LIVEPOL

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

RESULTS OF OPERATIONS FOR THE SECOND QUARTER OF 2019

Macroeconomic Highlights

Positive:

- The average **exchange rate** in the peso appreciated by 1.6% year-over-year; in the first half of the year the peso devalued by 0.4% compared to the first half of 2018.
- **Wage remittances** in pesos rose 6.5% for the second 5 months of the year, and the twelve-month reading was 16.5% higher than in 2018.
- Twelve-month **inflation** closed the quarter at 3.95%, 70bps below the year-earlier figure, and within the central bank's target range.
- Although the most recent readings for the **consumer confidence index** were lower than at the start of the year, they remain stronger than in the year-earlier period.
- **Wages** rose in the year to date by a nominal 6.1%.

Negative:

- **Benchmark interest rates:** Banxico kept the bank overnight rate at 8.25%.
- **Consumer credit** remains weak, with a real growth of 1.8% year-over-year.
- The number of **new jobs created** was 60.8% lower than in the previous year.

Company results and outlook:

In order to maintain comparability with last year's figures, the following comments **do not** take into account the effects of the new IFRS 16 - Leases. The effects of this new reporting standard are described in a paragraph toward the end of the report.

- **Same-store sales for Liverpool** grew 7.1% during the quarter, and 6.1% in the first half of the year.
- **At Suburbia, same-store sales** grew 5.0% in the second quarter and 2.5% in the first half.
- **Total revenues** for the quarter were up 9.3%, and for January-June they grew 9.0%.
- **The EBITDA margin** in the quarter was 14.6%, 30bp lower than the year before, and 12.2% for the first six moths of the year, also 30pb lower than the same half of 2018.
- **Non-performing loans** ended the quarter at 5.6% of the total portfolio, 10pb below the same quarter of 2018.
- Second-quarter **Net profit** grew 14.6%; in the first half, net profit grew 11.6%.

Key figures

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

QUARTER

Million pesos	2Q2019	2Q2018	VAR %	2019 IFRS 16	VAR %	Income effects with IFRS 16
Total revenue:	**35,663.4**	**32,633.4**	**9.3%**	**35,663.4**	**9.3%**	
Commercial (includes services a	31,358.1	28,858.1	8.7%	31,358.1	8.7%	
Interest	3,441.1	2,869.4	19.9%	3,441.1	19.9%	
Leasing	864.2	905.9	(4.6%)	864.2	-4.6%	
Cost of sales	21,347.0	19,543.1	9.2%	21,347.0	9.2%	
Gross income	**14,316.4**	**13,090.3**	**9.4%**	**14,316.4**	**9.4%**	
Gross margin	40.1%	40.1%	0.0 p.p.	40.1%	0.0 p.p.	
Total operating expenses	**9,967.1**	**9,025.7**	**10.4%**	**9,800.4**	**8.6%**	**166.6**
Operating Expenses	9,103.9	8,219.8	10.8%	8,642.8	5.1%	461.1
Depreciation & Amortization	863.1	805.9	7.1%	1,157.6	43.6%	(294.5)
Operating income	**4,349.3**	**4,064.6**	**7.0%**	**4,515.9**	**11.1%**	166.6
Financing Expense						(261.8)
Net income	3,108.0	2,711.1	14.6%	3,038.3	12.1%	69.6
EBITDA	**5,212.4**	**4,870.5**	**7.0%**	**5,673.5**	**16.5%**	**461.1**
EBITDA margin	**14.6%**	**14.9%**	**(0.3 p.p)**	**15.9%**	**1.0 p.p.**	
Same-store growth Liverpool	**7.1%**	**7.4%**	**(0.3 p.p)**			
Same-store growth Suburbia	**5.0%**	**11.3%**	**(6.3 p.p)**			
Same-store growth Total	**6.8%**	**7.9%**	**(1.1 p.p)**			

YTD

Million pesos	2019	2018	VAR %	2019 with IFRS 16	2018	VAR %	Income effects with IFRS 16
Total revenue:	**63,132.7**	**57,895.8**	**9.0%**	**63,132.7**	**57,895.8**	**9.0%**	
Commercial (includes services a	54,796.3	50,703.9	8.1%	54,796.3	50,703.9	8.1%	
Interest	6,596.5	5,457.0	20.9%	6,596.5	5,457.0	20.9%	
Leasing	1,739.9	1,734.9	0.3%	1,739.9	1,734.9	0.3%	
Cost of sales	37,756.5	34,512.0	9.4%	37,756.5	34,512.0	9.4%	
Gross income	**25,376.2**	**23,383.8**	**8.5%**	**25,376.2**	**23,383.8**	**8.5%**	
Gross margin	40.2%	40.4%	(0.2 p.p)	40.2%	40.4%	(0.2 p.p)	
Total operating expenses	**19,394.2**	**17,771.6**	**9.1%**	**19,066.6**	**17,771.6**	**7.3%**	**327.6**
Operating Expenses	17,657.9	16,160.3	9.3%	16,749.5	16,160.3	3.6%	908.4
Depreciation & Amortization	1,736.3	1,611.4	7.8%	2,317.1	1,611.4	43.8%	(580.8)
Operating income	**5,981.9**	**5,612.1**	**6.6%**	**6,309.5**	**5,612.1**	**12.4%**	**327.6**
Financing Expense	**862.0**	**943.4**	**(8.6%)**	**1,387.8**	**943.4**	**47.1%**	(525.8)
Net income	4,144.9	3,715.1	11.6%	3,999.2	3,715.1	7.6%	145.7
EBITDA	**7,718.2**	**7,223.5**	**6.8%**	**8,626.6**	**7,223.5**	**19.4%**	**908.4**
EBITDA margin	**12.2%**	**12.5%**	**(0.3 p.p)**	**13.7%**	**12.5%**	**1.2 p.p.**	
Customer's portfolio	**33,603.8**	**31,447.6**	**6.9%**				
Same-store growth Liverpool	**6.1%**	**6.8%**	**(0.7 p.p)**				
Same-store growth Suburbia	**2.5%**	**13.9%**	**(11.4 p.p)**				
Same-store growth Total	**5.6%**	**7.7%**	**(2.1 p.p)**				
EBITDA 12 Months	**20,731.3**	**18,569.0**	**11.6%**				

RESULTS

I. Sales of goods and services

In the second quarter of 2019, total retail revenues grew 8.7%, and in the first half of the year the growth was 8.1%.

Million pesos	QUARTER			YTD		
Commercial Revenues	**2Q2019**	**2Q2018**	**VAR %**	**2019**	**2018**	**VAR %**
Liverpool	27,231.1	25,164.7	8.2%	47,321.4	43,798.1	8.0%
Suburbia	4,127.0	3,693.4	11.7%	7,475.0	6,905.7	8.2%
Total	**31,358.1**	**28,858.1**	**8.7%**	**54,796.3**	**50,703.9**	**8.1%**

This quarter's results reflected the effects of the shift in Easter week, and last year we had the positive effect of sales tied in to the World Cup soccer playoffs. With the transformation of Fabricas de Francia, the "Night Sales" of these units were incorporated into Liverpool's, and there were two fewer days of Night Sales this year than in 2018.

Liverpool

Same-store sales were up 7.1% for the quarter and 6.1% for the year to date.

The average ticket at Liverpool grew 5.1% while traffic decreased 1.0%. Broken down by product category, Menswear, Appliances and Computers all outperformed the average, while Baby Products and Sporting Goods were less robust.

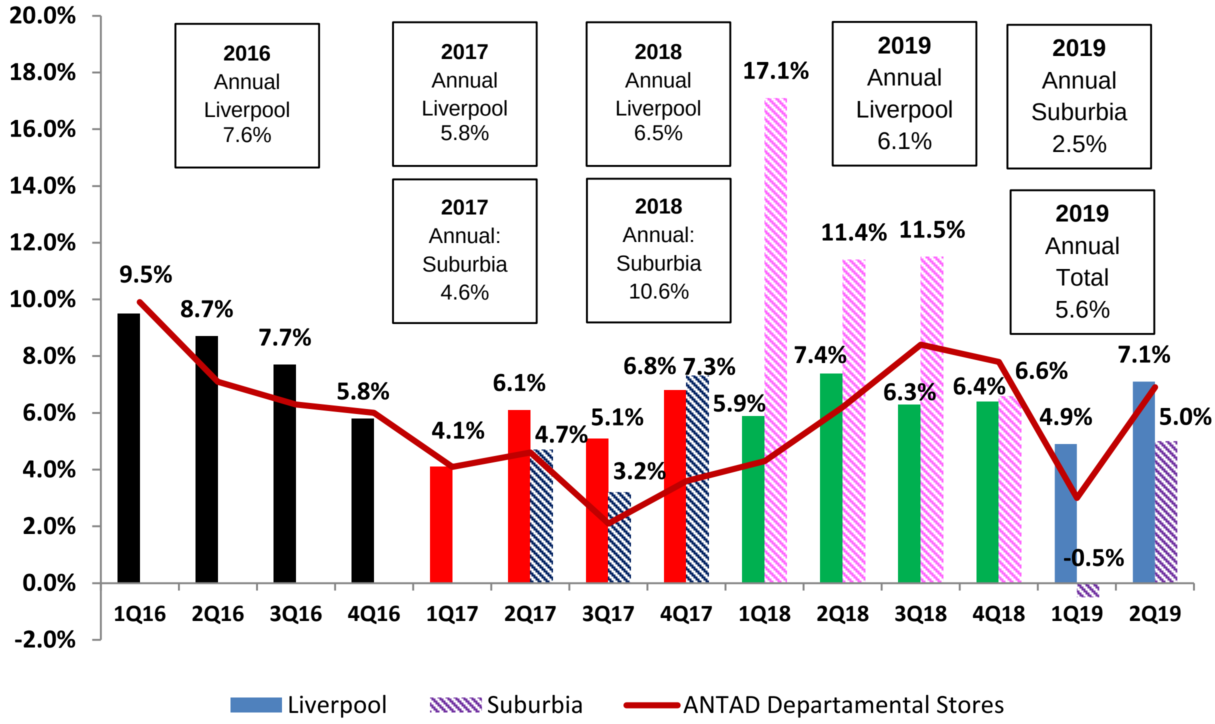
By geographic region, results in the Northern, Western and Gulf regions showed a stronger expansion, while those of the Pacific and Southern grew at rates below the average.

Suburbia

Same-store sales rose 5.0% in the quarter, despite the challenging comparative base of 11.4% in the same quarter of last year. In the year to date, same-store sales growth is 2.5%, and total sales growth 8.3%.

We are continuing our strategy of rapid expansion, reaching a total of 137 stores. We opened one new store in the quarter, converted 5 Fabricas de Francia to the Suburbia format and closed 2 stores.

Same-Store Sales Growth



The Galerias Coapa Suburbia store remained closed in the second quarter, so this is excluded from the calculation of same-store sales. Liverpool Coapa, which reopened its doors on October 31, 2018, is also excluded.

Figures published by ANTAD as of June 30, 2019 showed quarterly growth of 4.8% in nominal same-store sales terms. Department stores affiliated with ANTAD reported same-store sales growth of 6.9% in the second quarter.

II. Liverpool Omnichannel

Online sales grew 30.2% in the first half of the year. Due to the conversion of Fabricas de Francia units, the number of “Night Sale” promotional events were cut by half compared to last year. The comparable increase would have been 49%.

Liverpool Pocket, our leading digital channel, grew 104%, and downloads of the app rose 67% year-over-year.

Digital sales (Internet and Extended In-Store Catalog) accounted for 8.3% of total company sales in the first six months of the year.

The strong performance of digital channels was fueled by various projects during the quarter, including improvements in cash payment systems, which enable customers to make payments in drugstores and convenience stores; and the Marketplace project, which today accounts for 5% of the commercial offering of Liverpool.com.mx, with exponential growth. Furthermore, customers have access to this catalog through tablets held by our floor staff--a program unique to the industry worldwide--the results of which are:

- 10% of Marketplace sales took place in-store
- 45% of Marketplace deliveries were Click & Collect.
- 98% of returns were made on the sales floor, another way to improve customer service
- Our in-store floor staff earns commissions, encouraging a cultural change.

Omnichannel Customers, those that shop through the Digital Channel and the Physical stores, grew 13% vs. previous quarters, and now account for 10% of our total customer base. This is particularly relevant as these customers are more loyal and shop more frequently, accounting for about 25% of total company sales.

During the second quarter we introduced a redesign, standardization and simplification of operating processes in our logistical network, expediting order processing and delivery.

These measures made us more effective and helped us keep up with the growth of the digital channel, successfully handling a growth of more than 50% in sales order, while reducing average delivery times by 14%.

These results achieved were due in part to better inventory distribution, aimed at locating the product where the customer needs it and making sure it is available. With the support of our employees for quick, efficient fulfillment, we were able to ship from stores 85% of internet orders.

Sales using the Liverpool card accounted for close to 60% of purchases through digital channels, which is higher than the rate observed in our physical stores. This is the result of our efforts to know more about our customers' preferences and bring them personalized offers.

More than half our 5.3 million cardholders are registered with our digital services, where they can look up information like balances, account activity, available credit and account statements, among others.

We also improved the customer experience in the quarter by expanding their options for paying the Liverpool card to include debit card payments. The new means of payment were equivalent to close to 250 million pesos in June.

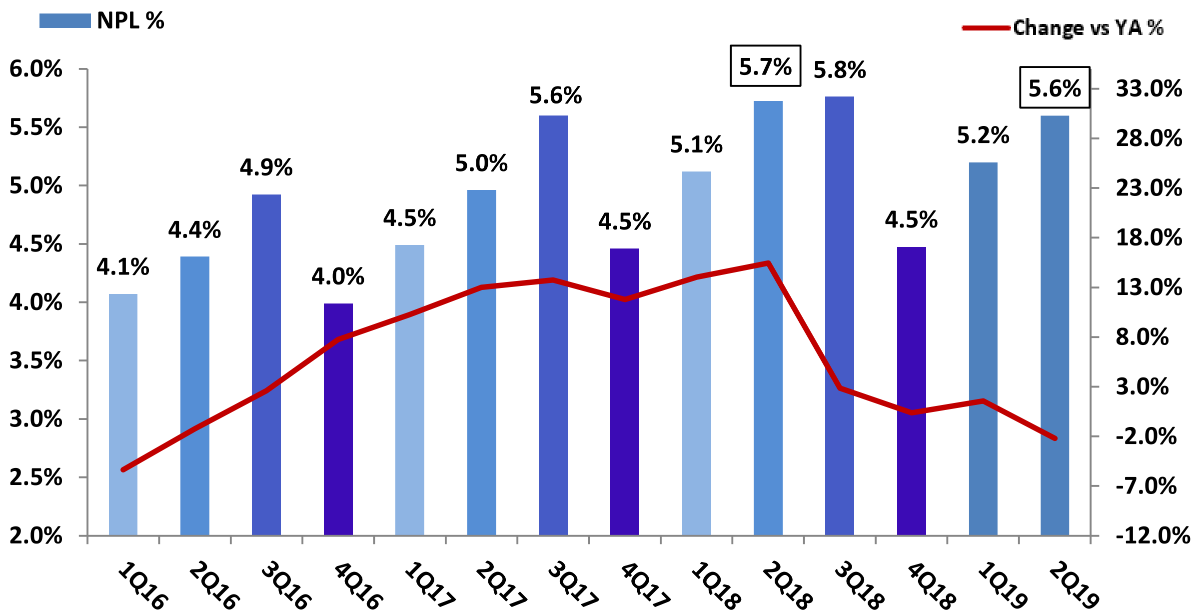
III. Financial Businesses

Interest Income and Customer Portfolio

In the second quarter, revenues in our credit division increased 19.9% over the same period of last year, and in the first half of the year the growth was 20.9%. The customer portfolio expanded by 6.9% year-over-year.

Credit payments more than 90 days past due made up 5.6% of the total portfolio, 10pb lower than in the same quarter of 2018. Thanks to new originiation and collection models introduced last year, we have been able to keep the non-performing loan rate stable.

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



Accrued non-performing loan reserves as of June 30 were as follows:

	QUARTER			YTD		
Million pesos	2Q2019	2Q2018	VAR %	2019	2018	Dif %
Initial balance of reserve:	4,013.8	3,086.1	30.1%	3,982.3	3,085.7	29.1%
(+) New reserves:	1,430.9	1,280.3	11.8%	2,236.4	2,029.4	10.2%
(-) Write off:	(809.1)	(726.2)	11.4%	(1,583.0)	(1,474.9)	7.3%
Ending balance of reserve	**4,635.7**	**3,640.2**	**27.3%**	**4,635.7**	**3,640.2**	**27.3%**

Note that 80% of the sequential growth in new reserves was due to portfolio associated with Suburbia credit.

Sales transacted using Liverpool store cards accounted for 46.2% of total sales, a 50bps increase over the year-earlier quarter.

A year after launching the new Suburbia card, we closed the quarter with almost 470,000 accounts and a net portfolio of more than Ps. 800 million. This card accounted for 15.7% of Suburbia sales in the quarter, and counting Liverpool cards the proportion rises to 21%.

IV. Leasing

Quarterly leasing revenues declined by 4.6% year-over-year, because in the second quarter of 2018 we received PS. 141 million in business interruption claims paid. Excluding this effect, revenues would have grown 12.9% in the quarter, reflecting the reopening of the Coapa store. In the first half of the year revenues were 0.3% higher, but excluding the abovementioned effect they would have grown 9.2%. Occupancy in our shopping centers stands at 95.3%.

V. Cost of Goods Sold and Gross Margin

Retail Margin

The retail margin shrank by 40bps in the second quarter of the year. Note that this metric is affected by Mother's Day, Father's Day, the special "Hot Sale" and Easter week sales events. In accumulated terms, the retail margin was down 80bps for the first half.

	QUARTER			YTD		
Millions pesos	2Q2019	2Q2018	Dif %	2019	2018	Dif%
Commercial sales	31,358.1	28,858.1	8.7%	54,796.3	50,703.9	8.1%
Cost of goods sold	21,347.0	19,543.1	9.2%	37,756.5	34,512.0	9.4%
Commercial margin	**31.9%**	**32.3%**	**(0.4 p.p)**	**31.1%**	**31.9%**	**(0.8 p.p)**

Consolidated Gross Margin

The second-quarter gross margin was unchanged from the year-earlier quarter, and in the year to date declined by 20bps. This can be attributed to a rise in the weight of the Credit Division during the year.

	QUARTER			YTD		
As % of total income	2Q2019	2Q2018	VAR pbs	2019	2018	VAR pbs
Retail	87.9%	88.4%	(0.5 p.p)	86.8%	87.6%	(0.8 p.p)
Interest	9.6%	8.8%	0.9 p.p.	10.4%	9.4%	1.0 p.p.
Leasing	2.4%	2.8%	(0.4 p.p)	2.8%	3.0%	(0.2 p.p)

Operating Expenses before Depreciation

In the second quarter, operating expenses before depreciation rose 10.8%, and in the first half, the increase was 9.3%. The main factors behind the increase were: a) provisioning for non-performing loans; b) increases in electricity costs; c) personnel expenses; and d) store opening expenses.

VII. EBITDA

EBITDA for the second quarter of 2019 totaled Ps. 5.21 billion, 7.0% higher than in the same quarter of 2018, and in the first six months of the year it reached Ps. 7.72 billion, a 6.8% growth. The quarterly EBITDA margin was 14.6%, a 30bps decline from the same period of 2018 and the margin for the first half was 12.2%, declining 30bps.

VIII. Operating Income

For the second quarter of 2019, operating income was Ps. 4.35 billion, an increase of 7.0% compared to the same period of last year; for the first half operating income totaled Ps. 5.98 billion, a 6.6% year-over-year advance.

IX. Financial Expense and Income

For this quarter, our net financial expense was Ps. 451 million, 2.2% less than in the same period of last year. In the year to date, our net financial expense was down 8.6%.

Millions pesos	QUARTER			YTD		
Net Financial Income/(Expense)	**2Q2019**	**2Q2018**	**Effect**	**2019**	**2018**	**Effect**
Interest	(436.6)	(465.9)	(6.3%)	(840.2)	(932.9)	-9.9%
Exchange Effect	(14.0)	4.9	N/A	(21.8)	(10.5)	N/A
Total Financial Income/(Expense)	**(450.7)**	**(461.0)**	**(2.2%)**	**(862.0)**	**(943.4)**	**-8.6%**

X. Equity in the results of associated companies and joint ventures

During the quarter covered by this report, this line grew 64.2% to Ps. 264.5 million, and in the year to date it rose by 16.8% to Ps. 390.8 million.

XI. Taxes

The effective income tax rate for the quarter was 27.0%.

XII. Net income

Majority net income in the second quarter totaled Ps. 3.12 billion, 14.6% higher than in the same quarter of 2018; in the first six months of the year the increase was 11.6% and net profits totaled Ps. 4.14 billion.

XIII. Balance Sheet

Cash and Short-Term Investments

The balance of this account as of June 30, 2019 was Ps. 10.95 billion. Of this amount, 27.2% was invested in foreign currency (primarily USD).

Inventory and Accounts payable

Inventory totaled Ps. 22.97 billion at the close of the second quarter, 11.3% higher than the year-earlier amount.

The balance of supplier accounts payable was Ps. 21.53 billion, a 9.7% increase over the second quarter of 2018.

Cost-Bearing Debt and Cash Flow

The following shows the breakdown of our cost-bearing debt:

Million pesos	2019	2018	VAR %
Cost bearing debt	(30,069.1)	(31,575.8)	(4.8%)
Financial derivative instruments acquired for hedging purposes*	1,675.0	2,181.7	(23.2)%
TOTAL	**(28,394.1)**	**(29,394.1)**	**(3.4%)**

*Cross currency swap

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. At the same time, 100% of our debt was at a fixed rate. Our next debt maturity comes due in May 2020, totaling Ps. 3.0 billion.

The gross and net leverage ratios (gross and net debt to 12-month EBITDA) at the close of the second quarter were 1.37 and 0.84 times, respectively. These ratios have been calculated taking into account a mark-to-market valuation of the hedge instruments shown in the table above.

Cashflow (Million pesos)	2019	2018	2019 with IFRS 16
Operating income	**5,981.9**	**5,612.1**	**6,309.5**
Depreciation and Amortization	1,736.3	1,611.4	2,317.1
EBITDA	**7,718.2**	**7,223.5**	**8,626.6**
Interests	(1,273.0)	(1,424.7)	(1,273.0)
Taxes	(1,829.0)	(2,353.6)	(1,829.0)
Working Capital	(1,769.9)	(1,350.0)	(1,769.9)
Other	(2,026.0)	(175.3)	(1,140.6)
Cashflow from operations	**820.2**	**1,920.0**	**2,614.1**
Capex	(3,402.6)	(3,943.6)	(3,402.6)
Cash flow before dividends	**(2,582.4)**	**(2,802.0)**	**(1,674.0)**
Paid Loans	-	(4,671.5)	-
Lease liabilities	-	-	(908.4)
Increase / (Decrease)	**(2,582.4)**	**(7,473.4)**	**(2,582.4)**

XIV. Capital Expenditures

As of June 30, 2019, the company had invested a total of Ps. 3.40 billion in capital expenditures, more than half of which was related to openings, remodeling, and shopping centers, and another quarter to logistics, systems and Omnichannel projects.

XV. Dividends

The General Shareholders' Meeting held March 7 declared a dividend of Ps. 1.48 billion, equivalent to 12.6% of net income in 2018. This is being paid in two installments, the first already paid on May 24 for a total of Ps. 885.8 million, and the balance on October 11 of this year.

XVI. Effect of IFRS 16 on the Income Statement and Balance Sheet

The adoption of the new IFRS 16 standard had a negative effect on the Income Statement, totaling Ps. 70 million, or 2.2% of net income; in the first six months of the year the negative effect on net income was Ps. 145 million, or 3.5%.

Income statement
IFRS 16 Effects
Million Pesos

	2Q19	1Q19	YTD
Operating expenses			
Leasing equipment	386.1	377.4	763.5
Leasing building	75.0	69.9	144.9
Depreciation and amortization	(294.5)	(286.3)	(580.8)
Financial expenses			
Interests	(261.8)	(264.0)	(525.8)
Associated companies	(2.9)	(3.4)	(6.3)
Pre-tax effct	(98.0)	(106.5)	(204.5)
Taxes	28.4	30.4	58.8
IRFS 16 effect	(69.6)	(76.1)	(145.7)

Note that the effects of IFRS 16 on equity in the results of associates is reflected only for Sfera; figures for Unicomer still do not include those effects.

The balance sheet reflects a right-to-use asset of Ps. 11.33 billion pesos, and a lease liability of Ps. 11.53 billion.

Balance Sheet As of June 30th, 2019 with IFRS 16 effects Million Pesos	2019	2018	Dif
Cash / cash equivalent	10,953.1	9,161.7	1,791.4
Loan portfolio	33,603.8	31,447.6	2,156.2
Inventories	22,967.1	20,635.0	2,332.1
Investmen in associates	8,417.3	8,051.1	366.2
Fixed assets	48,379.8	45,226.0	3,153.8
Right of use assets	11,329.1	0.0	11,329.1
Investment properties	21,332.5	19,741.8	1,590.7
Other	28,690.8	28,480.5	210.4
Total Assets	**185,673.4**	**162,743.5**	**22,929.8**
Suppliers	21,534.3	19,632.8	1,901.6
Short term loans	3,000.0	1,000.0	2,000.0
Long termn loans	27,069.1	30,575.8	(3,506.6)
Lease liabilities	11,527.2	0.0	11,527.2
Other liabilities	20,624.3	19,444.9	1,179.3
Total Liabilities	**83,755.0**	**70,653.5**	**13,101.5**
Stockholders' equity	**101,918.4**	**92,090.1**	**9,828.3**

XVII. Expansions and recent events

The 2019 opening plan incorporates four new Liverpool stores along with nineteen Suburbia stores and one shopping center. As of the date of this report we have the following openings, remodels and expansions:

	Openings/Closures 2019
Liverpool Stores:	
Monclova, Coahuila	Opened April 4th
Guanajuato, Guanajuato	Opened April 9th
Santa Anita, Guadalajara	Opening 4° quarter
Monterrey Esfera, Nuevo León	Opening 4° quarter
Suburbia Stores:	
Cuautla, Morelos	Opened May 15th
Monterrey Paseo Juárez, Nuevo León	Opened July 4th
Guanajuato, Guanajuato	Opened July 10th
Aguascalientes Centro, Aguascalientes	Closed June 16th
Lomas Verdes, Estado de México	Closed June 30th
Tapachula Centro, Chiapas	Closed July 15th
Remodeling and openings (in process):	
Liverpool Perisur y Centro Comercial Perisur	
Liverpool y Centro Comercial Galerías Monterrey	
Liverpool y Centro Comercial Plaza Satélite	
Centro Comercial Galerías Insurgentes	

XVIII. Conversion of Fabricas de Francia stores to Liverpool and Suburbia

As of the date of this report, we had converted 23 Fabricas de Francia units to Liverpool stores. The Lago de Guadalupe and Chimalhuacán stores closed their doors permanently on January 31, 2019. Stores recently converted to Liverpool units report an average growth in sales of close to 20%.

In the process of converting Suburbia stores, eight were completed at the close of the quarter. Six more stores will begin the conversion process on July 31. The results of these conversions have been positive, improving the retail margin while reducing operating expenses, making these units more profitable overall.

The plan to convert all Fabricas de Francia stores will conclude in the third quarter of 2019.

XIX. Suburbia Systems

After a 76-week effort involving 120 employees and an investment of more than P. 400 million, on July 2, we introduced the SAP S/4HANA® Retail system for Suburbia. This is the largest SAP upgrade in the world, and has the latest version for retail, logistics, promotions and revenue control modules. More than 5,000 business processes were improved without affecting customers. This completes the transformation of the basic technological platform at Suburbia.

There are more than 4,600 end users of the system, and among its benefits are better inventory management, and more precise information on profit for each article.

The Suburbia accounting system marks a transformation from the retail method to the moving average cost method, improving reporting systems and inventory controls.

XX. Social Responsibility and Sustainability

Convinced of the need to ensure safe, ethical conditions throughout our supply chain, in the past quarter we strengthened processes for certification and development of suppliers to El Puerto de Liverpool, thus contributing to the U.N. Sustainable Development Goals. At the close of the second quarter, 74% of Suburbia suppliers has been certified under the responsible procurement axis as part of the annual supplier renewal and development process.

El Puerto de Liverpool is committed to the national “Youth Building the Future” program, and at present we have 490 interns active under the program.

XXI. Arco Norte

On Monday, June 17 we officially began building the largest distribution center in Latin America: Arco Norte. This new center, as mentioned earlier, will enable us to improve customers’ shopping experience and service. The first phase incorporates operating of storage and distribution of big-ticket items.

XXII. 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:

Analysts		
Actinver	Citi	Itaú BBA
Bank of America Merrill Lynch	Credit Suisse	JP Morgan
Banorte IXE	GBM	Monex
Barclays	Goldman Sachs	Scotiabank
BBVA	HSBC	Vector
BTG Pactual	Intercam	

XXIII. About the Company

El Puerto de Liverpool, S.A.B. de C.V.: (as of 30 June 2019)

Department Stores:		
Liverpool	120	1,605,125 m2
Fabricas de Francia	8	49,666 m2
Total Department Stores	**128**	**1,654,791 m2**
Suburbia stores	137	515,528 m2
Shopping Centers:	27	535,186 m2
Boutiques:	126	75,888 m2

XXIX. Credit cards

Number of cards	2Q19	2Q18	% CHGE
Liverpool	4,819,237	4,765,068	1.1%
Suburbia	467,877	N/A	N/A

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Annex – Basic Financial Statements

Balance Sheet

Balance Sheet As of June 30th, 2019 with IFRS 16 effects Million Pesos	2019	2018	Dif
Cash / cash equivalent	10,953.1	9,161.7	1,791.4
Loan portfolio	33,603.8	31,447.6	2,156.2
Inventories	22,967.1	20,635.0	2,332.1
Investmen in associates	8,417.3	8,051.1	366.2
Fixed assets	48,379.8	45,226.0	3,153.8
Right of use assets	11,329.1	0.0	11,329.1
Investment properties	21,332.5	19,741.8	1,590.7
Other	28,690.8	28,480.5	210.4
Total Assets	**185,673.4**	**162,743.5**	**22,929.8**
Suppliers	21,534.3	19,632.8	1,901.6
Short term loans	3,000.0	1,000.0	2,000.0
Long termn loans	27,069.1	30,575.8	(3,506.6)
Lease liabilities	11,527.2	0.0	11,527.2
Other liabilities	20,624.3	19,444.9	1,179.3
Total Liabilities	**83,755.0**	**70,653.5**	**13,101.5**
Stockholders' equity	**101,918.4**	**92,090.1**	**9,828.3**

Income Statement

Million pesos	2Q2019	2Q2018	% VAR.	Income with IFRS 16	2019 with IFRS 16	% VAR.
	QUARTER					
Commercial Income	**31,358.1**	**28,858.1**	**8.7**		**31,358.1**	**8.7**
Leasing Income	**864.2**	**905.9**	**(4.6)**		**864.2**	**- 4.6**
Interest Income	**3,441.1**	**2,869.4**	**19.9**		**3,441.1**	**19.9**
Total Income	**35,663.4**	**32,633.4**	**9.3**		**35,663.4**	**9.3**
COGS	(21,347.0)	(19,543.1)	9.2		(21,347.0)	9.2
Commercial Gross Profit	**10,011.1**	**9,315.0**	**7.5**		**10,011.1**	**7.5**
Commercial Margin	31.9%	32.3%	(0.4 p.p)		31.9%	(0.4 p.p)
Net Gross Profit	**14,316.4**	**13,090.3**	**9.4**		**14,316.4**	**9.4**
Gross Margin	40.1%	40.1%	0.0 p.p.		40.1%	0.0 p.p.
Operating expenses without depreciation, overdue accounts and one time provisions	**(7,673.0)**	**(6,939.5)**	**10.6**	**461.1**	**(7,211.9)**	**3.9**
Provisions for overdue accounts	**(1,430.9)**	**(1,280.3)**	**11.8**	**-**	**(1,430.9)**	**11.8**
EBITDA Expenses	**(9,103.9)**	**(8,219.8)**	**10.8**	**461.1**	**(8,642.8)**	**5.1**
Depreciation & Amortization	(863.1)	(805.9)	7.1	(294.5)	(1,157.6)	43.6
Net Operating Expenses	**(9,967.1)**	**(9,025.7)**	**10.4**	**166.6**	**(9,800.4)**	**8.6**
Consolidated Operating Income	4,349.3	4,064.6	7.0	166.6	4,515.9	**11.1**
Consolidated EBITDA	**5,212.4**	**4,870.5**	**7.0**	**461.1**	**5,673.5**	16.5
Consolidated EBITDA Margin	14.6%	14.9%	(0.3 p.p)	1.3 p.p.	15.9%	1.0 p.p.
Financing expense	**(436.6)**	**(465.9)**	**(6.3)**	**(261.8)**	**(698.4)**	**49.9**
Foreign exchange gain	**(14.0)**	**4.9**	**(387.4)**	**-**	**(14.0)**	**(387.4)**
Profit before income tax	**3,898.6**	**3,603.6**	**8.2**	**(95.1)**	**3,803.5**	**5.5**
Income Tax	(1,054.2)	(1,045.2)	0.9	28.4	(1,025.8)	(1.9)
Effective Rate	27.0%	29.0%		0.0 p.p.	27.0%	
Net Income before Investment in Associates	**2,844.5**	**2,558.4**	**11.2**	**(66.7)**	**2,777.7**	**8.6**
Investment in Associates	**264.5**	**161.1**	**64.2**	**(2.9)**	**261.6**	**62.4**
Net Income	**3,109.0**	**2,719.5**	**14.3**	**(69.6)**	**3,039.3**	**11.8**
Non-controlling Net Income	**(1.0)**	**(8.4)**	**(87.8)**	**-**	**(1.0)**	**(87.8)**
Controlling Net Income	**3,108.0**	**2,711.1**	**14.6**	**(69.6)**	**3,038.3**	**12.1**

LIVEPOL

Income statement

Million pesos	2019	2018	% VAR.	YTD Income with IFRS 16	2019 with IFRS 16	2018	% VAR.
Commercial Income	**54,796.3**	**50,703.9**	**8.1**		**54,796.3**	**50,703.9**	**8.1**
Leasing Income	**1,739.9**	**1,734.9**	**0.3**		**1,739.9**	**1,734.9**	**0.3**
Interest Income	**6,596.5**	**5,457.0**	**20.9**		**6,596.5**	**5,457.0**	**20.9**
Total Income	**63,132.7**	**57,895.8**	**9.0**		**63,132.7**	**57,895.8**	**9.0**
COGS	(37,756.5)	(34,512.0)	9.4		(37,756.5)	(34,512.0)	9.4
Commercial Gross Profit	**17,039.8**	**16,191.9**	**5.2**		**17,039.8**	**16,191.9**	**5.2**
Commercial Margin	31.1%	31.9%	(0.8 p.p)		31.1%	31.9%	(0.8 p.p)
Net Gross Profit	**25,376.2**	**23,383.8**	**8.5**		**25,376.2**	**23,383.8**	**8.5**
Gross Margin	40.2%	40.4%	(0.2 p.p)		40.2%	40.4%	(0.2 p.p)
Operating expenses without depreciation, overdue accounts and one time provisions	**(15,421.5)**	**(14,130.9)**	**9.1**	**908.4**	**(14,513.1)**	**(14,130.9)**	**2.7**
Provisions for overdue accounts	**(2,236.4)**	**(2,029.4)**	**10.2**	-	**(2,236.4)**	**(2,029.4)**	**10.2**
EBITDA Expenses	**(17,657.9)**	**(16,160.3)**	**9.3**	**908.4**	**(16,749.5)**	**(16,160.3)**	**3.6**
Depreciation & Amortization	(1,736.3)	(1,611.4)	7.8	(580.8)	(2,317.1)	(1,611.4)	43.8
Net Operating Expenses	**(19,394.2)**	**(17,771.6)**	**9.1**	**327.6**	**(19,066.6)**	**(17,771.6)**	**7.3**
Consolidated Operating Income	5,981.9	5,612.1	6.6	327.6	6,309.5	5,612.1	**12.4**
Consolidated EBITDA	**7,718.2**	**7,223.5**	**6.8**	**908.4**	**8,626.6**	**7,223.5**	19.4
Consolidated EBITDA Margin	12.2%	12.5%	(0.3 p.p)	1.4 p.p.	13.7%	12.5%	1.2 p.p.
Financing expense	**(840.2)**	**(932.9)**	**(9.9)**	**(525.8)**	**(1,366.0)**	**(932.9)**	**46.4**
Foreign exchange gain	**(21.8)**	**(10.5)**	**108.2**	-	**(21.8)**	**(10.5)**	**108.2**
Profit before income tax	**5,119.9**	**4,668.8**	**9.7**	**(198.2)**	**4,921.7**	**4,668.8**	**5.4**
Income Tax	(1,363.8)	(1,284.9)	6.1	58.8	(1,305.0)	(1,284.9)	1.6
Effective Rate	26.6%	27.5%		(0.0 p.p)	26.5%	27.5%	
Net Income before Investment in Associates	**3,756.2**	**3,383.9**	**11.0**	**(139.4)**	**3,616.8**	**3,383.9**	**6.9**
Investment in Associates	**390.8**	**334.6**	**16.8**	**(6.3)**	**384.5**	**334.6**	**14.9**
Net Income	**4,146.9**	**3,718.5**	**11.5**	**(145.7)**	**4,001.2**	**3,718.5**	**7.6**
Non-controlling Net Income	**(2.1)**	**(3.3)**	**(38.4)**	-	**(2.1)**	**(3.3)**	**(38.4)**
Controlling Net Income	**4,144.9**	**3,715.1**	**11.6**	**(145.7)**	**3,999.2**	**3,715.1**	**7.6**

EBITDA

Cashflow (Million pesos)	2019	2018	2019 with NIIF 16
Operating income	**5,981.9**	**5,612.1**	**6,309.5**
Depreciation and amortization	1,736.3	1,611.4	2,317.1
EBITDA	**7,718.2**	**7,223.5**	**8,626.6**
Interests	(1,273.0)	(1,424.7)	(1,273.0)
Taxes	(1,829.0)	(2,353.6)	(1,829.0)
Clients	2,683.9	3,701.6	2,683.9
Inventaries	(2,293.8)	(2,148.6)	(2,293.8)
Suppliers	(2,160.0)	(2,903.0)	(2,160.0)
Other	(2,026.0)	(175.3)	(1,140.6)
Cashflow from operations	**820.2**	**1,920.0**	**2,614.1**
Capex	(3,402.6)	(3,943.6)	(3,402.6)
Cashflow	**(2,582.4)**	**(2,802.0)**	**(1,674.0)**
Paid Loans	-	(4,671.5)	-
Lease liabilities	-	-	(908.4)
Increase / (Decrease)	**(2,582.4)**	**(7,473.4)**	**(2,582.4)**