



BECLE SAB de CV

Mexico City, February 27, 2017.

BECLE S.A.B. de C.V. (“Cuervo”, “BECLE” or the “Company”) (BMV: CUERVO) announces its fourth quarter ended December 31, 2016 and 2016 full year results.

The figures included in this document were prepared in accordance to International Financial Reporting Standard (IFRS) and published in the Bolsa Mexicana de Valores (BMV).

The information corresponding to the fourth quarter and the annual figures are preliminary figures, under the understanding that once audited financial statements are available, this information will be shared in the corresponding electronic formats on the same date the information is presented.

Highlights

- **Cuervo’s solid Volume growth continues for both the quarter and full year figures. Fourth quarter Net Sales grew more than 50% respective to same period of last year.**
- **Net Sales for the full year 2016 grew 32% relative to 2015 while operating profit grew 22% in 2016 compared to 2015.**
- **At 2016 year end, Net Debt was of \$5,132 million Pesos, this implies a Net Leverage Ratio⁽¹⁾ of 0.84x Adjusted EBITDA.**
- **In the fourth quarter of 2016 BECLE performed an internal reorganization preparing for the Company’s Initial Public Offering that was completed in February 2017, this included, among other things the merger of our international distributors (Proximo) with and into BECLE, the contribution of Maestro Dobel as a BECLE Brand and the spinoff of Cholula Hot Sauce.**
- **In February 2017, BECLE concluded its successful IPO with an offering size of \$18,635,602,436 Pesos, representing 15% of the Common Stock of the Company.**

Note: 1. Defined as Net Debt divided by Adjusted EBITDA

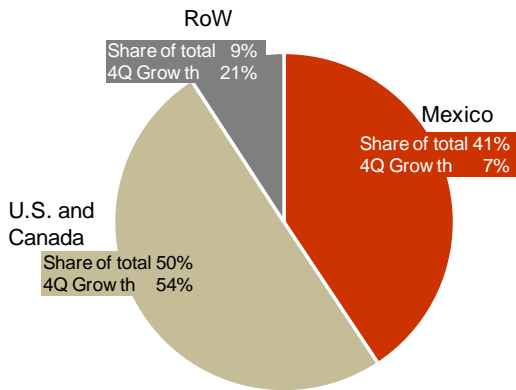




Fourth Quarter 2016 Financial Information

BECLE showed a very solid growth in fourth quarter 2016 in both Volume and Net Sales Value. The Company had a particularly healthy growth in the US and Canada and continued diversifying the relative weight of the spirits categories it's involved in showing important growth in Tequila, Irish Whiskey, American Whiskey, Rum and Vodka. Net Sales Value growth of over 50% in respect to the fourth quarter of 2015 is also worth highlighting.

Volume by Region 4Q 2016

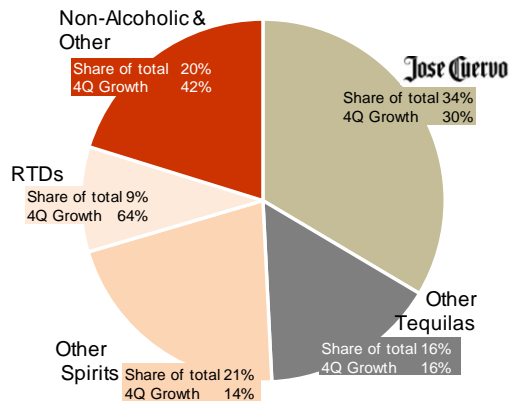


In the fourth quarter of 2016, BECLE achieved a sales volume of 6.2 million nine liter cases, this represents an increase of 28% over the same period of last year. This growth is due largely to the 54% volume growth in US & Canada during said period versus the fourth quarter of 2015. In particular, it's worthwhile noticing that the North American market

(excluding Mexico) represented 50% of the Company's total volume sold. This growth is based on an important growth of volumes from the brand Jose Cuervo in the US and Canada.

Relative to the different categories that the Company participates in, the Tequila Category represented 50% of BECLE's total volume at closing of the fourth quarter of 2016. In particular Jose Cuervo Brand volumes grew 30% in said period compared to October-December of 2015. We also observed an increase in the total aggregated volume of other

Volume by Segment Q4 2016



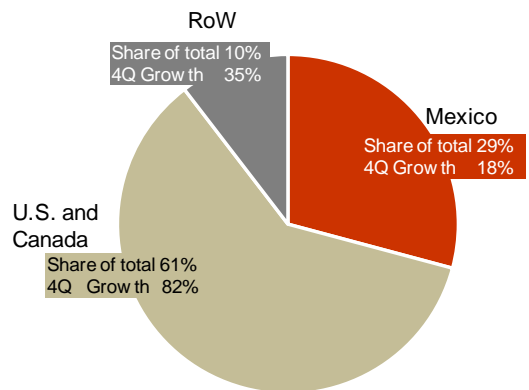


alcoholic beverages of 14% with respect to the fourth quarter of 2015, this segment represented 21% of the total volume of the Company in the October-December period of 2016.

For the October-December period of 2016, the Company had Net Sales of \$7,380 million Pesos, this represents an increase of 52% versus the same period of the previous year. This result is based primarily of: a) an atypical volume growth for this period of 28%, that includes anticipated sales in the fourth quarter of 2016 as a result of a price increase announcement effective January 1, 2017 on Jose Cuervo Tequilas, Margaritas and that made some clients of the Company to anticipate purchases in the fourth quarter of 2016; b) Premium mix of products sold; and c) the foreign exchange rate effect from the Peso depreciation (Pesos per US Dollar) that benefited the results in Pesos.

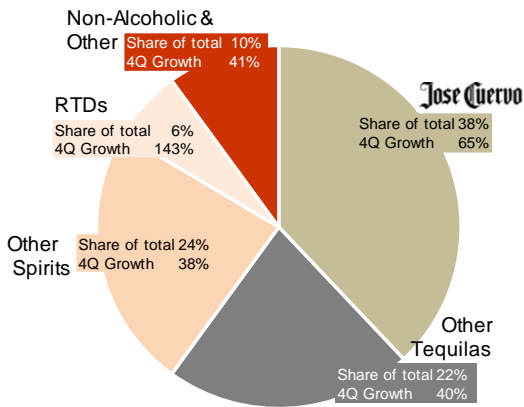
In the fourth quarter of 2016, the US and Canada region represented 61% of the total Net Sales Value of the Company. This region grew 82% versus the same period of last year, this is largely explained by the anticipated sales previously outlined, as well as from the foreign exchange effect. In this same period, Mexico represented 29% of total Net Sales and grew 18% versus October-December of 2015. Finally Rest if the World (RoW), represented 10% of total Net Sales, showing a growth of 35% versus the fourth quarter of 2015.

Net Sales Value by Region 4Q 2016





Net Sales Value by Segment 4Q 2016



Our brand Jose Cuervo represented 38% of total Net Sales for October-December 2016 and showed a very important increase in Net Sales of 65% versus the same period of last year. Our Other Tequila Brands grew 40% and represented 22% of total Net Sales in the same period. The road to portfolio diversification continued, this can be observed in the growth

Our Other Spirits Brands that grew 38% versus the same period of last year and represented 24% of the total Net Sales of the period.

During the fourth quarter of 2016, Gross Profit was of \$4,101 million Pesos, this represented an increment of 34% versus the same period of 2015. It's worth noticing that during the fourth quarter, cost of goods sold increased 84% versus the same period of last year, this was mainly driven from third party agave purchased price increases, and accounting effects derived from an increase in the inventory position in Proximo traceable to the US price increase, which had a non-cash impact of \$183 million Pesos. In the fourth quarter of 2016 there was a \$50 million Pesos impact to Cost of Goods Sold derived from obsolete product destruction.

During the fourth quarter of 2016, Operating Profit was of \$1,470 million Pesos, which represented a decrease of 12% versus the same period of last year. Said decrease is largely explained by the Cost of Goods increase detailed above (with its pertaining causes), as well as by an increase in Advertising, Marketing and Promotion Expense (AMP). AMP increased 86% in October-December of 2016 relative to the same period of last year. This AMP increase is due to the support of developing brands, and its effect is reflected in volume growth, in brands such as Maestro Tequilero, Centenario, 1800 Cristalino, Bushmills and Kraken.



BECLE's Net Comprehensive Income went from \$1,578 million Pesos in the fourth quarter of 2015 to \$1,466 million Pesos in the same period of 2016, this represents a decrease of 7%. The impact to Net Comprehensive Income is a response to the variables detailed previously: non cash accounting adjustment derived from an the inventory position increase in Proximo, third party agave price increase, obsolete inventory destruction and higher AMP Expense in the period.

In 2016 closing, BECLE made no changes to its debt position, maintaining as the only long term liability the 500 million dollar bond issued in March 2015. At the end of December 2016 Net Debts was of \$5,132 million Pesos, this represents a Net Debt to Adjusted EBITDA ratio of 0.84x.

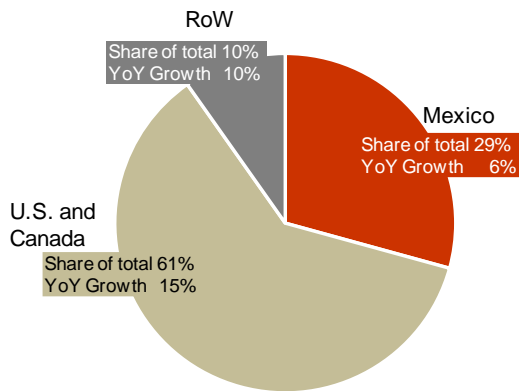
Company's Total Liabilities as of December 31, 2016 were of \$17,636 million Pesos. These had an increase of 17% versus 2015, the change is widely explained by the conversion to Pesos of the Bond value (as a result of the Peso devaluation) as well as the increase in Accounts Receivable resulting form the increased production.



2016 Cumulative Financial Information

During 2016 Cuervo maintained its sustained and solid growth trajectory. The Company closed the year with a total volume of 20.4 million 9 liter cases, this represents a growth of 12% versus 2015. Likewise, it's Net Sales grew 32% from \$18,475 million Pesos in 2015 to \$24,396 million Pesos in 2016, a growth well above industry.

Volume by Region 2016

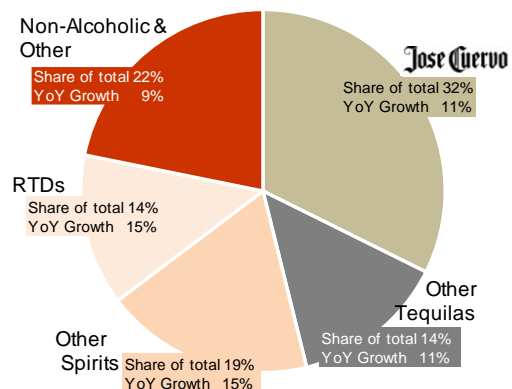


There was double digit growth in volume in the US and Canada as well as in Rest of the World, showing growth of 15% and 10%, respectively in full year figures. In Mexico, the only Market in the world we consider mature for Tequila, we continue growing above market rates and capturing share with an annual growth of 6%.

We had double digit growth in volume in all the Categories where we participate. With annual growth rates of: 11% for Jose Cuervo, 11% for Other Tequilas, 15% in Other Spirits and 15% in RTDs.

With these growth rates, we provide continuity to our strategy to diversify categories and continue our development as a global spirits company.

Volume by Segment 2016

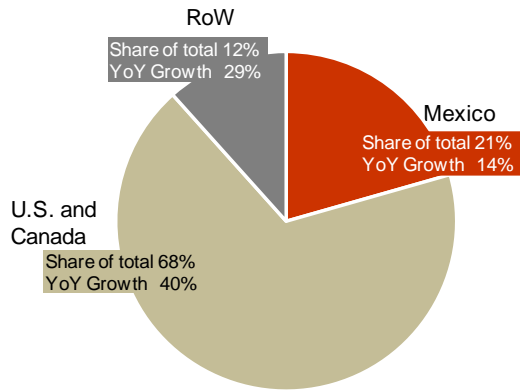




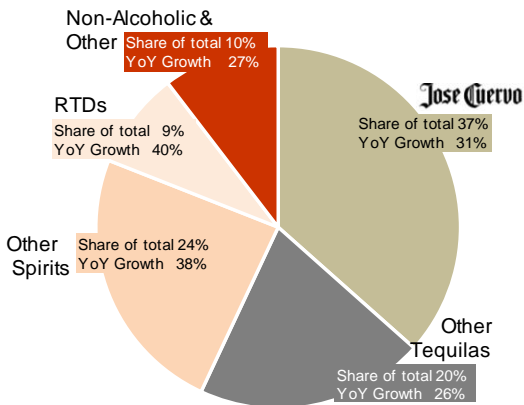
For the full year 2016, the Company had Net Sales of \$24,396 million Pesos, this represents a 32% relative to last year. This result reflects the effects previously described in the commentary on Net Sales Value of the fourth quarter of 2016.

In terms of Net Sales Value, US & Canada grew 40% versus last year. Net Sales in the region represented 68% of the total Net Sales of the Company in 2016. Mexico represented 21% of total Net Sales and had a growth of 14% respective to 2015. Rest of the World represented 12% of total Net Sales and had a growth of 29%. The dynamic growth was heavily supported on the performance of the US & Canada segment where our brands Maestro Dobel, Kraken y Bushmills that grew in terms of Net Sales above the average of the region. Its important to point out that the sales in the US & Canada region include anticipated sales from the fourth quarter of 2016 arising form the announcement of a price increase effective January 1, 2017 in the US in Jose Cuervo Tequilas, Margaritas and Ready to Drink that made some of our clients to purchase ahead in the fourth quarter of 2016.

Net Sales Value by Region 2016



Net Sales Value by Segment 2016



In 2016, our brand Jose Cuervo continued dominating the portfolio with 37% of total Net Sales. Jose Cuervo growth is of 31% versus prior year. Our Other Tequila brands grew 26% and represented 20% of total Net Sales. Other Spirits Brands grew in 2016 38% versus 2015, and represented 24% of the total Net Sales value of 2016.



During 2016, Gross Profit was of \$14,460 million Pesos, this represented and increase of 29% versus 2015. In 2016, Cost of Goods sold increased 38% versus last year, this was mainly driven by the price increases in third party agave purchases and accounting effects derived from an increase in the inventory position in Proximo traceable to the US price increase, which had a non-cash impact of \$183 million Pesos. Likewise, in the fourth quarter of 2016 we registered an obsolete product destruction for \$50 million Pesos.

Operating Profit of 2016 was of \$5,624 million Pesos, this represented an increase of 22% versus prior year. The decrease in the growth rate of the Operating Profit with respect to Net Sales growth is mainly explained by the Cost of Goods increase that was mainly driven from third party agave purchased price increases, and accounting effects as the unrealized profit adjustment derived from the inventory position in Proximo, that had a significant (non-cash) impact of \$183 million Pesos as well as a \$50 million Pesos impact to Cost of Goods Sold derived from obsolete product destruction. As well as from an increase in Advertising, Marketing and Promotion (AMP) Expense. Said increase in AMP comes from the investment in developing brands, and its effectiveness is reflected in volume growth, in brands such as Maestro Tequilero, Centenario, 1800 Cristalino, Bushmills and Kraken.

The adjusted EBITDA for 2016 was of \$6,075 million Pesos, this represents a growth of 25% versus 2015.

In 2016 the Net Comprehensive Income was of \$5,446 million Pesos. Its important to notice that in 2015, the Company had a non-recurrent income of \$3,446 million Pesos from the sale of TDJ, normalizing the results for 2015 the growth of the Comprehensive Net Income from 2015 to 2016 was of 18%.

Capex for 2016 was \$829 million Pesos and it mostly corresponded to maintenance investment as well as to the acquisitions of casks.





Initial Public Offering

On February 8, 2017, Jose Cuervo performed a global stock offering of 100% primary stock, in Mexico through a public offering in the Bolsa Mexicana de Valores, with ticker CUERVO, and in the international markets through a private offering under Rule 144A and Regulation S of the Securities Market Law of 1933 of the United States of America.

The total number of shares of the initial offering was of 548,105,954 common stock, including those shares for the exercise of the over-allotment option, sold at 34.00 Pesos per share, the high range of the valuation. Therefore, the offering amount was of Ps. 18,635,602,436. as a result of the offering of stock, 15.0% of the Company's stock is now in the hands of the investing market.

Jose Cuervo is a global company of the alcoholic beverages, leader in the Tequila category. The Company has a portfolio of over 30 brands in 9 categories. The Company is a result of an corporate reorganization taken on November of 2015 as well as from the merger effective on October 13, 2016 with Proximo, an independent distributor of alcoholic beverages in the United States of America, Canada and the United Kingdom property of the controlling shareholders of the Company.



Fourth Quarter Financial Statements

(Ps\$ MM)	Tres meses terminados al 31 de Diciembre				
	Q4 2015		Q4 2016		Var (16-15)
	Abs	%	Abs	%	%
Net Sales	4,842		7,380		52
Cost of Goods Sold	1,783	37	3,279	44	84
Gross Profit	3,059	63	4,101	56	34
Advertising, Marketing & Promotion (AMP)	1,104	23	2,049	28	86
Distribution	184	4	183	2	(0)
Selling and Administrative Expenses	235	5	521	7	122
Other Expenses (income), net	(131)	(3)	(123)	(2)	(6)
Operating Profit	1,667	34	1,470	20	(12)
Financial results, net	31	1	425	6	1260
Other Non-recurring Income	-	-	-	-	-
Profit before tax	1,636	34	1,046	14	(36)
Total Income Taxes	414	9	417	6	0
Net Income	1,221	25	629	9	(49)
Other comprehensive income, net of income tax ⁽¹⁾	357	7	837	11	134
Net Comprehensive Income	1,578	33	1,466	20	(7)

Note: 1. Includes foreign currency translation differences from foreign operations



Balance Sheet

As of December 31

(Ps\$ MM)			Var
	2015	2016	(16-15) %
Cash and cash equivalents	4,139	5,128	24
Accounts receivable, net	5,293	6,396	21
Inventories, net	4,352	5,943	37
Other current assets ⁽¹⁾	1,282	2,258	76
Total Current Assets	15,066	19,725	31
Non-current inventories	3,213	3,178	(1)
Property, plant and equipment, net	3,997	4,641	16
Intangible assets and trademarks, net	10,405	11,771	13
Goodwill	5,506	5,992	9
Other assets ⁽²⁾	450	380	(16)
Total Assets	38,636	45,688	18
Current installment of notes payable to Banks	46	53	16
Trade accounts payable	1,775	2,407	36
Accruals	1,270	1,708	35
Other liabilities ⁽³⁾	955	383	(60)
Total current liabilities	4,046	4,552	13
Long term debt, excluding current interest payable	8,490	10,207	20
Environmental reserve	97	118	21
Other long-term liabilities	2,357	2,759	17
Deferred income taxes	14,990	17,636	18
Total Liabilities	23,647	28,022	19
Total controlling interest	-	30	-
Non-controlling interest	23,647	28,052	19
Total Stockholders' Equity	38,636	45,688	18

Notes: 1. Includes: Related Parties, Other Accounts Receivable, and Prepayments;

2. Includes: Employee Benefit, net and Other Assets;

3. Includes: Employee Statutory Profit Sharing, Related Parties, Dividend Payables and Other Liabilities



Full Year Financial Statements

(Ps\$ MM)	Twelve months ended December 31				
	2015		2016		Var (16-15)
	Abs	%	Abs	%	
Net Sales	18,475		24,396		32
Cost of Goods Sold	7,224	39	9,936	41	38
Gross Profit	11,251	61	14,460	59	29
Advertising, Marketing & Promotion (AMP)	4,123	22	6,039	25	47
Distribution	727	4	750	3	3
Selling and Administrative Expenses	1,677	9	2,208	9	32
Other Expenses (income), net	104	1	(160)	(1)	(254)
Operating Profit	4,620	25	5,624	23	22
Financial results, net	448	2	936	4	109
Other Non-recurring Income	3,446	19	-	-	(100)
Profit before tax	7,619	41	4,688	19	(39)
Total Income Taxes	2,310	13	1,540	6	(33)
Net Income	5,308	29	3,148	13	(41)
Other comprehensive income, net of income tax ⁽¹⁾	1,709	9	2,298	9	34
Net Comprehensive Income	7,017	38	5,446	22	(22)

Note: 1. Includes foreign currency translation differences from foreign operations



About the Company

Becle, S.A.B. de C.V. is a globally renowned Company in the alcoholic beverage industry and the world largest producer of tequila. Its extraordinary portfolio of over 30 spirit brands, some of them owned, some of them agency brands distributed only in Mexico, has been developed throughout the years to participate in key categories with high grow perspective, serving the world most relevant alcoholic beverage markets and attending key consumer preferences and tendencies. The portfolio strength of Cuervo is based in the profound legacy of its iconic brands internally developed as Jose Cuervo®, combined with complimentary acquisitions as Three Olives®, Hangar 1®, Stranahan's®, Bushmills® or Boodles®, as well as a key focus on innovation, that during the years has helped Cuervo to internally develop renowned brands, such as 1800®, Maestro Tequilero®, Maestro Tequilero® Dobel®, Centenario®, Kraken®, Jose Cuervo® Margaritas and B:oot®, among Cuervo's brands, some of them are sold and distributed in more than 85 countries.

EBITDA and Adjusted EBITDA

EBITDA and Adjusted EBITDA are measures used in our financial analysis that are not recognized under IFRS but are calculated from amounts that derive from our Financial Statements. We calculate EBITDA as net income *plus* depreciation and amortization, income tax expense, and interest expense, *less* interest income. We calculate Adjusted EBITDA as EBITDA, as calculated above, *plus* foreign exchange loss (gain), net, *less* gain on sale of joint venture, *less* equity method in joint venture.

EBITDA and Adjusted EBITDA are not IFRS measures of liquidity or performance, nor are EBITDA or Adjusted EBITDA recognized financial measures under IFRS. We believe that EBITDA and Adjusted EBITDA can be useful to facilitate comparisons of operating performance between periods on a combined basis, but these metrics may be calculated differently by other issuers. EBITDA and Adjusted EBITDA should not be construed as alternatives to (i) net income as an indicator of our operating performance or (ii) cash flow from operating activities as a measure of our liquidity.

Disclaimer

This report contains certain forward-looking statements which are based on Cuervo's current expectations and observations. Actual results obtained may vary significantly from these estimates. The information related to future performance contained in this press release should be read jointly with the risks included in the "Risk Factors" section of the Mexican prospectus filed with the Comisión Nacional Bancaria y de Valores (Mexican National Banking and Securities Commission). This information, as well as future statements made by Cuervo or by any of its legal representatives, either written or verbally, may vary significantly from the actual results obtained. These forward-looking statements speak only as of the date on which they are made, and no assurance can be made as to the actual results obtained. Cuervo undertakes no obligation and does not intend to update or review any of such projections and estimations, whether as a result of new information, future developments and other related events.

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