



**GRUPO ELEKTRA ANNOUNCES 43% GROWTH IN OPERATING PROFIT
TO Ps.3,269 MILLION IN 3Q17**

- EBITDA increases 28% to Ps.3,842 million during the period—**
- Solid performance in both commercial and financial businesses generates increase of 16% in consolidated revenues, to Ps.23,092 million—**
- Consolidated gross portfolio grows 18%, to Ps.87,874 million—**
- Grupo Elektra starts its omnichannel strategy, with the successful launch of its online store www.elektra.com.mx—**

Mexico City, October 24, 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, announced today its financial results for the third quarter of 2017.

Consolidated third quarter results

Consolidated revenue was Ps.23,092 million in the period, 16% above the Ps.19,971 million for the same quarter of previous year. Costs and operating expenses were Ps.19,249 million, compared to Ps.16,975 million for the same period of 2016.

As a result, Grupo Elektra reported EBITDA of Ps.3,842 million, 28% higher than the Ps.2,996 million of the previous year's quarter; EBITDA margin was 17% this period, two percentage points above the previous year.

Operating profit grew 43% to Ps.3,269 million during the quarter, from Ps.2,285 million in same period of 2016.

The company reported net income of Ps.2,858 million, compared to net income of Ps.1,330 million a year ago.

	3Q 2016	3Q 2017	Change	
			Ps.	%
Consolidated revenue	\$19,971	\$23,092	\$3,121	16%
EBITDA	\$2,996	\$3,842	\$846	28%
Operating profit	\$2,285	\$3,269	\$984	43%
Net result	\$1,330	\$2,858	\$1,527	115%
Net result per share	\$5.61	\$12.33	\$6.72	119%

Figures in millions of pesos

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

As of September 30, 2016, Elektra* outstanding shares were 237.1 million and as of September 30, 2017, were 231.8 million.

Revenue

Consolidated revenue increased 16%, as a result of 18% and 11% growth in both financial revenues and commercial sales, respectively.

The increase in commercial division sales –to Ps.8,260 million compared to Ps.7,426 million last year– reflects strategies that focus on generating optimum value propositions for the customers, through lines of merchandise that best meet their needs, with world-class service and under the most competitive market conditions. As of this year, these strategies have an additional boost with the launch of a new, larger store format, which includes a greater offer of goods and services to satisfy a growing number of families.

The increase in financial revenue –to Ps.14,831 million from Ps.12,545 million from the previous year– reflect mainly a 27% growth in revenue of Banco Azteca Mexico.

Costs and expenses

Consolidated costs for the quarter increased 21% to Ps.8,957 million, from Ps.7,410 million in the previous year, as a result of a 15% increase in commercial costs, in line with the increase in commercial revenue, and 32% growth in financial cost. The increase in the financial cost results from the creation of loan-loss provisions and higher interest payments, in line with higher market interest rates, as well as increased deposits at Banco Azteca.

Sales, administration and promotion expenses increased 8% to Ps.10,292 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. The expenses grow to a lesser extent than consolidated revenues, reflecting strong strategies that drive the company's operating efficiency.

EBITDA and net result

The Company's EBITDA grew 28% to Ps.3,842 million this quarter. Operating income increased 43% to Ps.3,269 million, from Ps.2,285 million for the same quarter of 2016.

The most significant change below EBITDA was a positive variation of Ps.1,334 million in other financial results, as a consequence of a larger 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 the previous year.

Grupo Elektra reported net income of Ps.2,858 million, compared to a net income of Ps.1,330 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 September 30, 2017 grew 18% to Ps.87,874 million, from Ps.74,341 million for the previous year. Consolidated delinquency rate was 4% at the end of the period, compared to 3.7% in the previous year.

The gross portfolio of Banco Azteca Mexico grew 20% to Ps.71,906 million, from Ps.59,903 million a year ago.

The delinquency rate for the bank at the end of the quarter was 3.4%, from 2.7% of the previous year. Past-due loan portfolio is reserved 2.6 times, which reflects a past-due portfolio of Ps.2,431 million, in comparison to allowance for credit risks of Ps.6,242 million in balance, as of September 30, 2017.

The average term of the credit portfolio for principal credit lines – consumer, personal loans and Tarjeta Azteca – was 63 weeks at the end of the third quarter.

Grupo Elektra consolidated deposits were Ps.104,814 million, from Ps.101,786 million a year ago. Deposits of Banco Azteca Mexico were Ps.104,180 million, 6% higher than the Ps.97,984 million a year ago.

As of September 30, 2017, the estimated capitalization index of Banco Azteca Mexico was 16.8%.

Debt

Consolidated debt with cost as of September 30, 2017, was Ps.14,098 million, 25% less than the Ps.18,703 million for the prior year.

Consolidated debt was comprised of Ps.13,063 million for the commercial business, and Ps.1,035 million for the financial business. The total balance of cash, cash equivalents

and marketable securities for the commercial business was Ps.12,874 million at the end of the period; as a result, the net debt of the commercial business, recorded an amount of Ps.189 million.

As previously announced, during the last twelve months, 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.

Through these amortizations, the company ceased to hold dollar-denominated bonds, and the debt transactions reflect Grupo Elektra's firm strategy to further strengthen its strong capital structure.

Infrastructure

Grupo Elektra currently has 7,247 points of contact, compared to 7,391 units a year ago. The reduction is a result of strategies to focus on maximizing profitability of such units.

The company has 4,539 points of contact in Mexico, 2,072 in the United States, and 636 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.

Omnichannel strategy

In October, Grupo Elektra launched its omnichannel strategy, with its online store www.elektra.com.mx, through which hundreds of thousands of products are commercialized, at unparalleled prices, from any device and at all times. Through the online store, the customer can receive the merchandise, safely and expeditiously in a maximum of five days, at any point of delivery.

Elektra.com.mx has an extended catalog of merchandise, access to credit, a new exclusive distribution center for e-commerce, strategically located, and more than 1,000 stores in Mexico as customer service centers, payment points and product delivery.

Grupo Elektra offers a world-class online shopping experience to a growing market, and positions itself optimally in the preference of millions of consumers for cutting-edge forms of merchandise purchase.

Nine months consolidated results

Total consolidated revenue in the first nine months of the year grew 18% to Ps.67,892 million, from Ps.57,734 million for the same period of 2016, boosted by 19% and 15% growth in both financial and commercial businesses, respectively.

EBITDA was Ps.12,470 million, 23% higher than the Ps.10,101 million for the same period a year ago; the EBITDA margin in the first nine months of 2017 was 18%, one percentage point above the prior year. Operating profit grew 31% to Ps.10,760 million during the period.

The company reported net income of Ps.14,496 million, compared to Ps.2,410 million a year ago, mainly due an appreciation this quarter in the market value of underlying financial instruments that the company holds, which doesn't imply cash flow, compared to depreciation the prior year.

	9M 2016	9M 2017	Change	
			Ps.	%
Consolidated revenue	\$57,734	\$67,892	\$10,158	18%
EBITDA	\$10,101	\$12,470	\$2,369	23%
Operating profit	\$8,215	\$10,760	\$2,545	31%
Net result	\$2,410	\$14,496	\$12,086	----
Net result per share	\$10.16	\$62.54	\$52.38	----

Figures in millions of pesos

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

As of September 30, 2016, Elektra* outstanding shares were 237.1 million and as of September 30, 2017, were 231.8 million.

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 (enlacetp.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.

Investor Relations:

Bruno Rangel
Grupo Salinas
Tel. +52 (55) 1720-9167
jrangelk@gruposalinas.com.mx

Rolando Villarreal
Grupo Elektra S.A.B. de C.V.
Tel. +52 (55) 1720-9167
rvillarreal@elektra.com.mx

Press Relations

Luciano Pascoe
Grupo Salinas
Tel. +52 (55) 1720-1313 ext. 36553
lpascoe@gruposalinas.com.mx

Daniel McCosh
Grupo Salinas
Tel. +52 (55) 1720-0059
dmccosh@gruposalinas.com.mx

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

	<u>3Q16</u>		<u>3Q17</u>		<u>Change</u>	
Financial income	12,545	63%	14,831	64%	2,286	18%
Commercial income	7,426	37%	8,260	36%	834	11%
Income	19,971	100%	23,092	100%	3,121	16%
Financial cost	2,596	13%	3,434	15%	838	32%
Commercial cost	4,814	24%	5,524	24%	710	15%
Costs	7,410	37%	8,957	39%	1,548	21%
Gross income	12,561	63%	14,134	61%	1,573	13%
Sales, administration and promotion expenses	9,565	48%	10,292	45%	727	8%
EBITDA	2,996	15%	3,842	17%	846	28%
Depreciation and amortization	692	3%	570	2%	(122)	-18%
Other expense, net	19	0%	3	0%	(16)	-86%
Operating income	2,285	11%	3,269	14%	984	43%
Comprehensive financial result:						
Interest income	251	1%	154	1%	(97)	-39%
Interest expense	(345)	-2%	(346)	-1%	(1)	0%
Foreign exchange gain, net	154	1%	117	1%	(38)	-24%
Other financial results, net	37	0%	1,372	6%	1,334	----
	98	0%	1,297	6%	1,198	----
Participation in the net income of CASA and other associated companies	(402)	-2%	(78)	0%	324	81%
Income before income tax	1,981	10%	4,488	19%	2,507	----
Income tax	(682)	-3%	(1,470)	-6%	(788)	-116%
Income before discontinued operations	1,299	7%	3,018	13%	1,719	132%
Result from discontinued operations	31	0%	(160)	-1%	(191)	----
Impairment of intangible assets	-	0%	-	0%	-	----
Consolidated net income	1,330	7%	2,858	12%	1,527	115%

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

	9M16		9M17		Change	
Financial income	36,501	63%	43,397	64%	6,897	19%
Commercial income	21,234	37%	24,495	36%	3,261	15%
Income	57,734	100%	67,892	100%	10,158	18%
Financial cost	7,564	13%	8,961	13%	1,397	18%
Commercial cost	13,788	24%	16,317	24%	2,530	18%
Costs	21,351	37%	25,278	37%	3,927	18%
Gross income	36,383	63%	42,614	63%	6,231	17%
Sales, administration and promotion expenses	26,282	46%	30,144	44%	3,862	15%
EBITDA	10,101	17%	12,470	18%	2,369	23%
Depreciation and amortization	1,875	3%	1,644	2%	(231)	-12%
Other expense, net	11	0%	66	0%	55	----
Operating Income	8,215	14%	10,760	16%	2,545	31%
Comprehensive financial result:						
Interest income	647	1%	431	1%	(216)	-33%
Interest expense	(1,007)	-2%	(1,142)	-2%	(135)	-13%
Foreign exchange gain (loss), net	327	1%	(1,214)	-2%	(1,541)	----
Other financial results, net	(3,967)	-7%	11,852	17%	15,819	----
	(4,000)	-7%	9,927	15%	13,927	----
Participation in the net income of CASA and other associated companies	(618)	-1%	(21)	0%	597	97%
Income before income tax	3,597	6%	20,666	30%	17,069	----
Income tax	(1,119)	-2%	(5,958)	-9%	(4,839)	----
Income before discontinued operations	2,478	4%	14,708	22%	12,230	----
Result from discontinued operations	(68)	0%	(204)	0%	(136)	-199%
Impairment of intangible assets	-	0%	(8)	0%	(8)	----
Consolidated net income	2,410	4%	14,496	21%	12,086	----

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 September 30, 2016</u>			<u>At September 30, 2017</u>				
Cash and cash equivalents	2,719	19,494	22,214	2,577	17,879	20,456	(1,757)	-8%
Marketable financial instruments	12,489	52,001	64,490	10,297	47,062	57,359	(7,131)	-11%
Performing loan portfolio	-	51,188	51,188	-	58,599	58,599	7,411	14%
Total past-due loans	-	2,663	2,663	-	3,344	3,344	681	26%
Gross loan portfolio	-	53,852	53,852	-	61,943	61,943	8,091	15%
Allowance for credit risks	-	6,693	6,693	-	7,806	7,806	1,113	17%
Loan portfolio, net	-	47,159	47,159	-	54,137	54,137	6,978	15%
Inventories	7,705	-	7,705	8,879	-	8,879	1,173	15%
Other current assets	6,440	8,995	15,434	8,027	8,072	16,099	665	4%
Total current assets	29,354	127,648	157,002	29,780	127,150	156,930	(72)	0%
Financial instruments	17,672	306	17,978	16,283	288	16,571	(1,407)	-8%
Performing loan portfolio	-	20,406	20,406	-	25,779	25,779	5,373	26%
Total past-due loans	-	84	84	-	153	153	69	83%
Loan portfolio	-	20,489	20,489	-	25,931	25,931	5,442	27%
Other non-current assets	-	567	567	8,437	672	9,109	8,542	----
Investment in shares	2,736	-	2,736	2,632	-	2,632	(104)	-4%
Property, furniture, equipment and investment in stores, net	3,674	2,630	6,304	4,489	3,004	7,493	1,189	19%
Intangible assets	627	5,888	6,515	669	6,159	6,828	313	5%
Other assets	1,005	163	1,167	818	412	1,231	64	5%
TOTAL ASSETS	55,067	157,693	212,759	63,108	163,617	226,725	13,966	7%
Demand and term deposits	-	101,786	101,786	-	104,814	104,814	3,028	3%
Creditors from repurchase agreements	-	6,168	6,168	-	5,367	5,367	(801)	-13%
Short-term debt	55	414	469	3,496	58	3,554	3,085	----
Short-term liabilities with cost	55	108,367	108,423	3,496	110,239	113,735	5,312	5%
Suppliers and other short-term liabilities	13,585	7,672	21,256	12,713	10,405	23,118	1,862	9%
Short-term liabilities without cost	13,585	7,672	21,256	12,713	10,405	23,118	1,862	9%
Total short-term liabilities	13,640	116,039	129,679	16,210	120,644	136,853	7,174	6%
Long-term debt	16,219	2,042	18,261	9,567	977	10,544	(7,717)	-42%
Long-term liabilities with cost	16,219	2,042	18,261	9,567	977	10,544	(7,717)	-42%
Long-term liabilities without cost	5,839	3,823	9,662	6,326	3,323	9,649	(13)	0%
Total long-term liabilities	22,057	5,865	27,922	15,893	4,300	20,193	(7,730)	-28%
TOTAL LIABILITIES	35,697	121,904	157,601	32,103	124,943	157,046	(555)	0%
TOTAL STOCKHOLDERS' EQUITY	19,369	35,789	55,158	31,006	38,674	69,680	14,522	26%
LIABILITIES + EQUITY	55,067	157,693	212,759	63,108	163,617	226,725	13,966	7%

INFRASTRUCTURE

	<u>3Q16</u>		<u>3Q17</u>		<u>Change</u>	
<u>Points of sale in Mexico</u>						
Elektra	978	13%	1,020	14%	42	4%
Salinas y Rocha	50	1%	48	1%	(2)	-4%
Banco Azteca	1,228	17%	1,259	17%	31	3%
Freestanding branches	2,290	31%	2,212	31%	(78)	-3%
Total	4,546	62%	4,539	63%	(7)	0%
<u>Points of sale in Central and South America</u>						
Elektra	167	2%	163	2%	(4)	-2%
Banco Azteca	167	2%	163	2%	(4)	-2%
Freestanding branches	346	5%	310	4%	(36)	-10%
Total	680	9%	636	9%	(44)	-6%
<u>Points of sale in North America</u>						
Advance America	2,165	29%	2,072	29%	(93)	-4%
Total	2,165	29%	2,072	29%	(93)	-4%
TOTAL	7,391	100%	7,247	100%	(144)	-2%
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<u>Floor space (m²)</u>	1,484	100%	1,527	100%	43	3%
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<u>Employees</u>						
Mexico	49,353	77%	53,755	79%	4,402	9%
Central and South America	8,784	14%	8,707	13%	(77)	-1%
North America	6,007	9%	5,754	8%	(253)	-4%
Total employees	64,144	100%	68,216	100%	4,072	6%