



## First Quarter 2009 Results and Highlights

- Revenue growth of 14.8% and a 28.3% decrease in EBITDA<sup>(1)</sup> during the first quarter of 2009
- 12.3% increase in the last twelve months with respect to total stores and 12.6% in corporate stores, totaling 1,149 and 940 stores, respectively, at the closing of 1Q09
- Same-store sales declined 1.2% during 1Q09, mostly due to the effect of the Easter Holidays and a deceleration in consumption
- Impact of approximately 3.5 percentage points on the operating income margin as a result of the depreciation of the peso
- Total debt of 1,738.0 million pesos compared to 1,790.2 million pesos at the end of the fourth quarter of 2008

Mexico City, April 30, 2009. Today, Alsea, S.A.B. de C.V. (Mexican Stock Exchange or BMV: ALSEA\*), the leading Quick Service Restaurant (QSR) and Casual Dining operator in Latin America, announced results for the first quarter of 2009. The attached results were prepared in accordance with the Mexican Financial Reporting Standards (MFRS) and are presented in nominal terms.

### CONSOLIDATED RESULTS OF THE FIRST QUARTER OF 2009

The following table provides a condensed income statement, in millions of Mexican pesos (with the exception of Earnings per Share or "EPS"), the percentage of net sales that each line represents, and the change in percentage for the quarter ended March 31, 2009 when compared with the same period of 2008:

	<b>1Q 09</b>	<b>Margin %</b>	<b>1Q 08</b>	<b>Margin %</b>	<b>Change %</b>
Net Sales	\$2,084.1	100.0%	\$1,816.1	100.0%	14.8%
Gross Profit	1,291.6	62.0%	1,165.1	64.2%	10.8%
EBITDA <sup>(1)</sup>	173.8	8.3%	242.3	13.3%	(28.3)%
Operating Income	4.6	0.2%	114.3	6.3%	(96.0)%
Consolidated Net Income	(46.3)	(2.2)%	51.6	2.8%	N.C.
EPS <sup>(2)</sup>	0.0553	N.A.	0.7268	N.A.	(92.4)%

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

(2) EPS refers to the earnings per share of the last twelve months.

Net sales increased 14.8% to 2,084.1 million pesos during 1Q09, compared to 1,816.1 million pesos in the same quarter of last year. This increase was attributable to revenue growth in our brands in Mexico and Latin America, as well as to the increase in food distribution sales made to third parties.

The sales growth in our brands was mostly due to the increase of 105 corporate stores, including the 21 stores acquired from Domino's Pizza Colombia in June of 2008 and the 4 stores acquired from California Pizza Kitchen in December of 2008. This was partially offset by the 1.2% decline in same-store sales, which were affected by the consumption contraction and the calendar effect of the Easter Holidays.

During 1Q09, gross income increased 126.4 million pesos, to 1,291.6 million pesos, with a gross margin of 62.0% compared to 64.2% in the year-ago period. The decrease in gross margin was mostly attributable to the increase in the cost of the company's consumables due to the depreciation of the peso, which was not fully offset by the promotional and price increase strategies among our different brands.





Operating expenses (excluding depreciation and amortization) increased 2.8 percentage points as a percentage of sales, from 50.8% during 1Q08 to 53.6% in the same period of 2009. This was mainly attributable to the decline in same-store sales, the rise in expenses related to energy costs, the startup of the Starbucks Coffee Argentina and Burger King Colombia operations, the expenses related to the acquisition of California Pizza Kitchen, the increase in leases and other expenses owing to the depreciation of the peso, and to a lesser extent to the change in revenue mix.

As a result of the aforementioned variations, Ebitda dropped 28.3% to 173.8 million pesos during the period, compared to 242.3 million pesos in the first quarter of 2008. The Ebitda margin declined 5 percentage points, from 13.3% in 1Q08 to 8.3% in the same period of 2009.

The operating income of the first quarter decreased 109.7 million pesos, mostly due to the 68.5-million-peso decrease in Ebitda and to the 41.2-million-peso increase in depreciation and amortization as a result of our having acquired the assets related to the expansion plan.

Consolidated net income declined 97.9 million pesos, mostly due to the 109.7-million-peso decrease in operating income, the 29.7-million-peso increase in the comprehensive cost of financing, and the increase in the loss of discontinued operations of 16.8 million pesos. These effects were partially offset by the 32.3-million-peso decrease in income taxes, and the 26.2-million-peso positive variance in other expenses.

Earnings per Share (EPS)<sup>(2)</sup> of the last 12 months ended March 31, 2009 dropped to 0.0553 pesos, compared to 0.7268 pesos of the last 12 months ended March 31, 2008.

## RESULTS BY SEGMENT

The following table sets forth the net sales and EBITDA by business segment, in millions of Mexican pesos, for the first quarter of 2009 and 2008.

<i>Net Sales by Segment</i>	<i>1Q 09</i>	<i>% Cont.</i>	<i>1Q 08</i>	<i>% Cont.</i>	<i>% Change</i>
Food & Beverages Mexico	\$1,493.7	71.7%	\$1,391.0	76.6%	7.4%
Food & Beverages Latin America	306.8	14.7%	171.0	9.4%	79.4%
Distribution	748.7	35.9%	694.4	38.2%	7.8%
Intercompany Operations <sup>(3)</sup>	(465.0)	(22.3)%	(440.4)	(24.3)%	5.6%
<b>Consolidated Sales</b>	<b>\$2,084.1</b>	<b>100.0%</b>	<b>\$1,816.1</b>	<b>100.0%</b>	<b>14.8%</b>

<i>EBITDA by Segment</i>	<i>1Q 09</i>	<i>% Cont.</i>	<i>Margin</i>	<i>1Q 08</i>	<i>% Cont.</i>	<i>Margin</i>	<i>% Change</i>
Food & Beverages Mexico	\$148.3	85.3%	9.9%	\$178.1	73.5%	12.8%	(16.7)%
Food & Beverages Latin America	7.4	4.3%	2.4%	9.9	4.1%	5.8%	(25.4)%
Distribution	7.7	4.5%	1.0%	48.4	20.0%	7.0%	(84.0)%
Others <sup>(3)</sup>	10.3	5.9%	N.A.	5.8	2.4%	N.A.	77.4%
<b>Consolidated EBITDA</b>	<b>\$173.8</b>	<b>100.0%</b>	<b>8.3%</b>	<b>\$242.3</b>	<b>100.0%</b>	<b>13.3%</b>	<b>(28.3)%</b>

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

### Food & Beverages Mexico

1Q09 sales increased 7.4% to 1,493.7 million pesos, compared to 1,391.0 million pesos in the same period of 2008. This increase of 102.7 million pesos is attributable to the unit expansion during the last twelve months, which was partially offset by the decrease in same-store sales.





Ebitda dropped 16.7% during 1Q09, to 148.3 million pesos, compared to 178.1 million pesos in the year-ago period. This decline is mostly due to the increase in the cost of sales, as a result of the depreciation of the Mexican peso vis-à-vis the US dollar and, to a lesser extent, to the increase in the cost of electric power. This was partially offset by the strategy of promotions and price increases among the different brands, as well as to the decrease in the cost of some raw materials.

#### **Food & Beverages Latin America**

The Food & Beverages Latin America Division—comprising at the closing of 1Q09 the operations of Burger King in Argentina, Chile and Colombia, as well as Domino's Pizza Colombia and Starbucks Coffee Argentina—had a total of 105 stores at the closing of the first quarter. This division had a 79.4% increase in sales, totaling 306.8 million pesos, compared to 171.0 million pesos during the first quarter of the previous year. This was mostly due to the growth in same-store sales, as well as to the opening and acquisition of 42 units during the last twelve months.

EBITDA of the Food & Beverages Latin America Division decreased 25.4%, to 7.4 million pesos. This was mostly attributable to the startup of operations of Starbucks Coffee Argentina and Burger King Colombia, to the negative results of Domino's Colombia and to the price hike in raw materials as a result of the depreciation of the different local currencies vis-à-vis the US dollar.

#### **Distribution**

During the first quarter, net sales rose by 7.8% to 748.7 million pesos, compared to 694.4 million pesos in the same period of 2008. This is attributable to a higher number of stores served, and at March 31, 2009 a total of 1,268 units were being supplied compared to 1,192 in the same period of last year, accounting for a 6.4% increase. Third-party revenues went up 12.0% to 281.1 million pesos, and represented 13.5% of consolidated revenues.

Ebitda reached 7.7 million pesos compared to 48.4 million pesos in the year-ago period, which accounted for an EBITDA margin of 1.0%, i.e. 6 percentage points less compared to the same period of last year. The decreased margin is mostly attributable to the increase in costs of our main consumables due to the depreciation of the peso, as well as to the revenue mix, in view of the fact that the fastest-growing brands are the ones with the lowest margin for DIA, as well as to higher distribution expenses due to the increase in the price of Diesel and the redefinition to recover corporate expenses.

### **NON-OPERATING RESULTS**

#### **Comprehensive Cost of Financing**

The comprehensive cost of financing in 1Q09 went up to 56.8 million pesos, compared to 27.0 million pesos in the year-ago period, which is attributable to the negative variance of 17.0 million pesos in the foreign exchange loss, as a result of the depreciation of the peso and of the currencies of the different Latin American countries vis-à-vis the US dollar, as well as to the 14.7-million-peso increase in interest paid – net, owing to more leverage and a higher financing cost.

#### **Other Expenses - Net**

This item increased 26.2 million pesos in 1Q09 compared to the same period of 2008, mainly due to the restatement of the balance in favor of the wage credit of one of the service companies, which was recovered in March.

#### **Taxes on Earnings**

The tax on earnings was (3.0) million pesos, in view of there having been a loss before taxes.

#### **Discontinued Operations**

The Popeyes operations that were discontinued as of the first quarter had a 20.5-million-peso loss, mostly attributable to the adjustment in the value of this brand's assets, which are undergoing a dissolution process.





## **BALANCE SHEET**

### **Store Equipment, Leasehold Improvements and Property, Trademarks, Goodwill and Pre-operatives**

The 391.7-million-peso variation in this line was attributable to the expansion program and to the acquisitions made during the last twelve months.

During the three months ended March 31 2009, Alsea invested a total of 198.1 million pesos, of which 177.4 million pesos were invested in store openings, renovation of equipment and the remodeling of the existing stores of all our brands. The remaining 20.7 million pesos were invested in other items, particularly software licenses, the supply chain project and the replacement of DIA's machinery and equipment.

### **Recoverable Taxes - Net**

The 49-million-peso increase in recoverable taxes – net of taxes payable, as of March 31, 2009, was mostly attributable to the period's income taxes and the Value Added Tax balances in favor of Distribuidora e Importadora Alsea, S.A. de C.V. ("DIA" – Distribution segment), which was partially offset by the return of the wage credit obtained by one of the service companies in March.

### **Deferred Income Taxes**

The Deferred Income Tax went up from 191.0 million pesos as of March 31, 2008 to 320.8 million pesos as of March 31, 2009. This increase of 129.8 million pesos was mostly due to the recognition of tax losses, to the effect of larger provisions for liabilities and to the tax on assets pending recovery.

### **Accounts Payable**

The 83.3-million-peso increase during the last twelve months in accounts payable is mainly attributable to unpaid balances related to the acquisition of California Pizza Kitchen in December of 2008, as well as to larger provisions related to the growth of the operation.

### **Discontinued Operations**

The net decrease of assets minus liabilities is 49.7 million pesos, which is attributable to the adjustment in the value of the brand's assets, as part of the process of selling Popeyes.

### **Debt**

As of March 31, 2009, Alsea's total debt increased 560.0 million pesos, to 1,738.0 million pesos, compared to 1,177.9 million pesos on the same date last year. This increase is mainly attributable to the development plan of the company's brands, acquisitions made in the last twelve months, as well as to working capital needs and by-back fund operations.

As of March 31, 2009, 59.9% of the debt was long term, compared to 54.8% in the year-earlier period. On the same date, 81% of the debt was denominated in Mexican pesos, 12% in US dollars, 5% in Chilean pesos, and 2% in Argentine pesos and Colombian pesos. The Company's consolidated net debt—compared to the first quarter of 2008—increased 323.3 million pesos, totaling 1,427.6 million pesos as of March 31, 2009 compared to 1,104.3 million pesos on the same date last year.

### **Share By-back Program**

As of March 31, 2009, the company had a balance in the fund set aside for the 15.8-million share by-back, equal to approximately 195.7 million pesos. During the three months ended March 31, 2009, the company bought back - net 4,461,000 shares, equal to approximately 1.7 million pesos.

### **Financial Ratios**

As of March 31, 2009, the company had complied with all the financial restrictions established in the long-term credit agreements. The Net Debt to Ebitda ratio of the last twelve months was 1.48 times, the total Liabilities to Stockholders' Equity ratio was 0.92 times, and the Ebitda to Interests Paid ratio of the last twelve months was 6.6 times.

The Return on Invested Capital ("ROIC")<sup>(4)</sup> decreased from 13.6% to 7.4% during the last twelve months ended March 31, 2009. The Return on Equity ("ROE")<sup>(5)</sup> of the last twelve months ended March 31, 2009 was 1.3% compared to 15.2% year over year.





## RELEVANT FIGURES

BRAND	Stores 1Q-09	Stores 1Q-08	Change	% Annual Change
Domino's Pizza Mexico	425	418	7	1.7%
Domino's Pizza Colombia	21	0	21	N.C.
Starbucks Coffee Mexico	260	211	49	23.2%
Starbucks Coffee Argentina	7	0	7	N.C.
Burger King Mexico	108	109	(1)	(0.9)%
Burger King Argentina	43	33	10	30.3%
Burger King Chile	32	30	2	6.7%
Burger King Colombia	2	0	2	N.C.
Popeyes	9	11	(2)	(18.2)%
Chili's Grill & Bar	28	23	5	21.7%
California Pizza Kitchen	5	0	5	N.C.
<b>Total Corporate</b>	<b>940</b>	<b>835</b>	<b>105</b>	<b>12.6%</b>
Starbucks Coffee Chile	30	23	7	30.4%
Starbucks Coffee Brazil	20	10	10	100.0%
<b>Total Associates<sup>(7)</sup></b>	<b>50</b>	<b>33</b>	<b>17</b>	<b>51.5%</b>
<b>Domino's Sub-Franchisees</b>	<b>159</b>	<b>155</b>	<b>4</b>	<b>2.6%</b>
<b>TOTAL STORES</b>	<b>1,149</b>	<b>1,023</b>	<b>126</b>	<b>12.3%</b>

Financial Ratios	1Q-09	1Q-08	Change
EBITDA <sup>(1)</sup> /Interests paid	6.6 x	16.4 x	N.A
Net debt/EBITDA <sup>(1)</sup>	1.48 x	0.94 x	N.A
Total liabilities/Stockholders' equity	0.92 x	0.67 x	N.A
ROIC <sup>(4)</sup>	7.4%	13.6%	620 bps
ROE <sup>(5)</sup>	1.3%	15.2%	1390 bps

Stock Ratios	1Q-09	1Q-08	Change
Value per share	\$4.76	\$4.89	(2.7)%
EPS (ttm) <sup>(2)</sup>	\$xxx	\$0.7268	(xxx)%
EV <sup>(6)</sup> /EBITDA <sup>(1)</sup> (ttm)	4.4 x	7.9 x	N.A.
Shares outstanding at closing of period (millions)	617.5	616.0	(0.24)%
Float	35.4%	36.3%	(90) bps
Stock price as of end of quarter	\$4.16	\$13.04	(68.1)%

(4) ROIC is defined as operating income after taxes (ttm) divided by operating investment, net (total assets – cash and temporary investments – non-interest bearing liabilities).

(5) ROE is defined as net income (ttm) divided by stockholders' equity.

(6) EV is defined as market value plus net debt plus minority interest, and considers the price per share at the closing of each quarter.

(7) Associated stores are defined as any operation that is recognized by means of the equity method.





*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's shares are traded on the Mexican Stock Exchange under the ticker symbol ALSEA\*.*

**Diego Gaxiola Cuevas**

Corporate Finance Director

Phone: (5255) 5241-7100 / 7152

[ri@alsea.com.mx](mailto:ri@alsea.com.mx)





**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**AS OF MARCH 31, 2009 AND 2008**  
(Thousands of Mexican pesos in nominal terms)

	March 31, 2009	March 31, 2008
<b>ASSETS</b>		
Current assets:		
Cash and temporary investments	\$ 310,351	\$ 73,679
Clients	209,289	231,351
Other accounts and notes receivable	43,972	99,224
Inventories	271,167	212,712
Recoverable taxes	671,602	601,955
Other current assets	137,560	94,631
<b>Total current assets</b>	<b>1,643,941</b>	<b>1,313,552</b>
Investment in shares of associated companies	33,883	26,769
Store equipment, leasehold improvements and property, net	3,025,276	2,825,898
Trademark rights, goodwill and pre-operatives, net	1,034,051	841,716
Deferred income taxes	320,807	191,019
Discontinued operations	25,814	72,583
<b>Total assets</b>	<b>\$ 6,083,773</b>	<b>\$ 5,271,537</b>
<b>LIABILITIES</b>		
Short-term liabilities:		
Suppliers	\$ 430,067	\$ 343,229
Taxes payable	59,936	39,587
Other accounts payable	557,137	473,853
Related parties	38,719	29,823
Bank loans	697,115	532,561
<b>Short-term liabilities</b>	<b>1,782,973</b>	<b>1,419,053</b>
Long-term liabilities:		
Bank loans	1,040,839	645,383
Other long-term liabilities	88,824	43,848
<b>Long-term liabilities</b>	<b>1,129,663</b>	<b>689,231</b>
Discontinued operations	4,314	1,397
<b>Total liabilities</b>	<b>2,916,951</b>	<b>2,109,681</b>
<b>STOCKHOLDERS' EQUITY</b>		
Minority interest	228,877	149,505
Majority interest:		
Capital stock	533,794	532,953
Net premium in placement of shares	1,228,880	1,090,333
Retained earnings	1,223,571	1,333,561
Earnings for the fiscal year	(43,301)	51,210
Cumulative translation effect from foreign entities	(4,998)	4,295
<b>Majority stockholders' equity</b>	<b>2,937,945</b>	<b>3,012,352</b>
<b>Total stockholders' equity</b>	<b>3,166,822</b>	<b>3,161,856</b>
<b>Sum of liabilities and stockholders' equity</b>	<b>\$ 6,083,773</b>	<b>\$ 5,271,537</b>





**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS FOR THE THREE MONTHS**  
**ENDED MARCH 31, 2009 AND 2008**  
(Thousands of Mexican pesos in nominal terms)

	Three months ended			
	2009		2008	
	March 31			
	2009	2008	2009	2008
Net sales	\$ 2,084,103	100%	1,816,051	100%
Cost of sales	792,549	38.0%	650,914	35.8%
Gross profit	<u>1,291,554</u>	62.0%	<u>1,165,137</u>	64.2%
Operating expenses	1,117,784	53.6%	922,875	50.8%
Depreciation and amortization	<u>169,169</u>	8.1%	<u>128,004</u>	7.0%
Operating income	<u>4,601</u>	0.2%	<u>114,258</u>	6.3%
Other expenses - net	(24,555)	(1.2%)	1,607	0.1%
Comprehensive cost of financing:				
Interests paid - net	33,612	1.6%	18,929	1.0%
Exchange (gain) loss - net	25,069	1.2%	8,112	0.4%
Loss (gain) on monetary position	<u>(1,897)</u>	(0.1%)	<u>0</u>	0.0%
	56,783	2.7%	27,041	1.5%
Participation in the results of associated companies	(1,272)	(0.1%)	(1,140)	(0.1%)
Earnings before taxes	(28,900)	(1.4%)	84,470	4.7%
Tax on earnings	(3,046)	(0.1%)	29,218	1.6%
Earnings before discontinued operations	(25,854)	(1.2%)	55,252	3.0%
Discontinued operations	<u>(20,451)</u>	(1.0%)	<u>(3,633)</u>	(0.2%)
Consolidated net income	<u>(46,304)</u>	(2.2%)	<u>51,619</u>	2.8%
Minority interests	<u>(3,003)</u>	(0.1%)	<u>409</u>	0.0%
Net majority interest	<u>\$ (43,301)</u>	(2.1%)	<u>51,210</u>	2.8%





**ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION FOR THE THREE MONTHS**  
**ENDED MARCH 31, 2009**  
(Thousands of Mexican pesos in nominal terms)

	March 31 2009	March 31 2008
<b>Operating activities:</b>		
<b>Consolidated result before taxes on earnings</b>	<b>\$ (28,900)</b>	<b>\$ 84,470</b>
Items related to investment activities:		
Depreciation and amortization of brands	169,169	128,004
Gain or loss in sale of fixed assets	14,128	2,215
Other items	(5,535)	0
<b>Total</b>	<b>148,862</b>	<b>214,689</b>
Clients	52,607	(17,440)
Inventories	90,357	22,540
Suppliers	(106,662)	(143,803)
Taxes payable	(11,586)	(130,916)
Other assets and other liabilities	(141,903)	26,154
<b>Total</b>	<b>(117,186)</b>	<b>(243,465)</b>
<b>Funds provided by operating activities</b>	<b>31,676</b>	<b>(28,776)</b>
<b>Investing activities</b>		
Store equipment, leasehold improvements and properties	(62,724)	(128,740)
Trademarks, goodwill and pre-operatives	(132,685)	(93,470)
Investment in shares of subsidiaries and associated companies	(4,999)	(3,989)
Effect of selling subsidiary	2,336	(3,316)
<b>Funds used in investing activities</b>	<b>(198,072)</b>	<b>(229,515)</b>
<b>Funds provided by financing activities</b>	<b>(166,396)</b>	<b>(258,291)</b>
<b>Financing activities</b>		
Payment of debt and loans, net	(52,224)	144,494
Minority interest, net	(843)	14,491
Share by-back	(1,723)	(35,247)
<b>Funds used in financing activities</b>	<b>(54,790)</b>	<b>123,738</b>
<b>Increase (decrease) in cash</b>	<b>(221,185)</b>	<b>(134,553)</b>
Cash flow adjustments owing to exchange rate variations	(6,944)	(1,095)
Cash at the beginning of the period	538,480	209,327
<b>Cash at the end of the period</b>	<b>\$ 310,351</b>	<b>\$ 73,679</b>

