



**GRUPO ELEKTRA ANNOUNCES 21% GROWTH IN OPERATING PROFIT
TO Ps.3,595 MILLION IN 1Q17**

- EBITDA increases 18% to Ps.4,134 million during the period—**
- Notable performance in both commercial and financial businesses generates increase of 21% in consolidated revenues, to Ps.22,006 million—**
- Gross portfolio of Banco Azteca Mexico grew 32%, to Ps.66,530 million—**
- Delinquency rate of Banco Azteca Mexico decreases more than one percentage point, to 2.5%—**

Mexico City, May 2, 2017—Grupo Elektra, S.A.B. de C.V. (BMV: ELEKTRA*; Latibex: XEKT), Latin America's leading specialty retailer and financial services company and the largest non-bank provider of cash advance services in the United States, reported today its financial results for the first quarter of 2017.

Consolidated first quarter results

Consolidated revenue was Ps.22,006 million, 21% above the Ps.18,254 million for the same quarter of last year. Costs and operating expenses were Ps.17,872 million, compared to Ps.14,750 million for the same period of 2016.

As a result, Grupo Elektra reported EBITDA of Ps.4,134 million, 18% higher than the Ps.3,504 million of the previous year's quarter; EBITDA margin was 19% this period, similar to that of the previous year.

Operating profit grew 21% to Ps.3,595 million during the quarter, from Ps.2,978 million in same period of 2016.

The company reported net income of Ps.4,501 million, compared to net income of Ps.1,158 million a year ago.

	1Q 2016	1Q 2017	Change	
			Ps.	%
Consolidated revenue	\$18,254	\$22,006	\$3,753	21%
EBITDA	\$3,504	\$4,134	\$630	18%
Operating profit	\$2,978	\$3,595	\$617	21%
Net result	\$1,158	\$4,501	\$3,342	----
Net result per share	\$4.86	\$19.4	\$14.54	----

Figures in millions of pesos

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortization.

As of March 31, 2016, Elektra* outstanding shares were 238.4 million and as of March 31, 2017, were 232 million.

Revenue

Consolidated revenue increased 21%, as a result of growth of 22% and 18% in financial revenues and commercial sales, respectively.

The increase in commercial division sales –to Ps.7,637 million compared to Ps.6,470 million last year– reflects strategies that generate growing customer satisfaction through an optimal mix of merchandise on the sales floor, offered by a highly trained sales force under the most competitive market conditions.

The increase in financial revenue – to Ps.14,369 million from Ps.11,783 million from the previous year– results mainly from a 24% growth in revenue of Banco Azteca Mexico and a 9% increase in revenue from Advance America.

Costs and expenses

Consolidated costs for the quarter increased 19% to Ps.7,758 million, from Ps.6,523 million in the previous year, as a result of a 21% increase in commercial costs, in line with the performance of commercial revenue, and a 13% growth in financial cost. The increase in financial cost is less than the increase in financial revenue, which reflects a moderate growth in provisions for loan losses, in line with greater strength in asset quality.

Sales, administration and promotion expenses increased 23% to Ps.10,114 million, as a result of higher personnel expenses due to higher compensation plans that encourage productivity; an increase in advertising, which achieves a better positioning of Grupo Elektra brands, and an increase in operating expenses.

EBITDA and net result

Consolidated EBITDA grew 18% to Ps.4,134 million this quarter. Operating income increased 21% to Ps.3,595 million, from Ps.2,978 million for the same quarter of 2016.

The most significant change below EBITDA was a positive variation of Ps.5,071 million in other financial results, as a consequence of a gain this period in the market value of the underlying assets of financial instruments owned by the company –which does not imply cash flow– compared to a reduction of the previous year.

Grupo Elektra reported a net result of Ps.4,501 million, compared to a net result of Ps.1,158 million a year ago.

Consolidated balance sheet

Loan portfolio and deposits

Banco Azteca Mexico, Advance America and Banco Azteca Latin America's consolidated gross portfolio as of March 31, 2017 grew 28% to Ps.81,247 million, from Ps.63,707 million for the previous year. Consolidated delinquency rate was 3.2% at the end of the period, compared to 4.7% in the previous year.

The gross portfolio of Banco Azteca Mexico grew 32% to Ps.66,530 million, from Ps.50,499 million a year ago.

The delinquency rate for the bank at the end of the quarter was 2.5%, more than one percentage point lower than the 3.9% from the previous year. The average term of the credit portfolio for principal credit lines – consumer, personal loans and Tarjeta Azteca – was 62 weeks at the end of the first quarter.

The Advance America loan portfolio was Ps.4,401 million, 2% higher than the Ps.4,302 million a year ago.

Grupo Elektra consolidated deposits increased 4% to Ps.105,703 million, from Ps.101,223 million a year ago. Deposits of Banco Azteca Mexico were Ps.102,509 million, 6% higher than the Ps.96,470 million a year ago.

As of March 31, 2017, the capitalization index of Banco Azteca Mexico was 17.3%.

Debt

Consolidated debt with cost as of March 31, 2017, was Ps.13,026 million, 25% less in comparison to Ps.17,276 million for the prior year.

Consolidated debt was comprised of Ps.11,035 million for the commercial business, and Ps.1,991 million for the financial business. The total balance of cash, cash equivalents and marketable securities for the commercial business was Ps.10,845 million at the end of the period; as a result, net debt is Ps.190 million.

As previously announced, during the period, Grupo Elektra paid in advance its senior notes of US\$550 million due in 2018.

To cover the payments, Grupo Elektra issued three certificates in local currency for a total of Ps.6,000 million and used cash generated by the company, within the framework of solid financial performance.

These debt transactions reflect Grupo Elektra's firm strategy to further strengthen its strong capital structure; through these transactions, the company no longer holds US dollar denominated bonds.

Infrastructure

Grupo Elektra currently has 7,391 points of contact, compared to 7,671 units a year ago. The reduction is a result of strategies to focus on maximizing profitability of units.

The company has 4,612 points of contact in Mexico, 2,100 in the United States, and 679 in Central and South America. The extensive distribution network allows the company to maintain close contact with clients, granting superior market positioning in the countries where it operates.

Company Profile:

Grupo Elektra is Latin America's leading financial services company and specialty retailer and the largest non-bank provider of cash advance services in the United States. The group operates more than 7,000 points of contact in Mexico, the United States, Guatemala, Honduras, Peru, Panama and El Salvador.

Grupo Elektra is a Grupo Salinas company (www.gruposalinas.com), a group of dynamic, fast-growing, and technologically advanced companies focused on creating shareholder value, contributing to building the middle class of the countries in which they operate and improving society through excellence. Created by Mexican entrepreneur Ricardo B. Salinas (www.ricardosalinas.com), Grupo Salinas operates as a management development and decision forum for the top leaders of member companies. The companies include TV Azteca (www.tvazteca.com; www.irtvazteca.com), Azteca America (us.azteca.com), Grupo Elektra (www.elektra.com.mx; www.grupoelektra.com.mx), Banco Azteca (www.bancoazteca.com.mx), Advance America (www.advanceamerica.net), Afore Azteca (www.aforeazteca.com.mx), Seguros Azteca (www.segurosazteca.com.mx), Totalplay (www.totalplay.com.mx) and Enlace TP (enlacep.mx). Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings. However, the member companies share a common vision, values and strategies for achieving rapid growth, superior results and world-class performance.

Except for historical information, the matters discussed in this press release are forward-looking statements and are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Other risks that may affect Grupo Elektra and its subsidiaries are identified in documents sent to securities authorities.

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GRUPO ELEKTRA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
MILLIONS OF MEXICAN PESOS

	<u>1Q16</u>		<u>1Q17</u>		<u>Change</u>	
Financial income	11,783	65%	14,369	65%	2,585	22%
Commercial income	6,470	35%	7,637	35%	1,167	18%
Income	18,254	100%	22,006	100%	3,753	21%
Financial cost	2,295	13%	2,601	12%	306	13%
Commercial cost	4,228	23%	5,157	23%	929	22%
Costs	6,523	36%	7,758	35%	1,235	19%
Gross income	11,731	64%	14,248	65%	2,517	21%
Sales, administration and promotion expenses	8,227	45%	10,114	46%	1,887	23%
EBITDA	3,504	19%	4,134	19%	630	18%
Depreciation and amortization	540	3%	537	2%	(4)	-1%
Other (income) expense, net	(15)	0%	2	0%	17	----
Operating income	2,978	16%	3,595	16%	617	21%
Comprehensive financial result:						
Interest income	234	1%	148	1%	(86)	-37%
Interest expense	(328)	-2%	(468)	-2%	(140)	-43%
Foreign exchange gain (loss), net	56	0%	(936)	-4%	(992)	----
Other financial results, net	(1,208)	-7%	3,863	18%	5,071	----
	(1,247)	-7%	2,606	12%	3,853	----
Participation in the net income of CASA and other associated companies	(71)	0%	66	0%	136	----
Income before income tax	1,661	9%	6,267	28%	4,606	277%
Income tax	(451)	-2%	(1,760)	-8%	(1,309)	-290%
Income before discontinued operations	1,209	7%	4,507	20%	3,297	273%
Result from discontinued operations	(51)	0%	2	0%	53	----
Impairment of intangible assets	-	0%	(8)	0%	(8)	----
Consolidated net income	1,158	6%	4,501	20%	3,342	289%

GRUPO ELEKTRA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
MILLIONS OF MEXICAN PESOS

	Commercial Business	Financial Business	Grupo Elektra	Commercial Business	Financial Business	Grupo Elektra	Change	
	<u>At March 31, 2016</u>			<u>At March 31, 2017</u>				
Cash and cash equivalents	1,781	21,210	22,991	2,199	20,757	22,956	(35)	0%
Marketable financial instruments	21,792	53,245	75,037	8,646	45,829	54,474	(20,563)	-27%
Performing loan portfolio	-	44,989	44,989	-	53,866	53,866	8,877	20%
Total past-due loans	-	2,927	2,927	-	2,474	2,474	(453)	-15%
Gross loan portfolio	-	47,917	47,917	-	56,341	56,341	8,424	18%
Allowance for credit risks	-	6,698	6,698	-	6,732	6,732	34	1%
Loan portfolio, net	-	41,219	41,219	-	49,609	49,609	8,390	20%
Inventories	6,571	-	6,571	7,389	-	7,389	818	12%
Other current assets	6,036	7,408	13,444	8,682	8,606	17,287	3,843	29%
Total current assets	36,179	123,082	159,262	26,916	124,800	151,715	(7,547)	-5%
Financial instruments	7,498	269	7,767	16,806	302	17,109	9,342	120%
Performing loan portfolio	-	15,704	15,704	-	24,793	24,793	9,088	58%
Total past-due loans	-	85	85	-	113	113	28	33%
Loan portfolio	-	15,790	15,790	-	24,906	24,906	9,116	58%
Other non-current assets	142	765	906	102	673	774	(132)	-15%
Investment in shares	3,138	-	3,138	2,796	(0)	2,796	(341)	-11%
Property, furniture, equipment and investment in stores, net	3,664	2,720	6,384	3,723	2,793	6,515	131	2%
Intangible assets	600	5,250	5,850	662	6,330	6,992	1,142	20%
Other assets	1,250	403	1,653	1,019	403	1,422	(231)	-14%
TOTAL ASSETS	52,471	148,279	200,749	52,024	160,206	212,230	11,481	6%
Demand and term deposits	-	101,223	101,223	-	105,703	105,703	4,479	4%
Creditors from repurchase agreements	-	4,053	4,053	-	3,555	3,555	(498)	-12%
Short-term debt	84	317	400	3,284	1,022	4,306	3,906	976%
Short-term liabilities with cost	84	105,593	105,677	3,284	110,280	113,564	7,887	7%
Suppliers and other short-term liabilities	12,436	6,859	19,295	12,198	9,614	21,812	2,517	13%
Short-term liabilities without cost	12,436	6,859	19,295	12,198	9,614	21,812	2,517	13%
Total short-term liabilities	12,519	112,453	124,972	15,482	119,894	135,376	10,404	8%
Long-term debt	15,431	1,445	16,876	7,751	969	8,720	(8,156)	-48%
Long-term liabilities with cost	15,431	1,445	16,876	7,751	969	8,720	(8,156)	-48%
Long-term liabilities without cost	3,023	2,954	5,978	3,759	3,724	7,483	1,506	25%
Total long-term liabilities	18,454	4,399	22,853	11,510	4,693	16,203	(6,650)	-29%
TOTAL LIABILITIES	30,974	116,852	147,825	26,992	124,587	151,579	3,754	3%
TOTAL STOCKHOLDERS' EQUITY	21,497	31,427	52,924	25,032	35,619	60,651	7,727	15%
LIABILITIES + EQUITY	52,471	148,279	200,749	52,024	160,206	212,230	11,481	6%

INFRASTRUCTURE

	<u>1Q16</u>		<u>1Q17</u>		<u>Change</u>	
<u>Points of sale in Mexico</u>						
Elektra	968	13%	1,000	14%	32	3%
Salinas y Rocha	51	1%	49	1%	(2)	-4%
Banco Azteca	1,222	16%	1,244	17%	22	2%
Freestanding branches	2,359	31%	2,319	31%	(40)	-2%
B-Store	143	2%	-	0%	(143)	-100%
Total	4,743	62%	4,612	62%	(131)	-3%
<u>Points of sale in Central and South America</u>						
Elektra	169	2%	164	2%	(5)	-3%
Banco Azteca	169	2%	164	2%	(5)	-3%
Freestanding branches	340	4%	351	5%	11	3%
Total	678	9%	679	9%	1	0%
<u>Points of sale in North America</u>						
Advance America	2,250	29%	2,100	28%	(150)	-7%
Total	2,250	29%	2,100	28%	(150)	-7%
TOTAL	7,671	100%	7,391	100%	(280)	-4%
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<u>Floor space (m²)</u>	1,516	100%	1,502	100%	(14)	-1%
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<u>Employees</u>						
Mexico	47,591	76%	50,321	78%	2,730	6%
Central and South America	8,626	14%	8,624	13%	(2)	0%
North America	6,382	10%	5,921	9%	(461)	-7%
Total employees	62,599	100%	64,866	100%	2,267	4%