Results and Important Events during the First Quarter 2014

- **Increase of 8.2% in Same-Store Sales during the first quarter**
- **Increase of 450 units compared to the previous year**
- **Increase of 13.5% in EBITDA in the first quarter**

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Fabián Gosselin, Alsea's Chief Executive Officer said: *"The first quarter of the year presented us with considerable challenges, as we continued to face the effects of the tax reform in Mexico, which increased the contraction in consumption. We have managed to counteract this through our commercial strategies and higher advertising expenses, which has allowed us to increase the number of orders and to obtain positive growth in same store sales. This is in addition to the pressure on cost of sales due to the increased costs of several of our main inputs."* He added: *"The medium- and long-term growth strategies and projects affected the quarter's results, as we had significant growth in pre-operating expenses related to the opening of the Brazilian market, the start of operations of The Cheesecake Factory in Mexico, and openings related to the organic growth plan. We are certain that these projects will help us reach our long-term growth and profitability goals."*

April 2014

Mexico, D.F., April 29, 2014. Alsea, S.A.B. de C.V. (BMV: ALSEA), the leading Quick Service Restaurant (QSR), Coffee Shop and Casual Dining operator in Latin America, reported its first quarter 2014 results today. This information is presented according to International Financial Reporting Standards (IFRS), and it is presented in nominal terms.*

CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2014

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 March 31, 2014, in comparison with the same period of 2013:

	1Q 14	Margin %	1Q 13	Margin %	Change %
Net Sales	$3,992.0	100.0%	$3,398.7	100.0%	17.5%
Gross Income	2,655.6	66.5%	2,236.4	65.7%	18.7%
EBITDA(1)	423.8	10.6%	373.5	11.0%	13.5%
Operating Income	178.0	4.5%	169.4	5.0%	5.1%
Majority net income	$86.8	2.2%	$65.1	1.9%	33.2%
EPS (2)	1.0220	N.A.	0.6334	N.A.	61.4%

(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 17.5% to 3,992 million pesos in the first quarter of 2014, compared with 3,399 million pesos in the prior year. This increase reflects the growth in sales in the Food and Beverages segments in Mexico and South America, derived mainly from the expansion in the number of units, growth of 8.2% in same-store sales, which was partially offset by the effect of devaluation of the Argentine peso, the effects of the tax reform in Mexico, as well as the decrease in third-party revenues in the distribution and production segment.

Growth in brand sales was due to the net increase of 258 corporate units over the last 12 months, as well as growth in same-store sales from the operations in Mexico and South America, arising from more transactions due to our different commercial strategies, and a higher average ticket in the brands due mainly to the increase in prices in the Argentine market.

During the first quarter of 2014, gross income increased 419 million pesos to 2,656 million pesos, with gross margin of 66.5%, in comparison with 65.7% recorded in the same period of the previous year. The 0.8% improvement in gross margin is attributed to the impact on the business mix, as the brands that showed the highest growth are those that have a lower cost of sales as a percentage of their sales. This impact was offset with the implementation of commercial strategies focused on generating higher traffic with more aggressive price promotions, and it was also offset by the increased cost of several main inputs, the effects of the tax reform, store inventories write-off, and by the devaluation of 69 cents in the Mexican peso in comparison with the same quarter of the previous year.

Operating expenses (excluding depreciation and amortization) increased 1.1% as a percentage of sales, rising from 54.8% during the first quarter of 2013, to 55.9% in the same period of 2014. That increase is mainly attributable to higher advertising expenses as part of the commercial strategies of some of our brands, to the increase in pre-operating expenses related to the start of operations of P.F. Chang's in Brazil and of The Cheesecake Factory in Mexico, as well as the opening of units, and to a lesser extent to the aforementioned business mix, in which the units with the highest sales growth are those that generate higher expenses as a percentage of sales. Those effects were partially offset with the margin resulting from the growth in same-store sales, the increase in number of units in operations, and the operating efficiencies obtained during the period.

As a result of the 18.7% growth in gross income and the 19.8% increase in operating expenses (excluding depreciation and amortization), EBITDA grew 13.5% to 424 million pesos at the close of the first quarter of 2014, compared with the 373 million pesos in the same period of the prior year. The increase in EBITDA of 50.3 million pesos is mainly attributable to the growth in same-store sales and to an increase in the number of units. EBITDA margin decreased 40 basis points as a percentage of sales, dropping from 11.0% in the first quarter of 2013, to 10.6% in the same period of 2014, mainly due to the impact of pre-operating expenses and the increase in the cost of some of the main inputs.

Net majority income for the quarter increased 22 million pesos, closing at 87 million pesos, compared with 65 million pesos in the first quarter of 2013, mainly due to lower minority interest, a 16 million pesos decrease in taxes, an increase of 9 million pesos in operating income, and a positive change of 3 million pesos in the result in the share of associated companies. Those variations were partially offset by the increase of 32 million pesos in the all-in result of financing, arising from one-time expense related to the bridge financing for the VIPS acquisition, as well as by a higher leverage as compared to same quarter of last year.

Earnings per share "EPA"[(2)] for the 12 months ended March 31, 2014, increased to 1.0220 pesos, in comparison with 0.6334 pesos for the 12 months ended March 31, 2013.

RESULTS BY SEGMENT

Net sales and EBITDA are shown below by business segment in millions of pesos, for the first quarter of 2014 and 2013.

Net Sales by Segment	***1Q 14***	***% Cont.***	***1Q 13***	***% Cont.***	***% Var.***
Food and Beverages – Mexico	$2,726.8	68.3%	$2,276.5	67.0%	19.8%
Food and Beverages – South America	997.4	25.0%	824.0	24.2%	21.0%
Distribution and Production	1,098.9	27.5%	976.6	28.7%	12.5%
Intercompany Operations [(3)]	(831.0)	(20.8)%	(678.3)	(20.0)%	22.5%
Consolidated Net Sales	**3,992.0**	**100.0%**	**3,398.7**	**100.0%**	**17.5%**

EBITDA by Segment	***1Q 14***	***% Cont.***	***Margin***	***1Q 13***	***% Cont.***	***Margin***	***% Var.***
Food and Beverages – Mexico	$311.2	73.4%	11.4%	$360.4	95.5%	15.8%	(13.7)%
Food and Beverages – South America	53.2	12.6%	5.3%	23.7	6.3%	2.9%	124.8%
Distribution and Production	73.3	17.3%	6.7%	30.5	8.2%	3.1%	139.9%
Others[(3)]	(13.9)	(3.3)%	N.A.	(41.2)	(11.0)%	N.A.	(66.3)%
Consolidated EBITDA	**423.8**	**100%**	**10.6%**	**373.5**	**100%**	**11.0%**	**13.5%**

(3) For the purpose of information by segment, these operations were included in each respective segment.

Food and Beverages – Mexico

Sales for the first quarter of 2014 increased 19.8% to 2,726.8 million pesos, in comparison with 2,276.5 million pesos in the same period in 2013. This favorable variation of 450.4 million pesos is mainly attributable to the increase of 179 corporate units of the different brands over the last 12 months, and to the growth in same-store sales of the segment in Mexico.

EBITDA decreased 13.7% during the first quarter of 2014, closing at 311.2 million pesos, compared with the 360.4 million pesos reported in the same period of the prior year. That decrease is attributable to the pre-operating expenses related to the start-up of operations of The Cheesecake Factory and to the opening of restaurants, as well as the fact that during the quarter an impact on the results of Burger King México was recognized, which arose from an adjustment in inventory at restaurants. The quarterly results were also impacted by the increased cost of some of our main inputs, devaluation of the Mexican peso, and higher advertising expenses as part of the commercial strategies focused on generating higher traffic. Those effects were partially offset with the margin generated by the increase in same store sales and the higher number of units in operation.

Food and Beverages – South America

The Food and Beverages – South America division, represented 25.0% of Alsea's consolidated sales, and at the end of the first quarter of 2014, it was comprised of Burger King operations in Argentina, Chile and Colombia, as well as Domino's Pizza Colombia, Starbucks Argentina and Chile, and P.F. Chang's in Chile, Argentina and Colombia. At the end of the period there were a total of 289 corporate units, and five sub-franchised units. Sales in this segment increased 21.0% to 997.4 million pesos, in comparison with 824.0 million pesos from the first quarter of 2013. This positive variation of 173.4 million pesos was mainly due to the increase of 79 corporate units and 5 sub-franchised units, as well as to the increase in same-store sales, which was partially offset by the impact from devaluation of the Argentine peso.

EBITDA for Food and Beverages – South America at the end of the first quarter of 2014 increased 124.8%, closing at 53.2 million pesos, in comparison with 23.7 million pesos in the same period in 2013. EBITDA margin at the close of the first quarter showed a positive variation of 2.4 percentage points over the same period of the prior year. That increase can be attributed to the margin generated by the growth in same store sales, and the economies of scale arising from the increase in the aforementioned corporate units, as well as a better mix of businesses arising from the acquisition of Starbucks Chile. Those variations were partially offset by increased expenses with restaurant personnel, and by the impact of devaluation of the Argentine peso.

Distribution and Production

Net sales during the first quarter of 2014 increased 12.5% to 1,098.9 million pesos, in comparison with 976.6 million pesos in the same quarter of 2013. This can be attributed to the increase in same store sales of the brands in Mexico, and to the growth in the number of units served in the last 12 months, supplying a total of 1,580 units at March 31, 2014, in comparison with 1,480 units for the same period in the previous year, which was a 6.8% increase. Sales to third parties dropped 9.4%, closing at 266.4 million pesos, due mainly to the merger of Burger King in Mexico.

EBITDA during the first quarter of 2014 grew 139.9%. That variation is attributable to the improved margins of the bakery business, due to higher volume and lower costs of production, and to operating efficiencies in logistical expenses.

NON-OPERATING RESULTS

All-In Cost of Financing

The all-in cost of financing in the first quarter of 2014 increased to 88 million pesos, compared with 56 million pesos in the same period of the prior year. That variation of 32 million pesos can be attributed to the 52 million pesos increase in net interest paid as a consequence of an extraordinary cost of the bridge financing for the VIPS acquisition, as well as to higher leverage. This was partially offset by the 21 million pesos decrease in the exchange loss.

Share in the results of Associated Companies

The result in the share in associated companies during the first quarter of 2014 increased to 6 million pesos, in comparison with 3 million pesos in the same period of the prior year. The increase can be attributed mainly to the incorporation of the results of Grupo Axo, which was partially offset by the exclusion of the results of Starbucks Chile, since as of the acquisition the results are consolidated.

Taxes on earnings

Taxes on earnings of 28 million pesos presented a reduction of 16 million pesos in comparison with the same quarter of the prior year, due to a 20 million pesos drop in earnings before taxes at the close of the first quarter of 2014.

BALANCE SHEET

Investments in the Shares of Associated Companies, Store Equipment, Improvements to Leased Locations and Properties, Brand Use Rights, Goodwill and Pre-Operating Expenses

The increase of 274 million pesos in this line was due to the acquisition of assets and opening of new units as a part of the expansion program over the last 12 months. Those impacts were partially offset with the amortization and depreciation of assets.

During the three months ended March 31, 2014, Alsea made capital investments of 274.5 million pesos, of which 263.6 million pesos, equal to 96% of total investments, were earmarked for unit openings, equipment refurbishing and remodeling existing units for the different brands that the Company operates. The remaining 10.9 million pesos were destined for other items, notably improvement and logistics projects, and software licenses, among other projects.

Inventory

Inventory at March 31, 2014 decreased to 577 million pesos. This 65 million pesos drop, equal to 5.3 days of inventory, can be attributed mainly to the decrease in operations of stocking inputs as part of the cost-optimization strategy, and to a lesser extent to the adjustment of inventory of Burger King México.

Other Current Assets

The increase of 31 million pesos in the Other Current Assets account at March 31, 2014, is mainly attributed to the payment made to secure funds to finalize the acquisition of VIPS, for renewal and contracting of technology services paid in advance, and to a lesser extent to rents paid in advance to some lessors.

Taxes Payable – Net

The decrease of 140 million pesos in Taxes Payable – Net of Taxes Recoverable at March 31, 2014, is mainly attributable to an increase in the balance of the Added Value Tax recoverable.

Debt

At March 31, 2014, Alsea's total debt increased by 2,695 million pesos, closing at 5,111 million pesos, in comparison with 2,416 million pesos on the same date of the previous year. The Company's consolidated net debt in comparison with the close of the first quarter of 2013 increased 3,013 million pesos, closing on March 31, 2014 at 4,580 million pesos, in comparison with 1,567 million pesos in the same quarter of the prior year.

At March 31, 2014, 89.1% of the debt was long term, and on that same date 99% of the debt was denominated in Mexican pesos and the remaining 1% was in Argentine and Chilean pesos.

The following table shows the balance of total debt in millions of pesos at March 31, 2014, as well as the maturity dates for the subsequent years:

	Balance	Maturities									
	1Q 14	2014	%	2015	%	2016	%	2017	%	2018	%
Bank Debt	**$5,111**	$445	9%	$475	9%	$552	11%	$705	14%	$2,933	57%

Financial Ratios

At March 31, 2014, the financial restrictions established in the Company's credit contracts were as follows: the ratio of: i) Gross Debt to EBITDA for the last 12 months was 2.45x; ii) the Net Debt to EBITDA for the last 12 months was 2.19x; and iii) EBITDA for the last 12 months to interest paid over the last 12 months was 7.27x.

The Return on Invested Capital ("ROIC")[(4)] increased from 9.8% to 11.5% during the 12 months ended March 31, 2010. The Return on Equity ("ROE")[(5)] for the 12 months ended March 31, 2014 was 14.7%, in comparison with 11.3% in the same period of the prior year.

KEY NUMBERS

Financial Indicators	1Q 2014	1Q 2013	Variation
EBITDA[1] / Interest Paid	7.3 x	7.5 x	N.A
Gross Debt / EBITDA[1]	2.4 x	1.4 x	N.A
Net Debt / EBITDA[1]	2.2 x	0.9 x	N.A
ROIC [4]	11.5%	9.8%	164 bps
ROE [5]	14.7%	11.3%	338 bps

Stock Market Indicators	1Q 2014	1Q 2013	Variation
Book Value per Share	$6.19	$6.58	(5.9)%
EPS (12 months) [2]	$1.02	$0.63	61.4%
Shares in circulation at the close of the period (millions)	687.8	687.8	0.0%
Price per share at close	$47.39	$35.48	33.6%

(4) ROIC is defined as operating income after taxes (last 12 months) by 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 1Q 2014
Domino's Pizza	631
Mexico	*592*
Colombia	*39*
Burger King	559
Mexico	*436*
Argentina	*73*
Chile	*34*
Colombia	*16*
QSR	**1,190**
Starbucks	548
Mexico	*419*
Argentina	*72*
Chile	*57*
Coffee Shops	**548**
Chili's Grill & Bar	40
California Pizza Kitchen	20
P.F. Chang's China Bistro	17
Mexico	*14*
Argentina	*1*
Chile	*1*
Colombia	*1*
Pei Wei Asian Diner	3
Italianni's	63
Casual Dining	**143**
TOTAL ALSEA UNITS	**1,881**
Corporate	**1,427**
Sub-Franchises(1)	**454**

(1) 215 Domino´s, 226 Burger King, 11 Italianni's and 2 California Pizza Kitchen

MEXICO	ARGENTINA	CHILE	COLOMBIA
1,587	146	92	56

This press release contains certain forward-looking information regarding the Company's results and outlook. However, actual results may vary materially from these estimates. Information on future events contained in this release must be read jointly with the risk summary in the Annual Report. That information, as well as future reports made by the Company or any of its representatives, whether verbally or in writing, may vary significantly from actual results. These projections and estimates, which are prepared with reference to a determined date, should not be taken as fact. The Company is in no way liable for updating or revising any of these projections and estimates, whether as a result of new information, future events or other associated events.

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 FINANCIAL STATEMENTS
AT MARCH 31, 2014 AND 2013
(In thousands of nominal pesos)

	March 31, 2014	March 31, 2013
ASSETS		
Current assets:		
Cash and short-term investments	$ 530,784	$ 849,218
Clients	350,679	325,014
Other accounts and documents receivable	233,668	162,404
Inventory	577,106	430,708
Taxes recoverable	414,569	277,368
Other Current Assets	463,581	407,602
Current assets	2,570,387	2,452,313
Investments in shares of associated companies	794,387	44,898
Store equipment, improvements to leased locales, and property, net	4,666,136	3,873,700
Brand use rights, goodwill and pre-operations, net	3,319,866	2,407,815
Deferred Income Tax	994,253	894,423
Total Assets	**$ 12,345,030**	**$ 9,673,149**
LIABILITIES		
Short term:		
Providers	$ 1,214,621	$ 1,024,924
Taxes payable	379,170	381,554
Other accounts payable	982,725	945,281
Bank credits	556,133	470,162
Short-term liabilities	3,132, 648	2,821,920
Long term:		
Bank credits	2,064,927	1,945,939
Commercial papers	2,489,609	0
Other long-term liabilities	169,551	99,888
Long-term liabilities	4,724,087	2,045,827
Total Liabilities	**7,856,735**	**4,867,747**
SHAREHOLDERS' EQUITY		
Minority interest	229,287	281,379
Majority interest:		
Social Capital	403,339	403,339
Net premium in share placement	2,037,390	2,466,652
Accumulated income	2,083,148	1,742,668
Income during the year	86,778	65,149
Conversion effects – foreign entities	(351,647)	(153,785)
Majority interest	4,259,008	4,524,023
Total Shareholders' Equity	**4,488,294**	**4,805,402**
Total Liabilities and Shareholders' Equity	**$ 12,345,030**	**$ 9,673,149**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013
(In thousands of nominal pesos)

	Three months ended March 31,			
	2014		2013	
Net Sales	$ 3,992,036	100.0%	$ 3,398,746	100.0%
Cost of sales	1,336,476	33.5%	1,162,341	34.2%
Gross Income	**2,655,560**	**66.5%**	**2,236,404**	**65.8%**
Operating Expenses	2,231,807	55.9%	1,862,938	54.8%
Depreciation and amortization	245,753	6.2%	204,099	6.0%
Operating Income	**178,000**	**4.5%**	**169,367**	**5.0%**
All-in cost of financing:				
Interest paid – net	85,346	2.1%	33,224	1.0%
Exchange rate loss	2,237	0.1%	22,752	0.7%
	87,582	2.2%	55,975	1.6%
Share in the results of associated companies	5,722	0.1%	3,148	0.1%
Income before taxes	**96,140**	**2.4%**	**116,540**	**3.4%**
Tax on earnings	27,717	0.7%	43,588	1.3%
Consolidated net income	**68,422**	**1.7%**	**72,952**	**2.1%**
Minority interest	(18,356)	(0.5)%	7,803	0.2%
Majority net income	$ **86,778**	**2.2%**	$ **65,149**	**1.9%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2014 AND 2013
(In thousands of nominal pesos)

	March 31, 2014	March 31, 2013
Operating activities:		
Consolidated result before income taxes	**$ 96,140**	**$ 116,540**
Income from investments:		
Depreciation and amortization of brands	245,753	204,099
Write-down of fixed assets	7,029	3,526
Other entries	(5,722)	(3,148)
Total	**343,200**	**321,017**
Clients	(3,712)	7,545
Inventory	40,470	107,996
Providers	(134,920)	(41,137)
Taxes payable	(170,845)	(114,299)
Other assets and other liabilities	121,501	(43,511)
Total	**(147,506)**	**(83,406)**
Net cash flow from operations	**195,694**	**237,611**
Investment activities		
Store equipment, improvements to leased locales, and property	(230,234)	(168,933)
Brand use rights, goodwill and pre-operations, net	(85,765)	(61,633)
Acquisition of subsidiary	(92,700)	0
Net cash flow from investment activities	**(408,699)**	**(230,566)**
Cash receivable from financing activities	**(213,005)**	**7,045**
Financing activities		
Bank credits and loan payments, net	75,688	(55,170)
Commercial papers, net	759	0
Dividend declaration	0	(30,600)
Minority interest, net	0	(7,803)
Sale (repurchase) of shares	0	0
Net cash flow from financing activities	**76,447**	**(93,573)**
Increase (decrease) net of cash	**(136,558)**	**(86,528)**
Adjustments to cash flow due to exchange rate variations	4,072	3,152
Cash at the beginning of the period	663,270	932,594
Cash at the end of the period	**$ 530,784**	**$ 849,218**