Third Quarter 2008 Results and Highlights

- **Growth of 11.6% in revenues during 3Q08**
- **21.9% increase in the last twelve months with respect to total stores and 20.0% in corporate stores, totaling 1,102 and 905 stores, respectively, at the closing of 3Q08**
- **Same-store sales declined 5.2% during 3Q08 when compared with the same period of last year, owing to the Value Added Tax (VAT) rate having been changed from 0% to 15%**
- **As of this quarter, the Popeyes brand is recognized as a discontinued operation**
- **The profile of the company´s level of financial leverage is risk-free in terms of covering its liabilities. Dollar exposure is 10% of the total debt and payment scheduling is in alignment with the company´s generation of cash flows**
- **Derivatives products operations that are carried out to cover needs denominated in dollars are related to the exposure involved in suppyling imported raw materials. At the closing of the quarter, purchases worth approximately 7 million US dollars had been covered at the rate of 10.97 pesos per dollar**
- **As part of our marketability plan, the market-maker services of the brokerage firm UBS Casa de Bolsa were engaged**

Mexico City, October 22, 2008. 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 third quarter of 2008. The attached results were prepared in accordance with the Mexican Financial Reporting Standards (MFRS). This period's figures are presented in nominal terms and figures for 2007 have been adjusted to pesos in purchasing power as of December 31, 2007.

CONSOLIDATED RESULTS OF THE THIRD QUARTER OF 2008

The following table provides a condensed income statement of Alsea during 3Q08, 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 September 30, 2008 when compared with the same period of 2007:

	3Q 08	*Margin %*	*3Q 07*	*Margin %*	*Change %*
Net Sales	1,955.4	100%	1,752.4	100%	11.6%
Gross Profit	1,261.9	64.5	1,169.1	66.7	7.9
EBITDA(1)	273.1	14.0	286.1	16.3	(4.5)
Operating Income	136.5	7.0	186.1	10.6	(26.7)
Net Income	39.3	2.0	118.9	6.8	(66.9)
EPS(2)	0.4012	N/A	0.4750	N/A	(15.5)

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

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

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Net sales increased 11.6% to 1,955.4 million pesos during 3Q08, compared to 1,752.4 million pesos in the same quarter of last year. This increase was attributable to revenue growth in some of our brands in Mexico, higher revenue in all our brands in Latin America, and the increase in food distribution sales made to third parties. It also includes the negative effect of the change in the Value Added Tax (VAT) rate, which went from 0% to 15% in the food sales of Domino's Pizza and Burger King in Mexico.

The sales growth in all our brands was mostly due to the growth in number of units, which represented an increase of 151 corporate stores in the last twelve months. This was partially offset by the 5.2% decline in same-store sales, mainly attributable to the aforementioned change in the VAT rate and to the deceleration in consumption in Mexico.

During 3Q08, gross income increased 92.8 million pesos, totaling 1,261.9 million pesos, with a gross margin of 64.5% compared to 66.7% in the year-ago period. The decrease in gross margin was mostly attributable to the change in the aforementioned VAT rate and to the hike in the cost of the company's main raw materials. These effects were partially offset by the strategy of raising prices among our different brands and by 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 lowest cost as a percentage of sales. Another influencing factor was the depreciation of the peso vis-à-vis the US dollar.

Operating expenses (excluding depreciation and amortization) increased 0.2 percentage points as a percentage of sales, from 50.4% during 3Q07 to 50.6% in the same period of 2008. This was mainly attributable to the loss in margin as a result of the change in the VAT rate, the above-inflation rise in expenses related to the cost of electric power and gas, the payment of office and store leases after the company sold certain assets in late 2007, the changes in the organizational structure to support future growth and the change in revenue mix. Such effects were partially offset by operating efficiencies and the margin that was generated by the growth in sales.

As a result of the aforementioned variations, EBITDA dropped 4.5% to 273.1 million pesos in 3Q08, compared to 286.1 million pesos in the same quarter of 2007. The EBITDA margin declined 2.3 percentage points, from 16.3% in 3Q07 to 14.0% in the same period of 2008.

The operating income of the third quarter decreased 49.7 million pesos, mostly due to a lower EBITDA and to the increase in depreciation and amortization as a result of our having acquired the assets related to the expansion plan.

Consolidated net income declined 79.6 million pesos, mostly due to the 49.7-million-peso decrease in operating income, the 30-million-peso increase in the comprehensive cost of financing, the 9.4-million-peso negative effect in discontinued operations and the 1.8-million-peso increase in other expenses.

Earnings per Share (EPS)[2] of the last 12 months ended September 30, 2008 dropped 15.5% to 0.4012 pesos, compared to 0.4750 pesos of the last twelve months ended September 30, 2007.

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RESULTS BY SEGMENT

The following table sets forth the net sales and EBITDA by business segment, in millions of Mexican pesos, for the third quarter of 2008 and 2007; the contribution and margin that each line represents; as well as the change in percentage for the quarter ended September 30, 2008, when compared to the same period of 2007:

Net Sales by Segment	*3Q 08*	*Cont. %*	*3Q 07*	*Cont. %*	*Change %*
Food & Beverages Mexico	1,409.1	72.1%	1,305.2	74.5%	8.0%
Food & Beverages Latin America	276.5	14.1	187.1	10.7	47.8
Distribution	738.7	37.8	657.3	37.5	12.4
Intercompany Operations(3)	(468.6)	(24.0)	(397.2)	(22.7)	18.1
Consolidated Sales	**1,955.4**	**100%**	**1,752.4**	**100.0%**	**11.6%**

EBITDA by Segment	*3Q 08*	*Cont. %*	*Margin*	*3Q 07*	*Cont. %*	*Margin*	*Change %*
Food & Beverages Mexico	172.8	63.3%	12.3%	196.4	68.7%	15.0%	(12.0)%
Food & Beverages Latin America	25.7	9.4	9.3	24.9	8.7	13.3	3.1
Distribution	56.1	20.5	7.6	49.8	17.4	7.6	12.6
Other Businesses(3)	18.6	6.8	N/A	15.0	5.2	N/A	23.8
Consolidated EBITDA	**273.1**	**100%**	**14.0%**	**286.1**	**100.0%**	**16.3%**	**(4.5)%**

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

Food and Beverages Mexico

During the third quarter of 2008, sales increased 8.0% to 1,409.1 million pesos, compared to 1,305.2 million pesos in the same period of 2007. This increase of 103.9 million pesos is attributable to the opening of 117 corporate stores during the last twelve months, which was partially offset by the decrease in same-store sales mostly owing to the change in the VAT rate on food sales applied to Domino's Pizza and Burger King in Mexico.

EBITDA dropped 12% during 3Q08, to 172.8 million pesos, compared to 196.4 million pesos in the year-ago period. This decline is mostly due to the change in the aforementioned VAT rate and to the price hike in our main raw materials. This was partially offset by operating efficiencies and the increase in the price of some products.

Food and Beverages Latin America

The Food & Beverages Latin America Division—comprising as of September 30, 2008 the operations of Burger King in Argentina and Chile, Starbucks Coffee in Argentina, and Domino's Pizza in Colombia and which at the closing of the third quarter had a total of 89 stores—increased revenues 47.8% to 276.5 million pesos compared to 187.1 million pesos of the third quarter of last year. This was mostly due to the growth in same-store sales as well as to the opening and acquisition of 34 units during the last twelve months.

EBITDA of the Food & Beverages Latin America Division increased 3.1%, totaling 25.7 million pesos. This was mostly attributable to the growth in sales and to a larger number of units in operation, which was partially offset by an increase in the cost of sales, owing to a price hike in our main raw materials as well as to the startup of the Starbucks Coffee operations in Argentina and our having adapted the operations of Domino's Pizza Colombia.

Distribution

During the third quarter, distribution sales rose by 12.4% to 738.7 million pesos, compared to 657.3 million pesos in the same period of 2007. This is attributable to a higher number of stores served, totaling 1,247 units as of September 30, 2008, compared to 1,096 units in the same period of last year, which represented a 13.8% increase. Third-party revenues increased 3.8% to 270.1 million pesos.

EBITDA reached 56.1 million pesos compared to 49.8 million pesos in the year-ago period, which accounted for an EBITDA margin of 7.6%, identical to that of the previous period. The decreased margin is mostly attributable to the change in the revenue mix, in view of the fact that the fastest-growing brands are the ones with the lowest margin for DIA.

NON-OPERATING RESULTS

Comprehensive Cost of Financing

The comprehensive cost of financing in the third quarter of 2008 went up to 40.6 million pesos, compared to 10.6 million pesos during the same period of last year. This is attributable to the 15.3-million-peso increase in the foreign exchange loss, as a result of the depreciation of the peso vis-à-vis the US dollar, as well as to the 14.3-million-peso increase in interest paid - net, owing to more leverage.

Other Expenses - Net

This item increased 1.8 million pesos in 3Q08 compared to the same period of 2007, mainly due to the deletion of assets related to the remodeling program.

Taxes on Earnings

The tax on earnings of 31.5 million pesos decreased 10.3 million pesos in 3Q08 year over year, mostly as a result of the 80.4-million-peso decrease in earnings before taxes.

BALANCE SHEET

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

The 473.5-million-peso variation in this line was attributable to the expansion program and to the acquisitions made during the last twelve months.

During the nine months ended September 30, 2008, Alsea invested a total of 719.4 million pesos, of which 658.0 million pesos were invested in store openings, renovation of equipment and the remodeling of the existing stores of all our brands, including the acquisition of Domino's Pizza Colombia, as well as the startup of the Starbucks Coffee operations in Argentina. The remaining 61.4 million pesos were invested in other items, particularly in the Hermosillo distribution center.

Recoverable Taxes - Net

The 269.0-million-peso increase in recoverable taxes - net of taxes payable, as of September 30, 2008, was mostly attributable to the Value Added Tax balances in favor of Operadora de Franquicias Alsea, S.A. de C.V. ("OFA"), in the Domino's Pizza and Burger King brands in Mexico—which were generated during 2007 and which to date have not yet been returned—and, to a lesser extent, to the tax authorities' delay in returning the VAT requested by the distribution segment ("DIA").

Deferred Income Tax

The Deferred Income Tax went up from 169.9 million pesos as of September 30, 2007 to 208.5 million pesos as of September 30, 2008. This increase of 38.6 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 87.7-million-peso increase during the last 12 months in accounts payable is mainly attributable to unpaid balances related to the 0% Value Added Tax rate on food sales, which are subject to the resolution of the juridical proceeding that the company has filed to obtain the proper compliance with the Constitutional Relief *("Amparo")* sentence it was granted in the past.

Discontinued Operations

The net decrease of assets minus liabilities is 34.4 million pesos, which is attributable to the reclassification of the Popeyes brand in 2008 and 2007 as a discontinued operation, as well as to the recognition of the brand's valuation so that this operation may be sold.

Debt

As of September 30, 2008, Alsea's total debt increased 734.5 million pesos to 1,605.6 million pesos, compared to 871.1 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 September 30, 2008, 52.4% of the debt was long term, compared to 70.2% in the year-earlier period. On the same date, 83.5% of the debt was denominated in Mexican pesos, 10.1% in US dollars, 5.0% in Chilean pesos and 1.4% in Argentine pesos. The company's consolidated net debt—compared to 2007—increased 781.0 million pesos, totaling 1,517.4 million pesos as of September 30, 2008 compared to 736.5 million pesos as of September 30, 2007.

Share By-back Program

As of September 30, 2008, the company had a balance in the fund set aside for the 14.6-million share by-back, equal to approximately 189.1 million pesos in nominal terms. During the nine months ended September 30, 2008, the company bought back 10.7 million shares (net), equal to 128.4 million pesos, and during 3Q08 bought back 4.7 million shares (net), equal to approximately 51.5 million pesos.

Financial Ratios

As of September 30, 2008, the company had complied with all the financial restrictions established in the long-term credit agreements. The net debt/EBITDA ratio of the last 12 months was 1.40 times, the total liabilities/stockholders' equity ratio was 0.80 times, and the EBITDA/interest paid net ratio of the last 12 months was 11.0 times.

The Return on Invested Capital ("ROIC")[4] rose from 9.9% to 10.0% during the last twelve months ended September 30, 2008. The Return on Equity ("ROE")[5] of the last 12 months ended September 30, 2008 was 8.4% compared to 10.5% year over year.

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RELEVANT FIGURES

BRAND	Stores 3Q08	Stores 3Q07	Change	% Annual Change
Domino´s Pizza Mexico	430	411	19	4.6%
Domino´s Pizza Colombia	21	N/A	21	N/A
Starbucks Coffee Mexico	241	159	82	51.6%
Starbucks Coffee Argentina	1	N/A	1	N/A
Burger King Mexico	111	101	10	9.9%
Burger King Argentina	35	30	5	16.7%
Burger King Chile	32	25	7	28.0%
Popeyes	10	9	1	11.1%
Chili's Grill & Bar	24	19	5	26.3%
Total Corporate	**905**	**754**	**151**	**20.0%**
Starbucks Coffee Chile	27	N/A	27	N/A
Starbucks Coffee Brazil	14	5	9	180.0%
Total Associates(7)	**41**	**5**	**36**	**720.0%**
Domino´s Pizza Mexico	156	145	11	7.6%
Total Sub-Franchisees	**156**	**145**	**11**	**7.6%**
TOTAL STORES	**1,102**	**904**	**198**	**21.9%**

Financial Ratios	3Q08	3Q07	Change
EBITDA(1)/Interests paid	11.0 x	23.20x	N/A
Net debt/EBITDA(1)	1.40 x	0.65x	N/A
Total liabilities/Stockholders' equity	0.80 x	0.60x	N/A
ROIC(4)	10.0%	9.9%	10 bps
ROE(5)	8.4%	10.5%	(210 bps)

Stock Ratios	3Q08	3Q07	Change
Book value per share	$4.81	$4.68	2.8%
EPS (ttm)(2)	$ 0.4012	$0.4750	(15.5)%
EV(6)/EBITDA(1) (ttm)	6.2 x	10.5 x	N/A
Shares outstanding as of September 30 of each period (millions)	618.7	622.7	(0.6)%
Float	35.9%	37.4%	(150 bps)
Stock price as of September 30	$8.16	$18.08	(54.9)%

(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 is the leading Quick Service Restaurant (QSR) and Casual Dining operator in Latin America—operating brands of proven success such as Domino's Pizza, Starbucks Coffee, Burger King, Popeyes 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.

Alsea's 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
AS OF SEPTEMBER 30, 2008 AND 2007
(And thousands of Mexican pesos in purchasing power as of December 31, 2007)

	September 30, 2008	September 30, 2007
ASSETS		
Current assets:		
Cash and temporary investments	$ 88,144	$ 134,641
Clients	255,295	157,381
Other accounts and notes receivable	88,031	52,026
Inventories	258,288	225,763
Recoverable taxes	694,624	473,932
Other current assets	102,610	85,034
Total current assets	1,486,992	1,128,777
Investment in shares of associated companies	26,418	9,228
Store equipment, leasehold improvements and property, net	3,021,777	2,649,764
Trademark rights, goodwill and pre-operatives, net	882,816	781,366
Deferred income taxes	208,449	169,866
Discontinued operations	83,748	103,163
Total assets	**$** 5,710,200	**$** 4,842,164
LIABILITIES		
Short-term liabilities:		
Suppliers	$ 207,252	$ 333,066
Taxes payable	47,975	96,270
Other accounts payable	538,405	450,669
Related parties	26,723	14,162
Bank loans	763,514	259,562
Short-term liabilities	1,583,869	1,153,729
Long-term liabilities:		
Bank loans	842,049	611,525
Other long-term liabilities	80,089	31,727
Long-term liabilities	922,138	643,252
Discontinued operations	24,689	9,664
Total liabilities	2,530,696	1,806,645
STOCKHOLDERS' EQUITY		
Minority interest	206,509	121,452
Majority interest:		
Capital stock	534,413	536,409
Net premium in placement of shares	1,228,881	1,090,462
Retained earnings	1,107,770	948,623
Earnings for the fiscal year	106,230	335,889
Cumulative translation effect from foreign entities	(4,299)	2,684
Majority stockholders' equity	2,972,995	2,914,067
Total stockholders' equity	3,179,504	3,035,519
Some of liabilities and stockholders' equity	**$** 5,710,200	**$** 4,842,164

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ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS FOR THE THREE AND NINE MONTHS ENDED AS OF SEPTEMBER 30, 2008 AND 2007
(In thousands of Mexican pesos in purchasing power as of December 31, 2007)

	Three months ended September 30		Nine months ended September 30	
	2008	2007	2008	2007
Net sales	$ 1,955,348	1,752,389	$ 5,696,797	5,071,293
Cost of sales	693,465	583,287	2,032,423	1,692,157
Gross profit	1,261,883	1,169,102	3,664,374	3,379,136
Operating expenses	988,781	883,007	2,901,859	2,553,591
Depreciation and amortization	136,617	99,951	409,322	309,287
Operating income	136,485	186,144	353,193	516,258
Other expenses - net	3,484	1,663	17,408	6,967
Comprehensive cost of financing:	40,590	10,629	116,376	27,937
Interests paid - net	28,927	14,277	71,798	29,330
Exchange (gain) loss - net	11,663	(3,584)	44,578	(3,223)
Loss (gain) on monetary position	0	(64)	0	1,830
Participation in the results of associated companies	(751)	(1,790)	(3,496)	(1,781)
Earnings before taxes	91,660	172,062	215,913	479,573
Tax on earnings	31,459	41,710	78,561	129,483
Earnings before discontinued operations	60,201	130,352	137,352	350,090
Discontinued operations	(20,867)	(11,469)	(20,866)	(4,912)
Consolidated net income	39,334	118,883	116,486	345,178
Minority interest	4,837	5,485	10,256	9,289
Net majority interest	$ 34,497	113,398	$ 106,230	335,889

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008
(In thousands of Mexican pesos)

		September 30 2008
Operating activities:		
Consolidated result before taxes on earnings	$	**215,913**
Items related to investment activities:		
Depreciation and amortization of brands		409,322
Gain or loss in sale of fixed assets		17,452
Total		**642,687**
Clients		(41,322)
Inventories		(21,529)
Suppliers		(286,200)
Taxes payable		(288,249)
Other assets and other liabilities		100,891
Total		**(536,409)**
Funds provided by operating activities		**106,278**
Investing activities		
Store equipment, leasehold improvements and properties		(465,705)
Trademarks, goodwill and pre-operatives		(219,673)
Investment in shares of subsidiaries and associated companies		(3,545)
Effect of selling subsidiary		(10,306)
Acquisition of subsidiary		(27,781)
Funds used in investing activities		**(727,010)**
Funds provided by financing activities		**(620,732)**
Financing activities		
Payment of debt and loans, net		568,528
Minority interest, net		61,648
Share by-back		(120,939)
Funds used in financing activities		**509,237**
Increase (decrease) in cash		**(111,495)**
Cash flow adjustments owing to exchange rate variations		(9,688)
Cash at the beginning of the period		209,327
Cash at the end of the period	$	**88,144**