



Fourth Quarter and Full Year 2006 Results and Relevant Events

- Growth of 30.3% in revenues and 55.0% in EBITDA ⁽¹⁾ during the fourth quarter of 2006, and 29.2%, 42.2% respectively during the full year 2006.
- Same store sales increase of 4.9% during the fourth quarter and 6.0% increase in 2006.
- Net Opening of 21 stores and 6 acquisitions during the quarter. Opening of 75 stores and 55 acquisitions during the full year 2006 to achieve a total of 865 stores versus 728 by the end of last year, which represents an 18.8% increase.
- Increase of \$288 million pesos in EBITDA for the full year 2006 compared with 2005, which represents a 150 bps in EBITDA margin expansion.
- A change in our business strategy in order to maintain our leadership in the market and continue being the best alternative for our customers. Lead us to the need to renew the image of our stores, process already started. As a result, there was a single entry equal to \$229.4 million pesos in depreciation and amortization in the fourth quarter and to \$244.1 million pesos in the entire year of 2006.



Mexico City, February 21, 2007.- Alsea, S.A.B. de C.V. (BMV: ALSEA*), leading restaurant operator in Latin America, today announced results for the fourth quarter and full year 2006. The results have been prepared in accordance with the Mexican Financial Reporting Standards (MFRS) and are adjusted in million of Mexican Pesos in purchasing power as of December 31, 2006.

CONSOLIDATED RESULTS OF THE FOURTH QUARTER 2006

The following table sets forth a condensed income statement in million of Mexican pesos, as well as the percentage of net sales that each line represents, and the change in percentage, when comparing fourth quarter 2006 with fourth quarter 2005.

	4Q 06	Margin %	4Q 05	Margin %	Change %
Net sales	\$1,627	100%	\$1,249	100%	30.3%
Gross Profit	1,087	66.8%	801	64.2%	35.7%
EBITDA ⁽¹⁾	299	18.4%	193	15.4%	55.0%
Operating (Loss) Income	(19)	(1.2%)	129	10.3%	(114.6%)
Net Income	(\$35)	(2.1%)	\$51	4.1%	(167.7%)

(1) EBITDA. Operating income before depreciation and amortization.

Net sales increased 30.3% to \$1,627 million pesos in the fourth quarter 2006, compared with \$1,249 million pesos in the fourth quarter of last year. This increase was attributable to revenue growth in all of our brands, as well as the inclusion of Burger King Argentina and Chile. The sales growth of the different brands, was due to: i) the opening of 75 corporate stores and the acquisition of an additional 50 stores including the operations of Burger King in Latin America; and ii) the 4.9% same store sales increase; and iii) the increase in distribution revenues to third parties. The openings and acquisitions before mentioned provoke a change in the sales mix of our portfolio due to the brand with more units growth, generate bigger volumes of sales per unit.

EBITDA increased 55.0% to \$299 million pesos in the fourth quarter of 2006, compared to \$193 million pesos in the same quarter of 2005. This increase was the result of higher sales and the decrease of 260



bps in the cost of sales, due to the variation in the revenue mix of Alsea's portfolio, better prices in certain raw materials and having achieved a series of operating efficiencies. Operating expenses (excluding depreciation and amortization) rose 29.5% equal to \$179.5 million pesos, due to a larger number of stores. During the fourth quarter the Ebitda margin increased from 15.5% to 18.4% due to the increase in gross profit and to a lower extent to the decrease from 48.7% to 48.4% in operating expenses (excluding depreciation and amortization). The decrease of 30 bps in operating expenses was affected by the increase in personnel expenses related with the cost of the stock option plan offered to some executives of the Company, and to the growth of some structures that will support the future growth, as well as to the change in revenue mix.

The operating income of the fourth quarter declined \$148 million pesos, due to the \$254.3 million pesos increase in depreciation and amortization. Out of this figure \$229.4 million pesos, equivalent to 90% of the increase, corresponded mainly to the change in the useful lives of the improvements carried out in the leased establishments of all of the company's brands. As of this moment, the commercial life of such assets is being considered, and not necessarily their physical life as in the past. This is due to a new business strategy that the company has decided to implement as part of its 2007-2011 Strategic Plan. Although the company is aware that this single entry will impact financial results, there will be no important effect in the future. Likewise, and to a lesser degree, depreciation and amortization also grew because of the fixed assets that were purchased mainly with respect to the expansion plan and the acquisitions that were carried out. Such variations were partially offset by the \$106 million pesos increase in EBITDA.

Consolidated net income decreased \$86 million pesos, mostly due to the aforementioned \$148 million pesos decrease in operating income and to the \$5.5 million pesos negative variation in the results of Discontinued Operations. These variations were partially offset by: i) the \$23.5 million pesos favorable variation in other income, mainly due to the result of an Income Tax refund; ii) the \$17.4 million pesos decrease in the Income Tax and Employees' Profit Sharing reserve; iii) the \$11.3 million pesos drop in interest expenses; and iv) the \$15.3 million pesos positive increase in the interest in associated companies.

RESULTS PER SEGMENT

The following table sets forth the sales and EBITDA per segment, in million of Mexican pesos for the fourth quarter of 2005 and 2006.

<i>Net Sales per Segment</i>	4Q 06	%	4Q 05	%	Change %
Food & Beverages	\$1,330	81.7%	\$1,032	82.6%	28.8%
Food & Beverages Latin America	127	7.8%	N/A	N/A	N/A
Distribution	622	38.2%	527	42.2%	18.0%
Other Businesses ⁽²⁾	426	26.2%	306	24.5%	39.2%
Intercompany Operations ⁽³⁾	(878)	(53.9)%	(616)	(49.3)%	(42.5)%
Consolidated Net Sales	\$1,627	100.0%	\$1,249	100.0%	30.3%

<i>EBITDA per Segment</i>	4Q 06	%	4Q 05	%	Change %
Food & Beverages	\$208	69.6%	\$138	71.5%	50.7%
Food & Beverages Latin America	15	5.0%	N/A	N/A	N/A
Distribution	60	20.0%	30	15.5%	100%
Other Businesses ⁽²⁾	16	5.4%	25	13%	36.0%
Consolidate EBITDA	\$299	100%	\$193	100%	55.0%

(2) Other Businesses includes the real state and service companies, as well as the operations of the holding company.

(3) For segment reporting purposes, intersegment operations are included in each of the segment operations.





Food & Beverages

During the fourth quarter of 2006, sales increased 28.8% to \$1,330 million pesos, compared with \$1,032 million pesos in the same quarter of last year. This increase of \$298 million pesos is attributable to the opening of stores and to the increase in same store sales.

EBITDA increased 50.7% to \$ 208 million pesos compared with \$138 million pesos in the same quarter of the last year. This increase reflects higher revenues and the decrease in the cost of sales. These variances were partially offset by the increase in operating expenses due to the change in the sales mix in Alsea's portfolio and the increase in personnel expenses.

Food & Beverages Latin America

The Food & Beverages Latin America division conformed, as of the end of the fourth quarter 2006, by the Burger King Argentina and Chile operations with a total store count of 50 units, had a result in revenues of \$127 million pesos and an EBITDA of \$15 million pesos with an EBITDA margin of 11.8%.

Distribution

Sales during this quarter increased 18.0% to \$622 million pesos versus \$527 million pesos in the same quarter of the last year, which is attributable to the higher number of stores served, achieving 1,015 units versus 895 for 2005, and in a lesser degree to the increase in same store sales of the brands served by Alsea. Third parties revenues increase 15.3% to reach \$248 million pesos.

EBITDA reached \$60 million pesos versus \$30 million pesos in the same quarter of 2005. This increase of \$30 million pesos is attributable to the increase in revenues and a decrease in operating expenses due to better prices in some goods and to the decrease in operating expenses due to the changes in our corporate policy to recover corporate expenses performed in the fourth quarter of last year.

NON-OPERATIVE RESULTS

Integral Cost of Financing

The \$5.4 million pesos integral cost of financing decreased \$11.3 million pesos compared with the same quarter of 2005, due to: i) a \$ 9.2 million pesos decrease in interest paid-net due to a lower leverage and a lower interest rate in bank loans and ii) a \$8.5 million pesos positive variation in the foreign exchange gain due to an appreciation of the peso against the dollar. These variations were partially offset by the \$6.4 million pesos negative variation in the result of monetary position.

Other Products, Expenses - Net

The Other Products line increased from a \$13.0 million pesos expense in the last quarter of 2005 to a \$10.4 million pesos product in the quarter ended as of December 31, 2006. This increase reflects the effect of an income tax refund related with a favorable judgment in this matter.

Discontinued Operations

As of November 2006, date in which we concluded the sale of Spoleto, its results were recognized in Discontinued Operations line. Since the last quarter of 2006 the Domino's Pizza Brazil operations start to be recognized under this concept due to already exists a formal plan to discontinue its operations, which previously were recognized under the equity method.

Minority Stock

Minority Interest increase to \$1 million pesos in the fourth quarter of 2006 compared with the (\$0.7) million pesos in the same quarter of 2005. This increase reflects a higher net income in Starbucks Coffee Mexico.

CONSOLIDATED RESULTS OF THE FULL YEAR 2006

The following table sets forth a condensed income statement in million of Mexican pesos, as well as the percentage of net sales that each line represents, and the change in percentage, when comparing year 2006 with 2005.





	2006	Margin %	2005	Margin %	Change %
Net sales	\$5,808	100%	\$4,496	100%	29.2%
Gross Profit	3,816	65.7%	2,791	62.1%	36.7%
EBITDA ⁽¹⁾	971	16.7%	683	15.2%	42.2%
Operating Income	420	7.2%	472	10.5%	(10.9%)
Net Income	\$220	3.8%	\$275	6.1%	(19.8%)

(1) EBITDA. Operating income before depreciation and amortization.

Net sales increased 29.2% to \$5,808 million pesos in 2006, compared with \$4,496 million pesos in the last year. This increase was attributable to revenue growth in all of our brands, as well as the inclusion of Burger King Argentina and Chile. The sales growth of the different brands, was due to: i) the addition of 75 corporate stores and the acquisition of an additional 55 stores including the Burger King Latin America operations ; and ii) the 6.0% increase in same store sales due to the price strategy implemented in relation to the application of the 0% VAT rate to food sales. The openings and acquisitions previously mentioned provoke a change in the sales mix due to the fact that the brand with higher revenues per unit, were the ones that contributes more to the store count growth.

EBITDA increased 42.2% to \$971 million pesos in 2006, compared to \$683 million pesos in 2005. This increase was the result of higher sales and the decrease of 360bps in the cost of sales due to the price strategy implemented in relation to the application of a 0% VAT rate to food sales, better prices in certain raw materials, a variation in the sales mix of Alsea's portfolio and having achieved a series of operating efficiencies. These variances were partially offset by the 34.9% increase in operating expenses (excluding depreciation and amortization) equal to \$736.9 million pesos due to the growth in the number of stores, increase in personnel expenses and the expenses related to the 0% VAT rate effect to food sales. The EBITDA margin growth from 15.2% to 16.7% was due to the increase in gross profit margin which was partially offset by the increase from 46.9% to 48.9% in operating expenses (excluding depreciation and amortization). This variation in operating expenses is attributable to the increase in personnel expenses related with the recognition in 2006 results of the cost of the stock option plan offered to some executives of the Company, and to the growth of some structures that in a close future will support the future growth of the different brands of our portfolio, as well as to the expenses related to the 0% VAT rate effect to food sales, a variation in the sales mix of Alsea's portfolio, and the increase in the prices above inflation in energy and gas.

The operating income of 2006 declined \$51.5 million pesos, due to the \$339.8 million pesos increase in depreciation and amortization. Out of this figure \$244.1 million pesos, equivalent to 72% of the increase, corresponded mainly to the change in the useful lives of the improvements carried out in the leased establishments of all of the company's brands. As of this moment, the commercial life of such assets is being considered, and not necessarily their physical life as in the past. This is due to a new business strategy that the company has decided to implement as part of its 2007-2011 Strategic Plan. Although the company is aware that this single entry will impact financial results, there will be no important effect in the future. Likewise, and to a lesser degree, depreciation and amortization also grew because of the fixed assets that were purchased mainly with respect to the expansion plan and the acquisitions that were carried out. Such variations were partially offset by the \$288.2 million pesos increase in EBITDA.

Consolidated net income decreased \$54.5 million pesos, mostly due to: i) the aforementioned \$51.5 million pesos decrease in operating income; ii) the \$16.2 million pesos in financial expenses; iii) the \$2.4 million pesos negative variation in non-recurring charges; iv) the \$20.2 million pesos increase in the Income Tax and Employees' Profit Sharing reserve; and v) the \$8.2 million pesos negative increase in the results of Discontinued Operations. These variations were partially offset by: i) the \$22.1 million pesos favorable variation in other products; and ii) the \$21.9 million pesos increase in the interest in associated companies.





RESULTS PER SEGMENT

The following table sets forth the sales and EBITDA per segment, in million of Mexican pesos for the full year of 2005 and 2006.

<i>Net Sales per Segment</i>	2006	%	2005	%	Change %
Food & Beverages	\$4,575	78.7%	\$3,594	79.9%	27.3%
Food & Beverages Latin America	334	5.8%	N/A	N/A	N/A
Distribution	2,245	38.7%	2,033	45.2%	10.0%
Other Businesses ⁽²⁾	1,336	23.0%	1,013	22.5%	31.8%
Intercompany Operations ⁽³⁾	(2,682)	(46.2)%	(2,144)	(47.6)%	(25.0)%
Consolidated Net Sales	\$5,808	100.0%	\$4,496	100.0%	29.2%

<i>EBITDA per Segment</i>	2006	%	2005	%	Change %
Food & Beverages	\$705	72.6%	\$454	66.5%	55.3%
Food & Beverages Latin America	38	3.9%	N/A	N/A	N/A
Distribution	195	20.1%	166	24.3%	17.5%
Other Businesses ⁽²⁾	33	3.4%	63	9.2%	(47.6)%
Consolidate EBITDA	\$971	100%	\$683	100%	42.2%

(2) Other Businesses includes the real state and service companies, as well as the operations of the holding company.

(3) For segment reporting purposes, intersegment operations are included in each of the segment operations.

Food & Beverages

During 2006, sales increased 27.3% to \$4,575 million pesos, compared with \$3,594 million pesos in the same quarter of last year. This increase of \$981 million pesos is attributable to the opening of stores and to the increase in same store sales.

EBITDA increased 55.3% during the twelve months of 2006 to reach \$705 million pesos compared with \$454 million pesos in the same period of last year. This EBITDA increase reflects higher revenues and the decrease in the cost of sales due to the price strategy implemented in relation to the application of 0% VAT effect rate, better prices in some raw materials and having achieved a series of operating efficiencies. These variances were partially offset by the increase in operating expenses due to the growth in the number of stores, the increase in personnel expenses, the expenses related to the 0% VAT rate effect and to the increase in the prices above inflation in energy and gas.

Food & Beverages Latin America

The Food & Beverages Latin America division had a result during May to December, 2006 of \$334 million pesos in revenues and an EBITDA of \$38 million pesos which represents an EBITDA margin of 11.4%.

Distribution

Sales increased 10.4% to \$2,245 million pesos versus \$2,033 million pesos in the last year. This increase of \$212 million pesos is attributable to the higher number of stores served and the increase in same store sales of the different brands of our portfolio. Third parties revenues increased from \$888 million pesos in 2005 to \$890 million pesos in 2006, growth that was affected by the acquisition of 46 stores during 2005 and in a lesser degree by the 6 stores acquired in December, 2006.

EBITDA reached \$195 million pesos versus \$166 million pesos in 2005. This increase of \$29 million pesos is attributable to the increase in revenues, the decrease in cost of sales as a percentage of sales due to the improvement in the price of some goods partially offset by the sales mix that had a bigger growth in sales of goods with lower margins like furniture and store equipment. The operating expenses as a percentage of sales decreased due to the marginality obtained with the sales increase.





NON-OPERATIVE RESULTS

Integral Cost of Financing

The \$47.9 million pesos integral cost of financing increased \$16.2 million pesos compared with 2005, due to: i) a \$ 8.8 million pesos increase in interest paid-net due to a higher leverage during the months previous to our last offering made in May 2006.; ii) a \$1.9 million pesos positive variation in the foreign exchange gain due to an appreciation of the peso against the dollar; and iii) the 5.5 million pesos decrease in the in the result of monetary position.

Other Products, Expenses - Net

The Other Products line increased from a \$20.5 million pesos expense to a \$1.6 million pesos product. The net amount of other products mainly reflects an income tax refund related with a favorable judgment in this matter. The mentioned variations were offset by the incorporation of the accumulated results related with the trust to support the Domino's Pizza brand, as well as the write off of certain assets due to the new Domino's Pizza image store program.

Income Tax & Employees' Profit Sharing reserve

Income Taxes went up \$28.2 million pesos compared to the previous year. The actual Income Tax rate was 38.5% in 2006 and 27.5% in 2005, attributable, among other factors, to the increase in the financial depreciation of certain assets previously mentioned.

The Employees' Profit Sharing reserve of \$2.8 million pesos during the twelve months ended on December 31, 2006. had a decrease of \$8.0 million pesos compared to the \$10.8 million pesos in the same period of the last year.

Discontinued Operations

The item of Discontinued Operations increased negatively by \$8.2 million pesos to close with \$8.9 million pesos. This increase basically reflects the inclusion of the Domino's Pizza operations in Brazil under this concept, which were previously recognized under the equity participation method.

Minority Interest

The minority interest reached to \$6.2 million pesos in 2006 compared to \$3.7 million pesos in the same period of 2005. This increase mostly reflects the effect of the increase in net income of Starbucks Coffee Mexico, partially offset by the acquisition of the remaining 40% of Grupo Aldi carried out in May of 2006.

BALANCE SHEET

Accounts Receivable and Documents Receivable

The \$19.1 million pesos increase was attributable to the increase in accounts receivable as well as the increase in 1day in our accounts receivable turnover due to the Burger King Latin America incorporation and to the increase in revenues which was partially offset by the decrease in other accounts receivable.

Recoverable Taxes – net

The \$28.3 million pesos decrease was due mainly to the VAT refunds provoked by the application of the 0% VAT rate to food sales in Mexico.

Deferred Income Tax– Net

The \$41.6 million pesos increase in deferred net Income taxes is the result of having made adjustments in the useful life of certain assets, already mentioned, which created a difference between the tax depreciation and the accounting depreciation that has an impact on deferred taxes.

Store Equipment, leasehold improvements and property, Trademarks, Goodwill and Pre-operatives.

The \$476.0 million pesos variation is the result of an increase in store equipment, leasehold improvements, trademarks and to the increase in pre-operatives expenses due to the expansion plan and the acquisitions performed along the year.

During 2006 Alsea invested in capital expenditures a total of \$1,133.1 million pesos. Out of this figure \$344.4 million pesos invested in acquisitions and \$788.7 million pesos were invested in the renovation of equipment and store image renewal of some of our brands, as well as improvements to the distribution centers and to a lower extent in real state.





Suppliers

The \$108.2 million pesos increase in suppliers was due to the increase in the company operations, and the increase of 3 days in payable suppliers to reach 42 days as of the end of the third quarter 2006, compared with 39 days at the end of last year.

Accounts Payable

The \$100.5 million pesos increase in accounts payable, was mainly due to the expenses related to the 0% VAT rate effect to food sales, and the provision of the cost of the stock option plan offered to some executives of the Company.

Debt

As of December 31, 2006 long-term debt of the Company was \$346.4 million pesos, and short-term debt was \$132.9 million pesos, compared with \$448.3 and \$322.7 million pesos, respectively, as of December 31, 2005. At the end of 2006 95% of the debt was denominated in Mexican Pesos and the remaining 5% in Chilean Pesos. The net debt of the company decreased \$363.4 million pesos to reach \$243.8 million pesos in 2006 as compared to \$607.2 million pesos at the end of 2005.

Share By-back Program

As of December 31, 2006, the company had a balance in the fund set aside for the 17,431 share by-back equal to approximately \$1.04 million pesos in nominal terms. During the fourth quarter of 2006, the company sold 206,400 shares, net, for approximately \$10.4 million pesos.

Financial Ratios

The current asset-to-liability ratio was 1.0 times, the quick ratio was 0.8 times. The company increased its accounts receivable in 1 day to reach 9 days and inventory turnover decrease to 9 times; the suppliers account increased in 3 days to end the quarter in 42 days.

As a consequence of an decrease in the operative income due to the change in useful life of certain assets, previously mentioned, the Economic Value Added ("EVA")⁽⁴⁾ decreased 90.5% to \$14.4 million pesos as of the end of 2006, compared with \$151.5 million pesos obtained in the last year. Due to the same reason Return Over Invested Capital ("ROIC")⁽⁵⁾ decreased from 23.2%, to 15.8% in 2006.

Excluding the previously mentioned change in useful life of certain assets, the Economic Value Added ("EVA")⁽⁴⁾ generation was \$239.9 million pesos in 2006, and the Return Over Invested Capital ("ROIC")⁽⁵⁾ was 23.8%. Also excluding the effect, Earnings per Share was \$3.0 pesos per share (considering the number of shares before the split) representing a 50% increase.

OTHER RELEVANT EVENTS

Acquisition of 100% of the assets of one, sub-franchisee of Domino's Pizza in Mexico

The last December 22, 2006. we concluded the acquisition of 100% of the assets of one sub-franchisee of Domino's Pizza Mexico. As of the acquisition date the sub-franchisee had six stores in operation in Mexico City, of which five are "Delivery" format and one of them has the exclusive rights for the sale of pizzas inside the "Estadio Azteca".

Sale of Spoleto

The last November 3, 2006. we concluded the sale agreement of Rio con Pasta, S.A. de C.V., company that operated the Spoleto brand in Mexico. At that time Spoleto has two stores located in Mexico City.

Starbucks Coffee Brazil Opening

During the first week of December, 2006. we started with the operations of Starbucks Coffee in Brazil through the opening of two stores located in the mall Morumbi, at São Paulo.





RELEVANT FIGURES

BRAND	Stores 31-Dec-06	Stores 31-Dec-05	Variation	% Annual Growth
Domino's Pizza Mexico	402	387	15	3.9%
Starbucks Coffee Mexico	117	76	41	53.9%
Burger King Mexico	94	78	16	20.5%
Burger King Argentina	27	N.A.	27	N.A.
Burger King Chile	23	N.A.	23	N.A.
Popeyes Chicken & Seafood	9	5	4	80%
Chili's Grill & Bar	17	11	6	54.5%
Spoletto	N.D.	2	(2)	N.A.
Total Corporate	689	559	130	23.3%
Domino's Pizza Brazil	23	27	(4)	(14.8%)
Starbucks Coffee Brazil	2	N.A.	2	N.A.
Total Associates	25	27	(2)	(7.4%)
Domino's Pizza Mexico	151	142	9	6.3%
Total Sub- Franchisees	151	142	9	6.3%
TOTAL STORES	865	728	137	18.8%



Financial Ratios	2006	2005	Variation
EBITDA / Interest paid	16.8x	14.8x	N/A
Net Debt / EBITDA	0.25x	0.9x	N/A
Total Liabilities / Stockholders' Equity	0.49x	0.70x	N/A
ROIC ⁽⁵⁾	15.8%	23.2%	(740) bps
EVA ⁽⁴⁾ (million pesos)	\$14.4	\$151.5	(90.5%)



Stock Ratios	2006	2005	Variation
Book value per Share	\$16.42	\$12.4	32.4%
EPS (ttm)	\$1.44	\$2.0	(28%)
EV ⁽⁶⁾ / EBITDA ttm	9.8x	6.8x	N/A
Shares outstanding (million)	155.8	136.6	14%
Float	36%	27.9%	810 bps
Stock Price	\$58.89	\$27.74	112.3%

(4) EVA is defined as the operating income (ttm) – net invested capital times the cost of equity (considers 17% cost of equity)

(5) ROIC is defined as operating income (ttm) divided by operative investment, net (total assets – cash – non interest bearable liabilities).

(6) EV is defined as market value plus net debt plus minority interest



This press bulletin contains certain forward-looking information relating to the company's results and outlooks. However, the actual results may vary materially from said estimates. The information with respect to future events contained in this bulletin should be read jointly with the risk summary included in the Annual Report. Said information, as well as future reports made by the company or any of its representatives—either orally or in writing—may be materially different from the actual results. These forecasts and estimates, which were prepared referring to a specific date, must not be taken as a fact. The company is in no way responsible for updating or revising these forecasts and estimates, either as a result of new information, future events or other related events.

Alsea is the leading restaurant operator in Latin America—operating global brands of proven success such as Domino's Pizza, Starbucks Coffee, Burger King, Popeyes Chicken & Seafood and Chili's Grill & Bar. Its multi-unit operation is backed by its Shared Services Center, including the supply chain through DIA, real estate and development services, as well as administrative services such as finances, human resources and technology.

Its shares are traded on the Mexican Stock Exchange under the ticker symbol ALSEA.*



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**ALSEA, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2006 AND 2005**

(Thousands of Mexican pesos in purchasing power as of December 31, 2006)

	December 31, 2006	December 31, 2005
ASSETS		
Current:		
Cash	\$ 235,448	\$ 163,772
Accounts receivable	164,559	116,726
Documents receivable	43,870	72,599
Inventories	218,216	140,099
Recoverable taxes	190,003	133,671
Other current assets	59,753	95,182
Total Current Assets	911,849	722,049
Equity interest in associated companies	15,327	3,898
Store equipment, leasehold improvements and property, net	2,163,775	1,809,186
Trademarks, goodwill and pre-operatives, net	719,708	598,297
Deferred Income Tax	85,843	0
Other Assets	5,863	16,333
Discontinued operations	0	5,362
Total Assets	\$ 3,902,366	\$ 3,155,124
TOTAL LIABILITIES		
Short-term:		
Short-term debt	\$ 132,900	\$ 322,718
Suppliers	431,920	323,701
Accounts payable	247,227	146,647
Taxes payable	84,666	0
Total Short-term liabilities	896,714	793,066
Long-term:		
Long-term debt	346,431	448,292
Deferred Income Tax	0	44,207
Other liabilities	34,920	19,886
Total Long-term liabilities	381,351	512,385
Total Liabilities	1,278,065	1,305,451
STOCKHOLDERS' EQUITY		
Capital Stock	517,258	477,473
Additional paid in capital	1,050,984	366,716
Retained earnings	779,891	651,799
Fiscal year earnings	214,128	271,182
Cumulative translation effect from foreign entity	(4,176)	380
Minority Interest	66,215	82,123
Total Stockholders' Equity	2,624,300	1,849,673
Total Liabilities and Stockholder's equity	\$ 3,902,366	\$ 3,155,124





ALSEA, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE THREE AND TWELVE MONTHS
ENDED AS OF DECEMBER 31, 2006 AND 2005
(Thousands of Mexican pesos in purchasing power as of December 31, 2006)

	Three months ended		Twelve months ended	
	December 31		December 31	
	2006	2005	2006	2005
Net sales	\$ 1,627,277	\$1,248,719	\$5,808,117	\$4,496,196
Cost of sales	<u>540,595</u>	<u>447,776</u>	<u>1,991,649</u>	<u>1,704,960</u>
Gross profit	1,086,682	800,943	3,816,468	2,791,236
Operating expenses	<u>787,370</u>	<u>607,842</u>	<u>2,845,479</u>	<u>2,108,483</u>
Depreciation and Amortization	<u>318,147</u>	<u>63,841</u>	<u>550,707</u>	<u>210,936</u>
Operating Income (Loss)	<u>(18,835)</u>	<u>129,260</u>	<u>420,282</u>	<u>471,817</u>
Integral cost of financing				
Interest expense, net	5,579	14,764	46,244	37,428
Foreign exchange loss (gain)	(554)	7,922	2,186	255
Monetary position loss (gain)	<u>343</u>	<u>(6,051)</u>	<u>(510)</u>	<u>(6,002)</u>
	5,368	16,635	47,920	31,681
Other (Products) Expense, net	(10,447)	13,070	(1,627)	20,534
Non-recurring Charges	<u>(77)</u>	<u>0</u>	<u>(1,044)</u>	<u>(3,469)</u>
Income (Loss) before taxes	(13,679)	99,555	375,033	423,071
Income Tax	20,927	29,319	144,421	116,207
Employees' Statutory	<u>1,227</u>	<u>10,282</u>	<u>2,772</u>	<u>10,821</u>
Income (Loss) before equity income of affiliates	(35,833)	59,954	227,840	296,043
Equity income of affiliates	7,264	(8,061)	1,399	(20,513)
Continue Operations Result	(28,569)	51,893	229,239	275,530
Discontinued Operations Result	<u>(6,157)</u>	<u>(615)</u>	<u>(8,892)</u>	<u>(645)</u>
Consolidated net income	(34,726)	51,277	220,347	274,886
Minority Interest	<u>979</u>	<u>753</u>	<u>6,219</u>	<u>3,705</u>
Majority interest net income	<u>\$ (35,705)</u>	<u>\$ 50,524</u>	<u>\$ 214,128</u>	<u>\$ 271,182</u>





ALSEA, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
DECEMBER 31, 2006 AND 2005
(Thousands of Mexican pesos in purchasing power as of December 31, 2006)

	December 31, 2006	December 31, 2005
Operating Activities		
Net Income	\$ 220,347	\$ 274,883
Add Charges (deduce credits) to income not requiring (providing) funds		
Depreciation and amortization, goodwill	550,707	210,934
Equity in results of associated companies	(1,399)	20,512
Income tax and employees statutory profit sharing	4,658	3,998
Deferred income tax	(130,050)	(59,838)
Funds provided by operations	<u>\$ 644,263</u>	<u>\$ 450,489</u>
Net financing from (investing in) operating activities:		
Clients	\$ 24,004	\$ 8,608
Inventories	(59,623)	56,004
Suppliers	70,252	73,214
Taxes	0	0
Other assets and other liabilities	234,687	(242,687)
Funds (used in) provided by workin capital	<u>\$ 269,320</u>	<u>\$ (104,861)</u>
Funds (used in) provided by operating activities	<u>\$ 913,583</u>	<u>\$ 345,628</u>
Financing activities:		
Increase in capital stock and minority interest, net	\$ 702,752	\$ 21,014
Repurchase of shares	12,872	5,609
Debt and payment loans, net	(320,045)	627,370
Dividend payment	(162,709)	(104,250)
Funds provided (used in) financing activities	<u>\$ 232,870</u>	<u>\$ 549,743</u>
Investing Activities		
Store equipment, leasehold improvements and property, net	(368,453)	(459,776)
Asset write-offs	13,405	24,402
Trademarks, goodwill and pre-operatives, net	(352,787)	(304,881)
Investment in shares of associated companies, net dividend collected	(10,030)	(20,592)
Incorporation effect in subsidiaries	(353,645)	(123,916)
Monetary conversion effect	(4,556)	0
Funds provided by (used in) investing activities	<u>\$ (1,076,066)</u>	<u>\$ (884,763)</u>
Increase (decrease) in cash	<u>\$ 70,387</u>	<u>\$ 10,608</u>
Cash beginnig period	\$ 165,061	\$ 153,162
Cash end of period	<u>\$ 235,448</u>	<u>\$ 163,770</u>

