

## Fourth Quarter 2014 Results

Mexico City, February 26, 2015 Grupo Carso S.A.B. de C.V. (BMV: GCARSO OTC: GPOVY) announced today its results for the fourth quarter and full year 2014.

### RELEVANT EVENTS

- Grupo Carso announced the regrouping of various activities in the field of energy in its subsidiary **Carso Energy**, which currently has a division related to leasing of oil rigs (Jack-Ups) and an exploration and production company. And another division related to electricity comprising the construction and operation of gas pipelines and power generation. Carso Energy will start reporting operations in 2015.
- On January 9 and January 29, 2015 GCARSO informed that the Federal Electricity Commission of Mexico (CFE) selected the proposals submitted by the consortium led by its subsidiary Carso Energy S.A. de C.V. with Energy Transfer Partners L.P. and Mastec Inc., as the winning bids in the tender process for the construction and operation of 2 gas pipelines in the State of Texas, U.S.A.: i) the **Waha-Presidio pipeline** having bid an amount of USD \$767 million as net present value (NPV) and ii) the **Waha-San Elizario pipeline** having bid an amount of USD \$596 million as NPV. In both cases the formalization of the transport service contract with the CFE is still pending.

### HIGHLIGHTS

- **Sales** of Grupo Carso totaled \$24,857 MM in the fourth quarter of 2014 posting a 0.5% increase. Annual sales decreased 4.1% from \$85,871 MM in 2013 to \$82,388 MM in 2014.
- **Operating Income** in the quarter reported totaled \$3,184 MM compared to \$2,447 MM in the same quarter of the previous year, which represented an increase of 30.1%. In cumulative terms operating income went from \$17,277 MM in 2013 to \$9,090 MM in 2014, or a 47.4% decline mainly due to the recording of a \$7,589 MM profit in 2013 related to the sale of the 20% equity stake in Philip Morris Mexico (PMM).
- **EBITDA** in the 4Q14 reached \$3,396 MM being 27.3% higher than \$2,668 MM reported in the 4Q13. Annual EBITDA totaled \$10,606 MM versus \$18,699 MM reported the previous year. This represented a 43.3% decrease that was explained as previously commented, by the recording of \$7,589 MM related to the sale of the 20% equity stake in PMM.
- In the last quarter of the year a comprehensive financial cost (CFC) was observed, which included a loss on interest rate derivatives from a rescheduling of maturities, as well as a loss on Foreign Exchange. This CFC compared unfavorably against a positive comprehensive financing result (CFR) of \$95 MM recorded in the 4Q13. Annually the CFC amounted \$1,056 MM versus a positive CFR of \$98 MM in 2013.
- **Controlling net income** posted a 33.2% decline in the 4Q14 totaling \$1,289 MM. In cumulative terms controlling net income totaled \$5,685 MM, being 59.2% lower than \$13,929 MM recorded in 2013. This result was explained as previously commented, by the profit from the sale of the 20% equity stake in PMM, and by the variation in the CFC.

- **Total debt** at December 31, 2014 was \$7,720 MM, a 13.1% reduction compared to a total debt of \$8,883 MM at the end of last year. Net debt was negative by \$6,370 MM, compared to a negative net debt of \$1,671 MM at December 31, 2013. The ratio Net-debt-to-last-twelve-months (LTM) EBITDA was (0.6) times compared to (0.1) times in December 2013. LTM EBITDA to Interest Expense was 24.1 times in the 4Q14 compared to 32.2 times in the 4Q13.

## SUMMARY

Amounts in million pesos MXN (MM)

Consolidated Results	4Q14	4Q13	Var %	2014	2013	Var %
Sales	24,857	24,741	0.5%	82,388	85,871	-4.1%
Operating Income	3,184	2,447	30.1%	9,090	17,277	-47.4%
Controlling Net Income	1,289	1,929	-33.2%	5,685	13,929	-59.2%
EBITDA*	3,396	2,668	27.3%	10,606	18,699	-43.3%
Operating Margin	12.8%	9.9%		11.0%	20.1%	
EBITDA Margin	13.7%	10.8%		12.9%	21.8%	

\* For the EBITDA calculation the appraisal of investment properties of \$225 MM in 2014 and \$210 MM in 2013 was not included.

## FINANCIAL RESULTS

Financial Results	4Q14	4Q13	Var%	2014	2013	Var%
Interest Expenses	-94.6	-154.7	-38.8%	-440.2	-581.4	-24.3%
Income (Loss) on derivatives net	-555.2	24.1	NA	-671.8	0.7	NA
Income (Loss) change in value of fin. instrum.	0.0	0.0	0.0%	0.0	0.0	0.0%
Interest Income	166.2	162.5	2.3%	465.8	459.9	1.3%
<b>Interest (net)</b>	<b>-483.6</b>	<b>31.9</b>	<b>NA</b>	<b>-646.2</b>	<b>-120.8</b>	<b>435.1%</b>
ForEx Results	-347.7	63.4	NA	-409.6	219.2	NA
<b>CFR</b>	<b>-831.3</b>	<b>95.4</b>	<b>NA</b>	<b>-1,055.8</b>	<b>98.4</b>	<b>NA</b>
Income taxes	843.8	477.0	76.9%	2,673.7	3,721.7	-28.2%
Earnings from non-consolidated companies	216.6	250.7	-13.6%	1,414.6	1,308.8	8.1%
Non-controlling participation in Net Income	436.8	386.9	12.9%	1,089.7	1,033.3	5.5%

NA= Not applicable

**INTEREST-BEARING LIABILITIES**

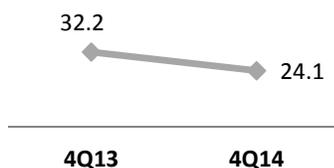
**Total Debt by CURRENCY**  
(Includes ForEx Hedges)

Pesos	Dollars
66%	34%

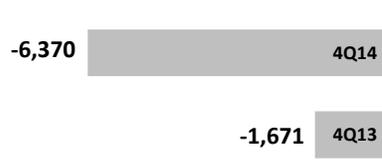
**Total Debt by TERM**

Long T	Short T
65%	35%

**LTM EBITDA/Interest Expense**

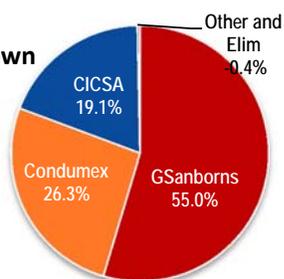


**Net Debt (MM Ps)**

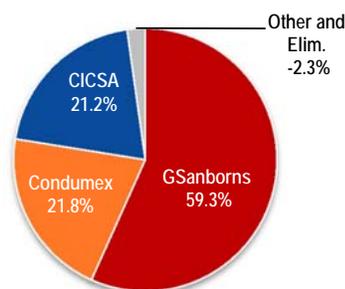


**CONTRIBUTION TO CONSOLIDATED RESULTS BY SEGMENT**

**4Q14 Revenue Breakdown by Segment**



**4Q14 Op. Income by Segment**



**SEGMENT RESULTS**

**RETAIL**

Consolidated Results	4Q14	4Q13	Var %	2014	2013	Var %
Sales	13,665	13,091	4.4%	41,203	40,514	1.7%
Operating Income	1,890	2,042	-7.4%	4,428	5,006	-11.5%
Controlling Net Income	1,272	1,206	5.5%	2,922	3,233	-9.6%
EBITDA	1,882	2,014	-6.6%	5,028	5,500	-8.6%
Operating Margin	13.8%	15.6%		10.7%	12.4%	
EBITDA Margin	13.8%	15.4%		12.2%	13.6%	



Contribution to Consolidated Results  
55% SALES  
59% OP. INCOME  
55% EBITDA

\*Note: For additional information please refer to Grupo Sanborns S.A.B. de C.V. 4Q14 Earnings Report.

During the 4Q14 the sales of Grupo Sanborns totaled \$13,665 MM, posting a 4.4% increase. Sears increased 4.3% its sales, iShop/MixUp 17.7% and Sanborns decreased 0.8%. On a cumulative basis sales grew 1.7% reaching \$41,203 MM in 2014. By format Sears increased its annual sales 2.6%, iShop/MixUp 7.1% and Sanborns declined 2.0%.

Operating income in the 4Q14 fell 7.4% totaling \$1,890 MM due to the following reasons: i) a gross margin which went from 38.1% to 37.4%; the margin in pesos had an increase of 2.6%, ii) the effect on results of a higher provision for non-performing loans and iii) additional expenses and depreciation resulting from the expansion plan and the renovation of stores. Cumulatively operating income decreased 11.5%.

For the EBITDA calculation Other Income from the appraisal of investment properties was not included; therefore EBITDA totaled \$1,882 MM in the 4Q14 posting a decrease of 6.6% and totaled \$5,028 MM in 2014, posting a decrease of 8.6% in the year.

Controlling net income of the retail segment went up 5.5% in the 4Q14 reaching \$1,272 MM, in comparison to a net income of \$1,206 MM in the 4Q13. On a cumulative basis net income fell 9.6%.

## INDUSTRIAL

Consolidated Results	4Q14	4Q13	Var %	2014	2013	Var %
Sales	<b>6,533</b>	6,830	-4.3%	<b>25,957</b>	26,723	-2.9%
Operating Income	<b>694</b>	463	50.0%	<b>2,474</b>	1,779	39.1%
Controlling Net Income	<b>337</b>	456	-26.1%	<b>1,653</b>	1,479	11.7%
EBITDA	<b>749</b>	555	35.0%	<b>2,822</b>	2,154	31.0%
Operating Margin	<b>10.6%</b>	6.8%		<b>9.5%</b>	6.7%	
EBITDA Margin	<b>11.5%</b>	8.1%		<b>10.9%</b>	8.1%	



Contribution to  
Consolidated Results  
**26% SALES**  
**22% OP. INCOME**  
**22% EBITDA**

Sales of Grupo Consumex went from \$6,830 to \$6,533 million pesos, which meant a 4.3% decrease mainly due to a lower demand of turnkey projects and electrical equipment compared to the previous year; also to a decrease of 9.0% in the price of copper compared to the price of copper in the 4Q13.

Cumulative sales in 2014 totaled \$25,957 MM being 2.9% lower than sales of \$26,723 MM in 2013.

Operating income and EBITDA in the 4Q14 stood at \$694 MM and \$749 MM respectively, being 50.0% and 35.0% higher than these items in the previous year. On a cumulative basis operating income and EBITDA posted 39.1% and 31.0% increases in 2014. These favorable results were explained primarily by the savings plan for costs and expenses implemented in the Company.

Controlling net income of the industrial segment fell 26.1% during the 4Q14 due to the effect of the exchange rate; while reported an 11.7% growth in annual figures, from \$1,479 MM in 2013 to \$1,653 MM in 2014.

INFRAESTRUCTURE AND CONSTRUCTION

Consolidated Results	4Q14	4Q13	Var %	2014	2013	Var %
Sales	<b>4,742</b>	4,846	-2.1%	<b>15,553</b>	18,818	-17.4%
Operating Income	<b>674</b>	747	-9.7%	<b>2,162</b>	2,816	-23.2%
Controlling Net Income	<b>189</b>	619	-69.4%	<b>1,294</b>	2,076	-37.6%
EBITDA	<b>828</b>	900	-8.0%	<b>2,716</b>	3,357	-19.1%
Operating Margin	<b>14.2%</b>	15.4%		<b>13.9%</b>	15.0%	
EBITDA Margin	<b>17.5%</b>	18.6%		<b>17.5%</b>	17.8%	



Contribution to  
Consolidated Results  
19% SALES  
21% OP. INCOME  
24% EBITDA

Sales of Carso Infraestructura y Construcción S.A. (CICSA) were \$4,742 MM in the last quarter of the year, declining 2.1% compared to the same period in 2013. Annual sales went from \$18,818 MM in 2013 to \$15,553 MM in 2014. Both results were mainly explained by the drop in sales of the Manufacturing and Services for the Oil & Chemical Industry, due to lower volumes of land drilling contracts and construction of platforms.

Quarterly operating income and EBITDA decreased 9.7% and 8.0%, while margins were 14.2% and 17.5%, respectively. Cumulatively operating income decreased 23.2% while EBITDA decreased 19.1%. This was derived from the mix of projects executed during the year and the reduction in sales in the Manufacturing and Services for the Oil & Chemical Industry sector mentioned above.

Net income for the segment was \$189 MM compared to a net income of \$619 MM in the 4Q13. Net income for the year decreased 37.6% from \$2,076 in 2013 to \$1,294 MM in 2014.

Lastly, the backlog of CICSA increased 28.9% reaching \$22,372 MM at December 31, 2014, compared to the amount reported in the same period last year. This figure does not include \$2,043 MM from projects that CICSA has 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, February 27, 2015  
 Time: 9:00 A.M. Mexico City Time/10:00 A.M. NY Time (US EST)  
 Access Number: +1 (412) 317-6776 (International and Mexico)  
 Conference ID: Grupo Carso

## INVESTOR RELATIONS CONTACT

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## ADDITIONAL CHARTS:

Financial Income Data							(MM USD)							
Million PESOS (MXN)														
	4Q14		4Q13		Var %		2014		2013		Var %	4Q14	4Q13	Var %
<b>GRUPO CARSO</b>														
Revenues	24,856.6	100.0%	24,740.9	100.0%	0.5%		82,387.9	100.0%	85,870.5	100.0%	-4.1%	1,795.7	1,899.0	-5.4%
Operating Income	3,183.9	12.8%	2,447.3	9.9%	30.1%		9,089.5	11.0%	17,277.3	20.1%	-47.4%	230.0	187.8	22.5%
EBITDA	3,396.2	13.7%	2,668.4	10.8%	27.3%		10,606.0	12.9%	18,699.4	21.8%	-43.3%	245.4	204.8	19.8%
Financial Results	-831.3	-3.3%	95.4	0.4%	-971.7%		-1,055.8	-1.3%	98.4	0.1%	NA	-60.1	7.3	-920.5%
Controlling Net Income	1,288.6	5.2%	1,929.4	7.8%	-33.2%		5,685.0	6.9%	13,929.5	16.2%	-59.2%	93.1	148.1	-37.1%
<b>GRUPO SANBORNS</b>														
Sales	13,665.1	100.0%	13,090.8	100.0%	4.4%		41,202.5	100.0%	40,514.4	100.0%	1.7%	987.2	1,004.8	-1.7%
Operating Income	1,889.6	13.8%	2,041.6	15.6%	-7.4%		4,428.5	10.7%	5,006.2	12.4%	-11.5%	136.5	156.7	-12.9%
EBITDA	1,881.9	13.8%	2,014.2	15.4%	-6.6%		5,027.5	12.2%	5,500.2	13.6%	-8.6%	136.0	154.6	-12.1%
Controlling Net Income	1,271.6	9.3%	1,205.7	9.2%	5.5%		2,922.0	7.1%	3,232.5	8.0%	-9.6%	91.9	92.5	-0.7%
<b>GRUPO CONDUMEX</b>														
Sales	6,533.4	100.0%	6,829.8	100.0%	-4.3%		25,956.9	100.0%	26,723.4	100.0%	-2.9%	472.0	524.2	-10.0%
Operating Income	694.1	10.6%	462.8	6.8%	50.0%		2,473.8	9.5%	1,778.7	6.7%	39.1%	50.1	35.5	41.2%
EBITDA	749.0	11.5%	554.8	8.1%	35.0%		2,822.0	10.9%	2,153.6	8.1%	31.0%	54.1	42.6	27.1%
Controlling Net Income	337.0	5.2%	456.2	6.7%	-26.1%		1,653.0	6.4%	1,479.4	5.5%	11.7%	24.3	35.0	-30.5%
<b>CICSA</b>														
Sales	4,742.2	100.0%	4,845.6	100.0%	-2.1%		15,552.6	100.0%	18,818.2	100.0%	-17.4%	342.6	371.9	-7.9%
Operating Income	674.4	14.2%	746.7	15.4%	-9.7%		2,162.0	13.9%	2,816.4	15.0%	-23.2%	48.7	57.3	-15.0%
EBITDA	827.7	17.5%	899.9	18.6%	-8.0%		2,715.8	17.5%	3,357.0	17.8%	-19.1%	59.8	69.1	-13.4%
Controlling Net Income	189.1	4.0%	618.8	12.8%	-69.4%		1,294.4	8.3%	2,076.0	11.0%	-37.6%	13.7	47.5	-71.2%

<b>Balance Sheet Data</b>						
	Million PESOS(MXN)			(MM USD)		
	4Q14	4Q13	Var %	4Q14	4Q13	Var %
<b>GRUPO CARSO</b>						
Cash & Equivalents	7,777.4	6,898.5	12.7%	561.9	529.5	6.1%
Short Term Investments	6,313.2	3,655.0	72.7%	456.1	280.5	62.6%
Trade Receivables, Net	18,408.0	21,337.4	-13.7%	1,329.9	1,637.7	-18.8%
Inventories	13,684.1	14,326.5	-4.5%	988.6	1,099.6	-10.1%
Other current assets	3,641.0	4,867.9	-25.2%	263.0	373.6	-29.6%
<b>Current Assets</b>	<b>49,823.8</b>	<b>51,085.3</b>	<b>-2.5%</b>	<b>3,599.5</b>	<b>3,921.0</b>	<b>-8.2%</b>
Accounts Receivable, Net	48.1	59.6	-19.3%	3.5	4.6	-24.0%
Investments in Associates	12,464.3	12,004.8	3.8%	900.5	921.4	-2.3%
PP&E, Net	21,849.3	20,311.6	7.6%	1,578.5	1,559.0	1.2%
Investment Properties	2,475.6	2,249.5	10.1%	178.8	172.7	3.6%
Intangible Assets, Net	270.9	302.2	-10.4%	19.6	23.2	-15.6%
Other Non-Current Assets	4,778.4	4,167.8	14.7%	345.2	319.9	7.9%
<b>Non-Current Assets</b>	<b>41,886.6</b>	<b>39,095.5</b>	<b>7.1%</b>	<b>3,026.1</b>	<b>3,000.8</b>	<b>0.8%</b>
<b>Total Assets</b>	<b>91,710.4</b>	<b>90,180.8</b>	<b>1.7%</b>	<b>6,625.5</b>	<b>6,921.8</b>	<b>-4.3%</b>
Short-Term Bank Loans	2,720.3	3,149.5	-13.6%	196.5	241.7	-18.7%
Trade Payables	8,535.8	9,086.0	-6.1%	616.7	697.4	-11.6%
Taxes Payable	2,900.8	3,488.5	-16.8%	209.6	267.8	-21.7%
Other Current Liabilities	8,354.5	7,484.0	11.6%	603.6	574.4	5.1%
<b>Current Liabilities</b>	<b>22,511.4</b>	<b>23,208.0</b>	<b>-3.0%</b>	<b>1,626.3</b>	<b>1,781.3</b>	<b>-8.7%</b>
Long-Term Bank Loans	5,000.0	5,733.4	-12.8%	361.2	440.1	-17.9%
Deferred Tax Liabilities	1,345.5	1,747.0	-23.0%	97.2	134.1	-27.5%
Other Non-Current Liabilities	1,668.1	2,851.4	-41.5%	120.5	218.9	-44.9%
<b>Non-Current Liabilities</b>	<b>8,013.6</b>	<b>10,331.8</b>	<b>-22.4%</b>	<b>578.9</b>	<b>793.0</b>	<b>-27.0%</b>
<b>Total Liabilities</b>	<b>30,525.0</b>	<b>33,539.8</b>	<b>-9.0%</b>	<b>2,205.2</b>	<b>2,574.3</b>	<b>-14.3%</b>
<b>Stockholder's Equity</b>	<b>61,185.4</b>	<b>56,641.0</b>	<b>8.0%</b>	<b>4,420.3</b>	<b>4,347.4</b>	<b>1.7%</b>
Shares Outstanding ( '000)	2,289,802	2,289,802	0.0%	2,289,802	2,289,802	0.0%
Stock Price	72.6	69.5	4.5%	5.24	5.33	-1.6%
NA=Not Applicable						