

**Grupo Sanborns S.A.B. de C.V.**  
**Earnings Report**  
**1Q 2013**

Mexico City, April 25, 2013 – Grupo Sanborns, S.A.B. de C.V. (“Grupo Sanborns”) (BMV: GSANBOR) announced today its results for the first quarter ended March 31, 2013.

**HIGHLIGHTS**

- **Net sales** reached \$9,073 MM Ps in the 1Q13, growing 5.6% compared to the 1Q12.
- On February 8, 2013, the global **Initial Public Offering of Grupo Sanborns S.A.B de C.V.** was completed. New investors hold 17.2% of Capital Stock, including the over-allotment option, at the offering price of \$28.00 pesos per share. The subscribed capital was approximately 60% in the local market and 40% abroad, under the 144A/RegS rule. Grupo Sanborns continues to be a subsidiary of Grupo Carso S.A.B de C.V.

**FINANCIAL SUMMARY**

Consolidated Results	1Q 2013	1Q 2012	Var%
Revenues	9,073	8,590	5.6%
Gross Profit	3,609	3,467	4.1%
Operating Income	965	841	14.8%
Consolidated Net Income	715	643	11.1%
EBITDA	1,136	1,004	13.1%
Gross Margin	39.8%	40.4%	
Operating Margin	10.6%	9.8%	
EBITDA Margin	12.5%	11.7%	

**REVENUES**

Sales for the first quarter totaled \$9,073 MM Ps, an increase of 5.6% compared with the same period of the previous year. This performance was explained by an increase in same store sales, big-ticket items and credit card sales. Additionally, due to the Sears Buenavista store which opened in the 4T12 and reflected a greater contribution than the Colima and Santa Fe stores, which were inaugurated in mid-March, 2013.

**Revenues by Format**

(MM Ps)	1Q 2013	1Q 2012	Var%
Sears	4,406	4,139	6.4%
Sanborns	3,063	2,981	2.8%
iShop/Mixup	1,070	966	10.8%
Other*	534	504	5.9%
<b>Total</b>	<b>9,073</b>	<b>8,590</b>	<b>5.6%</b>

**Same Store Sales (SSS)**

SSS	1Q 2013	1Q 2012
Sears	6.0%	1.3%
Sanborns	1.5%	5.5%
iShop y Mixup	9.4%	12.9%



During the 1Q13 a 5.3% increase was recorded in consumer credit income, which amounted \$659 MM Ps compared with \$626 MM Ps in the 1Q12.

Moreover, the loan portfolio of Grupo Sanborns totaled \$8,317 MM Ps, increasing 6.8% compared with the portfolio at March 31, 2012.

At the end of the quarter, there were 2.91 million credit cards and the percentage of non-performing loans was 2.2%.

Credit Indicators	1Q 2013	1Q 2012	Var%
Loan Portfolio (MM Ps)	8,317	7,787	6.8%
Num. Credit cards issued (MM)	2.91	2.72	7.1%
Non-performing loans (%)	2.2%	2.3%	

**COGS AND SG&A**

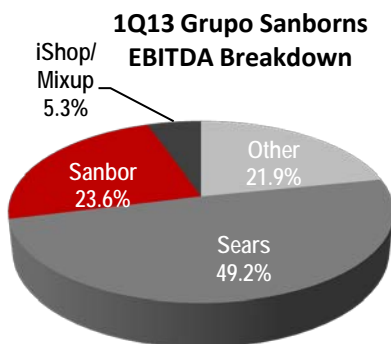
Cost as a percentage of sales increased 0.6 percentage points in the 1Q13 causing a reduction in gross profit which went from 40.4% to 39.8%. This was mainly explained by a higher sales contribution of various technology and electronic items in Sears, Sanborns and iShop/MixUp.

Operating expenses for the quarter represented 29.1% of sales, or a reduction of 1.5 percentage points due to lower administrative and sales expenses in all formats, but mainly in Sears.

**OPERATING INCOME AND EBITDA**

Therefore, operating income in the first quarter totaled \$965 MM Ps, which represented a 14.8% increase compared with the same period of 2012. As a consequence, the operating margin increased 0.8 percentage points from 9.8% to 10.6% relative to sales.

Similarly, EBITDA for the first quarter totaled \$1,136 MM Ps, posting a 13.1% increase compared with the 1Q12, while the EBITDA margin reached 12.5% on sales.





**COMPREHENSIVE FINANCIAL COST**

Financial Results	1Q 2013	1Q 2012	Var%
Interest Expenses	-41	-21	92.4%
Income (Loss) on derivatives net	0	0	0.0%
Income (Loss) change in value of fin. instrum.	0	45	NA
Interest Income	45	20	128.5%
ForEx Results	0.1	17	-99.6%
<b>CFR</b>	<b>4</b>	<b>61</b>	<b>-93.1%</b>

NA= Not applicable

During the first quarter of the year a positive comprehensive financial result of \$4 MM Ps was recorded, which was below the \$61 MM Ps CFR recorded during the 1Q12 and which included a ForEx gain of \$62 MM Ps generated mainly by ForEx hedging instruments.

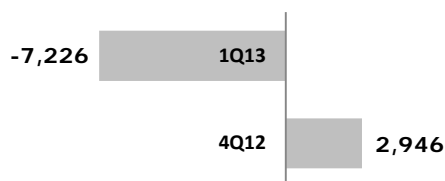
**NET INCOME**

Consolidated net income in the 1Q13 increased 11.1% reaching \$715 MM Ps, with a margin on sales of 7.9% which improved slightly by 0.4 percentage points from the net margin at the end of March 2012. This improvement reflected mainly the operating results.

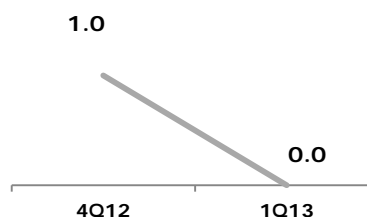
**FINANCIAL STRUCTURE**

Net bank debt at the end of March 2013 stood at (\$7,226) MM Ps, compared with a net debt of \$2,945 MM Ps recorded at the end of December 2012. This was attributable to two reasons: i) an increase of 210.4% in cash and cash equivalents due to the initial public offering in which net proceeds totaled \$11,349 MM Ps and ii) full payment of interest-bearing liabilities by a total of \$5,273 MM Ps.

Net Debt (MM Ps)



Total Debt/EBITDA





**OPENING OF STORES**

At March 31, 2012, the total sales area reached 975,520 sq meters with 414 units.

Regarding the main formats of the Group, during the quarter 2 Sears stores were opened: Santa Fe and Colima, while 2 music stores were closed as well as 1 Sears in Durango, store which will be opened in other location of the same city in the following months, but with additional floor space.

Sales Area	March 2013		March 2012	
	Units	Sq meters	Units	Sq meters
Sears	78	612,081	79	615,229
Sanborns	166	251,031	162	244,890
iShop/Mixup	107	40,322	108	41,589
Other*	63	72,086	66	74,121
<b>Total</b>	<b>414</b>	<b>975,520</b>	<b>415</b>	<b>975,829</b>

\*Includes stores in Central America, Sanborns Café, DAX stores, Saks Fifth Avenue and Boutiques.





**ADDITIONAL TABLES**

Income Statement (MM Ps)						Million DOLLARS		
	1Q 2013		1Q 2012		Var %	1Q 2013	1Q 2012	Var %
Revenues	8,415	92.7%	7,965	92.7%	5.7%	665	615	8.2%
Consumer Credit Income	659	7.3%	626	7.3%	5.3%	52	48	7.8%
<b>Total Revenues</b>	<b>9,073</b>	<b>100.0%</b>	<b>8,590</b>	<b>100.0%</b>	<b>5.6%</b>	<b>717</b>	<b>663</b>	<b>8.2%</b>
COGS	5,465	60.2%	5,124	59.6%	6.7%	432	395	9.2%
<b>Gross Profit</b>	<b>3,609</b>	<b>39.8%</b>	<b>3,467</b>	<b>40.4%</b>	<b>4.1%</b>	<b>285</b>	<b>267</b>	<b>6.6%</b>
SG&A	2,644	29.1%	2,631	30.6%	0.5%	209	203	2.9%
Other (income) expenses	-0.3	0.0%	4.7	0.1%	-106.1%	0	0	-106.3%
<b>Operating Income</b>	<b>965</b>	<b>10.6%</b>	<b>841</b>	<b>9.8%</b>	<b>14.8%</b>	<b>76</b>	<b>65</b>	<b>17.6%</b>
Comprehensive Financial Result	4	0.0%	61	0.7%	-93.1%	0	5	-93.0%
Part. In Non-controlling Subs.	0	0.0%	0	0.0%	0.0%	0	0	0.0%
<b>Income before Taxes</b>	<b>969</b>	<b>10.7%</b>	<b>901</b>	<b>10.5%</b>	<b>7.5%</b>	<b>77</b>	<b>70</b>	<b>0.8%</b>
Taxes	255	2.8%	258	3.0%	-1.3%	20	20	1.0%
<b>Consolidated Net Income</b>	<b>715</b>	<b>7.9%</b>	<b>643</b>	<b>7.5%</b>	<b>11.1%</b>	<b>56</b>	<b>50</b>	<b>13.8%</b>
<b>EBITDA</b>	<b>1,136</b>	<b>12.5%</b>	<b>1,004</b>	<b>11.7%</b>	<b>13.1%</b>	<b>90</b>	<b>77</b>	<b>15.8%</b>

(MM Ps)	Million DOLLARS					
	1Q 2013	4Q 2012	Var %	1Q 2013	4Q 2012	Var %
Cash & Equivalents	7,225.6	2,327.9	210.4%	570.9	179.6	217.8%
Total Assets	35,563.1	31,203.1	14.0%	2,809.6	2,407.6	16.7%
Total Interest-bearing debt	0.0	5,274.1	NA	0.0	406.9	NA
% Ps. Denominated	0%	99%	0.0%	0%	8%	0.0%
% Long Term	0%	0%	0.0%	0%	0%	0.0%
Net Debt	-7,225.6	2,946.2	NA	-570.9	227.3	NA
Total Liabilities	8,504.2	15,974.3	-46.8%	671.9	1,232.5	-45.5%
Stockholder's Equity	27,058.9	15,228.8	77.7%	2,137.8	1,175.0	81.9%
Shares Outstanding ('000)	2,355,000	2,363,370	0.0%	0	0	0.0%
Stock Price*	28.0	NA	NA	2.21	NA	NA



**ABOUT GRUPO SANBORNS**

Grupo Sanborns is a leader in the retail market in Mexico. The Company has a unique portfolio of multiple formats including department stores, specialized stores, entertainment and electronics, convenience, luxury and restaurants, with highly recognized brands such as Sears, Sanborns, Sanborns Café, iShop-Mixup, Saks Fifth Avenue, eduMac and DAX. Grupo Sanborns has presence in 53 cities in Mexico with more than 400 stores and a sales area of nearly 1 million square meters, offering a broad value proposition to our customers, which include more than 2.8 million cardholders.

**CONFERENCE CALL**

Date: Friday, April 26, 2013  
Time: 9:45 a.m. Mexico City Time, 10:45 a.m. NY Time (EDT)  
Access Number: International and Mexico: (617) 209-4678  
Toll Free US: (855) 596-0283  
ID#: 56656810

**INVESTOR RELATIONS CONTACT**

Angélica Piña  
T. +52 (55) 2122-2656  
[napinag@condumex.com.mx](mailto:napinag@condumex.com.mx)

**NOTES**

**Legend:** MM million, Ps Pesos

**Other:** includes DAX, Sanborns Café Restaurants, Saks Fifth Avenue, Sears and Sanborns stores in Central America, Seven Boutiques, Pam Pam industrial catering, Sanborns and Mixup credit cards and Plaza Loreto and Plaza Inbursa malls, royalties and corporate charges paid by our subsidiaries to Grupo Sanborns as well as eliminations of transactions between subsidiaries.

**EBITDA** is calculated as comprehensive income plus depreciation and amortization, income taxes, interest expense, foreign exchange loss, loss on valuation of derivatives and the effect of conversion of investments in companies abroad, less interest income, exchange gain and gain on valuation of derivative financial instruments.

**ROIC:** Measured as operating income after tax / (Property, plant and equipment net + net working capital).

**BMV:** Mexican Stock Exchange or MSE

**CNBV:** National Banking and Securities in Mexico or NBSC

**E.U.A.:** USA

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**Limitation of Liabilities**

This earnings release contains certain forecasts or projections that reflect the current views or expectations of Grupo Sanborns and its management regarding its performance, business and future events. Grupo Sanborns utilizes words like "believe," "anticipate," "plan," "expect," "intend," "target," "guidance," "should" and similar expressions to identify forward-looking statements, but are not the only way that are mentioned thereto. Such statements are subject to certain risks, uncertainties and assumptions that are detailed in the prospectus of the Group and that could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this release. Grupo Sanborns is not subject to obligation and expressly disclaims any intention or obligation to update or revise any forecasts or projections that may result from new information, future events or otherwise.

