

Grupo Sanborns S.A.B. de C.V.
Earnings Report
4Q 2013

Mexico City, February 26, 2014 – Grupo Sanborns, S.A.B. de C.V. (BMV: GSANBOR OTC: GSAOY) announced today its results for the fourth quarter and full year 2013.

HIGHLIGHTS AND RELEVANT EVENTS

- **Sales** grew 3.0% during the quarter and 2.8% on a cumulative basis.
- **Operating margin** expanded 1.1 and 0.8 percentage points during the 4Q13 and FY2013, respectively.
- The credit portfolio reached \$9,661 MM Ps while **interest income** totaled \$2,695 MM Ps, both increasing 9.0% in 2013.
- On December 20, 2013 GSANBOR paid \$895 MM Ps corresponding to \$0.38 pesos per share against delivery of coupon 2, being the second installment of the **dividend** of \$0.76 pesos per share declared in the Annual Shareholders' Meeting held on April 29, 2013.
- As of January 27, 2014, a sponsored **ADR Program Level 1** with Bank of NY Mellon began. Through this program international investors can trade stocks in the OTC market through the ticker symbol GSAOY.

FINANCIAL SUMMARY

Consolidated Results	4Q13	4Q12	Var%	2013	2012	Var%
Revenues	13,091	12,704	3.0%	40,514	39,411	2.8%
Gross Profit	4,984	4,864	2.5%	16,088	15,593	3.2%
Operating Income	2,042	1,837	11.1%	5,006	4,566	9.7%
Controlling Net Income	1,206	1,155	4.4%	3,233	2,967	9.0%
EBITDA	2,014	2,002	0.6%	5,500	5,226	5.3%
Gross Margin	38.1%	38.3%		39.7%	39.6%	
Operating Margin	15.6%	14.5%		12.4%	11.6%	
EBITDA Margin	15.4%	15.8%		13.6%	13.3%	

REVENUES

During the fourth quarter of the year sales totaled \$13,091 MM Ps, which meant \$387 million pesos more, or a 3.0% increase over the same quarter of the previous year.

This behavior was the result of:

- i) An increase of 2.8% in the sales of Sears during the quarter due to promotions and discount programs in November aimed towards the "Buen Fin" and in December, which were reflected in the good performance of big-ticket items as well as fashion.
- ii) An increase of 13.7% in the sales of iShop/MixUp due to releases of the new versions of the Apple branded products.

In cumulative terms, Sears increased its sales 3.4% Sanborns 0.7% and iShop/MixUp 5.0%, contributing to a consolidated growth in revenues of 2.8% from \$39,411 million in 2012 to \$40,514 million in 2013.



Revenues by Format

(MM Ps)	4Q13	4Q12	Var%	2013	2012	Var%
Sears	7,027	6,833	2.8%	21,074	20,383	3.4%
Sanborns	3,860	3,883	-0.6%	12,619	12,535	0.7%
iShop/Mixup	1,534	1,349	13.7%	4,494	4,281	5.0%
Other*	670	639	4.9%	2,327	2,212	5.2%
Total	13,091	12,704	3.0%	40,514	39,411	2.8%

Same Store Sales

SSS	4Q13	4Q12	2013	2012
Sears	0.5%	8.9%	1.4%	5.7%
Sanborns	-1.6%	2.9%	-0.7%	5.0%
iShop y Mixup	5.7%	4.1%	0.6%	10.0%

Credit Indicators	4Q13	4Q12	Var%
Loan Portfolio (MM Ps)	9,661	8,859	9.1%
Num. Credit cards issued (MM)	3.06	2.86	6.9%
Non-performing loans (%)	2.9%	2.2%	

The credit business continued with the strong performance shown in previous quarters: the number our own credit cards reached 3.1 million at the end of December 2013, compared to 2.9 million cards at the end of 2012, an increase of 6.9%.

Interest income reached \$2,695 MM Ps as of December 2013 versus \$2,472 MM Ps recorded in 2012; which meant an increase of 9.0% or \$223 million pesos more.

Similarly, the credit portfolio grew 9.1% reaching \$9,661 MM Ps as of December 31, 2013. The percentage of non-performing loans of more than 90 days was 2.9%.

COGS AND SG&A

During the last quarter of the year, cost as percentage of sales increased by 0.2 percentage points. This was reflected in the gross margin which went from 38.3% to 38.1% due to the sales mix, where the contribution of technology and electronic items predominated.

Operating expenses represented 25.3% of sales due to the opening of new stores of all the formats.

On a cumulative basis, cost of goods sold decreased 0.10 percentage points while operating expenses represented 28.5% of sales.

OPERATING INCOME AND EBITDA

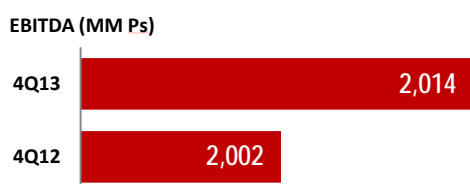
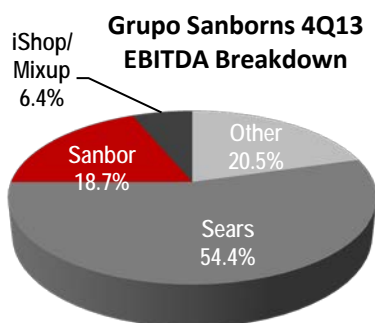
Operating income reached \$2,042 MM Ps in the 4Q13, posting an 11.1% increase compared to the 4Q12. This was due to higher sales and higher credit income mentioned earlier, as well as to other income, where \$210 million came from the appraisal of invested properties. Operating income rose 1.1 percentage points from 14.5% to 15.6%.





For purposes of the EBITDA calculation, the amount from appraisal of invested properties was not included. Therefore, EBITDA totaled \$2,014 MM Ps, or a 0.6% increase compared to the 4Q12, while the EBITDA margin was 15.4%.

Regarding cumulative Operating Income and EBITDA, these items totaled \$5,006 and \$5,500 million pesos respectively. This meant an increase of 9.7% and 5.3% respectively, with an improvement of 0.8 and 0.3 percentage points in the operating and EBITDA margin, respectively.



COMPREHENSIVE FINANCIAL COST

Financial Results	4Q13	4Q12	Var%	2013	2012	Var%
Interest Expenses	-45	-124	-63.5%	-122	-198	-38.6%
Income (Loss) on derivatives net	0	0	0.0%	0	45	NA
Income (Loss) change in value of fin. instrum.	0	0	0.0%	0	0	NA
Interest Income	137	91	51.5%	370	200	84.9%
Interest (net)	92	-33	NA	248	47	430.2%
ForEx Results	-0.3	-0.4	-28.3%	3	10	-66.1%
CFR	92	-33	NA	251	57	341.1%

NA= Not applicable

During the 4Q13 an increase of 51.5% in Interest Income was recorded, generating a positive comprehensive financial result (CFR) of \$92 MM Ps, which compared favorably to a comprehensive financial cost of \$33 MM Ps recorded in the 4Q12.

Cumulatively, the CFR totaled \$251 MM Ps, being 341.1% higher than the CFR of 2012. This was mainly due to the recording of \$248 MM Ps as Net Interest Income.





NET INCOME

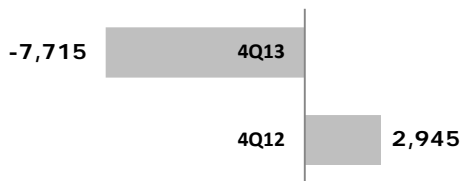
Controlling net income rose 4.4% reaching \$1,206 MM Ps, compared to a controlling net income of \$1,155 MM Ps recorded in the 4Q12. This reflected both the improvement in the operation and financial results.

Controlling net income for the year increased 9.0% from \$2,967 MM Ps in 2012 to \$3,233 MM Ps in 2013.

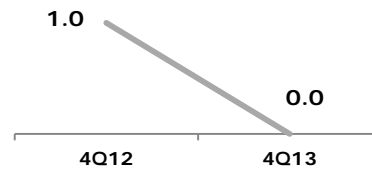
FINANCIAL STRUCTURE

At December 31, 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

Sales area reached 1,005,410 sq meters at December 31, 2013, considering 423 units, an increase of 3.2% in the total area.

It is worth mentioning that Sears increased 4.6% its sales area, while Sanborns increased 2.1%.

Sales Area	Dec-2013		Dec-2012		Var% sq m
	Units	Sq meters	Units	Sq meters	
Sears	80	635,895	78	607,684	4.6%
Sanborns	169	256,428	166	251,031	2.1%
iShop/Mixup	111	40,417	109	41,563	-2.8%
Other*	63	72,670	65	73,598	-1.3%
Total	423	1,005,410	418	973,876	3.2%

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

NEW UNITS

During the fourth quarter the following stores were opened:

- 1 Sears in the Nuevo Veracruz shopping center
- 3 Sanborns in the shopping centers of Garden Santa Fe, Nuevo Veracruz and a store in Playa del Carmen.
- 1 Dax store in La Paz, Baja California

Additionally on February 13th, 2014 iShop opened a store in the Antea Juriquilla shopping center in the city of Queretaro.





RENOVATIONS AND EXTENSIONS

Two Sears stores are currently under renovation: Universidad (with extension of 800 square meters) and Forjadores, both of them with an 80% completion. Two renovations more are about to start, including the second phase of Tangamanga.

The first phase of the remodeling of Sanborns Hermosillo was completed in 2013 and the second phase will be finished in March 2014. In mid February 2014, the renovation of 3 more stores began: Veracruz Americas, Toluca and Pedregal.

ADDITIONAL CHARTS

(MM Ps)	4Q13			4Q12			2013			2012			Million DOLLARS		
			Var %			Var %			Var %			Var %	4Q13	4Q12	Var %
Revenues	12,404	94.8%	2.8%	12,065	95.0%	2.8%	37,819	93.3%	2.4%	36,939	93.7%	2.4%	952	931	2.3%
Consumer Credit Income	687	5.2%	7.5%	639	5.0%	7.5%	2,695	6.7%	9.0%	2,473	6.3%	9.0%	53	49	6.9%
Total Revenues	13,091	100.0%	3.0%	12,704	100.0%	3.0%	40,514	100.0%	2.8%	39,411	100.0%	2.8%	1,005	980	2.5%
COGS	8,106	61.9%	3.4%	7,840	61.7%	3.4%	24,426	60.3%	2.5%	23,819	60.4%	2.5%	622	605	2.9%
Gross Profit	4,984	38.1%	2.5%	4,864	38.3%	2.5%	16,088	39.7%	3.2%	15,593	39.6%	3.2%	383	375	1.9%
SG&A	3,318	25.3%	7.7%	3,081	24.2%	7.7%	11,530	28.5%	3.7%	11,119	28.2%	3.7%	255	238	7.2%
Other (income) expenses	-376	-2.9%	605.5%	-53	-0.4%	605.5%	-448	-1.1%	385.2%	-92	-0.2%	385.2%	-29	-4	601.8%
Operating Income	2,042	15.6%	11.1%	1,837	14.5%	11.1%	5,006	12.4%	9.7%	4,566	11.6%	9.7%	157	142	10.6%
Comprehensive Financial Result	92	0.7%	NA	-33	-0.3%	NA	251	0.6%	341.1%	57	0.1%	341.1%	7	-3	NA
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%	0	0	0.0%
Income before Taxes	2,134	16.3%	18.3%	1,804	14.2%	18.3%	5,257	13.0%	13.7%	4,622	11.7%	13.7%	164	139	17.7%
Income Taxes	815	6.2%	58.3%	515	4.1%	58.3%	1,710	4.2%	29.1%	1,325	3.4%	29.1%	63	40	57.5%
Consolidated Net Income	1,319	10.1%	2.3%	1,289	10.1%	2.3%	3,548	8.8%	7.6%	3,298	8.4%	7.6%	101	99	1.8%
Profit attributable to non-controlling int.	113	0.9%	-15.4%	134	1.1%	-15.4%	315	0.8%	-4.9%	331	0.8%	-4.9%	9	10	-15.8%
Profit attributable to owners of parent Co.	1,206	9.2%	4.4%	1,155	9.1%	4.4%	3,233	8.0%	9.0%	2,967	7.5%	9.0%	93	89	3.8%
EBITDA	2,014	15.4%	0.6%	2,002	15.8%	0.6%	5,500	13.6%	5.3%	5,226	13.3%	5.3%	155	154	0.1%

(MM Ps)	4Q13			4Q12			Million DOLLARS		
			Var %			Var %	4Q13	4Q12	Var %
Cash & Equivalents	7,715.0	2,327.9	231.4%	592.2	179.6	229.7%	592.2	179.6	229.7%
Total Assets	38,763.0	31,201.5	24.2%	2,975.2	2,407.4	23.6%	2,975.2	2,407.4	23.6%
Total Interest-bearing debt	0.0	5,273.0	NA	0.0	406.9	NA	0.0	406.9	NA
% Ps. Denominated	0%	99%	NA	0%	99%	0.0%	0%	99%	0.0%
% Long Term	0%	0%	0.0%	0%	0%	0.0%	0%	0%	0.0%
Net Debt	-7,715.0	2,945.2	NA	-592.2	227.2	NA	-592.2	227.2	NA
Total Liabilities	10,751.6	15,972.7	-32.7%	825.2	1,232.4	-33.0%	825.2	1,232.4	-33.0%
Stockholder's Equity	28,011.4	15,228.8	83.9%	2,150.0	1,175.0	83.0%	2,150.0	1,175.0	83.0%
Shares Outstanding (´000)	2,355,000	2,355,000	0.0%	NA	NA	0.0%	NA	NA	0.0%
Stock Price*	27.65	NA	NA	2.12	NA	NA	2.12	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 420 stores and a sales area of 1 million square meters, offering a broad value proposition to our customers, which include more than 3 million cardholders.

CONFERENCE CALL

Date: Thursday February 27, 2014
Time: 11:00 a.m. Mexico City Time,
12:00 p.m. NY Time (US EST)
Access Number: International and Mexico: +1(412) 317-6776
Toll Free US: +1(877) 317-6776
Conference ID: Grupo Sanborns

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.

ADR's: American Depositary Receipts. Grupo Sanborns established a Level 1 program sponsored by the Bank of New York Mellon beginning on January 27, 2014. Through this program international investors have the possibility to trade stocks in a 5:1 ratio in the OTC (Over the Counter Market) under the ticker symbol GSAOY. For more information please visit www.adrbnymellon.com

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.

