



CONSORCIO ARA S. A. B. DE C. V. (ARA*) RESULTS FOR THE SECOND QUARTER OF 2009 (2Q09)

Figures in millions of pesos
Document sent to the MSE (BMV) on July 23, 2009

The Company was an early adopter of the rules for the Interpretation of Norms of Financial Information on “Contracts for the construction, sale and provisioning of services related to real estate” (INIF 14). We began by applying the rules to our 2008 results. Under these rules revenues are to be recognized from the moment of titling of homes rather than through the percentage-of-completion rules that were previously applied. This INIF 14 has been implemented by the Company starting the First Quarter of 2009. Results for the second quarter of 2009 conform to these new accounting rules and are comparable to those of the same quarter of the preceding year.

I. Executive Summary

Results

Second Quarter of 2009

	2T09	
Sales (homes)	4,334	
Average price (Thousands of pesos)	396.5	
	(Billion pesos)	
	Amount	
Revenues as home builder	\$1.72	99.2%
Revenues from Other Real Estate Projects	0.01	0.8%
Revenues	\$1.73	100.0%
Gross Profit	0.41	23.6%
Income from operations	0.26	14.9%
Net Income	0.20	11.5%
EBITDA	0.30	17.4%

First half of 2009 (1H09)

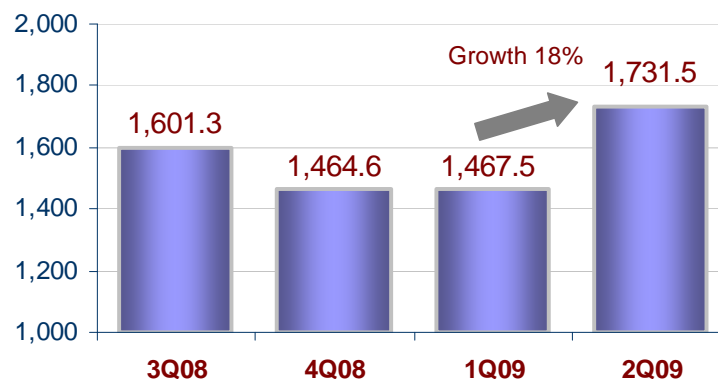
	1H09	
Sales (homes)	7,949	
Average price (Thousands of pesos)	398.7	
	(Billion pesos)	
	Amount	
Revenues as home builder	\$3.17	99.1%
Revenues from Other Real Estate Projects	0.03	0.9%
Revenues	\$3.20	100.0%
Gross Profit	0.78	24.3%
Income from operations	0.49	15.4%
Net Income	0.37	11.5%
EBITDA	0.60	18.7%
Free Cash Flow	0.19	



Financial Position at June 30, 2009

(Billion pesos)	
	Amount
Cash and Investments in securities	\$0.99
Cost Bearing Liabilities	2.23
Net Debt	1.24
	Times
Cost Bearing Liabilities / Stockholders' Equity	0.26 times
Cost Bearing Liabilities / Total Assets	0.16 times
Cost Bearing Liabilities / EBITDA (12m)	2.06 times

- The following graph depicts revenue growth between 4Q08 and 2Q09.



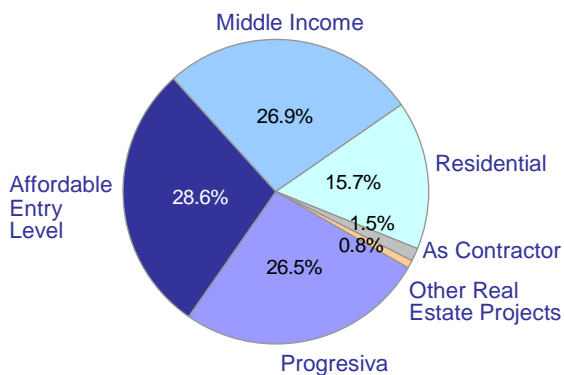
- Early application of INIF 14 accounting rules.** In addition to the early application of the new accounting rules under which revenues are to be recognized from the moment homes are titled, the Company's strategy is focused on optimizing inventories and cash flow generation.
- Ratings.** ARA continues to boast 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).
- Our land bank** extends over 41.5 million m² and is sufficient to build 163,175 master plan homes, and to cover at least seven years of company operations. The land bank has an assessed value of P\$4.86 billion.



II. Operating Results April to June 2009 (2Q09)

Revenues

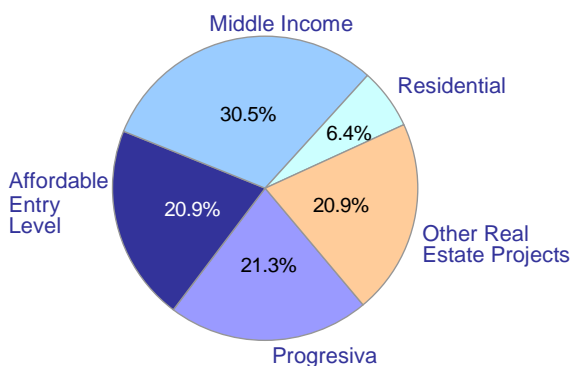
Revenues 2Q09



Sales during 2Q09 totaled P\$1.73 billion based on sales volume of 4,237 homes, whose breakdown by segment is depicted in the following table.

	2Q 2009			2Q 2008			Var. 2Q 09/08	
	Units	Mill. \$	Sales%	Units	Mill. \$	Sales%	Mill. \$	%
Progresiva	1,831	458.3	26.5	1,892	447.9	21.3	10.4	2.3
Affordable Entry Level	1,395	496.0	28.6	1,270	441.3	20.9	54.7	12.4
Middle Income	823	466.3	26.9	1,230	642.7	30.5	-176.4	-27.4
Residential	188	271.1	15.7	83	134.4	6.4	136.7	101.7
As Contractor	97	26.7	1.5		0.0	0.0	26.7	100.0
Total as Home Builder	4,334	1,718.4	99.2	4,475	1,666.3	79.1	52.1	3.1
Other Real Estate Projects		13.1	0.8		440.7	20.9	-427.6	-97.0
Total	4,334	1,731.5	100.0	4,475	2,107.0	100.0	-375.5	-17.8

Revenues 2Q08



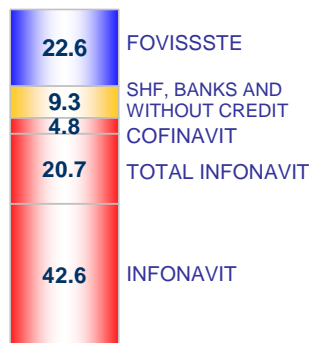
It is important to note that during 2Q08 the company registered revenues from other real estate projects in the form of P\$440.7 million in sales of land, which accounted for 20.9% of total revenues in that quarter. During 2Q09 such sales accounted for a mere 0.8% of revenues, which helps to explain why real estate sales advanced by only 3.1% in 2Q09 compared to the same quarter a year earlier.

During 2Q09 revenues from the sale of Progresiva housing increased 2.3%, those of Affordable Entry Level units increased 12.4%, the Middle Income Range segment decreased 27.4% and Residential sales increased 101.7%.

For 2Q09 the Residential segment contributed P\$271.1 million based on P\$271.1 million in revenue from the sale of 140 homes and P\$65.5 million from sales of 48 residential lots.

In 2Q09 the company registered P\$26.7 million in revenues from work "as builder", a business that accounted for 1.5% of total company revenues.

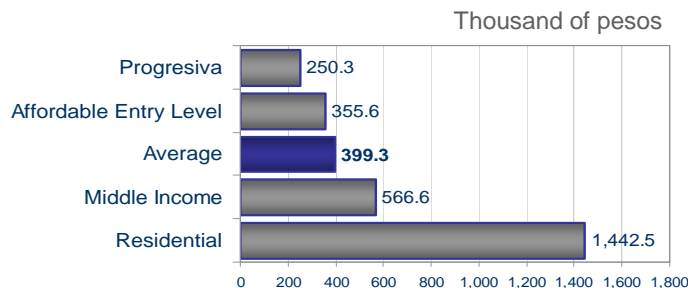
Mortgage Originators (% Titles)



Based on the relevant mortgage originators, during 2Q09 sales volume breaks down into the following percentages: INFONAVIT 42.6%; Total INFONAVIT 20.7%; COFINAVIT 4.8%; SHF, Banks and homebuyers without credit 9.3%, and FOVISSSTE 22.6%.



Average Selling Prices



Excluding “as Builder” and “other real estate projects”, the average sales price of housing products during 2Q09 grew 7.2% compared to the same period a year earlier to P\$399,300.

Overall, the average sales price of housing products during 2Q09, including those registered under the lines “as Builder” and “other real estate projects”, was P\$396,500. The chart at left shows the average prices in 2Q09 for all four types of housing.

Costs

During 2Q09 the cost of goods sold totaled P\$1.32 billion, the equivalent of 76.4% of sales and marking a 16.7% decrease compared to 2Q08.

Gross Income

For 2Q09 gross income totaled P\$408.6 million, which was 21.1% less than during the year-earlier quarter. The company registered a 23.6% gross margin with margin by product type breaking down as follows:

Housing Product	Margin %
Progresiva	21.4
Affordable Entry Level	23.2
Middle Income	24.8
Residential	25.7
As Contractor	25.0
Other Real Estate Projects	28.4

Sales & General Expenses

SG&A expenses, which include salaries and all remunerations of company personnel, totaled P\$151.4 million, a 19.4% increase compared to 2Q08 and 8.7% of sales during 2Q09.

Operating Income

Operating income totaled P\$257.2 million, with a 14.9% operating margin. Operating income net general expenses fell by 22.1% compared to 2Q08.



Net Comprehensive Financing Result (NCFR)

Thousand pesos

	2Q09 Mill \$	2Q08 Mill \$	Variation	
			Mill \$	%
Interest expense	53.0	47.6	5.4	11.3
Interest income	-12.2	-21.4	9.1	-42.7
Exchange loss - net	6.9	5.6	1.3	23.4
CFC Capitalized	-50.8	-36.0	-14.9	41.4
NCFC	-3.2	-4.2	1.0	-23.1

Net comprehensive financing r (NCFR) was a negative P\$3.2 million item, marking a 23.1% decrease compared to 2Q08 largely because of a 42.7% reduction in interest income. Net Interest paid totaled P\$53 million, which was largely related to the P\$2.23 billion in cost bearing liabilities at June 30, 2009.

The capitalization of NCFR began in January 1, 2007 based on the weighted average of inventory acquisitions (including land and work in progress), that correspond to housing developments for which work began in 2007, and which has yet to be concluded. For the second quarter, the capitalization of NCFR totaled P\$50.8 million during 2009 and P\$35.9 million for the same quarter of 2008 under total inventories and were transferred to costs (P\$23.0 million and P\$11.3 million, respectively). The average annualized rate of capitalization was 9% for 2009 and 8.7% for 2008.

Income Taxes

The company recorded a P\$54.4 million tax bill for the quarter that consisted of the 28% income tax rate as applied to our taxable net earnings. This line was P\$43.3 million or 44.3% less than in 2Q08, due to a reduction in our land bank acquisitions, an item that is immediately deductible.

Net Income

Net earnings for 2Q09 totaled P\$198.5 million, which marked a 16.6% decrease from 2Q08 and an 11.5% net margin. The reduction was a result of i) the reduction in sales volume, ii) an increase in capitalized NCFR, and iii) a decrease in interest income as indicated in the NCFC line.

EBITDA

During 2Q09 Consortio ARA generated P\$301.1 million in EBITDA for an EBITDA margin of 17.4%. EBITDA was off by 18.0% less than in the year-earlier quarter. Interest coverage ended the quarter at 5.7 times

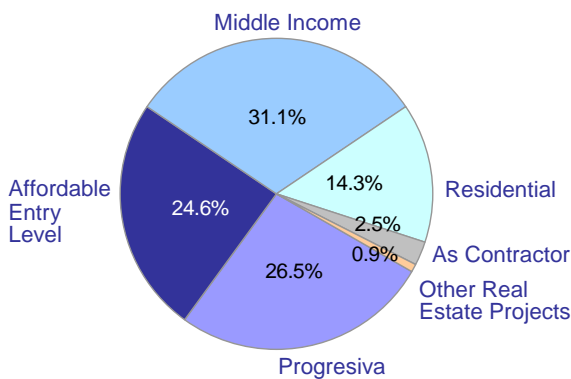
	2Q09	2Q08
Net Income	198.5	238.0
Depreciation	20.8	25.8
Recognition of NCFR in Costs	23.0	11.3
Interest expense	54.4	97.6
Equity in earnings of equity method investees	-1.8	-5.4
Other expense - Net	9.3	3.9
NCFR	-3.1	-4.1
EBITDA	301.1	367.2



III. Operating Results January through June 2009 (1H09)

Revenues

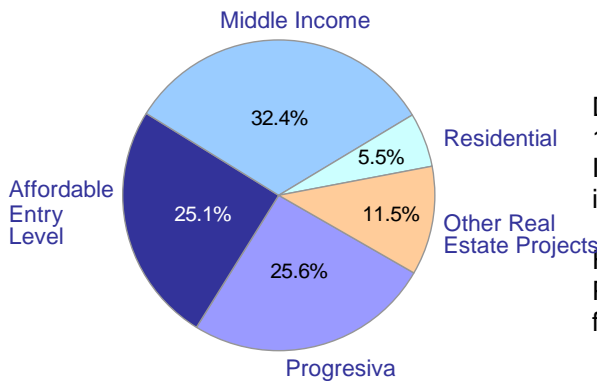
Revenues 1H09



Sales during the first half of 2009 totaled P\$3.2 billion, which marks a 17.8% reduction compared to the same six-month period of 2008. **It is important to note that during 1H08 the company registered revenues from other real estate projects in the form of P\$448.1 million in sales of land, which explains why real estate sales decreased by 8.0%.** In terms of volume, the Company sold 7,670 units during 1H09, as the following table shows.

	1H09			2H08			Var. 1H 09/08	
	Units	Mill. \$	Sales%	Units	Mill. \$	Sales%	Mill. \$	%
Progresiva	3,395	849.1	26.5	4,268	995.2	25.6	-146.1	-14.7
Affordable Entry Level	2,227	788.2	24.6	2,856	975.8	25.1	-187.6	-19.2
Middle Income	1,726	996.0	31.1	2,445	1,259.3	32.4	-263.3	-20.9
Residential	322	457.4	14.3	132	214.3	5.5	243.0	113.4
As Contractor	279	78.6	2.5	0	0.0	0.0	78.6	100.0
Total as Home Builder	7,949	3,169.2	99.1	9,701	3,444.6	88.5	-275.4	-8.0
Other Real Estate Projects		29.9	0.9		448.1	11.5	-418.2	-93.3
Total	7,949	3,199.1	100	9,701	3,892.7	100.0	-693.6	-17.8

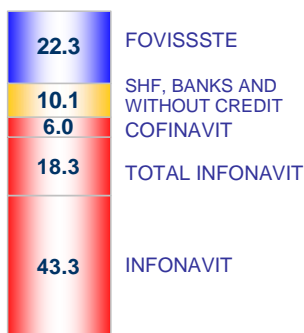
Revenues 1H08



During 1H09, revenues from the sale of Progresiva housing decreased 14.7%, those of Affordable Entry Level units decreased 19.2%, the Middle Income Range segment decreased 20.9%, and Residential sales increased 113.4%.

For 1H09 the Residential segment contributed P\$457.4 million based on P\$318.5 million in revenue from the sale of 221 homes and P\$138.9 million from sales of 101 residential lots.

Mortgage Originators (% Titles)



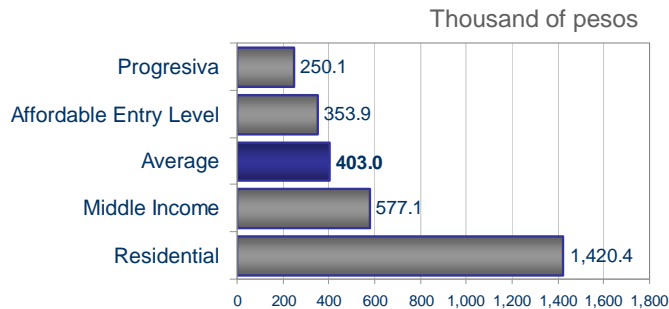
In 1H09 the company registered P\$29.9 million in revenues from work "as builder", a business that accounted for 0.9% of total company revenues.

Based on the relevant mortgage originators, during 2Q09 sales volume breaks down into the following percentages: INFONAVIT 43.3%; Total INFONAVIT 18.3%; COFINAVIT 6.0%; SHF, Banks and homebuyers without credit 10.1%, and FOVISSSTE 22.3%.

1H09



Average Selling Prices



The average sales price of housing products during 1H09 excluding price of those registered “as Builder” and “other real estate projects”, grew 13.5% compared to the same period a year earlier to P\$403,000.

Overall, the average sales price of housing products during 1H09, including those registered under the lines “as Builder” and “other real estate projects”, was P\$398,700. The chart at left shows the average prices in 1H09 for all four types of housing.

IV. Financial position, liquidity and capital resources

Cash & temporary investments

At June 30, 2009, cash and temporary investments totaled P\$986.2 million.

Accounts receivable

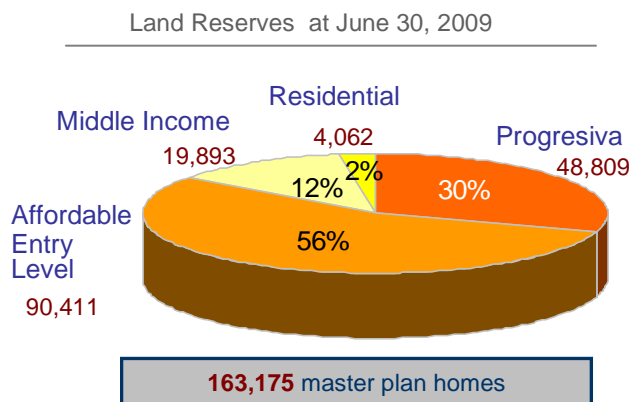
Accounts receivable totaled P\$471.9 million which marks a turnover of 27 days.

Inventories

The P\$10.93 billion in inventories registered as of June 30, 2009, includes: i) P\$4.86 billion in land bank, and ii) P\$6.07 billion worth of work in progress, stocks of building materials and advanced payments to suppliers.

ARA has a strategic reserve of 41.5 million m² of land in 19 states, which is enough space on which to build 163,175 master plan homes. The land bank includes 3.5 million m² set aside for non housing projects such as commercial and tourism related properties and industrial parks.

The land bank is located in areas with some of the country’s fastest pace of economic growth on which the Company plans to develop the following types of master-plan housing products:





The scope of this land bank is sufficient to assure six years of operations. Our land bank is distributed throughout much of the country as indicated by the following map and table, which offers a breakdown by state:



State	Units	%	State	Units	%
Edo. de México	58,254	35.7%	Sonora	2,822	1.7%
Quintana Roo	46,205	28.3%	Hidalgo	2,510	1.5%
Nuevo León	15,743	9.6%	Guanajuato	2,075	1.3%
Jalisco	7,322	4.5%	Veracruz	1,835	1.1%
Baja California	5,328	3.3%	Chihuahua	539	0.3%
Guerrero	5,724	3.5%	Michoacán	194	0.1%
Morelos	4,786	2.9%	Distrito Federal	48	0.03%
Puebla	4,049	2.5%	Sinaloa	44	0.03%
Nayarit	2,914	1.8%	Tabasco	40	0.02%
Queretaro	2,743	1.7%			
TOTAL				163,175	100%

Installed capacity & Capex

Our vertical integration allows us to both generate and take fuller advantage of significant economies of scale. We have the infrastructure needed to meet all of our needs for concrete (ready mix), cast-in-place wall and falsework.

At June 30, 2009 the value of real estate, plant and equipment (machinery, falsework and transport equipment) totaled a net P\$779.1 million, marking an increase of 11.3% compared to the year earlier period.

Year to date at June 30, 2009, the Company had invested P\$88.0 million in real estate, plant and equipment.

Debt

At the end of 2Q09 cost bearing liabilities (bank loans plus financial leasing) totaled P\$2.23 billion. Debt was the equivalent of 0.26 times shareholder equity, 0.16 times total assets and 2.06 times EBITDA.

At the end of 2Q09 bank credit totaled P\$2.2211 billion of which 46.5% consists of short term (less than one year) debt and 53.5% of long term debt

Financial leasing totaled P\$115.1 million, P\$72.8 million of which corresponded to short-term agreements and P\$42.2 million. Consortio ARA maintains its strategy of obtaining equipment and machinery under financial leasing contracts.

The Company's debt in foreign currency (US dollars) totals US\$100,000, while its net cash position stands at US\$3.3 million.

ARA 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).

Financial leverage calculated as total liabilities to equity ended the quarter at 39.5% or 25.9% net deferred taxes.



Deferred Taxes

Under D-4 financial information rules, the company's deferred income taxes at June 30, 2009 totaled P\$1.99 billion and largely consisted of the deductible character of our land bank acquisitions.

Shareholder Equity

Consortio ARA shareholder equity grew 7.4% compared to 2Q08 to end the quarter at P\$8.49 billion.

Financial Ratios

Liabilities in Foreign Currency / Total Liabilities	0.02%
Cost Bearing Liabilities / Stockholders equity	0.26 times
Cost Bearing Liabilities / Total Assets	0.16 times
Cost Bearing Liabilities / EBITDA	2.06 times
Cash and Investments / Current Liabilities	40.9%
Revenues (12m) / Total Liabilities	1.1 times
Current Assets / Current Liabilities	5.48 times
Current Assets (-) Inventories / Current Liabilities	0.95 times

Earnings Per Share (EPS)

Trailing twelve month (TTM) EPS narrowed 31.5% from P\$0.73 in June 2008 to P\$0.50 in June 2009.

V. Final Comments

- At the end of the first half of 2009, 46% of all credits and subsidies contemplated under 2009 National Housing Plan had been issued.

More specifically INFONAVIT has awarded 204,359 credits worth a combined P\$44.19 billion or the placement of 41% of the minimum amount of credit to be issued and 41% of the amount to be invested.

During the first half FOVISSSTE has issued 40,150 mortgage credits worth a combined P\$18.08 billion or 40% of the institute's full year mortgage target, and 42% of the total credit to be invested for the year.



- Financial Strength.** Since 1996, the year in which ARA began trading on the Mexico Stock Exchange, Consortio ARA has stood out for its sustained growth, long term vision, and a solid financial structure that is principally manifest the Company's efficient use of working capital, liquidity and a moderate level of debt.

Any comments or requests for additional information should be addressed to:

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Company Profile

Consortio ARA is the most profitable among 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. It has accumulated more than three decades of building and marketing Progresiva, Affordable Entry Level, Mid Range and Residential housing. To date Consortio ARA has sold better than 230,000 homes and more than 1,150,000 Mexicans live in ARA homes. Consortio 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 Standard and Poor's (mxA+) and Moody's Investor Services (A2.mx Mexico national scale and Ba2 Global Scale).

Disclaimer

The information provided herein by Consortio Ara may contain statements about projections of future events and financial results. The reader must understand that the results obtained may defer from the projections contained in this document owing to the fact that past results in no way offer any assurances regarding future performance. For this reason the company does not assume responsibility for any exogenous or indirect factors that might occur inside Mexico or abroad.



VI. Financial Statements

Income Statement 2Q09 / 2Q08

	Second Quarter 2009 / 2008				Variation	
	2Q09	%	2Q08	%	\$	%
Revenues	1,731.5	100	2,107.0	100	(375.5)	(17.8)
Costs	1,322.9	76.4	1,589.1	75.4	(266.2)	(16.7)
Gross Profit	408.6	23.6	518.0	24.6	(109.4)	(21.1)
Sales and Administrative Expenses	151.4	8.7	187.9	8.9	(36.5)	(19.4)
Income from Operations	257.2	14.9	330.0	15.7	(72.8)	(22.1)
NCFR (Gain) Cost:						
Interest Expenses	53.0	3.1	47.6	2.3	5.4	11.3
Interest income	(12.2)	-0.7	(21.4)	-1.0	9.1	(42.7)
Exchange loss - Net	6.9	0.4	5.6	0.3	1.3	23.4
NCFR capitalized	(50.8)	-2.9	(36.0)	-1.7	(14.9)	41.4
	(3.2)	-0.2	(4.2)	-0.2	0.9619	(23.1)
Other expenses - Net	9.4	0.5	3.9	0.2	5.4	138.4
Equity in earnings of equity method investees	(1.8)	-0.1	(5.4)	-0.3	3.6	(66.0)
Income before Income Taxes	252.9	14.6	335.7	15.9	(82.8)	(24.7)
Taxes:						
ISR Deferred	(57.7)	-3.3	31.7	1.5	(89.4)	(282.2)
ISR Current	112.1	6.5	65.9	3.1	46.2	70.0
	54.4	3.1	97.6	4.6	(43.3)	(44.3)
Net Income	198.5	11.5	238.0	11.3	(39.5)	(16.6)
Depreciation	20.8	1.2	25.8	1.2	(5.0)	(19.3)
NCFR recognized in costs	23.0	1.3	11.3	0.5	11.7	103.0
EBITDA	301.1	17.4	367.2	17.4	(66.1)	(18.0)



Income Statement 1H09 / 1H08

	First Half 2009 / 2008				Variation	
	1H09	%	1H08	%	\$	%
Revenues	3,199.1	100	3,892.7	100	(693.7)	(17.8)
Costs	2,421.6	75.7	2,919.6	75.0	(498.0)	(17.1)
Gross Profit	777.5	24.3	973.2	25.0	(195.7)	(20.1)
Sales and Administrative Expenses	284.6	8.9	360.6	9.3	(75.9)	(21.1)
Income from Operations	492.9	15.4	612.6	15.7	(119.7)	(19.5)
NCFR (Gain) Cost:						
Interest Expenses	116.2	3.6	91.5	2.3	24.8	27.1
Interest income	(27.2)	-0.8	(54.4)	-1.4	27.3	(50.1)
Exchange loss - Net	3.3	0.1	4.9	0.1	(1.6)	(33.6)
NCFR capitalized	(105.3)	-3.3	(69.9)	-1.8	(35.3)	50.5
	(12.9)	-0.4	(28.0)	-0.7	15.1	(53.8)
Other expenses - Net	20.0	0.6	11.1	0.3	8.9	80.8
Equity in earnings of equity method investees	(5.8)	-0.2	(22.7)	-0.6	16.9	(74.6)
Income before Income Taxes	491.6	15.4	652.2	16.8	(160.6)	(24.6)
Taxes:						
ISR Deferred	(35.2)	-1.1	70.9	1.8	(106.1)	(149.6)
ISR Current	159.8	5.0	126.4	3.2	33.4	26.4
	124.6	3.9	197.4	5.1	(72.7)	(36.9)
Net Income	366.9	11.5	454.8	11.7	(87.9)	(19.3)
Depreciation	49.4	1.5	53.7	1.4	(4.3)	(8.1)
NCFR recognized in costs	56.0	1.8	23.3	0.6	32.7	140.6
EBITDA	598.3	18.7	689.6	17.7	(91.4)	(13.2)



Balance Sheet at June 30, 2009 / 2008

	As of June 30,		Variation	
	2009	2008	Importe	%
ASSETS				
CURRENT ASSETS:				
Cash and Investments	986.2	1,364.4	-378.2	(27.7)
Accounts Receivable	472.0	436.1	35.9	8.2
Land	4,860.3	4,766.9	93.4	2.0
Work in process and Advances to Suppliers	6,073.0	5,472.2	600.8	11.0
Total Inventories	10,933.3	10,239.1	694.2	6.8
Other Current Assets	821.8	591.8	230.0	38.9
	13,213.2	12,631.4	581.9	4.6
LONG TERM:				
Property, machinery and equipment – Net	779.1	699.9	79.2	11.3
Other long term assets	30.0	273.9	-243.9	(89.0)
	809.1	973.8	-164.6	(16.9)
TOTAL ASSETS	14,022.4	13,605.1	417.2	3.1
LIABILITIES				
CURRENT LIABILITIES:				
Suppliers	318.3	351.8	-33.6	(9.5)
Bank Loans	981.4	436.4	545.0	124.9
Financial Leasing	72.3	110.9	-38.6	(34.8)
Other current liabilities	1,037.9	1,265.4	-227.5	(18.0)
	2,409.9	2,164.6	245.3	11.3
LONG TERM LIABILITIES				
Bank Loans	1,130.1	1,511.5	-381.4	(25.2)
Financial Leasing	42.7	89.7	-47.0	(52.4)
Deferred income tax	1,898.6	1,889.3	9.4	0.5
Other Long Term Liabilities	51.4	46.3	5.1	10.9
	3,122.8	3,536.8	-414.0	(11.7)
TOTAL LIABILITIES	5,532.7	5,701.4	-168.6	(3.0)
STOCKHOLDER'S EQUITY	8,489.6	7,903.7	585.9	7.4
LIABILITIES AND STOCKHOLDER'S EQUITY	14,022.4	13,605.1	417.2	3.1

