ALSEA

Results and Relevant Events during the Third Quarter of 2013

- **Solid growth of 8.7% in Same Store Sales during the quarter**
- **Increase of 423 units during the last twelve months, reaching 1,811 total units**
- **Ebitda margin expansion of 160 basis points during the quarter, closing at 13.4%**
- **Reached definitive agreement to acquire VIPS, leader in the Mexican market with a total of 362 units**

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Fabián Gosselin, Alsea's Chief Executive Officer said: *"During the third quarter of the year, we faced a complicated economic environment, with a clear deceleration in the economy, and particularly consumption in Mexico. However, the leadership and positioning of our brands, together with the relevant commercial strategies for the consumer, allowed us to obtain positive growth in same-store sales, which was quite a bit above the rest of the industry."* He added: *"During the quarter we managed to successfully finalize important projects, such as the acquisition of Starbucks Argentina and Starbucks Chile, signature of the strategic partnership agreement to operate Starbucks in Colombia, and of course the purchase agreement reached with Wal-Mart de México to purchase the 362 restaurants under the brands Vips, El Portón, Ragazzi, and La Finca, which will have a positive impact on our 2014 results."*

October, 2013

EMPRESA SOCIALMENTE RESPONSABLE

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Mexico City, October 17, 2013. Alsea, S.A.B. de C.V. (BMV: ALSEA), the leading Quick Service Restaurant, Coffee Shops and Casual Dining operator in Latin America, reported its third quarter 2013 results today. This information is presented according to the International Financial Reporting Standards (IFRS), and is presented in nominal terms.*

CONSOLIDATED RESULTS FOR THE THIRD QUARTER OF 2013

The following table shows a condensed Income Statement in millions of pesos (except EPS). The margin for each item represents net sales, as well as the percentage change in the quarter ended September 30, 2013, in comparison with the same period of 2012:

	3Q 13	Margin %	3Q 12	Margin %	Change %
Net sales	$4,082.3	100.0%	$3,502.5	100.0%	16.6%
Gross Income	2,717.4	66.6%	2,272.6	64.9%	19.6%
EBITDA(1)	545.9	13.4%	412.5	11.8%	32.3%
Operating income	305.4	7.5%	202.4	5.8%	50.9%
Majority Net Income	$183.8	4.5%	$84.3	2.4%	118.2%
EPS (2)	0.794	N.A.	0.471	N.A.	68.6%

(1) EBITDA is defined as operating income before depreciation and amortization.
(2) EPS is earnings per share for the last 12 months.

Net sales increased 16.6% to 4,082 million pesos in the third quarter of 2013, in comparison with 3,502 million pesos in the same quarter of the prior year. This increase reflects the growth in sales of the food and beverage segments in Mexico and South America, mainly due to the increase in the number of units, the 8.7% growth in same-store sales and to a lesser extent, which was partially offset by lower revenues to third parties from the distribution and production segment and the effect from the devaluation of the Argentinean peso.

Growth in brand sales was due to the net increase of 229 corporate units in the last twelve months, as well as the increase in same-store sales for the operations in Mexico and South America, mainly as a result of a higher average ticket, because of the commercial and price strategies implemented by each brand and to a lower extent due to a higher volume of transactions.

During the third quarter of 2013, gross income increased 445 million pesos to 2,717 million pesos, with a gross margin of 66.6%, compared with 64.9% recorded in the same period of the previous year. The increase of 1.7 percentage points in the gross margin is mainly attributed to the strategy of price increase and emphasizing premium products from some brands, to the cost effect because of the appreciation of the peso against the dollar over the last twelve months, and to the positive effect from the businesses mix.

Operating expenses (excluding depreciation and amortization) increased 0.1 percentage points, growing from 53.1% during the third quarter of 2012, to 53.2% in the same period of 2013. This increase can be attributed mainly to the aforementioned business mix in which the units with larger sales growth are those that generate higher expenses as a percentage of sales and to a lesser extent to the increase in labor costs. This effect was partially offset by the margin from the growth in same-store sales and to the increase in the number of units.

As a result of the 19.6% growth in gross income and the 16.7% increase in operating expenses (excluding depreciation and amortization), EBITDA grew 32.3% to 546 million pesos at the close of the third quarter of 2013, compared with the 413 million pesos in the same period of the prior year. The increase in EBITDA of 133 million pesos is mainly attributable to the growth in same-store sales and to the increase in the number of units. The EBITDA margin as a percentage of sales increased 160 basis points, rising from 11.8% in the third quarter of 2012 to 13.4% during the same period of 2013. The improvement in EBITDA margin is attributed to the growth in same-store sales, to the business mix, to a higher gross margin due the initiatives, commercial and price strategies implemented by the brands in the portfolio, as well as to the positive effect in the exchange rate and the operating efficiencies.

Consolidated majority net income for the quarter increased 100 million pesos, closing at 184 million pesos, compared with 84 million pesos in the third quarter of 2012, mainly due to the increase of 103 million pesos in the operating income, to the 18 million pesos decrease in the all-in cost of financing. Those variations were partially offset by the increase of 27 million pesos in taxes on earnings and to the negative variation of 4 million pesos in the results of associated companies.

Earnings per share "EPS"(2) for the twelve months ended September 30, 2013, increased to 0.794 pesos, in comparison with 0.471 pesos for the twelve months ended September 30, 2012.

RESULTS BY SEGMENT

Net sales and EBITDA are shown below by business segment in millions of pesos for the third quarter of 2013 and 2012.

Net Sales by Segment	*3Q 13*	*% Cont.*	*3Q 12*	*% Cont.*	*% Var.*
Food and Beverages – Mexico	$2,635.9	64.6%	$2,206.1	63.0%	19.5%
Food and Beverages – South America	1,172.6	28.7%	948.2	27.0%	23.7%
Distribution and Production	1,088.7	26.7%	1,014.3	29.0%	7.3%
Intercompany Operations	(814.8)	(20.0)%	(666.2)	(19.0)%	22.3%
Consolidated Net Sales	**4,082.3**	**100.0%**	**3,502.5**	**100.0%**	**16.6%**

EBITDA by Segment	*3Q 13*	*% Cont.*	*Margen*	*3Q 12*	*% Cont.*	*Margen*	*% Var.*
Food and Beverages – Mexico (3)	$401.2	73.5%	15.2%	$329.3	79.8%	14.9%	21.8%
Food and Beverages – South America(3)	107.9	19.8%	9.2%	75.8	18.4%	8.0%	42.3%
Distribution and Production	60.8	11.1%	5.6%	56.3	13.7%	5.6%	7.9%
Others(3)	(24.0)	(4.4)%	(2.9)%	(49.0)	(11.9)%	(7.4)%.	N/A%
Consolidated EBITDA	**545.9**	**100.0%**	**13.4%**	**412.5**	**100.0%**	**11.8%**	**32.3%**

(3) For the purpose of presenting comparable information by segment, the information for each respective segment excludes corporate expenses and other related intercompany expenses.

Food and Beverages – Mexico

Sales in the third quarter of 2013 increased 19.5% to 2,636 million pesos, in comparison with 2,206 million pesos in the same period of 2012. This positive variation of 430 million pesos is mainly attributable to the growth in same store sales for the segment in Mexico and to the increase of 151 corporate units from its various brands over the last twelve months.

EBITDA increased 21.8% during the third quarter of 2013 to 401 million pesos, compared with the 329 million pesos reported in the same period of the prior year. That increase is attributed to the positive growth in same-store sales and to a higher gross margin due the initiatives, commercial and price strategies implemented by the brands in the portfolio and a better exchange rate, and to a lesser extent, to the effect due to the aforementioned business mix.

Food and Beverages – South America

At the end of the third quarter of 2013, the Food and Beverages – South America division represented 28.7% of Alsea's consolidated sales and was comprised of Burger King Operations in Argentina, Chile and Colombia, as well as Domino's Pizza Colombia, Starbucks Coffee Argentina and Chile, PF Chang´s in Chile, Argentina and Colombia with a total of 273 corporate units and 2 sub-franchise units of Domino's Colombia. This division presented a 23.7% growth in sales, totaling 1,173 million pesos, in comparison with 948 million pesos in the third quarter of 2012. This increase of 224 million pesos was mainly due to the increase of 78 corporate units and two sub-franchise unit over the last twelve months, as well as to the increase in same-store sales in the South America division.

At the end of the third quarter of 2013, EBITDA for the Food and Beverages – South America division increased 42.3% to 108 million pesos, in comparison with 76 million pesos in the same period of the prior year. The increase of 120 basis points in the EBITDA margin as compared to the same quarter of last year, is attributable to the effect from the same store sales growth and by having more units in operation.

Distribution and Production

Net sales during the third quarter of 2013 increased 7.3% to 1,089 million pesos, in comparison with 1,014 million pesos in the same period of 2012. The foregoing is due to the growth in same-store sales of the brands in Mexico and to the increase in the number of units served over the last twelve months, supplying a total of 1,536 units as of September 30, 2013, in comparison with 1,471 units during the same period of the prior year, which was an increase of 4.4% year on year. Revenue to third parties decreased 19.6% to 275 million pesos, mainly due to the merge of Burger King Mexico, the decrease in same-store sales of the Burger King

System and the negative effect in the cost line within the brands, because of the positive variation in the exchange rate.

EBITDA increased 7.9% during the third quarter of 2013. This positive variation is attributable to the 7.3% growth in net sales as well as to the margin increase in the bakery business unit due to the increase in volumes and lower production costs. These variances were partially offset by the exchange rate effect.

NON-OPERATING RESULTS

All-In Cost of Financing

The all-in cost of financing in the third quarter of 2013 decreased to 38 million pesos, in comparison with 56 million pesos during the same period of the prior year. This 18 million pesos decrease can be mainly attributed to the positive variation of 32 million pesos of exchange rate profits, offset by an increase of 14 million pesos in net interest paid as a consequence of a higher leverage.

Tax on earnings

Taxes on earnings of 83 million pesos increased 27 million pesos in comparison with the same quarter of the prior year, which is a result of the 117 million pesos increase in earnings before taxes at the close of the third quarter of 2013.

BALANCE SHEET

Store Equipment, Improvements to Leased Locations and Properties, Brand Use Rights, Goodwill and Pre-Operations

The increase of 2,031 million pesos in this line was mainly due to the acquisition of assets and opening of new stores as a part of the expansion program over the last twelve months. This was partially offset by the amortization and depreciation of assets in accordance with accounting policies and to a lesser extent, to the write-off of assets due to unit closures.

During the nine months ended September 30, 2013, Alsea made capital investments of 3,371 million pesos, from which 3,284 million pesos, equivalent to 97.4% of total investments, were for acquisitions, unit openings, equipment refurbishing, and remodeling existing stores for the different brands that the Company operates. The remaining 87 million pesos were earmarked for other items, notably energy efficiency initiatives, logistics improvement projects, as well as software licenses, among other items.

Bank Debt and Local Bonds

At September 30, 2013, Alsea's total debt increased by 1,524 million pesos, closing at 5,052 million pesos, in comparison with 3,528 million pesos on the same date of the previous year. The Company’s net consolidated debt compared with the third quarter of 2012 increased 1,661 million pesos, closing at 4,471 million pesos on September 30, 2013, compared with the 2,810 million pesos in the same quarter of the previous year.

At September 30, 2013, 95.0% of the debt was long term, and on that same date 98.9% of the debt was denominated in Mexican pesos and 1.1% in Argentinean pesos.

The following table shows the amount of total debt in millions of pesos at September 30, 2013, as well as the maturity dates by year:

	Balance	Maturities											
	3Q 13	2013	%	2014	%	2015	%	2016	%	2017	%	2018	%
Debt	**$5,052.3**	$155	3.1%	$207	4.1%	$475	9.4%	$533	10.5%	$686	13.6%	$2,995	59.3%

Financial Ratios

At September 30, 2013, the covenants established in the Company’s credit contracts were as follows: the net debt to EBITDA ratio for the last twelve months was 2.3x and the twelve-month EBITDA to twelve-month interest paid ratio was 8.7x.

The Net Return on Invested Capital (“ROIC”)[4] increased from 7.5% to 10.9% over the twelve months ended September 30, 2013. The Return on Equity (“ROE”)[5] for the twelve months ended September 30, 2013, was 12.8% in comparison with 9.4% for the same period in the prior year.

KEY NUMBERS

Financial Indicators	3Q-13	3Q-12	Variation
EBITDA[1] / Interest Paid	8.7x	6.1x	N.A
Net Debt / EBITDA[1]	2.3x	1.9x	N.A
ROIC [4]	10.9%	7.5%	340 bps
ROE [5]	12.8%	9.4%	340 bps

Stock Market Indicators	3Q-13	3Q-12	Variation
Book Value per Share	$5.94	$5.19	14.4%
EPS (12 months) [2]	0.794	0.471	68.6%
Shares in circulation at the close of the period (million)	687.76	634.27	7.0%
Price per share at close	$36.91	$20.02	84.4%

(4) ROIC is defined as operating income after taxes (LTM) over net operating investment (total assets – cash and short-term investments – no-cost liabilities).
(5) ROE is defined as net earnings (last 12 months) over shareholders' equity.

BRAND	UNITS 3Q-13
Domino's Pizza	620
Burger King	543
QSR	**1,163**
Starbucks	519
Coffee Shops	**519**
Chili's Grill & Bar	38
California Pizza Kitchen	16
P.F. Chang´s China Bistro	15
Pei Wei Asian Diner	3
Italianni´s	57
Casual Dining	**129**
ALSEA TOTAL UNITS	**1,811**
Corporate	**1,371**
Sub-franchisees[6]	**440**

(6) 208 Domino´s, 218 Burger King, 12 Italianni´s and 2 California Pizza Kitchen

MÉXICO	ARGENTINA	CHILE	COLOMBIA
1,536	138	85	52

The Company's shares are traded on the Mexican Stock Exchange under the ticker ALSEA*

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ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT SEPTEMBER 30, 2013 Y 2012
(In thousands of nominal pesos)

	September 30, 2013	September 30, 2012
ASSETS		
Current assets:		
Cash and short-term investments	$ 581,056	$ 718,361
Clients	378,588	253,392
Other accounts and documents receivable	151,646	223,119
Inventory	570,655	515,822
Taxes recoverable	370,666	254,542
Other current assets	546,135	435,659
Current assets	2,598,746	2,400,895
Investments in shares of associated companies	188,387	40,175
Store equipment, improvements to leased locales, and property, net	4,454,170	3,706,795
Brand use rights, goodwill and pre-operations, net	3,761,340	2.478.018
Deferred Income Tax	942,684	809,258
Total Assets	**$ 11,945,327**	**$ 9,435,141**
LIABILITIES		
Short term:		
Providers	$ 1,108,040	$ 930,318
Taxes payable	330,905	335,216
Other accounts payable	992,541	952,547
Bank credits	252,816	355,785
Short-term liabilities	2,684,302	2,573,866
Long term:		
Bank credits	2,309,706	2,177,061
Unsecured local bonds	2,489,758	995,335
Other long-term liabilities	125,303	117,466
Long-term liabilities	4,924,767	3,289,862
Total Liabilities	**7,609,069**	**5,863,728**
SHAREHOLDERS' EQUITY		
Minority interest	250,874	278,135
Majority interest:		
Capital stock	403,339	376,595
Net premium in share placement	2,057,417	1,378,543
Accumulated income	1,400,656	1,373,554
Income during the year	406,416	232,507
Conversion effects – foreign entities	(182,444)	(67,921)
Majority interest	4,085,384	3,293,278
Total Shareholders' Equity	**4,336,258**	**3,571,413**
Total Liabilities and Shareholders' Equity	**$ 11,945,327**	**$ 9,435,141**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(In thousands of nominal pesos)

	Three months ended, September 30,		Nine months ended, September 30,	
	2013	2012	2013	2012
Net sales	**$** 4,082,341	**$** 3,502,452	**$** 11,301,714	**$** 9,891,059
Cost of sales	1,364,906	1,229,881	3,783,048	3,511,643
Gross Income	**2,717,435**	**2,272,571**	**7,518,667**	**6,379,416**
Operating expenses	2,171,502	1,860,047	6,094,262	5,249,910
Depreciation and amortization	240,526	210,167	674,820	597,676
Operating income	**305,406**	**202,356**	**749,585**	**531,830**
All-in cost of financing:				
Interest paid – net	60,841	47,283	130,220	148,256
Exchange rate (loss) profit	(23,278)	8,281	9,289	2,362
	37,563	55,565	139,509	150,618
Share in the results of associated companies	(1,123)	3,303	3,191	13,577
Income before taxes	**266,721**	**150,094**	**613,267**	**394,789**
Tax on earnings	82,615	55,521	209,472	144,411
Consolidate net income	**184,106**	**94,573**	**403,795**	**250,378**
Minority Interest	282	10,319	(2,621)	17,870
Majority net Income	$ **183,824**	$ **84,254**	$ **406,416**	$ **232,508**

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ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(In thousands of nominal pesos)

	September 30, 2013	September 30, 2012
Operating activities:		
Consolidated result before income taxes	**$ 613,267**	**$ 394,789**
Income from investments:		
Depreciation and amortization of brands	674,820	597,676
Income or loss on sales of fixed assets	14,661	51,954
Other entries	(3,191)	(13,577)
Total	**1,299,557**	**1,030,842**
Clients	(14,271)	(5,018)
Inventory	25,364	(74,821)
Providers	(76,875)	(113,112)
Taxes payable	(434,780)	(25,427)
Other assets and other liabilities	(106,198)	2,272,874
Total	**(606,760)**	**2,054,496**
Net cash flow from operations	**692, 797**	**3,085,338**
Investment activities		
Store equipment, improvements to leased locales, and property	(491,817)	(497,762)
Brand use rights, goodwill and pre-operations, net	(270,357)	(153,793)
Investments in shares of subsidiaries and associated companies	(1,961,200)	(1,886,083)
Net cash flow from investment activities	**(2,723,374)**	**(2,537,638)**
Cash receivable from financing activities	**(2,030,577)**	**547,700**
Financing activities		
Bank credits and loan payments, net	88,042	(607,376)
Unsecured local bonds	2,489,758	1,804
Dividend Decree	(374,478)	0
Minority interest, net	(433,329)	(53,862)
Sale (repurchase) of shares	5,070	186,221
Net cash flow from financing activities	**1,775,063**	**(473,213)**
Increase (decrease) net of cash	**(255,514)**	**74,487**
Adjustments to cash flow due to exchange rate variations	(96,024)	(95,505)
Cash at the beginning of the period	932,594	739,379
Cash at the end of the period	**$ 581,056**	**$ 718,361**