






## SORIANA ANNOUNCES FOURTH QUARTER AND FULL YEAR 2013 RESULTS

-  Total income reached \$105.028 billion pesos.
-  Opening 53 new stores in 2013.
-  Arrival to 28 new cities and a total presence in 258 cities by year-end.
-  Successful implementation of the second phase of Transformational Project and SAP system.
-  Reduction of net debt by 80% in the last 12 months.

**Monterrey, Nuevo Leon, February 27, 2014.** Organización Soriana, S.A.B. de C.V. (Soriana) announces financial results corresponding to 4Q and FY 2013. Numbers contained in this report are in nominal terms in accordance with International Financial Reporting Standards (IFRS).

### 2013 Operating Performance

As with the trend observed in the first three quarters of 2013, Q4 and FY2013 were marked by a clear slowdown trend in consumer spending that significantly affected Company income.

Total income in the year reached \$105.028 billion pesos, representing a slight achievement of 0.4% in relation to last year. The foregoing is the result of a decrease in the same stores sales of the Company that cumulatively showed 2.2% setback, but largely compensated by the expansion of our sales floor platform complemented by the opening of 53 new stores reaching a total of 3,220,697 m<sup>2</sup> sales floor.

Total income in Q4 reached \$28.702 billion pesos and showed a decrease of 1.7% in relation to last year's Q4.

Annual gross income showed an increase of 3.1% reaching an amount of \$22.229 billion pesos. Likewise, gross margin achieved a considerable expansion of 60 base points. Increase mainly generated by a better promotion strategy management against an adverse consumer environment as well as a plan for better negotiations reached together with our commercial partners.

Gross margin in Q4 represented 21% over total income; this meant an expansion of 80 base points compared to gross margin in 2013 Q4.

Operating expenses (not considering depreciation and amortization) showed an annual increase of 4.2% mainly due to personnel costs associated to the store expansion plan and an increase in fuel costs derived by larger number of stores and, to a lesser manner, to an increase in kilowatt-hour average costs.

Operating expense in Q4 reached \$3.861 billion pesos, which equal 13.5% over income. Due to the variations aforementioned, the Company's annual EBITDA<sup>(1)</sup> showed a 1.5% growth which

translates in \$7.534 billion pesos equal to 7.2% over income and representing an expansion of 10 base points in relation to last year's EBITDA<sup>(1)</sup>.

This item in 2013 Q4 showed a growth of 3.4% and an expansion of 40 base points as income percentage in relation to last year's Q4.

Regarding the Item Financial Management, the comprehensive financing income of the year, we must mention the positive financial expense variation that decreased by 14% as a result of the combination of lower average debt and interest rate. On the other hand, exchange rate results showed a loss of \$10 million pesos due to the peso-dollar exchange rate fluctuations.

Concerning taxes, total tax provision of the year increased by 34.1% to reach \$2.209 billion pesos. Such increase mainly obeys a deferred tax increase in 2013 Q4 to comply with the new tax reform that became effective on the first day of this year. It is worth mentioning that the latter does not affect Company's cash flow.

Net Earnings for this year was \$3.117 billion pesos that equal 3% of the Company's total income. This result includes the tax effect mentioned in the foregoing paragraph.

Finally, cash net profit for the year showed 3.2% progress and an expansion of 10 base points as income percentage to achieve 6% equal to \$6.323 billion pesos.

#### Debt Performance

The Company's net debt by FY2013 year-end closing is \$282 million pesos, compared to \$1.409 billion pesos by the previous FY2012 year-end closing. This represents a decrease of 80%.

#### Opening of New Units

The Company opened 21 new units in Q4. Throughout FY2013, the Company opened 53 stores under the following store formats: 3 Soriana Híper, 8 Mercado Soriana, 19 Soriana Súper and 23 Soriana Express. These new stores represent 104,322 m<sup>2</sup> increase in sales floor.

#### Operation Information

Below is a comparative table of the number of units in operation per store format.

Store Format	4Q 13	4Q 12	Sales Floor As of 4Q 13	Sales Floor Growth
Soriana Híper	261	258	1,938,377 m <sup>2</sup>	0.4%
Soriana Súper	122	103	255,251 m <sup>2</sup>	12.7%
Mercado Soriana	140	132	615,224 m <sup>2</sup>	4.7%
Soriana Express	103	80	146,006 m <sup>2</sup>	17.7%
City Club	33	33	265,839 m <sup>2</sup>	0%
<b>Total</b>	<b>659</b>	<b>606</b>	<b>3,220,697 m<sup>2</sup></b>	<b>2.7%</b>

*Note: The store sales floor area was adjusted at the closing of the year with the purpose of reflecting changes derived of remodeling, format changes and lay out implemented during the year.*

(1) EBITDA is defined as profit in operations before depreciation and amortization.

## Social Responsibility Activities

In our fifth year participating in Teleton, thanks to the valuable participation from customers, collaborators and companies of the group, donation to the children's Rehabilitation Center program and the new Oncology Hospital for Children exceeded 60% the donation made in 2012.

The initiative to encourage physical activity as a way to stay healthy and to eat nutritiously will soon celebrate its 10<sup>th</sup> anniversary. We were able to sign up 9,000 runners in races that took place in Monterrey, N.L. and Torreon, Coahuila, and who were encouraged by many families attending these two events. Funds raised from runners' registrations were donated to the Fire Departments in both cities.

We have made important progress regarding the efficient use of electric power and alternate power sources to operate stores of the Company. We changed the lighting in 31 stores using LEDs as the first stage of a plan that includes such change in 398 stores. Photovoltaic panels were installed in 3 stores and a communication infrastructure was installed for 163 stores that will be wind-powered in 2014.

Social investment of \$87.5 million pesos in the current year benefitted 338,499 individuals in 529 charity institutions in over 200 cities where our stores operate.

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Organización Soriana, S.A.B de C.V. commercial company in Mexico, with 100% Mexican capital, was founded in 1968. Public company in the Mexican Stock Exchange listed since 1987 as SORIANA.

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**Organización Soriana, S.A.B. de C.V. and Subsidiaries**  
**Consolidated Statements of Income**

Millions of nominal pesos

	<b>Fourth Quarter</b>				
	<u>4Q2013</u>	<u>%</u>	<u>4Q2012</u>	<u>%</u>	<u>Var. %</u>
Net Sales	28,702	100	29,206	100	(1.7)
Cost of Sales	22,666	79.0	23,310	79.8	(2.8)
<b>Gross Income</b>	<b>6,036</b>	<b>21.0</b>	<b>5,897</b>	<b>20.2</b>	<b>2.4</b>
Operating Expenses	3,861	13.5	3,816	13.1	1.2
<b>Income before other expenses, net</b>	<b>2,175</b>	<b>7.6</b>	<b>2,080</b>	<b>7.1</b>	<b>4.6</b>
Other Income and (Expenses), Net	2	0.0	25	0.1	(91.1)
<b>EBITDA</b>	<b>2,177</b>	<b>7.6</b>	<b>2,105</b>	<b>7.2</b>	<b>3.4</b>
Depreciation and Amortization	498	1.7	483	1.7	3.2
<b>Operating Income</b>	<b>1,679</b>	<b>5.9</b>	<b>1,623</b>	<b>5.6</b>	<b>3.5</b>
Interest Income and (Expenses), Net	(51)	(0.2)	(53)	(0.2)	(4.5)
Foreign Exchange Gain (Losses)	8	0.0	(12)	(0.0)	(165.1)
<b>Comprehensive Financing Income</b>	<b>(43)</b>	<b>(0.2)</b>	<b>(65)</b>	<b>(0.2)</b>	<b>(33.1)</b>
Minority Interest	17	0.1	24	0.1	(30.2)
<b>Earnings Before Income Tax &amp; Profit Sharing</b>	<b>1,653</b>	<b>5.8</b>	<b>1,582</b>	<b>5.4</b>	<b>4.5</b>
Tax Provision	1,087	3.8	531	1.8	104.6
<b>Net Earnings</b>	<b>565</b>	<b>2.0</b>	<b>1,050</b>	<b>3.6</b>	<b>(46.2)</b>
<b>Cash Net Profit</b>	<b>1,797</b>	<b>6.3</b>	<b>1,714</b>	<b>5.9</b>	<b>4.9</b>

**Organización Soriana, S.A.B. de C.V. and Subsidiaries**  
**Consolidated Statements of Income**

Millions of nominal pesos

	<b>Accumulated - Fourth Quarter</b>				
	<u>2013</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>Var. %</u>
Net Sales	105,028	100	104,611	100	0.4
Cost of Sales	82,799	78.8	83,059	79.4	(0.3)
<b>Gross Income</b>	<u>22,229</u>	<u>21.2</u>	<u>21,552</u>	<u>20.6</u>	<u>3.1</u>
Operating Expenses	14,683	14.0	14,086	13.5	4.2
<b>Income before other expenses, net</b>	<u>7,546</u>	<u>7.2</u>	<u>7,466</u>	<u>7.1</u>	<u>1.1</u>
Other Income and (Expenses), Net	(12)	(0.0)	(41)	(0.0)	(70.0)
<b>EBITDA</b>	<u>7,534</u>	<u>7.2</u>	<u>7,426</u>	<u>7.1</u>	<u>1.5</u>
Depreciation and Amortization	1,976	1.9	2,016	1.9	(2.0)
<b>Operating Income</b>	<u>5,558</u>	<u>5.3</u>	<u>5,410</u>	<u>5.2</u>	<u>2.7</u>
Interest Income and (Expenses), Net	(267)	(0.3)	(310)	(0.3)	(14.0)
Foreign Exchange Gain (Losses)	(10)	(0.0)	110	0.1	(109.0)
<b>Comprehensive Financing Income</b>	<u>(277)</u>	<u>(0.3)</u>	<u>(200)</u>	<u>(0.2)</u>	<u>38.1</u>
Minority Interest	44	0.0	(5)	(0.0)	(976.7)
<b>Earnings Before Income Tax &amp; Profit Sharing</b>	<u>5,325</u>	<u>5.1</u>	<u>5,204</u>	<u>5.0</u>	<u>2.3</u>
Tax Provision	2,209	2.1	1,647	1.6	34.1
<b>Net Earnings</b>	<u>3,117</u>	<u>3.0</u>	<u>3,557</u>	<u>3.4</u>	<u>(12.4)</u>
<b>Cash Net Profit</b>	<u>6,323</u>	<u>6.0</u>	<u>6,129</u>	<u>5.9</u>	<u>3.2</u>

**Organización Soriana, S.A.B. de C.V. and Subsidiaries**  
**Consolidated Balance Sheets**

Millions of nominal pesos

	2013	%	2012	%	Var. %
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	1,666	2.1	1,335	1.8	24.8
Trade	4,038	5.1	3,170	4.3	27.4
Other Accounts Receivable	2,958	3.7	2,729	3.7	8.4
Inventories	15,003	19.0	13,515	18.2	11.0
Other Current Assets	44	0.1	57	0.1	(23.8)
<b>Total Current Asset</b>	<b>23,709</b>	<b>30.0</b>	<b>20,806</b>	<b>28.0</b>	<b>14.0</b>
<b>Property and Equipment, Net</b>	<b>43,310</b>	<b>54.8</b>	<b>41,711</b>	<b>56.1</b>	<b>3.8</b>
<b>Intangible Assets</b>	<b>11,027</b>	<b>14.0</b>	<b>11,020</b>	<b>14.8</b>	<b>0.1</b>
<b>Other Assets</b>	<b>965</b>	<b>1.2</b>	<b>840</b>	<b>1.1</b>	<b>14.8</b>
<b>Total Assets</b>	<b>79,010</b>	<b>100</b>	<b>74,377</b>	<b>100</b>	<b>6.2</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Suppliers	18,978	24.0	17,834	24.0	6.4
Debt Certificates	1,948	2.5	2,744	3.7	(29.0)
Other Accounts Payable	1,599	2.0	1,682	2.3	(4.9)
Other Liabilities without cost	1,109	1.4	1,050	1.4	5.6
<b>Total Current Liabilities</b>	<b>23,634</b>	<b>29.9</b>	<b>23,310</b>	<b>31.3</b>	<b>1.4</b>
Deferred Taxes	8,684	11.0	7,460	10.0	16.4
Other Liabilities	3,305	4.2	3,336	4.5	(0.9)
<b>Total Long Term Liabilities</b>	<b>11,988</b>	<b>15.2</b>	<b>10,796</b>	<b>14.5</b>	<b>11.0</b>
<b>Total Liabilities</b>	<b>35,623</b>	<b>45.1</b>	<b>34,106</b>	<b>45.9</b>	<b>4.4</b>
<b>Stockholders' Equity</b>					
Paid-In Capital Stock	83	0.1	83	0.1	0.0
Restatement of Paid-In Capital Stock	1,171	1.5	1,171	1.6	0.0
Premium on Sales of Shares	977	1.2	977	1.3	(0.1)
Repurchase Fund of Shares	550	0.7	550	0.7	0.0
Accumulated Earnings	40,607	51.4	37,490	50.4	8.3
<b>Total Stockholders' Equity</b>	<b>43,387</b>	<b>54.9</b>	<b>40,271</b>	<b>54.1</b>	<b>7.7</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>79,010</b>	<b>100</b>	<b>74,377</b>	<b>100</b>	<b>6.2</b>

**Organización Soriana, S.A.B. de C.V. and Subsidiaries**  
**Consolidated Cash Flow Statements**

Millions of nominal pesos

	<u>2013</u>	<u>2012</u>	<u>Var. %</u>
<b><u>OPERATING ACTIVITIES</u></b>			
Income before Income Tax	5,326	5,204	2.3
<b><u>Items related to investment activities:</u></b>			
Depreciation & Amortization	1,976	2,016	(2.0)
Participation in Subsidiaries	(44)	5	(975.2)
Foreign Exchange	8	(88)	(108.7)
<b><u>Items related to financing activities</u></b>			
Interest Expense	451	516	(12.7)
<b>Total</b>	<b><u>7,716</u></b>	<b><u>7,654</u></b>	<b><u>0.8</u></b>
Clients	(868)	(822)	5.5
Inventories	(1,488)	(287)	419.0
Suppliers	1,142	(605)	(288.8)
Payable and receivable accounts	(304)	1,091	(127.8)
Income Tax Paid	(955)	(773)	23.5
<b>Net cash flow from operating activities</b>	<b><u>5,244</u></b>	<b><u>6,258</u></b>	<b><u>(16.2)</u></b>
<b><u>INVESTING ACTIVITIES</u></b>			
Acquisitions of property and equipment	(3,617)	(3,471)	4.2
Investment in shares	(82)	(61)	34.6
Sale of property	36	36	(0.8)
<b>Net Cash flow from investing activities</b>	<b><u>(3,663)</u></b>	<b><u>(3,496)</u></b>	<b><u>4.8</u></b>
<b>Cash receivable from financing activities</b>	<b><u>1,581</u></b>	<b><u>2,762</u></b>	<b><u>(42.8)</u></b>
<b><u>FINANCING ACTIVITIES</u></b>			
Financing Obtained	65,241	47,025	38.7
Financing Repaid	(66,037)	(50,468)	30.8
Dividend Paid	0	(500)	100.0
Other financing activities	(4)	(5)	(20)
Interest Paid	(450)	(561)	(19.8)
<b>Net cash flow from financing activities</b>	<b><u>(1,250)</u></b>	<b><u>(4,509)</u></b>	<b><u>(72.3)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b>331</b>	<b>(1,747)</b>	<b>(118.9)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,335</b>	<b>3,082</b>	<b>(56.7)</b>
<b>Cash and cash equivalents at end period</b>	<b><u>1,666</u></b>	<b><u>1,335</u></b>	<b><u>24.8</u></b>