

Grupo Sanborns S.A.B. de C.V.
Earnings Report
4Q 2012

Mexico City, February 26, 2013 – Grupo Sanborns, S.A.B. de C.V. (“Grupo Sanborns”) (BMV: GSANBOR) announced today its results for the fourth quarter and full year 2012.

HIGHLIGHTS

- **Net sales** reached \$12,704 Mm Ps in the 4Q12, growing 6.8% compared to the 4Q11.
- On February 8, 2013, the global **Initial Public Offering of Grupo Sanborns S.A.B de C.V.** was completed. New investors hold 18.13% of Capital Stock, including the overallotment 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.
- The unaudited consolidated annual information at December 31, 2012 and 2011 is the first annual information prepared in accordance with International Financial Reporting Standards (**IFRS** for its acronym in English). This earnings release presents figures for 2011 and 2012 under IFRS.

FINANCIAL SUMMARY

Consolidated Results	4Q 2012	4Q 2011	Var%	2012	2011	Var%
Revenues	12,704	11,891	6.8%	39,411	36,416	8.2%
Gross Profit	4,864	4,648	4.7%	15,593	14,642	6.5%
Operating Income	1,837	1,856	-1.1%	4,566	4,302	6.1%
Consolidated Net Income	1,290	1,246	3.6%	3,300	2,941	12.2%
EBITDA	2,002	1,997	0.2%	5,226	4,917	6.3%
Gross Margin	38.3%	39.1%		39.6%	40.2%	
Operating Margin	14.5%	15.6%		11.6%	11.8%	
EBITDA Margin	15.8%	16.8%		13.3%	13.5%	

REVENUES

Sales for the fourth quarter totaled \$12,704 MM Ps, an increase of 6.8% compared with the same period of the previous year. This performance was explained by:

Dynamism during year-end holidays and “El Buen Fin”, reflected as higher sales of big ticket items in Sears. Additionally 3 Sanborns specialty stores and a Sears department store were opened.

Revenues by Format

(MM Ps)	4T 2012	4T 2011	Var%	2012	2011	Var%
Sears	6,833	6,279	8.8%	20,383	18,754	8.7%
Sanborns	3,883	3,734	4.0%	12,535	11,858	5.7%
iShop/Mixup	1,349	1,276	5.8%	4,281	3,664	16.8%
Other*	639	602	6.1%	2,212	2,140	3.4%
Total	12,704	11,891	6.8%	39,411	36,416	8.2%



Same Store Sales (SSS)

SSS	4T 2012	4T 2011	2012	2011
Sears	8.9%	6.1%	5.7%	5.3%
Sanborns	2.9%	5.3%	4.2%	5.0%
iShop y Mixup	4.1%	9.3%	10.0%	17.5%

During the 4Q12 an 8.3% increase was recorded in consumer credit income which totaled \$639 MM Ps at the end of December 2012.

Moreover, the loan portfolio of Grupo Sanborns totaled \$8,445 MM Ps, increasing 5.3% compared to the portfolio at December 31, 2011.

At the end of 2012, there were 2.8 million credit cards and the percentage of non-performing loans was 2.2%, compared with 2.7% at the end of 2011.

Credit Indicators	2012	2011	Var%
Loan Portfolio (´000 Ps)	8,445	8,018	5.3%
Num. Credit cards issued (MM)	2.86	2.65	7.9%
Non-performing loans (%)	2.2%	2.7%	

COGS AND SG&A

Cost as a percentage of sales increased 0.8 percentage points in the 4Q12 causing a reduction in gross profit which went from 39.1% to 38.3%. This was mainly explained by a different sales mix between hard lines and soft lines at Sears due to the "El Buen Fin".

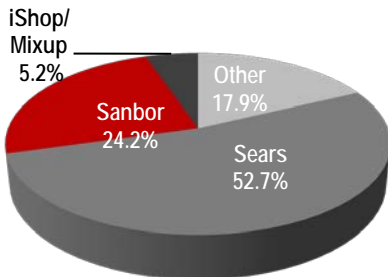
In addition, operating expenses for the quarter represented 24.2% of sales, an increase of 0.6 percentage points caused by the expansion and opening of new stores, combined with an increase in advertising expenses.

OPERATING INCOME AND EBITDA

Operating income in the fourth quarter totaled \$1,837 MM Ps, which represented a decrease of 1.1% compared to the same period of 2011.

Quarterly EBITDA totaled \$2,002 MM Ps, posting a 0.2% increase compared to the 4Q11, while the EBITDA margin was 15.8% of sales.

4Q12 Grupo Sanborns EBITDA Breakdown



EBITDA (MM Ps)





COMPREHENSIVE FINANCIAL COST

Financial Results	4Q 2012	4Q 2011	Var%	2012	2011	Var%
Interest Expenses	-122	-53	129.2%	-196	-210	-6.9%
Income (Loss) on derivatives net	0	3	-100.0%	45	-7	NA
Income (Loss) change in value of fin. instrum.	0	0	0.0%	0	0	0.0%
Interest Income	91	23	291.4%	200	178	12.3%
Interest (net)	-31	-27	14.6%	49	-40	NA
ForEx Results	0	-37	NA	10	-57	NA
CFR	-32	-64	-50.7%	59	-97	NA

NA= Not applicable

During the last quarter of the year the comprehensive financial cost fell 50.7% compared to the cost charged during the 4Q11, which totaled \$64 MM Ps and included a foreign exchange loss of \$37 million pesos.

NET INCOME

Consolidated net income in the 4Q12 totaled \$1,290 MM Ps, being 3.6% higher than the income recorded in the 4Q11.

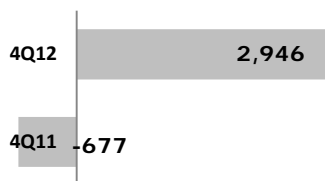
In cumulative terms, net income increased 12.2% reaching \$3,300 MM Ps, with a margin on sales of 8.4% which improved slightly by 0.3 percentage points from the net margin at the end of 2011. This reflected the improvement in the financial results during 2012.

FINANCIAL STRUCTURE

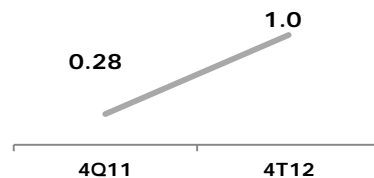
Net bank debt at December 31, 2012 stood at \$2,946 MM Ps, compared with a net debt of (\$677) MM Ps recorded at December 2011.

All the loans have short-term maturities and leverage ratios remain strong: total debt to EBITDA was 1x, compared with 0.28 x reported in December 2011.

Net Debt (MM Ps)



Total Debt/EBITDA





ROIC was 15.8% and 15.3% at year-end 2012 and 2011, respectively. This return is generated by the sound operating performance of the stores, coupled with a higher financing power with suppliers, high inventory turnover and efficient capital investments.

OPENING OF STORES

During the 4Q12, four stores of different formats started operations, adding 15,077 sq meters of sales area. These stores were: Sears Buenavista, Sanborns Buenavista, Colima and Techamachalco.

Total sales area for the year reached 973,876 sq meters, representing 60,331 seats. During 2012 four Sanborns were closed and 3 were opened; the Plaza Central Sears and the Tijuana Centro Sears were closed while the Buenavista Sears was opened. Regarding entertainment stores 3 Mixup were closed and 4 iShops were opened.

Sales Area	December 2012		December 2011	
	Units	Sq meters	Units	Sq meters
Sears	78	607,684	79	615,229
Sanborns	166	251,031	165	247,308
iShop/Mixup	109	41,563	109	42,098
Other*	65	73,598	66	73,468
Total	418	973,876	419	978,103

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





ADDITIONAL TABLES

Income Statement											Million DOLLARS		
(MM Ps)	4Q 2012		4Q 2011		Var %	2012		2011		Var %	4Q12	4Q11	Var %
Retail Revenues	12,065	95.0%	11,301	95.0%	6.8%	36,939	93.7%	34,078	93.6%	8.4%	931	840	10.8%
Consumer Credit Income	639	5.0%	590	5.0%	8.3%	2,473	6.3%	2,338	6.4%	5.8%	49	44	12.4%
Total Revenues	12,704	100.0%	11,891	100.0%	6.8%	39,411	100.0%	36,416	100.0%	8.2%	980	884	10.8%
COGS	7,840	61.7%	7,243	60.9%	8.2%	23,819	60.4%	21,774	59.8%	9.4%	605	539	12.3%
Gross Profit	4,864	38.3%	4,648	39.1%	4.7%	15,593	39.6%	14,642	40.2%	6.5%	375	346	8.6%
SG&A	3,079	24.2%	2,811	23.6%	9.5%	11,118	28.2%	10,368	28.5%	7.2%	238	209	13.7%
Other (income) expenses	52	0.4%	19	0.2%	165.6%	91	0.2%	28	0.1%	227.8%	4	1	175.6%
Operating Income	1,837	14.5%	1,856	15.6%	-1.1%	4,566	11.6%	4,302	11.8%	6.1%	142	138	2.7%
Comprehensive Financial Result	-32	-0.3%	-64	-0.5%	-50.7%	59	0.2%	-97	-0.3%	-161.2%	-2	-5	-48.9%
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	1,805	14.2%	1,792	15.1%	0.7%	4,625	11.7%	4,205	11.5%	10.0%	139	133	1.1%
Taxes	515	4.1%	546	4.6%	-5.8%	1,325	3.4%	1,264	3.5%	4.8%	40	41	-2.2%
Consolidated Net Income	1,290	10.2%	1,246	10.5%	3.6%	3,300	8.4%	2,941	8.1%	12.2%	100	93	7.5%
EBITDA	2,002	15.8%	1,997	16.8%	0.3%	5,226	13.3%	4,917	13.5%	6.3%	154	149	4.0%

(MM Ps)	3Q12	4Q11	Var %	01-Jan-11	Var %	3Q12	4Q11	Var %
Cash & Equivalents	2,327.9	2,049.6	13.6%	1,526.3	52.5%	179.6	152.4	17.8%
Total Assets	31,203.1	29,956.0	4.2%	27,769.0	12.4%	2,407.5	2,227.7	8.1%
Total Interest-bearing debt	5,274.1	1,372.9	284.1%	2,833.3	86.1%	406.9	102.1	298.6%
% Ps. Denominated	99%	99%	0.0%	99%	0.0%	99%	7%	0.0%
% Long Term	0%	0%	0.0%	0%	0.0%	0%	0%	0.0%
Net Debt	2,946.2	-676.7	NA	1,307.0	125.4%	227.3	-50.3	NA
Total Liabilities	15,974.3	11,563.6	38.1%	12,224.8	30.7%	1,232.5	859.9	43.3%
Stockholder's Equity	15,228.8	18,136.0	-16.0%	15,544.2	-2.0%	1,175.0	1,348.7	-12.9%
Shares Outstanding ('000)	2,363,370	0	0.0%	0.0	0.0%	182,351	0	0.0%
Stock Price*	28.0	NA	NA	NA	NA	NA	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, iShop-Mixup, eduMac, DAX, Sanborn Cafe and Saks Fifth Avenue. Grupo Sanborns has presence in 65 cities in Mexico, 414 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: Thursday, February 28, 2013
Time: 11:00 a.m. Mexico City Time, 12:00 a.m. New York Time (ET)
Access Number: International and Mexico: (617) 209-4678
Toll Free US: (855) 596-0283
ID#: 17233437

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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

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.

