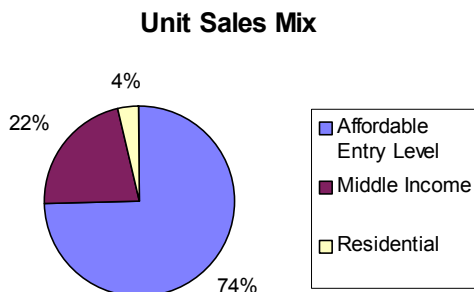


Consorcio ARA, S.A. de C.V.

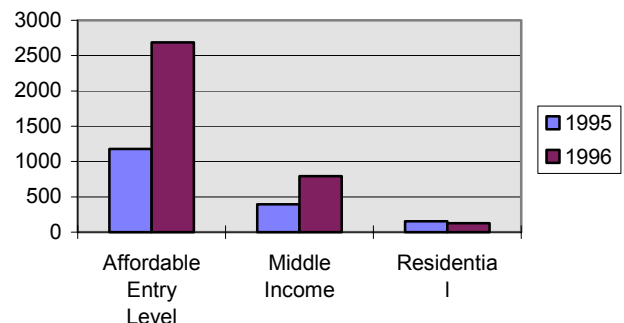
Fourth Quarter and Full Year 1996 Report

- Record 1996 sales for Consorcio ARA.
- Unit sales increase of 109.4% when compared to the previous year.
- Affordable entry level home sales represented 74.5% of units sold.
- Total revenues increased 38.3%, exceeding company forecasts.
- Gross profit increase of 51.36% reflected in a 28.6% gross margin
- Operating profit grew 47.5% in comparison with 1995.
- Net income up 162.76%, significantly exceeding expectations

Mexico City, Mexico, February 25, 1996 -- Consorcio ARA is pleased to report that 1996 was a year in which the company achieved extraordinary results. During 1996, Consorcio ARA sold 3,606 housing units, an increase of 109.4% with respect to 1995. The unit sales mix was 74.5% affordable entry level homes, 22.0% middle income and 3.5% residential homes. Comparing this data to the previous year's mix of 68.4%, 22.8%, and 8.8% for affordable entry level, middle income and residential homes respectively, reveals an increase of 6.1 percentage points in affordable low entry housing. The percentage of middle income homes in the mix was relatively flat while residential sales dropped 5.3 percentage points. These figures confirm the importance of Consorcio ARA's strategy to focus on affordable entry level homes.



Unit Sales Increases



Affordable Entry Level:

The most important increase in sales was registered in the affordable entry level home market. Sales of this type of home as a developer were 2,440 homes, compared to 1,178 units sold last year, a 107.1% increase. Joint Ventures contributed 713 to this total, an increase of 574 units over 1995's results. As a contractor, ARA sold 246 homes; none were sold this way during 1995. Out of the total affordable entry level homes sold, 1,407 units were sold via FOVI-FOVISSTE schemes while 1,033 were sold via INFONAVIT channels, representing increases of 193.1% and 48.0% compared to 1995 levels. The gross margin for this segment was 27.2%.

Middle Income:

Middle income home sales totaled 793 units compared to the 392 units sold during 1995, an increase of 102.3%. Joint venture sales increased 238.7% to 210 homes. This performance represents a clear improvement and is getting closer to sale levels prior to the 1994-1995 crisis. This segment contributed a strong 28.6% gross margin.

Residential:

During 1996, 127 residential homes were sold, mostly in the metropolitan area of Mexico City. This segment contributed a gross margin of 31.0%. The 1996 sales level is 25 units lower than in 1995 representing a 16.4% decrease due to less than total recuperation in the market for higher prices homes as well as the lack of new projects in this segment.

It is important to point out that during 1996, Consorcio ARA initiated four new developments as a developer in the State of Mexico and the State of Quintana Roo. Three are for affordable entry level developments with a total of 5,985 homes and one is for middle income housing with 1,510 homes. ARA also initiated a 668 home project as a contractor.

During 1996, important progress took place with regard to the 20,000 home affordable entry level megaproject called "San Buenaventura" in the Municipality of Ixtapaluca. Events included obtaining the housing and other permits as well as further development in the master plans. At the same time, 3,400 mortgage commitments were obtained. Finally it is important to mention that infrastructure and equipment work was begun on the first stage of the project in order to prepare it to begin sales during the first quarter of 1997.

Commenting on the results, ARA's Chairman, German Ahumada Russek said, "1996 was an important year for ARA. Our strong gains in revenue and net income reflect ARA's increasing market share and ability to respond to the market's needs. We believe the Mexican housing market is fundamentally an affordable entry level market and will therefore continue to concentrate on being one of the most important participants in that segment. ARA is well positioned with the strategic, operational and financial resources to pursue continued growth in 1997."

FINANCIAL SUMMARY

1996 Fourth Quarter

Revenues

During the fourth quarter of 1996 Consorcio ARA posted sales of \$200.7 million pesos, 36.4% higher than the revenues for the same period last year.

Gross Profit

Gross profit increased \$33.3 million pesos in relation to last year's fourth quarter, rising from \$34.6 million pesos to \$67.9 million pesos. Gross Margin grew significantly from 23.5% during 1995 to 33.8% during 1996.

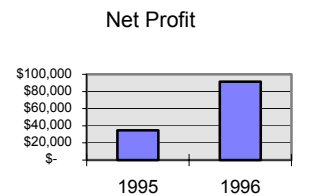
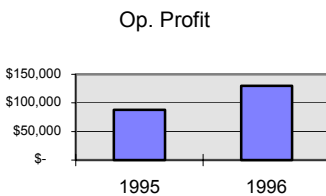
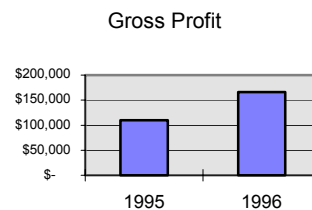
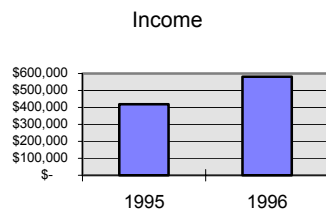
Operating Profit

Operating profit grew 95.5% with respect to the same year period last year, increasing from \$27.4 million pesos to \$53.5 million pesos.

Net Profit

Net profit for the fourth quarter of 1996 experienced an exceptional increase, growing from \$0.9 million pesos during the fourth quarter of 1995 to \$48.4 million pesos in the last quarter of 1996.

JANUARY - DECEMBER 1996



Revenues

By the end of 1996, total revenues amounted \$580.7 million pesos, an increase of 38.3% over the \$419.7 million pesos reported for 1995. Of the total income, 85.1% represents developer activities while the remaining 14.0% coming from contracting work.

Average Prices

Average prices by the end of 1996 fell 13.8% in real terms in relation to 1995 as shown in the following table (in thousands of pesos):

Average Selling Price	1996 (Thousand \$)	1995 (Thousand \$)	Variation %
Affordable Entry Level	133	143	-7.0
Middle Income	245	317	-22.7
Residential	899	661	36.0

Gross Profit

Gross profit grew from \$109.7 million pesos in 1995 to \$166.0 million pesos in 1996, an increase of 51.4%. The gross margin increased 2.5 percentage points to 28.6% due to a decrease in direct house building costs as a result of better economies of scale and supplier price discounts.

General and Administrative Expense

General and administrative expense grew 67.2% during 1996, from \$21.5 million pesos to \$36.0 million pesos, equivalent to 6.2% of revenues. This increase was due mainly to employment growth, especially an increase in the technical and sales personnel hired to support development activities in the affordable entry level and middle income segments.

Operating Profit

Operating profit grew 47.5% from \$88.1 million to \$130.0 million. This resulted in an increase of approximately 1.4 percentage points in the Operating Margin to 22.4% of revenues.

Financial Cost

The financial cost incurred during 1996 at \$52.1 million pesos decreased from 1995. While interest earned grew approximately 1.0% to \$35.5 million pesos, interest expense decreased by 51.1% to \$92.1 million pesos, compared to \$188.4 million pesos in 1995. The monetary effect changed drastically, moving from a \$133.3 profit to a loss of approximately one million pesos. This was due to the increase in monetary assets as well as the decrease in financial liabilities and cost of funds as a result of receiving proceeds from the IPO and the NAFINSA deal, as well as cashflow generated by the company.

Joint Ventures

Income from the Joint Venture operations grew 382.7% from \$2.9 million pesos during 1995 to \$13.9 million pesos by the end of 1996. This was due to a significant increase in sales from the Joint Ventures, in both the affordable entry level and middle income segments

Net Income

Net income grew 162.8% from \$34.5 million pesos in 1995 to \$91.0 million pesos in 1996; thus the Net Margin grew from 8.3% of revenues in 1995 to 15.7% of revenues in 1996. This was due to decreases in the cost of goods sold and financial cost, as well as the increase in the income generated by the Joint Venture operations. It is worth mentioning that the majority net income grew from \$34.5 million pesos in 1995 to \$91.0 million pesos in 1996.

Financial Structure:

Consortio ARA's financial structure greatly improved thanks to the proceeds from the IPO. Debt levels were considerably reduced. At December 31, 1996, the balance sheet included \$73.5 million pesos worth of bank debt and \$18.0 million pesos in accounts payable. Liquidity grew significantly with inventories of \$913.2 million pesos, accounts receivable of \$252.7 million pesos and a cash balance of \$267.2 million pesos. Accounts receivable grew due to the 38.3% increase in sales. Inventories became smaller due to valuation.

Stockholders Equity

Stockholders equity reached \$1,403 million pesos at the end of 1996, 42.06.% higher than the previous year. Thus the debt to equity ratio was reduced from 44 % as of December 31st 1995 to 8% as of December 31st 1996.

Backlog

The company's mortgage backlog closed the year at 8,842 units. This total is broken down according to the following table:

HOUSING TYPE	BACKLOG	%
Affordable Entry Level		
Fovi - Foviste	5,364	61 %
Infonavit	1,456	16%
Middle Income	1,577	2%
Residential	219	2%
Serfin (Middle Income & Residential)	226	3%
Total	8,842	100%

Earnings Statement

December 1996 (Million Pesos)

	1996	%	1995	%	Variation
Revenues					
As a developer	\$ 493.9	85.06%	\$ 353.2	84.16%	39.82%
As a contractor	\$ 81.4	14.01%	\$ 36.6	8.72%	122.24%
For administration	\$ 5.4	0.93%	\$ 29.9	7.12%	-81.86%
Total Revenue	\$ 580.7	100.00%	\$ 419.7	100.00%	38.34%
Costs	\$ 414.6	71.41%	\$ 310.1	73.87%	33.73%
Gross income	\$ 166.0	28.59%	\$ 109.7	26.13%	51.36%
General and Administrative					
Expense	\$ 36.0	6.21%	\$ 21.6	5.14%	67.25%
Operating Profit	\$ 130.0	22.38%	\$ 88.1	21.00%	47.48%
EBITDA	\$ 136.0	23.41%	\$ 91.4	21.76%	48.65%
Financial Cost	\$ 52.1	8.97%	\$ 54.6	13.02%	-4.66%
Other Income	\$ 4.2	0.72%	\$ 2.2	0.52%	89.77%
Joint Ventures	\$ 14.0	2.41%	\$ 2.9	0.69%	382.66%
Profit before Taxes	\$ 96.0	16.54%	\$ 38.6	9.19%	148.91%
Income and Asset Tax	\$ 4.7	0.80%	\$ 3.8	0.90%	22.90%
Employee Profit Sharing	\$ 0.1	0.01%	\$ 0.0	0.01%	44.21%
Net Income	\$ 91.3	15.73%	\$ 34.8	8.28%	162.76%
Minority Interest	\$ 0.3	0.06%		0.00%	0.00%
Net Majority Interest	\$ 91.0	15.67%	\$ 34.8	8.28%	161.76%

Summary Balance Sheet
December 1996 (Million of Pesos)

	1996	1995	Variation
Total Assets	\$1,516	\$1,425	6.38%
Short Term Assets	\$1,442	\$1,364	5.74%
Long Term Assets	\$ 27	\$ 13	104.14%
Buildings, Machinery & Equipment	\$ 47	\$ 48	-2.10%
Total Debt	\$ 113	\$ 437	-74.20%
Short Term Debt	\$ 51	\$ 185	-72.12%
Long Term Debt	\$ 61	\$ 252	-75.74%
Stockholder's Equity	\$1,403	\$ 988	42.06%

Per Share Information

*Calculated using 109,403,958 common shares

December 31, 1996 (except IPO price)	1996
Earnings	0.83
Stockholders' Equity	12.82
IPO Price	\$16.00
Closing Price	\$18.00
EBITDA	\$1.24
Cash Flow	\$0.84
Firm Value	\$16.28
Firm Value / EBITDA	13.10
Price / Earnings	21.64
Price / Book Value	1.40

For additional information, contact:

Consortio ARA

Donald Forseck, Manager, Finance and Investor Relations

011-525-251-2970