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## **Consortio ARA releases its 2008 results under the new INIF 14 accounting rules**

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April 21, 2009---CONSORCIO ARA (BMV-ARA\*). In relation to the communiqué we issued February 24, CONSORCIO ARA S.A.B. DE C.V. announces that in compliance with the rules governing the reporting of results to the Mexican Stock Exchange, we have decided on the early adoption of rules for the Interpretation of Norms of Financial Information 14 (INIF 14), beginning with our 2008 and 2007 (re-expressed) results. The company will begin to apply this new accounting criteria beginning with the first quarter of 2009.

The INIF 14 states that revenues are to be recognized from the moment of titling of homes rather than through the percentage-of-completion rules that were previously applied. All home developers in Mexico will be required to apply this new accounting approach no later than January 1, 2010.

CONSORCIO ARA S.A.B. DE C.V. has been among the first firms to apply changes to rules for the Interpretation of Norms of Financial Information as defined by the Mexican Board for Research and Development of Financial Reporting Standards, AC (CINIF). CONSORCIO ARA S.A.B. DE C.V. announces that it will present its reformulated statements of financial results for 2008 and 2007 (re-expressed) to the General Ordinary Annual Shareholders' Meeting scheduled for April 23, 2009.

The early adoption of the INIF 14 rules for 2008 and 2007 (re-expressed) has led to the following results:

**Consolidated balance sheets**  
**As of December 31, 2008 and 2007 (restructured)**  
(In thousands of Mexican pesos of purchasing power of December 31, 2008)

	2008	2007 (Restructured)
<b>CURRENT ASSETS</b>		
Cash and financial investments	1,162,307	1,923,534
Trade accounts receivable – Net	311,202	249,981
Other accounts receivable	2,375	5,905
Inventories	10,098,430	8,354,515
Other current assets	887,197	219,353
Total current assets	<u>12,461,511</u>	<u>10,753,288</u>
<b>LONG-TERM ASSETS</b>		
Notes receivable from equity method investees	-	183,973
Long-term land held for development	891,479	1,038,247
Investments in equity method investees	38,081	45,481
Golf club memberships available-for-sale	-	201,742
Property, machinery and equipment – Net	744,056	688,743
Other assets	-	9,590
<b>TOTAL ASSETS</b>	<b><u>14,135,127</u></b>	<b><u>12,921,064</u></b>
<b>CURRENT LIABILITIES</b>		
Trade accounts payable	276,215	339,848
Notes payable to financial institutions	976,429	336,429
Current portion of capital lease obligations	105,239	109,842
Income tax payable	-	8,976
Accrued expenses and taxes, other than income taxes	1,259,032	1,264,086
Total current liabilities	<u>2,616,915</u>	<u>2,059,181</u>
Long-term debt	1,320,833	1,252,262
Capital lease obligations	66,443	105,319
Employee retirement obligations	15,181	13,006
Other long-term liabilities	31,856	38,978
Deferred income tax	1,952,765	1,860,416
Total liabilities	<u>6,003,993</u>	<u>5,329,162</u>
Stockholders' equity:		
Common stock	1,064,572	1,064,648
Additional paid-in capital	567,810	567,810
Reserve for acquisition of own stock	116,858	116,151
Retained earnings	6,347,789	7,230,656
Insufficiency in restated stockholders' equity	-	-485,802
Initial cumulative effect of deferred income tax	-	-930,253
Majority stockholders' equity	<u>8,097,029</u>	<u>7,563,210</u>
Minority stockholders' equity	<u>34,105</u>	<u>28,692</u>
Total stockholders' equity	<u>8,131,134</u>	<u>7,591,902</u>
<b>Liabilities and stockholders' equity</b>	<b><u>14,135,127</u></b>	<b><u>12,921,064</u></b>

## Consolidated statements of income

For the years ended December 31, 2008 and 2007 (restructured)  
(In thousands of Mexican pesos)

	2008	2007 (Restructured)
Revenues	6,958,701	8,011,650
Costs	<u>5,221,312</u>	<u>5,790,498</u>
Gross profit	1,737,389	2,221,152
General and administrative expenses	<u>723,912</u>	<u>652,215</u>
Income from operations	1,013,477	1,568,937
Other expense - Net	45,625	44,349
Net comprehensive financing result:	-33,249	-9,332
Equity in earnings of equity method investees	<u>29,662</u>	<u>21,060</u>
Income before income taxes	1,030,763	1,554,980
Income taxes	<u>290,546</u>	<u>441,795</u>
Consolidated net income	<u>740,217</u>	<u>1,113,185</u>
Net income of majority stockholders	737,522	1,109,072
Net income of minority stockholders	<u>2,695</u>	<u>4,113</u>
Consolidated net income	<u>740,217</u>	<u>1,113,185</u>

The INIF 14 "Construction Contracts, Sale and Delivery of Services Relating to Property", complements the norms contained in Mexican accounting rules in Bulletin D-7, "Contracts for the construction and manufacture of certain capital goods", and is applicable whenever the contract in question refers to the building of real estate property, the sale of provisioning of services, providing for the establishment of applicable rules for reporting on related revenues, costs and expenses. It also stipulates when it may be appropriate to apply the percentage-of-completion method.

The company's management made a decision to begin applying INIF 14 effective January 1, 2008, believing that it will allow for a clearer reporting of revenues, costs and expenses for the period in which they were registered. The accounting changes implied by the anticipated application of INIF 14, were recognized on the basis of the retrospective rule defined in NIF B-1, "Accounting Changes and the Correction of Errors", as if those changes had occurred from the beginning of the reporting season for which the new data corresponds.

CONSORCIO ARA S.A.B. DE C.V. plans to release its 1Q09 results, under INIF 14 rules, on April 23, after the close of trading, and to hold a conference call on April 24, 2009, in Mexico City at 10:00 am local time (11:00 am CDT, in New York).

CONSORCIO ARA S.A.B. DE C.V. thanks its investors for having deposited their confidence with us.

## About Consorcio ARA

Consorcio ARA is among the most profitable of Mexico's home developers and builders thanks to the extraordinary ability it has displayed in taking advantage of economies of scale and maintaining both quality standards and low production costs. The company has accumulated more than three decades of experience in building and marketing Progresiva, Affordable Entry Level, Mid Range and Residential housing. To date Consorcio ARA has sold more than 201,000 homes and better than 1,000,000 Mexicans live in ARA homes. Consorcio ARA enjoys enviable financial strength, its stock trades on the Mexico Stock Exchange since 1996 and it has the strongest credit ratings of any Mexican home builder from Moody's Investor Services (Ba2 Global Scale, Local Currency and A2.mx Mexico National Scale), and Standard and Poor's a mxA+ (CaVal national scale)

## For more information:

Visit us at [www.consorcioara.com.mx](http://www.consorcioara.com.mx)

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