



Fourth Quarter 2007
BMV: GFAMSA

Monterrey, México. February 14, 2008 – Grupo Famsa S.A.B. de C.V. (BMV: GFAMSA)

Grupo Famsa's CEO, Mr. Humberto Garza Valdéz, reports on the company's fourth quarter 2007 results. Quarterly and annual comparisons.

Letter from the CEO

Mr. Humberto Garza Valdez, Chief Executive Officer of Grupo Famsa, stated: Grupo Famsa continues strengthening its position through the constant development of a complementary business portfolio based on consumer credit. Throughout 2007, and especially during the fourth quarter, the company has achieved significant progress in each of its three main growth fronts: 1) Famsa Mexico, 2) Famsa Inc.(USA) and 3) Banco Ahorro Famsa. By year-end, Famsa Mexico had 351 stores, 8 of which started operations between October and December 2007. In spite of the consumer spending slowdown experienced since 2Q07, Grupo Famsa increased its selling area in Mexico by more than 19% and ratifies its commitment to rapidly expand its store network due to this market's enormous potential. Targeting the Hispanic market through a value offer that is superior to the competitors', has allowed Famsa Inc. to consistently gain market share in the United States. This increase, along with the consolidation of our operations in the different regions where we operate, is the foundation for Famsa Inc.'s solid results. Lastly, Banco Ahorro Famsa, which is currently one of the company's main initiatives in its constant effort to enhance its financial product offering, started operations this year. The results of our bank have been extraordinary. We installed 176 banking branches in our Mexico stores throughout the year; 113 during the fourth quarter alone. Additionally, as a result of the very favorable response from our customers, we reached 100,000 savings accounts by mid-January 2008.

Breakdown of Store and Banking Branch openings 2007

Stores

	<i>1T07</i>	<i>2T07</i>	<i>3T07</i>	4T07	2007	<i>Total</i>
Mexico	2	12	7	8	29	351
United States	1	13	1	0	15	39
Total	3	25	8	8	44	390
Banking Branches	15	30	18	113	176	176

Area (M²)

	<i>1T07</i>	<i>2T07</i>	<i>3T07</i>	4T07	2007	<i>Total</i>
Mexico	3,809	14,113	11,822	12,847	42,591	395,341
United States	2,325	31,774	2,790	-	36,889	98,984
Total	6,134	45,887	14,612	12,847	79,480	494,325

Selected Consolidated Financials
(millions of pesos as of December 2007)

	Quarterly			Annual		
	4Q07	4Q06	Growth	2007	2006	Growth
Net Sales	4,272	3,879	10.1%	14,181	12,859	10.3%
Cost of Sales	<u>2,306</u>	<u>2,225</u>	3.6%	<u>7,692</u>	<u>7,268</u>	5.8%
Gross Income	1,966	1,654	18.9%	6,489	5,591	16.0%
Operating Expenses	<u>1,523</u>	<u>1,213</u>	25.6%	<u>5,160</u>	<u>4,312</u>	19.7%
Operating Income	443	441	0.4%	1,329	1,279	3.9%
EBITDA	544	543	0.3%	1,654	1,571	5.3%
Net Income	161	269	-40.2%	520	541	-3.8%

Sales

Grupo Famsa's net sales during the fourth quarter reached \$4,272 million pesos, which represents a 10.1% increase in real terms with respect to 2006. In Mexico, quarterly sales grew 2.2% to \$3,421 million pesos. On the other hand, sales in the United States increased \$330 million pesos in real terms throughout the fourth quarter. This absolute increase represents 66.5% of Famsa Inc.'s sales volume during last year's comparable period.

Also in real terms, the sales of stores with more than 12 months of operation (Same Store Sales) decreased 2.6% during the fourth quarter on a consolidated basis. In the United States, despite facing a tough comparable (SSS 4Q06: 18.9%), the company achieved a same store sales increase of 8.9%. This result reflects the remarkable acceptance our products and services have had among the Hispanic market. High customer satisfaction through differentiated customer service, as well as a significant increase in brand recognition, has allowed us to consistently grow our market share in the United States. Alternatively, same store sales in Mexico decreased 3.5% in real terms during the fourth quarter. The consumption environment in the country continues to be affected by a considerable decrease in consumer confidence. This sentiment causes some purchases to be postponed, especially those involving durable goods. Electronics, Furniture, and White Goods have experienced significant decreases. Additionally, cash sales have had the most significant decline under the current situation.

Net Sales Breakdown
(millions of pesos as of December 2007)

	Quarterly			Annual		
	4Q07	Growth (vs. 4Q06)	SSS	2007	Growth (vs. 2006)	SSS
Consolidated*	\$4,272	10.1%	-2.6%	\$14,181	10.3%	-1.3%
Mexico**	\$3,421	2.2%	-3.5%	\$11,283	3.4%	-2.7%
United States	\$828	66.5%	8.9%	\$2,808	53.7%	10.7%

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

** Includes Banco Ahorro Famsa

Cost of Sales

The Cost of Sales was \$2,306 millions pesos, or 54.0% of sales during the quarter. This figure shows a 340 basis point improvement with respect to the same period in 2006, when the Cost of Sales was 57.4% of sales. The decrease in the proportion of Cost of Sales vs. sales can be attributed to a significant increase in the overall credit sales mix, which represented 84.3% of retail sales during the fourth quarter. Furthermore, the growth in our US operations contributes to lowering our consolidated Cost of Sales due to a higher margin product mix and a larger proportion of credit sales in that market.

Operating Expenses

During the fourth quarter, the company's operating expenses represented 35.6% of sales, compared to the 31.3% figure recorded at the end of 4Q06. In real terms, expenses increased by \$310 million pesos driven mainly by two elements: 1) the opening of 44 new stores in the last twelve months, and 2) the implementation of Banco Ahorro Famsa. Besides the absolute increase of our expenses in real terms, the slowdown in sales contributes considerably to the relative increase (% of sales) described above, given the fixed nature of some of our costs. It is important to underline the disciplined credit-granting approach that Grupo Famsa continues to follow, reflected in the stable expense due to uncollectible accounts which represented 3.0% (vs. 2.8% 2006) of consolidated credit sales. Going back to the two cost drivers mentioned above, it is essential to point out that the 44 new stores require additional expenses such as rent, payroll, utilities, etc. throughout their development stage. On the other hand, besides the back-office related bank costs, during the fourth quarter we carried out an aggressive plan to open 113 banking branches within our stores. Even though most of the banking branch expenses were already being absorbed by the store, there are some additional costs (mainly due to hiring bank promoters). The additional expense associated with the implementation of Banco Ahorro Famsa represented approximately 0.9% of sales during the last quarter. It is important to emphasize that Grupo Famsa is constantly looking for operating efficiencies, however, the additional costs related to the opening of new stores as well as the implementation of our bank, allow us to develop a more solid business portfolio around consumer credit.

EBITDA Margin as a percentage of sales (as of December 2007)

	Quarterly		Annual	
	4Q07	4Q06	2007	2006
Consolidated*	12.7%	14.0%	11.7%	12.2%
Mexico**	11.5%	12.2%	11.1%	11.9%
United States	7.9%	8.4%	8.8%	5.7%

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

** Includes Banco Ahorro Famsa

Comprehensive Financing Expense

The Comprehensive Financing Expense grew 29.0% during 4Q07, reaching \$190 million pesos. This increase is mainly due to a 46.8% real growth in Grupo Famsa's Net Debt. The change in Net Debt is in line with the plans we carried out to reduce debt during 2006 with the proceeds from our IPO, and refinance as our operation required us to do so. The additional debt has been used to fund the capital needs (mainly receivables, inventory and expenditures for new stores) our growth plan requires.

Net Income

Net Income during the fourth quarter was \$161 million pesos, which represents a decrease in real terms of 40.2%. This decrease was mainly due to an important increase in deferred income taxes during the period. Furthermore, 2007 Net Income was \$520 million pesos, decreasing 3.8% when compared to 2006.

Famsa Inc. (USA)

Famsa Inc. continues expanding in the United States given the great acceptance its products and services have had. The sales volume of the subsidiary currently represents 19.9% of Grupo Famsa's retail sales. The hispanic market we serve values the personalized service we provide, the wide variety of products we offer, and our ability to deliver goods both in Mexico and in the US (Famsa-to-Famsa). Through this differentiated value offer, as well as a disciplined store expansion plan, and despite the challenging market conditions, Famsa Inc. achieved 53.7% total sales growth and 10.7% same store sales growth during 2007. The firm discipline in our credit granting approach, in addition to our credit management and collection experience is reflected in our ability to sustain stable receivables.

Besides allowing the subsidiary to reach more attractive levels of profitability through greater scale, the geographic expansion within the United States diversifies our risk to specific market conditions in some regions. For example, while a slowdown in construction was experienced in Nevada and some parts of southern California (Los Angeles), the conditions in Texas and northern California (Fresno and Sacramento) have remained strong. Through Famsa Inc.'s successful business model, Grupo Famsa has access to a very attractive market outside Mexico that enhances our complementary business portfolio.

Banco Ahorro Famsa

Banco Ahorro Famsa has now 176 banking branches within Famsa stores throughout Mexico. During the fourth quarter alone, we added 113 new branches. It is important to note the extraordinary response we have received from the customers who visit Famsa stores. By mid-January we had reached 100,000 savings accounts. The regular store traffic and the more than 1.2 million active accounts our retail business holds, are some of the synergies that are starting to be reflected in the bank's operation. Furthermore, the team's coordination to ensure the roll-out of the banking branches along with the recruiting and training of personnel, have been fundamental in the achievement of such positive results. Nevertheless, our goal is to cover the rest of the Famsa store network in Mexico during 2008, reaching more than 300 banking branches. Currently, all of the bank's efforts are focused in establishing a sustainable and self-sufficient business base as soon as possible. In this first stage, the proceeds from the savings accounts are being used to fund personal loans. Our plan is to eventually fund the whole commercial operation through the deposits from the banking branches within our stores. Besides benefiting from the company's retail operations in Mexico, Banco Ahorro Famsa complements our business portfolio by improving our value offer to customers and reducing Grupo Famsa's cost of funding.

Grupo Famsa will continue focusing its efforts in strengthening the solid fundamentals it currently holds. By doing this, we will continue to enhance our complementary business base around consumer credit. During 2008, our network will be increased with 45 new stores (30 in Mexico and 15 in the United States). The company's continued expansion in Mexico, despite the consumer spending slowdown, reflects our long term focus and the enormous potential we see in the Mexican market as soon as the conditions improve. Additionally, the substantial achievements in both Banco Ahorro Famsa and Famsa Inc. serve as tangible evidence of the effective execution of our growth strategy.

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

CONSOLIDATED BALANCE SHEET AT DECEMBER 31, 2007

Thousands of Mexican Pesos of December 31, 2007 Purchasing Power

	<u>2007</u>		<u>2006</u>	
<u>Assets</u>				
CURRENT ASSETS				
Cash and temporary investments	\$ 324,042	2.0%	\$ 541,460	3.8%
Trade accounts receivable	9,793,858	60.0%	7,865,575	55.8%
Taxes recoverable	329,842	2.0%	329,695	2.3%
Other accounts receivable	446,140	2.7%	540,303	3.8%
Inventories	2,344,380	14.4%	2,339,786	16.6%
Total current assets	13,238,262	81.0%	11,616,819	82.4%
PROPERTY, LEASEHOLD IMPROVEMENTS AND FURNITURE AND EQUIPMENT				
	2,500,983	15.3%	1,893,780	13.4%
GOODWILL				
	241,096	1.5%	241,096	1.7%
DEFERRED CHARGES				
	281,443	1.7%	266,377	1.9%
OTHER ASSETS				
	73,798	0.5%	87,284	0.6%
Total assets	\$ 16,335,582	100.0%	\$ 14,105,356	100.0%
<u>Liabilities and Stockholders' Equity</u>				
CURRENT LIABILITIES:				
Short-term debt	\$ 2,253,964	13.8%	\$ 821,128	5.8%
Suppliers	1,897,330	11.6%	1,992,044	14.1%
Deferred value added tax	667,994	4.1%	581,473	4.1%
Accounts payable and accrued expenses	706,623	4.3%	355,144	2.5%
Income tax and asset tax payable	31,974	0.2%	39,779	0.3%
Total current liabilities	5,557,885	34.0%	3,789,568	26.9%
LONG-TERM LIABILITIES:				
Long-term debt	3,540,139	21.7%	3,445,405	24.4%
Deferred income tax	618,264	3.8%	749,192	5.3%
Estimated liability for labor benefits	137,871	0.8%	130,276	0.9%
Total long-term liabilities	4,296,274	26.3%	4,324,873	30.7%
Total liabilities	9,854,159	60.3%	8,114,441	57.5%
STOCKHOLDERS' EQUITY:				
Capital stock	2,254,937	13.8%	2,250,252	16.0%
Paid in capital	2,111,763	12.9%	2,055,544	14.6%
Retained earnings	3,483,229	21.3%	2,942,712	20.9%
Net income	519,940	3.2%	540,515	3.8%
Deficit on restatement of capital	(1,900,236)	-11.6%	(1,809,589)	-12.8%
Total majority interest	6,469,633	39.6%	5,979,434	42.4%
Minority interest	11,790	0.1%	11,481	0.1%
Total stockholders' equity	6,481,423	39.7%	5,990,915	42.5%
Total liabilities and stockholders' equity	\$ 16,335,582	100.0%	\$ 14,105,356	100.0%

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

CONSOLIDATED STATEMENTS OF INCOME FROM OCTOBER 1ST TO DECEMBER 31, 2007 AND 2006

Thousands of Mexican Pesos of December 31, 2007 Purchasing Power

	<u>4Q07</u>		<u>4Q06</u>	
Net sales	\$	4,271,934 100.0%	\$	3,878,937 100.0%
Cost of sales		<u>(2,305,992) -54.0%</u>		<u>(2,224,925) -57.4%</u>
Gross margin		1,965,942 46.0%		1,654,012 42.6%
Operating expenses		<u>(1,522,734) -35.6%</u>		<u>(1,212,686) -31.3%</u>
Operating income		443,208 10.4%		441,326 11.4%
Comprehensive financing expense, net		<u>(189,860) -4.4%</u>		<u>(147,188) -3.8%</u>
		253,348 5.9%		294,138 7.6%
Other income, net		<u>819 0.0%</u>		<u>2,331 0.1%</u>
Income before income tax		<u>254,167 5.9%</u>		<u>296,469 7.6%</u>
Income tax		<u>(93,103) -2.2%</u>		<u>(27,612) -0.7%</u>
Consolidated net income		<u>161,064 3.8%</u>		<u>268,857 6.9%</u>
Net income (loss) corresponding to minority interest		<u>(299) -0.0%</u>		<u>107 0.0%</u>
Net income corresponding to majority interest	\$	<u>160,765 3.8%</u>	\$	<u>268,964 6.9%</u>

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

CONSOLIDATED STATEMENTS OF INCOME FROM JANUARY 1ST TO DECEMBER 31, 2007 AND 2006

Thousands of Mexican Pesos of December 31, 2007 Purchasing Power

	<u>2007</u>		<u>2006</u>	
Net sales	\$ 14,181,236	100.0%	\$ 12,859,234	100.0%
Cost of sales	<u>(7,692,122)</u>	<u>-54.2%</u>	<u>(7,267,574)</u>	<u>-56.5%</u>
Gross margin	6,489,114	45.8%	5,591,660	43.5%
Operating expenses	<u>(5,160,388)</u>	<u>-36.4%</u>	<u>(4,312,472)</u>	<u>-33.5%</u>
Operating income	1,328,726	9.4%	1,279,188	9.9%
Comprehensive financing expense, net	<u>(680,528)</u>	<u>-4.8%</u>	<u>(567,163)</u>	<u>-4.4%</u>
	648,198	4.6%	712,025	5.5%
Other income, net	<u>(2,894)</u>	<u>-0.0%</u>	<u>14,111</u>	<u>0.1%</u>
Income before income tax	<u>645,304</u>	<u>4.6%</u>	<u>726,136</u>	<u>5.6%</u>
Income tax	<u>(125,105)</u>	<u>-0.9%</u>	<u>(185,426)</u>	<u>-1.4%</u>
Consolidated net income	<u>520,199</u>	<u>3.7%</u>	<u>540,710</u>	<u>4.2%</u>
Net income (loss) corresponding to minority interest	<u>(259)</u>	<u>-0.0%</u>	<u>(195)</u>	<u>-0.0%</u>
Net income corresponding to majority interest	\$ <u>519,940</u>	<u>3.7%</u>	\$ <u>540,515</u>	<u>4.2%</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION **FROM JANUARY 1ST TO DECEMBER 31, 2007 AND 2006**

Thousands of Mexican Pesos of December 31, 2007 Purchasing Power

	<u>2007</u>	<u>2006</u>
<u>Operations</u>		
Net income	\$ 519,940	\$ 540,515
Items not affecting resources:		
Depreciation and amortization	325,482	291,353
Allowance for doubtful accounts	367,742	286,643
Deferred income tax	(72,593)	66,709
Estimated liability for labor benefits	30,287	30,458
	<u>1,170,858</u>	<u>1,215,678</u>
Changes in working capital other than financing:		
Trade accounts receivable	(2,296,024)	(1,432,781)
Inventories	(95,241)	(425,630)
Suppliers	(94,714)	(32,175)
Other, net	420,114	(161,622)
	<u>(2,065,865)</u>	<u>(2,052,208)</u>
Resources used in operating activities before the effect of adoption of new accounting standards	(895,007)	(836,530)
Effect of adoption of new accounting standards		
Resources used in operating activities	<u>(895,007)</u>	<u>(836,530)</u>
<u>Financing</u>		
Bank loans and long-term debt, net	1,527,569	(124,750)
Increase in capital stock	60,904	1,625,678
Minority interest, net	309	601
Resources provided by financing activities	<u>1,588,782</u>	<u>1,501,529</u>
<u>Investment</u>		
Property, leasehold improvements and furniture and equipment, net	(911,193)	(387,852)
Increase (decrease) in cash and temporary investments	(217,418)	277,147
Cash and temporary investments at beginning of year	<u>541,460</u>	<u>264,313</u>
Cash and temporary investments at end of year	\$ <u>324,042</u>	\$ <u>541,460</u>