

## Soriana Announces Fourth Quarter and Full Year 2014 Results

- Annual income reached \$101.829 billion pesos.
- Expansion of 90 base points in annual gross margin.
- Opening of 16 new stores during the year.
- Reduction to a \$0 balance in the Company net debt.

**Monterrey, N.L., February 25, 2015.** Organización Soriana, S.A.B. de C.V. (Soriana) announces the financial results corresponding to 4Q and FY 2014. Figures in this report are shown in nominal terms in accordance with International Financial Reporting Standards (IFRS).

### 2014 Operating Performance

As we have expected, the last quarter of the year showed a significant improvement in same store indicator behavior compared to other quarters of the year, thus being the best 2014 quarter under this indicator showing -1.6%.

In this sense, it is worth pointing out that from October 2014, we noticed a positive change in the Company income trend. Since that date it was launched an important campaign focused on to reduce prices in more than 10,000 items as part of the market recovery commercial strategy. Likewise, we must emphasize that we have gradually seen a recovery in the traffic indicator in our stores, which has been maintained up to the current month of February 2015.

Thus, the total income of the quarter reached \$28.731 billion pesos and \$101.829 billion pesos for full year 2014.

Meanwhile, the result at gross income and gross margin level for this last period of the year maintained the strength shown throughout the last twelve months, reaching an increase of 100 base points in gross margin, as a result of a better commercial strategy and better handling of promotional and sales strategy, which placed the quarterly gross income at \$6.320 billion pesos. Cumulatively, the gross margin presented a 90 base point expansion and \$22.491 billion pesos which represented a 1.2% increase compared to last year.

---

Organización Soriana, S.A.B. de C.V. empresa del sector comercial en México de capital 100% mexicano, fue fundada en 1968. Sus acciones cotizan en la Bolsa Mexicana de Valores desde 1987 con la clave de pizarra **SORIANA**.

Quarterly operating expense (not considering amortization and depreciation) showed an 8.9% increase, mainly due to a higher personnel cost derived from the expansion of 16 new stores in the last twelve months and the strategy of intensifying service levels in stores, privileging those stores that for their location and type of customers need to use customer service more intensely, as a main value proposal in order to stand out among the competition.

Quarterly operating expense (not considering amortization and depreciation) represented \$4.203 billion pesos, and \$15.473 billion pesos, cumulatively.

Due to the aforementioned variations, the quarterly EBITDA<sup>1</sup> showed \$2.144 billion pesos which represents a 7.5% over sales. Cumulatively, this item line ended in \$7.060 billion pesos, representing a 6.9% margin over sales.

In regard to the items that integrate the quarterly net financial cost, first of all, we observe a foreign exchange rate loss of \$253 million pesos due to the peso-dollar exchange rate fluctuations, which showed important variations against the Mexican currency value, particularly during recent months. Also, the quarterly financial product totaled \$35 million pesos, while the financial expense amounted to \$74 million pesos, 22.1% less than the same period in 2013, as a consequence of lower average debt balance and better interest rates.

Annually, the comprehensive financing cost had a 67.9% increase, ending in \$464 million pesos, mainly derived from the negative impact of the exchange loss as a consequence of the Mexican peso depreciation against the US dollar.

Lastly, the quarterly net earnings closed in \$1.297 billion pesos, which represent a 4.5% over sales and an increase compared to the same quarter of last year of 129.4%. Annually, the net earnings shows \$3.704 billion pesos and a growth of 18.8% in regard to 2013.

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

## Debt Performance

As of FY2014 year-end closing, the Company has a net debt of \$0 pesos, compared to \$1.948 billion pesos as of the closing of the same period last year, which represents a 100% reduction.

## Opening of New Stores

During the last quarter of the year, the Company opened 10 new units. During the whole FY2014, 16 stores started operations in the following formats: 9 Soriana Híper; 4 Soriana Súper; 2 Soriana Express and 1 City Club. These openings represented a 71,133m<sup>2</sup> expansion in sales floor area. Also, a definite closing of a unit in the state of Jalisco, under the Soriana Mercado format, is reported.

## Operating Information

Below is a comparative table of the number of units in operation per store format as of FY2014 year-end closing.

Store Format	2014	2013	Sales Floor Area as of 4Q14	Sales Floor Growth
Soriana Híper	270	261	1,990,728	2.7%
Soriana Súper	126	122	261,928	2.6%
Soriana Mercado	139	140	609,796	-0.9%
Soriana Express	105	103	149,121	2.1%
City Club	34	33	274,115	3.1%
<b>Total</b>	<b>674</b>	<b>659</b>	<b>3,285,688</b>	<b>2.0%</b>

## Relevant Event

As a very relevant event for the Company, last Wednesday, January 28th, was announced through the Mexican Stock Exchanged the execution of an agreement between Organización Soriana and Controladora Comercial Mexicana regarding the purchase of a substantive part of the Company for \$39.193 billion pesos. Through this operation, Soriana, once it obtains the approval of competent and financial authorities of the country, we will integrate 160 self-service stores under different formats under which Comercial Mexicana currently operates, as well as the purchase of various real estate properties and assets of high strategic value.

In this sense and as an announcement to our investors we inform that past Thursday, February 19th 2015, the Company formally submitted the transaction approval request to the Federal Economic Competition Commission authority (COFECE, in Spanish).

## Social Responsibility Activities

### *Sustainability*

In our program aimed to achieve an efficient use of electricity, last December we finished the replacement of the lighting in parking lots, from traditional light bulbs to LEDs, in 398 stores.

Photovoltaic panels were installed in 10 stores in Baja California Sur to obtain alternate clean energy sources. The infrastructure in a wind energy park was installed in Reynosa, Tamaulipas to supply 163 stores and was finished the installation to supply 10 additional stores from a wind park in the estate of Oaxaca, and we are in the process of incorporating 42 units to this last energy park. With these two energy parks in operation we will have 215 stores supplied with clean energy.

### *5 and 10K Races - Torreón and Monterrey*

We encourage physical activity through the organization of 5 and 10K races and the 2014 official sign up number of participant was over 9,000 runners in events held in Monterrey, NL and Torreón, Coah. In these races with a cause, resources obtained from registration fees were delivered to "Ciudad de los Niños" institutions in both cities.

### *Teletón (Telethon)*

Having the generous participation of customers, collaborators and companies of the group to support the child attention program in Teletón Rehabilitation Centers, the amount collected and donated this year is an opportunity to grant monthly therapies to over 4,400 children.

### *Social Investment Summary*

The social investment of the Company during this year reached \$102.5 million pesos, with which 427,813 people were benefitted through 410 charity institutions located in more than 238 cities where the company have stores in operation.

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

	Fourth Quarter				
	4Q2014	%	4Q2013	%	Var. %
Net Sales	28,731	100	28,702	100	0.1
Cost of Sales	22,410	78.0	22,666	79.0	(1.1)
<b>Gross Income</b>	<b>6,320</b>	<b>22.0</b>	<b>6,036</b>	<b>21.0</b>	<b>4.7</b>
Operating Expenses	4,203	14.6	3,859	13.4	8.9
<b>Income before other expenses, net</b>	<b>2,117</b>	<b>7.4</b>	<b>2,177</b>	<b>7.6</b>	<b>(2.8)</b>
Other Income and (Expenses), Net	27	0.1	(0)	(0.0)	*
<b>EBITDA</b>	<b>2,144</b>	<b>7.5</b>	<b>2,177</b>	<b>7.6</b>	<b>(1.5)</b>
Depreciation and Amortization	525	1.8	498	1.7	5.3
<b>Operating Income</b>	<b>1,619</b>	<b>5.6</b>	<b>1,679</b>	<b>5.9</b>	<b>(3.6)</b>
Interest Income and (Expenses), Net	(39)	(0.1)	(51)	(0.2)	(23.7)
Foreign Exchange Gain (Losses)	(253)	(0.9)	8	0.0	*
<b>Comprehensive Financing Income</b>	<b>(292)</b>	<b>(1.0)</b>	<b>(43)</b>	<b>(0.2)</b>	<b>571.3</b>
Minority Interest	24	0.1	17	0.1	44.1
<b>Earnings Before Income Tax &amp; Profit Sharin</b>	<b>1,352</b>	<b>4.7</b>	<b>1,653</b>	<b>5.8</b>	<b>(18.2)</b>
Tax Provision	55	0.2	1,087	3.8	(94.9)
<b>Net Earnings</b>	<b>1,297</b>	<b>4.5</b>	<b>565</b>	<b>2.0</b>	<b>129.4</b>
<b>Cash Net Profit</b>	<b>1,708</b>	<b>5.9</b>	<b>1,783</b>	<b>6.2</b>	<b>(4.2)</b>

Organización Soriana, S.A.B. de C.V. empresa del sector comercial en México de capital 100% mexicano, fue fundada en 1968.  
 Sus acciones cotizan en la Bolsa Mexicana de Valores desde 1987 con la clave de pizarra **SORIANA**.

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

Millions of nominal pesos

	Accumulated - Fourth Quarter				
	2014	%	2013	%	Var. %
Net Sales	101,829	100	105,028	100	(3.0)
Cost of Sales	79,338	77.9	82,799	78.8	(4.2)
<b>Gross Income</b>	<b>22,491</b>	<b>22.1</b>	<b>22,229</b>	<b>21.2</b>	<b>1.2</b>
Operating Expenses	15,473	15.2	14,680	14.0	5.4
<b>Income before other expenses, net</b>	<b>7,018</b>	<b>6.9</b>	<b>7,548</b>	<b>7.2</b>	<b>(7.0)</b>
Other Income and (Expenses), Net	42	0.0	(14)	(0.0)	(394.4)
<b>EBITDA</b>	<b>7,060</b>	<b>6.9</b>	<b>7,534</b>	<b>7.2</b>	<b>(6.3)</b>
Depreciation and Amortization	2,083	2.0	1,976	1.9	5.4
<b>Operating Income</b>	<b>4,977</b>	<b>4.9</b>	<b>5,558</b>	<b>5.3</b>	<b>(10.5)</b>
Interest Income and (Expenses), Net	(173)	(0.2)	(267)	(0.3)	(35.2)
Foreign Exchange Gain (Losses)	(291)	(0.3)	(9)	(0.0)	*
<b>Comprehensive Financing Income</b>	<b>(464)</b>	<b>(0.5)</b>	<b>(276)</b>	<b>(0.3)</b>	<b>67.9</b>
Minority Interest	65	0.1	44	0.0	48.5
<b>Earnings Before Income Tax &amp; Profit Sharin</b>	<b>4,578</b>	<b>4.5</b>	<b>5,326</b>	<b>5.1</b>	<b>(14.0)</b>
Tax Provision	875	0.9	2,208	2.1	(60.4)
<b>Net Earnings</b>	<b>3,704</b>	<b>3.6</b>	<b>3,117</b>	<b>3.0</b>	<b>18.8</b>
<b>Cash Net Profit</b>	<b>5,837</b>	<b>5.7</b>	<b>6,323</b>	<b>6.0</b>	<b>(7.7)</b>

Organización Soriana, S.A.B. de C.V. empresa del sector comercial en México de capital 100% mexicano, fue fundada en 1968. Sus acciones cotizan en la Bolsa Mexicana de Valores desde 1987 con la clave de pizarra **SORIANA**.

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

Millions of nominal pesos

	<u>2014</u>	<u>%</u>	<u>2013</u>	<u>%</u>	<u>Var. %</u>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalents	2,673	3.3	1,666	2.1	60.4
Trade	2,844	3.5	4,038	5.1	(29.6)
Other Accounts Receivable	2,863	3.5	2,958	3.7	(3.2)
Inventories	16,145	20.0	15,003	19.0	7.6
Other Current Assets	55	0.1	44	0.1	24.9
<b>Total Current Asset</b>	<b>24,579</b>	<b>30.4</b>	<b>23,709</b>	<b>30.0</b>	<b>3.7</b>
<b>Property and Equipment, Net</b>	<b>44,648</b>	<b>55.3</b>	<b>43,769</b>	<b>55.4</b>	<b>2.0</b>
<b>Intangible Assets</b>	<b>10,544</b>	<b>13.1</b>	<b>10,568</b>	<b>13.4</b>	<b>(0.2)</b>
<b>Other Assets</b>	<b>949</b>	<b>1.2</b>	<b>907</b>	<b>1.1</b>	<b>4.7</b>
<b>Total Assets</b>	<b>80,720</b>	<b>100</b>	<b>78,952</b>	<b>100</b>	<b>2.2</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Suppliers	19,807	24.5	18,908	23.9	4.8
Debt Certificates	0	0.0	1,948	2.5	(100.0)
Other Accounts Payable	1,262	1.6	1,538	1.9	(18.0)
Other Liabilities without cost	1,223	1.5	1,170	1.5	4.5
<b>Total Current Liabilities</b>	<b>22,292</b>	<b>27.6</b>	<b>23,564</b>	<b>29.8</b>	<b>(5.4)</b>
Deferred Taxes	8,606	10.7	8,684	11.0	(0.9)
Other Liabilities	3,421	4.2	3,304	4.2	3.5
<b>Total Long Term Liabilities</b>	<b>12,027</b>	<b>14.9</b>	<b>11,988</b>	<b>15.2</b>	<b>0.3</b>
<b>Total Liabilities</b>	<b>34,319</b>	<b>42.5</b>	<b>35,553</b>	<b>45.0</b>	<b>(3.5)</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	1.5	0.0
Premium on Sales of Shares	977	1.2	977	1.2	0.0
Repurchase Fund of Shares	550	0.7	550	0.7	0.0
Accumulated Earnings	43,620	54.0	40,620	51.4	7.4
<b>Total Stockholders' Equity</b>	<b>46,400</b>	<b>57.5</b>	<b>43,400</b>	<b>55.0</b>	<b>6.9</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>80,720</b>	<b>100</b>	<b>78,952</b>	<b>100</b>	<b>2.2</b>

Organización Soriana, S.A.B. de C.V. empresa del sector comercial en México de capital 100% mexicano, fue fundada en 1968. Sus acciones cotizan en la Bolsa Mexicana de Valores desde 1987 con la clave de pizarra **SORIANA**.

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

	<b>2014</b>	<b>2013</b>	<b>Var. %</b>
<b><u>OPERATING ACTIVITIES</u></b>			
<b>Income before Income Tax</b>	<b>4,578</b>	<b>5,326</b>	<b>(14.0)</b>
<b><u>Items related to investment activities:</u></b>			
Depreciation & Amortization	2,083	1,976	5.4
Participation in Subsidiaries	(65)	(44)	48.5
Foreign Exchange	254	8	3,232.6
<b><u>Items related to financing activities</u></b>			
Interest Expense	313	451	(30.6)
<b>Total</b>	<b>7,163</b>	<b>7,716</b>	<b>(7.2)</b>
Clients	1,194	(868)	(237.6)
Inventories	(1,141)	(1,488)	(23.3)
Suppliers	771	1,074	(28.2)
Payable and receivable accounts	267	(293)	(191.0)
Income Tax Paid	(1,358)	(955)	42.3
<b>Net cash flow from operating activities</b>	<b>6,895</b>	<b>5,187</b>	<b>32.9</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Acquisitions of property and equipment	(3,030)	(3,657)	(17.1)
Investment in shares	19	(24)	(178.1)
Sale of property	91	75	21.8
<b>Net Cash flow from investing activities</b>	<b>(2,920)</b>	<b>(3,606)</b>	<b>(19.0)</b>
<b>Cash receivable from financing activities</b>	<b>3,975</b>	<b>1,581</b>	<b>151.4</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Financing Obtained	36,230	65,241	(44.5)
Financing Repaid	(38,180)	(66,037)	(42.2)
Dividend Paid	(700)	0	*
Other financing activities	(3)	(4)	(27.2)
Interest Paid	(315)	(450)	(29.9)
<b>Net cash flow from financing activities</b>	<b>(2,968)</b>	<b>(1,250)</b>	<b>137.4</b>
<b>Net decrease in cash and cash equivalents</b>	<b>1,007</b>	<b>331</b>	<b>204.3</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,666</b>	<b>1,335</b>	<b>24.8</b>
<b>Cash and cash equivalents at end period</b>	<b>2,673</b>	<b>1,666</b>	<b>60.4</b>

Organización Soriana, S.A.B. de C.V. empresa del sector comercial en México de capital 100% mexicano, fue fundada en 1968. Sus acciones cotizan en la Bolsa Mexicana de Valores desde 1987 con la clave de pizarra **SORIANA**.