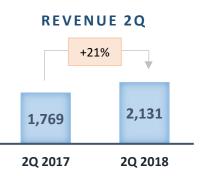
# **CIE Reports Second Quarter 2018 Results**

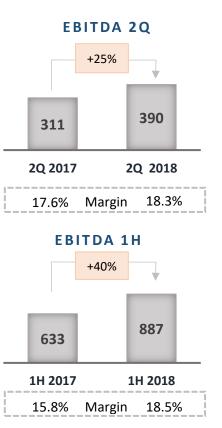
Mexico City. July 25, 2018. – Corporación Interamericana de Entretenimiento, S.A.B. de C.V. ("CIE", "the Company" or "the Group") (BMV: CIE) announces its financial results as of the second quarter of 2018, prepared under International Financial Reporting Standards ("IFRS").

- As of the second quarter of 2018, the Company renamed its Commercial Division as CIE Special Events, which includes the operations of corporate and special events, the operation of the Citibanamex Exhibition Center, and the promotion of the Formula 1 Series in Mexico. This change does not entail any difference with the historical financial results in terms of comparability; since the businesses operated are exactly the same.
- In the second quarter of 2018, consolidated sales grew by 21%, reaching Ps.2,131, compared to Ps.1,769 recorded in the same period of last year. Sales were Ps.4,792 in the first six months of 2018, compared to Ps.4,000 in the same period in 2017.
- Consolidated EBITDA during the period reached Ps.390, representing an increase of 25% from the previous year. For the first six months of 2018, EBITDA grew by 40% compared to the same period in 2017.
- During the second quarter, the Group's net income was Ps.253, being 104% higher than that observed in 2017. Net income was Ps.306 for the first six months of the year, compared to Ps.49 being recorded in the same period of 2017.



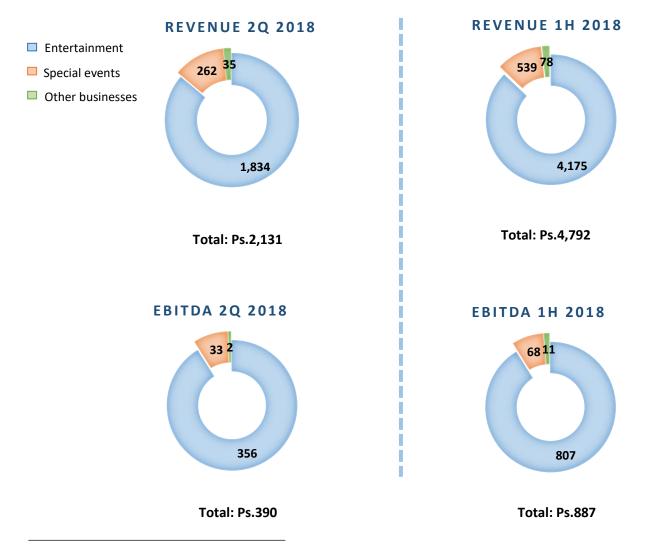
## **REVENUE 1H**





## **Consolidated Financial Highlights**

2Q	2Q	%	1H	1H	%
2018	2017	Var.	2018	2017	Var.
2,131	1,769	+21%	4,792	4,000	+20%
390	311	+25%	887	633	+40%
18.3%	17.6%		18.5%	15.8%	
151	(109)	N.A.	(95)	(383)	+75%
253	124	N.A.	306	49	N.A.
184	(49)	N.A.	154	(140)	N.A.
5,333	4,546	+17%			
2,190	2,092	+5%			
	2018 2,131 390 <i>18.3%</i> 151 253 184 5,333	201820172,1311,76939031118.3%17.6%151(109)253124184(49)5,3334,546	20182017Var.2,1311,769+21%390311+25%18.3%17.6%151(109)N.A.253124N.A.184(49)N.A.5,3334,546+17%	20182017Var.20182,1311,769+21%4,792390311+25%88718.3%17.6%18.5%151(109)N.A.(95)253124N.A.306184(49)N.A.1545,3334,546+17%	20182017Var.201820172,1311,769+21%4,7924,000390311+25%88763318.3%17.6%18.5%15.8%151(109)N.A.(95)(383)253124N.A.30649184(49)N.A.154(140)5,3334,546+17%



The figures contained throughout this document corresponding to the second quarters of 2018 and 2017, are expressed in millions of nominal Mexican pesos. Figures may vary due to rounding effects.

EBITDA means earnings before interest, taxes, depreciation, and amortization.

N.A. means does not apply

# SECOND QUARTER (the "quarter" or the "period") DISCUSSION

## **CIE ENTERTAINMENT**



**CIE** Entertainment revenues during the second quarter reached Ps.1,834, a figure 24% higher than that registered in the same quarter of the previous year. This revenue increase is the result of a strong calendar of events promoted during the quarter, which included: 1) new festivals that are incorporated into the portfolio of annual events, such as Pulso GNP and Corona Capital Guadalajara; 2) greater attendance observed at the Pa'l Norte festival; 3) the Corona Hell & Heaven festival, which was not held in 2017; 4) concerts by Latin artists such as Luis Miguel, Marco Antonio Solis, and Romeo Santos: and, 5) concerts by international artists such as The Killers, Harry Styles, and Katy Perry.

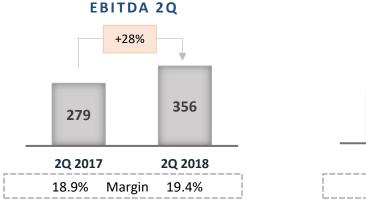
## **REVENUE 1H**

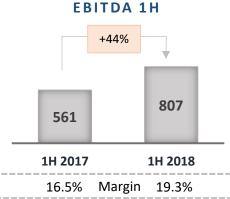


In the quarter, presentations by artists and festivals included:

- Harry Styles (Palacio de los Deportes, Mexico City)
- Luis Miguel (Auditorio Nacional, Mexico City)
  - **Corona Capital** (Foro Alterno, Guadalajara)
- Pa'l Norte
   (Parque Fundidora, Monterrey)
- Romeo Santos
   (Foro Sol, Mexico City
- Katy Perry (Arena VFG, Guadalajara,

For the first six months of 2018, the division's revenue grew 23%, compared to the previous year.





EBITDA was Ps.356 in the second quarter of 2018, compared to Ps.279 recorded in the second quarter of 2017, representing a 28% increase.

In the first six months of 2018, EBITDA grew by 44% compared to the same period of the previous year.

## **CIE SPECIAL EVENTS**





CIE Special Events (formerly CIE Commercial) revenues in the second quarter increased by 2% compared to the same period in 2017, reaching Ps.262 compared to Ps.257. During this quarter, the Citibanamex Exhibition Center hosted important events such as Expo Carga 2018, Intralogistic Latam, and Infosecurity México. In terms of special and corporate events, the Chevrolet Experience Tour 2018, the Latam Mobility Summit, as well as the Meeting of National Coordinators of the Pacific Alliance were highlighted.

The following events stood out during the period:

• Latam Mobility Summit

68

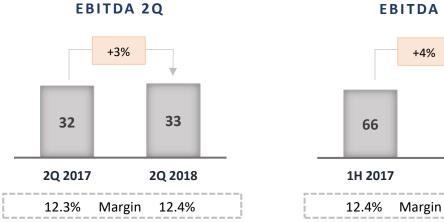
1H 2018

12.6%

- Expo Carga 2018 Infosecurity México 2018

  - GM Chevrolet Experience Tour 2018

For the first six months of 2018, revenues were 2% higher than those observed in the same period of the previous year, reaching Ps.539.



**EBITDA 1H** 

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# Corporación Interamericana de Entretenimiento, S.A.B de C.V.

During the second quarter, the EBITDA of CIE Special Events was Ps.33, 3% higher than that observed during the same quarter of 2017. This increase is primarily a consequence of the increase in revenues commented before.

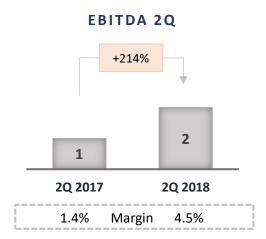
During the first six months of 2018, EBITDA was Ps.68, which is 4% higher than the first half of 2017.



OTHER BUSINESSES (El Salitre Park in Bogota, Colombia)

Revenue from **El Salitre Park** reached Ps.35, which is 2% lower than that registered in the same period of the previous year. This decrease is the result of a lower number of attendees at the amusement park, as the Company made the strategic decision to close the park from Monday to Friday during the low season in an attempt to achieve efficiencies in costs and expenses.

In the first six months of the year, revenues reached Ps.78, which is 2% lower than the first half of 2017.



EBITDA 1H



In the second quarter, the EBITDA of the park was Ps.2, compared to an EBITDA of Ps.1 in the quarter of the previous year. This increase is a consequence of the efficiencies achieved in costs and expenses resulting from the park's aforementioned weekday closure strategy.

In the first six months of the year, EBITDA was Ps.11, which is 56% higher than the EBITDA observed for the first half of 2017.

<i>"</i>						
	2Q	2Q	%	1H	1H	%
	2018	2017	Var.	2018	2017	Var.
Interests gained	62	35	+78%	112	67	+66%
Interests paid	64	57	+11%	126	127	-1%
Foreign exchange gain (loss), net	143	(86)	N.A.	(83)	(322)	+74%
Other financial income (expenses)	10	1	N.A.	2	(2)	N.A.
Financial income (expenses), net	151	(109)	N.A.	(95)	(383)	+75%

# FINANCIAL INCOME (EXPENSES), NET

During the second quarter, net financial income reached Ps.151, compared to net financial expenses of Ps.109 recorded in the same quarter of the previous year. This variation is primarily a consequence of: 1) a foreign exchange gain of Ps.143 observed in the quarter as a result of the revaluation of the active monetary positions held by the Company in U.S. dollars, since the exchange rate of Mexican pesos for U.S. dollars passed from Ps.18.27 at the close of March 2018 to Ps.19.69 in June 2018; and, 2) an increase in the Group's earned interest, which reached Ps.62, compared to Ps.35 observed in the same period in 2017. This increase is the result of a higher average cash level observed during the quarter.

For the first six months of 2018, net financial expenses were Ps.95, compared to Ps.383 observed during the same period in 2017. This is a consequence of the decrease in the net exchange loss observed.

	2Q	2Q	%	1H	1H	%
	2018	2017	Var.	2018	2017	Var.
Tax incurred	182	98	+86%	365	233	+57%
Deferred tax	23	(32)	N.A.	19	(88)	N.A.
Income tax	205	66	N.A.	384	145	<b>N.A</b> .

## **INCOME TAX**

# Corporación Interamericana de Entretenimiento, S.A.B de C.V.

In the period, taxes reached Ps.205 in provisions for income tax incurred and deferred, compared to Ps.66 in the second quarter of 2017. This increase is primarily due to: 1) higher pre-tax profits during this period, which reached Ps.458 compared to Ps.190 in the same quarter of 2017; and, 2) a deferred tax liability of Ps.23 recorded in the period, compared to a deferred tax asset of Ps.32 observed in the second quarter of 2017.

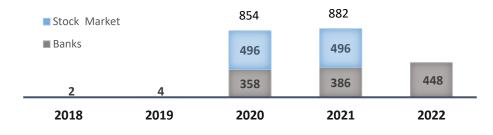
In the first six months of 2018, taxes reached Ps.384, compared to Ps.145 in the first six months of the previous year. This increase is the result of an increase in profit before taxes in this period, which reached Ps.690, compared to Ps.195 during the same period in 2017.

### **NET INCOME**

A net income of Ps.253 was recorded in the second quarter, compared to a net profit of Ps.124 in the same period of the previous year. This increase is the result of an increase in profit before taxes being observed during this quarter, due to improved performance in all the Group's businesses, as well as a decrease in net financial expenses mentioned above.

### **COST-BEARING DEBT**

As of June 30, 2018, the Company's bank and stock market indebtedness was Ps.2,190, compared to Ps.2,092 observed in the second quarter of 2017, and to Ps.2,185 recorded at the end of 2017. The following graph presents the maturity profile of debt at the end of the second quarter:



Total: 2,190

## **ABOUT CIE**

Established in 1990, CIE is one of the most important companies in the out-of-home entertainment market in Latin America and worldwide.

CIE offers a wide range of entertainment options for a variety of audiences and budgets in large- and medium-sized cities with high economic potential and population growth in both Mexican and Colombian markets. The wide variety of entertainment options offered includes concerts, theatrical productions, sporting events, family events, and cultural events, among others. CIE also operates El Salitre amusement park in Bogota, Colombia.

Additionally, the Company operates Centro Citibanamex in Mexico City, which is one of the largest and most important international exposition and convention centers in the nation. CIE is also the most noteworthy producer and organizer of special and corporate events in Mexico. CIE also promotes and markets the F1 Mexican Grand Prix.

Corporacion Interamericana de Entretenimiento is a publicly traded company whose shares have been listed on the Mexican Stock Exchange since 1995 under the ticker symbol "CIE."

### LEGAL DISCLAIMER

As a precautionary note to the investing public, except for the historical information provided herein, certain subjects discussed in this document constitute forward-looking statements. These statements assume that there are risks and uncertainties, including the economic conditions in Mexico and other countries where CIE operates, as well as fluctuations in the value of the Mexican peso against the United States dollar.

The use of registered trademarks or commercial trademarks in this document is exclusively for illustrative purposes and is not intended to violate copyrights and/or intellectual property laws applicable in the countries where CIE, its subsidiaries, and those companies with which CIE maintains commercial or business relationships, operate.

#### CONTACT

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## **INCOME STATEMENT**

	2T 2018	2T 2017	% Var.	6M 2018	6M 2017	% Var.
Sales	2,131	1,769	+21%	4,792	4,000	+20%
Cost of sales	1,605	1,259	+28%	3 <i>,</i> 553	2,916	+22%
Gross income	527	510	+3%	1,239	1,084	+14%
Operating expenses	249	253	-2%	522	577	-9%
Operating income	278	257	+8%	717	507	+41%
Net financial revenues (expenses)						
Interest earned (paid), net	(2)	(22)	+91%	(14)	(59)	+77
Exchange rate gain (loss)	143	(86)	N.A.	(83)	(322)	+74%
Other financial revenues (expenses)	10	(1)	N.A.	2	(2)	N.A.
Net financial revenues (expenses)	151	(109)	<b>N.A.</b>	(95)	(383)	+75%
Stake in the results of associated	29	42	-30%	67	70	-4%
companies						
Earnings before taxes	458	190	<b>N.A</b> .	690	195	N.A.
Income tax	205	66	N.A.	384	145	N.A.
Net income (loss)	253	124	N.A.	306	49	N.A.
Minority net income	69	173	-60%	152	189	-20%
Majority net income	184	(49)	<b>N.A</b> .	154	(140)	<b>N.A</b> .
D&A	112	54	N.A.	170	126	+35%
EBITDA	390	311	+25%	887	633	+40%

## **BALANCE SHEET**

	30 Jun.	31 Dec.	%
	2018	2017	Var.
Current assets	9,319	7,937	+17%
Cash	5,333	4,324	+23%
Clients receivable, net	1,229	1,684	-27%
Other accounts receivable, net	226	217	+5%
Inventory	18	21	-13%
Other current assets	2,513	1,692	+48%
Non-current assets	3,752	3,725	+1%
Investments in associated companies and joint ventures	1,116	1,098	+2%
Property, plant and equipment, net	1,374	1,367	+1%
Intangible assets	140	123	+14%
Assets from deferred taxes	1,057	1,080	-2%
Other non-current assets	65	57	+14%
Total assets	13,071	11,662	+12%
Current liabilities	6,418	5,264	+22%
Providers	1,635	1,093	+50%
Short-term interest-bearing debt	4	4	+2%
Other current liabilities	4,778	4,167	+15%
Non-current liabilities	2,535	2,558	-1%
Long-term interest-bearing debt	2,186	2,181	+0%
Liabilities from deferred taxes	53	55	-4%
Other non-current liabilities	296	321	-8%
Total liabilities	8,953	7,821	+14%
Shareholders' equity	4,118	3,841	+7%
Minority stake	1,164	1,038	+12%
Majority stake	2,955	2,803	+5%
Paid-in capital	3,399	3,399	N.A.
Capital gains (losses)	(444)	(596)	-25%
Total liabilities + shareholders' equity	13,071	11,662	+12%