

Mexico City (July 22, 2002) – Consorcio ARA S.A. de C.V. (BMV: ARA*) today announced results for the Second Quarter of 2002 and trailing twelve months ended June 30, 2002.

(All figures in Mexican Pesos)

PERFORMANCE HIGHLIGHTS

Second Quarter 2002 compared to the Second Quarter 2001

- 0.5 % increase in revenues, reaching \$ 880.6 million pesos
- 1.6 % gross profit increase resulting in a gross margin of 28.4%, reaching \$ 249.7 million pesos
- 0.5 % increase in operating profit with a margin of 20.5%, reaching \$ 180.8 million pesos
- EBITDA increase of 0.2 % with a margin of 21.8 % of revenues, reaching \$ 192.2 million pesos
- Net profit with a net margin of 10.2%, reaching \$ 89.7 million pesos

LTM June 2002 vs. LTM June 2001

- Increase in units sold of 0.3 %
- Increase in revenues of 5.9 %, reaching \$ 4,029.3 million pesos
- 5.3 % increase in gross profit with a gross margin of 28.3 %, reaching \$ 1,139.9 million pesos
- Increase in operating profit of 2.9 % with an operating margin of 20.6%, reaching \$ 876.8 million pesos
- EBITDA growth of 2.4 % with a margin of 21.8 %, reaching \$ 876.8 million pesos
- Net Profit margin posted a 12.1 % margin, reaching \$ 487.3 million of pesos. Without the impact of deferred taxes, the net margin posted was 16.6 %, reaching \$ 667.2 million pesos
- The Earnings Per Share was \$1.48

June 30, 2002 Balance Sheet Highlights.

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- The cost bearing liabilities represent a third part of the cash
 - Leverage was maintained at a healthy level of 13.6% total liabilities to total assets, this is without the non-cash impact of deferred taxes. If included, leverage was 36.5%
 - Consorcio ARA's fully owned Land Bank was enough to build and sell 106,516 units, equivalent to 121,440 affordable entry level units
 - Backlog of 18,921 units, which guarantees approximately one year of future sales
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SECOND QUARTER 2002

UNIT SALES:

During the second quarter of 2002, Consorcio ARA's had total sales of 3,350 reaching 0.5 % growth in real terms. The breakdown is as follows:

	2° Quarter 2002		2° Quarter 2001		Variation			
	Units	Millions of Pesos	Units	Millions of Pesos	Units	%	Millions of Pesos	%
Prosavi-Progresiva	530	87.6	341	45.6	189	55.4	42.0	92.0
Infonavit	1,985	474.5	1,571	330.5	414	26.4	144.0	43.6
Fovi-Fovissste	498	137.6	1,201	311.8	-703	-58.5	-174.2	-55.9
Affordable Entry Level	2,483	612.1	2,772	642.3	-289	-10.4	-30.2	-4.7
Middle Income	314	129.2	237	99.0	77	32.5	30.2	30.5
Residential	23	48.1	31	51.7	-8	-25.8	-3.6	-7.1
Comercial Land		--		28.8			-28.8	-100.0
Total as Developer	3,350	877.0	3,381	867.4	-31	-0.9	9.6	1.1
Contractor	--	--	--	9.0	--	--	-9.0	-100.0
Comercial Store Rents	--	3.6		--			3.6	100.0
Middle Income	--		26		-26	-100.0		
Total Joint Ventures	--		26		-26	-100.0		
TOTAL	3,350	880.6	3,407	876.4	-57	-1.7	4.2	0.5

	2° Quarter 2002		2° Quarter 2001		Variation	
	Units	Mix	Units	Mix	Units	%
Prosavi-Progresiva	530	15.8%	341	10.0%	189	55.4
Infonavit	1,985	59.2%	1,571	46.1%	414	26.4
Fovi-Fovissste	498	14.9%	1,201	35.3%	-703	-58.5
Affordable Entry	2,483	74.1%	2,772	81.4%	-289	-10.4
Middle Income	314	9.4%	263	7.7%	51	19.4
Residential	23	0.7%	31	0.9%	-8	-25.8
TOTAL	3,350	100.0%	3,407	100.0%	-57	-1.7

Sales in Prosavi-Progresiva reflected an increase in units of 55.4 % and 92.0 % 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 10.4 % from 2,772 units during the second quarter of 2001 to 2,483 units during the second quarter of 2002 reflecting an decrease of 4.7 % in revenues. The volume of FOVI-FOVISSSTE sales decrease 58.5% when compared to the same quarter a year ago by posting 498 units which generated a 55.9 % decrease in revenues which posted \$ 137.6 million of pesos. This is something we had anticipated due to the fact of the delay in the FOVISSSTE operations, we hope in the near future go back on track. The INFONAVIT revenues reached \$ 474.5 million pesos, this represent a 43.5 % increase and posted 1,985 units. Joint Ventures in the middle-income segment are finished. It is worth mentioning that

during the quarter revenues was recognized from sales and construction of 314 middle income units sold out of which 257 units sold were financed through FOVI's B3 program. The opening of the new developments will strengthen this segment in the future.

The Residential housing segment decreased of 25.8 % in volumes and 7.1 % in revenues during the quarter, caused by the completion of some of the developments. The developments in Acapulco (Villas Playa Diamante), and Herrerías 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 second quarter the average selling prices performed well and according to our expectations. It increased in most segments, and the breakdown is as follows:

	Second Quarter 2002 (Thousands \$)	Second Quarter 2001 (Thousands \$)	Variation %
Average Selling Price			
Prosavi-Progresiva	165.3	133.8	23.5
Infonavit	239.1	210.4	13.6
Fovi-Fovissste	276.3	259.6	6.4
Affordable Entry Level	246.5	231.7	6.4
Middle Income	411.5	417.7	-1.5
Residential	2,090.7	1,669.1	25.3

The revenues of the Playa Diamante development in Acapulco substantially increased the average price of the residential segment, which posted \$ 2,090.7 thousands of pesos, resulting in a 25.3 % increase compared to the second quarter of 2001.

EARNINGS STATEMENT, 2° Quarter 2002 VS 2° Quarter 2001.

	2° Quarter 2002		2° Quarter 2001		Variation %
	Millions of Pesos	%	Millions of Pesos	%	
Revenues	880.6	100.0	876.4	100.0	0.5
Cost of Goods Sold	630.9	71.6	630.6	72.0	0.0
Gross Profit	249.7	28.4	245.8	28.0	1.6
G&A Costs	68.9	7.8	66.0	7.5	4.4
Operating Profit	180.8	20.5	179.8	20.5	0.6
ICF	13.1	1.5	6.6	0.8	98.5
Other Income	0.5	0.1	5.1	0.6	-90.2
Joint Ventures	0.0	0.0	-1.2	-0.1	-100.0
PreTax Profit	168.2	19.1	177.1	20.2	-5.0
Taxes	78.5	8.9	66.0	7.5	18.9
Net Profit	89.7	10.2	111.1	12.7	-19.3
Depreciation	11.4	1.3	12.0	1.4	-5.0
EBITDA	192.2	21.8	191.8	21.9	0.2

REVENUES

Revenues increased 0.5 % in real terms from \$ 876.4 million in the second quarter of 2001 to \$880.6 million of pesos in the second quarter of 2002.

COST OF GOODS SOLD

Cost of goods sold keep steady from \$ 630.6 million during the second quarter of 2001 to \$ 630.9 million of pesos during the second 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 second quarter of 2002 increased 1.6 % compared to the same period last year, posting \$ 249.7 million pesos. This increase generated a pooled gross margin of 28.4%. Gross margin in each segment is as follows:

	Gross Margin	Gross Margin	Variation
	2° Quarter 2002	2° Quarter 2001	Points
Prosavi-Progresiva	23.9%	23.1%	0.8
Affordable	28.4%	27.7%	0.7
Middle Income	31.0%	30.2%	0.8
Residential	30.2%	31.4%	-1.2
Developer	28.4%	28.1%	0.4
Contractor	--	27.0%	N/A
Comercial Land	67.2%	--	67.2
TOTAL	28.4%	28.1%	0.3

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, \$ 68.9 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 second 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 \$ 180.8 million pesos, a 0.6% increase in real terms compared to the second quarter of 2001. The corresponding margin was 20.5 %.

EBITDA

During the second quarter of 2002, Consorcio ARA posted EBITDA of \$ 192.2 million of which \$11.4 million came from depreciation. The resulting margin was 21.8 %.

INTEGRAL COST OF FINANCING

Integral cost of financing increased 98.5 % from \$ 6.6 million during the second quarter of 2001 to \$13.1 million during the second quarter of 2002. The breakdown is as follows:

	2° Quarter 2002	2° Quarter 2001	Variation
	Million Pesos	Million Pesos	%
Interest Paid	15.1	21.5	-29.8
Interest Earned	8.0	16.5	-51.5
Foreign Exchange (Gain) Loss	2.5	0.4	525.0
Monetary Position (Gain) Loss	3.5	1.2	191.7
INTEGRAL COST OF FINANCING	13.1	6.6	98.5

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 14.7 times higher than the ICF, and the Interest Paid can be covered in more than 12.7 times.

EQUITY IN JOINT VENTURES

Middle Income Joint Venture reduced their operations due to the end of development in this business line.

TAXES

The deferred taxes registered by the company were \$ 60.0 million of pesos during the quarter. The total amount of taxes paid during the quarter was \$ 78.5 million pesos.

NET PROFIT

Net profit for the Second Quarter was \$ 89.7 million with a net margin of 10.2%.

LTM ended on June 2002 Vs. 2001

UNIT SALES (LTM):

	LTM June 2002		LTM June 2001		Variation			
	Units	Millions of Pesos	Units	Millions of Pesos	Units	%	Millions of Pesos	%
Prosavi-Progresiva	2,342	364.9	2,134	291.4	208	9.7	73.5	25.2
Infonavit	6,609	1,525.7	6,685	1,412.7	-76	-1.1	113.0	8.0
Fovi-Fovissste	5,566	1,402.9	5,322	1,318.4	244	4.6	84.5	6.4
Affordable Entry Level	12,175	2,928.5	12,007	2,731.1	168	1.4	197.4	7.2
Middle Income	1,232	460.5	1,253	484.4	-21	-1.7	-23.9	-4.9
Residential	125	272.0	116	189.1	9	7.8	82.9	43.8
Comercial Land	--	-19.5	--	28.7	--	--	--	-167.8
Total as Developer	15,874	4,006.5	15,510	3,724.8	364	2.3	281.7	7.6
Contractor	--	16.5	--	81.0	--	--	-64.5	-79.7
Comercial Store rents		6.4		--			6.4	100.0
Middle Income	23		339		-316	-93.2		
Total in Joint Ventures	23		339		-316	-93.2		
TOTAL	15,897	4,029.3	15,849	3,805.8	48	0.3	223.5	5.9

SUMMARY	LTM June 2002		LTM June 2001		Variation	
	Units	Mix	Units	Mix	Units	%
Prosavi-Progresiva	2,342	14.7%	2,134	13.5%	208	9.7
Infonavit	6,609	41.6%	6,685	42.2%	-76	-1.1
Fovi-Fovissste	5,566	35.0%	5,322	33.6%	244	4.6
Affordable Entry	12,175	76.6%	12,007	75.8%	168	1.4
Middle Income	1,255	7.9%	1,592	10.0%	-337	-21.2
Residential	125	0.8%	116	0.7%	9	7.8
TOTAL	15,897	100.0%	15,849	100.0%	48	0.3

AVERAGE PRICES (LTM)

Average Selling Price	LTM June 2002	LTM June 2001	Variation
	(Thousands of Pesos)	(Thousands of Pesos)	%
Prosavi-Progresiva	155.8	136.6	14.1
Infonavit	230.8	211.3	9.2
Fovi-Fovissste	252.0	247.7	1.7
Affordable Entry Level	240.5	227.5	5.8
Middle Income	373.8	386.6	-3.3
Residential	2,175.7	1,630.5	33.4

EARNINGS STATEMENT, LTM.

	LTM June 2002		LTM June 2001		Variation
	Millions of	%	Millions of	%	%
	Pesos		Pesos		
Revenues	4,029.3	100.0	3,805.8	100.0	5.9
Cost of Goods Sold	2,889.4	71.7	2,723.2	71.6	6.1
Gross Profit	1,139.9	28.3	1,082.6	28.4	5.3
G&A Costs	309.0	7.7	274.8	7.2	12.4
Operating Profit	830.9	20.6	807.8	21.2	2.9
ICF	37.6	0.9	20.5	0.5	83.4
Other Income	6.9	0.2	2.6	0.1	165.4
Joint Ventures	-3.6	-0.1	0.2	0.0	-1,900.0
PreTax Profit	796.6	19.8	790.1	20.8	0.8
Taxes	309.3	7.7	228.2	6.0	35.5
Net Profit	487.3	12.1	561.9	14.8	-13.3
Depreciation	45.9	1.1	48.3	1.3	-5.0
EBITDA	876.8	21.8	856.1	22.5	2.4

GROSS PROFIT (LTM)

	Gross Margin LTM June 2002	Gross Margin LTM June 2001	Variation Points
Prosavi-Progresiva	23.8%	23.2%	0.7
Affordable	28.3%	28.4%	-0.1
Middle Income	30.2%	30.6%	-0.4
Residential	31.0%	31.9%	-0.9
Contractor	15.4%	28.0%	-12.6
Comercial Land	31.1%	--	31.1
Comercial Store Rents	65.6%	--	65.6
TOTAL	28.3%	28.4%	-0.2

INTEGRAL COST OF FINANCING (LTM)

	LTM June 2002 (Millions of Pesos)	LTM June 2001 (Millions of Pesos)	Variation %
Interest Paid	67.5	110.0	-38.6
Interest Earned	41.8	76.5	-45.3
Foreign Exchange (Gain) Loss	0.3	-0.8	-137.5
Monetary Position (Gain) Loss	11.6	-12.2	-195.1
INTEGRAL COST OF FINANCING	37.6	20.5	83.4

NET PROFIT (LTM)

Net profit for the trailing twelve months ending in June 2002 posted \$ 487.3 million pesos with a 12.1% margin and an EPS of \$1.48. The breakdown is as follows:

	LTM June 2002
Net Profit (Thousands)	485,247
Shares	327,818,557
EPS (pesos)	1.48

BALANCE SHEET as of JUNE 30, 2002

	June 2002 Millions of Pesos	June 2001 Millions of Pesos	Variation %
Total Assets	5,197.0	4,625.9	12.3
Short Term Assets	4,762.1	4,280.9	11.2
Cash	692.1	597.1	15.9
Accounts Receivable	1,070.9	866.1	23.6
Other Accounts Receivable	0.0	22.3	-100.0
Inventories	2,844.9	2,722.9	4.5
Other Short Term Assets	154.1	72.5	112.7
Long Term Assets	434.9	345.0	26.1
Equity in Joint Ventures	5.4	47.3	-88.6
Buildings and Equipment	429.5	297.7	44.3
Total Liabilities	1,896.1	1,699.4	11.6
Short Term Liabilities	705.5	701.9	0.5
Accounts Payable	254.7	268.0	-5.0
Bank Loans	150.9	4.0	3,672.5
Middle Term Bond	--	78.7	-100.0
Taxes Payable	12.2	11.8	3.4
Other Short Term Liabilities	287.7	339.4	-15.2
Long Term Liabilities	--	7.9	-100.0
Bank Loans	--	7.9	-100.0
Differed Liabilities	1,190.6	989.6	20.3
Differed Taxes	1,187.3	989.6	20.0
Labor Bond	2.8	--	100.0
Other Differed Liabilities	0.5	--	100.0
Stockholder's Equity	3,300.9	2,926.5	12.8

ASSETS

Total assets increased 12.3 % compared to June 30, 2001. Inventories, which include land and work in progress are the most important assets and increased by 4.5 %. Throughout the quarter cash reached \$ 692.1 million pesos representing a 15.9 % real term increase from the previous second quarter. Assets include new commercial space that has been provided to benefit our customers.

ACCOUNTS RECEIVABLE

Accounts receivable increased 23.6 % in pesos and posted 3.8 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.

LIABILITIES

Deferred Liabilities amount to \$ 1,187.3 million pesos and reflect the historical impact of deferred taxes. Due to this effect leverage understood as total liabilities to total assets reached 36.5 %. Without taking them into account, leverage would be 13.6 %. Outstanding cost bearing liabilities represent only 11.5 % of total liabilities and 31.6 % of cash. Despite all this it's evident that we have consistently maintained a very healthy balance sheet. Our short-term liabilities increased 0.5 %, 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 \$ 88.3 million to \$ 140.7 million pesos in the year.

STOCKHOLDER'S EQUITY

Consorcio ARA's stock holder's equity increased 12.8 % posting \$ 3,300.9 million pesos ending June 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 21.0 million square meters strong, which provides the company with the capacity to sell more than 106,516 homes, the equivalent of 121,440 affordable entry level homes. The breakdown is as follows:

	June 2002	Affordable Units	Revenues Million Pesos
	Units	Equivalent	Equivalent
Prosavi-Progresiva	15,831	10,473	2,565.9
Affordable Entry	82,820	82,820	20,290.2
Middle Income	5,675	9,089	2,226.8
Residential	2,190	19,057	4,668.8
TOTAL	106,516	121,440	29,751.7

The land bank breakdown by state is as follows:

	Units	%
Valle de México	56,288	52.84
Quintana Roo	24,938	23.41
Baja California	10,042	9.43
Estado de México	5,121	4.81
Sonora	2,822	2.65
Puebla	1,686	1.58
Nuevo León	1,681	1.58
Guanajuato	1,648	1.55
Chihuahua	1,177	1.10
Veracruz	490	0.46
Morelos	221	0.21
Querétaro	173	0.16
Guerrero	140	0.13
Sinaloa	49	0.05
Tabasco	40	0.04
TOTAL	106,516	100.00

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

MORTGAGE COMMITMENT BACKLOG

As of June 30, 2002 Consorcio Ara's mortgage commitment backlog stood as follows:

	June 2002	%	June 2001	%	% Change
	Units		Units		
Prosavi-Progresiva	1,021	5.4	1,157	6.0	-11.8
Affordable	13,824	73.1	15,735	81.9	-12.1
Infonavit	6,699	35.4	7,593	39.5	-11.8
Fovi-Fovissste	7,125	37.7	8,142	42.5	-12.5
Middle Income	3,629	19.2	1,917	10.0	89.3
Residential	447	2.4	406	2.1	10.1
TOTAL	18,921	100.0	19,215	100.0	-1.5

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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