

Monterrey, Mexico on October 25, 2007. – Grupo Famsa, S.A.B. de C.V. (BMV: GFAMSA)

Grupo Famsa's CEO, Mr. Humberto Garza Valdéz, reports on the company's third quarter 2007 results. Quarterly and year-to-date comparisons.

#### Letter from the CEO

Mr. Humberto Garza Valdez, Chief Executive Officer of Grupo Famsa, stated: Grupo Famsa maintains a firm commitment to its growth strategy made up of three main components: 1) Mexico, 2) United States and 3) Banco Ahorro Famsa. During this third quarter we continue making significant progress on each of these fronts, with the clear objective of strengthening our position in the market and creating a solid business foundation around consumer credit. In Mexico, despite the generalized slowdown in consumption, we increased our selling area with the opening of 7 new stores. In the United States, we have rapidly increased our sales volume due to the remarkable reaction our products and services have had in that market. This has also allowed us to reach economies of scale that consistently improve our operating margin (EBITDA). In addition, we also opened one new store in Arizona, and successfully concluded the integration of the 12 *La Canasta* stores. Finally, despite having started its operation just a few months ago, Banco Ahorro Famsa has obtained a very positive response from our customers. We now have more than 63 banking branches operating in Mexico City, Monterrey, Tlaxcala and Saltillo.

#### Breakdown of Store and Banking Branch openings 3Q07

	3Q07	2007 (Jan-Sep)	Total
Mexico	7	21	343
United States	1	15	39
Banking Branches	18	63	63
Loan Booths*			54

\* Loan booths will be substituted by banking branches as the implementation of the bank proceeds

#### Selected Consolidated Financials

(millions of pesos as of September 2007)

	Quarter			Cumulative		
	3Q07	3Q06	Growth	2007 (Jan-Sep)	2006 (Jan-Sep)	Growth
Net Sales	3,322	3,021	9.9%	9,761	8,846	10.3%
Cost of Sales	1,829	1,713	6.8%	5,312	4,967	6.9%
Gross Income	1,493	1,309	14.1%	4,449	3,879	14.7%
Operating Expenses	1,244	1,045	19.1%	3,583	3,053	17.4%
Operating Income	248	264	-5.9%	866	825	4.9%
EBITDA	325	326	-0.1%	1,087	1,012	7.4%
Net Income	97	66	48.1%	354	267	32.3%

**Sales.**

During the third quarter of 2007, our net consolidated sales rose to \$3,322 million pesos, which represents a growth in real terms of 9.9% when compared to the same period in 2006. In Mexico, sales rose 1.2%, and in the United States, sales reached levels greater than \$717 million pesos, which represents an increase of 62% compared to 3Q06. Net consolidated sales of stores operating for more than 12 months (sales same stores) decreased -3.3% in real terms from 3Q06 to 3Q07. In the United States, we continue experiencing extraordinary growth as a result of unparalleled customer satisfaction and greater brand awareness (especially among the Hispanic population). However, growth in Mexico has been less than expected due to a slowdown in consumption. The country's economic deceleration, as well as unfavorable climate conditions in some regions (more rainfall, and a cooler summer than expected that affects sales of seasonal products), have resulted in a reduced number of people visiting our stores (traffic), a reduced average purchase per customer (average sales ticket) and a decrease in the total figure for cash sales. On the other hand, the liquidity of the Mexican economy during 2006 (as a result of the elections) and the increased demand in Electronics generated by the World Cup, present a tough comparable figure (3Q06).

**Net Sales Breakdown**

(millions of pesos as of September 2007)

	Quarter			Cumulative		
	3Q07	Growth (vs. 3Q06)	Same Stores	2007 (Jan-Sep)	Growth (vs. 2006)	Same Stores
Consolidated*	\$3,322	9.9%	-3.3%	\$ 9,761	10.3%	-0.4%
Mexico	\$2,588	1.2%	-7.3%	\$ 7,744	4.0%	-2.4%
United States	\$717	62.0%	13.9%	\$ 1,951	48.9%	13.6%

\* Includes the sales figure for other businesses (non-retail) and the effect of inter-segment transactions

**Cost of Sales.**

The Cost of Sales during the 3Q07 decreased to 55.1% of sales compared to the 56.7% it represented during 3Q06. Consequently, the gross income increased 160 basis points. The decrease in the Cost of sales, as a percentage, is due mainly to an increase in the credit sales mix, which represented more than 83% of total retail sales during the third quarter. Aside from the growth in credit sales in Mexico, as our operation in the United States increases, our credit sales on a consolidated basis will continue growing given the greater credit/cash sales mix in that country.

**Operating Expenses.**

During the third quarter 2007, the operating costs reached \$1,244 million pesos, or 37.5% of sales. This means an increase of 19.1% when compared to 2006; period in which the operating costs represented 34.6% of sales. This increase is mainly the result of two elements: one, expenses regarding the opening of new stores (47 stores in the last 12 months) and two, expenses related to the implementation of the bank. The opening of new stores results in additional fixed costs for items such as rent, salaries and utilities with little offsetting sales during the development period. As for the bank, its direct cost represented 100 basis points of sales during 3Q07, and was virtually zero during 3Q06. If we had not incurred in the expenses for the bank, the consolidated EBITDA margin would have maintained its 3Q06 level of 10.8% of sales. However, both the new store and bank expenses are necessary in order for us to establish the solid business foundation we seek through our growth strategy.

**EBITDA Margin as a percentage of sales**  
(as of September 2007)

	Quarter		Cumulative	
	3Q07	3Q06	2007 (Jan-Sep)	2006 (Jan-Sep)
Consolidated*	9.8%	10.8%	11.1%	11.4%
Mexico	9.1%	11.2%	10.9%	11.8%
United States	10.1%	5.1%	9.1%	4.6%

\* Includes the sales figure for other businesses (non-retail) and the effect of inter-segment transactions

**Comprehensive Financing Expense.**

The Comprehensive Financing Expense increased \$39.6 million pesos in real terms, with regards to 3Q06, and is now at \$183.5 million pesos; representing 5.5% of sales, compared to the 4.8% recorded for last year. The increase results from the 48.4% increase in the company's net debt when compared to 3Q06. At that time, Grupo Famsa's net debt was less than usual, due to the reduction we achieved using funds from our initial public offer. The increase in net debt has been used to fund the working capital (portfolio, equipment for new stores and inventory) needed to continue our growth plans.

**Net Income.**

Net Income for 3Q07 increased by 48.1% in real terms with regards to the same period last year, and is now \$97.1 million pesos.

**Famsa Inc. (United States)**

The market in the United States has had an outstanding reaction to the products and services we offer. Proof of this is the tremendous increase in sales we have achieved in total stores, as well as in same store sales. Our operations in that country now represent almost 22% of Grupo Famsa's retail sales during 3Q07. Through this sales growth we have been able to achieve significant economies of scale that have consistently increased our operating margin (EBITDA), which is now over 9% of sales. Famsa Inc. contributes to the strengthening the company's position by opening the doors to an enormous potential market outside Mexico.

**Banco Ahorro Famsa.**

We continue making progress with our plan to implement the bank in all stores. We have 63 banking branches in operation at the end of 3Q07, and we estimate that by the end of the year we will have approximately 177. It is important to consider that the opening of each banking branch does not imply only equipment for the store, but also hiring and training new staff. On the other hand, we have been very careful during the implementation process, not to cause any inconvenience to our customers. Moreover, all our efforts have been well received by the public who visits our stores that already have a Banco Ahorro Famsa. As a result, 50,000 savings accounts have been opened and more than 17,000 personal loans have been granted during these first months of operation. Furthermore, we have already started a pilot program to grant consumer credit loans through the bank, and not through our commercial business. We continue working on establishing an income base for the bank that is sufficient to cover its expenses, as soon as possible. Once our implementation plan concludes, Banco Ahorro Famsa will significantly contribute to achieve the solid business foundation we seek, by improving our value proposition to our clients and decreasing the company's cost of funding.

In conclusion, Grupo Famsa has solid fundamentals that allow us to continue growing a sustainable business. The growth of our operations in the United States, as well as the

advances in the implementation of Banco Ahorro Famsa, serve as tangible evidence for the effective implementation of our growth strategy. On the other hand, despite the slowdown in consumption experienced in Mexico, we continue with our growth plan in the country in order to achieve significant growth as soon as consumer spending shows some signs of recovery.

**GRUPO FAMSA, S.A.B. DE C.V. AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEET AT SEPTEMBER 30, 2007 WHIT COMPARATIVE FIGURES FOR 2006**  
**Thousands of Mexican Pesos of September 30, 2007 Purchasing Power**

<b><u>Assets</u></b>	<b><u>2007</u></b>		<b><u>2006</u></b>	
<b>CURRENT ASSETS</b>				
Cash and temporary investments	\$ 642,258	4.1%	\$ 299,768	2.4%
Trade accounts receivable	8,708,177	56.2%	6,958,717	55.1%
Taxes recoverable	376,251	2.4%	430,272	3.4%
Other accounts receivable	417,430	2.7%	383,905	3.0%
Inventories	2,416,627	15.6%	2,203,129	17.4%
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Total current assets	12,560,743	81.1%	10,275,791	81.3%
 <b>PROPERTY, LEASEHOLD IMPROVEMENTS AND FURNITURE AND EQUIPMENT</b>				
	2,321,335	15.0%	1,778,265	14.1%
 <b>GOODWILL</b>				
	237,494	1.5%	237,494	1.9%
 <b>DEFERRED CHARGES</b>				
	299,972	1.9%	272,722	2.2%
 <b>OTHER ASSETS</b>				
	72,850	0.5%	75,772	0.6%
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Total assets	\$ 15,492,394	100.0%	\$ 12,640,044	100.0%
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	<b><u>2007</u></b>		<b><u>2006</u></b>	
<b><u>Liabilities and Stockholders' Equity</u></b>				
<b>CURRENT LIABILITIES:</b>				
Short-term debt	\$ 2,374,927	15.3%	\$ 331,445	2.6%
Suppliers	1,581,564	10.2%	1,354,424	10.7%
Deferred value added tax	678,882	4.4%	585,911	4.6%
Accounts payable and accrued expenses	375,342	2.4%	202,319	1.6%
Income tax and asset tax payable	59,393	0.4%	45,696	0.4%
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Total current liabilities	5,070,108	32.7%	2,519,795	19.9%
 <b>LONG-TERM LIABILITIES:</b>				
Long-term debt	3,441,934	22.2%	3,456,035	27.3%
Deferred income tax	573,958	3.7%	858,299	6.8%
Estimated liability for labor benefits	130,943	0.8%	70,576	0.6%
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Total long-term liabilities	4,146,835	26.8%	4,384,910	34.7%
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Total liabilities	9,216,943	59.5%	6,904,705	54.6%
 <b>STOCKHOLDERS' EQUITY:</b>				
Capital stock	2,221,252	14.3%	2,216,637	17.5%
Paid in capital	2,080,218	13.4%	2,024,498	16.0%
Retained earnings	3,431,195	22.1%	2,898,866	22.9%
Net income	353,798	2.3%	267,491	2.1%
Deficit on restatement of capital	(1,822,328)	-11.8%	(1,683,494)	-13.3%
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Total majority interest	6,264,135	40.4%	5,723,998	45.3%
 <b>Minority interest</b>				
	11,316	0.1%	11,341	0.1%
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Total stockholders' equito	6,275,451	40.5%	5,735,339	45.4%
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Total liabilities and stockholders' equity	\$ 15,492,394	100.0%	\$ 12,640,044	100.0%
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**GRUPO FAMSA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FROM JANUARY 1ST TO SEPTEMBER 30, 2007 AND 2006**  
**Thousands of Mexican Pesos of September 30, 2007 Purchasing Power**

	<u>2007</u>		<u>2006</u>	
Net sales	\$ 9,760,935	100.0%	\$ 8,845,843	100.0%
Cost of sales	(5,311,651)	-54.4%	(4,967,148)	-56.2%
Gross margin	4,449,284	45.6%	3,878,695	43.8%
Operating expenses	(3,583,191)	-36.7%	(3,053,375)	-34.5%
Operating income	866,093	8.9%	825,320	9.3%
Comprehensive financing expense, net	(483,321)	-5.0%	(413,684)	-4.7%
	382,772	3.9%	411,636	4.7%
Other income, net	2,509	0.0%	11,602	0.1%
Income before income tax	385,281	3.9%	423,238	4.8%
Income tax	(31,523)	-0.3%	(155,450)	-1.8%
	(31,523)	-0.3%	(155,450)	-1.8%
Consolidated net income	353,758	3.6%	267,788	3.0%
Net income (loss) corresponding to minority interest	40	0.0%	(297)	-0.0%
Net income corresponding to majority interest	\$ 353,798	3.6%	\$ 267,491	3.0%

**GRUPO FAMSA, S.A.B. DE C.V. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**FROM JANUARY 1ST TO SEPTEMBER 30, 2007 AND 2006**  
**Thousands of Mexican Pesos of September 30, 2007 Purchasing Power**

	<b><u>2007</u></b>	<b><u>2006</u></b>
<b><u>Operations</u></b>		
Net income	\$ 353,798	\$ 267,491
Items not affecting resources:		
Depreciation and amortization	220,941	186,990
Allowance for doubtful accounts	214,406	195,307
Deferred income tax	(137,341)	49,230
Estimated liability for labor benefits	21,659	8,540
	<u>673,463</u>	<u>707,558</u>
Changes in working capital other than financing:		
Trade accounts receivable	(1,174,506)	(534,707)
Inventories	(151,565)	(217,986)
Suppliers	(380,722)	(639,634)
Other, net	129,226	(126,629)
	<u>(1,577,567)</u>	<u>(1,518,956)</u>
Resources used in operating activities before the effect of adoption of new accounting standards	(904,104)	(811,398)
Effect of adoption of new accounting standards		
Resources used in operating activities	<u>(904,104)</u>	<u>(811,398)</u>
<b><u>Financing</u></b>		
Bank loans and long-term debt, net	1,614,063	(538,372)
Increase in capital stock	59,996	1,601,024
Minority interest, net	6	624
Resources provided by financing activities	<u>1,674,065</u>	<u>1,063,276</u>
<b><u>Investment</u></b>		
Investment Property, leasehold improvements and furniture and equipment, net	(661,075)	(212,485)
Increase (decrease) in cash and temporary investments	108,886	39,393
Cash and temporary investments at beginning of year	<u>533,372</u>	<u>260,375</u>
Cash and temporary investments at end of year	<u>\$ 642,258</u>	<u>\$ 299,768</u>