

First Quarter 2008 Results and Highlights

- Growth of 15.5% in net sales and 3.4% in EBITDA⁽¹⁾ during first quarter 2008.
- Successful expansion plan for the different brands, reaching a total of 29 corporate store openings during the first quarter of 2008 totaling 835 corporate stores as of March 31, representing a growth rate of 18.6% vs 704 corporate stores as of March 31, 2007.
- Continuous growth and development of the brands in Latin America, achieving 4 openings in the region and an increase of 42.7% in revenues.
- Same store sales decreased (2.0)% in first quarter 2008 partially offsetting the impact related to the change in the Value Added Tax Rate to food.
- The Return on Invested Capital (“ROIC”) increased from 8.8% to 13.6% during the 12 months ended March 31, 2008

Mexico City, April 23, 2008. Today, Alsea, S.A.B. de C.V. (Mexican Stock Exchange or BMV: ALSEA*), the leading restaurant operator in Latin America, announced results for the first quarter of 2008. The attached results were prepared in accordance with the Mexican Financial Reporting Standards (MFRS). The results for the first quarter 2008 are adjusted in nominal terms and the results of the previous year have been adjusted in purchasing power as of December 31, 2007.

CONSOLIDATED RESULTS OF THE FIRST QUARTER OF 2008

The following table provides a condensed income statement in millions of Mexican pesos (with the exception of EPS), and the percentage of net sales that each line represents the change in percentage for the quarter ended March 31, 2008

	<i>1Q 08</i>	<i>Margin %</i>	<i>1Q 07</i>	<i>Margin %</i>	<i>Change %</i>
Net Sales	\$1,829.8	100%	\$1,584.2	100%	15.5%
Gross Profit	1,171.1	64.0	1,048.3	66.2	11.7
EBITDA ⁽¹⁾	241.0	13.2	233.0	14.7	3.4
Operating Income	110.9	6.1	130.9	8.3	(15.3)
Net Income	51.6	2.8	78.9	5.0	(34.5)
EPS ⁽²⁾	\$0.7268	N/A	\$0.4493	N/A	61.8%

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

(2) EPS refers to the earnings per share of the last 12 months ended March 31, 2008.

Net sales increased 15.5% to 1,829.8 million pesos in the first quarter of 2008, compared to 1,584.2 million pesos in the same quarter of 2007. This increase was attributable to revenue growth in food & beverages in Mexico and Latin America and, to a lesser extent, to the increase in food distribution sales to third parties, such increase includes the effect of the change in the VAT rate from 0% to 15% in sales of our Domino's Pizza, Burger King and Popeyes stores.



The sales growth in our brands was due to the opening of 131 corporate stores in the last twelve months, which were compensated by the decrease in same store sales of 2.0% in the first quarter 2008, due to the change of the VAT rate previously mentioned. If the indicator was to be seen in a pro forma basis, excluding the VAT effect, the result would be positive during the first quarter 2008.

Gross profit decreased 2.2 percentage points, as a result of the change in the VAT rate and to a lesser extent to the price hike of our main raw materials, these variations were partially offset by the price increase in our different brands and the positive effect of the revenue mix in Alsea's portfolio, owing to the fact that the business units with the highest growth in sales at present are the units with the greater gross profit.

Operating expenses (excluding depreciation and amortization) decreased 0.7 percentage points as a percentage of sales, from 51.5% in the first quarter 2007 to 50.8% in the same period of 2008. This was mainly attributable to operational efficiencies and to the marginality due to the increase in the number of units. The aforementioned was partially compensated principally by the loss in marginality due to the change in the VAT rate, and the change in the business mix.

As a result of the aforementioned variations, EBITDA grew 3.4% to 241.0 million pesos in first quarter 2008, compared to 233.0 million pesos in the same quarter of 2007. The EBITDA margin declined 1.5 percentage points, from 14.7% in the first quarter 2007 to 13.2% in the same period of 2008.

The operating income of the first quarter was 110.9 million pesos, a decrease of 20.0 million pesos mainly due to the increase in depreciation and amortization as a consequence of the acquisition of assets related to the expansion plan, which was partially compensated with an 8.0 million pesos increase in EBITDA.

Consolidated net income was 51.6 million pesos, presented a decrease of 27.2 million pesos against the first quarter 2007, mostly due to the decrease in the operating income, to the increase of 16.3 million pesos in the comprehensive cost of financing and to the negative variation of 1.1 million pesos in the interest in associated companies. These variations were partially compensated by the decrease of 7.0 million pesos decrease in the income tax provision and the decrease of 3.4 million pesos in other expenses.

Earnings per Share (EPS)⁽²⁾ in the first quarter March 31, 2008 increased 61.8% to 0.7268 pesos, compared to 0.4493 pesos in the first quarter ended March 31, 2007.





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 2008 and 2007.

<i>Net Sales by Segment</i>	<i>1Q 08</i>	<i>Cont. %</i>	<i>1Q 07</i>	<i>Cont. %</i>	<i>Change %</i>
Food & Beverages Mexico	\$1,404.7	76.8%	\$1,236.9	78.1%	13.6%
Food & Beverages Latin America	171.0	9.3	119.8	7.6	42.7
Distribution	694.4	38.0	585.1	36.9	11.3
Intercompany Operations ⁽³⁾	(440.4)	(24.1)	(357.7)	(22.6)	52.8
Consolidated Sales	\$1,829.8	100.0%	\$1,584.2	100.0%	15.5%

<i>EBITDA by Segment</i>	<i>1Q 08</i>	<i>Cont. %</i>	<i>Margin</i>	<i>1Q 07</i>	<i>Cont. %</i>	<i>Margin</i>	<i>Change %</i>
Food & Beverages Mexico	\$176.9	73.4%	12.6%	\$172.5	74.0%	13.9%	2.6%
Food & Beverages Latin America	9.9	4.1	5.8	8.5	3.7	7.1	16.1
Distribution	48.4	20.1	7.0	44.9	19.3	7.7	7.7
Other Businesses ⁽³⁾	5.8	2.4	N/A	7.1	3.0	N/A	(17.7)
Consolidated EBITDA	\$241.0	100.0%	13.2%	\$233.0	100.0%	14.7%	3.4%

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

Food and Beverages Mexico

During the first quarter of 2008, sales increased 13.6% to 1,404.7 million pesos, compared to 1,236.9 million pesos in the same period of 2007. The increase of 167.8 million pesos is attributable to the growth in units, compensated by the effect of the change in the VAT rate on food sales from 0% to 15% in our Domino's Pizza, Burger King and Popeyes stores.

EBITDA raised by 2.6% during first quarter 2008 to 176.9 million pesos, compared to 172.5 million pesos in the year-ago period. This decrease in EBITDA is the result of the growth in revenues and the marginality generated as a result of the foregoing, which was partially offset by the effect of the change in the VAT rate on food sales from 0% to 15% in sales, as of today all our brands have a 15% tax rate in food sales, and to a lesser extent from the price hike of the main raw materials.

Food and Beverages Latin America

The Food & Beverages Latin America Division, created at the end of the first quarter of 2008 by the Burger King operations in Argentina and Chile and which had a total store count of 33 and 30 respectively, increased revenues 42.7% to 171.0 million pesos compared to 119.8 million pesos of the first quarter of last year. This is due to the growth in same-store sales as well as to the opening of 12 units during the first quarter 2008.

EBITDA increased 16.1%, totaling 9.9 million pesos, which accounted for an EBITDA margin of 5.8%, i.e. 1.3 percentage points less than in the same period a year-ago. This was attributed to a higher cost of sales as a result of the price hike in the main raw materials, which was partially compensated by the marginality obtained with the increase in same store sales and the increase of operating units.

Distribution

During the first quarter, distribution sales rose by 11.3% to 694.4 million pesos, compared to 585.1 million pesos in the same period of 2007. This is attributable to a higher number of stores





served, totaling 1,192 units at the end of the first quarter of 2008, compared to 1,033 units in the same period of last year, which represents an increase of 15.4%. Third-party revenues increased 11.3% to 250.9 million pesos.

EBITDA reached 48.4 million pesos compared to 44.9 million pesos in the year-ago period, which accounted for an EBITDA margin of 7.0%, i.e. 0.7 percentage points less than in the same period of last year. The increase of 3.5 million pesos is due to the increase of brands in Alsea's portfolio. The decrease in margin is primarily due to the change in the sales mix.





NON-OPERATING RESULTS

Comprehensive Cost of Financing

The comprehensive cost of financing in the first quarter of 2008 went up to 27.0 million pesos, compared to 10.7 million pesos during the same period of last year. This is attributable to the 11.5 million peso increase in interest paid - net, owing to more leverage, added to an increase of 7.4 million pesos in the loss of monetary position, which was partially offset by the favorable variation of 2.5 million pesos in the monetary position

Other Expenses - Net

This item increased 3.4 million pesos in first quarter 2008 compared to the same period of 2007, mainly due to the recognition of a loss in the assets related to the Domino's Pizza 20/20 program.

Income Taxes

The Income Tax of 29.5 million pesos decreased 7.0 million pesos in first quarter 2008 compared to the same period in 2007 due principally to the decrease in income before taxes.

BALANCE SHEET

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

The 830.8-million-peso variation is the result of the expansion plan and to the acquisitions made in the last twelve months.

During the first quarter of 2008, Alsea invested a total of 224.5 million pesos, of which 197.5 million pesos were invested in store openings, renovation of equipment and the remodeling of the existing stores of the different brands. The remaining 27.0 million pesos were invested, among other items, in the new distribution center in Hermosillo and the new production line of DIA.

Recoverable Taxes - Net

The 347.2-million-peso increase in recoverable taxes – net of taxes payable, as of March 31, 2008, was mostly attributable to the Value Added Tax balance in favor of Operadora de Franquicias Alsea, S.A. de C.V. ("OFA"), which has not been refunded.

Deferred Income Tax

The Deferred Income Tax increased went from 116.8 million pesos as of March 31, 2007 to 207.2 million pesos at the end of the first quarter 2008. This increase of 90.4 million pesos was mostly due to the recognition of tax loss carry forwards.

Suppliers

The 22.9-million-peso increase in suppliers was due principally to the growth in the company's volume of operations.

Accounts Payable

The 148.5-million-peso increase in accounts payable during the last 12 months is mainly attributable to unpaid balances related to the 0% Value Added Tax rate on food sales, which are subjected to the resolution of the judicial proceeding we have opened to obtain the proper compliance with the Constitutional Relief ("*Amparo*") Sentence.

Debt

As of March 31, 2008, Alsea's total debt increased 565.7 million pesos to 1,177.9 million pesos, compared to 612.2 million pesos on the same date last year. This increase is mainly attributable to the development plan of the company's brands, as well as to the acquisitions made in the last first quarter and the resources used for the share buy back program.





As of March 31, 2008, 54.8% of the debt was long term, compared to 59.2% in the same period 2007. On the same date, 92.4% of the debt was denominated in Mexican pesos and 7.6% in Chilean pesos. The Company's consolidated net debt—compared to the same period of 2007—increased 720.7 million pesos, totaling 1,104.3 million pesos at the end of the first quarter 2008.

Share Buy-back Program

As of March 31, 2008, the company had a balance in the fund set aside for the 7.3 share buy-back, equal to approximately 106.8 million pesos in nominal terms. During the first quarter 2008, the company bought back 2.8 million shares (net), equal to approximately 35.2 million pesos.

Financial Ratios

At year-end 2008, the company had complied with all the financial restrictions established in the long-term credit agreements. The net debt/EBITDA ratio was 0.94 times, the total liabilities/stockholders' equity ratio was 0.67 times, and the EBITDA/interest paid net ratio was 19.7 times.

The Return on Invested Capital (ROIC)⁽⁴⁾ increased from 8.8% to 13.6% during the first quarter ended March 31, 2008. The Return on Equity (ROE)⁽⁵⁾ in the first quarter ended 2008 was 15.2% compared to 10.3% year over year. The increase in the aforementioned is due to the improvement of financial results of the company during the first quarter 2008 as well as the initiatives focused on profitability increase. These effects were partially offset by the increase in recoverable taxes.



RELEVANT FIGURES

BRAND	Stores 1Q 2008	Stores 1Q 07	Variation	% Annual Variation
Domino's Pizza Mexico	418	403	15	3.7%
Starbucks Coffee Mexico	211	126	85	67.5
Burger King Mexico	109	97	12	12.4
Burger King Argentina	33	27	6	22.2
Burger King Chile	30	24	6	25.0
Popeyes	11	9	2	22.2
Chili's Grill & Bar	23	18	5	27.8
Total Corporate	835	704	131	18.6%
Domino's Pizza Brazil	N/A	22	(22)	N/A
Starbucks Coffee Chile	23	N/A	23	N/A
Starbucks Coffee Brazil	10	2	8	400%
Total Associates ⁽⁷⁾	33	24	6	37.5%
Domino's Pizza Mexico	155	153	2	1.3%
Total Sub-Franchisees	155	153	2	1.3%
TOTAL STORES	1,023	881	142	16.1%

Financial Ratios	first quarter 2008	1Q 07	Change
EBITDA ⁽¹⁾ /Interests paid	16.4 x	22.1 x	N/A
Net debt/EBITDA ⁽¹⁾	0.94 x	0.25 x	N/A
Total liabilities/Stockholders' equity	0.67 x	0.49 x	N/A
ROIC ⁽⁴⁾	13.6%	8.8%	473 bps
ROE ⁽⁵⁾	15.2%	10.3%	482 bps

Stock Ratios	first quarter 2008	1Q 07	Change
Book value per share	\$4.89	\$4.39	11.5%
EPS (ttm) ⁽²⁾	\$0.7268	\$0.4493	61.8%
EV ⁽⁶⁾ /EBITDA ⁽¹⁾ (ttm)	7.9 x	13.3 x	N/A
Shares outstanding (millions)	616.0	623.2	(1.16)%
Float	36.3%	38.5%	(218) bps
Stock price	\$13.04	\$20.43	(36.2)%

⁽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⁾ Associate Stores refers to the operations that are recognized under the equity participation 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.

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

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ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2008 AND 2007

(In thousands of Mexican pesos in nominal terms and as of December 31, 2007)

	March 31, 2008	March 31, 2007
ASSETS		
Current:		
Cash	\$ 73,679	\$ 228,592
Accounts receivable	231,747	153,757
Documents receivable	99,364	55,824
Inventories	212,712	200,040
Recoverable taxes	603,219	314,213
Other current assets	94,652	72,220
Total Current Assets	1,315,373	1,024,646
Equity interest in associated companies	26,769	17,198
Store equipment, leasehold improvements and property, net	2,865,471	2,312,390
Trademarks, goodwill and pre-operatives, net	856,743	763,109
Deferred Income Tax	207,181	116,750
Discontinued operations	0	869
Total Assets	<u>\$ 5,271,537</u>	<u>\$ 4,234,962</u>
TOTAL LIABILITIES		
Short-term:		
Suppliers	\$ 344,033	\$ 321,086
Taxes payable	39,691	97,891
Accounts payable	474,189	325,719
Related Parties	29,823	24,622
Short-term debt	532,561	249,504
Total Short-term liabilities	1,420,297	1,018,822
Long-term:		
Long-term debt	645,383	362,678
Other liabilities	44,001	30,494
Total Long-term liabilities	689,384	393,172
Total Liabilities	2,109,681	1,411,994
STOCKHOLDERS' EQUITY		
Minority Interest	149,505	88,672
Majority Interest:		
Capital Stock	532,953	536,671
Additional paid in capital	1,090,334	1,090,511
Retained earnings	1,333,561	1,024,955
Fiscal year earnings	51,210	78,351
Cumulative translation effect from foreign entity	4,295	3,809
Majority Interest:	3,012,352	2,734,297
Total Stockholders' Equity	3,161,857	2,822,969
Total Liabilities and Stockholder's Equity	<u>\$ 5,271,537</u>	<u>\$ 4,234,962</u>





ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE THREE AND FIRST QUARTERFIRST
QUARTER ENDED AS OF MARCH 31, 2008 AND 2007
(In thousands of Mexican pesos in nominal terms and as of December 31, 2007)

	Three months ended	
	March 31	
	2008	2007
Net sales	\$ 1,829,782	\$ 1,584,163
Cost of sales	658,703	535,911
Gross profit	<u>1,171,079</u>	<u>1,048,252</u>
Operating expenses	930,072	815,221
Depreciation and Amortization	<u>130,094</u>	<u>102,145</u>
Operating Income	<u>110,913</u>	<u>130,886</u>
Integral cost of financing		
Interest expense, net	18,920	7,458
Foreign exchange loss (gain)	8,110	727
Monetary position loss (gain)	<u>0</u>	<u>2,521</u>
	27,030	10,707
Other (Products) Expense, net	<u>1,607</u>	<u>5,056</u>
Income before taxes	81,136	115,124
Income Tax	29,517	36,513
Income (Loss) before equity income of affiliates	51,619	78,611
Equity income of affiliates	(1,140)	0
Continue Operations Result	51,619	78,611
Discontinued Operations Result	<u>0</u>	<u>248</u>
Consolidated net income	51,619	78,859
Minority Interest	<u>409</u>	<u>508</u>
Majority interest net income	<u>\$ 51,210</u>	<u>\$ 78,351</u>

