



BVL: INRETC1

**EARNINGS REPORT  
FOURTH QUARTER 2013**

February 27, 2014

## Highlights for the Fourth Quarter 2013

### InRetail's Consolidated Performance

- Consolidated revenues of S/. 1,493 million, 15.0% over Q4 2012
- Adjusted EBITDA of S/. 158 million, 23.4% over Q4 2012
- Adjusted EBITDA margin of 10.6%, compared to 9.9% in Q4 2012
- Consolidated Net Income of S/. 59 million, 47.8% below Q4 2012

### Supermarkets

- Revenues of S/. 953 million, 12.1% over Q4 2012
- Same store sales growth of 2.4% in Q4 2013
- Adjusted EBITDA of S/. 81 million, 12.1% over Q4 2012
- Adjusted EBITDA margin of 8.5%, in line with Q4 2012
- 8 stores opened in Q4 2013; 12 new stores since Q4 2012 (23,624 sqm), reaching a total of 98 stores (248,609 sqm)

### Pharmacies

- Revenues of S/. 488 million, 16.9% over Q4 2012
- Same store sales growth of 6.9% in Q4 2013
- Adjusted EBITDA of S/. 41 million, 21.6% over Q4 2012
- Adjusted EBITDA margin of 8.5%, compared to 8.2% in Q4 2012
- 50 additional stores in Q4 2013; 145 since Q4 2012; total of 725 stores

### Shopping Centers

- Revenues of S/. 64 million, 31.8% over Q4 2012
- Adjusted EBITDA of S/. 37 million, 56.0% over Q4 2012
- Adjusted EBITDA margin of 57.7%, compared to 48.7% in Q4 2012
- Two new shopping centers and one shopping center expansion in Q4 2013 (61,573 sqm); 114,909 sqm of additional GLA since Q4 2012, reaching a total GLA of 381,858 sqm<sup>1</sup>

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<sup>1</sup> Total GLA of 429,949 sqm including 3 managed properties.

*InRetail at a Glance*

	Supermarkets	Pharmacies	Shopping Centers	
2013 (S/. millions)				
Revenues	3,329	1,824	216	5,324 <sup>2</sup>
% of Revenues	62.0%	34.0%	4.0%	100%
Adjusted EBITDA <sup>3</sup>	210	155	114	474
% of Adj. EBITDA	43.8%	32.3%	23.9%	100%
Market position	2 <sup>nd</sup>	1 <sup>st</sup>	1 <sup>st</sup>	
# Stores / S.Centers	98	725	17 <sup>4</sup>	
Sales area / GLA	248,609 sqm	N/A	429,949 sqm	
# Employees	14,088	9,291	400	

<sup>2</sup> Revenues net of intercompany eliminations.

<sup>3</sup> Adjusted EBITDA defined as Operating profit, plus depreciation and amortization, less the impact of marking to market the values of our investment properties; InRetail Adjusted EBITDA includes holding costs and intercompany eliminations.

<sup>4</sup> Includes 14 owned (381,858 sqm of GLA) and 3 managed properties.

## Results of Operations

### Consolidated Income Statement

Fourth Quarter of 2013, compared to the Fourth Quarter of 2012

Twelve months ended December 31, 2013 compared to the twelve months ended December 31, 2012

#### InRetail Peru Corp

##### Consolidated Income Statement

In Millions	Forth Quarter			For the twelve months ended December 31,		
	2013 (Nuevos Soles )	2012	Change %	2013 (Nuevos Soles )	2012	Change %
<b>Revenues:</b>						
Supermarkets	953	851	12.1%	3,329	3,059	8.8%
Pharmacies	488	417	16.9%	1,824	1,601	14.0%
Shopping Centers	64	49	31.8%	216	155	39.3%
Intercompany transactions	-12	-18	-33.8%	-45	-31	44.5%
<b>Total revenues</b>	<b>1,493</b>	<b>1,299</b>	<b>15.0%</b>	<b>5,324</b>	<b>4,784</b>	<b>11.3%</b>
<b>Cost of sales:</b>						
Supermarkets	-699	-614	13.7%	-2,480	-2,254	10.0%
Pharmacies	-336	-293	14.8%	-1,267	-1,139	11.3%
Shopping Centers	-17	-13	30.6%	-58	-45	29.1%
Intercompany transactions	0	-0	-	0	-	-
<b>Total cost of sales</b>	<b>-1,052</b>	<b>-920</b>	<b>14.3%</b>	<b>-3,805</b>	<b>-3,438</b>	<b>10.7%</b>
<b>Gross profit:</b>						
Supermarkets	254	236	7.7%	849	805	5.4%
Pharmacies	152	125	21.9%	556	462	20.4%
Shopping Centers	47	36	32.3%	158	110	43.5%
Intercompany transactions	-11	-18	-36.3%	-44	-31	43.7%
<b>Total gross profit</b>	<b>442</b>	<b>378</b>	<b>16.8%</b>	<b>1,519</b>	<b>1,347</b>	<b>12.8%</b>
Selling and administrative expenses	-315	-268	17.2%	-1,184	-1,028	15.2%
Other operating income (expenses), net	29	46	-37.2%	75	51	46.6%
<b>Operating profit</b>	<b>156</b>	<b>156</b>	<b>0.0%</b>	<b>409</b>	<b>370</b>	<b>10.7%</b>
Financial income (expenses), net	-49	-5	792.6%	-274	-58	372.3%
Income tax expense	-48	-37	30.2%	-80	-93	-14.6%
<b>Net Income</b>	<b>59</b>	<b>114</b>	<b>-47.8%</b>	<b>56</b>	<b>218</b>	<b>-74.4%</b>

#### InRetail Peru Corp

##### Adjusted EBITDA

In Millions	Forth Quarter			For the twelve months ended December 31,		
	2013 (Nuevos Soles )	2012	Change %	2013 (Nuevos Soles )	2012	Change %
Supermarkets	81	72	12.1%	210	197	6.2%
Pharmacies	41	34	21.6%	155	136	13.7%
Shopping Centers	37	24	56.0%	114	83	37.2%
<b>Total</b>	<b>159</b>	<b>130</b>	<b>22.6%</b>	<b>479</b>	<b>417</b>	<b>14.9%</b>
Holding expenses	-1	-1	54.7%	-4	-2	98.3%
Intercompany transactions	-0	-1	-88.1%	-0	-	-
<b>Adjusted EBITDA</b>	<b>158</b>	<b>128</b>	<b>23.4%</b>	<b>474</b>	<b>415</b>	<b>14.4%</b>

## InRetail's Results Analysis

The following analysis compares InRetail's results for the fourth quarter of 2013 with the same period in 2012, and the results for the twelve months ended December 31, 2013 with the twelve months ended December 31, 2012.

### **Revenues**

InRetail's revenues grew S/. 195 million, or 15.0% in the fourth quarter of 2013, compared to the same period in 2012, due to same store sales growth, new store openings and new GLA. For the twelve months ended December 31, 2013, InRetail's revenues were S/. 5,324 million, 11.3% over the same period in 2012.

#### *InRetail's revenues analysis by segment*

- Supermarkets revenues grew S/. 103 million, or 12.1% in the fourth quarter of 2013, compared to the same period in 2012. This growth is explained by a same store sales growth of 2.4% and the opening of 12 stores since the fourth quarter of 2012 (23,624 sqm, an increase of 10.5%), 8 of them in the fourth quarter of 2013. Supermarkets revenues were S/. 3,329 million for the twelve months ended December 31, 2013, 8.8% over the same period in 2012, with a same store sales growth of 0.4%.
- Pharmacies revenues grew S/. 71 million, or 16.9% in the fourth quarter of 2013, compared to the same period in 2012, due to a same store sales growth of 6.9% and 145 additional stores in operation since the fourth quarter of 2012, 50 of them in the fourth quarter of 2013. Pharmacies revenues were also positively impacted by the introduction of new private label products, cross selling initiatives and an enhancement of the salesforce incentives program. The pharmacies segment continued growing faster than its competitors, gaining market share. Pharmacies revenues were S/. 1,824 million for the twelve months ended December 31, 2013, 14.0% over the same period in 2012, with a same store sales growth of 2.7%.
- Shopping centers revenues grew S/. 16 million, or 31.8% in the fourth quarter of 2013, compared to the same period in 2012, primarily due to the increase in revenues from existing shopping centers, shopping center expansions and the opening of Real Plaza Cusco and Real Plaza Cajamarca shopping centers during the last quarter of 2013 (a total of 114,909 square meters of additional GLA since the fourth quarter of 2012, or 43.0% increase). Shopping centers revenues were S/. 216 million for the twelve months ended December 31, 2013, 39.3% over the same period in 2012.

### ***Cost of sales***

InRetail's cost of sales grew S/. 131 million, or 14.3% in the fourth quarter of 2013, compared to the same period in 2012. For the twelve months ended December 31, 2013, InRetail's cost of sales were S/. 3,805 million, 10.7% over the same period in 2012.

#### *InRetail's cost of sales analysis by segment*

- Supermarkets cost of sales grew S/. 84 million, or 13.7% in the fourth quarter of 2013, compared to the same period in 2012.
- Pharmacies cost of sales grew S/. 43 million, or 14.8% in the fourth quarter of 2013, compared to the same period in 2012. However, this growth was below sales growth due to bargaining power and an increase in the penetration of high margin products which have lower costs.
- Shopping centers cost of sales increased S/. 4 million, or 30.6% in the fourth quarter of 2013 compared to the same period in 2012.

### ***Gross profit***

InRetail's gross profit grew S/. 63 million, or 16.8% in the fourth quarter of 2013, compared to the same period in 2012. For the twelve months ended December 31, 2013, InRetail's gross profit was S/. 1,519 million, 12.8% over the same period in 2012.

We define gross margin as gross profit as a percentage of revenues. As a result of the above mentioned factors, InRetail's gross margin was 29.6% in the fourth quarter of 2013, compared to 29.1% in the same period in 2012. InRetail's gross margin improved from 28.1% for the twelve months ended December 31, 2012, to 28.5% for the same period in 2013.

#### *Gross profit analysis by segment*

- Supermarkets gross profit increased S/. 18 million, or 7.7% in the fourth quarter of 2013, compared to the same period in 2012. Supermarkets gross margin dropped from 27.8% to 26.7% due to the increase of promotional campaigns. For the same reason, gross margin dropped from 26.3% for the twelve months ended December 31, 2012, to 25.5% in the same period in 2013, as gross profit reached S/. 849 million for the twelve months ended December 31, 2013, compared to S/. 805 million in the same period in 2012.
- Pharmacies gross profit grew S/. 27 million, or 21.9% in the fourth quarter of 2013 compared to the same period in 2012, mainly due to higher sales and an increase in the penetration of high margin products, improving its gross margin from 29.9% to 31.1%. For the same reasons, gross margin increased from 28.9% for the twelve months ended December 31, 2012, to 30.5% in the same period in 2013, as gross profit reached S/. 556 million for the twelve months ended December 31, 2013, compared to S/. 462 million in the same period in 2012.

- Shopping centers gross profit grew S/. 12 million, or 32.3% in the fourth quarter of 2013 compared to the same period in 2012, mainly due to an increase in revenues, improving its gross margin from 73.2% to 73.4%.  
 Shopping centers gross profit and gross margin were S/. 158 million and 73.2% respectively for the twelve months ended December 31, 2013, compared to S/. 110 million and 71.1% for the same period in 2012.

***Selling and administrative expenses***

The following table sets forth InRetail’s selling and administrative expenses for the fourth quarter of 2013 and 2012, and the twelve months ended December 31, 2013 and 2012.

**InRetail Peru Corp**  
**Selling and administrative expenses**

	Forth Quarter			For the twelve months ended December 31,		
	2013 (Nuevos Soles )	2012	Change %	2013 (Nuevos Soles )	2012	Change %
<b>In Millions</b>						
Supermarkets	196	178	10.3%	750	683	9.9%
Pharmacies	118	95	23.3%	424	342	24.0%
Shopping Centers	10	10	-2.0%	46	28	66.0%
Holding expenses	1	1	54.7%	4	2	98.3%
Intercompany transactions	-11	-20	-42.4%	-44	-33	35.3%
Consolidation adjustments	1	4	-69.5%	4	6	-29.5%
<b>Total selling and administrative expenses</b>	<b>315</b>	<b>268</b>	<b>17.2%</b>	<b>1,184</b>	<b>1,028</b>	<b>15.2%</b>

InRetail’s selling and administrative expenses grew S/. 46 million, or 17.2% in the fourth quarter of 2013 compared to the same period in 2012. As a percentage of revenues, selling and administrative expenses were 21.1% in the fourth quarter of 2013, compared to 20.7% in the same period in 2012.

For the twelve months ended December 31, 2013, InRetail’s selling and administrative expenses were S/. 1,184 million, 15.2% higher than in the same period in 2012. As a percentage of revenues, selling and administrative expenses were 22.2% in the twelve months ended December 31, 2013, compared to 21.5% in the same period in 2012.

***Selling and administrative expenses analysis by segment***

- Supermarkets selling and administrative expenses increased S/. 18 million, or 10.3% in the fourth quarter of 2013 compared to the same period in 2012, decreasing from 20.9% to 20.5% as a percentage of supermarkets revenues. The main factors that impacted supermarkets selling and administrative expenses were higher rental expenses, an increase in operational, logistic and warehouse expenses due to a larger number of stores in operation, compensated by store efficiencies and higher employee productivity, and the merchant fee received from the exclusive credit card.

Supermarkets selling and administrative expenses were S/. 750 million for the twelve months ended December 31, 2013, 9.9% over the same period in 2012, increasing from 22.3% to 22.5% as a percentage of supermarket revenues, explained by an 11.1% increase of the minimum wage in June 2012, higher logistic and operational expenses due to 10 new stores with less than 6 months of operation, despite store efficiencies and the merchant fee received from the credit card.

- Pharmacies selling and administrative expenses grew S/. 22 million, or 23.3% in the fourth quarter of 2013 compared to the same period in 2012, mainly due to 145 additional stores in operation since the fourth quarter of 2012, and higher rental, logistic and warehouse expenses. As a percentage of pharmacies revenues, selling and administrative expenses increased from 22.9% in the fourth quarter of 2012, to 24.1% in the same period of 2013, explained by 89 additional stores with less than 6 months of operation, and by temporarily operating two warehouses as we completed the full migration to the new distribution center in operation. As the new stores continue their ramp up period, and the old distribution center ceases to operate, logistic and operation expenses will get diluted.

Pharmacies selling and administrative expenses were S/. 424 million in the twelve months ended December 31, 2013, 24.0% over the same period in 2012. For the same reasons described above, selling and administrative expenses as a percentage of pharmacies revenues increased from 21.4% in the twelve months ended December 31, 2012, to 23.2% in the same period in 2013.

- Shopping centers selling and administrative expenses decreased S/. 0.2 million in the fourth quarter of 2013, 2.0% below the same period in 2012.

Shopping centers selling and administrative expenses were S/. 46 million for the twelve months ended December 31, 2013, 66.0% over the same period in 2012, due to higher rental, security and property tax expenses of projects in pre-operational stage and the inclusion of the real estate team expenses previously spread across different related entities, as a consequence of the corporate restructuring concluded in August 2012.

Intercompany transactions are eliminated upon consolidation of our financial statements.

Consolidation adjustments caption represents the necessary amounts that are included in the consolidation process for the subsidiaries' financial statements in order to show them as a single entity instead of separate business units.

#### ***Other operating income (expenses), net***

InRetail's other operating income (expenses), net, resulted in an income of S/. 29 million in the fourth quarter of 2013, compared to an income of S/. 46 million in the same period in 2012. For the twelve months ended December 31, 2013, InRetail's other operating income (expenses), net, resulted in an income of S/.75 million compared to an income of S/. 51 million in the same period in 2012.

Other operating income is generated primarily in our shopping centers segment due to increases in the fair value of investment properties determined in accordance with IFRS. In the fourth quarter of 2013, other operating income from marking the investment properties to market was



S/.30 million compared to S/. 51 million in the same period in 2012. For the twelve months ended December 31, 2013, other operating income from marking the investment properties to market was S/. 45 million compared to S/. 54 million for the same period in 2012. In 2013, other operating income (expenses), net, includes an entry fee of S/. 30 million paid by *Tarjeta Oh!* to be allowed to offer exclusive promotions in our supermarkets, in similar terms and conditions as *Tarjeta Vea*.

### Operating profit

The following table sets forth InRetail's operating profit for the fourth quarter of 2013 and 2012, and the twelve months ended December 31, 2013 and 2012.

#### InRetail Peru Corp Operating profit

	Forth Quarter			For the twelve months ended December 31,		
	2013 (Nuevos Soles )	2012	Change %	2013 (Nuevos Soles )	2012	Change %
<b>In Millions</b>						
Supermarkets	58	59	-1.8%	127	122	4.1%
Pharmacies	34	29	18.0%	133	120	11.0%
Shopping Centers	64	96	-33.2%	156	160	-2.9%
Holding expenses	-1	-1	54.7%	-4	-2	98.3%
Intercompany transactions	-	-1	-	-	-1	-
Consolidation adjustments	1	-26	-	-2	-29	-92.1%
<b>Total operating profit</b>	<b>156</b>	<b>156</b>	<b>0.0%</b>	<b>409</b>	<b>370</b>	<b>10.7%</b>

InRetail's operating profit grew S/. 0.1 million, in the fourth quarter of 2013 compared to the same period in 2012. Operating margin (defined as operating profit as a percentage of revenues) was 10.5% in the fourth quarter of 2013 compared to 12.0% in the same period in 2012.

For the twelve months ended December 31, 2013, InRetail's operating profit reached S/. 409 million, 10.7% over the same period in 2012. InRetail's operating margin was 7.7% for the twelve months ended December 31, 2013, the same margin registered in 2012.

#### Operating profit analysis by segment

- Supermarkets operating profit decreased S/. 1 million in the fourth quarter of 2013, 1.8% below the same period in 2012, mainly due to a lower gross margin, higher depreciation and amortization, and other operating expenses related to the disposal of unusable assets due to 7 store renovations, partially compensated by operational efficiencies in our stores. Supermarkets operating margin decreased from 6.9% in the fourth quarter of 2012, to 6.0% in the same period in 2012. Supermarkets operating profit and operating margin were S/. 127 million and 3.8% respectively for the twelve months ended December 31, 2013, compared to S/. 122 million and 4.0% for the same period in 2012.

- Pharmacies operating profit grew S/. 5 million, or 18.0% in the fourth quarter of 2013 compared to the same period in 2012. Operating margin was 7.0% in the fourth quarter of 2013, the same margin registered in the fourth quarter of 2012, due to new stores in the process of fixed costs dilution and depreciation of the new stores and distribution center compensated by higher revenues, gross profit and gross margin. Pharmacies operating profit and operating margin were S/. 133 million and 7.3% respectively for the twelve months ended December 31, 2013, compared to S/. 120 million and 7.5% for the same period in 2012.
- Shopping centers operating profit decreased S/. 32 million, or 33.2% in the fourth quarter of 2013 compared to the same period in 2012. This reduction is mainly explained by an increase in the fair value of investment properties of S/. 72 million in the fourth quarter of 2012, compared to an increase of S/. 27 million in the same period of 2013. Shopping centers operating profit and operating margin were S/. 156 million and 72.0% respectively for the twelve months ended December 31, 2013, compared to S/. 160 million and 103.3% for the same period in 2012.

Consolidation adjustments caption represents the necessary amounts that are included in the consolidation process for the subsidiaries' financial statements in order to show them as a single entity instead of separate business units.

#### ***Financial income (expenses), net***

InRetail's financial income (expenses), net, resulted in a loss of S/. 49 million in the fourth quarter of 2013, mainly due to financial expenses. For the twelve months ended December 31, 2013, InRetail's financial income (expenses), net, resulted in a loss of S/. 274 million as a result of foreign exchange losses and financial expenses.

InRetail's financial expenses were S/. 44 million in the fourth quarter of 2013, 22.6% over the same period in 2012 due to the increase in our borrowings primarily used to finance our CAPEX plans and the effect of the depreciation of the nuevo sol relative to the U.S. dollar in interest payments. For the twelve months ended December 31, 2013, InRetail's financial expenses were S/. 173 million, 11.0% over the same period in 2012.

Due to the effect of the depreciation of the nuevo sol relative to the U.S. dollar on our financial liabilities denominated in U.S. dollars, we registered a net exchange loss of S/. 125 million in the twelve months ended December 31, 2013, compared to a net exchange gain of S/.77 million in the same period in 2012. In the fourth quarter of 2013 we registered a net exchange loss of S/. 9 million, compared to a net exchange gain of S/.26 million in the same period in 2012.

#### ***Income tax expense***

Income tax is paid based on the profit from sales and rental revenues in our segments as well as capital gains tax from realized gains or losses in the value of investment properties. InRetail registered an income tax expense of S/. 48 million in the fourth quarter of 2013, 30.2% over the same period in 2012.

InRetail's income tax expense decreased S/. 14 million, or 14.6%, in the twelve months ended December 31, 2013 compared to the same period in 2012.

### Net income

InRetail registered a net income of S/. 59 million in the fourth quarter of 2013, 47.8% below the same period of 2012. Net margin (net income as a percentage of revenues) was 4.0% in the fourth quarter of 2013 compared to 8.7% in the same period in 2012.

InRetail registered a net income of S/. 56 million for the twelve months ended December 31, 2013, 74.4% below the same period in 2012. Net margin was 1.0% in the twelve months ended December 31, 2013, compared to 4.6% in the same period in 2012.

### Adjusted EBITDA<sup>4</sup>

The following table sets forth InRetail's adjusted EBITDA for the fourth quarter of 2013 and 2012, and the twelve months ended December 31, 2013 and 2012.

#### InRetail Peru Corp

##### Adjusted EBITDA

In Millions	Forth Quarter			For the twelve months ended December 31,		
	2013 (Nuevos Soles )	2012	Change %	2013 (Nuevos Soles )	2012	Change %
Supermarkets	81	72	12.1%	210	197	6.2%
Pharmacies	41	34	21.6%	155	136	13.7%
Shopping Centers	37	24	56.0%	114	83	37.2%
<b>Total</b>	<b>159</b>	<b>130</b>	<b>22.6%</b>	<b>479</b>	<b>417</b>	<b>14.9%</b>
Holding expenses	-1	-1	54.7%	-4	-2	98.3%
Intercompany transactions	-0	-1	-88.1%	-0	-	-
<b>Adjusted EBITDA</b>	<b>158</b>	<b>128</b>	<b>23.4%</b>	<b>474</b>	<b>415</b>	<b>14.4%</b>

InRetail's adjusted EBITDA increased S/. 30 million, or 23.4% in the fourth quarter of 2013 compared to the same period in 2012. Adjusted EBITDA margin (adjusted EBITDA as a percentage of revenues) increased from 9.9% in the fourth quarter of 2012, to 10.6% in the same period in 2013.

InRetail's adjusted EBITDA amounted S/. 474 million for the twelve months ended December 31, 2013, 14.4% over the same period in 2012. Adjusted EBITDA margin increased from 8.7% in the twelve months ended December 31, 2012, to 8.9% in the same period in 2013.

<sup>4</sup> We define Adjusted EBITDA as operating profit, plus depreciation and amortization, less the impact of marking to market the values of our investment properties.

*Adjusted EBITDA analysis by segment*

- Supermarkets adjusted EBITDA increased S/. 9 million, or 12.1% in the fourth quarter of 2013 compared to the same period in 2012. Adjusted EBITDA margin was 8.5% in the fourth quarter of 2013, in line with the same period in 2012, due to a lower gross margin, offset by lower selling and administrative expenses due to efficiencies and productivity increases obtained.

For the twelve months ended December 31, 2013, Supermarkets adjusted EBITDA amounted S/. 210 million, 6.2% over the same period in 2012. Adjusted EBITDA margin decreased from 6.5% in the twelve months ended December 31, 2012, to 6.3% in the same period in 2013.

- Pharmacies adjusted EBITDA grew S/. 7 million, or 21.6% in the fourth quarter of 2013 compared to the same period in 2012. Adjusted EBITDA margin increased from 8.2% in the fourth quarter of 2012, to 8.5% in the same period of 2013, due to a higher gross margin, despite higher operational and logistic expenses.

For the twelve months ended December 31, 2013, pharmacies adjusted EBITDA amounted S/. 155 million, 13.7% over the same period in 2012. Pharmacies adjusted EBITDA margin was 8.5% in the twelve months ended December 31, 2013, in line with the same period in 2012.

- Shopping centers adjusted EBITDA grew S/. 13 million, or 56.0% in the fourth quarter of 2013 compared to the same period in 2012. Adjusted EBITDA margin increased from 48.7% in the fourth quarter of 2012, to 57.7% in the same period in 2013, mainly due to higher revenues and gross margin.

For the twelve months ended December 31, 2013, shopping centers adjusted EBITDA was S/. 114 million, 37.2% over the same period in 2012. Shopping centers adjusted EBITDA margin decreased from 53.7% in the twelve months ended December 31, 2012, to 52.9% in the same period in 2013, due to higher selling and administrative expenses.

## Consolidated Statement of Financial Position

As of December 31, 2013 and December 31, 2012

In Millions	As of December 31,	
	2013	2012
	(nuevos soles)	
Cash and short-term deposits	345	1,125
Inventories, net	779	602
Other current assets	383	292
Property, furniture and equipment	2,107	1,764
Investment properties	1,696	1,104
Intangible assets	1,160	1,137
Other non current assets	25	27
<b>Total assets</b>	<b>6,494</b>	<b>6,050</b>
Short- term debt	162	84
Other short-term liabilities	1,526	1,260
Long-term debt	1,604	1,584
Other long-term liabilities	250	222
<b>Total liabilities</b>	<b>3,542</b>	<b>3,150</b>
Non-controlling interest	0	0
<b>Net equity attributable to controlling shareholders</b>	<b>2,952</b>	<b>2,901</b>
<b>Total net equity and liabilities</b>	<b>6,494</b>	<b>6,050</b>

## Earnings Report Fourth Quarter 2013



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This presentation may include forward-looking statements or statements about events or circumstances which have not yet occurred. We have based these forward-looking statements largely on our current beliefs and expectations about future events and financial trends affecting our businesses and our future financial performance. These forward-looking statements are subject to risk, uncertainties and assumptions, including, among other things, general economic, political and business conditions, both in Peru and in Latin America as a whole. The words "believes", "may", "will", "estimates", "continues", "anticipates", "intends", "expects", and similar words are intended to identify forward-looking statements. We undertake no obligations to update or revise any forward-looking statements because of new information, future events or other factors.

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