



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

## CIE Reports Fourth Quarter 2016 Results

**Mexico City, February 27, 2017 - Corporación Interamericana de Entretenimiento, S.A.B. de C.V.** (“CIE,” the “Company” or the “Group”) (BMV: CIE) today announced its financial results for the fourth quarter of 2016 (the “quarter” or the “period”) under International Financial Reporting Standards (IFRS).

- ✓ In 2016, the Group’s consolidated sales grew by 11% to Ps.9,861, compared to Ps.8,894 recorded in the prior year. During the quarter, consolidated sales were Ps.3,621, compared to Ps.3,732 recorded in the same period of the prior year.
- ✓ Consolidated EBITDA rose 18% during the year to Ps.1,486, compared to Ps.1,257 during 2015. During the quarter, EBITDA was Ps.592, compared to Ps.590 recorded in the same period of the prior year.

### Consolidated Key Figures

	12M 2016	12M 2015	% Var.	4Q 2016	4Q 2015	% Var.
<b>Revenues</b>	9,861	8,894	+11%	3,621	3,732	-3%
<b>EBITDA</b>	1,486	1,257	+18%	592	590	+0%
<b>EBITDA Margin</b>	15.1%	14.1%		16.4%	15.8%	
<b>Revenues (Expenses) Net</b>	(16)	(37)	+57%	(8)	20	N.A.
<b>Financial Revenues</b>						
<b>Net Income (Loss)</b>	407	732	-44%	(5)	430	N.A.

*The numbers presented throughout this document for the years 2016 and 2015 are stated in millions of nominal Mexican pesos. Numbers may vary due to rounding.*

*EBITDA is Earnings before Other Net Revenues (Expenses), plus Depreciation and Amortization.*

*N.A. means does not apply.*



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**ANALYSIS OF THE YEAR AND OF THE FOURTH QUARTER (the “quarter” or the “period”)**

**CIE ENTERTAINMENT**

	<b>12M 2016</b>	<b>12M 2015</b>	<b>% Var.</b>	<b>4Q 2016</b>	<b>4Q 2015</b>	<b>% Var.</b>
Revenues	6,428	5,408	+19%	1,748	1,799	-3%
EBITDA	861	621	+39%	210	209	+0%
<i>% Margin</i>	<i>13.4%</i>	<i>11.5%</i>		<i>12.0%</i>	<i>11.6%</i>	

In 2016, sales at **CIE Entertainment** were Ps.6,428, compared to Ps.5,408 in 2015. The 19% growth in revenues is due to a strong calendar of events promoted during the year, notably the presentations of: 1) international artists such as: The Rolling Stones, Cold Play, Adele and Guns N’ Roses; 2) Latin artists, such as: Chayanne, Alejandro Fernández, Emmanuel y Mijares, Alejandro Sanz and Enrique Bunbury; 3) the musical The Lion King; and 4) music festivals such as Vive Latino, Corona Capital and Electric Daisy Carnival.

During the year, EBITDA at the division was Ps.861, which is 39% higher than EBITDA during the prior year. This increase is a consequence of the higher revenues explained previously.

During the fourth quarter of 2016, revenues were Ps.1,748, which is 3% lower than revenues during the same period of the prior year. Some of the shows presented were Adele and The Who, and the 2016 Corona Capital festival.

During the quarter, EBITDA was Ps.210, compared with EBITDA of Ps.209 in the same period of 2015. During the period, the events promoted were more profitable in comparison with events held during the prior year.

**CIE COMMERCIAL**

	<b>12M 2016</b>	<b>12M 2015</b>	<b>% Var.</b>	<b>4Q 2016</b>	<b>4Q 2015</b>	<b>% Var.</b>
Revenues	3,208	3,257	-1%	1,784	1,862	-4%
EBITDA	559	560	-0%	347	353	-2%
<i>% Margin</i>	<i>17.4%</i>	<i>17.2%</i>		<i>19.5%</i>	<i>19.0%</i>	



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**CIE Commercial** recorded sales of Ps.3,257, which is 1% lower than sales in 2016.

During the year, the month of October was the stand-out due to the Mexican Formula One Grand Prix, which event, for the second consecutive year, was recognized by Formula One Management as the “Best Event of the Year” of F1, and CIE was lauded as the “Best Promoter”. Also in 2016, the Citibanamex Center hosted international events such as the “Congreso Nacional de Cardiología” (World Congress of Cardiology), and the World FIFA Congress (Fédération Internationale de Football Association). Notable corporate events during the year included the inauguration BBVA Bancomer’s corporate building, located in Mexico City, the inauguration of the Kia Motors plant in Monterrey, Nuevo León, and the Aldea Digital Telmex event.

During the year, EBITDA at CIE Commercial was the same as EBITDA during the prior year of Ps.559.

During the quarter, the division’s revenues were Ps.1,784, which is 4% lower than revenues during the same quarter of the prior year. This decrease is due to fewer corporate events, compared with those held during the same period in the prior year. Two of the most notable events in 2016 were the “Novena Semana de Educación Financiera” (Ninth Financial Education Week) presented by the Mexican Banking Association, and the “Noveno Salón Hot Wheels” (Ninth Hot Wheels Salon). In turn, the 2016 Formula One Mexican Grand Prix reported attendance of more than 339,000 spectators, compared to 330,000 during the prior year.

During the fourth quarter of 2016, EBITDA was Ps.347, which is 2% lower than EBITDA in the same period of the previous year. This decrease is due to the lower level of revenues explained previously.

**OTHER BUSINESSES**

	<b>12M</b>	<b>12M</b>	<b>%</b>	<b>4Q</b>	<b>4Q</b>	<b>%</b>
	<b>2016</b>	<b>2015</b>	<b>Var.</b>	<b>2016</b>	<b>2015</b>	<b>Var.</b>
Revenues	225	229	-2%	88	71	+25%
EBITDA	66	76	-13%	34	27	+27%
<i>% Margin</i>	29.4%	33.2%		39.0%	38.2%	



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In **Other Businesses**, annual revenues for 2016 were Ps.225, compared to Ps.229 reported in 2015. This decrease was a consequence of the following: 1) a drop in the number of sponsorships contracted in the El Salitre amusement park in Bogotá, Colombia; 2) lower attendance due to the close of the Cici Aquapark in Bogotá, Colombia; and 3) partially offsetting the prior events, during the fourth quarter, there were more visitors to the amusement park, due to the 2016 Festival of Terror.

During the year, the Company saw a 13% reduction in the EBITDA of Other Businesses to Ps.66, compared to Ps.76 recorded during the prior year. This decrease is a consequence of lower revenues explained previously, particularly due to the lower amount of sponsorships contracted in 2016.

During the quarter, revenues were Ps.88, which is 25% higher than revenues reported during the same quarter of the prior year. The increase in revenues is due to more visitors to the amusement park because of the Festival of Terror held during October.

During the quarter, EBITDA for the division was Ps.34, compared to Ps.27 during the same period of the previous year. This increase is a consequence of the higher revenues during the fourth quarter, which was explained previously.

**NET FINANCIAL REVENUES (EXPENSES)**

<b>Net Financial Revenues (Expenses)</b>	<b>12M 2016</b>	<b>12M 2015</b>	<b>% Var.</b>	<b>4Q 2016</b>	<b>4Q 2015</b>	<b>% Var.</b>
Net interest earned (paid)	(187)	(121)	-54%	(62)	(27)	-128%
Exchange rate gain (loss), net	171	84	+103%	54	47	+15%
<b>Net Financial Revenues (Expenses)</b>	<b>(16)</b>	<b>(37)</b>	<b>+57%</b>	<b>(8)</b>	<b>20</b>	<b>N.A.</b>

During the year, the Company recorded net financial expenses of Ps.16, compared to Ps.37 recorded in 2015. The lower financial expense is a consequence of recording a net exchange rate gain of Ps.171 in 2016, in comparison with a gain of Ps. 84 in the prior year. Offsetting the foregoing, and due to a higher interest rate paid because of the increase in the objective level of the Interbank Interest Rate of Bank of Mexico, which rose from 3.25% at the end of 2015 to 5.75% at the end of 2016, the net amount of interest paid increased in 2016, reaching Ps.187, compared to Ps.121 in 2015.



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During the fourth quarter of 2016, Net Financial Expenses were Ps.8, in comparison with a Net Financial Income of Ps.20 recorded during the same quarter of the previous year. This variation is a consequence of the increase in net interest paid, which was Ps.62, in comparison with Ps.27 in the same period of the prior year. Partially offsetting this was an exchange rate gain of Ps.54 during 2016, compared with an exchange rate gain of Ps.47 in the prior year.

**INCOME TAX**

<b>Income Tax</b>	<b>12M 2016</b>	<b>12M 2015</b>	<b>% Var.</b>	<b>4Q 2016</b>	<b>4Q 2015</b>	<b>% Var.</b>
Taxes Incurred	475	590	-20%	256	407	-37%
Deferred tax	114	(577)	N.A.	43	(517)	N.A.
<b>Income Tax</b>	<b>589</b>	<b>14</b>	<b>N.A.</b>	<b>299</b>	<b>(110)</b>	<b>N.A.</b>

In 2016, the Company recorded Ps.589 in provisions for taxes incurred and deferred, compared to Ps.14 recorded during 2015.

During the quarter, the provisions for taxes incurred were Ps.256, compared to Ps.407 recorded during the same quarter in the prior year. For the fourth quarter of 2016, deferred tax provisions were Ps.43, compared to a deferred tax of Ps.517 during the same period of the prior year.

**NET INCOME**

The Company's net income was Ps.407 in 2016, compared to net income of Ps.732 recognized during the prior year.

During the quarter, the Group recognized a net loss of Ps.5, compared to net income of Ps.430 recorded during the same period of the prior year. This decrease is mainly due to an increase in provisions for income tax.



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### **TOTAL INTEREST-BEARING DEBT**

On December 31, 2016, the Company's total bank and stock market debt, which is fully Peso denominated, was Ps.2,360, compared with Ps.2,299 recorded at the close of 2015. The following table shows the debt profile for both periods:

<b>Maturity</b>	<b>4Q 2016</b>	<b>%</b>	<b>4Q 2015</b>	<b>%</b>	<b>% Var.</b>
<b>Short Term</b>	826	35%	586	25%	+41%
<b>Long Term</b>	1,534	65%	1,714	75%	-10%
<b>TOTAL</b>	<b>2,360</b>	<b>100%</b>	<b>2,299</b>	<b>100%</b>	<b>+3%</b>

### **RECENT EVENTS**

By virtue of the strategic association entered into on June 7, 2016, with the Konecta Group ("Konecta"), the Company reports that the latter has acquired an additional shareholder stake of 31% in the subsidiary B-Connect Services, S.A. de C.V. (the "Subsidiary"), with which Konecta's financial interest in the Subsidiary rises to 80%, while CIE's shareholder stake adjusted to 20% ownership. As of 2017, the Company will no longer consolidate the results of the Subsidiary; the Company's stake will be recorded in the line Net Income (Loss) from Associated and Joint Businesses, on the Income Statement.

### **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.

It offers a wide gamut of entertainment options to a variety of audiences and budgets in large- and medium-sized cities with high economic potential and population growth in the Mexican market, as well as in Colombia. That gamut of options includes concerts, theatrical productions, sporting events, family events and cultural events, among others. The Company also operates an amusement park, El Salitre, in Bogotá, Colombia.



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

Corporación Interamericana de Entretenimiento is a publicly traded company whose shares have been listed on the Mexican Stock Exchange ("BMV") since 1995 under the ticker symbol "CIE." The Company has long-term unsecured debt instruments trading on the BMV under the ticker symbol CIE 13.

### **LEGAL DISCLAIMER**

As a precautionary note to the investing public, except for the historical information provided herein, certain matters 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.

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**CONSOLIDATED INCOME STATEMENT**

	12M 2016	12M 2015	% Var.	4Q 2016	4Q 2015	% Var.
Sales	9,861	8,894	+11%	3,621	3,732	-3%
Cost of sales	7,915	7,233	+9%	3,047	3,014	+1%
<b>Gross Income</b>	<b>1,946</b>	<b>1,661</b>	<b>+17%</b>	<b>573</b>	<b>718</b>	<b>-20%</b>
Operating expenses	1,026	956	+7%	302	443	-32%
<b>Operating Income</b>	<b>920</b>	<b>706</b>	<b>+30%</b>	<b>271</b>	<b>275</b>	<b>-2%</b>
<b>Net Financial Revenues (Expenses)</b>						
Net interest earned (paid)	(187)	(121)	-54%	(62)	(27)	-128%
Exchange rate gain (loss)	171	84	+103%	54	47	+15%
Other financial revenues (expenses)	-	-	N.A.	-	-	N.A.
<b>Net Financial Revenues (Expenses)</b>	<b>(16)</b>	<b>(37)</b>	<b>+57%</b>	<b>(8)</b>	<b>20</b>	<b>N.A.</b>
Stake in the results of associated companies	92	77	+19%	31	25	+21%
<b>Earnings before Taxes</b>	<b>996</b>	<b>746</b>	<b>+34%</b>	<b>294</b>	<b>320</b>	<b>-8%</b>
Income Tax	589	14	N.A.	299	(110)	N.A.
<b>Income after Taxes</b>	<b>407</b>	<b>732</b>	<b>-44%</b>	<b>(5)</b>	<b>430</b>	<b>N.A.</b>
Discontinued operations	-	-	N.A.	-	-	N.A.
<b>Net Income (Loss)</b>	<b>407</b>	<b>732</b>	<b>-44%</b>	<b>(5)</b>	<b>430</b>	<b>N.A.</b>
Minority Net Income	252	168	+50%	72	45	+59%
<b>Majority Net Income</b>	<b>155</b>	<b>564</b>	<b>-73%</b>	<b>(77)</b>	<b>385</b>	<b>N.A.</b>
Depreciation and amortization	566	551	+3%	321	314	+2%
<b>EBITDA</b>	<b>1,486</b>	<b>1,257</b>	<b>+18%</b>	<b>592</b>	<b>590</b>	<b>+0%</b>





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**BALANCE SHEET**

	Dec. 31 2016	Dec. 31 2015	% Var.
<b>Current Assets</b>	<b>7,830</b>	<b>6,736</b>	<b>+16%</b>
Cash	3,176	2,101	+51%
Clients receivable, net	2,847	2,539	+12%
Other accounts receivable, net	353	320	+10%
Inventory	19	17	+15%
Other current assets	1,435	1,759	-18%
<b>Non-Current Assets</b>	<b>3,649</b>	<b>3,939</b>	<b>-7%</b>
Accounts receivable, net	-	-	N.A.
Investments in associated companies and joint ventures	1,048	903	+16%
Property, plant and equipment, net	1,494	1,654	-10%
Intangible assets	111	114	-2%
Assets from deferred taxes	926	1,074	-14%
Other non-current assets	70	195	-64%
<b>Total Assets</b>	<b>11,479</b>	<b>10,675</b>	<b>+8%</b>
<b>Current Liabilities</b>	<b>5,721</b>	<b>4,923</b>	<b>+16%</b>
Providers	1,250	1,080	+16%
Short-term interest-bearing debt	826	586	+41%
Other current liabilities	3,645	3,257	+12%
<b>Non-Current Liabilities</b>	<b>1,788</b>	<b>1,977</b>	<b>-10%</b>
Long-term interest-bearing debt	1,534	1,714	-10%
Liabilities from deferred taxes	21	40	-47%
Other non-current liabilities	233	224	+4%
<b>Total Liabilities</b>	<b>7,509</b>	<b>6,899</b>	<b>+9%</b>
<b>Shareholders' Equity</b>	<b>3,970</b>	<b>3,775</b>	<b>+5%</b>
Minority stake	518	505	+3%
<b>Majority Stake</b>	<b>3,452</b>	<b>3,271</b>	<b>+6%</b>
Paid-in capital	3,399	3,399	-0%
Capital gains (losses)	54	(128)	N.A.
<b>Total Liabilities + Shareholders' Equity</b>	<b>11,479</b>	<b>10,675</b>	<b>+8%</b>