

Earnings Presentation

 InRetail

Q4'2013



February 27, 2014

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AGENDA



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01

2013 HIGHLIGHTS



2013 Consolidated Results

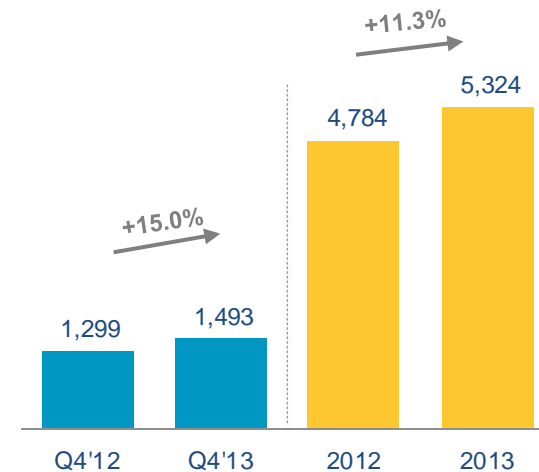
Million Soles (S/. mm)



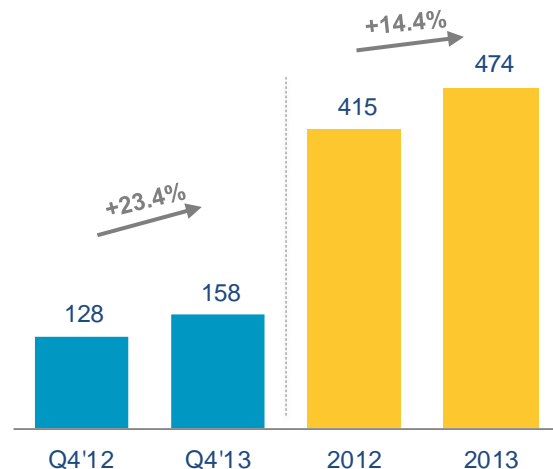
Full Year 2013 Highlights

- **Double digit growth in Revenues and Adj. EBITDA, and decrease in Net Income vs. 2012**
- +0.4% SSS in Supermarkets, +2.7% SSS in Pharmacies
- 12 supermarkets opened, 145 additional pharmacies, 2 new malls and 3 malls expanded (+115k m2 additional GLA)
- Adj. EBITDA Margin 8.9% vs. 8.7% in 2012
- Exchange loss of S/.125.2 mm

Revenues



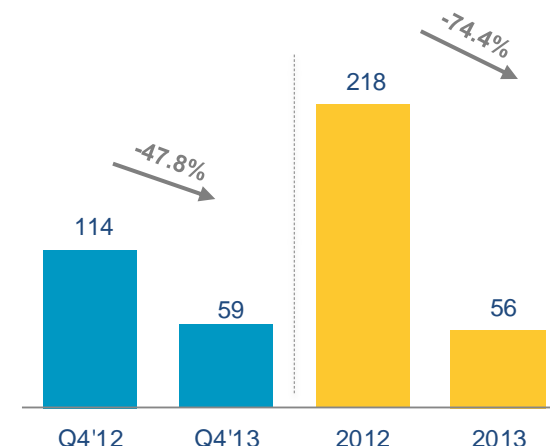
Adj. EBITDA



Margin

9.9% 10.6% 8.7% 8.9%

Net Income



Margin

8.7% 4.0% 4.6% 1.0%



SUPERMARKETS

- ✓ Opened 12 stores (7 in Lima / 5 in provinces); 10.5% increase in sales area (23,624 sqm)
- ✓ Expansion of our DC capabilities and implementation of new WMS
- ✓ Increased productivity with successful rollout of multi-tasking store employee model
- ✓ Launched new Plaza Vea image and logo
- ✓ Remodeled and improved layouts on 7 stores
- ✓ Launched partnership with Tarjeta Oh! retail credit card
- ✓ Ranked as GPTW in Peru

Lo más fresco y saludable,
al mejor precio

Extra tomate italiano
x kg
P. Normal: S/. 2.69

S/. 1.99

plazavea
chorro más, disfruto más

Ofertas válidas del 14 al 20 de febrero del 2014 o hasta agotar stock en Plaza Vea. En categorías Frescos y Comidas Preparadas máximo 10 unidades por cliente. Stock mínimo por producto de 10 unidades a nivel cadena. No válido en Plaza Vea Express. Ofertas acumulables con otras promociones ni sustituciones. Aplica condiciones y restricciones en www.plazavea.com.pe. Promoción de precios por oferta válida solo con Tarjeta Oh! del 14 al 20 de febrero del 2014 o hasta agotar stock en Plaza Vea. Máximo 10 unidades por cliente. Stock mínimo por producto de 10 unidades a nivel cadena. Stock de productos sujeto a disponibilidad de cada tienda. No válido para ventas especiales. Para mayor información sobre Términos, Condiciones y Política de la Tarjeta Oh! visite www.oh.com.pe. Esta información de promoción confirma a la Secretaría de Transparencia SBS N° 2011-2012.

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PHARMACIES



- ✓ Opened 145 stores (53 stores in Lima / 92 in provinces); 25.0% increase in number of stores
- ✓ Completion of migration to the new state of the art distribution center
- ✓ Successful launch of new high margin products
- ✓ Enhanced our assisted sales model by introducing cross-selling capabilities
- ✓ Inkafarma chosen as most valued brand in the industry



SHOPPING CENTERS



- ✓ Opened 2 new shopping centers and 3 expansions; 43.0% increase in GLA (+ 114,909 sqm)
- ✓ Successful opening of the first shopping center in Cuzco city
- ✓ Efficient, on time and on budget, construction processes
- ✓ Real Plaza Salaverry shopping center on track to open in Q2'14 with 100% occupancy

02

Q4'13 CONSOLIDATED RESULTS



Revenues Growth of 15.0% vs Q4'12

Million Soles (S/. mm)



Revenues

	Q4'13	Var% Q4'12	2013	Var% 2012
Revenues:				
Supermarkets	953	12.1%	3,329	8.8%
Pharmacies	488	16.9%	1,824	14.0%
Shopping Centers	64	31.8%	216	39.3%
Eliminations	-12	-33.8%	-45	44.5%
Total revenues	1,493	15.0%	5,324	11.3%

Supermarkets

- +12.1% vs. Q4'12, +8.8% vs. 2012
- Q4'13 SSS: +2.4%, 2013 SSS: +0.4%
- 8 stores opened in Q4'13, 12 new stores opened since Q4'12 (+10.5%, 23,624 sqm), total 98 (248,609 sqm)

Pharmacies

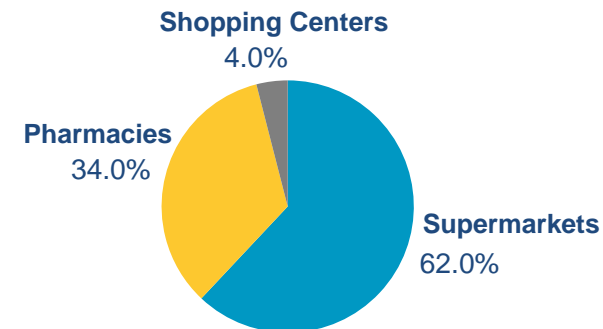
- +16.9% vs. Q4'12, +14.0% vs. 2012
- Q4'13 SSS: +6.9%, 2013 SSS: +2.7%
- 50 pharmacies added to the network in Q4'13, 145 pharmacies since Q4'12 (+25.0%), total 725

Shopping Centers

- +31.8% vs. Q4'12, +39.3% vs. 2012
- 2 new shopping centers opened and one expansion in Q4'13 (61,573 sqm), 114,909 sqm of additional GLA since Q4'12 (+43.0%), total 381,858 sqm (429,949 sqm including related parties')



2013 Revenues Breakdown



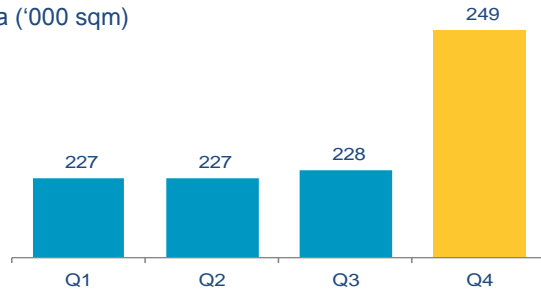
Quarterly Openings and SSS by Segment



2013 Openings

Supermarkets

Sales Area ('000 sqm)

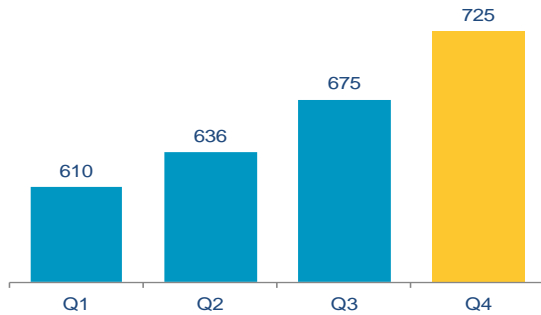


N° Stores

Quarter	N° Stores
Q1	88
Q2	88
Q3	90
Q4	98

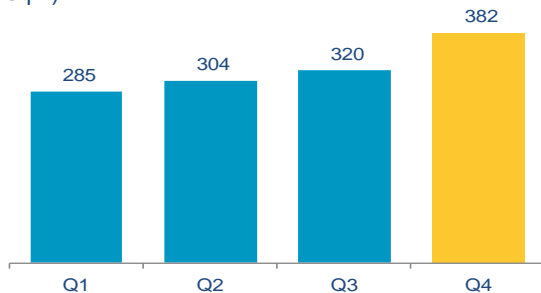
Pharmacies

N° Stores



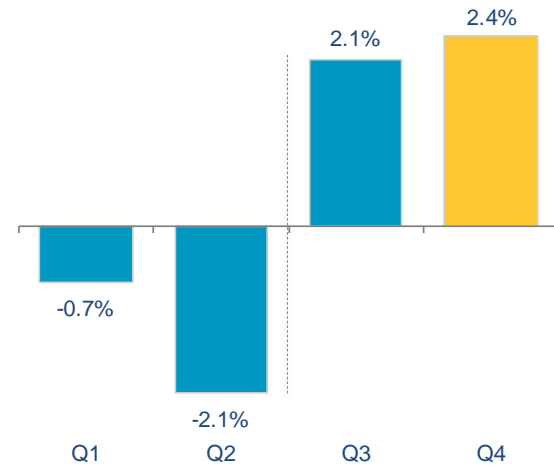
Shopping Centers

GLA ('000 sqm)

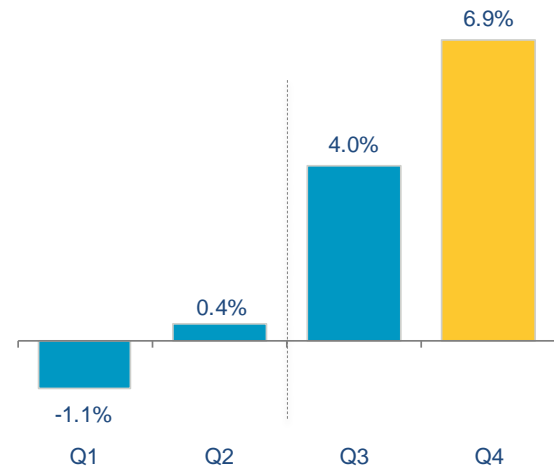


2013 Same Store Sales

Supermarkets



Pharmacies



Adjusted EBITDA Growth of 23.4% vs Q4'12

Million Soles (S/. mm)



Adj. EBITDA

	Q4'13	%Rev	Var% Q4'12	2013	%Rev	Var% 2012
Supermarkets	81	8.5%	+12.1%	210	6.3%	+6.2%
Pharmacies	41	8.5%	+21.6%	155	8.5%	+13.7%
Shopping Centers	37	57.7%	+56.0%	114	52.9%	+37.2%
Eliminations and holding	-1		-34.4%	-4		125.0%
Total Adj. EBITDA	158	10.6%	+23.4%	474	8.9%	+14.4%

Supermarkets

- +12.1% vs. Q4'12, +6.2% vs. 2012
- EBITDA Mg. 8.5% vs. 8.5% in Q4'12; 6.3% 2013 vs. 6.5% in 2012
- Store efficiencies and credit card income offset by lower gross margin due to promotional campaigns, higher store rents and logistic expenses

Pharmacies

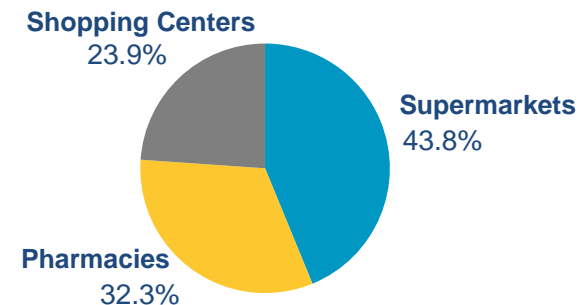
- +21.6% vs. Q4'12, +13.7% vs. 2012
- EBITDA Mg. 8.5% vs. 8.2% in Q4'12; 8.5% 2013 vs. 8.5% in 2012
- Higher gross margin offset higher rental, logistic and warehousing expenses and higher operating expenses due to new stores in early stage of operation (40% of our stores with less than 2 years of operation)

Shopping Centers

- +56.0% vs. Q4'12, +37.2% vs. 2012
- EBITDA Mg. 57.7% vs. 48.7% in Q4'12; 52.9% 2013 vs. 53.7% in 2012
- Higher revenues and gross profit, offset by higher rental, security and property tax expenses of projects in pre-operational stage



2013 Adj. EBITDA Breakdown

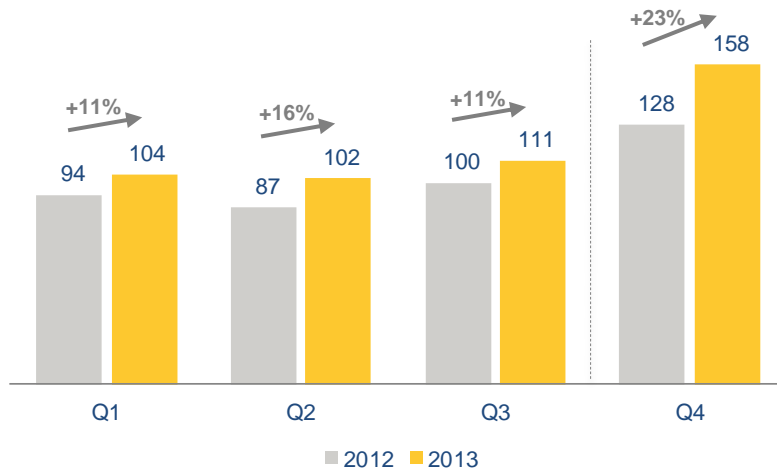


Adjusted EBITDA 2013 vs. 2012

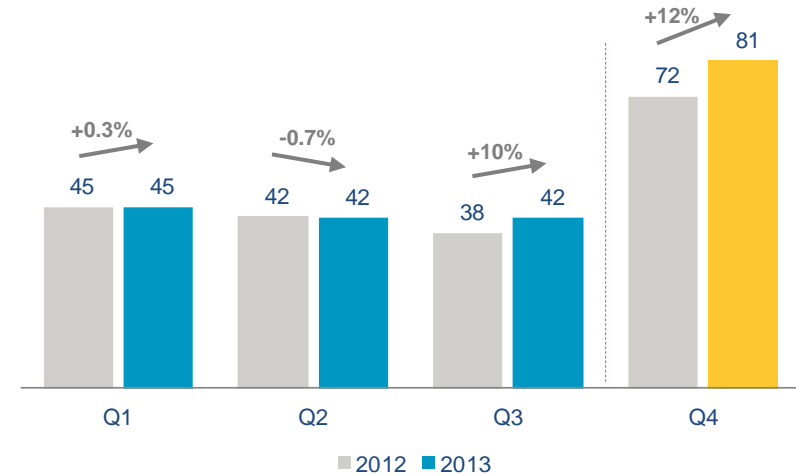
Million Soles (S/. mm)



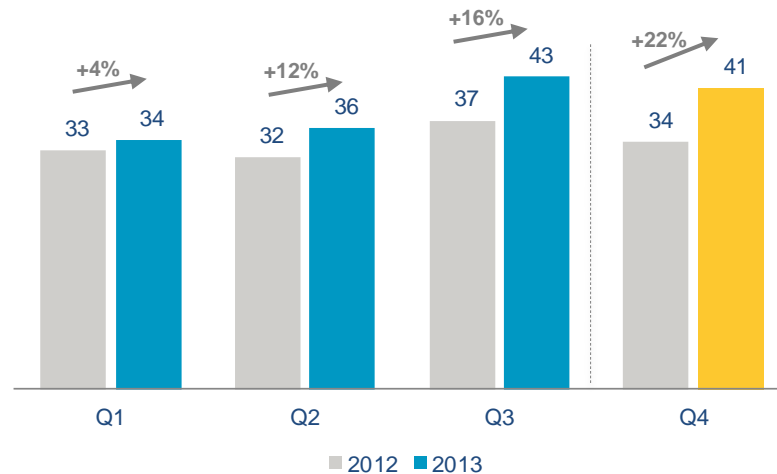
InRetail Consolidated (+14.4% YoY)



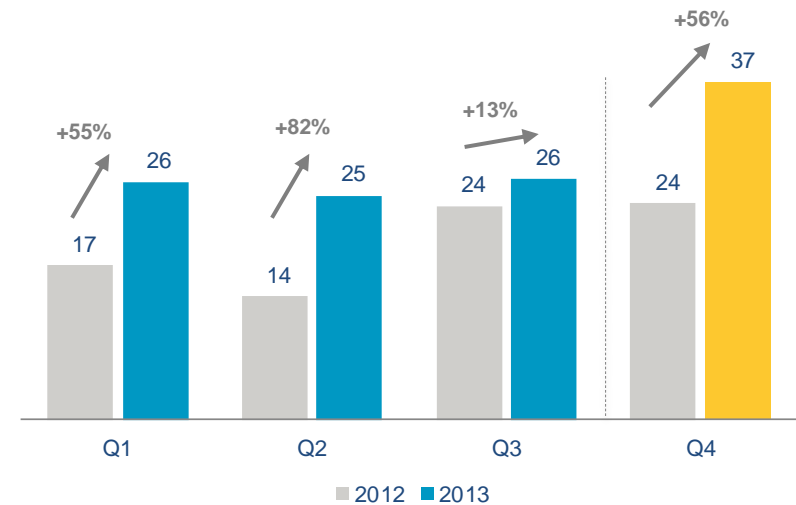
Supermarkets (+6.2% YoY)



Pharmacies (+13.7% YoY)



Shopping Centers (+37.2% YoY)



Consolidated Net Income 2013 vs 2012

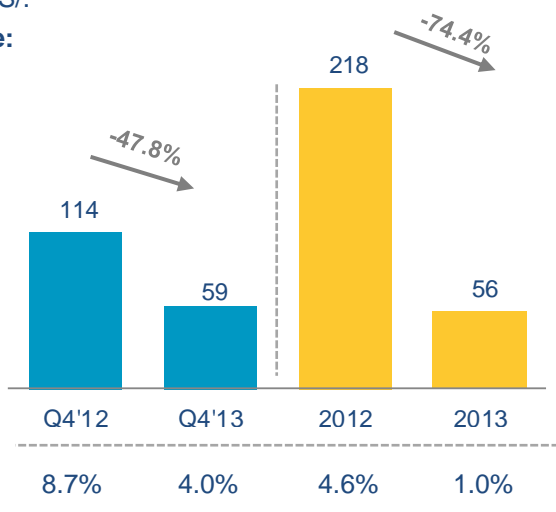
Million Soles (S/. mm)



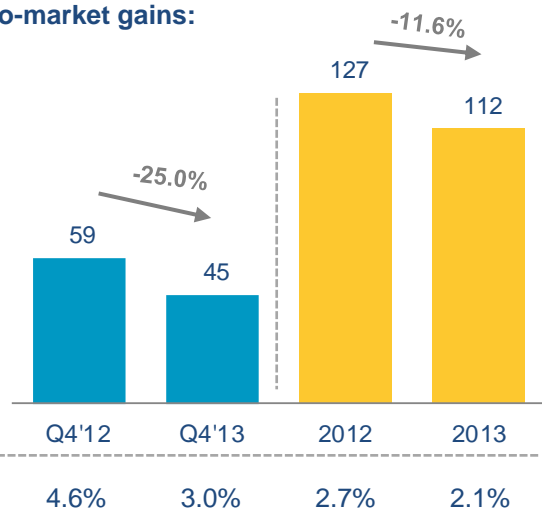
Excl. Forex and Mark-to-Market, Net Income Decreased 25.0% vs Q4'12

Millones de S/.

Net Income:



Net Income excluding after-tax forex and mark-to-market gains:



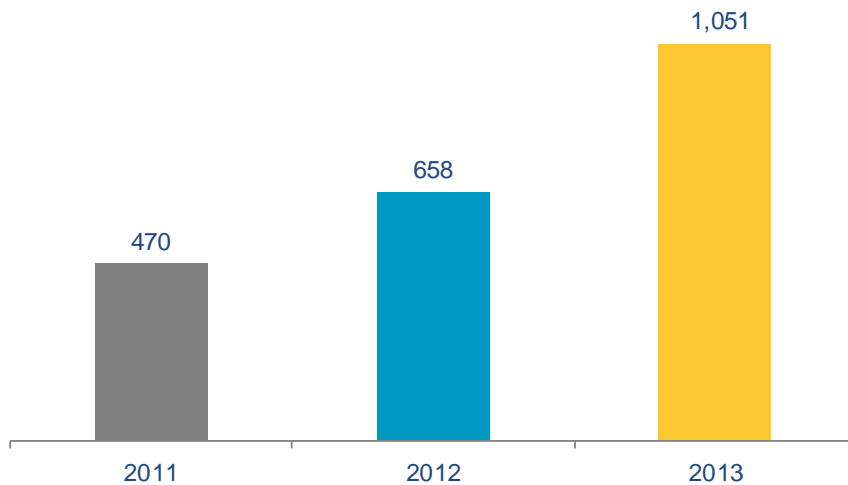
- Net Income decrease of 47.8% in Q4'13. Net income decrease of 25.0%, excluding forex and gain in fair value of investments:
 - Higher gross margin
 - Higher depreciation expense due to the new pharmacy's distribution center, and new supermarkets and pharmacies stores
 - Increase in financial expenses due to additional debt related to financing our CAPEX, and due to the impact of the depreciation of the nuevo sol in our U.S. dollar denominated debt
- Foreign exchange effects:
 - Exchange loss of S/. 9 million in Q4'13 vs. gains of S/. 26 millones in Q4'12
 - Exchange loss of S/. 125 million in 2013 vs. gains of S/. 77 million in 2012
- Lower increase in fair value of investment properties:
 - Mark-to-market adjustment of S/. 30 million in Q4'13 vs. S/. 51 million in Q4'12
 - Mark-to-market adjustment of S/. 45 million in 2013 vs. S/. 54 million in 2012

Consolidated Capex and Financial Debt

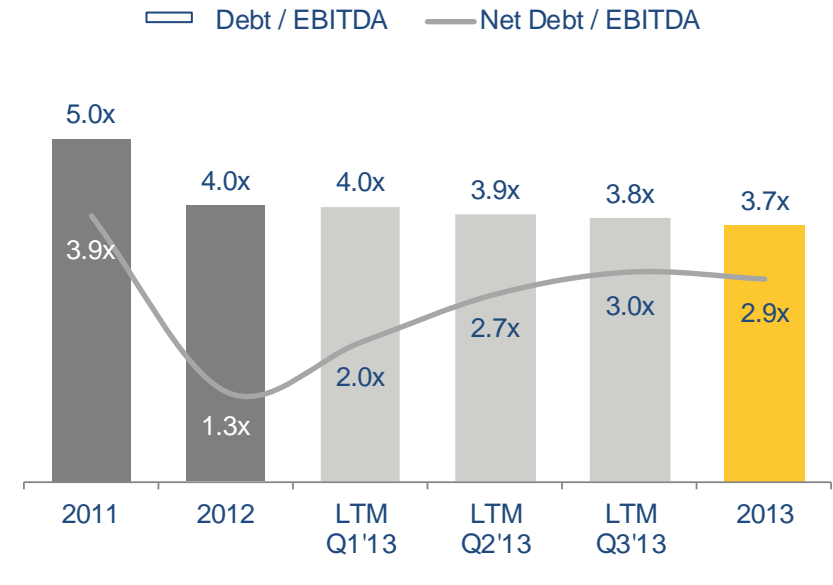
Million Soles (S/. mm)



Capex



Financial Debt



Debt	1,561	1,668	1,700	1,689	1,702	1,767
Cash	353	1,125	840	508	347	369
Net Debt	1,208	542	860	1,181	1,355	1,398

03

WHAT WE
ARE DOING



Supermarkets Segment in 2014



- 1 Enhance customer experience
- 2 Continue refining category assortment and pricing by store clusters
- 3 Streamline supply chain and continue capturing store efficiencies
- 4 Increase use of Tarjeta Oh!
- 5 Continue expanding in Lima and provinces



Pharmacies Segment in 2014



- 1 Continue developing new high margin products
- 2 Reinforce EDLP positioning
- 3 Continue expanding our footprint
- 4 Continue improving our assisted sales model and cross selling opportunities
- 5 Finalize implementation of new DC, reduce inventory levels, and capture additional supply chain and store efficiencies



Shopping Centers Segment in 2014



1 Successfully open Real Plaza Salaverry, and expand malls under operation

2 Continue building a portfolio of premium locations for future malls

3 Strengthen and build new long-term relationships with local and international tenants

4 Continue enhancing shopping experience

Real Plaza Salaverry



- Opening in Q2'2014
- 73k sqm GLA
- Fully leased

04

**WHAT TO EXPECT
IN 2014-2016**



What to Expect in 2014-2016



Secured Growth in 2014

- 30k sqm of additional supermarkets sales area in 2014 (+12% growth); 3 supermarkets under construction (anchored in shopping centers) and 24 secured locations for additional supermarkets as of December 2013
- 120 new pharmacies in 2014; 35 stores under construction and 12 secured locations for additional pharmacies as of December 2013
- One shopping center (73k sqm of additional GLA, 19.1% GLA growth) and 27k sqm of additional GLA of expansions under construction as of December 2013 (7.2% GLA growth)

US\$1 billion for Capex and Strategic Initiatives Over the Next 3 Years

- Mainly destined to fund growth plans at our supermarkets and shopping centers segments, as well as to refurbishing our older supermarkets
- Customer identification and loyalty program
- Omni-channel electronic platform

Salaverry Q2'14



Expansions of existing malls



Opening of new supermarkets





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