

Grupo Sanborns S.A.B. de C.V.
Earnings Report
3Q 2013

Mexico City, October 24, 2013 – Grupo Sanborns, S.A.B. de C.V. (“Grupo Sanborns” or “the Group”) (BMV: GSANBOR) announced today its results for the third quarter ended September 30, 2013.

HIGHLIGHTS AND RELEVANT EVENTS

- **Sales** reached \$8,933 MM Ps, being 0.2% higher than the 3Q12.
- **Operating Income** and **EBITDA** grew 7.0%, with 0.6 and 0.8 percentage point increases in the operating and EBITDA margin, respectively.
- Controlling **net income** rose 11.0% and 11.9% in the quarter and in the first nine months of the year, respectively.

FINANCIAL SUMMARY

Consolidated Results	3Q 2013	3Q 2012	Var%	9M13	9M12	Var%
Revenues	8,933	8,912	0.2%	27,424	26,707	2.7%
Gross Profit	3,644	3,568	2.1%	11,104	10,728	3.5%
Operating Income	903	844	7.0%	2,965	2,729	8.6%
Controlling Net Income	620	559	11.0%	2,027	1,812	11.9%
EBITDA	1,080	1,010	7.0%	3,486	3,224	8.1%
Gross Margin	40.8%	40.0%		40.5%	40.2%	
Operating Margin	10.1%	9.5%		10.8%	10.2%	
EBITDA Margin	12.1%	11.3%		12.7%	12.1%	

REVENUES

Consolidated sales of Grupo Sanborns totalled \$8,933 MM Ps, which meant \$21 million pesos more than in the 3Q13; or a 0.2% growth compared to the same period of 2012.

This was explained by a 1.6% increase in the total sales of Sears, which offset the reductions of 1.6% in both Sanborns and iShop/Mixup, formats that were affected by the slowdown in the consumption environment, mainly in September.

In cumulative terms, total sales of Grupo Sanborns grew 2.7% reflecting an increase of 3.7% at Sears, 1.2% at Sanborns and 0.9% at iShop/MixUp.

Revenues by Format

(MM Ps)	3Q 2013	3Q 2012	Var%	9M13	9M12	Var%
Sears	4,654	4,582	1.6%	14,047	13,550	3.7%
Sanborns	2,739	2,784	-1.6%	8,759	8,652	1.2%
iShop/Mixup	994	1,010	-1.6%	2,960	2,932	0.9%
Other*	546	536	1.9%	1,657	1,573	5.4%
Total	8,933	8,912	0.2%	27,424	26,707	2.7%

Same Store Sales

SSS	3Q 2013	3Q 2012	9M13	9M12
Sears	-1.1%	6.7%	2.1%	4.1%
Sanborns	-3.3%	3.6%	-0.3%	4.7%
iShop y Mixup	-4.0%	10.7%	-1.8%	13.1%



Credit Indicators	3Q 2013	3Q 2012	Var%
Loan Portfolio (MM Ps)	8,502	7,802	9.0%
Num. Credit cards issued (MM)	3.01	2.82	6.9%
Non-performing loans (%)	2.7%	2.4%	

It is important to highlight that with the relaunch activities, the number of Grupo Sanborns' credit cards has been gradually increasing. In the 3Q13 there were 3.0 million cards issued, compared to 2.8 million in the 3Q12, or a 6.9% growth.

The Groups' credit portfolio reached \$8,502 MM Ps, being 9.0% higher than the credit portfolio in the 3Q12, with a slight increase in the percentage of non-performing loans which was 2.7%.

Additionally, interest income recorded a sound growth of 10.6%, from \$619 MM Ps in the 3Q12 to \$685 MM Ps in the 3Q13.

COGS AND SG&A

From July to September 2013 the cost as percentage of sales decreased 0.8 percentage points, generating an improvement in gross margin from 40.0% to 40.8%. This was explained by a higher interest income at Sears.

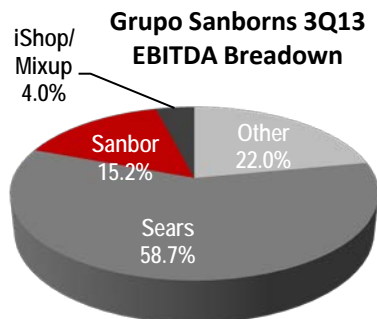
Consolidated operating expenses for the quarter represented 31.1% of sales, or 0.6 percentage points more related to lower sales at Sanborns and iShop/MixUp. However the savings in operating expenses were maintained at Sears.

OPERATING INCOME AND EBITDA

Operating Income rose 7.0% in the 3Q13 totaling \$903 MM Ps, adding 0.6 percentage points more to the margin, which increased from 9.5% to 10.1%.

Similarly, EBITDA totaled \$1,080 MM Ps, posting a 7.0% increase compared to the 3Q12, while the EBITDA margin went up to 12.1%.

Regarding cumulative Operating Income and EBITDA, these items totaled \$2,965 and \$3,486 million pesos respectively, for the first nine months of the year. This meant an increase of 8.6% and 8.1% respectively, with an improvement of 0.6 percentage points in both margins.





COMPREHENSIVE FINANCIAL COST

Financial Results	3Q 2013	3Q 2012	Var%	9M13	9M12	Var%
Interest Expenses	-18	-26	-29.3%	-77	-75	2.7%
Income (Loss) on derivatives net	0	0	0.0%	0	-1	NA
Income (Loss) change in value of fin. instrum.	0	0	0.0%	0	46	NA
Interest Income	89	38	133.0%	232	109	112.7%
Interest (net)	70	12	491.2%	155	80	95.3%
ForEx Results	-2	6	NA	4	11	-64.7%
CFR	68	18	285.7%	159	90	76.5%

NA= Not applicable

A 133.0% increase in Interest Income generated a positive comprehensive financial result (CFR) of \$68 MM Ps, which compared favorably to a positive CFR of \$18 MM Ps recorded in the 3Q12.

For the same reasons, CFR in the first nine months of the year has accumulated an increase of 76.5% mainly due to the 112.7% growth in Interest Income.

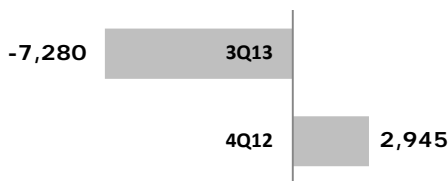
NET INCOME

Controlling net income rose 11.0% reaching \$620 MM Ps, compared to a controlling net income of \$559 MM Ps recorded in the 3Q12. This reflected both the improvement in the operation and financial results.

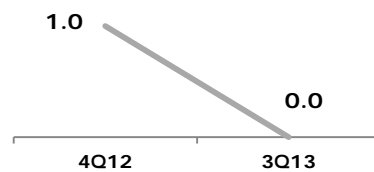
FINANCIAL STRUCTURE

At September 30, 2013, the Group has no debt, compared with a total debt of \$5,273 MM Ps and a net debt of \$2,945 MM Ps reported as of December 2012.

Net Debt (MM Ps)



Total Debt/LTM EBITDA





SHOPS AND RESTAURANTS

At September 31, 2013, the sales area was 987,991 sq meters with 420 units.

Superficie de Venta	Sep-2013		Sep-2012	
	Uns.	m2 Vta.	Uns.	m2 Vta.
Sears	79	623,007	77	597,497
Sanborns	167	252,188	163	246,142
iShop/Mixup	112	40,896	109	41,563
Otros*	62	71,900	66	73,598
Total	420	987,991	415	958,800

NEW UNITS

During the third quarter four iShop stores were inaugurated in the following locations: Merida, Pachuca, Cancun and Arcos Bosques. Regarding Sears, the Durango store was reopened at a new location, doubling the sq meters area.

RENOVATIONS AND UPGRADES

3 Sears stores are currently under renovation: Universidad (with extended square meters), Forjadores and Tangamanga. These stores have a 60% progress in each one.

Sanborns is currently remodeling 4 stores, one store has a 90% progress and the other 3 have a 50% progress.





ADDITIONAL CHARTS

(MM Ps)						Million DOLLARS							
	3Q13		3Q12		Var %	6M13		6M12		Var %	3Q13	3Q12	Var %
Revenues	8,249	92.3%	8,293	93.1%	-0.5%	25,415	92.7%	24,839	93.0%	2.3%	639	629	1.6%
Consumer Credit Income	685	7.7%	619	6.9%	10.6%	2,008	7.3%	1,868	7.0%	7.5%	53	47	13.0%
Total Revenues	8,933	100.0%	8,912	100.0%	0.2%	27,424	100.0%	26,707	100.0%	2.7%	692	675	2.4%
COGS	5,289	59.2%	5,345	60.0%	-1.0%	16,320	59.5%	15,979	59.8%	2.1%	410	405	1.1%
Gross Profit	3,644	40.8%	3,568	40.0%	2.1%	11,104	40.5%	10,728	40.2%	3.5%	282	270	4.4%
SG&A	2,775	31.1%	2,717	30.5%	2.1%	8,211	29.9%	8,039	30.1%	2.2%	215	206	4.4%
Other (income) expenses	-34	-0.4%	6	0.1%	NA	-72	-0.3%	-39	-0.1%	84.8%	-3	0	NA
Operating Income	903	10.1%	844	9.5%	7.0%	2,965	10.8%	2,729	10.2%	8.6%	70	64	9.3%
Comprehensive Financial Result	68	0.8%	18	0.2%	285.7%	159	0.6%	90	0.3%	76.5%	5	1	294.2%
Part. In Non-controlling Subs.	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%	0	0	0.0%
Income before Taxes	971	10.9%	862	9.7%	12.7%	3,124	11.4%	2,819	10.6%	10.8%	75	65	15.1%
Income Taxes	286	3.2%	242	2.7%	18.2%	895	3.3%	810	3.0%	10.5%	22	18	20.8%
Consolidated Net Income	685	7.7%	620	7.0%	10.5%	2,229	8.1%	2,009	7.5%	10.9%	53	47	12.9%
Profit attributable to non-controlling int.	64	0.7%	61	0.7%	6.3%	202	0.7%	197	0.7%	2.2%	5	5	8.7%
Profit attributable to owners of parent Co.	620	6.9%	559	6.3%	11.0%	2,027	7.4%	1,812	6.8%	11.9%	48	42	13.4%
EBITDA	1,080	12.1%	1,010	11.3%	7.0%	3,486	12.7%	3,224	12.1%	8.1%	84	77	9.4%

(MM Ps)	Million DOLLARS					
	3Q13	4Q12	Var %	3Q13	4Q12	Var %
Cash & Equivalents	7,280.2	2,327.9	212.7%	563.8	179.6	213.9%
Total Assets	36,194.6	31,201.5	16.0%	2,803.1	2,407.4	16.4%
Total Interest-bearing debt	0.0	5,273.0	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	-7,280.2	2,945.2	NA	-563.8	227.2	NA
Total Liabilities	9,487.9	15,972.7	-40.6%	734.8	1,232.4	-40.4%
Stockholder's Equity	26,706.7	15,228.8	75.4%	2,068.3	1,175.0	76.0%
Shares Outstanding ('000)	2,355,000	2,355,000	0.0%	NA	NA	0.0%
Stock Price*	27.09	NA	NA	2.10	NA	NA

*Started quoting on 02/08/13 at \$28.00 pesos per share

NA=Not Applicable





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 3 million cardholders.

CONFERENCE CALL

Date: Friday October 25, 2013
Time: 10:00 a.m. Mexico City Time,
11:00 a.m. NY Time (EST)
Access Number: International and Mexico: (617) 209-4678
Toll Free US: (855) 596-0283
ID#: 90498784

INVESTOR RELATIONS CONTACT

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NOTES

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.

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.

