

Third Quarter 2014 Results

Mexico City, October 23, 2014 Grupo Carso S.A.B. de C.V. (BMV: GCARSO OTC: GPOVY) announced today its results for the third quarter of 2014.

Summary of Relevant and Corporate Events

- o Grupo Carso announced corporate reorganization on its current energy related activities through its subsidiary **Carso Energy**.
- o On October 15, 2014 GCARSO paid \$916 MM, corresponding to \$0.40 pesos per share against delivery of coupon 31, being the second exhibition of the **dividend** of \$0.80 pesos per share declared in the Annual Shareholders' Meeting held on April 28, 2014.

Highlights

- o Consolidated **sales** of Grupo Carso totaled \$19,522 MM in the third quarter of 2014. Grupo Sanborns contributed with \$9,028 million pesos, increasing 1.1%.
- o Operating Income totaled \$1,927 MM compared to \$10,561 MM in the 3Q13, which included \$8,383 MM as Other Income registered from the sale of 20% equity stake in Philip Morris Mexico (PMM).
- o Excluding Other Income in the 3Q13, the **operating income** and **EBITDA** in the 3Q14 decreased 11.5% and 9.6%, respectively.

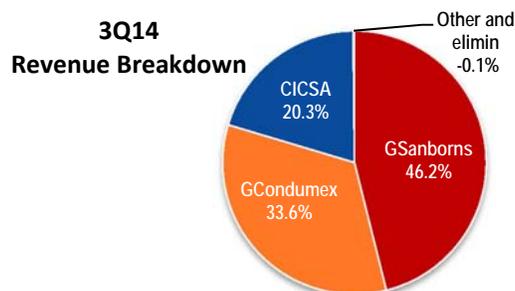
Summary

Amounts in million pesos MXN (MM)

Consolidated Results	3Q14	3Q13	Var %	2014	2013	Var %
Sales	19,522	20,892	-6.6%	57,676	61,130	-5.6%
Operating Income	1,927	10,561	-81.8%	5,906	14,830	-60.2%
Controlling Net Income	1,433	8,694	-83.5%	4,396	12,000	-63.4%
EBITDA	2,371	11,006	-78.5%	7,210	16,031	-55.0%
Operating Margin	9.9%	50.6%		10.2%	24.3%	
EBITDA Margin	12.1%	52.7%		12.5%	26.2%	

CONSOLIDATED RESULTS

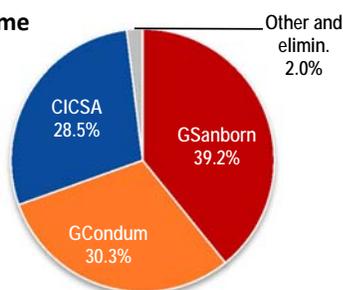
Revenues



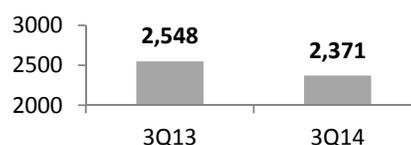
Operating Income

EBITDA excluding Other Income in the 3Q13

3Q14 Op. Income
Breakdown



EBITDA (MM Ps)



Financial Results

Financial Results	3Q14	3Q13	Var%	2014	2013	Var%
Interest Expenses	-106.1	-134.3	-21.0%	-345.6	-426.7	-19.0%
Income (Loss) on derivatives net	-54.5	-76.4	-28.6%	-116.6	-23.4	398.1%
Income (Loss) change in value of fin. instrum.	0.0	0.0	0.0%	0.0	0.0	0.0%
Interest Income	104.8	105.2	-0.4%	299.6	297.4	0.7%
Interest (net)	-55.8	-105.5	-47.1%	-162.6	-152.7	6.5%
ForEx Results	-60.6	12.3	NA	-61.9	155.7	NA
CFR	-116.4	-93.2	24.9%	-224.5	3.0	NA
Income taxes	568.5	1,903.6	-70.1%	1,829.9	3,244.7	-43.6%
Earnings from non-consolidated companies	405.5	362.5	11.9%	1,198.0	1,058.1	13.2%
Non-controlling participation in Net Income	215.1	233.1	-7.7%	652.9	646.3	1.0%

NA= Not applicable

Net Income

During 3Q14 operating income totaled \$1,927 MM compared to an operating income of \$10,561 MM recorded in the 3Q13, which included \$8,383 MM as Other Income from the sale of the 20% equity stake in PMM.

Additionally, an increase of 24.9% in the comprehensive financial cost was recorded, including a ForEx loss of \$61 MM and a loss on derivatives of \$55 MM. As a result, controlling net income decreased 83.5% from \$8,694 million in the 3Q13 to \$1,433 million in the 3Q14.

Excluding the effect of Other Income, operating income and EBITDA in the 3Q13 totaled \$ 2,178 MM and \$2,623 MM, respectively. Therefore the results of the 3Q14 were as follows:

i) operating income and EBITDA decreased 11.5% and 9.6%, respectively and ii) controlling net income decreased 8.5% adjusted for the income tax effect in 3Q13 from the PMM transaction mentioned previously.

Interest-bearing Liabilities

Total debt at September 30, 2014 was \$5,955 MM, a 33.0% reduction compared to a total debt of \$8,883 MM at the end of December 30, 2013. Net debt was negative by \$5,198 MM, compared to a negative net debt of \$1,671 MM at December 31, 2013.

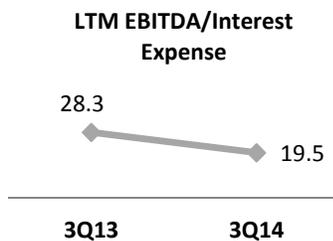
Net debt to LTM EBITDA was (0.5) times compared to (0.2) times in December 2013. Additionally, the ratio LTM EBITDA to Interest Expense was 19.5 times in the 3Q14 compared to 28.3 times in the 3Q13.

Total Debt by CURRENCY (Includes ForEx Hedges)

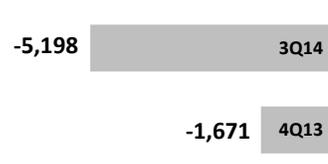
Pesos	Dollars
85%	15%

Total Debt by TERM

Long T	Short T
84%	16%



Net Debt (MM Ps)



Corporate Reorganization

Grupo Carso announced corporate reorganization on its current energy related activities through its subsidiary Carso Energy.

Certain assets were proposed to be integrated into two divisions, one related to oil and gas and the other one related to electric power activities:

- Drilling of oil wells and services such as: drilling fluids, directional drilling, cementing; operation and leasing of drilling rigs (Jack ups); exploration and production of two oil fields in Colombia.
- Engineering and installation of photovoltaic systems, efficiency and saving energy systems such as LEDs.

Carso Energy will consolidate assets of more than \$8 Billion pesos and experienced human capital, seeking operational efficiency and financial strength.

SEGMENT RESULTS

RETAIL

Consolidated Results	3Q14	3Q13	Var %	2014	2013	Var %
Sales	9,028	8,933	1.1%	27,537	27,424	0.4%
Operating Income	755	903	-16.3%	2,539	2,965	-14.4%
Controlling Net Income	527	620	-15.0%	1,650	2,027	-18.6%
EBITDA	967	1,080	-10.5%	3,146	3,486	-9.8%
Operating Margin	8.4%	10.1%		9.2%	10.8%	
EBITDA Margin	10.7%	12.1%		11.4%	12.7%	



Grupo Sanborns

Contribution to Consolidated Results
46% SALES
39% OP. INCOME
41% EBITDA

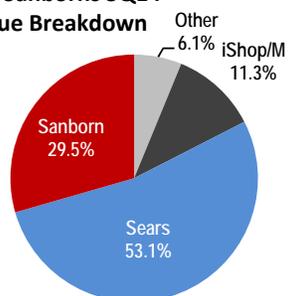
During 3Q14 the consolidated sales of Grupo Sanborns totaled \$9,028 MM, posting a 1.1% increase or \$95 million more.

Soft-lines stood out recording higher sales in the summer vacations and back to school period. Sears increased 2.9% its **total sales (TS)** and 0.2% its **same store sales (SSS)**, while iShop/MixUp increased 2.2% its TS and 1.0% its SSS. Sanborns reduced 2.9% its TS and 3.8% its SS due to some categories that remained pressured such as electronics and technology, which had less promotional support. The operation was also affected by the partial closure of 9 Sears stores and 3 Sanborns stores under renovation during the quarter.

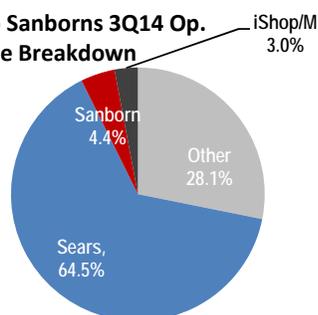
Operating expenses represented 32.7% of sales due to several factors: i) an increase in non-performing loans and its provision, ii) higher expenses and depreciation resulting from the expansion plan and iii) an increase in the provision of advertising expenses. Therefore, **operating income** and **EBITDA** totaled \$755 and \$967 MM, reducing 16.3% and 10.5%, respectively.

Controlling net income stood at \$527 MM, compared to a controlling net income of \$620 MM in the 3Q13.

Grupo Sanborns 3Q14
Revenue Breakdown



Grupo Sanborns 3Q14 Op.
Income Breakdown



Note: For additional information please refer to Grupo Sanborns S.A.B. de C.V. 3Q14 Earnings Report.

SEGMENT RESULTS

INDUSTRIAL

Consolidated Results	3Q14	3Q13	Var %	2014	2013	Var %
Sales	6,566	6,978	-5.9%	19,424	19,894	-2.4%
Operating Income	584	503	16.1%	1,780	1,316	35.2%
Net Income	466	319	46.3%	1,316	1,023	28.6%
EBITDA	683	598	14.2%	2,073	1,599	29.7%
Operating Margin	8.9%	7.2%		9.2%	6.6%	
EBITDA Margin	10.4%	8.6%		10.7%	8.0%	



Contribution to
Consolidated Results
34% SALES
30% OP. INCOME
29% EBITDA

Sales at Grupo Condumex went from \$6,978 to \$6,566 million pesos, which meant a 5.9% decrease due to the performance of the following sectors:

Construction and Energy fell 19.1% since Turn-Key projects and Transformers had a lower demand compared to the prior year, while Industrial Metals decreased 11.8%. The Automotive Sector reduced 4.8% due to the completion of certain platforms and changes in the lines of some car models.

The sector that increased its sales was Telecom posting a 16.0% increase due to higher fiber optic and copper cable volume.

Synergies in business strategies continued to generate savings in costs and expenses; therefore **operating income** and **EBITDA** totaled \$584 and \$683 MM, growing 16.1% and 14.2% respectively. This was reflected as an expansion of 170 and 180 basis points in the operating and EBITDA margins, which were 8.9% and 10.4% of revenues.

The improvement in operating results was also reflected in the **controlling net income**, which totaled \$466 MM, being 46.3% higher than a controlling net income of \$319 MM reported in the same quarter of last year.

Revenue Breakdown by Business Sector

	Var% 3Q14 vs. 3Q13	Var% 2014 vs. 2013
Telecom	16.0%	8.5%
Automotive	-4.8%	12.7%
Construction and Energy	-19.1%	-12.8%
Industrial Metals	-11.8%	-13.2%

SEGMENT RESULTS

INFRAESTRUCTURE AND CONSTRUCTION

Consolidated Results	3Q14	3Q13	Var %	2014	2013	Var %
Sales	3,959	5,051	-21.6%	10,810	13,973	-22.6%
Operating Income	550	761	-27.7%	1,488	2,070	-28.1%
Controlling Net Income	385	534	-27.9%	1,105	1,457	-24.1%
EBITDA	681	931	-26.8%	1,888	2,457	-23.2%
Operating Margin	13.9%	15.1%		13.8%	14.8%	
EBITDA Margin	17.2%	18.4%		17.5%	17.6%	



Contribution to
Consolidated Results
20% SALES
29% OP. INCOME
29% EBITDA

Sales at Carso Infraestructura y Construcción S.A. (CICSA) stood at \$3,959 MM, decreasing 21.6% compared to the same period of 2013. Four sectors contributed with higher sales: Civil Construction, Pipeline Installations, Infrastructure and Housing, which increased 66.3%, 6.0%, 4.0% and 60.2%, respectively. In Civil Construction the progress of the second stage of Plaza Carso stood out while the construction of fiber optic networks and rings continued in the international front of the Pipeline Installations division. Regarding the Infrastructure division, works started in the Tepic bypass road and projects such as the Guadalajara bypass road, the Emisor Oriente Tunnel, the Atotonilco wastewater treatment plant, the Mazatlan bypass road and the new Acapulco Scenic tunnel continued.

The revenues of Manufacture and Services for the Oil & Chemical Industries fell 72.2% due to lower volume of land drilling contracts, as well as a lack of new tenders for the construction of platforms. Additionally certain extraordinary benefits related to the settlement of contracts in this sector in the 3Q13 that were no longer recorded in the 3Q14, resulted in reductions of the **operating income** and **EBITDA** of 27.7% y 26.8%, while the operating and EBITDA margins were 13.9% and 17.2%, respectively.

Controlling net income totaled \$385 MM, compared to a controlling net income of \$534 MM in the 3Q13.

CICSA's **backlog** was \$19,340 MM at September 30, 2014, decreasing 4.3% compared to the backlog reported in the same period a year ago. This figure does not include \$2,325 MM from projects in consortium with other companies.

Forward Looking Statements

Certain statements in this earnings release may be related to expectations about future events of Grupo Carso. The phrases "will allow," "will," "estimate," "expect," "intend," "might," "should" and similar expressions generally indicate comments based on financial information, operating levels and conditions of the market to date. These statements are subject to factors such as volatility in metals prices, energy inputs and other inputs, the possibility of cyclical or seasonal business or consumer slowdown risks that are detailed in the Company's annual report and may cause actual results to differ materially from current expectations. Grupo Carso undertakes no obligation to publish a review on these forward-looking statements to reflect events or circumstances occurring after the date of publication of this release.

Invitation to the Conference Call

Date: Friday, October 24, 2014
 Time: 8:30-9:00 A.M. Mexico City Time/9:30-10:00 A.M. NY Time (US EST)
 Access Number: +1 (412) 317-6776 (International and Mexico)
 Conference ID: Grupo Carso

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ADDITIONAL CHARTS:

Financial Income Data							(MM USD)								
Million PESOS (MXN)															
	3Q14		3Q13		Var %		2014		2013		Var %	3Q14	3Q13	Var %	
GRUPO CARSO															
Revenues	19,521.9	100.0%	20,892.4	100.0%	-6.6%		57,676.0	100.0%	61,129.6	100.0%	-5.6%	1,489.0	1,618.0	-8.0%	
Operating Income	1,927.3	9.9%	10,561.4	50.6%	-81.8%		5,905.6	10.2%	14,830.0	24.3%	-60.2%	147.0	817.9	-82.0%	
EBITDA	2,370.7	12.1%	11,006.1	52.7%	-78.5%		7,209.8	12.5%	16,031.0	26.2%	-55.0%	180.8	852.4	-78.8%	
Financial Results	-116.4	-0.6%	-93.2	-0.4%	24.9%		-224.5	-0.4%	3.0	0.0%	NA	-8.9	-7.2	23.0%	
Controlling Net Income	1,432.7	7.3%	8,694.0	41.6%	-83.5%		4,396.3	7.6%	12,000.0	19.6%	-63.4%	109.3	673.3	-83.8%	
GRUPO SANBORNS															
Sales	9,028.4	100.0%	8,933.1	100.0%	1.1%		27,537.4	100.0%	27,423.6	100.0%	0.4%	688.6	691.8	-0.5%	
Operating Income	755.5	8.4%	902.9	10.1%	-16.3%		2,538.9	9.2%	2,964.6	10.8%	-14.4%	57.6	69.9	-17.6%	
EBITDA	966.5	10.7%	1,080.4	12.1%	-10.5%		3,145.6	11.4%	3,486.0	12.7%	-9.8%	73.7	83.7	-11.9%	
Controlling Net Income	527.4	5.8%	620.4	6.9%	-15.0%		1,650.4	6.0%	2,026.9	7.4%	-18.6%	40.2	48.0	-16.3%	
GRUPO CONDUMEX															
Sales	6,565.8	100.0%	6,978.4	100.0%	-5.9%		19,423.6	100.0%	19,893.6	100.0%	-2.4%	500.8	540.4	-7.3%	
Operating Income	584.2	8.9%	503.1	7.2%	16.1%		1,779.6	9.2%	1,315.9	6.6%	35.2%	44.6	39.0	14.4%	
EBITDA	682.7	10.4%	597.6	8.6%	14.2%		2,072.9	10.7%	1,598.8	8.0%	29.7%	52.1	46.3	12.5%	
Controlling Net Income	465.9	7.1%	318.6	4.6%	46.3%		1,316.1	6.8%	1,023.3	5.1%	28.6%	35.5	24.7	44.0%	
CICSA															
Sales	3,959.3	100.0%	5,051.0	100.0%	-21.6%		10,810.4	100.0%	13,972.6	100.0%	-22.6%	302.0	391.2	-22.8%	
Operating Income	550.1	13.9%	761.0	15.1%	-27.7%		1,487.6	13.8%	2,069.7	14.8%	-28.1%	42.0	58.9	-28.8%	
EBITDA	681.2	17.2%	930.5	18.4%	-26.8%		1,888.2	17.5%	2,457.1	17.6%	-23.2%	52.0	72.1	-27.9%	
Controlling Net Income	385.1	9.7%	533.9	10.6%	-27.9%		1,105.4	10.2%	1,457.2	10.4%	-24.1%	29.4	41.3	-28.9%	

Balance Sheet Data						
Million PESOS(MXN)			(MM USD)			
	3Q14	4Q13	Var %	3Q14	4Q13	Var %
GRUPO CARSO						
Cash & Equivalents	7,553.1	6,898.5	9.5%	576.1	529.5	8.8%
Short Term Investments	3,599.0	3,655.0	-1.5%	274.5	280.5	-2.1%
Trade Receivables, Net	17,319.9	21,337.4	-18.8%	1,321.1	1,637.7	-19.3%
Inventories	13,569.7	14,326.5	-5.3%	1,035.0	1,099.6	-5.9%
Other current assets	4,076.7	4,867.9	-16.3%	310.9	373.6	-16.8%
Current Assets	46,118.3	51,085.3	-9.7%	3,517.7	3,921.0	-10.3%
Accounts Receivable, Net	48.1	59.6	-19.3%	3.7	4.6	-19.8%
Investments in Associates	12,955.6	12,004.8	7.9%	988.2	921.4	7.2%
PP&E, Net	21,138.4	20,311.6	4.1%	1,612.3	1,559.0	3.4%
Investment Property	2,249.9	2,249.5	0.0%	171.6	172.7	-0.6%
Intangible Assets, Net	280.0	302.2	-7.4%	21.4	23.2	-7.9%
Other Non-Current Assets	4,410.1	4,167.8	5.8%	336.4	319.9	5.2%
Non-Current Assets	41,082.1	39,095.5	5.1%	3,133.5	3,000.8	4.4%
Total Assets	87,200.4	90,180.8	-3.3%	6,651.2	6,921.8	-3.9%
Short-Term Bank Loans	954.3	3,149.5	-69.7%	72.8	241.7	-69.9%
Trade Payables	6,399.2	9,086.0	-29.6%	488.1	697.4	-30.0%
Taxes Payable	2,901.3	3,488.5	-16.8%	221.3	267.8	-17.4%
Other Current Liabilities	9,762.2	7,484.0	30.4%	744.6	574.4	29.6%
Current Liabilities	20,017.0	23,208.0	-13.7%	1,526.8	1,781.3	-14.3%
Long-Term Bank Loans	5,000.2	5,733.4	-12.8%	381.4	440.1	-13.3%
Deferred Tax Liabilities	1,421.5	1,747.0	-18.6%	108.4	134.1	-19.1%
Other Non-Current Liabilities	1,658.0	2,851.4	-41.9%	126.5	218.9	-42.2%
Non-Current Liabilities	8,079.6	10,331.8	-21.8%	616.3	793.0	-22.3%
Total Liabilities	28,096.6	33,539.8	-16.2%	2,143.1	2,574.3	-16.8%
Stockholder's Equity	59,103.8	56,641.0	4.3%	4,508.2	4,347.4	3.7%
Shares Outstanding ('000)	2,289,802	2,289,802	0.0%	2,289,802	2,289,802	0.0%
Stock Price	78.5	69.5	13.0%	5.99	5.33	12.3%
NA=Not Applicable						