Alsea published information about Italianni´s Lawsuit

Mexico, D.F., February 22, 2010. Alsea, S.A.B. de C.V. (BMV: ALSEA*), the leading Quick Service Restaurant (QSR) and Casual Dining operator in Latin America, reported the information presented below.

Regarding the lawsuit that Alsea is involved in with Italianni's with respect to the sale of Italcafé S.A. de C.V., the company operating that brand in Mexico, the company states that:

- The contract that was signed established various conditions and obligations necessary for its performance:
  - The first condition was that the Comisión Federal de Competencia (Federal Commission on Competition) had to give its approval to the operation, which it did.
  - The second condition was that Italcafé had to cancel a security that it allegedly had as a financial guarantee for some shares that it allegedly owned, that had been issued by the company Grupo Amigos de San Angel, S.A. de C.V. (a company that the sellers had stated was owned by Italcafé, and that was fundamental for the sale, because it also owned 31 of the 36 restaurants that would be sold in this operation). The sellers never showed that they complied with this condition. In fact, the sellers did not prove that Italcafé was the legal owner of the company Grupo Amigos de San Angel, S.A. de C.V.
  - In addition, the contract required the sellers to provide all accounting, financial and tax information on the companies involved so that Alsea would know the true status of those companies, and so that it could determine the final price of the sale. The sellers presented incomplete and irregular information, and never agreed to use the formula defined for the price adjustment.
  - The sellers also assumed several obligations at the expense of Italcafé, which it had to comply with so that the operation could be finalized, among which were the formalization of several legal acts for which the shareholders of Italcafé were responsible, and verification of the legitimate ownership of all the assets that would be the purpose of the sale operation, including the right to develop the Italianni's brand. Those obligations were also not complied with.
- Before the closing date Alsea detected several irregularities in the companies that were to be sold. Alsea considered it impossible to conclude the acquisition process given the sellers' refusal to assume the liabilities that could have arisen from those irregularities. Alsea is a company that is traded on the Mexican Stock Exchange, and it is governed by the strictest rules of good corporate governance, which makes it impossible to undertake a transaction under those conditions, and considering the mentioned irregularities.
- Although Alsea believes it has sufficient elements to obtain a favorable ruling, following the decision in the court of first instance of the Fifth District Judge in Civil Matters in the Federal District, who sentenced Alsea to comply with the sale contract, the company states that this is only a decision from the court of first instance; this court has not assessed all the reasons explained above, and Alsea has already appealed this decision, therefore it is awaiting a ruling from the court of second instance, and possibly from an appeals court judge.

- Pursuant to the law, Alsea has at all times acted prudently, strictly adhering to the law and current rules, providing the events related to the lawsuit in a timely manner both to the regulatory authorities, as well as to the larger investment public, initially as an Outstanding Event to the Mexican Stock Exchange, and second, as revealed in the note on Commitments and Contingent Liabilities in the Company's 2008 financial statements, and finally in the 2008 Annual Report, in the chapters "Risk Factors" and "Administrative Legal Proceedings or Arbitration."

Alsea further wishes to clarify that since June 7, 2007, that is, one year before the contract was signed with the shareholders of Italcafé, agreements had been signed to participate in the company holding the rights to develop the California Pizza Kitchen brand in Mexico. At this time, a local judge has issued an injunction restricting the company's participation in companies that could represent competition to Italianni's, that is, companies in the business of casual Italian dining. However, although that injunction is being challenged by Alsea, and although on the date on which it was issued Alsea had already signed agreements to participate in the California Pizza Kitchen brand, it is important to mention that this measure is not the result of a ruling obtained from any judge or arbitration hearing brought against it. To the contrary, it deals with measures issued previously regarding an arbitration proceeding that to date has not been initiated, and that in no way affects the expansion of California Pizza Kitchen in Mexico, or any of the other brands operated by Alsea: Domino´s Pizza, Starbucks Coffee, Burger King, Chili´s Bar & Grill, and P.F. Chang's China Bistro.

Alsea believes that once the legal authorities have assessed all the evidence presented in the case, they will rule according to the Law, and in Alsea's favor, as Alsea has always acted within the framework of the conditional sale contract signed with the shareholders of Italianni's.

For more information about fourth quarter financial results, click on the link below:

http://www.bmv.com.mx/eventore/eventore_620_1266875760000.html

About Alsea

Alsea is the leading Quick Service Restaurant (QSR) and Casual Dining operator in Latin America—operating brands of proven success such as Domino's Pizza, Starbucks Coffee, Burger King, Chili's Grill & Bar, California Pizza Kitchen and PF Chang´s China Bistro. Its multi-unit operation is backed by its Shared Services Center, including the supply chain through DIA, real estate and development services, as well as administrative services such as finances, human resources and technology.

www.alsea.com.mx

Its shares are traded in the Bolsa Mexicana de Valores under the ticker ALSEA.*

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