

Mexico City (April 17, 2002) – Consorcio ARA S.A. de C.V. (BMV: ARA\*) today announced results for the First Quarter of 2002 and trailing twelve months ended March 31, 2002.

**(All figures in Mexican Pesos)**

*PERFORMANCE HIGHLIGHTS*

First Quarter 2002 compared to the First Quarter 2001

- 13.1 % increase in revenues, reaching \$ 802.6 million pesos
- 13.4 % gross profit increase resulting in a gross margin of 28.4%, reaching \$ 227.5 million pesos
- 12.6 % increase in operating profit with a margin of 20.6%, reaching \$ 165.1 million pesos
- EBITDA increase of 11.0 % with a margin of 22.0 % of revenues, reaching \$ 176.3 million pesos
- Net profit increase 16.4% with a net margin of 11.8%, reaching \$ 93.8 million pesos

LTM March 2002 vs. LTM March 2001

- Increase in units sold of 4.9 %
- Increase in revenues of 9.3 %, reaching \$ 3,975.7 million pesos
- 7.5% increase in gross profit with a gross margin of 28.2 %, reaching \$ 1,122.1 million pesos
- Increase in operating profit of 4.7 % with an operating margin of 20.6%, reaching \$ 819.8 million pesos
- EBITDA growth of 4.4 % with a margin of 21.8 %, reaching \$ 865.7 million pesos
- Net profit decrease 8.0 % in comparable terms with a 12.6 % margin, reaching \$ 502.5 million of pesos. Without the impact of deferred taxes, the net margin posted was 16.7 %, reaching \$ 662.4 million pesos
- The Earnings Per Share was \$1.53 pesos per share

March 31, 2002 Balance Sheet Highlights.

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- The cost bearing liabilities represent a nineteenth part of cash
  - Leverage was maintained at a healthy level of 12.9% total liabilities to total assets, this is without the non-cash impact of deferred taxes. If included, leverage was 35.4%
  - Consorcio ARA's fully owned Land Bank was enough to build and sell 108,095 units, equivalent to 124,257 affordable entry level units
  - Backlog of 18,112 units, which guarantees approximately one year of future sales
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## FIRST QUARTER 2002

### UNIT SALES:

During the first quarter of 2002, Consorcio ARA's had total sales of 3,212 reaching 13.1 % growth in real terms. The breakdown is as follows:

	1° Quarter 2002		1° Quarter 2001		Variation			
	Units	Millions of Pesos	Units	Millions of Pesos	Units	%	Millions of Pesos	%
Prosavi-Progresiva	584	91.8	520	66.2	64	12.3	25.6	38.8
Infonavit	1,012	227.1	1,217	247.6	-205	-16.8	-20.5	-8.3
Fovi-Fovissste	1,209	302.1	1,015	256.9	194	19.1	45.2	17.6
Affordable Entry Level	2,221	529.2	2,232	504.5	-11	-0.5	24.8	4.9
Middle Income	387	135.7	223	86.3	164	73.5	49.4	57.3
Residential	20	43.1	18	34.4	2	11.1	8.7	24.9
Total as Developer	3,212	799.8	2,993	691.4	219	7.3	108.4	15.7
Contractor	--	--	--	18.5	--	--	-18.5	-100.0
Comercial Space	--	2.8					2.8	
Middle Income	--		68		-68	-100.0		
Total Joint Ventures	--		68		-68	-100.0		
<b>TOTAL</b>	<b>3,212</b>	<b>802.6</b>	<b>3,061</b>	<b>709.9</b>	<b>151</b>	<b>4.9</b>	<b>92.7</b>	<b>13.1</b>

	1° Quarter 2002		1° Quarter 2001		Variation	
	Units	Mix	Units	Mix	Units	%
Prosavi-Progresiva	584	18.2%	520	17.0%	64	12.3
Infonavit	1,012	31.5%	1,217	39.8%	-205	-16.8
Fovi-Fovissste	1,209	37.6%	1,015	33.1%	194	19.1
Affordable Entry	2,221	69.1%	2,232	72.9%	-11	-0.5
Middle Income	387	12.1%	291	9.5%	96	33.0
Residential	20	0.6%	18	0.6%	2	11.1
<b>TOTAL</b>	<b>3,212</b>	<b>100.0%</b>	<b>3,061</b>	<b>100.0%</b>	<b>151</b>	<b>4.9</b>

Sales in Prosavi-Progresiva reflected an increase in units of 12.3 % and 38.8 % in revenues compared to the same quarter of the previous year. The opening of some new developments with higher priced products caused this.

Our operations in the Affordable Entry level segment decreased 0.5 % from 2,232 units during the first quarter of 2001 to 2,221 units during the first quarter of 2002 reflecting an increase of 4.9 % in revenues. The volume of FOVI-FOVISSSTE sales grew 19.1% when compared to the same quarter a year ago by posting 1,209 units which generated a 17.6 % increase in revenues which posted \$ 302.1 million of pesos. The INFONAVIT revenues reached \$ 227.1 million pesos. Joint Ventures in the middle-income segment are nearing completion thus, no volume was posted during the quarter.. It is worth mentioning that during the quarter revenues was recognized from sales and construction of 387 middle income units sold out of which 362 units sold were financed through FOVI's B3 program. The opening of the new developments will strengthen this segment.

The Residential housing segment increased of 11.1 % in volumes and 24.9 % in revenues during the quarter: The developments in Acapulco (Torre Playa Diamante and Villas Playa Diamante), Herrerías and Santa Mónica have contributed to the greater dynamics of this segment.

The banks mortgage resurgence in the years to come will, no doubt, benefit middle income and residential operations.

The seasonality will experiment a little adjustment during 2002. In general terms ARA will show stronger growth during the first half of the year.

#### AVERAGE PRICES

During the first quarter the average selling prices performed well and according to our expectations. It increased in most segments, and the breakdown is as follows:

Average Selling Price	First Quarter	First Quarter	Variation %
	2002 (Thousands \$)	2001 (Thousands \$)	
Prosavi-Progresiva	157.2	127.3	23.5
Infonavit	224.4	203.4	10.3
Fovi-Fovissste	249.9	253.1	-1.3
Affordable Entry Level	238.3	226.0	5.4
Middle Income	350.6	386.8	-9.4
Residential	2,152.6	1,914.3	12.4

The revenues of the Playa Diamante development in Acapulco substantially increased the average price of the residential segment, which posted \$ 2,152.6 thousands of pesos, resulting in a 12.4 % increase compared to the first quarter of 2001.

#### EARNINGS STATEMENT, 1° Quarter 2002 VS 1° Quarter 2001.

	1° Quarter 2002		1° Quarter 2001		Variation %
	Millions of Pesos	%	Millions of Pesos	%	
Revenues	802.6	100.0	709.9	100.0	13.1
Cost of Goods Sold	575.1	71.6	509.2	71.7	12.9
Gross Profit	227.5	28.4	200.7	28.3	13.4
G&A Costs	62.4	7.8	54.1	7.6	15.3
Operating Profit	165.1	20.6	146.6	20.7	12.6
ICF	3.5	0.4	7.4	1.0	-52.7
Other Income	1.5	0.2	1.5	0.2	0.0
Joint Ventures	-0.1	0.0	0.5	0.1	-120.0
PreTax Profit	163.0	20.4	141.2	20.0	15.4
Taxes	69.2	8.6	60.6	8.5	14.2
Net Profit	93.8	11.8	80.6	11.5	16.4
Depreciation	11.2	1.4	12.3	1.7	-8.9
EBITDA	176.3	22.0	158.9	22.4	11.0

#### REVENUES

Revenues increased 13.1 % in real terms from \$ 709.9 million in the first quarter of 2001 to \$802.6 million of pesos in the first quarter of 2002.

## COST OF GOODS SOLD

Cost of goods sold grew 12.9 % from \$ 509.2 million during the first quarter of 2001 to \$ 575.1 million of pesos during the first quarter of 2002. The labor cost impact has now been reflected fully and margins should remain stable going forward.

## GROSS PROFIT

Gross profit for the first quarter of 2002 increased 13.4 % compared to the same period last year, posting \$ 227.5 million pesos. This increase generated a pooled gross margin of 28.4%. Gross margin in each segment is as follows:

	Gross Margin 1° Quarter 2002	Gross Margin 1° Quarter 2001	Variation Points
Prosavi-Progresiva	23.7%	23.2%	0.5
Affordable	28.3%	28.3%	0.0
Middle Income	30.1%	30.7%	-0.6
Residential	30.9%	31.6%	-0.7
Developer	28.2%	28.3	-0.1
Contractor	--	27.4%	N/A
Comercial Land	63.6%	--	63.6
TOTAL	28.4%	28.3%	0.1

Due to the opening of the new “Vivienda Progresiva” line we got the best performance of the gross margin in this segment because Consorcio ARA sells a similar house to Prosavi, with a higher selling price.

## GENERAL AND ADMINISTRATIVE COSTS.

G&A as a percentage of revenues were 7.8 % of sales, that is, \$ 62.4 million of pesos. Due to the boom in the Mexican housing sector we have decided to increase the income of key employees who show a great performance and efficiency doing their job thus motivating and keeping them with us. It is worth to mention that the first quarter is the quarter with less volume of the year and the G&A costs are proportionally higher to the sales of the period. This is due to the fact that the administrative structure remains at the same level over the year.

## OPERATING PROFIT

Operating profit totaled \$ 165.1 million pesos, a 12.6% increase in real terms compared to the first quarter of 2001. The corresponding margin was 20.6 %.

## EBITDA

During the first quarter of 2002, Consorcio ARA posted EBITDA of \$ 176.3 million of which \$11.2 million came from depreciation. The resulting margin was 22.0 %.

## INTEGRAL COST OF FINANCING

Integral cost of financing decreased 52.7 % from \$ 7.4 million during the first quarter of 2001 to \$3.5 million during the first quarter of 2002. The breakdown is as follows:

	1° Quarter 2002	1° Quarter 2001	Variation
	Million Pesos	Million Pesos	%
Interest Paid	11.1	27.9	-60.2
Interest Earned	10.2	21.7	-53.0
Foreign Exchange (Gain) Loss	(0.9)	0.6	-250.0
Monetary Position (Loss) Gain	3.5	0.6	-483.3
INTEGRAL COST OF FINANCING	3.5	7.4	-52.7

Despite the fact that cash has remained high, the lower interest rates paid due to market conditions resulted in a lower interest earned figure.

Our EBITDA is 50.4 times higher than the ICF, and the Interest Paid can be covered in more than 15.9 times.

#### EQUITY IN JOINT VENTURES

Middle Income Joint Venture reduced their operations due to the end of development in this business line. Participation in this segment reflected a slight loss of \$ 0.1 million due to fiscal implications.

#### TAXES

The deferred taxes registered by the company were \$ 55.0 million of pesos during the quarter. The total amount of taxes paid during the quarter was \$ 69.2 million pesos.

#### NET PROFIT

Net profit for the First Quarter was \$ 93.8 million with a net margin of 11.8%.

### ***LTM ended on March 2002 Vs. 2001***

#### UNIT SALES (LTM):

	LTM March 2002		LTM March 2001		Variation			
	Units	Millions of Pesos	Units	Millions of Pesos	Units	%	Millions of Pesos	%
Prosavi-Progresiva	2,153	319.0	2,113	283.9	40	1.9	35.1	12.3
Infonavit	6,195	1,365.1	6,395	1,335.2	-200	-3.1	29.9	2.2
Fovi-Fovissste	6,181	1,532.1	5,262	1,257.0	919	17.5	275.1	21.9
Affordable Entry Level	12,376	2,897.2	11,657	2,592.2	719	6.2	305.0	11.8
Middle Income	1,243	450.7	1,247	468.2	-4	-0.3	-17.5	-3.7
Residential	133	272.2	114	182.6	19	16.7	89.6	49.0
Comercial Land	--	9.2	--	--	--	--	--	--
Total as Developer	15,905	3,948.3	15,131	3,526.9	774	5.1	421.4	11.9
Contractor	--	24.6	--	109.9	-	-	-85.3	-77.6
Comercial Store rents		2.8					2.8	100.0
Middle Income	49		85		-36	-42.4		
Total in Joint Ventures	49		85		-36	-42.4		
<b>TOTAL</b>	<b>15,954</b>	<b>3,975.7</b>	<b>15,216</b>	<b>3,636.8</b>	<b>738</b>	<b>4.9</b>	<b>338.9</b>	<b>9.3</b>

<i>SUMMARY</i>	LTM March 2002		LTM March 2001		Variation	
	Units	Mix	Units	Mix	Units	%
Prosavi-Progresiva	2,153	13.5%	2,113	13.9%	40	1.9
Infonavit	6,195	38.8%	6,395	42.0%	-200	-3.1
Fovi-Fovissste	6,181	38.7%	5,262	34.6%	919	17.5
Affordable Entry	12,376	77.6%	11,657	76.6%	719	6.2
Middle Income	1,292	8.1%	1,332	8.8%	-40	-3.0
Residential	133	0.8%	114	0.7%	19	16.7
<b>TOTAL</b>	<b>15,954</b>	<b>100.0%</b>	<b>15,216</b>	<b>100.0%</b>	<b>738</b>	<b>4.9</b>

#### AVERAGE PRICES (LTM)

Average Selling Price	LTM March 2002	LTM March 2001	Variation
	(Thousands of Pesos)	(Thousands of Pesos)	%
Prosavi-Progresiva	148.2	134.4	10.3
Infonavit	220.4	208.8	5.5
Fovi-Fovissste	247.9	238.9	3.8
Affordable Entry Level	234.1	222.4	5.3
Middle Income	362.6	375.4	-3.4
Residential	2,046.9	1,602.3	27.7

#### EARNINGS STATEMENT, LTM.

	LTM March 2002		LTM March 2001		Variation
	Millions of	%	Millions of	%	
	Pesos		Pesos		
Revenues	3,975.7	100.0	3,636.8	100.0	9.3
Cost of Goods Sold	2,853.6	71.8	2,593.0	71.3	10.1
Gross Profit	1,122.1	28.2	1,043.8	28.7	7.5
G&A Costs	302.3	7.6	260.5	7.2	16.0
Operating Profit	819.8	20.6	783.3	21.5	4.7
ICF	30.7	0.8	19.5	0.5	57.4
Other Income	11.4	0.3	0.3	0.0	3,700.0
Joint Ventures	-4.7	-0.1	2.3	0.1	-304.3
PreTax Profit	795.8	20.0	766.4	21.1	3.8
Taxes	293.3	7.4	220.3	6.1	33.1
Net Profit	502.5	12.6	546.1	15.0	-8.0
Depreciation	46.0	1.2	45.9	1.3	0.0
EBITDA	865.7	21.8	829.2	22.8	4.4

#### GROSS PROFIT (LTM)

	Gross Margin LTM March 2002	Gross Margin LTM March 2001	Variation Points
Prosavi-Progresiva	23.7%	23.2%	0.5
Affordable	28.1%	28.7%	-0.6
Middle Income	30.1%	30.8%	-0.7
Residential	31.2%	32.2%	-1.0
Contractor	25.6%	28.6%	-3.0
Comercial Land	28.2%	--	--
Comercial Store Rents	63.6%	--	--
<b>TOTAL</b>	<b>28.2%</b>	<b>28.7%</b>	<b>-0.5</b>

## INTEGRAL COST OF FINANCING (LTM)

	LTM March 2002 Millions of Pesos	LTM March 2001 Millions of Pesos	Variation %
Interest Paid	73.0	109.7	-33.5
Interest Earned	49.7	73.7	-32.0
Foreign Exchange (Gain) Loss	-1.8	1.2	-250.0
Monetary Position (Gain) Loss	9.1	-18.3	-149.7
<b>INTEGRAL COST OF FINANCING</b>	<b>30.7</b>	<b>19.5</b>	<b>57.4</b>

## NET PROFIT (LTM)

Net profit for the trailing twelve months ending in March 2002 posted \$502.5 million pesos with a 12.6% margin and an EPS of \$1.53. The breakdown is as follows:

	LTM March 2002
Net Profit (Thousands)	500,362
Shares	327,788,274
EPS (pesos)	1.53

## **BALANCE SHEET as of MARCH 31, 2002**

	March 2002 Millions of Pesos	March 2001 Millions of Pesos	Variation %
<b>Total Assets</b>	<b>4,938.1</b>	<b>4,223.1</b>	<b>16.9</b>
<b>Short Term Assets</b>	<b>4,523.1</b>	<b>3,914.5</b>	<b>15.5</b>
Cash	638.4	570.3	11.9
Accounts Receivable	1,115.0	712.5	56.5
Other Accounts Receivable	0.1	15.8	-99.5
Inventories	2,654.9	2,522.9	5.2
Other Short Term Assets	114.7	93.0	23.3
<b>Long Term Assets</b>	<b>415.0</b>	<b>308.6</b>	<b>34.5</b>
Equity in Joint Ventures	5.5	19.1	-71.2
Buildings and Equipment	409.5	289.5	41.5
<b>Total Liabilities</b>	<b>1,747.1</b>	<b>1,501.6</b>	<b>16.3</b>
<b>Short Term Liabilities</b>	<b>635.1</b>	<b>492.0</b>	<b>29.1</b>
Accounts Payable	252.3	214.6	17.6
Bank Loans	80.9	14.3	465.7
Taxes Payable	14.0	0.1	13,900.0
Other Short Term Liabilities	287.9	263.0	9.5
<b>Long Term Liabilities</b>	<b>--</b>	<b>60.1</b>	<b>-100.0</b>
Bank Loans	--	7.8	-100.0
Middle Term Bond	--	52.3	-100.0
<b>Differed Liabilities</b>	<b>1,112.0</b>	<b>949.5</b>	<b>17.1</b>
Differed Taxes	1,109.2	949.0	16.9
Labor Bond	2.8	--	100.0
Other Differed Liabilities	--	0.5	-100.0
<b>Stockholder's Equity</b>	<b>3,191.0</b>	<b>2,721.9</b>	<b>17.3</b>

## ASSETS

Total assets increased 16.9 % compared to April 30, 2001. Inventories, which include land and work in progress are the most important assets and increased by 5.2 %. Throughout the quarter cash reached \$ 638.4 million pesos representing a 11.9 % real term increase from the previous first quarter. Assets include new commercial space that has been provided to benefit our customers.

## ACCOUNTS RECEIVABLE

Accounts receivable increased 56.5 % in pesos and posted 4.2 months of sales. The optimum level is in the range between 3.5 and 4.5 months. This is something we had anticipated due to the fact of the delay in the FOVISSSTE operations. It is worth mentioning that the company continues to have accounts receivable at leadership levels. We are convinced that FOVISSSTE will begin operating at improved levels in the very short term. This is why we kept our home production throughout the quarter.

## LIABILITIES

Deferred Liabilities amount to \$ 1,109.2 million pesos and reflect the historical impact of deferred taxes. Due to this effect leverage understood as total liabilities to total assets reached 35.4 %. Without taking them into account, leverage would be 12.9 %. Outstanding cost bearing liabilities represent only 6.9 % of total liabilities and 18.8 % of cash. Despite all this it's evident that we have consistently maintained a very healthy balance sheet. Our short-term liabilities increased 29.1 %, this is primarily due to the increase on other short term liabilities. These include some advanced down payments and titling expenses from clients. The accounts payable to land suppliers went from \$ 120.3 million to \$ 141.7 million pesos in the year.

## STOCKHOLDER'S EQUITY

Consorcio ARA's stock holder's equity increased 17.3 % posting \$ 3,191.0 million pesos ending March 2002.

## LAND BANK

Consorcio ARA's continues to hold the optimal land bank for its operations from a strategic, operational and financial point of view. This land bank is 20.3 million square meters strong, which provides the company with the capacity to sell more than 108,095 homes, the equivalent of 124,257 affordable entry level homes. The breakdown is as follows:

	March 2002	Affordable Units	Revenue
	Units	Equivalent	Million Pesos
Prosavi-Progresiva	16,560	10,926	2,603.5
Affordable Entry	82,548	82,548	19,669.7
Middle Income	6,665	9,806	2,336.7
Residential	2,332	20,976	4,998.3
<b>TOTAL</b>	<b>108,095</b>	<b>124,257</b>	<b>29,608.2</b>

The land bank breakdown by state is as follows:

	Units	%
Valle de México	52,219	48.3
Quintana Roo	30,235	28.0
Baja California	10,528	9.7
Estado de México	4,386	4.1
Sonora	2,822	2.6
Puebla	2,005	1.8
Nuevo León	1,743	1.6
Guanajuato	1,680	1.6
Chihuahua	1,349	1.2
Veracruz	492	0.5
Morelos	221	0.2
Querétaro	174	0.2
Guerrero	152	0.1
Sinaloa	49	0.1
Tabasco	40	0.0
TOTAL	108,095	100.0

A clear preference for regions with strong economic development and demographics continues to be evident.

#### MORTGAGE COMMITMENT BACKLOG

As of March 31, 2002 Consorcio Ara's mortgage commitment backlog stood as follows:

	March 2002	%	March 2001	%	% Change
	Units		Units		
Prosavi-Progresiva	1,012	5.6	368	2.0	175.0
Affordable	12,959	71.5	16,091	86.4	-19.5
Infonavit	6,288	34.7	7,638	41.0	-17.7
Fovi-Fovissste	6,671	36.8	8,453	45.4	-21.1
Middle Income	3,711	20.5	1,717	9.2	116.1
Residential	430	2.4	437	2.4	-1.6
TOTAL	18,112	100.0	18,613	100.0	-2.7

Current backlog levels are sufficient for more than one year of sales. The company believes that optimal levels are within the 1 to 1.5 year range since it is not a construction backlog but rather a mortgage commitment pool. We will make an emphasis to increase it in the next few quarters.

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