

Results and Important Events during the First Quarter 2010

- Growth of 0.6% in net sales during the first quarter of 2010 with a 0.4% decrease in same-store sales
- Increase of 29.4% in EBITDA⁽¹⁾, and growth of 2.4% in EBITDA margin, closing at 10.7%
- Increase of 1.9% in total units over the last 12 months, and 1.5% in corporate units, for a total of 1,171 and 954 units, respectively, at the close of the first quarter 2010
- An unsecured local bond issue (Certificados Bursátiles) of three-year term for 400 million pesos was placed in the Mexican market with a coupon rate of TIIE (Interbank Equilibrium Rate) of 28 days plus 175 basis points
- Payment of a dividend in the amount of \$248,357,499 was declared, which will be paid from the Company's profits at the price of \$0.4020 per share

Mexico, D.F., April 29, 2010. Alsea, S.A.B. de C.V. (BMV: ALSEA*), the leading Quick Service Restaurant (QSR) and Casual Dining operator in Latin America, reported its first quarter 2010 results today. This information is presented according to Financial Information Standards (NIF), and it is presented in nominal terms.

CONSOLIDATED RESULTS FOR THE FIRST QUARTER OF 2010

The following table shows a condensed Income Statement in millions of pesos (except EPS). The margin for each item represents net sales, as well as the percentage change in the quarter ended March 31, 2010, in comparison with the same period of 2009:

	1Q 10	Margin %	1Q 09	Margin %	Change %
Net sales	\$2,095.8	100.0%	\$2,084.1	100.0%	0.6%
Gross Income	1,366.4	65.2%	1,291.6	62.0%	5.8%
EBITDA ⁽¹⁾	224.9	10.7%	173.8	8.3%	29.4%
Operating income	56.0	2.7%	4.6	0.2%	1,117.4%
Net Income	\$3.4	0.2%	\$(46.3)	(2.2)%	N.A.
EPS ⁽²⁾	0.2408	N.A.	0.0553	N.A.	335.4%

(1) EBITDA is defined as operating income before depreciation and amortization.

(2) EPS is earnings per share of the last 12 months.

Net sales increased 0.6% to 2,095.8 million pesos in the first quarter of 2010, in comparison with 2,084.1 million pesos in the same quarter of the prior year. This increase reflects the sales growth of some of the brands in Mexico and Latin America, which was partially offset by the decrease in the distributor's revenues from third parties.

The growth in brand sales occurred because at the close of March 2010, in comparison with the same period of the prior year, there was a net increase of 14 corporate stores. This was partially offset by the 0.4% decrease in same-store sales, which were mainly affected by the deceleration in consumption.

During the first quarter of 2010, gross income increased 74.8 million pesos, climbing to 1,366.4 million pesos, with gross margin of 65.2%, compared with 62.0% recorded in the same period of the previous year. The 3.2% improvement in gross margin is mainly due to the decrease in the cost of inputs because of the appreciation of the peso against the dollar, and to a lesser extent to operating efficiencies achieved during the period.



Operating expenses (excluding depreciation and amortization) increased 0.8% as a percentage of sales, rising from 53.7% during the first quarter of 2009 to 54.5% during the same period of 2010. The foregoing was mainly due to the loss in margin from the decrease in same-store sales, which was partially offset with the savings that were generated as part of the cost reduction plan that was undertaken during the second quarter of 2009.

As a consequence of the 5.8% growth in gross earnings and the 2.1% increase in operating expenses, EBITDA grew 29.4% to 224.9 million pesos during the period, in comparison with 173.8 million pesos in the first quarter of 2009. EBITDA margin expanded 2.4%, rising from 8.3% in the first quarter of 2009 to 10.7% in the same period of 2010.

Operating income in the first quarter of 2010 increased 51.4 million pesos in comparison with the same period of 2009, due mainly to the growth of 51.1 million pesos in EBITDA, and the decrease of 0.3 million pesos in depreciation and amortization.

Consolidated net income increased 49.7 million pesos in comparison with the same period of 2009, due mainly to the positive variation of 51.4 million pesos in operating income, the positive variation in discontinued operations of 20.5 million pesos, the decrease of 15.2 million pesos in the all-in cost of financing, which is attributable to the decrease in the exchange rate loss and to net interest paid, and to the positive variation of 3.5 million pesos in the share in results of associated companies. Those variations were partially offset by the negative change of 36.7 million pesos in other costs and products, which was mainly due to the fact that in the previous year the recovery of credit for the salary of one of the subsidiaries was recognized, and the increase of 4.1 million pesos in taxes on earnings, arising from the increase in earnings before taxes.

Earnings per share "EPA"⁽²⁾ for the 12 months ended March 31, 2010, increased to 0.2408 pesos, in comparison with 0.0553 pesos for the 12 months ended March 31, 2009, this is an increase of 335.4%.



RESULTS BY SEGMENT

Net sales and EBITDA are shown below by business segment in millions of pesos, for the first quarter of 2010 and 2009.

<i>Net Sales by Segment</i>	<i>1Q 10</i>	<i>% Cont.</i>	<i>1Q 09</i>	<i>% Cont.</i>	<i>% Var.</i>
Food and Beverages – Mexico	\$1,474.0	70.3%	\$1,493.7	71.7%	(1.3)%
Food and Beverages – Latin America	360.8	17.2%	306.8	14.7%	17.6%
Distribution	698.6	33.4%	748.7	35.9%	(6.7)%
Intercompany Operations ⁽³⁾	(437.6)	(20.9)%	(465.0)	(22.3)%	(5.9)%
Consolidated Net Sales	\$2,095.8	100.0%	\$2,084.1	100.0%	0.6%

<i>EBITDA by Segment</i>	<i>1Q 10</i>	<i>% Cont.</i>	<i>Margin</i>	<i>1Q 09</i>	<i>% Cont.</i>	<i>Margin</i>	<i>% Var.</i>
Food and Beverages – Mexico	\$183.4	81.5%	12.4%	\$148.3	85.3%	9.9%	23.7%
Food and Beverages – Latin America	12.3	5.5%	3.4%	7.4	4.3%	2.4%	66.2%
Distribution	17.5	7.8%	2.5%	7.8	4.5%	1.0%	124.4%
Others ⁽³⁾	11.7	5.2%	N.A.	10.3	5.9%	N.A.	13.6%
Consolidated EBITDA	\$224.9	100%	10.7%	\$173.8	100%	8.3%	29.4%

(3) For the purpose of information by segment, these operations were included in each respective segment.

Food and Beverages – Mexico

Sales in the first quarter of 2010 decreased 1.3% to 1,474.0 million pesos, in comparison with the 1,493.7 million pesos in the same period of 2009. This decrease of 19.7 million pesos is mainly attributable to the effect of the decrease in same-store sales, as well as to negative consumer behavior due to the economic crisis. That decrease was partially offset with the net opening of twelve corporate stores and 4 sub-franchisees stores in the last 12 months.

EBITDA increased 23.7% during the first quarter of 2010, reaching 183.4 million pesos, in comparison with the 148.3 million pesos reported in the same period of the prior year. That increase is mainly explained by the decrease in cost of sales as a consequence of the appreciation of the Mexican peso against the US dollar, and the savings attained from the cost reduction program. The items described above were partially offset by the loss in margin due to the decrease in same-store sales.

Food and Beverages – Latin America

At the end of the first quarter of 2010, the Food and Beverages – Latin America division was comprised of Burger King operations in Argentina, Chile and Colombia, as well as Domino's Pizza Colombia and Starbucks Coffee Argentina, with a total of 117 stores at the end of the period. This division saw a 17.6% increase in sales, reaching 360.8 million pesos, in comparison with 306.8 million pesos in the fourth quarter of the prior year. This variation of 54 million pesos was mainly due to the net opening of 12 units over the last 12 months, as well as the increase in same-store sales. This was partially offset by the negative effect of operations in Chile due to the natural disasters that occurred during the month of February.

At the close of the first quarter of 2010, EBITDA for the Food and Beverages – Latin America division increased 66.2% to 12.3 million pesos, in comparison with 7.4 million pesos in the same period in 2009. That increase is mainly attributable to the margin obtained from the increase in number of stores in operation, the increase in same-store sales, and the decrease in the cost of sales arising from the appreciation of the different currencies in the countries where the Company has operations.



Distribution

Net sales during the first quarter decreased 6.7% to 698.6 million pesos, in comparison with 748.7 million pesos in the same period of 2009. The foregoing is due to the decrease in consumption of some of the brands, an offshoot of the negative trend in same-store sales. This was partially offset by the increase in the number of stores served over the last 12 months, supplying a total of 1,304 units on March 31, 2010, in comparison with 1,268 units during the same period of the prior year, which was an increase of 2.9%. Sales to third parties decreased 8.0% to 258.6 million pesos, mainly due to the decrease in sales to third parties of Burger King Mexico, and Domino's sub-franchises.

EBITDA was 17.5 million pesos during the first quarter of 2010, compared with 7.8 million pesos in the same period of the prior year, which was an increase of 124.4%. The 2.5% EBITDA margin improved 1.5 percentage points over the same period of the prior year. This positive variation is mainly due to the effect in the exchange rate that the company had last year.

NON-OPERATING RESULTS

All-In Cost of Financing

The all-in cost of financing in the first quarter of 2010 decreased to 41.6 million pesos, in comparison with 56.8 million pesos in the same period of the prior year. This decrease is explained by the 11.6 million pesos increase in net interest paid, arising from the 543.8 million pesos decrease in net debt, and to the drop in interest rates, plus the decrease of 6.8 million pesos in the exchange rate loss. The foregoing was partially offset by the increase of 3.2 million pesos from the result in monetary position, caused by the actualization of operations in Argentina.

Other Expenses and Products - Net

This line showed an unfavorable change of 36.7 million pesos compared with the same period in the prior year, during which the recovery of a credit to the salary of one of our service providers was recognized, and to a lesser extent to the losses generated by an asset write-off due to store closings that occurred during the first three months of 2010.

Tax on earnings

Taxes on earnings of 1.1 million pesos showed an increase of 4.1 million pesos in comparison with the same period of the prior year, as a result of the increase of 33.4 million pesos in earnings before taxes.

BALANCE SHEET

Store Equipment, Improvements to Leased Locations and Properties, Brand Use Rights, Goodwill and Pre-Operating Assets

The 252.6 million pesos decrease in this line was due to the amortization and depreciation of assets according to accounting practices, as well as recognition of the deterioration in value of the assets of Burger King México that occurred in the fourth quarter of 2009. These items were partially offset with the assets acquisition as part of the expansion program for the last 12 months.

During the three months ended March 31, 2010, Alsea made capital investments of 99.0 million pesos, of which 86.3 million pesos, equal to 87.2% of total investments, were earmarked for store openings, equipment refurbishing and remodeling existing stores for the different brands that the Company operates. The remaining 12.7 million pesos were invested in other items, namely the replacing DIA's machinery and equipment, process-improvement projects and the software licenses

Inventory

Inventory increased from 271.2 million pesos at March 31, 2009, to 290.2 million pesos at March 31, 2010. This increase of 19 million pesos is mainly due to the increased inventory of cheese, since the lower price prompted Alsea to purchase more of this product in advance.

Taxes Recoverable – Net

The decrease in the line Taxes Recoverable – Net of Taxes Payable of 411.0 million pesos at March 31, 2010, is mainly because Operadora de Franquicias Alsea, S.A. de C.V., (“OFA”) had VAT returned to it for





the period from October 2006 to April 2007, and amounts were also returned to it for taxes on earnings for the year 2008.

Deferred Income Tax

Deferred income tax increased from 320.8 million pesos at March 31, 2009, to 520.0 million pesos at March 31, 2010. This increase of 199.2 million pesos occurred mainly as a consequence to the effect of the differences in financial depreciation rates and tax rates and the recognition of tax losses.

Providers

Providers decreased from 430.1 million pesos at March 31, 2009, to 413.3 million pesos at March 31, 2010. This variation of 16.8 million pesos was generated mainly by the eight-day decrease in providers, which went from 34 to 26 days in the last three months, as well as to the decrease in the amount of money for operations arising from lowers costs and expenses.

Bank Debt and Stock Market Credits

At March 31, 2010, Alsea's total debt decreased by 185.1 million pesos, closing at 1,552.9 million pesos, in comparison with 1,738.0 million pesos on the same date of the previous year.

In March 2010, an unsecured local bond issue (Certificados Bursátiles) for 400 million pesos was placed in the local market. The term is three years at a coupon rate of TIE 28 days (Interbank Equilibrium Rate) plus 1.75%. The funds obtained will be used to pre-pay bank debt, thus achieving a better maturity profile and decreasing the cost of financing.

At March 31, 2010, 65.5% of the debt was long term, and 98.3% of the debt was denominated in Mexican pesos and 1.7% in Chilean pesos. The Company's consolidated net debt in comparison with the first quarter of 2009 decreased 543.8 million pesos, closing the quarter ended March 31, 2010 at 883.7 million pesos, in comparison with 1,427.6 million pesos on the same date of the prior year.

The following table shows the amount of total debt in millions of pesos at March 31, 2010, as well as the maturity dates by year:

	Balance 1Q-10	Maturities							
		2010	%	2011	%	2012	%	2013	%
Bank Debt	\$852.9	\$446.0	52.3%	\$280.7	32.9%	\$126.2	14.8%	\$0.0	0.0%
Bond Debt	\$700.0	\$0.0	0.0%	\$0.0	0.0%	\$300.0	42.9%	\$400.0	57.1%
Total Debt	\$1,552.9	\$446.0	28.7%	\$280.7	18.2%	\$426.2	27.4%	\$400.0	25.7%

Share Repurchase Program

At March 31, 2010, the Company had a balance in the repurchase fund of 8.97 million shares, an amount of approximately 86.6 million pesos. During the three months ended March 31, 2010, the Company's net sales of 7.5 million shares totaled approximately 98.9 million pesos.

Financial Ratios

At March 31, 2010, the Company met all financial restrictions established in its credit contracts. The net debt to EBITDA ratio for the last 12 months was 0.84x, the total liabilities to shareholders' equity ratio was 0.87x, and the 12-month EBITDA to 12-month interest paid ratio was 8.9x.

The Return on Invested Capital ("ROIC")⁽⁴⁾ increased from 7.4% to 7.9% during the 12 months ended March 31, 2010. The Return on Equity ("ROE")⁽⁵⁾ for the 12 months ended March 31, 2010 was 5.0%, compared with 1.3% for the same period in the prior year.



KEY NUMBERS

BRAND	Stores 1Q 2010	Stores 1Q 2009	Variation	Annual % Var.
Domino's Pizza México	424	425	(1)	(0.2)%
Starbucks Coffee México	269	260	9	3.5%
Burger King México	108	108	0	0.0%
Popeyes	0	9	(9)	(100.0)%
Chili's Grill & Bar	28	28	0	0.0%
California Pizza Kitchen	7	5	2	40.0%
P.F. Chang's China Bistro	1	0	1	N.C.
Burger King Argentina	45	43	2	4.6%
Burger King Chile	32	32	0	0.0%
Burger King Colombia	3	2	1	50.0%
Domino's Pizza Colombia	22	21	1	4.8%
Starbucks Coffee Argentina	15	7	8	114.3%
Total Corporate	954	940	14	1.5%
Starbucks Coffee Chile	30	30	0	0.0%
Starbucks Coffee Brazil	24	20	4	20.0%
Total Associated Companies⁽⁷⁾	54	50	4	8.0%
Domino's Sub-Franchisees	163	159	4	2.5%
TOTAL STORES	1,171	1,149	22	1.9%



Financial Indicators	1Q 2010	1Q 2009	Variation
EBITDA ⁽¹⁾ / Interest Paid	8.9 x	6.6 x	N.A
Net Debt / EBITDA ⁽¹⁾	0.84 x	1.48 x	N.A
Total Liabilities / Shareholders' Equity	0.87 x	0.92 x	N.A
ROIC ⁽⁴⁾	7.9%	7.4%	50 bps
ROE ⁽⁵⁾	5.0%	1.3%	370 bps

Stock Market Indicators	1 Q 2010	1Q 2009	Variation
Book value per share	\$4.95	\$4.76	(4.0)%
EPS (12 months) ⁽²⁾	\$0.2408	\$0.0553	335.4%
EV ⁽⁶⁾ / EBITDA ⁽¹⁾ (12 months)	8.8 x	4.4 x	N.A.
Shares in circulation at the close of the period (millions)	608.8	617.5	(1.4)%
Float of shares in circulation	35.7%	35.4%	30 bps
Price per share at close	\$13.40	\$4.16	222.2%

(4) ROIC is defined as operating income after taxes (last 12 months) over net operating investment (total assets – cash and short-term investments – no-cost liabilities).

(5) ROE is defined as net earnings (last 12 months) over shareholders' equity.

(6) EV is defined as market value plus net debt plus minority interest, and considers the price per share at the close of each quarter.

(7) Associated stores are defined as all operations that are recognized using the equity method.

This press release contains certain forward-looking information regarding the Company's results and outlook. However, actual results may vary materially from these estimates. Information on future events contained in this release must be read jointly with the risk summary in the Annual Report. That information, as well as future reports made by the Company or any of its representatives, whether verbally or in writing, may vary significantly from actual results. These projections and estimates, which are prepared with reference to a determined date, should not be taken as fact. The Company is in no way liable for updating or revising any of these projections and estimates, whether as a result of new information, future events or other associated events.

The Company's shares are traded on the Mexican Stock Exchange under the ticker ALSEA*.

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ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT MARCH 31, 2010 AND 2009
(In thousands of nominal pesos)

	March 31, 2010	March 31, 2009
ASSETS		
Current assets:		
Cash and short-term investments	\$ 669,140	\$ 395,629
Clients	157,538	124,011
Other accounts and documents receivable	50,968	43,972
Inventory	290,215	271,167
Taxes recoverable	390,255	671,602
Other current assets	145,332	137,560
Current assets	1,703,448	1,643,941
Investments in shares of associated companies	30,957	33,883
Store equipment, improvements to leased locales, and property, net	2,829,375	3,025,276
Brand use rights, goodwill and pre-operating assets, net	977,393	1,034,051
Deferred Income Tax	519,990	320,808
Discontinued operations	191	25,814
Total Assets	\$ 6,061,354	\$ 6,083,773
LIABILITIES		
Short term:		
Providers	\$ 413,340	\$ 430,067
Taxes payable	189,574	59,936
Other accounts payable	578,115	557,136
Related parties	22,277	38,719
Bank credits	535,531	697,115
Short-term liabilities	1,738,837	1,782,973
Long term:		
Bank credits	317,356	1,040,839
Bond credit	700,000	0
Other long-term liabilities	63,859	88,825
Long-term liabilities	1,081,215	1,129,664
Discontinued operations	705	4,314
Total Liabilities	2,820,757	\$ 2,916,951
SHAREHOLDERS' EQUITY		
Minority interest	235,654	228,877
Majority interest:		
Capital stock	529,456	533,794
Net premium in share placement	1,238,366	1,228,880
Accumulated income	1,253,179	1,223,570
Income during the year	(658)	(43,301)
Conversion effects – foreign entities	(15,400)	(4,998)
Majority interest	3,004,943	2,937,945
Total Shareholders' Equity	3,240,597	3,166,822
Total Liabilities and Shareholders' Equity	\$ 6,061,354	\$ 6,083,773





ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS
ENDED MARCH 31, 2010 AND 2009
(In thousands of nominal pesos)

	Three months ended March 31,			
	2010		2009	
Net sales	\$ 2,095,818	100%	\$ 2,084,103	100%
Cost of sales	<u>729,452</u>	34.8%	<u>792,549</u>	38.0%
Gross Income	1,366,366	65.2%	1,291,554	62.0%
Operating expenses	<u>1,141,490</u>	54.5%	<u>1,117,784</u>	53.6%
Depreciation and amortization	<u>168,875</u>	8.1%	<u>169,169</u>	8.1%
Operating income	<u>56,001</u>	2.7%	<u>4,601</u>	0.2%
Other (products) expenses – net	12,125	0.6%	(24,555)	(1.2%)
All-in cost of financing:				
Interest paid – net	21,997	1.0%	33,611	1.6%
Exchange rate (profit) loss	18,283	0.9%	25,069	1.2%
Result by monetary position	<u>1,335</u>	0.1%	<u>(1,897)</u>	(0.1%)
	41,615	2.0%	56,783	2.7%
Share in the results of associated companies	2,222	0.1%	(1,272)	(0.1%)
Income before taxes	4,483	0.2%	(28,899)	(1.4%)
Tax on earnings	1,076	0.1%	(3,046)	(0.1%)
Income before discontinued operations	3,407	0.2%	(25,853)	(1.2%)
Discontinued operations	<u>0</u>	0.0%	<u>(20,451)</u>	(1.0%)
Consolidated net income	3,407	0.2%	(46,304)	(2.2%)
Minority interest	<u>4,065</u>	0.2%	<u>(3,003)</u>	(0.1%)
Majority net income	<u>\$ (658)</u>	0.0%	<u>\$ (43,301)</u>	(2.1%)





ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE MONTHS
ENDED MARCH 31, 2010 AND 2009
(In thousands of nominal pesos)

	March 31, 2010	March 31, 2009
Operating activities:		
Consolidated result before income taxes	\$ 4,483	\$ (28,899)
Income from investments:		
Depreciation and amortization of brands	168,875	169,169
Income or loss on sales of fixed assets	7,734	14,128
Other income	(10,463)	(5,535)
Total	170,629	148,863
Clients	5,904	137,885
Inventory	46,655	90,357
Providers	(145,809)	(106,662)
Taxes payable	(156,213)	(11,586)
Other assets and other liabilities	17,708	(141,903)
Total	(231,755)	(31,909)
Net cash flow from operations	(61,126)	116,954
Investment activities		
Store equipment, improvements to leased locales, and property	(19,080)	(62,724)
Brand use rights, goodwill and pre-operating assets	(74,018)	(132,685)
Investments in shares of subsidiaries and associated companies	(5,924)	(4,998)
Disincorporation of subsidiary	0	2,336
Net cash flow from investment activities	(99,022)	(198,071)
Cash receivable from financing activities	(160,148)	(81,117)
Financing activities		
Bank credits and loan payments, net	(149,216)	(52,224)
Bond credit	400,00	----
Minority interest, net	7,814	(843)
Share repurchase	100,689	(1,723)
Net cash flow from financing activities	359,287	(54,790)
Increase (decrease) net of cash	199,139	(135,907,)
Adjustments to cash flow due to exchange rate variations	6,787	(6,944)
Cash at the beginning of the period	463,214	538,480
Cash at the end of the period	\$ 669,140	\$ 395,629

