



PRESS RELEASE

PLACE AND DATE

Mexico City, August 10 2016

COMPANY NAME

El Puerto de Liverpool, S.A.B. de C.V.

TICKER

LIVEPOL

SUBJECT

El Puerto de Liverpool, S.A.B. de C.V. ("Liverpool") hereby informs that as of this date it has reached a definite agreement with Wal-Mart de México, S.A.B. de C.V. ("Walmex") to acquire 100% of Suburbia, Walmex' clothing stores division (the "Operation"). The closing of the Operation is subject to the approval of the Federal Economic Antitrust Commission (Spanish acronym, COFEC) and to other conditions common to this type of transactions.

The Operation includes (i) 100% of the shares of four legal entities, (ii) the intellectual property rights of the Suburbia brand and its private labels; (iii) 119 stores, 7 of which are fully owned, 78 leased buildings and/or land with third parties and 34 in leasing agreement for land and/or building with Walmex; (iv) the operating division of stores, purchases, commercial planning, product design, marketing and procurement (CATMex); and, (v) a distribution center leased from third parties.

Suburbia is a player in Mexico's clothing and shoes specialized stores with over 45 years of experience in the market. Its 119 stores are located in 30 out of 32 states in Mexico, including Mexico City. Suburbia, through its almost 9,000 employees, offers its customers, mostly families in the medium-low economic segment, an ample portfolio of quality products at accessible prices. A significant portion of the commercial offer for Suburbia comprises its private labels such as Weekend, Contempo, Non Stop, La Mode and Metropolis.

Under the terms of the agreement, Liverpool will acquire Suburbia for an amount of approximately Ps 15,700 million, including the assumption of the debt derived from capital leases for Ps 1,400 million. Also, an amount of Ps 3,300 million will be distributed to Suburbia 's current shareholders through the payment of a dividend and a capital reduction, to be paid once the Operation is closed. Therefore, the total amount of the Operation will be Ps 19,000 million.

Suburbia's sales for the last twelve month ended March 31, 2016 amounted to Ps 13,539 million, while the pro-forma EBITDA for this same period amounted to Ps1,850 million.

Suburbia represents an attractive opportunity for Liverpool to enter into a different business model, expanding its base and type of consumers in Mexico. The Operation is in line with Liverpool's growth



strategy in the clothing and footwear sales sectors. Liverpool expects the Operation to result in a series of synergies associated not only with its current operations (including its consumer credit and on-line sales businesses), but also by absorbing the know-how of a growing business model with a large and expanding consumer base different from its own, such as that of Suburbia.

As part of the acquisition, Liverpool will enter into a Transition Services Contract with Walmex, that will take effect upon the closing of the Operation, and that can continue for as long as twelve months thereafter; the Contract includes, among other things, management, financial and accounting services, as well as information technology processes, all of which will ensure the continuity of the business' operation.

The acquisition of Suburbia will be financed utilizing a combination of cash on hand and long-term debt that Liverpool has already assured. Liverpool is analyzing various alternatives of adjustment in its organic growth plans, such that once the Operation has been settled, Liverpool will reduce its level of leverage to habitual levels, in order to carry out the development plan of each one of its formats.

Citigroup Global Markets Inc. acted as financial advisor and Galicia Abogados (attorneys) acted as Liverpool's independent legal advisor.

INVESTOR RELATIONS

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