



ALSEA, S.A. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(Thousands of Mexican pesos in purchasing power as of September 30, 2006)

	September 30, 2006	September 30, 2005
Operating Activities:		
Net income	\$ 253,473	\$ 219,730
Add charges (deduce credits) to income not requiring (providing) funds		
Depreciation and amortization, goodwill	231,090	144,544
Equity in results of associated companies	5,828	(12,235)
Income tax and employee statutory profit sharing	4,048	5,897
Deferred income tax	(60,982)	(56,298)
Fund provided by operations	\$ 433,457	\$ 301,638
Net financing from (investing in) operating activities		
Clients	\$ (7,378)	\$ 30,760
Inventories	8,942	44,172
Suppliers	(63,821)	1,604
Other liabilities and other assets	73,802	(168,255)
Funds (used in) provided by working capital	\$ (6,339)	\$ (91,719)
Funds provided (used in) operating activities	<u>\$ 427,118</u>	<u>\$ 209,919</u>
Financing activities:		
Increase in capital stock and minority interest, net	\$ 674,599	\$ 17,846
Repurchases of shares	715	10,634
Debt and payment loans, net	(317,746)	559,758
Dividend payment	(156,674)	(102,682)
Funds provided by (used in) financing activities	<u>\$ 200,895</u>	<u>\$ 485,557</u>
Investing activities:		
Store equipment, leasehold improvements and property, net	(403,428)	(317,987)
Assets write-offs	12,728	5,982
Trademarks, goodwill and pre-operatives, net	(101,215)	(260,144)
Investment in shares of associated companies, net dividends collected	11,312	8,410
Incorporation effect in subsidiaries	(144,520)	(127,532)
Monetary conversion effect	(2,891)	0
Funds provided by (used in) investing activities	<u>\$ (650,638)</u>	<u>\$ (691,270)</u>
Increase (decrease) in cash	\$ (22,627)	\$ 4,206
Cash beginning of period	\$ 162,198	\$ 150,507
Cash end of period	<u>\$ 139,571</u>	<u>\$ 154,713</u>

