

First Quarter 2014 Results

Mexico City, April 24, 2014 Grupo Carso S.A.B. de C.V. (BMV: GCARSO OTC: GPOVY) announced today its results for the first quarter of 2014.

Highlights

- **Operating income** reached \$2,066 MM Ps, growing 3.4% compared to the 1Q13.
- **EBITDA** increased 5.1% with an expansion of 1.2 percentage points in the margin, which was 13.2% of sales.
- **Controlling Net income** grew 20.7%, totaling \$1,689 MM Ps.

Summary of Relevant Events

- On March 7, 2014 Grupo Carso announced that it was notified of the resolution issued by the Federal Telecommunications Institute (FTI) for determining, on the grounds of economic interest group, that it is an economic leading operator on telecom.
- On March 31, 2014 Grupo Carso informed to the investors that it filed an injunction against the decision of the FTI under the following considerations: i) it does not have a concession in telecom, ii) it is a publicly traded company comprised of public sectors and activities iii) it is unable to perform activities of entities with concessions in telecommunications. Therefore, the FTI measures imposed are considered unenforceable.
- On April 7, 2014 the Board of Directors approved the appointment as new CEO of Grupo Carso S.A.B. de C.V. of Mr. Antonio Gómez García, -who is currently CEO of Carso Infraestructura y Construcción S.A. de C.V. and Grupo Condumex, S.A. de C.V.- in substitution of Mr. Jose Humberto Gutiérrez-Olvera Zubizarreta, who decided to take his retirement, even though he will remain as part of the Board of Directors of the Company.

Summary

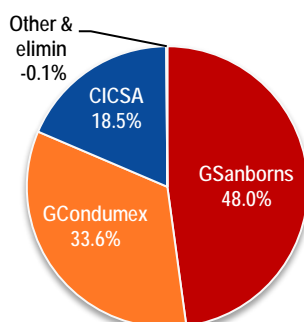
Amounts in million pesos (MM Ps)

Consolidated Results	1Q14	1Q13	Var %
Sales	18,814	19,701	-4.5%
Operating Income	2,066	1,998	3.4%
<u>Controlling Net Income</u>	<u>1,689</u>	1,400	20.7%
<u>EBITDA</u>	<u>2,492</u>	2,371	5.1%
Operating Margin	11.0%	10.1%	
<u>EBITDA Margin</u>	<u>13.2%</u>	12.0%	

CONSOLIDATED RESULTS

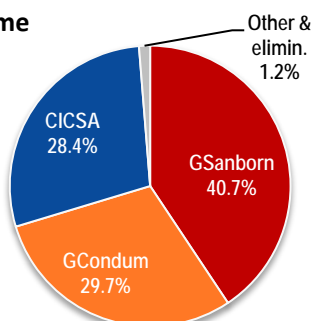
Revenues

1Q14 Revenue Breakdown

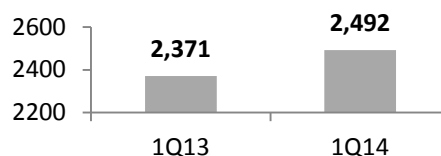


Operating Income and EBITDA

1Q14 Op. Income Breakdown



EBITDA (MM Ps)



Financial Results

Financial Results	1Q14	1Q13	Var%
Interest Expenses	-127.2	-154.0	-17.4%
Income (Loss) on derivatives net	38.9	-176.6	NA
Income (Loss) change in value of fin. instrum.	0.0	0.0	0.0%
Interest Income	95.9	69.1	38.7%
Interest (net)	7.6	-261.5	NA
ForEx Results	-26.1	61.8	NA
CFR	-18.5	-199.7	-90.7%
Income taxes	631.5	554.3	13.9%
Earnings from non-consolidated companies	483.9	319.1	51.6%
Non-controlling participation in Net Income	210.4	162.9	29.2%

NA= Not applicable

Net Income

Despite the weakness observed in sales in the three divisions, during the first quarter of the year the controlling net income of Grupo Carso reached \$1,689 MM Ps, posting a sound increase of 20.7% over the 1Q13 net income. This was explained by the following reasons:

- i) A 3.4% growth in the operating income driven by the industrial division, and in a lesser extent by the infrastructure and construction division, due to a reduction of 2.6 percentage points in the cost of goods sold;
- ii) An effect of \$181 MM Ps in the financial performance considering a comprehensive financial cost (CFC) of \$18 MM Ps compared to a \$200 million pesos CFC recorded during the first quarter of the previous year, which included a loss on derivatives of \$177 MM Ps.

Interest-bearing Liabilities

Total debt at March 31, 2014 was \$7,716 MM Ps, a reduction of 13.1% compared with a total debt of \$8,883 MM Ps at the end of December 2013. Net debt was negative by \$3,146 MM Ps, compared to a net debt of \$1,671 MM Ps at December 31, 2013.

Net debt to LTM EBITDA remained stable at (0.2) times compared to December 2013. Additionally, the ratio LTM EBITDA to Interest Expense was 33.8 times in the 1Q14 compared to 10.9 times recorded in the 1Q13.

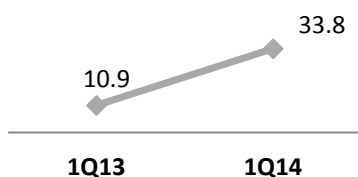
Total Debt by CURRENCY (Includes ForEx Hedges)

Pesos	Dollars
81%	19%

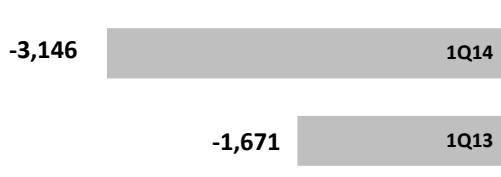
Total bank Debt by TERM

Long T	Short T
65%	35%

LTM EBITDA/Interest Expense



Net Debt (MM Ps)



SEGMENT RESULTS

RETAIL

Consolidated Results	1Q14	1Q13	Var %
Sales	9,024	9,073	-0.5%
Operating Income	840	965	-13.0%
Controlling Net Income	549	651	-15.7%
EBITDA	1,031	1,136	-9.2%
Operating Margin	9.3%	10.6%	
EBITDA Margin	11.4%	12.5%	



Contribution to Consolidated Results
48% SALES
41% OP. INCOME
41% EBITDA

During the 1Q14, consolidated sales of Grupo Sanborns totaled \$9,024 MM Ps, which meant a reduction of 0.5%.

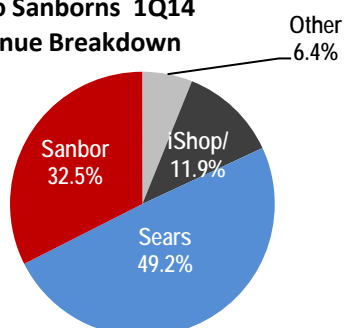
Sears increased 0.9% its **total sales (TS)** but decreased 2.0% its **same store sales (SSS)**, Sanborns reduced 4.4% its TS and 5.8% its SSS, while iShop/Mixup increased 0.7% its TS but decreased 4.9% its SSS.

As was expected, all formats of Grupo Sanborns experienced lower comp sales in the beginning of the year due to: i) Adjustments that consumers made in their budgets in order to incorporate tax increases and ii) weak comparatives in January due to the inertia in the sales of appliances the prior year, and in March due to the Easter Holiday results.

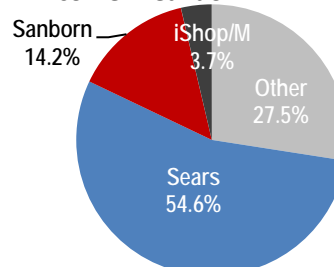
Additionally, even when an improvement was recorded in the gross margin, it was diluted by higher operating expenses due to the impact of wage increases and the opening of the stores of Sears, iShop, and Sanborns Café. Therefore, **operating income** and **EBITDA** were \$840 and \$1,031 million pesos, showing reductions of 13.0% and 9.2%, respectively

Similarly, controlling **net income** totaled \$549 MM Ps representing a 15.7% reduction compared to the net income recorded from January to March 2013, which was \$651 MM Ps.

Grupo Sanborns 1Q14 Revenue Breakdown



Grupo Sanborns 1Q14 Op. Income Breakdown



Note: For additional information please refer to Grupo Sanborns S.A.B. de C.V. 1Q14 Earnings Report.

SEGMENT RESULTS

INDUSTRIAL

Consolidated Results	1Q14	1Q13	Var %
Sales	6,335	6,542	-3.2%
Operating Income	613	437	40.4%
Net Income	520	394	32.0%
EBITDA	711	531	33.8%
Operating Margin	9.7%	6.7%	
EBITDA Margin	11.2%	8.1%	



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

Sales of Grupo Condumex decreased 3.2% from January to March 2014 totaling \$6,335 MM Ps, which was explained by the behavior of the following sectors:

The sector that showed a positive performance was Automotive, with a sound growth of 27.7% on higher sales on harnesses and automotive cable.

Construction reduced its sales 11.8% due to lower dynamism in the turnkey projects and the energy cables. The exception was the line of transformers, where a higher volume was sold compared to the same quarter of the previous year.

Similarly, Telecom decreased 1.3% due to lower sales of installation services, even when the volumes of copper cable, fiber optic and coaxial cables increased.

It is important to mention that due to the sales mix, where the Automotive sector contributed with higher value added products, **operating income** and **EBITDA** totaled \$613 and \$711 million pesos, posting a 40.4% and 33.8% increase, respectively, compared to the first quarter of the previous year.

The improvement in operating results was reflected in a **controlling net income** of \$520 MM Ps, representing an increase of 32.0% compared to a net income of \$394 MM Ps a year ago.

Revenue Breakdown by Business Sector

	Var% 1Q14 vs. 1Q13
Telecom	-1.3%
Automotive	27.7%
Construction	-11.8%

SEGMENT RESULTS

INFRAESTRUCTURE AND CONSTRUCTION



Contribution to
Consolidated Results
19% SALES
28% OP. INCOME
29% EBITDA

Consolidated Results	1Q14	1Q13	Var %
Sales	3,480	4,120	-15.5%
Operating Income	587	580	1.2%
Controlling Net Income	452	414	9.1%
EBITDA	724	685	5.6%
Operating Margin	16.9%	14.1%	
EBITDA Margin	20.8%	16.6%	

CICSA's **sales** were \$3,480 MM Ps, representing a reduction of 15.5% compared to the same period of 2013.

The sectors that increased revenues were: Civil Construction and Ducts Installations, which grew 28.0% and 7.4%, respectively. This was due to the construction progress of various projects, as well as pipeline construction contracts for telecom both in Mexico and South America, compared to the 1Q13.

However these results were overshadowed by lower sales mainly in Manufacturing and Services for the Oil & Chemical Industries, sector that fell 44.0%, since there was a lack of new tenders. The Infrastructure sector decreased 2.7% while Housing decreased 26.7%.

Despite lower sales, during the 1Q14 adjustments to the revenue projections regarding the progress of certain projects were recorded, recognizing higher profitability. For this reason, **operating income** and **EBITDA** increased 1.2% and 5.6%, while margins were 16.9% and 20.8%, respectively.

At the bottom level results, **controlling net income** increased 9.1% from \$414 to \$452 million pesos in the 1Q14, generated by the improvement in the operating results mentioned before.

CICSA's **backlog** was \$18,429 MM Ps at March 31, 2014, reducing 14.2% compared to the amount reported in the same period a year ago. It is important to highlight that this figure does not include \$2,949 MM pesos from projects in consortium with other companies, such as the Atotonilco wastewater plant and the Mitla-Tehuantepec highway.

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, April 25, 2014
 Time: 9:00-9:30 A.M. Mexico City Time/10:00-10:30 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							Million DOLLARS		
Million PESOS	1Q14		1Q13		Var %		1Q14	1Q13	Var %
GRUPO CARSO									
Revenues	18,813.7	100.0%	19,700.9	100.0%	-4.5%		1,421.7	1,556.5	-8.7%
Operating Income	2,065.6	11.0%	1,997.7	10.1%	3.4%		156.1	157.8	-1.1%
EBITDA	2,491.8	13.2%	2,370.8	12.0%	5.1%		188.3	187.3	0.5%
Financial Results	-18.5	-0.1%	-199.7	-1.0%	-90.7%		-1.4	-15.8	-91.1%
Controlling Net Income	1,689.1	9.0%	1,399.9	7.1%	20.7%		127.6	110.6	15.4%
GRUPO SANBORNS									
Sales	9,024.1	100.0%	9,073.5	100.0%	-0.5%		681.9	716.8	-4.9%
Operating Income	839.9	9.3%	965.0	10.6%	-13.0%		63.5	76.2	-16.8%
EBITDA	1,031.3	11.4%	1,135.5	12.5%	-9.2%		77.9	89.7	-13.1%
Controlling Net Income	549.1	6.1%	651.2	7.2%	-15.7%		41.5	51.4	-19.3%
GRUPO CONDUMEX									
Sales	6,334.6	100.0%	6,542.4	100.0%	-3.2%		478.7	516.9	-7.4%
Operating Income	613.2	9.7%	436.7	6.7%	40.4%		46.3	34.5	34.3%
EBITDA	710.6	11.2%	531.1	8.1%	33.8%		53.7	42.0	28.0%
Controlling Net Income	520.2	8.2%	394.0	6.0%	32.0%		39.3	31.1	26.3%
CARSO INFRAESTRUCTURA Y CONSTRUCCIÓN									
Sales	3,480.1	100.0%	4,119.7	100.0%	-15.5%		263.0	325.5	-19.2%
Operating Income	586.6	16.9%	579.8	14.1%	1.2%		44.3	45.8	-3.2%
EBITDA	723.6	20.8%	685.2	16.6%	5.6%		54.7	54.1	1.0%
Controlling Net Income	451.7	13.0%	414.0	10.0%	9.1%		34.1	32.7	4.4%

NA=Not applicable

Balance Sheet Data						
	Million PESOS			Million DOLLARS		
	1Q14	4Q13	Var %	1Q14	4Q13	Var %
GRUPO CARSO						
Cash & Equivalents	10,862.7	10,553.5	2.9%	820.8	810.0	1.3%
Trade Receivables, Net	18,844.0	21,337.4	-11.7%	1,424.0	1,637.7	-13.1%
Inventories	13,962.7	14,326.5	-2.5%	1,055.1	1,099.6	-4.0%
Other current assets	3,341.1	2,217.8	50.6%	252.5	170.2	48.3%
Current Assets	47,010.5	48,435.2	-2.9%	3,552.4	3,717.6	-4.4%
Accounts Receivable, Net	59.6	59.6	0.0%	4.5	4.6	-1.5%
Investments in Associates	12,408.9	12,004.8	3.4%	937.7	921.4	1.8%
PP&E, Net	20,242.3	20,311.6	-0.3%	1,529.6	1,559.0	-1.9%
Investment Property	2,249.9	2,249.5	0.0%	170.0	172.7	-1.5%
Intangible Assets, Net	295.0	302.2	-2.4%	22.3	23.2	-3.9%
Other Non-Current Assets	4,017.7	2,567.3	56.5%	303.6	197.1	54.1%
Non-Current Assets	39,273.5	37,495.0	4.7%	2,967.7	2,877.9	3.1%
Total Assets	86,284.0	85,930.2	0.4%	6,520.1	6,595.5	-1.1%
Short-Term Bank Loans	2,714.0	3,149.5	-13.8%	205.1	241.7	-15.2%
Trade Payables	6,494.1	9,086.0	-28.5%	490.7	697.4	-29.6%
Taxes Payable	2,239.2	838.5	167.0%	169.2	64.4	162.9%
Other Current Liabilities	7,239.3	7,484.0	-3.3%	547.0	574.4	-4.8%
Current Liabilities	18,686.6	20,558.0	-9.1%	1,412.1	1,577.9	-10.5%
Long-Term Bank Loans	5,002.1	5,733.4	-12.8%	378.0	440.1	-14.1%
Deferred Tax Liabilities	1,361.6	876.8	55.3%	102.9	67.3	52.9%
Other Non-Current Liabilities	2,753.6	2,121.1	29.8%	208.1	162.8	27.8%
Non-Current Liabilities	9,117.2	8,731.3	4.4%	688.9	670.2	2.8%
Total Liabilities	27,803.8	29,289.3	-5.1%	2,101.0	2,248.1	-6.5%
Stockholder's Equity	58,479.8	56,641.0	3.2%	4,419.0	4,347.4	1.6%
Shares Outstanding ('000)	2,289,801	2,289,801	0.0%	2,289,801	2,289,801	0.0%
Stock Price	68.9	69.5	-0.9%	5.20	5.33	-2.5%
NA=Not Applicable						