

Grupo Sanborns S.A.B. de C.V.
Earnings Report
2Q 2015

Mexico City, July 23, 2015 – Grupo Sanborns, S.A.B. de C.V. (BMV: GSANBOR OTC: GSAOY) announced today its results for the second quarter of 2015.

HIGHLIGHTS AND RELEVANT EVENTS

- **Total sales** grew 8.0% during the 2Q15 and 9.0% during the first semester of the year.
- All of the formats contributed to this growth recording **consolidated SSS of 6.8%**.
- **Gross profit** in the 2Q15 increased 8.0% with a 39.9% margin, which remained constant compared to the 2Q14.
- **Operating income** increased 14.1% compared to the year-ago quarter and increased 60 basis points in proportion to sales.
- **EBITDA** increased 13.9% in the 2Q15 and 70 basis points in proportion to sales. In cumulative terms, the EBITDA margin increased 20 basis points.
- Controlling **net income** grew 13.5% in the quarter with a 6.4% margin.
- On April 23, one **Sears store opened in Zacatecas**, included in the plan to open five stores in 2015.

FINANCIAL SUMMARY (Million Pesos MXN MM Ps)

Consolidated Results	2Q15	2Q14	Var%	6M15	6M14	Var%
Revenues	10,245	9,485	8.0%	20,172	18,509	9.0%
Gross Profit	4,091	3,787	8.0%	7,973	7,431	7.3%
Operating Income	1,076	944	14.1%	1,964	1,783	10.1%
Controlling Net Income	651	574	13.5%	1,209	1,123	7.7%
EBITDA	1,307	1,148	13.9%	2,419	2,179	11.0%
Gross Margin	39.9%	39.9%		39.5%	40.1%	
Operating Margin	10.5%	9.9%		9.7%	9.6%	
EBITDA Margin	12.8%	12.1%		12.0%	11.8%	

REVENUES

From April to June 2015 **consolidated sales** of Grupo Sanborns reached \$10,245 million, an 8.0% that meant \$760 million pesos more. All of the formats contributed to this growth as follows:

Revenues by business	2Q15	2Q14	Var%	6M15	6M14	Var%
Sears	5,322	5,058	5.2%	10,155	9,502	6.9%
Sanborns	2,974	2,964	0.3%	6,022	5,901	2.1%
iShop/Mixup	1,329	915	45.2%	2,807	1,992	40.9%
Other*	621	548	13.4%	1,188	1,114	6.7%
Total	10,245	9,485	8.0%	20,172	18,509	9.0%

Cumulatively, total sales increased 9.0%. The stores that re-opened such as Universidad, Forjadores, Tangamanga, WTC –and recently Merida Plaza and Monterrey San Agustín- contributed with higher sales after completing its renovation, with a growth averaging 15.7% for the first semester of the year.

Same store sales (SSS) for the 2Q15 grew 6.8% in a consolidated basis.

Sears reported a 3.2% increase in SSS that reached 5.3% excluding the effect of the stores under renovation.

SSS	2Q15	2Q14	6M15	6M14
Sears	3.2%	-1.2%	5.0%	-1.6%
Sears S/R	5.3%	0.1%	6.9%	-0.4%

Ex/R: Excluding stores under renovation

Credit Indicators	2Q15	2Q14	Var%
Credit Portfolio (MM Ps)	9,701	9,083	6.8%
Num. Credit cards issued (MM)	3.36	3.16	6.3%
Non-performing loans (%)	3.5%	3.8%	

Regarding the credit business, the percentage of non-performing loans (NPLs) over 90 days was 3.5%, showing an improvement compared to the second quarter of the previous year, when it was 3.8%.

The portfolio and the number of cards issued grew 6.8% and 6.3%, respectively. Credit income grew 5.1% from \$701 million in the 2Q14 to \$736 million in the 2Q15.

COSTS, SG&A AND GROSS PROFIT

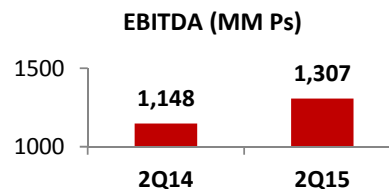
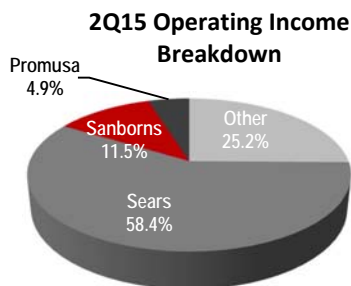
During the second quarter of the year, the consolidated cost was 60.1% as a proportion of sales, remaining constant compared to the 2Q14. Both Sears and Sanborns posted a higher gross margin, which offset the decrease resulting from the mix of lower value-added products. Therefore, the consolidated gross margin remained at 39.9%.

Operating and administration expenses fell 80 basis points, from 30.6% to 29.8% of sales. A strict control on expenses, mainly savings from lower electric power rates and investments made in this area, explained this change. Even with a 12.4% increase in the depreciation line, expenses declined.

OPERATING INCOME AND EBITDA

Regarding operating income and EBITDA, these items totaled \$1,076 and \$1,307 million pesos, representing increases of 14.1% and 13.9%, respectively. Operating margin reached 10.5%, improving 60 basis points compared to the 2Q14 while the EBITDA margin was 12.8%, up 70 basis points.

Cumulatively, the operating margin has increased 10 basis points and the EBITDA margin 20 basis points, compared to the first semester of 2014.



COMPREHENSIVE FINANCIAL RESULT

(MM MXN)						
Financial Results	2Q15	2Q14	Var%	6M15	6M14	Var%
Interest Expenses	-25	-27	-9.6%	-51.4	-55.2	-6.9%
Income (Loss) on derivatives net	0	0	0.0%	0	0	0.0%
Income (Loss) change in value of fin. instrum.	0	0	0.0%	0	0	0.0%
Interest Income	55	75	-27.0%	112	153	-26.9%
Interest (net)	30	48	-36.9%	61	98	-38.1%
ForEx Results	-7	0.3	NA	-16	-2	783.2%
CFR	23	48	-51.7%	45	96	-53.2%

NA= Not applicable

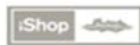
Due primarily to lower net interest income and the recording of a ForEx loss of \$7 million pesos, the positive comprehensive financial result (CFR) was 51.7% lower compared to a CFR of \$48 million recorded in the 2Q14.

NET INCOME

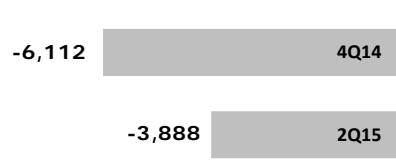
Better operating and financial results mentioned previously caused an increase of 13.5% in the controlling net income in the second quarter of the year, reaching \$651 million pesos, compared to \$574 million recorded in the 2Q14.

FINANCIAL STRUCTURE

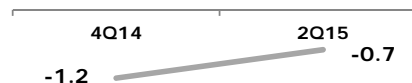
At June 30, 2015, Grupo Sanborns had zero debt. The amount of cash and short-term investments totaled \$3,888 MM Ps compared to \$6,112 MM Ps at the end of December 2014. This decrease of \$2,224 million in cash was due to payment of suppliers, financing of the expansion plan, share repurchases and payment of dividends.



Net Debt (MM Ps)



Net Debt/LTM EBITDA



CAPITAL EXPENDITURES (CapEx)

During the second quarter, capital expenditures increased 32.2%, reaching \$976 million pesos compared to \$738 million during the same period of the previous year. Estimated CapEx for 2015 is around \$2,950 million pesos for 11 new stores and 15 renovations of the 3 main formats, detailed in the table below.

UNITS

Sales area reached 1,035,789 Sqm at June 30, 2015 comprising 421 units, which represented an increase of 1.3% in the consolidated area.

During the 2Q15 the following changes in stores were observed:

- 1 Sears store opened in Zacatecas comprising 9,054 sqm of commercial space
- 1 perfumery boutique was created in the Otay store in Tijuana, Baja California

Sales Area	June 2015			June 2014			sqm Var%
	Units	Sq meters	Sqm Leasable	Units	Sq meters	Sqm Leasable	
Sears	84	672,180		82	655,043		2.6%
Sanborns	168	255,157		169	256,076		-0.4%
Promotora Musical	108	36,987		110	38,125		-3.0%
Other*	61	71,465		64	73,161		-2.3%
Shopping Centers	2		71,225	2		71,225	0.0%
Total	421	1,035,789		425	1,022,405		1.3%

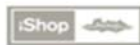
*Includes stores in Central America, Sanborns Café, DAX stores, Saks Fifth Avenue and Boutiques. Shopping Centers are Plaza Inbursa and Plaza Loreto.

NEW UNITS AND RENOVATIONS

On April 23, 2015, Sears opened its 84th store located in the city of Zacatecas. Four stores will open in the rest of the year: Monterrey Esfera, Coacalco-Cosmopol, Tlalnepantla and Irapuato. Regarding partial renovations, the Metepec store was completed, while the following three stores of Sears progressed to the next stage of its major renovation: Satellite, Lindavista and Insurgentes.

WORKING CAPITAL

The balance of the inventories account at June 30, 2015 was \$8,934 MM Ps, being similar to the balance at December last year, which totaled \$8,966. This reflected an efficient inventory management. The accounts payable to suppliers were \$4,382 MM Ps, amount 30.3% lower than the figure recorded in the 4Q14. Lastly, accounts receivable net totaled \$9,537 MM Ps being 5.9% lower than the balance recorded at end-4Q14.



SEARS	Status	Delivery Date	SANBORNS	Delivery Date	iSHOP	Delivery Date
New Stores			New Stores		New Stores	
Zacatecas	Completed	2Q15	Tlalhepantla	3Q15	Oasis	3Q15
Monterrey Esfera		3Q15	Coacalco-Cosmopol	3Q15	Coacalco-Cosmopol	3Q15
Tlalhepantla		3Q15			Tlalhepantla	3Q15
Coacalco-Cosmopol		3Q15			Monterrey	4Q15
Irapuato		4Q15				
Renovations			Renovations		New Image	
Major:			Major:			
Mérida Plaza*	Completed	1Q15	Plaza Insurgentes	2015	Valle Monterrey	Completed
Monterrey San Agustín *	Completed	1Q15	Santa Fe	2015	Parque Lindavista	Completed
Lindavista*	Final Stage	2015	Tangamanga, SLP	2015	Reforma 222	Completed
Satélite (Ampliación)*	Stage III	2015			Perisur	Completed
Insurgentes	Stage II	2015			Reforma 319	Completed
Partial:						
Metepec*	Completed	2Q15				
Ensenada*		3Q15				
Culiacán Galerías		3Q15				
La Paz		3Q15				
Veracruz Plaza		3Q15				
Guadalajara Galerías		4Q15				
Centro Histórico		1Q16				

*Stores that started its renovation in 2014

NOTE:

Other: includes DAX, Sanborns Café Restaurants, Saks Fifth Avenue, Sears and Sanborns stores in Central America, 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.

CONFERENCE CALL:

Date: Friday July 24, 2015
 Time: 10:00 A.M. Mexico City Time/11:00 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:

Angélica Piña
 T. +52 (55) 1101-2956
napinag@gcarso.com.mx



ADDITIONAL CHARTS:

Income Statement (Million Pesos)	(MM USD)													
	2015			2014			6M15			6M14			2015	2014
Revenues	9,509	92.8%	8,784	92.6%	8.2%	18,686	92.6%	17,079	92.3%	9.4%	621	676	-8.1%	
Consumer Credit Income	736	7.2%	701	7.4%	5.1%	1,486	7.4%	1,430	7.7%	3.9%	48	54	-10.7%	
Total Revenues	10,245	100.0%	9,485	100.0%	8.0%	20,172	100.0%	18,509	100.0%	9.0%	669	729	-8.3%	
COGS	6,154	60.1%	5,698	60.1%	8.0%	12,199	60.5%	11,078	59.9%	10.1%	402	438	-8.3%	
Gross Profit	4,091	39.9%	3,787	39.9%	8.0%	7,973	39.5%	7,431	40.1%	7.3%	267	291	-8.2%	
SG&A	3,049	29.8%	2,903	30.6%	5.0%	6,026	29.9%	5,707	30.8%	5.6%	199	223	-10.8%	
Other income (expenses)	34	0.3%	60	0.6%	-43.0%	17	0.1%	59	0.3%	-70.7%	2	5	-51.6%	
Operating Income	1,076	10.5%	944	9.9%	14.1%	1,964	9.7%	1,783	9.6%	10.2%	70	73	-3.1%	
Comprehensive Financial Result	23	0.2%	48	0.5%	-51.7%	45	0.2%	96	0.5%	-53.2%	2	4	-59.0%	
Share of Profit of Associates and JV's.	0	0.0%	0	0.0%	0.0%	0	0.0%	0	0.0%	0.0%	0	0	0.0%	
Income before Taxes	1,100	10.7%	992	10.5%	10.9%	2,009	10.0%	1,879	10.2%	6.9%	72	76	-5.8%	
Taxes	372	3.6%	364	3.8%	2.4%	652	3.2%	655	3.5%	-0.5%	24	28	-13.0%	
Consolidated Net Income	727	7.1%	628	6.6%	15.8%	1,357	6.7%	1,224	6.6%	10.9%	48	48	-1.7%	
Profit attributable to non-controlling int.	76	0.7%	54	0.6%	39.9%	148	0.7%	101	0.5%	46.4%	5	4	18.8%	
Profit attributable to owners of parent Co.	651	6.4%	574	6.1%	13.5%	1,209	6.0%	1,123	6.1%	7.7%	43	44	-3.6%	
EBITDA	1,307	12.8%	1,148	12.1%	13.9%	2,419	12.0%	2,179	11.8%	11.0%	85	88	-3.3%	

Balance Sheet figures (Million Pesos)	(MM USD)											
	2015			4Q14			2015			4Q14		
Cash & Equivalents	1,797.1	3,572.5	-49.7%	117	258	-54.5%	117	258	-54.5%	117	258	-54.5%
Short T. Investments	2,091.4	2,539.7	-17.7%	137	183	-25.5%	137	183	-25.5%	137	183	-25.5%
Trade Receivables, Net	9,537.2	10,130.8	-5.9%	623	732	-14.9%	623	732	-14.9%	623	732	-14.9%
Inventories	8,934.3	8,966.0	-0.4%	584	648	-9.9%	584	648	-9.9%	584	648	-9.9%
Other Current Assets	1,113.8	551.6	101.9%	73	40	82.6%	73	40	82.6%	73	40	82.6%
Current Assets	23,473.8	25,760.6	-8.9%	1,533	1,861	-17.6%	1,533	1,861	-17.6%	1,533	1,861	-17.6%
Accounts Receivable, Net	46.0	46.0	0.0%	3	3	-9.6%	3	3	-9.6%	3	3	-9.6%
Other investments	1.4	1.4	0.0%	0	0	-9.6%	0	0	-9.6%	0	0	-9.6%
PP&E, Net	11,852.4	11,358.7	4.3%	774	821	-5.7%	774	821	-5.7%	774	821	-5.7%
Investment Property	1,908.6	1,908.6	0.0%	125	138	-9.6%	125	138	-9.6%	125	138	-9.6%
Intangible Assets, Net	1.3	1.5	-9.6%	0	0	-18.2%	0	0	-18.2%	0	0	-18.2%
Other Non-Current Assets	1,206.5	1,169.6	3.1%	79	84	-6.7%	79	84	-6.7%	79	84	-6.7%
Non-Current Assets	15,016.2	14,485.7	3.7%	981	1,047	-6.3%	981	1,047	-6.3%	981	1,047	-6.3%
Total Assets	38,490.0	40,246.4	-4.4%	2,514	2,908	-13.5%	2,514	2,908	-13.5%	2,514	2,908	-13.5%
Short-Term Bank Loans	0.0	0.0	0.0%	0	0	0.0%	0	0	0.0%	0	0	0.0%
Trade Payables	4,382.5	6,283.2	-30.3%	286	454	-36.9%	286	454	-36.9%	286	454	-36.9%
Taxes Payable	1,591.7	1,309.4	21.6%	104	95	9.9%	104	95	9.9%	104	95	9.9%
Other Current Liabilities	3,388.7	2,413.0	40.4%	221	174	27.0%	221	174	27.0%	221	174	27.0%
Current Liabilities	9,362.9	10,005.7	-6.4%	612	723	-15.4%	612	723	-15.4%	612	723	-15.4%
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	878.5	913.0	-3.8%	57	66	-13.0%	57	66	-13.0%	57	66	-13.0%
Other Non-Current Liabilities	464.1	384.9	20.6%	30	28	9.0%	30	28	9.0%	30	28	9.0%
Non-Current Liabilities	1,342.6	1,297.8	3.5%	88	94	-6.5%	88	94	-6.5%	88	94	-6.5%
Total Liabilities	10,705.5	11,303.5	-5.3%	699	817	-14.4%	699	817	-14.4%	699	817	-14.4%
Stockholder's Equity	27,784.5	28,942.9	-4.0%	1,814.8	2,090.9	-13.2%	1,814.8	2,090.9	-13.2%	1,814.8	2,090.9	-13.2%
Shares Outstanding ('000)	2,318,437	2,337,511	-0.8%	2,318,437	2,337,511	-0.8%	2,318,437	2,337,511	-0.8%	2,318,437	2,337,511	-0.8%
Closing Stock Price	23.85	22.98	3.8%	1.6	1.7	-6.2%	1.6	1.7	-6.2%	1.6	1.7	-6.2%
NA=Not Applicable												