**	**14.0%**	**14.1%**	**(0.19)**
Customer portfolio	**30,170,949**	**28,724,710**	**5.0%**			
Same-store sales growth	**6.1%**	**8.7%**	**-2.6 p.p.**	**5.2%**	**7.6%**	**-2.4 p.p.**

RESULTS

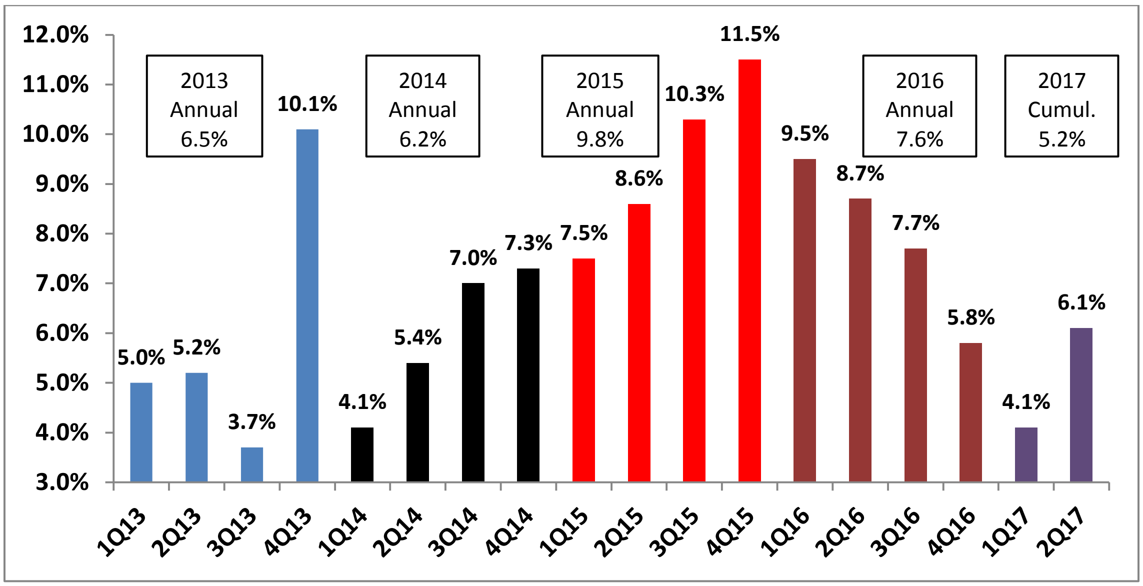
Sales of goods and services

Following the incorporation of Suburbia, total retail revenue in the second quarter grew 25.2%, and in the first six months of the year advanced 18.1%.

	2Q2017		YTD	
(Pesos Thousands)	**MPs**	**Dif.**	**MPs**	**Dif.**
Organic growth	23,091,917	9.2%	40,690,928	9.0%
Suburbia	3,395,385	n/a	3,395,385	n/a
Total	**26,487,302**	**25.2%**	**44,086,313**	**18.1%**

Same-store sales were up 6.1% for the quarter and 5.2% in cumulative terms. For the purposes of perspective, same-store sales for Suburbia (not included in this indicator) rose 4.7%.

Same-Store Sales Growth



The average ticket expanded by 6.9% in the first half of the year, while traffic ebbed by 1.5%. This was the result of inflationary pressures observed throughout the year. In the second quarter, however, traffic picked up, returning to its year-earlier levels.

Figures published by ANTAD (the Spanish acronym for the Mexican Association of Supermarkets and Department Stores) as of June 3, 2017 indicate a 4.7% increase in same-store sales, in nominal terms. Specifically, department stores affiliated with that Association report a 4.4% increase in same-store sales.

Broken down by category, the best performance was seen in Sporting Goods, Housewares, Cosmetics and Accessories; while Furniture, Menswear, Televisions and Computers were less robust.

By geographic region, sales in northern Mexico in general and the west-central region saw the strongest expansion, while those of the southeast continue to feel the impact of the oil industry slowdown.

Year-to-date growth in the e-commerce channel was 40.1% compared to the first half of 2016, and this category accounted for 3.4% of retail revenue.

Interest Income and Customer Portfolio

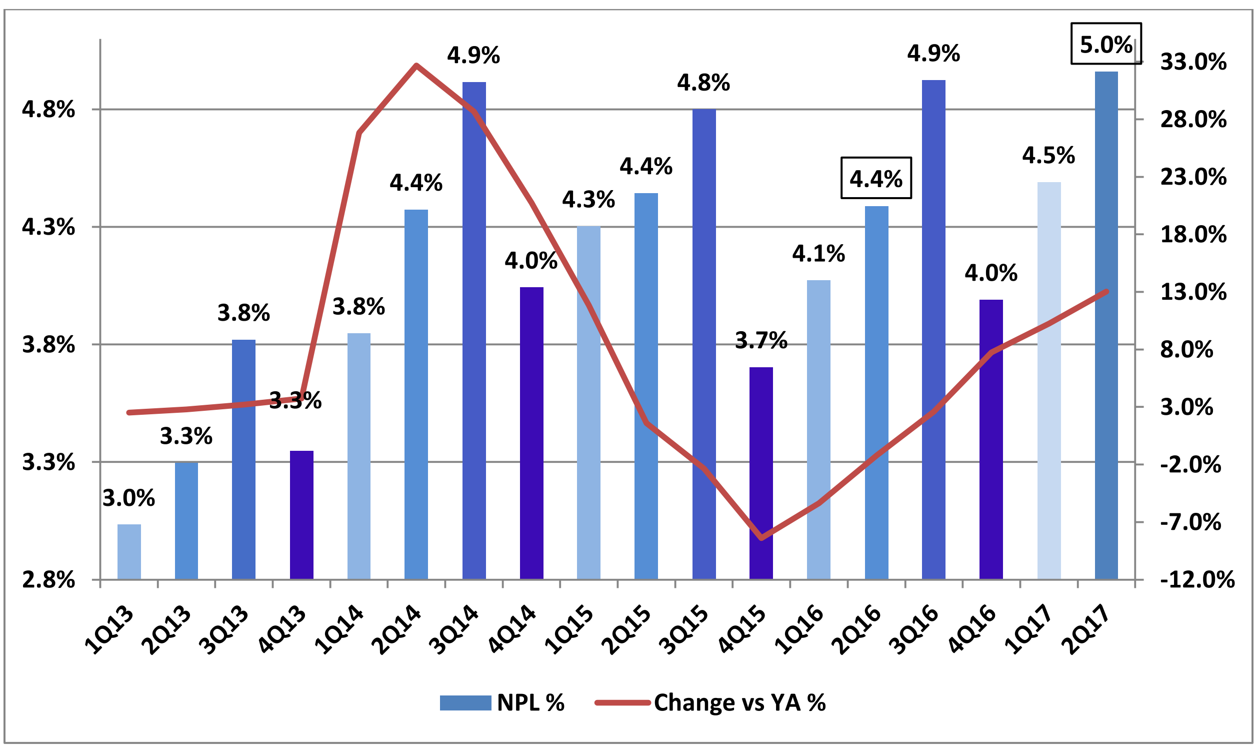
In the second quarter of 2017, revenues in our credit division increased 11.7% over the same period of last year, and in the first half of the year grew 8.7%. The customer portfolio expanded by 5.0% compared to last year. This reflects the growth of the performing credit portfolio (fewer interest-free installment sales and lower terms) and a 2-point increase in the interest rate as of April.

As of the second quarter of 2017, the customer portfolio, net of reserves, totaled Ps. 30.17 billion.

Purchases made with Liverpool credit cards accounted for 46.0% of total sales, unchanged from the same period of last year.

Credit payments more than 90 days past due reached 5.0% of the total portfolio in 2Q17, 57bp higher than at the close of the second quarter of 2016. Measures have been taken in the collections and portfolio administration areas in order to contain the rise in past-due accounts. In terms of collections, accounts that qualify as high risk are subject to pre-collection with calls before the payment date, collection scores were adjusted, account performance was analyzed against information from the national Credit Bureau, and the out-of-court collection process was moved forward. In terms of portfolio administration, credit scores have been adjusted, the cash withdrawal policy tightened, exceptions on store credit were eliminated, and the strategy of raising credit lines was reviewed.

Accounts more than 90 days past due (%) and growth rate vs. the prior year



Past-due account reserves as of June 30 were as follows:

(Pesos Thousands)	Jun 17	Jun 16	Dif %
Initial balance of reserve:	2,516,143	2,219,573	13.4%
(+) New reserves:	1,590,877	1,219,393	30.5%
(-) Write off:	(1,138,025)	(966,118)	17.8%
Ending balance of reserve	**2,968,995**	**2,472,848**	**20.1%**

Leasing

Quarterly leasing revenues saw a 1.0% year-over-year improvement, while for the first six months of the year they improved 3.3%. The effect of the change in the accounting treatment on occupancy rights to deferred according to the contract's duration, had a negative impact of 2 percentage points on the accumulated results. Occupancy levels in the shopping centers remained at around 96%.

Cost of Goods Sold and Gross Margin

The cost of goods sold rose 23.7% in the quarter, and 15.9% in the first half of the year. Both of these figures reflect the integration of Suburbia.

Retail Margin

The retail margin both for 2Q17 and for the year to date reflects an improvement of 102bp despite the impact of the peso's devaluation. This can be attributed to price increases, a healthy inventory position and less of a need for discounts, as well as the incorporation of Suburbia, which contributed 70bp of that improvement in the quarter, and 40bp of the accumulated increase.

(Pesos Thousands)	QUARTER			CUMULATIVE		
	2Q17	2Q16	DIF %	2017	2016	DIF %
Retail	26,346,550	20,991,534	25.5%	43,614,495	37,069,594	17.7%
Cost of goods sold	17,908,203	14,482,551	23.7%	29,768,435	25,679,285	15.9%
Retail margin	**32.0%**	**31.0%**	**1.02**	**31.7%**	**30.7%**	**1.02**

Total Gross Margin

This margin shrank by 25bp in the quarter, due to a change in the mix of business lines. With the incorporation of Suburbia, the Retail Division accounted for almost 89% of total revenues, 1.5 percentage points higher than last year.

	QUARTER			CUMULATIVE		
As % of total income	2Q17	2Q16	VAR bps	2016	2015	VAR bps
Retail	88.6%	87.1%	1.46	87.2%	86.1%	1.10
Interest	8.9%	9.8%	- 0.92	9.7%	10.4%	- 0.71
Leasing	2.5%	3.0%	- 0.55	3.1%	3.5%	- 0.39

Operating Expenses

Operating expenses grew 24.3% in the quarter, and 18.8% in the first six months of the year. Suburbia's incorporation accounts for almost 65% of the quarterly increase. The main factors behind the result excluding Suburbia are: a) new stores and boutiques; b) remodeling of stores and shopping centers, mainly Perisur, Galerías Monterrey and Plaza Satélite; c) provisions for uncollectable accounts; d) the Omnichannel strategic initiative; e) the impact of the peso's devaluation against the dollar, particularly in IT expenses; and f) a rise in electrical rates. Also during the quarter, a one-time expense (investment bankers, auditors and legal counsel) was entered relating to the Suburbia acquisition and project with Ripley (Ps. 153 million in total).

Operating Income

Operating income for the second quarter of the year totaled Ps. 3.66 billion, an 18.2% growth compared to the same quarter of 2016. In the year to date, operating income came to Ps. 5.58 billion, rising 14.1% against the same half of 2016. These figures also include the results of Suburbia.

EBITDA

Second-quarter EBITDA came to Ps. 4.46 billion, 19.4% higher than in the same quarter of 2016. Suburbia contributed Ps. 321 million of this, or 44% of the increase. Quarterly EBITDA excluding Suburbia rose 10.8% year-over-year, while in the year to date it totaled Ps. 7.05 billion, a 15.0% increase compared to the first six months of 2016.

The EBITDA margin, was 14.9% for the quarter and 14.0% for the first half, down 47bp and 19bp against the respective year-earlier periods.

The 12-month EBITDA margin reached 15.8%, a 37bp erosion in the year; excluding Suburbia this margin was 16.0%, 10bp lower than the year before.

The breakdown of the effects of Suburbia's incorporation on EBITDA and the EBITDA margin are shown below:

EBITDA	2Q2017			Cumulative 2017			Last 12 mos.		
(MxPs Thousands)	MPs	Increase	Margin	MPs	Increase	Margin	MPs	Increase	Margin
Organic growth	4,142,194	10.8%	15.6%	6,733,590	9.8%	14.3%	16,652,317	7.9%	16.0%
Suburbia	320,772	n/a	9.4%	320,772	n/a	9.4%	320,772	n/a	9.4%
Total	**4,462,966**	**19.4%**	**14.9%**	**7,054,362**	**15.0%**	**14.0%**	**16,973,089**	**10.0%**	**15.8%**

Financial Expense and Income

Liverpool reported a net financial expense of Ps. 618 million for the quarter, which was Ps. 412 million higher than in 2Q16. In the year to date the result is a net financial loss of Ps. 1.91 billion, which is Ps. 1.52 billion more than in the first six months of 2016.

(Pesos Thousands)	QUARTER			CUMULATIVE		
Net Financial Income/(Expense)	**2Q17**	**2Q16**	**Effect**	**2017**	**2016**	**Effect**
Interest	(585,706)	(189,043)	(396,663)	(988,080)	(357,660)	(630,420)
Exchange Effect	(31,907)	(17,033)	(14,874)	(926,903)	(33,378)	(893,525)
Total Financial Income/(Expenses)	**(617,613)**	**(206,076)**	**(411,537)**	**(1,914,983)**	**(391,038)**	**(1,523,945)**

Net interest expense in the period of this report grew 209%, reflecting the higher debt levels associated with the acquisition of Suburbia. In 2017 to date, the increase was 176% year-over-year.

Equity in the results of associated companies and joint ventures

During the second quarter, this line declined by 76.7%, to Ps. 45.7 million. In the first sex months of the year it shows a total of Ps. 297.9 million, which is 21.6% lower than in the same half of 2016. These results reflect additional financing expenses as well as additional provisions for uncollectable accounts at Grupo Unicomer.

Net income

Majority net income in the second quarter totaled Ps. 2.20 billion, 2.3% lower than in 2016. For the year to date, this line was 17.7% lower than in 2016, reaching Ps. 2.99 billion. Excluding exchange-rate effects, the year-to-date figure would have been Ps. 3.69 billion, an increase of 0.9% over the first half of 2016.

BALANCE SHEET

Cash and Short-Term Investments

The balance of this account as of June 30, 2017 was Ps. 6.59 billion, Ps. 1.01 billion higher than it was one year ago. Of this amount, 20.3% was invested in foreign currency (mainly USD) in order to cover goods in transit and accounts payable denominated in foreign currency.

Inventory and Accounts payable

Inventory totaled Ps. 19.24 billion at the close of the quarter, 21.9% higher than the year-earlier amount. This increase reflects the contribution of new stores, the incorporation of Suburbia, and the effects of the Mexican peso's devaluation in that period.

Accounts payable to vendors at the close of the quarter stood 19.3% higher than on the same date in 2016, totaling Ps. 19.53 billion. This balance also reflects the incorporation of Suburbia.

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Cost-Bearing Debt and Cash Flow

The following shows the breakdown of our cost-bearing debt as of this report date:

(Pesos Thousands)	Jun 17	Jun 16	Dif %
Cost bearing debt	(30,787,186)	(14,460,836)	112.9%
Financial derivative instruments acquired for hedging purposes	132,762	2,060,850	-93.6%
TOTAL	**(30,654,424)**	**(12,399,986)**	**147.2%**

Note that 100% of our dollar-denominated debt (USD 1.05 billion) is hedged with a cross-currency swap that covers both principal and interest.

The gross and net leverage ratios (gross and net debt to EBITDA) on a 12-month basis were 1.81 times and 1.42 times, respectively, at the close of the quarter. These ratios have been calculated taking into account a mark-to-market valuation of the hedge instruments shown in the table above.

Capital Expenditures

As of June 30, 2017, Liverpool had a total of Ps. 2.66 billion invested in capital expenditures, 80% of which was invested in expansion and remodeling projects.

Dividends

On May 26 of this year the first payment of Ps. 778,397,492.00 was made against the dividend declared in the General Shareholders' Meeting of March 2. Payment of the remaining Ps. 510,034,518.00 will be made on October 6 of this year.

Expansions and recent events

The 2017 opening plan represents a new high for the group, with eleven new stores and one shopping center adding 6.2% to our retail space. As of May 1, 2017, Fábricas de Francia San Luis Potosí was converted to Liverpool format.

Liverpool stores:

1. Tlaxcala, Tlaxcala (Opened April 19, 2017)
2. Tuxtla Oriente, Chiapas (Opened May 3, 2017)
3. Duty Free Cabo San Lucas (closed)
4. Puebla Zaragoza, Puebla
5. Toreo, Mexico State

Fábricas de Francia Stores:

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

Suburbia Stores:

1. Aguascalientes, Aguascalientes
2. Campeche, Campeche

With the openings at Apizaco and Tlaxcala, Liverpool is now present in every state of Mexico.

Shopping Centers:

Galerías Tlaxcala

Remodeling and expansions:

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

Frequent Issuer Program

On July 21, we received notice from the National Banking and Securities Commission of the preliminary listing of an issue of securities certificates in the National Securities Registry, and the authorization to publicly offer those instruments. The authorized program totals Ps. 30,000,000,000.00 (Thirty billion Mexican pesos).

Ripley

On May 19, 2017, Liverpool and the controlling parties of Ripley Corp., S.A., announced the termination of their Partnership Agreement, releasing all parties from the rights and obligations stipulated therein.

Suburbia

Effective April 4, Liverpool acquired 100% of the equity in the four legal entities that make up Suburbia, as well as the intellectual property and other property and rights relating to that division, for an approximate net amount of Ps. 15.70 billion, including debt totaling approximately Ps. 1.40 billion in the form of capitalizable leases that Liverpool is assuming. Additionally, Walmex received approximately Ps. 3.30 billion pesos for declared dividends and capital reduction.

Liverpool also reimbursed Walmex: a) approximately Ps. 80 million for construction expenses disbursed from the time the original agreement was signed in August 2016 to the present; and, b) Ps. 1.44 billion for cash held by Suburbia on the date the transaction was closed.

The purchase price is subject to the normal adjustments for this type of transaction, which were determined according to the corresponding purchase agreement. These adjustments include payment for changes in the value of working capital and taxes for the current period, among others, which to date are estimated at a net amount of approximately Ps. 400 million, to be settled in the next few weeks.

The organization is focusing on the incorporation of Suburbia, ensuring the continuity of that business while maintaining its retail proposition toward its customers. As of the date of this report, Liverpool operations have integrated processes relating to the areas of: finance, accounting and treasury, imports, maintenance, supplies, and auditing. The next step will be to incorporate the processes relating to merchandise administration and payroll, which will be carried out in the months of August and September.

On June 5, Suburbia's corporate employees moved to their new offices located alongside the Cuajimalpa Suburbia store.

Analyst Coverage

Pursuant to the Securities Market Act, the Company hereby discloses the list of Institutions and Financial groups that maintain coverage of its financial and operating performance:

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

About the Company

El Puerto de Liverpool, S.A.B. de C.V.: (as of June 30, 2017)

Department Stores:		
Liverpool	89	1,413,151 m2
Fábricas de Francia	37	237,738 m2
Total Stores	**126**	**1,650,889 m2**
Suburbia	122	461,084 m2
Shopping Centers:	25	476,691 m2
Boutiques:	112	67,326 m2

Credit Cards

Number of Cards	2Q 2017	2Q 2016	% Chg.
Liverpool Cards	4,455,777	4,136,736	7.1%

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