






SORIANA ANNOUNCES 2013 THIRD QUARTER FINANCIAL RESULTS

-  Opening of 14 new stores in this quarter.
-  2.5% Increase in gross income.
-  1.2% Increase of EBITDA⁽¹⁾
-  1.3% Increase in net earnings.
-  Reduction of total debt for the amount of \$604 million pesos compared to same period of the same year.

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

Monterrey, Nuevo León, October 25th, 2013 Organización Soriana, S.A.B. de C.V. (Soriana) announces the financial results corresponding to 2013 third quarter. Figures contained in this report are shown in nominal terms in accordance with International Financial Reporting Standards (IFRS+).

3Q 2013 Operating Performance

A strong deceleration trend shown in the commercial activity and consumption in the country registered in the first half of the year still prevails throughout the third quarter, affecting the performance of the Company revenues specifically to those store format focusing on lower socioeconomic status in the country, which have been affected by the complicated economic situation during this year.

Therefore, there was a decrease of 1.6% in the quarter revenues compared to the previous year, which was supported by the accomplishment of new units growth plan; as of the close of the third quarter includes the opening of 32 new stores under the different formats operated by the Company. Likewise, the total income was negatively affected by same stores sales performance, which shows 4.1% contraction resulting in an operating deleverage in our Profit and Loss statement.

In regard to profitability and gross margin behavior, the company implemented a reserved promotional program allowing to keep its leadership and commercial aggressiveness on lower prices within the sector without an unnecessary reduction to gross margin given the low consumption conditions in the population; even though sales decrease, a gross profit growth of 2.5% was reached compared to 2012 third quarter and an expansion of 90 base points in the gross margin, rising from 20.3% from third quarter of previous year to 21.2% in 2013.

In regard to Operating Expenses (not considering depreciation and amortization) it showed a slight increase of 3.1% aligned with new units growth, which also was reduced significantly by the expenses efficiency program launched at the end of the second quarter of the year, as an additional measure to face the adverse economic conditions of the country consumption sector. Likewise, the operating expenses increased as percentage over sales of 70 base points, as an operating deleverage consequence aforementioned, caused by the same stores sales performance.

Due to variations above mentioned in regard to promotional strategy and the good management that allowed us keeping a good gross margin performance, and the expenses efficiency plan, the quarterly EBITDA ⁽¹⁾ reached an increase of 1.2% totaling \$1.669 billion pesos and showing an expansion as percentage over sales of 20 base points passing from an EBITDA ⁽¹⁾ margin of 6.4% in 2012 third quarter to 6.6% margin in 2013.

In regard to management of financial items, the quarterly Comprehensive Financing Income showed a loss of \$87.7 million pesos compared to profits for \$9.5 million in 2012. This was mainly caused by the currency dollar-peso exchange rate reaching this quarter a foreign exchange loss of \$10 million pesos versus a foreign exchange gain of \$89 million pesos the previous year.

As for our financial services operation results through Soriban, we are pleased to inform that this business unit is progressing and getting good results by achieving a profit of \$16 million pesos in this quarter and cumulatively \$27 million pesos. It is important to mention that due to the significant growth shown during the year, we maintain a very positive perspective on this business performance and its main contribution to the consolidated profit and loss statement in the up coming years.

Lastly, the Company's net earnings in this third quarter of the year, reached \$799 million pesos, which represents a growth of 1.3% compared to previous year and a as a percentage over sales of 3.1%.

Debt Behavior

As of the en of 2013 third quarter, the Company has a total debt amounting \$5.841 billion pesos, compared to \$6.446 billion pesos as of the closing of the third quarter of the year. It accounts for a reduction of 9.4%.

Opening of New Units

During the third quarter of the year, the Company continued its growth plan by the opening of 14 new stores (1 Soriana Híper, 5 Mercado Soriana, 3 Soriana Súper and 5 Soriana Express). At the end of this quarter, the Company has a total of 638 units in operation plus 161 Súper City stores. *(Convenience stores)*

Operation Information

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

Store Format	3Q 13	3Q 12	Sales Floor As of 3Q 13	Sales Floor Growth
Soriana Híper	260	256	1,944,924 m ²	1.4%
Soriana Súper	110	103	235,289 m ²	3.9%
Soriana Mercado	137	129	604,370 m ²	4.1%
Soriana Express	98	73	138,599 m ²	29.2%
City Club	33	33	265,839 m ²	0%
Total	638	594	3,189,022 m²	3%

Note: The information contained in the previous table was adjusted with the purpose of reflecting changes derived of remodeling, format changes and lay out upgrading implemented during the year.

Social Responsibility Activities

This quarter's social investment reached the amount of \$17.4 million pesos. As for aid granted, included the resources sent to Food Banks, %In Kilo de Ayuda+program and %Fundación Tarahumara+ so they can carry out their supporting programs directed to reduce food poverty and child nutrition.

In order to support people affected by the natural phenomenon %Manuel+and %Ingrid+storms, we sent through the Red Cross, Army and other Institutions, 240 tons of products in order to respond the emergency and to continue supporting in the reconstruction phase.

With great success, the 5 and 10K Third edition race was celebrated in the city of Torreón, Coah; 4,000 runners joined with their families to work out. Resources obtained by registrations were donated to support the activities made by Fire Fighters to the community.

Organización Soriana, S.A.B de C.V. is a commercial sector company with 100% Mexican capital founded in 1968. Its stock went public in the Mexican Stock Exchange since 1987 under the name SORIANA.

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

Millions of nominal pesos

	Third Quarter				
	<u>3Q2013</u>	<u>%</u>	<u>3Q2012</u>	<u>%</u>	<u>Var. %</u>
Net Sales	25,404	100	25,815	100	(1.6)
Cost of Sales	20,028	78.8	20,569	79.7	(2.6)
Gross Income	5,376	21.2	5,246	20.3	2.5
Operating Expenses	3,697	14.6	3,587	13.9	3.1
Income before other expenses, net	1,679	6.6	1,659	6.4	1.2
Other Income and (Expenses), Net	(10)	(0.0)	(10)	(0.0)	0.5
EBITDA	1,669	6.6	1,649	6.4	1.2
Depreciation and Amortization	425	1.7	501	1.9	(15.2)
Operating Income	1,244	4.9	1,149	4.4	8.3
Interest Income and (Expenses), Net	(78)	(0.3)	(80)	(0.3)	(2.5)
Foreign Exchange Gain (Losses)	(10)	(0.0)	89	0.3	(111.4)
Comprehensive Financing Income	(88)	(0.3)	10	0.0	*
Minority Interest	16	0.1	(3)	(0.0)	*
Earnings Before Income Tax & Profit Sharing	1,172	4.6	1,155	4.5	1.5
Tax Provision	373	1.5	366	1.4	1.9
Net Earnings	799	3.1	789	3.1	1.3
Cash Net Profit	1,428	5.6	1,378	5.3	3.6

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

Millions of nominal pesos

	Accumulated - Third Quarter				
	<u>2013</u>	<u>%</u>	<u>2012</u>	<u>%</u>	<u>Var. %</u>
Net Sales	76,326	100	75,404	100	1.2
Cost of Sales	60,133	78.8	59,749	79.2	0.6
Gross Income	16,193	21.2	15,655	20.8	3.4
Operating Expenses	10,822	14.2	10,269	13.6	5.4
Income before other expenses, net	5,371	7.0	5,386	7.1	(0.3)
Other Income and (Expenses), Net	(14)	(0.0)	(66)	(0.1)	(78.1)
EBITDA	5,356	7.0	5,320	7.1	0.7
Depreciation and Amortization	1,477	1.9	1,533	2.0	(3.6)
Operating Income	3,879	5.1	3,787	5.0	2.4
Interest Income and (Expenses), Net	(216)	(0.3)	(257)	(0.3)	(16.0)
Foreign Exchange Gain (Losses)	(17)	(0.0)	122	0.2	(114.0)
Comprehensive Financing Income	(233)	(0.3)	(135)	(0.2)	72.1
Minority Interest	27	0.0	(29)	(0.0)	(191.9)
Earnings Before Income Tax & Profit Sharing	3,673	4.8	3,623	4.8	1.4
Tax Provision	1,121	1.5	1,116	1.5	0.5
Net Earnings	2,552	3.3	2,507	3.3	1.8
Cash Net Profit	4,526	5.9	4,415	5.9	2.5

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

Millions of nominal pesos

	2013	%	2012	%	Var. %
ASSETS					
Current Assets					
Cash and Cash Equivalents	752	1.0	2,601	3.5	(71.1)
Trade	3,677	4.8	2,846	3.9	29.2
Other Accounts Receivable	2,893	3.8	2,172	3.0	33.2
Inventories	15,302	19.9	13,082	17.8	17.0
Other Current Assets	135	0.2	126	0.2	7.3
Total Current Asset	22,759	29.5	20,827	28.3	9.3
Property and Equipment, Net	42,447	55.1	41,000	55.7	3.5
Intangible Assets	10,959	14.2	10,980	14.9	(0.2)
Other Assets	901	1.2	774	1.1	16.4
Total Assets	77,067	100	73,582	100	4.7
LIABILITIES					
Current Liabilities					
Suppliers	14,885	19.3	15,513	21.1	(4.0)
Debt Certificates	5,841	7.6	6,446	8.8	(9.4)
Other Accounts Payable	954	1.2	813	1.1	17.3
Other Liabilities without cost	1,216	1.6	1,180	1.6	3.0
Total Current Liabilities	22,896	29.7	23,952	32.6	(4.4)
Deferred Taxes	7,946	10.3	7,256	9.9	9.5
Other Liabilities	3,403	4.4	3,247	4.4	4.8
Total Long Term Liabilities	11,349	14.7	10,503	14.3	8.1
Total Liabilities	34,245	44.4	34,455	46.8	(0.6)
Stockholders' Equity					
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	976	1.3	976	1.3	0.0
Repurchase Fund of Shares	551	0.7	550	0.7	0.1
Accumulated Earnings	40,042	52.0	36,347	49.4	10.2
Total Stockholders' Equity	42,822	55.6	39,127	53.2	9.4
Total Liabilities and Stockholders' Equity	77,067	100	73,582	100	4.7

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>
<u>OPERATING ACTIVITIES</u>			
Income before Income Tax	3,673	3,623	1.4
<u>Items related to investment activities:</u>			
Depreciation & Amortization	1,477	1,533	(3.6)
Participation in Subsidiaries	(27)	30	(191.5)
Foreign Exchange	19	(111)	(116.7)
<u>Items related to financing activities</u>			
Interest Expense	356	402	(11.5)
Total	<u>5,498</u>	<u>5,477</u>	<u>0.4</u>
Clients	(507)	(498)	1.8
Inventories	(1,787)	146	(1,321.0)
Suppliers	(2,955)	(2,913)	1.5
Payable and receivable accounts	(569)	739	(176.9)
Income Tax Paid	(820)	(561)	46.3
Net cash flow from operating activities	<u>(1,141)</u>	<u>2,391</u>	<u>(147.7)</u>
<u>INVESTING ACTIVITIES</u>			
Acquisitions of property and equipment	(2,189)	(2,222)	(1.5)
Investment in shares	(23)	(39)	(41.0)
Sale of property	36	29	24.4
Net Cash flow from investing activities	<u>(2,177)</u>	<u>(2,233)</u>	<u>(2.5)</u>
Cash receivable from financing activities	<u>(3,317)</u>	<u>158</u>	<u>(2,197.9)</u>
<u>FINANCING ACTIVITIES</u>			
Financing Obtained	52,690	35,300	49.3
Financing Repaid	(49,599)	(35,038)	41.6
Dividend Paid	0	(500)	*
Other financing activities	(2)	(4)	(56)
Interest Paid	(355)	(397)	(10.5)
Net cash flow from financing activities	<u>2,734</u>	<u>(639)</u>	<u>(527.8)</u>
Net decrease in cash and cash equivalents	(583)	(481)	21.3
Cash and cash equivalents at beginning of period	<u>1,335</u>	<u>3,082</u>	<u>(56.7)</u>
Cash and cash equivalents at end period	<u>752</u>	<u>2,601</u>	<u>(71.1)</u>