

GRUPO SPORTS WORLD REPORTS A 14.5% GROWTH IN NET REVENUE AND 11.6% IN EBITDA; AND ANNOUNCES ITS 2017 GUIDANCE

Mexico City, February 20, 2017 – Grupo Sports World, S.A.B. de C.V. (“Sports World”, “SW”, “the Company” or “the Group”) (BMV: SPORT) announced today its consolidated financial and operating results for the fourth quarter and full year ended December 31, 2016.

(Figures in million pesos. Variations compared to the same period of 2015)

Fourth Quarter 2016	Full Year 2016
<ul style="list-style-type: none"> Sports World closed the Fourth Quarter of 2016 with 49¹ Clubs under operation. At the end of 4Q16, the number of Customers reached a historical maximum of 72,987, up 8.5% from the end of 4Q15. Average monthly visits were up 16.5%, compared to the same period of the prior year. Net Revenue amounted to \$357.5 million pesos, a 10.7% increase compared to 4Q15. Administrative Costs represented 6.9% of Net Revenue, in line with 4Q15. EBITDA totaled \$66.4 million pesos, a 2.7% increase compared to 4Q15. EBITDA margin was 18.6%, compared to 20.0% registered in 4Q15. Net Income was \$13.5 million pesos, a 44.3% increase versus the same quarter of 2015, and Net Income Margin stood at 3.8%, an increase of 0.9 percentage points compared to 4Q15. 	<ul style="list-style-type: none"> Net Revenue amounted to \$1.36 billion pesos, a 14.5% increase compared to the same period of 2015. Administrative Costs represented 6.3% of Net Revenue, a reduction of 0.6 percentage points with respect to the same period in 2015. EBITDA amounted to \$228.2 million pesos, an 11.6% increase compared to 2015. EBITDA Margin was 16.7%, 0.4 percentage points lower than in the same period of 2015. Net Income totaled \$29.7 million pesos, an increase of 83.0% compared to 2015. Net Income Margin was 2.2%, up 0.8 percentage points from the end of 2015.

¹ The total number of clubs in operation includes the Tijuana, Luna Parc, Arboledas, and Coacoalco clubs, all of which have a third-party shared operating agreement and do not operate under the Sports World brand.

MESSAGE FROM THE CEO

We are satisfied with the results obtained in 2016. At the end of the year, we achieved a historical maximum in the number of Customers, which amounted to 72,987. Net Revenue grew 14.5% compared to the previous year, and EBITDA was 11.6% above the reported in 2015.

During 2016 we worked to improve service and hospitality in all of our Clubs through the constant renovation of our sports offer, added to an exhaustive focus on cleanliness and maintenance, training and certifying our collaborators and unifying our customer service processes; all of this while promoting a hospitality culture throughout the Company.

Also, we continued to develop our Wellness strategy, focused on offering unique experiences that bring well-being, through a value proposition that is exclusive in this market, which has six fundamental pillars:

- **Balance:** our biggest strength is the holistic approach of our service; more than a gymnasium, we offer a healthy lifestyle.
- **Hospitality:** we constantly train all of our collaborators, not only in technical subjects, but in the development of a friendly environment, fully focused on the well-being and comfort of our Customers.
- **Trust:** besides a training focused on Integral Security, we have qualified and certified trainers for each one of the activities we offer in our Clubs.
- **Innovation:** latest trends in sports programs and equipment.
- **Community:** we promote a healthy networking and the creation of groups with activities and objectives in common.
- **Infrastructure:** thanks to our 49 Clubs in operation, with top quality facilities and equipment, we are closer to our Customers.

In line with this strategy, we are developing several avant-guard initiatives that we will continue to implement throughout this year and that will help us improve the quality of life of our Customers. Our objective is to make Wellness a lifestyle for them and to increase our presence in the country to take it to a larger number of persons.

In 2016 we opened four Clubs, to end the year with 49 under operation, strengthening our leadership in the market. Besides giving us greater expansion, these openings will allow us to achieve economies of scale and, therefore, improve margins and cash generation.

Around the end of 2016 and beginning of 2017 we made an important change to the identity of our brand, looking to complement the differentiation that we are making in terms of presence by number of Clubs and in terms of focus in Customer experience of service and wellness.

Last, I am glad to share with you that in January we were recognized as one of the “Great Places to Work” in Mexico by Great Place Work Institute. This award reflects the achievement of our objectives, trust and pride to belong to this Company, and the partnership that is built day to day, as well as the personal development of our collaborators. I reiterate my commitment to continue improving these key aspects to the development of the Company and its collaborators.

I thank our shareholders for their trust and our Customers that distinguish us with their preference.

Fabián Bifaretti Zanetto,
CEO

SUMMARY OF OPERATIONS

	Fourth Quarter			Full Year		
	4Q16	4Q15	% Var	2016	2015	% Var
Customers at the end of the period*	72,987	67,259	8.5%	72,987	67,259	8.5%
Customers at the end of the period - Same Clubs	69,396	63,339	9.6%	69,396	63,339	9.6%
Net Churn Rate	3.5%	3.8%	-0.3 pp	3.5%	4.3%	-0.8 pp
Net Churn Rate - Same Clubs	3.4%	3.8%	-0.4 pp	3.7%	4.3%	-0.6 pp
Average Monthly Visits**	544,589	467,304	16.5%	555,400	482,204	15.2%
Average Monthly Visits - Same Clubs	519,855	438,677	18.5%	515,402	468,919	9.9%
Average Monthly Visits per Customer	7.4	6.9	7.5%	8.1	7.9	2.5%
Average Monthly Visits Per Customer - Same Clubs	7.4	6.8	8.1%	8.1	8.0	2.1%

* Excluding Customers of transferred Clubs in the 4Q15 base, growth is 15.2%.

** *Excluding the visits of transferred Clubs in the 3Q15 base, growth is 24.1%.

CUSTOMERS

- At the end of the period, the total number of **Enrolled Customers**, excluding Customers in shared-operation Clubs, amounted to **72,987**, an increase of **8.5%** compared to the previous year. This growth was driven mainly by the **9.6%** increase in the number of **Enrolled Customers in Same Clubs** (those with more than twelve months of operations), as well as by the occupancy levels of recently opened Clubs.
- Net Churn Rate** during 4Q16 was **3.5%**, an improvement of **0.3** percentage points compared to 3.8% in the same period of 2015. **Net Churn Rate in Same Clubs** during the quarter was **3.4%** compared to 3.8% during 4Q15. This improvement was mainly driven by the constant effort to bring a better service and a vast and innovative sports offer, as well as additional services and events that look to achieve the well-being of our Customers, such as competitions among Clubs in climbing, swimming and box, nutritional support, among others.
- Net Churn Rate** for the full year 2016 was **3.5%**, **0.8** percentage points below 2015; **Net Churn Rate in Same Clubs** during the year amounted to **3.7%**, an improvement of **0.6** percentage points compared to 2015.

AVERAGE MONTHLY VISITS

- During 4Q16 the **Average Number of Monthly Visits** was **544,589**, an increase of **16.5%** compared to the same period of 2015. This growth is the result of a larger number of Clubs and Customers, as well as of the initiatives to increase visits per customer, which include sports innovation (with programs such as Indbike, GRIT, Intenz, Physical Move, among others), special programs like "Safesplash", winter camps for kids, monitoring of objectives with personalized routines, community formation and an improvement in the experience offered to Customers. **The Average Number of Monthly Visits in Same Clubs** during 4Q16 was **519,855**, **18.5%** larger than the number registered in 4Q15.
- For the full year 2016 the **Average Number of Monthly Visits** was **555,400**, an increase of **15.2%** compared to 2015, and the **Average Number of Monthly Visits in Same Clubs** increased **9.9%** compared to 2015, to reach **515,402**.
- During 4Q16 the number of **Average Monthly Visits per Customer** was **7.4**, an increase of **7.5%** compared to the same period of 2015, as a consequence of the sports and service initiatives mentioned. Also, the number of **Average Monthly Visits per Customer in Same Clubs** increased **8.1%** to **7.4**.

- During 2016 the number of **Average Monthly Visits per Customer** had a **2.5%** increase compared to 2015, to reach **8.1**; the number of **Average Monthly Visits per Customer in Same Clubs** increased **2.1%** to reach **8.1**.

It is worth mentioning that these indicators set us above the national and international parameters of the industry.

NUMBER OF CLUBS

	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Openings	1 ^a	0	2 ^b	1	1	1	1	2	0
Total Clubs in Operation	42	42	44	45	46	47	48	49^c	49
Construction and Pre-sale of Memberships	2 ^b	4 ^b	2	3	2	3	2	0	0
Total Clubs in Operation and Pre-sale	44	46	46	48	48	50	50	49	49

a) Includes SW Metepec, a club under the third-party operating model.

b) Includes SW Zona Esmeralda, a club under the third-party operating model.

c) Considers the closing in July of SW Paseo Interlomas because the shopping mall where it is located is being remodeled.

Note: The total number of Clubs in operation includes the Tijuana, Luna Parc, Arboledas, and Coacoalco Clubs, all of which have a third-party shared operating agreement and do not operate under the Sports World brand.

EMPLOYEES

	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Clubs' Operations	1,671	1,728	1,679	1,703	1,688	1,762	1,955	1,928	1,934
Clubs' Allocation Personnel	34	41	38	43	47	62	66	56	59
Corporate Office	85	85	88	89	86	90	81	71	70
Total	1,790	1,854	1,805	1,835	1,821	1,914	2,102	2,055	2,063

CONSOLIDATED RESULTS

REVENUE

(Thousands of pesos)	Fourth Quarter				Full Year			
	4Q16	4Q15	\$ Var	% Var	2016	2015	\$ Var	% Var
Revenue from Membership Sales	13,569	11,544	2,025	17.5%	52,984	46,508	6,476	13.9%
Revenue from Monthly Dues	288,291	268,861	19,430	7.2%	1,114,519	977,265	137,254	14.0%
Revenue from Memberships and Monthly Dues	301,860	280,405	21,455	7.7%	1,167,503	1,023,773	143,730	14.0%
Sports Revenue	12,915	8,793	4,122	46.9%	67,111	55,404	11,707	21.1%
Other Core Revenue	12,476	7,452	5,024	67.4%	45,583	26,471	19,112	72.2%
Other Non-Core Revenue	30,266	26,361	3,905	14.8%	83,676	85,945	(2,269)	(2.6%)
Other Revenue	55,657	42,606	13,051	30.6%	196,370	167,819	28,551	17.0%
Net Revenue	357,517	323,011	34,506	10.7%	1,363,874	1,191,592	172,282	14.5%

- During 4Q16 **Net Revenue** amounted to **\$357.5** million pesos, an increase of **10.7%** compared to the same period of 2015. Revenues were composed as follows:
 - Revenue from Memberships and Monthly Dues** grew **7.7%** to reach **\$301.9** million pesos, due to the increase in the number of Enrolled Customers.
 - Sports Revenue** and **Other Core Revenue** increased **56.3%** to reach **\$25.4** million pesos, mainly due to a higher participation in personalized classes, sports programs, winter courses for kids and membership reactivations.
 - Other Non-Core Revenue** amounted to **\$30.3** million pesos, an increase of **14.8%**. This revenue refers to sponsorships and commercial alliances achieved thanks to the strong positioning of the brand.

- For the full year 2016 **Net Revenue** amounted to **\$1.36** billion pesos, a **14.5%** increase compared to the **\$1.19** billion pesos reported in 2015.

EXPENSES

(Thousands of pesos)	Fourth Quarter				Full Year			
	4Q16	4Q15	\$ Var	% Var	2016	2015	\$ Var	% Var
Operating Expenses	252,293	225,868	26,425	11.7%	985,945	848,439	137,506	16.2%
Selling Expenses	14,208	10,069	4,139	41.1%	63,331	57,033	6,298	11.0%
Clubs' Operating Expenses¹	266,501	235,937	30,564	13.0%	1,049,276	905,472	143,804	15.9%
Gross Contribution	91,015	87,074	3,941	4.5%	314,598	286,120	28,478	10.0%
<i>Clubs' Gross Contribution Margin</i>	<i>25.5%</i>	<i>27.0%</i>		<i>-1.5 p.p.</i>	<i>23.1%</i>	<i>24.0%</i>		<i>-0.9 p.p.</i>
Administrative Cost	24,635	22,430	2,205	9.8%	86,371	81,676	4,695	5.7%
<i>% Administrative Cost / Net Revenue</i>	<i>6.9%</i>	<i>6.9%</i>		<i>0.0 p.p.</i>	<i>6.3%</i>	<i>6.9%</i>		<i>-0.6 p.p.</i>
Depreciation & Amortization	40,373	43,066	(2,693)	(6.3%)	158,665	149,938	8,727	5.8%
<i>% D&A / Net Revenue</i>	<i>11.3%</i>	<i>13.3%</i>		<i>-2.0 p.p.</i>	<i>11.6%</i>	<i>12.6%</i>		<i>-0.9 p.p.</i>
Total Operating Expenses	331,509	301,433	30,076	10.0%	1,294,312	1,137,087	157,225	13.8%
<i>% Total Operating Expenses / Net Revenue</i>	<i>92.7%</i>	<i>93.3%</i>		<i>-0.6 p.p.</i>	<i>94.9%</i>	<i>95.4%</i>		<i>-0.5 p.p.</i>

1) Club Operating Expenses do not include Depreciation and Amortization.

- During 4Q16 **Operating Expenses** increased **11.7%** to reach **\$252.3** million pesos, as the Company had four more Clubs in operation; while **Selling Expenses** reached **\$14.2** million pesos, increasing **41.1%** given a strong effort in the commercial activity that was reflected in the sales volume. As a result, the **Clubs' Gross Contribution Margin** decreased **1.5** percentage points to reach **25.5%** as a percentage of Net Revenue.
- Administrative Cost** increased **9.8%** to reach **\$24.6** million pesos, representing **6.9%** of Net Revenue, in line with the same period of 2015.
- Depreciation and Amortization** in the quarter reached **\$40.4** million pesos, **6.3%** lower than the same quarter of 2015; this as a result of the high comparable base derived from the remodeling works made in 2015, which had an accelerating effect in the asset depreciation.

OPERATING INCOME AND EBITDA

(Thousands of pesos)	Fourth Quarter				Full Year			
	4Q16	4Q15	\$ Var	% Var	2016	2015	\$ Var	% Var
Operating Income	26,008	21,578	4,430	20.5%	69,562	54,505	15,057	27.6%
<i>Operating Margin</i>	<i>7.3%</i>	<i>6.7%</i>		<i>0.6 p.p.</i>	<i>5.1%</i>	<i>4.6%</i>		<i>0.5 p.p.</i>
EBITDA	66,380	64,644	1,736	2.7%	228,227	204,444	23,783	11.6%
EBITDA Margin	18.6%	20.0%		-1.4 p.p.	16.7%	17.2%		-0.4 p.p.

- Operating Income** in the fourth quarter of 2015 reached **\$26.0** million pesos, a **20.5%** increase compared to the same period of the previous year. For the full year 2016, **Operating Income** grew **27.6%** to reach **\$69.6** million pesos.
- EBITDA** amounted to **\$66.4** million pesos in 4Q16, an increase of **2.7%** compared to the previous year. **EBITDA Margin** was **18.6%**, **1.4** percentage points below the 20.0% of 4Q15. For the full year 2016, **EBITDA** grew **11.6%** and **EBITDA Margin** reached **16.7%**, **0.4** percentage points below the margin reported in 2015.

NET FINANCING INCOME AND NET INCOME

(Thousands of pesos)	Fourth Quarter				Full Year			
	4Q16	4Q15	\$ Var	% Var	2016	2015	\$ Var	% Var
Interest Expense	(10,376)	(8,254)	(2,122)	25.7%	(34,416)	(32,357)	(2,059)	6.4%
Interest Income	417	296	121	41.0%	3,209	1,809	1,400	77.4%
Exchange Gain (loss) - Net	117	(714)	831	(116.3%)	(2,176)	(1,794)	(382)	21.3%
Other Financial Expenses ²	720	446	274	61.5%	3,350	431	2,919	676.7%
Net Financing Result	(9,123)	(8,227)	(896)	10.9%	(30,033)	(31,911)	1,878	(5.9%)
Earnings Before Taxes	16,885	13,351	3,534	26.5%	39,529	22,594	16,935	75.0%
Income Tax	3,409	4,014	(605)	(15.1%)	9,806	6,352	3,454	54.4%
Net Income	13,475	9,337	4,138	44.3%	29,723	16,242	13,481	83.0%
<i>Net Income Margin</i>	<i>3.8%</i>	<i>2.9%</i>		<i>0.9 p.p.</i>	<i>2.2%</i>	<i>1.4%</i>		<i>0.8 p.p.</i>
Number of Shares Outstanding	79,967,741	80,161,968			79,967,741	80,161,968		
EPS ³	0.17	0.12		41.7%	0.37	0.20		85.0%

2) Includes the result of the valuation of the interest rate hedging.

3) Earnings per Share (EPS) is calculated by dividing Net Income by the average number of shares outstanding in the period; this number excludes shares in the Share Buyback Program and in the Employees' Trust.

- **Net Financing Result** for the fourth quarter of 2016 represented a cost of **\$9.1** million pesos, an increase of **10.9%** compared to 4Q15, mainly due to the increase in interest payments related to a new line of credit and to the increase in TIIE. For the full year, **Net Financing Result** represented a cost of **\$30.0** million pesos, **5.9%** lower than the cost registered in 2015.
- **Net Income** in 4Q16 increased **44.3%** compared to the same period of 2015, to reach **\$13.5** million pesos and a **3.8%** margin over Net Revenue, **0.9** percentage points higher than the margin reported in 4Q15. For the full year 2016, Net Income grew **83.0%** to **\$29.7** million pesos, which represented a margin of **2.2%** over Net Revenue, **0.8** percentage points above 2016.

BALANCE SHEET

MAIN BALANCE ACCOUNTS

(Thousands of pesos)	2016	2015	Var \$	Var %
Cash and Cash Equivalents	134,269	158,154	(23,885)	(15.1%)
Improvements to Leased Properties, Constructions in Progress, Furnishings and Equipment - Net	1,206,070	1,164,279	41,791	3.6%
Accounts Payables to Suppliers and Other Payables	120,059	146,840	(26,781)	(18.2%)

CASH AND CASH EQUIVALENTS

- **Cash and Cash Equivalents** at the end of the year amounted to **\$134.3** million pesos, a **\$23.9** million pesos or **15.1%** reduction compared to the previous year, mainly due to the payments to suppliers related to the investment in the construction of New Clubs, as well as to the interest and amortization payments of current credits.

IMPROVEMETS TO LEASED PROPERTIES

- Improvements to leased properties amounted to **\$1.21** billion pesos, a **\$41.8** million pesos or **3.6%** increase compared to the previous year, mainly as a result of investments made for adaptations and equipment of New Clubs.

SUPPLIERS, CREDITORS AND OTHERS

- The Company registered a balance of **\$120.1** million pesos in this line, a **\$26.8** million pesos or **18.2%** reduction compared to the previous year. This amount is composed of pending payments to suppliers, including those for construction and equipment of New Clubs.

FINANCIAL DEBT

(Thousands of pesos)	2016	2015	Var \$	Var %
Short-Term Financial Debt	235,202	101,824	133,378	131.0%
Long-Term Financial Debt	205,432	353,346	(147,914)	(41.9%)
Gross Financial Debt	440,634	455,170	(14,536)	(3.2%)
Net Financial Debt	306,365	297,016	9,349	3.1%
Net Financial Debt / EBITDA	1.34 x	1.45 x		

- At the end of 2016 **Net Financial Debt** amounted to **\$306.4** million pesos, an increase of **3.1%** which comes mainly from new lines of credit (long term). These resources have been utilized to remodel existing units and for adjustments and equipment of New Clubs.
- Net Debt/EBITDA** at the end of 2016 was **1.34x**, compared to **1.45x** at the end of 2015.

OTHER RELEVANT EVENTS

- 2017 Full Year Guidance:**
The Company expects a 19% to 21% growth in Net Revenue and more than 21% in EBITDA, which represents an EBITDA Margin of at least 17%. Also, Sports World plans to open eight New Clubs during the year, with a total investment of approximately \$280 million pesos.
- In January of 2017 the Company launched its new image, along with a strong marketing campaign. With this innovative image, Sports World searches to complement its differentiating value proposition, as well as to maintain its position as a family club and increase its presence and recognition among new generations.
- In January of 2017 Sports World started the construction and pre-sale of SW Revolución, SW Barranca del Muerto and SW Lindavista. Also, the Company started the construction and pre-sale of SW Cabo Norte, located in the North of the city of Mérida, in the complex Cabo Norte, which is focused on a socio-economic segment with a high purchasing power and has residential and commercial areas with prestigious department stores, leisure and educational amenities. The Company estimates that SW Cabo Norte will start operations during the second quarter of this year, under the third-party operating model.
- Today the Company started the construction and pre-sale process of the Clubs SW Juriquilla and SW Bernardo Quintana, both located in Querétaro, one of the cities with the strongest industrial and corporate development in the country.

SW Juriquilla is located in a mixed use shopping mall called Uptown Juriquilla, in one of the areas with the highest purchasing power of the city, while SW Bernardo Quintana is in Av. Bernardo Quintana N° 518, the busiest and most important street in Querétaro.

These will be family format Clubs, the facilities will include free and controlled-weight areas, boxing area, cardio equipment, group classrooms, a semi-olympic swimming pool, climbing wall, dressing rooms, steam room, sauna and FitKidz, area designed exclusively for children.

The Company expects to open these Clubs at the end of the second quarter of this year.

SHARE BUYBACK PROGRAM

Sports World actively operates a share buyback fund; as of December 31, 2016 has 1,839,762 repurchased shares.

ANALYST COVERAGE

- **Actinver** Carlos Hermosillo
- **Banorte Ixe** Valentín III Mendoza

4Q AND FULL YEAR 2016 CONFERENCE CALL

The conference call to discuss 4Q16 results will be held in Spanish on Tuesday, February 21, 2017 at 11:00 am Mexico City time (12:00 pm Eastern Time). The conference will include a presentation that can be accessed on our website www.sportsworld.com.mx/seccion/inversionistas.

To have access to the audio in Spanish and ask questions, please dial:

From the US: **(844) 261-8256**

From Mexico: **(929) 387-3979**

Conference ID: **29508412**

ABOUT GRUPO SPORTS WORLD

Grupo Sports World, S.A.B. de C.V. is the leading operator of family fitness clubs in Mexico. The Company offers several concepts that are specifically designed to enable all family members to practice sports and participate in other health-related activities under the same roof. Sports World has a wide range of fitness and other programs that focus on the specific needs of its members. The Company also offers training, health and nutrition services, which reflect the latest global fitness industry trends. Sports World is listed on the Mexican Stock Exchange (BMV) under the ticker symbol "SPORT" (Bloomberg: SPORTS:MM).

NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain certain forward-looking statements and information relating to Grupo Sports World S.A.B. de C.V. and its subsidiaries that reflect the current views and/or expectations of Sports World and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may intend to predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe," "anticipate," "expect," "envisage," "will likely result," or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We advise you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of Grupo Sports World. Readers are cautioned not to place undue reliance on these or any forward-looking statements, which relate to the company's current situation only as of their dates of publication. Sports World undertakes no obligation.

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CONSOLIDATED INCOME STATEMENT

GRUPO SPORTS WORLD, S.A.B. DE C.V. & SUBSIDIARIES
Fourth Quarter and Full Year 2016 y 2015

(Thousands of pesos)	Fourth Quarter				Full Year			
	4Q16	4Q15	\$ Var	% Var	2016	2015	\$ Var	% Var
Revenue from Membership Sales	13,569	11,544	2,025	17.5%	52,984	46,508	6,476	13.9%
Revenue from Monthly Dues	288,291	268,861	19,430	7.2%	1,114,519	977,265	137,254	14.0%
Revenue from Memberships and Monthly Dues	301,860	280,405	21,455	7.7%	1,167,503	1,023,773	143,730	14.0%
Sports Revenue	12,915	8,793	4,122	46.9%	67,111	55,404	11,707	21.1%
Other Core Revenue	12,476	7,452	5,024	67.4%	45,583	26,471	19,112	72.2%
Other Non-Core Revenue	30,266	26,361	3,905	14.8%	83,676	85,945	(2,269)	(2.6%)
Other Revenue	55,657	42,606	13,051	30.6%	196,370	167,819	28,551	17.0%
Net Revenue	357,517	323,011	34,506	10.7%	1,363,874	1,191,592	172,282	14.5%
Operating Expenses	252,293	225,868	26,425	11.7%	985,945	848,439	137,506	16.2%
Selling Expenses	14,208	10,069	4,139	41.1%	63,331	57,033	6,298	11.0%
Clubs' Operating Expenses¹	266,501	235,937	30,564	13.0%	1,049,276	905,472	143,804	15.9%
Gross Contribution	91,015	87,074	3,941	4.5%	314,598	286,120	28,478	10.0%
<i>Clubs' Gross Contribution Margin</i>	<i>25.5%</i>	<i>27.0%</i>		<i>-1.5 p.p.</i>	<i>23.1%</i>	<i>24.0%</i>		<i>-0.9 p.p.</i>
Administrative Cost	24,635	22,430	2,205	9.8%	86,371	81,676	4,695	5.7%
<i>% Administrative Cost / Net Revenue</i>	<i>6.9%</i>	<i>6.9%</i>		<i>0.0 p.p.</i>	<i>6.3%</i>	<i>6.9%</i>		<i>-0.6 p.p.</i>
Depreciation & Amortization	40,373	43,066	(2,693)	(6.3%)	158,665	149,938	8,727	5.8%
<i>% D&A / Net Revenue</i>	<i>11.3%</i>	<i>13.3%</i>		<i>-2.0 p.p.</i>	<i>11.6%</i>	<i>12.6%</i>		<i>-0.9 p.p.</i>
Total Operating Expenses	331,509	301,433	30,076	10.0%	1,294,312	1,137,087	157,225	13.8%
<i>% Total Operating Expenses / Net Revenue</i>	<i>92.7%</i>	<i>93.3%</i>		<i>-0.6 p.p.</i>	<i>94.9%</i>	<i>95.4%</i>		<i>-0.5 p.p.</i>
Operating Income	26,008	21,578	4,430	20.5%	69,562	54,505	15,057	27.6%
<i>Operating Margin</i>	<i>7.3%</i>	<i>6.7%</i>		<i>0.6 p.p.</i>	<i>5.1%</i>	<i>4.6%</i>		<i>0.5 p.p.</i>
EBITDA	66,380	64,644	1,736	2.7%	228,227	204,444	23,783	11.6%
EBITDA Margin	18.6%	20.0%		-1.4 p.p.	16.7%	17.2%		-0.4 p.p.
Interest Expense	(10,376)	(8,254)	(2,122)	25.7%	(34,416)	(32,357)	(2,059)	6.4%
Interest Income	417	296	121	41.0%	3,209	1,809	1,400	77.4%
Exchange Gain (loss) - Net	117	(714)	831	(116.3%)	(2,176)	(1,794)	(382)	21.3%
Other Financial Expenses ²	720	446	274	61.5%	3,350	431	2,919	676.7%
Net Financing Result	(9,123)	(8,227)	(896)	10.9%	(30,033)	(31,911)	1,878	(5.9%)
Earnings Before Taxes	16,885	13,351	3,534	26.5%	39,529	22,594	16,935	75.0%
Income Tax	3,409	4,014	(605)	(15.1%)	9,806	6,352	3,454	54.4%
Net Income	13,475	9,337	4,138	44.3%	29,723	16,242	13,481	83.0%
<i>Net Income Margin</i>	<i>3.8%</i>	<i>2.9%</i>		<i>0.9 p.p.</i>	<i>2.2%</i>	<i>1.4%</i>		<i>0.8 p.p.</i>
Number of Shares Outstanding	79,967,741	80,161,968			79,967,741	80,161,968		
EPS ³	0.17	0.12		41.7%	0.37	0.20		85.0%

- 1) Club Operating Expenses do not include Depreciation and Amortization.
- 2) Includes the result of the valuation of the interest rate hedging.
- 3) Earnings per Share (EPS) is calculated by dividing Net Income by the number of shares outstanding.

CONSOLIDATED BALANCE SHEET

GRUPO SPORTS WORLD, S.A.B. DE C.V. & SUBSIDIARIES
As of December 31, 2016 & 2015

(Thousands of pesos)	2016	2015	Var \$	Var %
Cash and Cash Equivalents	134,269	158,154	(23,885)	(15.1%)
Accounts Receivable - Net	23,986	43,295	(19,309)	(44.6%)
Inventories	8,463	10,222	(1,759)	(17.2%)
Prepaid Expenses	24,813	23,704	1,109	4.7%
Total Current Assets	191,531	235,375	(43,844)	(18.6%)
Payments in Advance	222	10,766	(10,544)	(97.9%)
Improvements to Leased Properties, Constructions in Progress, Furnishings and Equipment - Net	1,206,070	1,164,279	41,791	3.6%
Intangible Assets - Net	66,244	62,052	4,192	6.8%
Other Assets	46,381	45,531	850	1.9%
Deferred Income Taxes	131,374	106,699	24,675	23.1%
Total Non-Current Assets	1,450,291	1,389,327	60,964	4.4%
Total Assets	1,641,822	1,624,702	17,120	1.1%
	2016	2015	Var \$	Var %
Banks Loans	231,568	98,569	132,999	134.9%
Leases	3,634	3,255	379	11.6%
Accounts Payables to Suppliers and Other Payables	120,059	146,840	(26,781)	(18.2%)
Deferred Income	178,990	150,343	28,647	19.1%
Total Current Liabilities	534,251	399,007	135,244	33.9%
Banks Loans	182,787	327,267	(144,480)	(44.1%)
Leases	22,645	26,079	(3,434)	(13.2%)
Other Long-term Liabilities	12,477	13,891	(1,414)	(10.2%)
Total Non-Current Liabilities	217,909	367,237	(149,328)	(40.7%)
Total Liabilities	752,160	766,244	(14,084)	(1.8%)
Paid-in Capital	575,603	575,603	-	0.0%
Retained Earnings	284,336	266,614	17,722	6.6%
Net Income	29,723	16,241	13,482	83.0%
Total Shareholders' Equity	889,662	858,458	31,204	3.6%
Liabilities & Shareholders' Equity	1,641,822	1,624,702	17,120	1.1%

CONSOLIDATES STATEMENT OF CASH FLOWS

GRUPO SPORTS WORLD, S.A.B. DE C. V. & SUBSIDIARIES
For the period ended on December 31, 2016

	2016
Operating Activities:	
Earnings Before Taxes	39,529
Depreciation & Amortization	158,665
Other	32,769
Subtotal	230,963
Cash flow generated by Operating Activities	(14,079)
Net Cash Flow from Operations	216,884
Investment Activities:	
Acquisitions of leased location improvements, furnishings, equipment and constructions	(185,667)
Acquisitions of Intangible Assets and Other Assets	(7,204)
Interest gain	3,209
Net Cash Flow from Investment Activities	(189,662)
Cash before Financing Activities	27,222
Financing Activities:	
Repurchase of Own Stock	(2,155)
Proceeds and payments of Loans and capital leases	(14,536)
Interest paid	(34,416)
Net Cash Flow from Financing Activities	(51,107)
Net Increase in Cash and Cash Equivalents	(23,885)
Cash & Equivalents:	
At the beginning of the period	158,154
At the end of the period	134,269