

Grupo Sanborns S.A.B. de C.V.
Earnings Report
1Q 2014

Mexico City, April 24, 2014 – Grupo Sanborns, S.A.B. de C.V. (BMV: GSANBOR OTC: GSAOY) announced today its results for the first quarter of 2014.

HIGHLIGHTS AND RELEVANT EVENTS

- Sears **total sales** grew 0.9%, while iShop's total sales increased 0.7%.
- The credit portfolio reached \$8,958 MM Ps while **interest income** totaled \$730 MM Ps, increasing 10.8% compared with the 1Q13.
- **Gross margin** improved 0.6 percentage points during the 1Q14.
- During the 1Q14 three iShops and one Sanborns Café were opened. Additionally on April 9, 2014 a Sears store was inaugurated in Los Mochis while the opening of Sears Mazatlan is planned for April 29.
- 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. The ticker symbol for Grupo Sanborns is GSAOY.

FINANCIAL SUMMARY

Consolidated Results	1Q14	1Q13	Var%
Revenues	9,024	9,073	-0.5%
Gross Profit	3,644	3,609	1.0%
Operating Income	840	965	-13.0%
Controlling Net Income	549	651	-15.7%
EBITDA	1,031	1,136	-9.2%
Gross Margin	40.4%	39.8%	
Operating Margin	9.3%	10.6%	
EBITDA Margin	11.4%	12.5%	

REVENUES

During the first quarter of the year sales totaled \$9,024 MM Ps, which meant a 0.5% reduction. Sears and iShop/MixUp increased its total sales by 0.9% and 0.7% respectively, however Sanborns decreased its sales by 4.4%.

As it was expected, all the formats of the Group experienced lower comp sales in the beginning of the year driven by the following factors:

- i) Adjustments that consumers made in their budgets in order to incorporate tax increases,
- ii) A lack of inventory supply of certain vendors of Sanborns,
- iii) Not comparable figures in March due to the Easter Holiday.

Same store sales in Sears, Sanborns and iShop/MixUp decreased 2.0%, 5.8% and 4.9% respectively.





Revenues by Format

(MM Ps)	1Q14	1Q13	Var%
Sears	4,444	4,406	0.9%
Sanborns	2,929	3,063	-4.4%
iShop/Mixup	1,077	1,070	0.7%
Other*	573	534	7.3%
Total	9,024	9,073	-0.5%

Same Store Sales (SSS)

SSS	1Q14	1Q13
Sears	-2.0%	6.0%
Sanborns	-5.8%	1.5%
iShop y Mixup	-4.9%	9.4%

Credit Indicators	1Q14	1Q13	Var%
Loan Portfolio (MM Ps)	8,958	8,317	7.7%
Num. Credit cards issued (MM)	3.12	2.91	7.2%
Non-performing loans (%)	3.2%	2.3%	

Interest Income improved from \$659 to \$730 MM pesos, posting a 10.8% increase or \$71 million pesos more.

The number of our own credit cards went up 7.2% reaching 3.12 million plastics at March-end 2014, compared with 2.91 million at the end of the same quarter of last year. Part of this performance was achieved thanks to advertising activities, loyalty programs and promotions.

The credit portfolio totaled \$8,958 MM Ps in the 1Q14, being 7.7% higher than the previous years' portfolio. The percentage of past due loans of more than 90 days grew from 2.3% to 3.2%.

COGS AND SG&A

During the first quarter of the year, cost as percentage of sales was reduced 0.6 percentage points. This was reflected in the gross margin which improved from 39.8% to 40.4% due to the sales mix, where credit income stood out, as well as a higher participation of higher-margin categories.

Although an improvement was recorded in the gross margin, it was diluted by higher operating expenses, which represented 31.1% of sales. This was due to the impact of wage increases, additional marketing and advertisement expenses and the opening of the stores of Sears, iShop, and Sanborns Café.

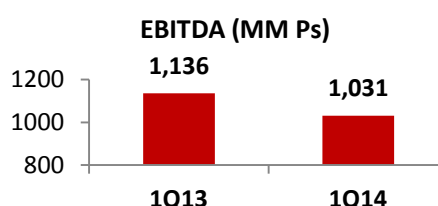
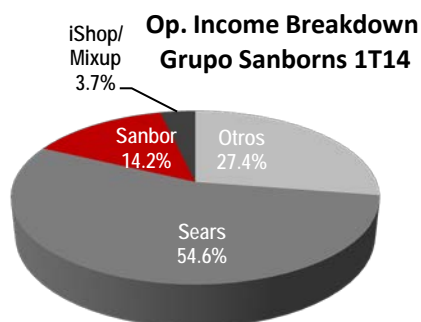




OPERATING INCOME AND EBITDA

Therefore, operating income in the first quarter of the year was \$840 MM Ps, a 13.0% reduction compared to the same period of 2013. Consequently, operating margin decreased 1.3 percentage points from 10.6% to 9.3% in relation to sales.

Similarly, EBITDA in the quarter totaled \$1,031 MM Ps, or a 9.2% decrease compared with the 1Q13, while the EBITDA margin was 11.4%.



COMPREHENSIVE FINANCIAL RESULT

Financial Results	1Q14	1Q13	Var%
Interest Expenses	-28	-41	-32.1%
Income (Loss) on derivatives net	0	0	0.0%
Income (Loss) change in value of fin. instrum.	0	0	0.0%
Interest Income	78	45	72.3%
ForEx Results	-2.1	0	NA
CFR	48	4	1049.9%

NA= Not applicable

During the 1Q14 a positive comprehensive financial result (CFR) of \$48 MM Ps was recorded, which compared favorably to a positive CFR of \$4 MM Ps in the 1Q13. This variation is mainly explained by a 72.3% in Interest Income, offsetting a ForEx loss of \$2.1 MM Ps.

NET INCOME

As a consequence of lower operating results, controlling net income went down to \$549 MM Ps, compared to a controlling net income of \$651 MM Ps in the 1Q13.

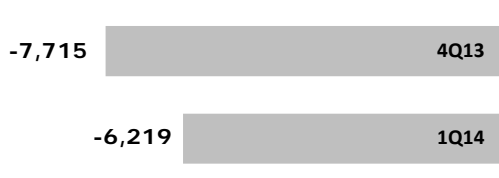




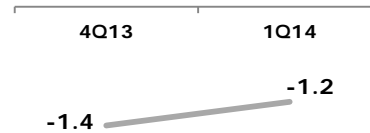
FINANCIAL STRUCTURE

Net debt at the end of March 2014 stood at (\$6,219) MM Ps compared with a net debt of (\$7,715) MM Ps recorded at the end of December 2013. This was mainly driven by the financing of the expansion plan, where the number of store openings and refurbishments accelerated, as well as by the payment to suppliers.

Neta Debt (MM Ps)



Net Debt/Ebitda LTM



CAPEX

During the first quarter of the year capital expenditures increased 141.1%, an amount of \$298.3 MM Ps compared to \$123.7 MM Ps in investments during the same quarter of last year.

NEW UNITS AND REFURBISHMENTS

The sales area totaled 1,004,074 sqm at March 31, 2014 comprising 424 units, an increase of 2.9% in the total area versus the prior year.

It is worth mentioning that Sears increased 3.9% its sales area while Sanborns increased 1.6%.

Sales Area	March 2014		March 2013		m2 Var%
	Units	Sq meters	Units	Sq meters	
Sears	80	635,895	78	612,081	3.9%
Sanborns	168	255,132	166	251,031	1.6%
iShop/Mixup	112	39,886	107	40,322	-1.1%
Other*	64	73,161	63	72,086	1.5%
Total	424	1,004,074	414	975,520	2.9%

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

The following changes in stores were recorded:

- One Sanborns Café was opened in Parque Via ,
- In March, three iShop stores were opened: one new store in Antea Juriquilla, one conversion in Lindavista and one partial conversion in Genova,
- The stores MixUp Andares and a Sanborns in Aguascalientes were closed.

It is important to mention that on April 9, 2014 one Sears store was inaugurated in Los Mochis, Sinaloa, with a commercial area of 7,825 square meters.

Of the Sears stores on April 15 the renovation of the Universidad store was concluded (with an expansion of 800 sqm) as well as Forjadores. Additionally other 4 stores are in the process of renovation: Merida Plaza, Tangamanga, Veracruz Americas and Ensenada, which are scheduled to conclude in the 3Q14.





Regarding Sanborns, the renovation of the Hermosillo store was completed in March 2014, and the progress in 3 more stores continues: Veracruz Americas, Toluca and Pedregal.

WORKING CAPITAL

The balance of the inventory account at March 31, 2014 was \$9,032 MM Ps, being 0.4% lower than the balance at December 2013. Even with the opening of stores, the balance of inventory is stable. Moreover, accounts payable were \$4,219 MM Ps, and amount 34.3% less than the figure recorded in the 4Q13.

ABOUT GRUPO SANBORNS

Grupo Sanborns is one of the leaders 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: Friday April 25, 2014
Time: 9:30 a.m. Mexico City Time/10:30 a.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.





ADDITIONAL CHARTS

Income Statement						Million DOLLARS		
(MM Ps)	1Q14		1Q13		Var %	1Q14	1Q13	Var %
Revenues	8,294	91.9%	8,414	92.7%	-1.4%	627	665	-5.7%
Consumer Credit Income	730	8.1%	659	7.3%	10.8%	55	52	6.0%
Total Revenues	9,024	100.0%	9,073	100.0%	-0.5%	682	717	-4.9%
COGS	5,380	59.6%	5,465	60.2%	-1.5%	407	432	-5.8%
Gross Profit	3,644	40.4%	3,608	39.8%	1.0%	275	285	-3.4%
SG&A	2,804	31.1%	2,644	29.1%	6.1%	212	209	1.5%
Other (income) expenses	0.2	0.0%	0.3	0.0%	-43.7%	0	0	-46.2%
Operating Income	840	9.3%	964	10.6%	-12.9%	63	76	-16.7%
Comprehensive Financial Result	48	0.5%	4	0.0%	1049.9%	4	0	999.8%
Part. In Non-controlling Subs.	0	0.0%	0	0.0%	0.0%	0	0	0.0%
Income before Taxes	888	9.8%	968	10.7%	-8.3%	67	76	0.8%
Taxes	292	3.2%	255	2.8%	14.6%	22	20	9.7%
Consolidated Net Income	596	6.6%	714	7.9%	-16.5%	45	56	-20.1%
Profit attributable to non-contr	47	0.5%	63	0.7%	-26.4%	4	5	-29.6%
Profit attributable to owners	549	6.1%	650	7.2%	-15.5%	41	51	-19.2%
EBITDA	1,031	11.4%	1,136	12.5%	-9.2%	78	90	-13.1%

(MM Ps)	1Q14			4Q13			Million DOLLARS		
			Var %			Var %	1Q14	4Q13	Var %
Cash & Equivalents	6,219.1	7,715.0	-19.4%	469.9	592.2	-20.6%	469.9	592.2	-20.6%
Trade Receivables, Net	8,765.1	9,462.9	-7.4%	662.3	726.3	-8.8%	662.3	726.3	-8.8%
Inventories	9,032.3	9,070.6	-0.4%	682.5	696.2	-2.0%	682.5	696.2	-2.0%
Other Current Assets	314.3	275.5	14.1%	23.8	21.1	12.3%	23.8	21.1	12.3%
Current Assets	24,330.9	26,524.0	-8.3%	1,838.6	2,035.8	-9.7%	1,838.6	2,035.8	-9.7%
Accounts Receivable, Net	57.5	57.5	0.0%	4.3	4.4	-1.5%	4.3	4.4	-1.5%
Investments in Associates	1.4	1.4	0.0%	0.1	0.1	-1.5%	0.1	0.1	-1.5%
PP&E, Net	9,828.2	9,733.2	1.0%	742.7	747.1	-0.6%	742.7	747.1	-0.6%
Investment Property	1,687.7	1,687.7	0.0%	127.5	129.5	-1.5%	127.5	129.5	-1.5%
Intangible Assets, Net	1.7	1.7	-4.0%	0.1	0.1	-5.5%	0.1	0.1	-5.5%
Other Non-Current Assets	756.0	757.6	-0.2%	57.1	58.1	-1.7%	57.1	58.1	-1.7%
Non-Current Assets	12,332.4	12,239.0	0.8%	931.9	939.4	-0.8%	931.9	939.4	-0.8%
Total Assets	36,663.3	38,763.0	-5.4%	2,770.5	2,975.2	-6.9%	2,770.5	2,975.2	-6.9%
Short-Term Bank Loans	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Trade Payables	4,218.7	6,417.0	-34.3%	318.8	492.5	-35.3%	318.8	492.5	-35.3%
Taxes Payable	547.8	803.6	-31.8%	41.4	61.7	-32.9%	41.4	61.7	-32.9%
Other Current Liabilities	2,173.2	2,255.4	-3.6%	164.2	173.1	-5.1%	164.2	173.1	-5.1%
Current Liabilities	6,939.7	9,476.0	-26.8%	524.4	727.3	-27.9%	524.4	727.3	-27.9%
Long-Term Bank Loans	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Deferred Tax Liabilities	1,140.7	1,275.6	-10.6%	86.2	97.9	-12.0%	86.2	97.9	-12.0%
Other Non-Current Liabilities	0.0	0.0	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Non-Current Liabilities	1,140.7	1,275.6	0.0%	86.2	97.9	-12.0%	86.2	97.9	-12.0%
Total Liabilities	8,080.4	10,751.6	-24.8%	610.6	825.2	-26.0%	610.6	825.2	-26.0%
Stockholder's Equity	28,583.0	28,011.4	2.0%	2,159.9	2,150.0	0.5%	2,159.9	2,150.0	0.5%
Shares Outstanding ('000)	2,355,000	2,355,000	0.0%	0.0	0.0	0.0%	0.0	0.0	0.0%
Stock Price*	22.7	27.7	-17.8%	1.7	2.1	-19.1%	1.7	2.1	-19.1%

NA=Not Applicable

