

SPORTS WORLD REPORTS AN 18.6% GROWTH IN NET REVENUE, 22.0% IN EBITDA, 16.7% IN CUSTOMERS*, AND 5.5% IN CUSTOMERS SAME CLUBS

Mexico City, July 27, 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 second quarter 2017.

(Variations compared to the same period of 2016)

Second Quarter 2017	January - June 2017
<ul style="list-style-type: none"> Sports World closed the second quarter of 2017 with 53¹ clubs under operation. At the end of 2Q17, the number of customers was 77,790, representing a 12.4% increase compared to the end of 2Q16. Average monthly visits were up 9.6%, compared to the same period of the prior year. Net Revenue amounted to \$401.9 million pesos, an 18.6% increase compared to 2Q16. Administrative Cost represented 5.9% of Net Revenue, in line with 2Q16. EBITDA totaled \$63.4 million pesos, a 22.0% increase compared to 2Q16. EBITDA margin was 15.8%, compared to 15.3% in 2Q16. EBITDA Margin Same Clubs was 19.6%, compared to 16.0% in 2Q16. Net Income increased 95.3% compared to 2Q16, to reach \$6.2 million pesos, representing a 1.5% margin over Net Revenue, compared to 0.9% in 2Q16. 	<ul style="list-style-type: none"> Net Revenue amounted to \$760.2 million pesos, a 16.2% increase compared to the same period of 2016. Administrative Cost represented 6.2% of Net Revenue, in line with the same period of 2016. EBITDA totaled \$115.2 million pesos, an 18.6% increase compared to 2Q16. EBITDA margin was 15.2%, compared to 14.9% in 2Q16. EBITDA Margin Same Clubs was 18.0%, compared to 15.7% in the same period of 2016. Net Income increased 41.9% to \$7.1 million pesos, representing a 0.9% margin over Net Revenue.

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 brand Sports World.

* Excluding Customers of transferred clubs in the 2Q16.

MESSAGE FROM THE CEO

We closed the first half of 2017 with results that are in line with our expectations, both financially and operationally.

Even after the price increase that was applied to membership dues in order to counteract the effect of higher costs of our main services, we finalized the quarter with 77,790 customers, a 12.4% increase compared to 2Q16, to reach occupancy levels in Same Clubs of 80%, compared to 72% in the same period of 2016. Also, average Net Churn Rate was 2.9%, still below industry levels, which has been a result of our focus in service, and to our efforts to continue offering a wide range of innovative programs and activities with the objective of turning wellness into a lifestyle for our customers.

In line with our family focus and looking to promote a sports, health and well-being culture from a young age, we started our Summer Camp this July in all our family format clubs.

In terms of financial results, compared to the second quarter of 2016, we reached an 18.6% growth in Net Revenues, 22.0% in EBITDA, and 95.3% in Net Income. This growth is mainly related to a higher number of clubs under operation, a higher number of customers, and to efficiencies obtained in mature clubs, generating operating leverage as a result of higher occupancy levels. Also, the evolution of sports revenue and other core revenue has been highly satisfactory.

We continue with our aggressive expansion plan, looking to be closer to our current and potential customers. During the quarter, we opened four clubs: SW Cabo Norte in the city of Mérida, SW Barranca del Muerto, SW Revolución and SW Lindavista, in Mexico City. These four new clubs, on average, have had a performance that is according to our expectations. Additionally, we initiated the process of construction and membership presale of SW Cráter Pedregal and SW Manacar, both in Mexico City, and SW Bernardo Quintana in Querétaro.

Strengthening our presence outside of Mexico City, we opened, in the first week of July, the first club in Querétaro, SW Juriquilla. Querétaro is one of the cities with highest industrial and corporate development in the country.

As of today, the Company has 54 clubs under operation and three more in construction and membership presale.

We are proud to announce we recently obtained the award for Socially Responsible Company for sixth consecutive year, demonstrating our commitment to contribute to the improvement of our environment.

Finally, I would like to thank our customers for their preference and for allowing Sports World to be a part of their lives. I recognize the effort of our collaborators to continue to offer an excellent service and I thank our shareholders for their trust.

Fabián Bifaretti,
CEO

SUMMARY OF OPERATIONS

	Second Quarter			YTD		
	2017	2016	% Var	2017	2016	% Var
Customers at the end of the period*	77,790	69,230	12.4%	77,790	69,230	12.4%
Customers at the end of the period - Same Clubs	73,030	69,230	5.5%	73,030	69,230	5.5%
Net Churn Rate	2.9%	2.0%	0.9 pp	4.0%	3.7%	0.3 pp
Net Churn Rate - Same Clubs	3.0%	2.0%	1.0 pp	4.0%	3.8%	0.2 pp
Average Monthly Visits**	648,669	592,033	9.6%	626,602	551,235	13.7%
Average Monthly Visits - Same Clubs	608,398	601,721	1.1%	593,705	556,074	6.8%
Average Monthly Visits per Customer	8.6	8.7	-2.0%	8.5	8.3	2.0%
Average Monthly Visits Per Customer - Same Clubs	8.5	8.9	-4.5%	8.5	8.4	0.7%

* Excluding Customers of transferred clubs in the 2Q16 base, growth is 16.7%.

** Excluding the visits of transferred clubs in the 2Q16 base, growth is 12.6%.

CUSTOMERS

- At the end of the period, the total number of **Enrolled Customers**, excluding Customers in shared-operation Clubs, amounted to **77,790**, an increase of **12.4%** compared to the previous year. This growth was driven mainly by the **5.5%** increase in the number of **Enrolled Customers in Same Clubs** (those with more than twelve months of operations), as well as by the increase in occupancy levels of the six recently opened clubs. This increase in customers is reflected in higher **Occupancy Levels in Same Clubs**, which went from 72.0% in 2Q16 to **80.1%** in 2Q17.
- Compared to 1Q17, the total number of **Enrolled Customers**, excluding Customers in shared-operation Clubs, increased **7.2%**, while the increase in the number of **Enrolled Customers in Same Clubs** was **3.2%**.
- Net Churn Rate** during 2Q17 was **2.9%**, a **0.9** percentage points increase compared to the same period of 2016. **Net Churn Rate in Same Clubs** during the quarter was **3.0%** compared to 2.0% during 2Q16.
- Year to date, **Net Churn Rate** was **4.0%**, **0.3** percentage points above the same period of 2016. **Net Churn Rate in Same Clubs** during the first half of the year was also **4.0%**, an increase of **0.2** percentage points compared to the same period of 2016. Even when the Company made an additional price increase in the months of May and June, and with the effect of Holly Week's holiday during 2Q17, the churn rate was below industry metrics and below the historical behavior of this indicator for the Company.

AVERAGE MONTHLY VISITS

- During 2Q17 the **Average Number of Monthly Visits** was **648,669**, a **9.6%** increase compared to the same period of 2016. Besides being a result of the opening of six new clubs, this increase reflect the actions that the Company is taking to improve its customers' experience, focusing on its *four service promises*: cleanliness, maintenance of facilities and sports equipment, availability of coaches and solving service requirements in no more than 24 hours. **The Average Number of Monthly Visits in Same Clubs** during 2Q17 was **608,398**, **1.1%** larger than the number registered in 2Q16.
- Year to date, the **Average Number of Monthly Visits** was **626,602**, a **13.7%** increase compared to the same period of 2016. **The Average Number of Monthly Visits in Same Clubs** during this period was **593,705**, an increase of **6.8%** compared to the previous year.
- During 2Q17 the number of **Average Monthly Visits per Customer** was **8.6**, **2.0%** lower than the same period of 2016, mainly due to the vacation period that this year was in April, while in 2016 only

one week affected the second quarter. Also, the number of **Average Monthly Visits per Customer in Same Clubs** was **8.5**.

- Year to date, the number of **Average Monthly Visits per Customer** was **8.5**, a **2.0%** increase compared to the same period of 2016, while the number of **Average Monthly Visits per Customer in Same Clubs** during the first half of 2017 was **8.5**, **0.7%** above the same period of 2016.

NUMBER OF CLUBS

	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Openings	0	2 ^a	1	1	1	1	2	0	0	4 ^c
Total Clubs in Operation	42	44	45	46	47	48	49^b	49	49	53
Construction and Pre-sale of Memberships	4 ^a	2	3	2	3	2	0	0	6 ^c	4
Total Clubs in Operation and Pre-sale	46	46	48	48	50	50	49	49	55	57

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

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

c) Includes SW Cabo Norte, a club under the third-party operating model.

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.

NUMBER OF EMPLOYEES

	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17
Clubs' Operations	1,679	1,703	1,688	1,762	1,955	1,928	1,934	2,070	2,281
Clubs' Allocation Personnel	38	43	47	62	66	56	59	62	65
Headquarters	88	89	86	90	81	71	70	70	80
Total	1,805	1,835	1,821	1,914	2,102	2,055	2,063	2,202	2,426

CONSOLIDATED INCOME STATEMENT

REVENUE

(Thousands of pesos)	Second Quarter				Year to Date			
	2017	2016	\$ Var	% Var	2017	2016	\$ Var	% Var
Revenue from membership sales	17,687	12,349	5,338	43.2%	34,194	24,487	9,707	39.6%
Revenue from monthly dues	311,999	278,429	33,570	12.1%	601,150	547,296	53,854	9.8%
Revenue from memberships and monthly dues	329,686	290,778	38,908	13.4%	635,344	571,783	63,561	11.1%
Sports revenue	25,407	18,315	7,092	38.7%	45,948	31,074	14,874	47.9%
Other core revenue	21,923	18,011	3,912	21.7%	43,088	27,146	15,942	58.7%
Other non-core revenue	24,926	11,890	13,036	109.6%	35,814	23,929	11,885	49.7%
Other revenue	72,256	48,216	24,040	49.9%	124,850	82,149	42,701	52.0%
Net revenue	401,942	338,994	62,948	18.6%	760,194	653,932	106,262	16.2%

- During 2Q17 **Net Revenue** amounted to **\$401.9 million pesos**, an increase of **18.6%** compared to the same period of 2016. Revenues were composed as follows:
 - Revenue from Memberships and Monthly Dues** grew **13.4%** to reach **\$329.7 million pesos**, due to the increase in the number of memberships both in clubs in operation as well as in new clubs.
 - Sports Revenue** and **Other Core Revenue** increased **30.3%** to reach **\$47.3 million pesos**, mainly due to a higher sale of personalized classes, sports programs, membership reactivations and sales of passes to visit clubs.
 - Other Non-Core Revenue** amounted to **\$24.9 million pesos**, a **109.6%** increase compared to 2Q16. These revenues refer to sponsorships and commercial alliances.

- **Net Revenue** for the first half of 2017 increased **16.2%** compared to the same period of 2016, to reach **\$760.2 million pesos**.
- **Net Revenue in Same Clubs** during the second quarter of 2017 amounted to **\$378.7 million pesos**, a **9.9%** increase compared to the same period of 2016, with similar behaviors to the ones mentioned with respect to Net Revenue for the Company.

EXPENSES

(Thousands of pesos)	Second Quarter				Year to Date			
	2017	2016	\$ Var	% Var	2017	2016	\$ Var	% Var
Operating expenses	293,909	250,678	43,231	17.2%	555,625	484,321	71,304	14.7%
Selling expenses	20,937	16,665	4,272	25.6%	42,303	31,594	10,709	33.9%
Clubs' operating expenses¹	314,846	267,343	47,503	17.8%	597,928	515,915	82,013	15.9%
Gross contribution	87,096	71,651	15,445	21.6%	162,266	138,017	24,249	17.6%
<i>Clubs' gross contribution margin</i>	<i>21.7%</i>	<i>21.1%</i>		<i>0.6 pp</i>	<i>21.3%</i>	<i>21.1%</i>		<i>0.2 pp</i>
Administrative cost	23,671	19,652	4,019	20.5%	47,028	40,839	6,189	15.2%
<i>% Administrative cost / Net revenue</i>	<i>5.9%</i>	<i>5.8%</i>		<i>0.1 pp</i>	<i>6.2%</i>	<i>6.2%</i>		<i>0.0 pp</i>
Depreciation & Amortization	43,136	40,832	2,304	5.6%	85,530	77,549	7,981	10.3%
<i>% D&A / Net revenue</i>	<i>10.7%</i>	<i>12.0%</i>		<i>-1.3 pp</i>	<i>11.3%</i>	<i>11.9%</i>		<i>-0.6 pp</i>
Total operating expenses	381,653	327,827	53,826	16.4%	730,486	634,303	96,183	15.2%
<i>% Total operating expenses / Net revenue</i>	<i>95.0%</i>	<i>96.7%</i>		<i>-1.7 pp</i>	<i>96.1%</i>	<i>97.0%</i>		<i>-0.9 pp</i>

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

- During 2Q17 **Operating Expenses** reached **\$314.9 million pesos**, an increase of **17.8%** compared to 2Q16. This increase is related to a higher number of clubs under operation as well as to the increase of cost in the main operating expenses such as water, electricity and gas. The **Clubs' Gross Contribution Margin** reached **21.7%** as a percentage of Net Revenue, **0.6** percentage points above 2Q16.
- **Administrative Cost** reached **\$23.7 million pesos**, **5.9%** over Net Revenue, a **0.1** percentage point increase compared to 2Q16, maintaining efficient levels regarding the Company's corporate structure.
- **Depreciation and Amortization** in the quarter reached **\$43.1 million pesos**, an increase of **5.6%** compared to the previous year, mainly due to a higher number of clubs under operation.
- **Total Operating Expenses** reached **\$381.7 million pesos**, an increase of **16.4%** compared to the second quarter of 2016. Year to date, **Total Operating Expenses** grew **15.2%** to reach **\$730.5 million pesos**.

OPERATING INCOME AND EBITDA

(Thousands of pesos)	Second Quarter				Year to Date			
	2017	2016	\$ Var	% Var	2017	2016	\$ Var	% Var
Operating income	20,289	11,167	9,122	81.7%	29,708	19,629	10,079	51.3%
<i>Operating margin</i>	<i>5.0%</i>	<i>3.3%</i>		<i>1.7 pp</i>	<i>3.9%</i>	<i>3.0%</i>		<i>0.9 pp</i>
EBITDA	63,425	51,999	11,426	22.0%	115,238	97,178	18,060	18.6%
<i>EBITDA margin</i>	<i>15.8%</i>	<i>15.3%</i>		<i>0.5 pp</i>	<i>15.2%</i>	<i>14.9%</i>		<i>0.3 pp</i>

- **Operating Income** in 2Q17 reached **\$20.3 million pesos**, which represents a margin of **5.0%** over Net Revenue, an increase of **1.7** percentage points compared to 2Q16.

- **EBITDA** amounted to **\$63.4 million pesos** in 2Q17, a **22.0%** increase compared to the previous year. **EBITDA Margin** was **15.8%**, **0.5** percentage points higher than the margin reported in 2Q16, as the increase in Operating Expenses was lower than the increase in Net Revenue, showing operating efficiencies.
- Year to date, **Operating Income** was **\$29.7 million pesos**, a **51.3%** increase compared to the same period of 2016, while **EBITDA** grew **18.6%** to reach **\$115.2 million pesos**, increasing **0.3** percentage points in terms of margin, to reach **15.2%**.

NET FINANCING INCOME AND NET INCOME

(Thousands of pesos)	Second Quarter				Year to Date			
	2017	2016	\$ Var	% Var	2017	2016	\$ Var	% Var
Interest expense	13,092	7,884	5,208	66.1%	23,012	15,700	7,312	46.6%
Interest income	(1,975)	(765)	(1,210)	NA	(3,584)	(2,427)	(1,157)	NA
Exchange loss (gain) - Net	469	424	45	10.6%	294	830	(536)	(64.6%)
Other financial expenses ²	336	(794)	1,130	NA	393	(1,448)	1,841	NA
Net financing cost	11,922	6,749	5,173	76.6%	20,115	12,655	7,460	58.9%
Profit before taxes	8,367	4,418	3,949	89.4%	9,593	6,974	2,619	37.6%
Income tax	2,176	1,248	928	74.4%	2,494	1,970	524	26.6%
Net profit for the year	6,191	3,170	3,021	95.3%	7,099	5,004	2,095	41.9%
<i>Net Profit Margin</i>	<i>1.5%</i>	<i>0.9%</i>		<i>0.6 pp</i>	<i>0.9%</i>	<i>0.8%</i>		<i>0.1 pp</i>
Number of shares outstanding	79,555,165	79,948,011			79,555,165	79,948,011		
EPS ³	0.40	0.26		54.8%	0.40	0.26		54.8%

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

3) Earnings per Share (EPS) is calculated by dividing consolidated Net Income for the last 12 months by the weighted 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 second quarter of 2017 represented a cost of **\$11.9 million pesos**, an increase of **76.6%** compared to 2Q16, mainly due to an increase in the TIIE rate as well as to a higher level of debt.
- **Net Income** reached **\$6.2 million pesos**, a **95.3%** increase compared to the previous year. The margin over Net Revenue was **1.5%**, a **0.6** percentage point expansion from 2Q16.
- Year to date, **Net Income** reached **\$7.1 million pesos**, a **41.9%** increase compared to the previous year. The margin over Net Revenue was **0.9%**.

BALANCE SHEET

MAIN BALANCE ACCOUNTS

(Thousands of pesos)	June			
	2017	2016	\$ Var	% Var
Cash and cash equivalents	98,928	24,412	74,516	305.2%
Leasehold improvements, construction in progress, furniture and equipment - Net ¹	1,342,794	1,204,625	138,169	11.5%
Accounts payable to suppliers and other payables	200,452	134,327	66,125	49.2%

1) Includes payments in advance to suppliers.

CASH AND CASH EQUIVALENTS

- **Cash and Cash Equivalents** at the end of the quarter amounted to **\$98.9 million pesos**, a **\$74.5 million peso** or **305.2%** increase compared to 2Q16, mainly due to the cash flow generated from operations, as well as to the resources obtained from new credit lines for the construction of new clubs.

LEASEHOLD IMPROVEMENTS, CONSTRUCTION IN PROGRESS, FURNITURE AND EQUIPMENT

- This line registered **\$1.34 billion pesos**, a **\$138.2 million peso** or **11.5%** increase compared to the previous year, mainly as a result of the investments made for adapting and equipping new clubs.

SUPPLIERS, CREDITORS AND OTHERS

- The Company registered a balance of **\$200.5 million pesos** in this line, a **\$66.1 million peso** or **49.2%** increase compared to the previous year, mainly due to the construction of new clubs for this year's expansion.

FINANCIAL DEBT

(Thousands of pesos)	June			
	2017	2016	\$ Var	% Var
Short-Term financial debt	116,159	128,160	(12,001)	-9.4%
Long-Term financial debt	454,003	275,731	178,272	64.7%
Gross financial debt	570,162	403,891	166,271	41.2%
Net financial debt	471,234	379,479	91,755	24.2%
Net financial debt / EBITDA ¹	1.9 x	1.7 x		

1) Last twelve months.

- At the end of June, 2017 **Net Financial Debt** amounted to **\$471.2 million pesos**, an increase of **24.2%** compared to June of 2016, mainly due to new long-term lines of credit, which have been utilized for adjustments and equipment of new clubs, as well as to remodel existing units.
- **Net Debt / EBITDA** at the end of 2Q17 was **1.9x**, compared to 1.7x in the same period of 2016. The Company maintains a healthy debt level and a solid financial position.

OTHER RELEVANT EVENTS

- In July of this year, the Company opened the club SW Juriquilla, its first club in Querétaro, one of the cities with the highest industrial and corporate development in the country. With this opening the Company continues its expansion to other states of the Mexican Republic, strengthening its position as market leader.

SHARE BUYBACK PROGRAM

Sports World actively operates a share buyback fund; as of June 30, 2017, it has 2,463,431 repurchased shares.

ANALYST COVERAGE

- **Actinver** Carlos Hermosillo
- **Banorte Ixe** Valentín III Mendoza
- **Signum Research** Cristina Morales

2Q17 CONFERENCE CALL

The conference call to discuss 2Q17 results will be held on Friday, July 28, 2017 at 11:00 am Mexico City time (12:00 pm Eastern Time). The conference will include a presentation that can be accessed through our website www.sportsworld.com.mx/seccion/inversionistas.

To have access to the audio in Spanish and ask questions, please dial:
From the US and other countries: **+1 929 387 3979**
From Mexico: **01800 926 9157**
Conference ID: **52271859**

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
As of June 2017 y 2016

(Thousands of pesos)	Second Quarter				Year to Date			
	2017	2016	\$ Var	% Var	2017	2016	\$ Var	% Var
Revenue from membership sales	17,687	12,349	5,338	43.2%	34,194	24,487	9,707	39.6%
Revenue from monthly dues	311,999	278,429	33,570	12.1%	601,150	547,296	53,854	9.8%
Revenue from memberships and monthly dues	329,686	290,778	38,908	13.4%	635,344	571,783	63,561	11.1%
Sports revenue	25,407	18,315	7,092	38.7%	45,948	31,074	14,874	47.9%
Other core revenue	21,923	18,011	3,912	21.7%	43,088	27,146	15,942	58.7%
Other non-core revenue	24,926	11,890	13,036	109.6%	35,814	23,929	11,885	49.7%
Other revenue	72,256	48,216	24,040	49.9%	124,850	82,149	42,701	52.0%
Net revenue	401,942	338,994	62,948	18.6%	760,194	653,932	106,262	16.2%
Operating expenses	293,909	250,678	43,231	17.2%	555,625	484,321	71,304	14.7%
Selling expenses	20,937	16,665	4,272	25.6%	42,303	31,594	10,709	33.9%
Clubs' operating expenses¹	314,846	267,343	47,503	17.8%	597,928	515,915	82,013	15.9%
Gross contribution	87,096	71,651	15,445	21.6%	162,266	138,017	24,249	17.6%
<i>Clubs' gross contribution margin</i>	<i>21.7%</i>	<i>21.1%</i>		<i>0.6 pp</i>	<i>21.3%</i>	<i>21.1%</i>		<i>0.2 pp</i>
Administrative cost	23,671	19,652	4,019	20.5%	47,028	40,839	6,189	15.2%
<i>% Administrative cost / Net revenue</i>	<i>5.9%</i>	<i>5.8%</i>		<i>0.1 pp</i>	<i>6.2%</i>	<i>6.2%</i>		<i>0.0 pp</i>
Depreciation & Amortization	43,136	40,832	2,304	5.6%	85,530	77,549	7,981	10.3%
<i>% D&A / Net revenue</i>	<i>10.7%</i>	<i>12.0%</i>		<i>-1.3 pp</i>	<i>11.3%</i>	<i>11.9%</i>		<i>-0.6 pp</i>
Total operating expenses	381,653	327,827	53,826	16.4%	730,486	634,303	96,183	15.2%
<i>% Total operating expenses / Net revenue</i>	<i>95.0%</i>	<i>96.7%</i>		<i>-1.7 pp</i>	<i>96.1%</i>	<i>97.0%</i>		<i>-0.9 pp</i>
Operating income	20,289	11,167	9,122	81.7%	29,708	19,629	10,079	51.3%
<i>Operating margin</i>	<i>5.0%</i>	<i>3.3%</i>		<i>1.7 pp</i>	<i>3.9%</i>	<i>3.0%</i>		<i>0.9 pp</i>
EBITDA	63,425	51,999	11,426	22.0%	115,238	97,178	18,060	18.6%
<i>EBITDA margin</i>	<i>15.8%</i>	<i>15.3%</i>		<i>0.5 pp</i>	<i>15.2%</i>	<i>14.9%</i>		<i>0.3 pp</i>
Interest expense	13,092	7,884	5,208	66.1%	23,012	15,700	7,312	46.6%
Interest income	(1,975)	(765)	(1,210)	NA	(3,584)	(2,427)	(1,157)	NA
Exchange loss (gain) - Net	469	424	45	10.6%	294	830	(536)	(64.6%)
Other financial expenses ²	336	(794)	1,130	NA	393	(1,448)	1,841	NA
Net financing cost	11,922	6,749	5,173	76.6%	20,115	12,655	7,460	58.9%
Profit before taxes	8,367	4,418	3,949	89.4%	9,593	6,974	2,619	37.6%
Income tax	2,176	1,248	928	74.4%	2,494	1,970	524	26.6%
Net profit for the year	6,191	3,170	3,021	95.3%	7,099	5,004	2,095	41.9%
<i>Net Profit Margin</i>	<i>1.5%</i>	<i>0.9%</i>		<i>0.6 pp</i>	<i>0.9%</i>	<i>0.8%</i>		<i>0.1 pp</i>
Number of shares outstanding	79,555,165	79,948,011			79,555,165	79,948,011		
EPS ³	0.40	0.26		54.8%	0.40	0.26		54.8%

- 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 consolidated Net Income for the last 12 months by the weighted average number of shares outstanding in the period; this number excludes shares in the Share Buyback Program and in the Employees' Trust.

CONSOLIDATED BALANCE SHEET

GRUPO SPORTS WORLD, S.A.B. DE C.V. & SUBSIDIARIES
As of June 30, 2017 & 2016, & December 31, 2016

(Thousands of pesos)	June			
	2017	2016	\$ Var	% Var
Cash and cash equivalents	98,928	24,412	74,516	305.2%
Accounts receivable - Net and recoverable taxes	53,523	51,096	2,427	4.7%
Inventories	4,508	14,400	(9,892)	(68.7%)
Prepayments	56,494	29,282	27,212	92.9%
Total current assets	213,453	119,190	94,263	79.1%
Leasehold improvements, construction in progress, furniture and equipment - Net ¹	1,342,794	1,204,625	138,169	11.5%
Intangible assets - Net	79,545	65,246	14,299	21.9%
Other assets	44,591	46,439	(1,848)	(4.0%)
Derivate financial instruments	1,689	202	1,487	736.1%
Deferred tax assets	147,084	115,278	31,806	27.6%
Total non-current assets	1,615,703	1,431,790	183,913	12.8%
Total assets	1,829,156	1,550,980	278,176	17.9%
	2017	2016	\$ Var	% Var
Short-term financial debt	112,573	124,710	(12,137)	(9.7%)
Leases	3,586	3,450	136	3.9%
Accounts payable to suppliers and other payables	200,452	134,327	66,125	49.2%
Deferred revenue	156,996	135,743	21,253	15.7%
Total current liabilities	473,607	398,230	75,377	18.9%
Long-term financial debt	432,917	251,427	181,490	72.2%
Leases	21,086	24,304	(3,218)	(13.2%)
Other liabilities	13,924	13,735	189	1.4%
Derivate financial instruments	-	-	-	0.0%
Total non-current liabilities	467,927	289,466	178,461	61.7%
Total liabilities	941,534	687,696	253,838	36.9%
Capital stock and additional paid-in capital	575,603	575,603	-	0.0%
Retained earnings	304,920	282,677	22,243	7.9%
Profit (loss) for the year	7,099	5,004	2,095	41.9%
Total stockholders' equity	887,622	863,284	24,338	2.8%
Total stockholders' equity and liabilities	1,829,156	1,550,980	278,176	17.9%

1) Includes payments in advance to suppliers.

CONSOLIDATES STATEMENT OF CASH FLOWS

GRUPO SPORTS WORLD, S.A.B. DE C. V. & SUBSIDIARIES
As of June 30, 2017

	2017
Operating activities:	
Profit before taxes	9,593
Depreciation & amortization	85,530
Other	22,856
Net cash generated by operating activities before changes on working capital	117,979
Changes on working capital	(66,648)
Net cash generated by operating activities	51,331
Investment activities:	
Acquisitions of leased location improvements, furnishings, equipment and constructions	(169,403)
Acquisitions of intangible assets and other assets	(16,940)
Interest received	3,584
Net cash (used in) generated by investing activities	(182,759)
Cash before financing activities	(131,428)
Financing Activities:	
Repurchase of shares	(10,429)
Proceeds and payments of borrowings and leases	129,528
Interest paid	(23,012)
Net cash used in financing activities	96,087
Net (decrease) increase in cash and cash equivalents	(35,341)
Cash and cash equivalents at the beginning of the year	134,269
Cash and cash equivalents at the end of the year	98,928