

Mexico City (April 23, 2003) – Consorcio ARA S.A. de C.V. (BMV: ARA*) today announced results for the First Quarter of 2003 and trailing twelve months ended March 31, 2003.

(All figures in Mexican Pesos)

PERFORMANCE HIGHLIGHTS

First Quarter 2003 compared to the First Quarter 2002

- 16.6 % increase in revenues, reaching \$ 998.8 million pesos. This revenues are equivalent to 3,432 units and represent approximately 4,895 homes considering the national average housing price of \$ 202,000 pesos
- 17.8 % gross profit increase resulting in a gross margin of 28.6%, reaching \$ 283.2 million pesos
- 18.7 % increase in operating profit with a margin of 20.9%, reaching \$ 206.9 million pesos
- EBITDA increase of 18.9 % with a margin of 22.4 % of revenues, reaching \$ 221.5 million pesos
- Net profit increase of 40.1% with a net margin of 14.0%, reaching \$ 138.8 million pesos

LTM March 2003 vs. LTM March 2002

- Increase in revenues of 4.4 %, reaching \$ 4,382.7 million pesos. This revenues are equivalent to 16,035 units and represent approximately 21,696 homes considering the national average housing price of \$ 202,000 pesos
- 5.7 % increase in gross profit with a gross margin of 28.6 %, reaching \$ 1,252.7 million pesos
- Increase in operating profit of 5.6 % with an operating margin of 20.9%, reaching \$ 914.2 million pesos
- EBITDA growth of 6.0 % with a margin of 22.1 %, reaching \$ 969.5 million pesos
- Net Profit increase of 12.6% with a net margin of 13.6 %, reaching \$ 597.6 million of pesos
- The Earnings Per Share was \$1.81

March 31, 2003 Balance Sheet Highlights.

- The cost bearing liabilities represent a fourth of our cash
- Leverage was maintained at a healthy level of 12.5% total liabilities to total assets, this is without the non-cash impact of deferred taxes. If included, leverage was 34.8%
- Consorcio ARA's fully owned Land Bank was enough to build and sell 108,532 units, equivalent to 115,680 affordable entry level units
- Backlog of 18,697 units, which guarantees approximately a little over a year of future sales



FIRST QUARTER 2003

UNIT SALES:

During the first quarter of 2003, Consorcio ARA's had total sales of 3,432 units reaching 16.6% growth in real terms. The breakdown is as follows:

	1° Quarter 2003		1° Quarter 2002		Variation			
	Units	Millions of Pesos	Units	Millions of Pesos	Units	%	Millions of Pesos	%
Prosavi-Progresiva	277	45.7	584	97.0	-307	-52.6	-51.3	-52.9
Infonavit	1,361	344.0	1,012	240.0	349	34.5	104.0	43.3
Fovi	773	213.4	943	256.1	-170	-18.0	-42.7	-16.7
Fovissste	560	135.6	266	63.0	294	110.5	72.6	115.2
Affordable Entry Level	2,694	693.0	2,221	559.1	473	21.3	133.9	23.9
Middle Income	435	198.5	387	143.3	48	12.4	55.2	38.5
Residential	26	37.9	20	45.5	6	30.0	-7.6	-16.7
Comercial Land		--		--			--	--
Total as Developer	3,432	975.1	3,212	844.9	220	6.8	130.2	15.4
Contractor	--	7.5	--	--	--	--	7.5	100.0
Comercial Space	--	6.2		3.0	--		3.2	106.7
Middle Income	--		--		--			
Total Joint Ventures	--		--		--			
TOTAL	3,432	988.8	3,212	847.9	220	6.8	140.9	16.6

	1° Quarter 2003		1° Quarter 2002		Variation	
	Units	Mix	Units	Mix	Units	%
Prosavi-Progresiva	277	8.1%	584	18.2%	-307	-52.6
Infonavit	1,361	39.7%	1,012	31.5%	349	34.5
Fovi-Fovissste	1,333	38.8%	1,209	37.6%	124	10.3
Affordable Entry	2,694	78.5%	2,221	69.1%	473	21.3
Middle Income	435	12.7%	387	12.0%	48	12.4
Residential	26	0.8%	20	0.6%	6	30.0
TOTAL	3,432	100.0%	3,212	100.0%	220	6.8

Sales in Prosavi-Progresiva reflected a decrease in units of 52.6 % and 52.9 % in revenues compared to the same quarter of the previous year. The completion of some developments caused this.

Our operations in the Affordable Entry Level segment increased 21.3% from 2,221 units during the first quarter of 2002 to 2,694 units during the first quarter of 2003 reflecting an increase of 23.9 % in revenues. The volume of FOVI-FOVISSSTE sales increased 10.3% when compared



to the same quarter a year ago by posting 1,333 units which generated a 9.4% increase in revenues which posted \$ 349.0 million of pesos.

INFONAVIT revenues reached \$ 344.0 million pesos, that in a 43.3% increase and posted 1,361 units. It is worth mentioning that during the quarter revenues were recognized from sales and construction of 435 middle income units sold out of which 369 units sold were financed through Sociedad Hipotecaria Federal (previously known as FOVI). The opening of new developments will strengthen this segment in the future. This segment has increased its participation in the sales mix, thus enriching it.

The Residential housing segment decreased of 30.0 % in volume and 16.7 % in revenues during the quarter, caused by the completion of some developments. The residential market is oversupplied due to increased competition.

AVERAGE PRICES

During the first quarter the average selling prices performed well and according to our expectations. The breakdown is as follows:

	First Quarter 2003 (Thousands \$)	First Quarter 2002 (Thousands \$)	Variation %
Average Selling Price	164.8	166.1	-0.8
Prosavi-Progresiva	252.7	237.1	6.6
Infonavit	276.1	271.6	1.7
Fovi	242.1	237.0	2.2
Fovissste	257.2	251.7	2.2
Affordable Entry Level	456.3	370.4	23.2
Middle Income	1,458.5	2,274.0	-35.9
Residential			

The average selling price of the residential segment reached \$1,458.5 thousand pesos, that is, a 35.9% decrease compared with the first quarter of 2002. This was caused by a change in the sales mix due to the completion of Torre Playa Diamante.

The FOVI & FOVISSSTE segments experienced a 1.7% and 2.2% increase respectively. While Prosavi-Progresiva experienced a marginal decrease of 0.8% in its price, Infonavit experienced an increase in price of 6.6%, it is worth mentioning that the middle income segment increased its price by 23.2% due to the new mortgages of SHF in which the client can purchase homes worth up to \$ 1,500,000 pesos.



EARNINGS STATEMENT, 1° Quarter 2003 VS 1° Quarter 2002.

	1° Quarter 2003		1° Quarter 2002		Variation
	Millions of Pesos	%	Millions of Pesos	%	%
Revenues	988.8	100.0	847.9	100.0	16.6
Cost of Goods Sold	705.6	71.4	607.5	71.6	16.2
Gross Profit	283.2	28.6	240.4	28.4	17.8
G&A Costs	76.3	7.7	66.0	7.8	15.6
Operating Profit	207.0	20.9	174.4	20.6	18.7
ICF	0.3	0.0	3.7	0.4	-90.8
Other Income	14.3	1.4	1.6	0.2	801.2
PreTax Profit	220.9	22.3	172.2	20.3	28.3
Income and other taxes	24.0	2.4	15.1	1.8	59.1
Deferred Tax	58.1	5.9	58.1	6.8	0.1
Total Tax	82.1	8.3	73.2	8.6	12.2
Net Profit	138.8	14.0	99.1	11.7	40.1
Depreciation	14.6	1.5	11.8	1.4	23.3
EBITDA	221.5	22.4	186.3	22.0	18.9

REVENUES

Revenues increased 16.6% in real terms from \$ 847.9 million of pesos in the first quarter of 2002 to \$988.8 million of pesos in the first quarter of 2003.

COST OF GOODS SOLD

Cost of goods decreased as a percentage of revenues by 0.2%. They contracted from 71.6% to 71.4%. This improvement is explained by higher efficiencies in the construction processes.

GROSS PROFIT

Gross profit for the first quarter of 2003 increased 17.8% compared to the same period last year, posting \$ 283.2 million pesos. This increase generated a pooled gross margin of 28.6%. Gross margin in each segment is as follows:

	Gross Margin	Gross Margin	Variation
	1° Quarter 2003	1° Quarter 2002	Points
Prosavi-Progresiva	23.1%	23.7%	-0.6
Affordable	28.7%	28.3%	0.4
Middle Income	29.8%	30.1%	-0.3
Residential	30.3%	30.9%	-0.6
Developer	28.7%	28.2%	0.5
Contractor	--	--	--
Comercial Land	49.0%	63.6%	-14.6
TOTAL	28.6%	28.4%	0.2

In general , the behavior of the gross margins were mixed. It is worth to mention, nevertheless, that the increase of 0.4% in the affordable entry level segment has the highest impact due to its



volume in the sales mix. This fact explains the most if the 20 bp increase in the consolidated gross margin.

GENERAL AND ADMINISTRATIVE COSTS.

G&A as a percentage of revenues posted 7.7 %, that is, \$ 76.3 million pesos. Even though they experienced a marginal increase compared to the same quarter of the 2002, these are at an acceptable level for the company, and a leadership level in the industry

OPERATING PROFIT

Operating profit totaled \$ 207.0 million pesos, a 18.7% increase in real terms compared to the first quarter of 2002. The corresponding margin was 20.9%. It is worth mentioning that the increase experienced was stronger than the experienced by the revenues.

EBITDA

During the first quarter of 2003, Consorcio ARA posted EBITDA of \$ 221.5 million of which \$14.6 million came from depreciation. The resulting margin was 22.4%.

INTEGRAL COST OF FINANCING

Integral cost of financing decreased 90.8% from \$ 3.7 million during the first quarter of 2002 to \$0.3 million during the first quarter of 2003. The breakdown is as follows:

	1° Quarter 2003	1° Quarter 2002	Variation
	Million Pesos	Million Pesos	%
Interest Paid	13.5	11.7	15.0
Interest Earned	17.4	10.7	61.7
Foreign Exchange (Gain) Loss	(1.4)	0.9	-254.8
Monetary Position (Gain) Loss	2.8	3.7	-23.2
INTEGRAL COST OF FINANCING	0.3	3.7	-90.8

Cash has remained high thus interest earned posted \$17.4 million, that is 61.7% stronger than the previous year. Higher interest rates also contributed to this.

Our EBITDA is 649.7 times higher than the ICF, and that it can cover Interest Paid more than 16.5 times.

TAXES

The total amount of taxes paid during the quarter was \$ 82.1 million pesos, representing an increase of 12.2%. Tax provisions for deferred tax during the quarter kept the same levels as the previous year.

NET PROFIT

Net profit for the first Quarter increase in a 40.1% reaching \$ 138.8 million with a net margin of 14.0%.



LTM ended on March 2003 Vs. 2002

UNIT SALES (LTM):

	LTM March 2003		LTM March 2002		Variation			
	Units	Millions of Pesos	Units	Millions of Pesos	Units	%	Millions of Pesos	%
Prosavi-Progresiva	2,114	348.7	2,153	337.0	-39	-1.8	11.7	3.5
Infonavit	7,163	1,768.8	6,195	1,441.9	968	15.6	326.9	22.7
Fovi	3,463	945.4	3,690	1,011.4	-227	-6.2	-66.0	-6.5
Fovissste	1,384	337.9	2,491	606.8	-1,107	-44.4	-268.9	-44.3
Interés Social	12,010	3,052.1	12,376	3,060.1	-366	-3.0	-8.0	-0.3
Tipo Medio	1,826	782.1	1,243	476.2	583	46.9	305.9	64.3
Residencial	85	162.8	133	287.6	-48	-36.1	-124.8	-43.4
Terrenos Comerciales		6.2		9.7			-3.5	-35.5
Total como Promotor	16,035	4,352.0	15,905	4,170.5	130	0.8	181.5	4.4
Constructor		8.1		26.5			-18.4	-69.4
Locales Comerciales		22.6		3.0			19.6	661.3
Tipo Medio			49		-49	-100.0		
Total en A/P			49		-49	-100.0		
TOTAL	16,035	4,382.7	15,954	4,200.0	81	0.5	182.7	4.4

SUMMARY	LTM March 2003		LTM March 2002		Variation	
	Units	Mix	Units	Mix	Units	%
Prosavi-Progresiva	2,114	13.2%	2,153	13.5%	-39	-1.8
Infonavit	7,163	44.7%	6,195	38.8%	968	15.6
Fovi-Fovissste	4,847	30.2%	6,181	38.7%	-1,334	-21.6
Affordable Entry	12,010	74.9%	12,376	77.6%	-366	-3.0
Middle Income	1,826	11.4%	1,292	8.1%	534	41.3
Residencial	85	0.5%	133	0.8%	-48	-36.1
TOTAL	16,035	100.0%	15,954	100.0%	81	0.5

AVERAGE PRICES (LTM)

Average Selling Price	LTM March 2003	LTM March 2002	Variation
	(Thousands of Pesos)	(Thousands of Pesos)	%
Prosavi-Progresiva	165.0	156.5	5.4
Infonavit	246.9	232.7	6.1
Fovi	273.0	274.1	-0.4
Fovissste	244.2	243.6	0.2
Affordable Entry Level	254.1	247.3	2.8
Middle Income	428.3	383.1	11.8
Residencial	1,915.9	2,162.4	-11.4



EARNINGS STATEMENT, LTM.

	LTM March 2003		LTM March 2002		Variation
	Millions of	%	Millions of	%	%
	Pesos		Pesos		
Revenues	4,382.7	100.0	4,200.0	100.0	4.4
Cost of Goods Sold	3,130.0	71.4	3,014.6	71.8	3.8
Gross Profit	1,252.7	28.6	1,185.3	28.2	5.7
G&A Costs	338.5	7.7	319.3	7.6	6.0
Operating Profit	914.2	20.9	866.0	20.6	5.6
ICF	34.4	0.8	32.4	0.8	6.1
Other Income	35.3	0.8	12.1	0.3	192.0
Joint Ventures	-3.8	-0.1	-5.0	-0.1	-23.7
PreTax Profit	911.3	20.8	840.7	20.0	8.4
Income and other taxes	98.6	2.3	96.2	2.3	2.5
Deferred Tax	215.0	4.9	213.6	5.1	0.7
Total Tax	313.6	7.2	309.8	7.4	1.2
Net Profit	597.6	13.6	530.9	12.6	12.6
Depreciation	55.3	1.3	48.5	1.2	13.9
EBITDA	969.5	22.1	914.6	21.8	6.0

GROSS PROFIT (LTM)

	Gross Margin LTM March 2003	Gross Margin LTM March 2002	Variation Points
Prosavi-Progresiva	23.6%	23.7%	-0.1
Affordable	28.6%	28.2%	0.4
Middle Income	30.2%	29.9%	0.3
Residential	30.4%	31.2%	-0.8
Contractor	-39.5%	27.0%	-66.5
Comercial Land	51.5%	28.2%	23.3
Comercial Store Rents	49.2%	63.6%	-14.4
TOTAL	28.6%	28.2%	0.4

INTEGRAL COST OF FINANCING (LTM)

	LTM Dec. 2003 (Millions of Pesos)	LTM Dec. 2002 (Millions of Pesos)	Variation %
Interest Paid	61.6	77.2	-20.2
Interest Earned	49.3	52.5	-6.1
Foreign Exchange (Gain) Loss	-3.8	1.9	-307.9
Monetary Position (Gain) Loss	18.2	9.6	90.0
INTEGRAL COST OF FINANCING	34.4	32.4	6.1

TAXES LTM

The total amount of taxes paid during the year 2003 was \$ 313.6 million pesos, representing an increase of 1.2% and a deferred income tax of \$215.0 million pesos.



NET PROFIT (LTM)

Net profit for the trailing twelve months ending in March 2003 increased in 12.6% and posted \$ 597.6 million pesos with a 13.6% margin and an EPS of \$1.81. The breakdown is as follows:

	LTM March 2003
Net Profit (pesos)	595,090,538
Average Shares	327,951,457
EPS (pesos)	1.81

BALANCE SHEET as of MARCH 31, 2003

	March 2003	March 2002	Variation %
	Millions of	Millions of	
	Pesos	Pesos	
Total Assets	6,143.7	5,340.6	15.0
Short Term Assets	5,644.5	4,902.2	15.1
Cash	856.5	674.4	27.0
Accounts Receivable	1,298.9	1,304.8	-0.5
Inventories	3,362.0	2,804.6	19.9
Other Short Term Assets	127.1	118.4	7.3
Long Term Assets	499.2	438.4	13.9
Machinery and Equipment	499.2	432.6	15.4
Equity in Joint Ventures	0.0	5.8	-100.0
Total Liabilities	2,140.5	1,969.6	8.7
Short Term Liabilities	720.5	794.6	-9.3
Accounts Payable	149.1	266.5	-44.1
Bank Loans	100.0	85.4	17.0
Leasing	16.0	4.2	282.9
Taxes Payable	9.0	14.8	-39.5
Other Short Term Liabilities	446.5	423.6	5.4
Long Term Liabilities	45.4	3.3	1,275.4
Leasing	45.4	3.3	1,275.4
Differed Liabilities	1,374.5	1,171.7	17.3
Differed Taxes	1,374.5	1,171.7	17.3
Stockholder's Equity	4,003.2	3,371.0	18.8

ASSETS

Total assets increased 15.0 % compared to March 31, 2002. Inventories including land and work in progress are the most important assets and reflected increased by 21.2 %. By the end of the year cash reached \$ 856.5 million pesos representing a 27.0 % real term increase from the previous first quarter.



ACCOUNTS RECEIVABLE

Accounts receivable decreased 0.5 % in pesos and posted 3.9 months of sales. The optimum level is in the range between 3.5 and 4.5 months. It is worth mentioning that the company continues to have accounts receivable at leadership levels.

MACHINERY AND EQUIPMENT:

Machinery and equipment increased 15.4%. This figure includes all assets required for our traditional operations as well as commercial areas built for the benefit of our clients. These were performed by Promotora y Desarrolladora de Centros Comerciales S.A. de C.V. (PDCC), subsidiary of Consorcio ARA. In the near future these operations will cease to consolidate due to the entrance of a strategic partner. Subsequently commercial areas in Consorcio ARA's land bank will developed thus.

LIABILITIES

Deferred Liabilities amount to \$ 1,374.5 million pesos and reflect the historical impact of deferred taxes. Due to this effect leverage understood as total liabilities to total assets reached 34.8 %. Without taking them into account, leverage would be 12.4 %. Outstanding cost bearing liabilities represent only 9.5 % of total liabilities and 23.4 % of cash. Our short-term liabilities decreased 9.3 %. The accounts payable to land suppliers went from \$ 149.6 million to \$ 59.0 million pesos in the year, representing a 60.5% decrease.

STOCKHOLDER'S EQUITY

Consorcio ARA's stock holder's equity increased 18.8 % posting \$ 4,003.2 million pesos ending March 2003.

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 22.7 million square meters strong, which provides the company with the capacity to sell more than 108,532 homes, the equivalent of 115,680 affordable entry level homes. The breakdown is as follows:

	March 2003	Affordable Units	Revenues Million Pesos
	Units	Equivalent	Equivalent
Prosavi-Progresiva	21,254	13,696	3,523.2
Affordable Entry	79,294	79,294	20,397.9
Middle Income	5,795	10,279	2,644.3
Residential	2,189	12,411	3,192.6
TOTAL	108,532	115,680	29,758.0



The land bank breakdown by state is as follows:

	Units	%
Valle de México	60,211	54.7
Quintana Roo	23,691	21.5
Baja California	8,514	7.7
Toluca, Edo. Mex	4,879	4.4
Nuevo León	3,109	2.8
Sonora	2,822	2.6
Puebla	1,901	1.7
Guanajuato	1,594	1.4
Jalisco	1,495	1.4
Chihuahua	812	0.7
Veracruz	490	0.4
Morelos	217	0.2
Querétaro	172	0.2
Guerrero	132	0.1
Sinaloa	49	0.0
Tabasco	40	0.0
TOTAL	110,128	100.0

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

MORTGAGE COMMITMENT BACKLOG

As of March 31, 2003 Consorcio Ara's mortgage commitment backlog stood as follows:

	March 2003	%	March 2002	%	% Change
	Units		Units		
Prosavi-Progresiva	828	4.4	1,012	5.6	-18.2
Affordable	13,206	70.6	12,959	71.5	1.9
Infonavit	4,805	25.7	6,288	34.7	-23.6
Fovi-Fovissste	8,401	44.9	6,671	36.8	25.9
Middle Income	4,277	22.9	3,711	20.5	15.3
Residential	386	2.1	430	2.4	-10.2
TOTAL	18,697	100.0	18,112	100.0	3.2

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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