ALSEA

Alsea

Results and Important Events during the Second Quarter 2012

- **Net sales of $3,426.6 million pesos during the quarter, with consolidated growth of 32.0% over the prior year, and 11.5% growth in same-store sales**
- **EBITDA during the period increased 37.9% over 2011, closing at $431.2 million pesos, with a margin increase of 60 basis points**
- **Consolidated net income rose 140.6% compared to the same period of the prior year, closing at $137.4 million pesos**
- **Expansion of 136 units during the last 12 months, for a total of 1,363 stores at June 30, 2012**

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Fabián Gosselin, Alsea's Chief Executive Officer said: "The strong growth trend in sales over the last five quarters has continued in this period, creating a significant improvement in the company's financial numbers." He added: "The strength and diversification of our portfolio of brands has enabled us to assume a greater leadership position and market share, and with it a significant increase in our same-store sales, especially due to our consumers' increased frequency of visits and preference. We are also very pleased with the annual expansion of more than 11% in the number of stores, which is equal to one store every three days. This has allowed us to contribute heavily to the generation of consolidated revenues in all of the countries where we operate."

July 2012

EMPRESA SOCIALMENTE RESPONSABLE

Paseo de la Reforma 222, 3er Piso, Torre 1 Corporativo
Col. Juárez, Cuauhtémoc. C.P. 06600, México D.F.
(55) 5241.7100 www.alsea.com.mx

Mexico City, July 25, 2012. Alsea, S.A.B. de C.V. (BMV: ALSEA), the leading Quick Service Restaurant, Coffee Shops and Casual Dining operator in Latin America, reported its second quarter 2012 results today. This information is presented according to the International Financial Reporting Standards (IFRS), and is presented in nominal terms.*

CONSOLIDATED RESULTS FOR THE SECOND QUARTER OF 2012

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 June 30, 2012, in comparison with the same period of 2011:

	2Q 12	*Margin %*	*2Q 11*	*Margin %*	*Change %*
Net sales	$3,426.6	100.0%	$2,595.1	100.0%	32.0%
Gross Income	2,200.9	64.2%	1,697.1	65.4%	29.7%
EBITDA(1)	431.2	12.6%	312.6	12.0%	37.9%
Operating income	230.3	6.7%	143.5	5.5%	60.4%
Net Income	$137.4	4.0%	$57.1	2.2%	140.6%
EPS (2)	0.4692	N.A.	0.1909	N.A.	145.8%

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

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

Net sales increased 32.0% to 3,426.6 million pesos in the second quarter of 2012, in comparison with 2,595.1 million pesos in the same quarter of the prior year. This increase reflects the growth in sales of the food and beverage segments in Mexico and South America, mainly due to the 11.5% growth in same-store sales, the increase in the number of units, and the growth in the distributor's revenues from third parties.

Growth in brand sales was due to the increase in same-store sales for the operations in Mexico and South America, as a result of additional orders served and a higher average ticket, because of the commercial and communication strategies implemented by each brand, as well as the fact that there was a net increase of 90 corporate stores in the last twelve months and sustained improvement in consumer behavior.

During the second quarter of 2012, gross income increased 503.8 million pesos to 2,200.9 million pesos, with a gross margin of 64.2%, compared with 65.4% recorded in the same period of the previous year. The decrease of 1.2 percentage points in the gross margin is mainly attributed to the increased cost of inputs, due to the depreciation of the peso against the dollar over the last twelve months, when the average exchange rate for the second quarter of 2011 was 11.80 pesos per dollar. This is compared to the average exchange rate of 13.50 pesos per dollar during the second quarter and, to a lesser extent, the margin loss due to the costs related to increased sales from the third-party distribution business. These effects were partially offset by the positive effect from the businesses mix in which the business units with the highest sales growth are those that generate lower costs as a percentage of sales.

Operating expenses (excluding depreciation and amortization) decreased 1.6% as a percentage of, dropping from 53.4% during the second quarter of 2011, to 51.8% in the same period of 20112. That improvement can be attributed mainly to the margin from growth in same-store sales, to the increase in the number of units, and to a lesser extent, to operating efficiencies achieved during the period. These effects were partially offset by the aforementioned business mix in which the units with larger sales growth are those that generate higher expenses as a percentage of sales.

As a result of the 29.7% growth in gross income and the 27.9% increase in operating expenses (excluding depreciation and amortization), EBITDA grew 37.9% to 431.2 million pesos at the close of the second quarter of 2012, compared with the 312.6 million pesos in the same period of the prior year. The increase in EBITDA of 118.6 million pesos is mainly attributable to the growth in same-store sales and to the increase in the number of units. The EBITDA margin as a percentage of sales increased 0.6 percentage points, rising from 12.0% in the second quarter of 2011 to 12.6% during the same period of 2012. The improvement in EBITDA margin is attributed to the growth in same-store sales and to the business mix in which the units with larger sales growth are those that generate higher EBITDA as a percentage of sales.

At the end of the second quarter of 2012, operating income showed an increase of 60.4%, equivalent to 86.8 million pesos, closing at 230.3 million pesos, in comparison with the 143.5 million pesos in the same period of 2011. The foregoing was mainly due to the increase of 118.6 million pesos in EBITDA, which was offset by the 31.8 million pesos increase in depreciation and amortization due to the Company's expansion plan over the last twelve months. The operating margin increased 120 basis points versus the same period of the previous year, due to higher operating leverage as a result of the investments made over the last twelve months.

Consolidated net income for the quarter increased 80.3 million pesos, closing at 137.4 million pesos, compared with 57.1 million pesos in the second quarter of 2011, mainly due to the increase of 86.8 million pesos in the operating income, to the decrease of 7.5 million pesos in the all-in cost of financing, mainly as the result of an exchange rate profit, and to the positive variation of 5.2 million pesos in the results of associated companies. Those variations were partially offset by the increase of 19.2 million pesos in taxes on earnings.

Earnings per share "EPS"[(2)] for the twelve months ended June 30, 2012, increased to 0.4692 pesos, in comparison with 0.1909 pesos for the twelve months ended June 30, 2011.

RESULTS BY SEGMENT

Net sales and EBITDA are shown below by business segment in millions of pesos for the second quarter of 2012 and 2011.

Net Sales by Segment	*2Q 12*	*% Cont.*	*2Q 11*	*% Cont.*	*% Var.*
Food and Beverages – Mexico	$2,227.3	65.0%	$1,771.5	68.3%	25.7%
Food and Beverages – South America	847.4	24.7%	536.6	20.7%	57.9%
Distribution and Production	1,034.9	30.2%	821.1	31.6%	26.0%
Intercompany Operations (3)	(683.0)	(19.9)%	(534.0)	(20.6)%	27.9%
Consolidated Net Sales	**3,426.6**	**100.0%**	**2,595.1**	**100.0%**	**32.0%**

EBITDA by Segment	*2Q 12*	*% Cont.*	*Margin*	*2Q 11*	*% Cont.*	*Margin*	*% Var.*
Food and Beverages – Mexico	$333.9	77.4%	15.0%	$236.8	75.7%	13.4%	41.0%
Food and Beverages – South America	68.6	15.9%	8.1%	46.0	14.7%	8.6%	49.1%
Distribution and Production	24.7	5.7%	2.4%	22.8	7.3%	2.8%	8.2%
Others(3)	4.0	0.9%	N.A.	7.0	2.2%	N.A.	-42.7%
Consolidated EBITDA	**431.2**	**100%**	**12.6%**	**312.6**	**100%**	**12.0%**	**37.9%**

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

Food and Beverages – Mexico

Sales in the second quarter of 2012 increased 25.7% to 2,227.3 million pesos, in comparison with 1,771.5 million pesos in the same period of 2011. This variation of 455.8 million pesos is mainly attributable to the growth in same-store sales for the segment in Mexico and to the net opening of 51 corporate units from its various brands over the last twelve months including the acquisition of the Italianni's restaurants.

EBITDA increased 41.0% during the second quarter of 2012 to 333.9 million pesos, compared with the 236.8 million pesos reported in the same period of the prior year. That increase is attributed to the margin generated by the increase in same-store sales, and to a lesser extent, the effect due to the aforementioned business mix.

Food and Beverages – South America

At the end of the second quarter of 2012, the Food and Beverages – South America division represented 24.7% of Alsea's consolidated sales and 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 184 units. This division saw a 57.9% increase in sales, totaling 847.4 million pesos, in comparison with 536.6 million pesos in the second quarter of 2011. This increase of 310.7 million pesos was mainly due to the increase in same-store sales in the South America division and to the net opening of 39 corporate units over the last twelve months.

At the end of the second quarter of 2012, EBITDA for the Food and Beverages – South America division increased 49.1% to 68.6 million pesos, in comparison with 46.0 million pesos in the same period in the prior year. This increase was mainly attributable to the growth in same-store sales, the increase in number of units, and to a lesser extent to the decrease from the effect of new businesses as a consequence of consolidation of the portfolio's brands in the countries where the Company operates.

Distribution and Production

Net sales during the second quarter of 2012 increased 26.0% to 1,034.9 million pesos, in comparison with 821.1 million pesos in the same period of 2011. The foregoing is due to the growth in same-store sales of the brands in Mexico and to the increase in the number of units served over the last twelve months, supplying a total of 1,392 units as of June 30, 2012, in comparison with 1,352 units during the same period of the prior year, which was an increase of 3.0%. Sales to third parties increased 24.4% to 348.9 million pesos, mainly due to the increase in same-store sales of the Burger King and Domino's Pizza Systems in Mexico.

EBITDA increased 1.9 million pesos during the second quarter of 2012, ending the quarter with EBITDA of 24.7 million pesos, in comparison with 22.8 million pesos in the same period of the prior year, which is an 8.2% increase. The 2.4% EBITDA margin dropped 0.4 percentage points in comparison with the same period of the prior year. This was mainly because in the production segment, the new sandwich- and bread-making plant has not yet reached its break-even point.

NON-OPERATING RESULTS

All-In Cost of Financing

The all-in cost of financing in the second quarter of 2012 decreased to 36.6 million pesos, in comparison with 44.1 million pesos for the same period of the prior year. This positive variation of 7.5 million pesos can be mainly attributed to the positive variation of 27.8 million pesos in income from the exchange rate. This variation was partially offset by the increase of 20.3 million pesos in the net interest paid as a consequence of the loans requested for the Italianni's acquisition.

Tax on earnings

Taxes on earnings of 64.0 million pesos increased 19.2 million pesos in comparison with the same quarter of the prior year, which is a result of the 99.5 million pesos increase in earnings before taxes at the close of the second quarter of 2012.

BALANCE SHEET

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

The increase of 2,149.5 million pesos in this line was mainly due to the acquisition of the Italianni's operation in Mexico and to a lesser extent, to the acquisition of assets and opening of new stores as a part of the expansion program over the last twelve months. This was partially offset by the amortization and depreciation of assets in accordance with accounting policies and to a lesser extent, to the write-off of assets due to unit closures.

During the six months ended June 30, 2012, Alsea made capital investments of 2,326.9 million pesos. From the 2,280.2 million pesos, equal to 98.0% of total investments, 1,910.0 million pesos were earmarked for the Italianni's acquisition and 370.2 million pesos for unit openings, equipment refurbishing, and remodeling existing stores for the different brands that the Company operates. The remaining 46.7 million pesos were earmarked for other items, notably logistics improvement projects, as well as software licenses, among other items.

Inventory

Inventory increased from 391.3 million pesos at June 30, 2011, to 511.3 million pesos at June 30, 2012. This increase of 120.0 million pesos is mainly attributable to Alsea's consolidation of Italianni's inventory as a consequence of the acquisition, and to the increase in some inputs due to a price opportunity that arose, allowing those inputs to be acquired in advance. Inventory also increased because of the increase of units in operation.

Other Current Assets

The increase in the Other Current Assets account of 164.1 million pesos at June 30, 2012, is mainly due to advances made to suppliers for the South America operations, and to some funds paid for new store sites.

Taxes Recoverable – Net

The increase in the account Taxes Recoverable – Net of Taxes Payable, of 117.1 million pesos at June 30, 2012, can be attributed mainly to the favorable tax balances that resulted from the capital investments made during the year.

Deferred Income Tax

Deferred income tax increased from 602.2 million pesos at June 30, 2011, to 743.6 million pesos at June 30, 2012. This increase of 141.4 million pesos occurred mainly as a consequence of the effect of the differences in financial depreciation rates and tax rates, and to recognition of tax losses.

Suppliers

Suppliers increased from 687.8 million pesos at June 30, 2011, to 1,012.3 million pesos at June 30, 2012. This variation of 324.5 million pesos was created principally as a consequence of better negotiating conditions, which translates into an increase of six provider days, which rose from 30 to 36 days over the last twelve months and to a lesser extent, by a larger number of units in operation.

Bank Debt and Local Bonds

At June 30, 2012, Alsea's total debt had increased by 1,961.5 million pesos, closing at 3,724.3 million pesos, in comparison with 1,762.8 million pesos on the same date of the previous year. The Company's net consolidated debt compared with the second quarter of 2011 increased 1,798.9 million pesos, closing at 2,985.8 million pesos on June 30, 2012, compared with the 1,187.0 million pesos in the same quarter of the previous year. This increase is mainly attributable to the debt assumed to handle the acquisition of Italianni's, and to a lesser extent, to the capital investment needs required for the Company's organic and vertical growth.

At June 30, 2012, 90.0% of the debt was long term, and on that same date 99.0% of the debt was denominated in Mexican pesos and 1.0% in US dollars.

The following table shows the amount of total debt in millions of pesos at June 30, 2012, as well as the maturity dates by year:

	Balance	Maturities									
	2Q 12	2012	%	2013	%	2014	%	2015	%	2016	%
Bank Debt	**$2,729.8**	$121.4	4.4%	$411.3	15.1%	$610.0	22.3%	$699.3	25.6%	$887.8	32.5%
Bond Debt	**$994.5**	$0.0	0.0%	$0.0	0.0%	$994.5	100.0%	$0.0	0.0%	$0.0	0.0%
Total Debt	**$3,724.3**	**$121.4**	**3.3%**	**$411.3**	**11.0%**	**$1,604.5**	**43.1%**	**$699.3**	**18.8%**	**$887.8**	**23.8%**

Share Repurchase Program

At June 30, 2012, the Company had an approximate balance in the repurchase fund of 533 shares. During the three months ended June 30, 2012, the Company had purchase and sale operations totaling 533,005 shares, for an approximate amount of 9.2 million pesos.

Financial Ratios

At June 30, 2012, the covenants established in the Company's credit contracts were as follows: the net debt to EBITDA ratio for the last twelve months was 2.1x and the twelve-month EBITDA to twelve-month interest paid ratio was 6.4x.

The Net Return on Invested Capital ("ROIC")(4) increased from 6.6% to 7.5% over the twelve months ended June 30, 2012. The Return on Equity ("ROE")(5) for the twelve months ended June 30, 2012, was 9.3% in comparison with 4.0% for the same period in the prior year.

Financial Indicators	2Q 12	2Q 11	Variation
EBITDA(1) / Interest Paid	6.4 x	8.8 x	N.A
Net Debt / EBITDA(1)	2.1 x	1.1 x	N.A
ROIC (4)	7.5%	6.6%	90 bps
ROE (5)	9.3%	4.0%	530 bps

Stock Market Indicators	2Q 12	2Q 11	Variation
Book Value per Share	$5.11	$4.67	9.5%
EPS (12 months) (2)	0.47	$0.19	145.8%
Shares in circulation at the close of the period (million)	634.27	611.30	3.8%
Price per share at close	$17.82	$11.92	49.5%

(4) ROIC is defined as operating income after taxes (LTM) 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.

KEY NUMBERS

BRAND		UNITS 2Q-12
Domino's Pizza		**412**
	Mexico	387
	Colombia	25
Burger King		**212**
	Mexico	107
	Argentina	62
	Chile	33
	Colombia	10
Total Quick-Service Restaurant Units		**624**
Starbucks		**402**
	Mexico	348
	Argentina	54
Total Coffee Shop Units		**402**
Chili's Grill & Bar		**34**
California Pizza Kitchen		**11**
P.F. Chang's China Bistro		**9**
Pei Wei Asian Diner		**1**
Italianni's		**40**
Total Casual Dining Units		**95**
CORPORATE UNITS		**1,121**
Total Sub-Franchisee Units(6)		202
Total Associated Company Units(7)		40
TOTAL UNITS		**1,363**

(6) Sub-Franchisee units: Includes the 189 sub-franchises of Domino's Pizza Mexico, 11 franchisees of Italianni's and 2 sub- franchises of California Pizza Kitchen.
(7) Associate Units represent the operations of Starbucks Chile.

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

Diego Gaxiola Cuevas
CFO
Telephone: (5255) 5241-7151
ri@alsea.com.mx

Enrique González Casillas
Investor Relations
Telephone: (5255) 5241-7035
ri@alsea.com.mx

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT JUNE 30, 2012 Y 2011
(In thousands of nominal pesos)

	June 30, 2012	June 30, 2011
ASSETS		
Current assets:		
Cash and short-term investments	$ 738,501	$ 575,827
Clients	229,658	216,448
Other accounts and documents receivable	184,571	59,115
Inventory	511,292	391,274
Taxes recoverable	395,851	201,938
Other current assets	383,149	219,067
Current assets	2,443,022	1,663,669
Investments in shares of associated companies	37,093	22,828
Store equipment, improvements to leased locales, and property, net	3,667,486	3,150,216
Brand use rights, goodwill and pre-operations, net	2,523,541	891,280
Deferred Income Tax	743,575	602,171
Discontinued operations	0	1,392
Total Assets	**$ 9,414,717**	**$ 6,331,556**
LIABILITIES		
Short term:		
Providers	$ 1,012,291	$ 687,828
Taxes payable	226,797	149,938
Other accounts payable	808,699	572,918
Bank credits	342,440	166,176
Short-term liabilities	2,390,227	1,576,860
Long term:		
Bank credits	2,387,417	604,000
Unsecured local bonds	994,486	992,614
Other long-term liabilities	126,276	63,391
Long-term liabilities	3,508,179	1,660,005
Discontinued operations	0	53
Total Liabilities	**$ 5,898,406**	**$ 3,236,918**
SHAREHOLDERS' EQUITY		
Minority interest	272,290	255,582
Majority interest:		
Capital stock	376,595	365,117
Net premium in share placement	1,377,454	1,092,047
Accumulated income	1,371,531	867,131
Income during the year	148,254	63,344
Effects of adopting IFRS	0	487,753
Conversion effects – foreign entities	(29,813)	(36,333)
Majority interest	3,244,021	2,839,058
Total Shareholders' Equity	**3,516,311**	**3,094,640**
Total Liabilities and Shareholders' Equity	**$ 9,414,717**	**$ 6,331,557**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENT FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(In thousands of nominal pesos)

	Three months ended June 30,				Six months ended June 30.			
	2012		2011		2012		2011	
Net sales	$ 3,426,566	100.0%	$ 2,595,148	100.0%	$ 6,388,608	100%	$ 4,964,160	100%
Cost of sales	1,225,676	35.8%	898,012	34.6%	2,289,908	35.8%	1,732,680	34.9%
Gross Income	**2,200,890**	**64.2%**	**1,697,136**	**65.4%**	**4,098,700**	64.2%	**3,231,480**	**65.1%**
Operating expenses	1,773,776	51.8%	1,386,379	53.4%	3,389,862	53.1%	2,693,370	54.3%
Depreciation and amortization	196,817	5.7%	167,221	6.4%	379,363	5.9%	328,896	6.6%
Operating income	**230,297**	**6.7%**	**143,536**	**5.5%**	**329,475**	**5.2%**	**209,214**	**4.2%**
All-in cost of financing:								
Interest paid – net	56,819	1.7%	36,501	1.4%	100,973	1.6%	59,674	1.2%
Exchange rate (profit) loss	(20,215)	-0.6%	7,626	0.3%	(5,919)	-0.1%	24,623	0.5%
	36,604	1.1%	44,127	1.7%	95,054	1.5%	84,297	1.7%
Share in the results of associated companies	7,689	0.2%	2,487	0.1%	10,275	0.2%	3,225	0.1%
Income before taxes	**201,382**	**5.9%**	**101,896**	**3.9%**	**244,697**	3.8%	**128,142**	**2.6%**
Tax on earnings	63,946	1.9%	44,776	1.7%	88,891	1.4%	51,888	1.0%
Consolidate net income	**137,437**	**4.0%**	**57,121**	**2.2%**	**155,806**	2.4%	**76,254**	**1.5%**
Minority Interest	4,584	0.1%	7,058	0.3%	7,551	0.1%	12,910	0.3%
Majority net Income	**$ 132,852**	**3.9%**	**$ 50,063**	**1.9%**	**$ 148,254**	**2.3%**	**$ 63,344**	**1.3%**

ALSEA, S.A.B. DE C.V. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2012 AND 2011
(In thousands of nominal pesos)

	June 30, 2012	June 30, 2011
Operating activities:		
Consolidated result before income taxes	**$ 244,697**	**$ 128,142**
Income from investments:		
Depreciation and amortization of brands	387,509	333,010
Income or loss on sales of fixed assets	32,835	12,832
Other entries	(10,803)	(290)
Total	**654,238**	**473,693**
Clients	18,717	(9,224)
Inventory	(70,292)	(38,836)
Providers	(31,137)	(55,566)
Taxes payable	(153,951)	(120,229)
Other assets and other liabilities	2,245,140	61,903
Total	**2,008,477**	**(161,952)**
Net cash flow from operations	**2,662,715**	**311,741**
Investment activities		
Store equipment, improvements to leased locales, and property	(314,167)	(359,317)
Brand use rights, goodwill and pre-operations, net	(102,713)	(116,812)
Investments in shares of subsidiaries and associated companies	(6,699)	(2,045)
Divestment of associate, net	(1,910,006)	0
Net cash flow from investment activities	**(2,333,585)**	**(478,174)**
Cash receivable from financing activities	**329,130**	**(166,433)**
Financing activities		
Bank credits and loan payments, net	(410,365)	(127,348)
Unsecured local bonds	955	300,000
Dividend Decree	0	(122,648)
Minority interest, net	(49,388)	(2,529)
Sale (repurchase) of shares	186,188	90,915
Net cash flow from financing activities	**(272,610)**	**138,390**
Increase (decrease) net of cash	**56,520**	**(28,043)**
Adjustments to cash flow due to exchange rate variations	(57,398)	(36,333)
Cash at the beginning of the period	739,379	640,203
Cash at the end of the period	**$ 738,501**	**$ 575,827**